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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 2012

Highlights

Group - Retail & Wholesale

	<i>3 months ended 31 December 2012</i>	<i>9 months ended 31 December 2012</i>
Group turnover (HK\$ million)	2,173.4	5,550.8
YoY % change	+20.4%	+20.9%
Group turnover (HK\$ million) <i>(Excluded adjustments under HK (IFRIC) – Int 13 in respect of bonus points scheme*)</i>	2,193.2	5,583.2
YoY % change	+18.9%	+19.7%

HK & Macau - Retail & Wholesale

Retail & wholesale sales growth (HK\$ million)	1,750.5	4,380.8
YoY % change	+20.6%	+19.8%
Retail & wholesale sales growth (HK\$ million) <i>(Excluded adjustments under HK (IFRIC) – Int 13 in respect of bonus points scheme*)</i>	1,769.9	4,413.6
YoY % change	+18.7%	+18.4%
Same store sales growth		
YoY % change	+14.2%	+15.8%
Same store sales growth <i>(Excluded adjustments under HK (IFRIC) – Int 13 in respect of bonus points scheme*)</i>		
YoY % change	+12.6%	+14.5%
Average sales per transaction (HK\$)	413	371
YoY % change	+14.1%	+12.9%
Total no. of transactions (million)	4.2	11.5
YoY % change	+6.2%	+6.8%

*Adjustments according to Hong Kong International Financial Reporting Interpretation Committee (“HK (IFRIC)”) - Interpretation 13 on the bonus points scheme.

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 2012 respectively.

For the three months ended 31 December 2012, the Group’s retail and wholesale turnover recorded a steady growth of 19%**.

In the third quarter, turnover recorded 19%** growth in Hong Kong and Macau. The growth momentum of the first and second quarters was sustained in October and November, resulting in an aggregate sales growth of 19%** from April to November. However, the consumer sentiment softened in the traditional peak season of Christmas holidays in December, and consumers were more cautious in spending. In the month of December, the Group’s turnover in Hong Kong and Macau market was below expectations and grew by approximately 14%**. Same store sales growth also decelerated in December to approximately 7%**, compared with approximately 16%** for the period from April to November. It is believed that our sales to local customers were affected by the increased number of outbound traveling during the long Christmas holidays. For the third quarter, the number of transactions and average sales per transaction increased by 6% and 14% respectively.

The Group’s retail and wholesale turnover in other markets (including Mainland China, Singapore, Malaysia, Taiwan and sasa.com) recorded a growth of 19%** during the third quarter.

The Group had a net increase of 9 stores and a net decrease of 3 counters for its network in the third quarter. The increase in store includes 5 stores in the Hong Kong and Macau market, 1 store in Mainland China, 1 store in Singapore, 2 stores in Malaysia and store number remains unchanged in Taiwan. As at 31 December 2012, the Group’s retail network had a total of 264 stores, including 12 single-brand counters.

** Exclude adjustments under HK (IFRIC) – Interpretation 13 in respect of bonus points scheme

Number of Stores/Counters by Market

	As at 31 December 2012	As at 30 September 2012
Hong Kong & Macau	101 ^{***}	96 ^{***}
Mainland China	64 [#]	66 ^{##}
Singapore	21	20
Malaysia	51	49
Taiwan	27	27
Total	264	258

*** Include 2 single-brand stores

Include 10 single-brand counters

Include 13 single-brand counters

Looking ahead to the fourth quarter, with the forthcoming Chinese New Year in February, the Group believes that the retail market will recover gradually and remains cautiously optimistic about the outlook of the retail sector. The Group will raise brand awareness, enhance operational efficiency and diversify its product mix in order to sharpen its competitive edge, so as to strengthen its leading position in the industry.

The Board wishes to remind investors that the above operational data for the three months and nine months ended 31 December 2012 respectively 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, 10 January 2013

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)

Independent Non-executive Directors

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

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

Ms TAM Wai Chu Maria, *GBS, JP*

Ms KI Man Fung Leonie, *SBS, JP*

Mr TAN Wee Seng