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## SA SA INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 178)

### Unaudited Operational Update for the Third Quarter ended 31 December 2011

#### Highlights

##### Group - Retail & Wholesale

	<i>3 months ended 31 December 2011</i>	<i>9 months ended 31 December 2011</i>
Group turnover (HK\$ million)	1,805.8	4,591.8
YoY % change	+28.9%	+31.2%
Group turnover (HK\$ million) <i>(Excluded adjustments under HK(IFRIC) – Int 13 in respect of bonus points system*)</i>	1,845.3	4,662.4
YoY % change	+31.8%	+33.2%

##### HK & Macau - Retail & Wholesale

Retail & wholesale sales growth (HK\$ million)	1,451.9	3,656.9
YoY % change	+25.9%	+31.4%
Retail & wholesale sales growth (HK\$ million) <i>(Excluded adjustments under HK(IFRIC) – Int 13 in respect of bonus points system*)</i>	1,490.7	3,726.5
YoY % change	+29.2%	+33.9%
Same store sales growth		
YoY % change	+20.7%	+22.7%
Same store sales growth <i>(Excluded adjustments under HK(IFRIC) – Int 13 in respect of bonus points system*)</i>		
YoY % change	+24.1%	+25.2%
Average sales per transaction (HK\$)	362	328
YoY % change	+10.9%	+13.6%
Total no. of transactions (million)	3.9	10.8
YoY % change	+13.9%	+15.5%

\* Adjustments according to Hong Kong International Financial Reporting Interpretation Committee - Interpretation 13 on the bonus points system.

The Board of Directors of Sa Sa International Holdings Limited announces the unaudited operational update of the Company and its subsidiaries (the “Group”) for the three months and nine months ended 31 December 2011.

For the three months ended 31 December 2011, the Group recorded satisfactory retail and wholesale turnover with a year-on-year growth of 28.9%. We have been able to hold onto robust growth and expansion against the backdrop of the weaknesses in the U.S. economy and the sovereign debt crisis in the Eurozone.

For the quarter, the growth momentum of the Group’s retail business in Hong Kong and Macau continued. Turnover in these regions rose by 25.9%, with same store sales growth of 20.7%, and the number of transactions and average value per transaction increased by 13.9% and 10.9% respectively, driven by the continuous increase in demand fueled by the local consumers and tourists. According to the Hong Kong Tourism Board’s provisional statistics, visitor arrivals to Hong Kong in 2011 reached a new record of 41.9 million, representing a year-on-year growth of 16.4%. During the recent Christmas high season, the Group’s single-day turnover hit record high in Sa Sa’s history to over HK\$30 million in Hong Kong and Macau.

The Group’s retail and wholesale turnover in other markets also recorded a year-on-year sales growth of 43.3% in the third quarter, with notable increase in the Mainland China market.

The Group had a net increase of 18 stores and 1 counter to its network in the third quarter, including 3 stores in the Hong Kong and Macau market, 9 stores and 1 counter in Mainland China, 1 store in Singapore, 2 stores in Malaysia and 3 stores in Taiwan. The Group’s retail network had a total of 246 stores as at 31 December 2011, including 25 counters and 5 clearance outlets.

#### Number of Stores/Counters by Market

	As at 31 December 2011	As at 30 September 2011
Hong Kong & Macau	89*	86**
Mainland China	70 <sup>#</sup>	60 <sup>##</sup>
Singapore	21	20
Malaysia	41	39
Taiwan	25 <sup>^</sup>	22 <sup>^</sup>
<b>Total</b>	<b>246</b>	<b>227</b>

\* Include 2 counters and 5 clearance outlets

\*\* Include 2 counters and 4 clearance outlets

# Include 22 counters

## Include 21 counters

^ Include 1 counter

Looking ahead, the Group remains cautiously optimistic on the retail sector of the Asian region. Although there may be cyclical downturns along the way, the overall prognosis for cosmetics retail sector is positive based on rising affluence in the region, in particular in the Mainland China market. The Group will continue to enhance brand recognition and operational efficiency, diversify our product portfolio and expand retail network to sharpen competitiveness, gain market share as well as increase scalability, cementing our position as the leading cosmetics retailer in Asia.

The Board wishes to remind investors that the above operational data for the three months and nine months ended 31 December 2011 are based on the unaudited management accounts of the Group which have not been reviewed or audited by the auditors of the Company.

Shareholders and potential shareholders of the Company are cautioned not to unduly rely on such data and are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board  
**KWOK Siu Ming Simon**  
*Chairman and chief executive officer*

Hong Kong, 11 January 2012

As at the date of this announcement, the directors of the Company are:-

***Executive Directors***

Dr KWOK Siu Ming Simon, *BBS, JP* (Chairman and chief executive officer)

Dr KWOK LAW Kwai Chun Eleanor, *BBS* (Vice-chairman)

Mr LOOK Guy (Chief financial officer)

***Non-executive Directors***

Mrs LEE LOOK Ngan Kwan Christina

Mr TAN Wee Seng

***Independent Non-executive Directors***

Professor CHAN Yuk Shee, *PhD, BBS, JP*

Dr LEUNG Kwok Fai Thomas, *PhD, BBS, JP*

Ms TAM Wai Chu Maria, *GBS, JP*

Ms KI Man Fung Leonie, *SBS, JP*