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SA SA INTERNATIONAL HOLDINGS LIMITED

莎莎國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 178)



Unaudited Operations Update for the Three Months ended 31 December 2008

Highlights

Group - Retail & Wholesale

<u>YoY increase/decrease</u>	<u>3 months ended 31 Dec 2008</u>	<u>6 months ended 30 Sep 2008</u>
Group turnover	+10.2%	+16.5%

HK & Macau - Retail

<u>YoY increase/decrease</u>	<u>3 months ended 31 Dec 2008</u>	<u>6 months ended 30 Sep 2008</u>
Retail sales growth	+10.1%	+12.0%
Same store sales growth	+4.0%	+5.2%
Average sales per transaction (HK\$)	287 (-0.7%)	249 (-0.6%)
Total no. of transactions (million)	3.0 (+10.9%)	5.2 (+12.6%)

The board of directors (“Board”) of Sa Sa International Holdings Limited (“Company”) announced the unaudited 2008/09 third quarter operations update of the Company for the three months ended 31 December 2008.

For the three months ended 31 December 2008, the retail and wholesale business of the Company and its subsidiaries (“Group”) achieved a year-on-year increase in turnover of 10.2%. Retail sales in Hong Kong and Macau rose by 10.1%, with an increase in same store sales by 4.0%. The sales growth was driven by a 10.9% increase in the number of transactions. The markets other than Hong Kong and Macau saw a year-on-year growth of 20.8% in retail turnover.

The Group has taken proactive measures in order to meet market challenges amidst the global financial crisis. We have been adapting the product offerings and promotions to meet the changing preferences of the customers. In addition to various cost control measures, the Group endeavoured to improve inventory management to enhance cost effectiveness and efficiency. To manage the rental pressure, the Group has been strengthening the efficiency of the overall retail network, and seizing the opportunities to expand the retail network in markets that offer growth potential.

The Group added 9 retail outlets to its network in the third quarter, including 3 stores in Hong Kong and Macau markets. Our retail network stood at 152 outlets as at 31 December 2008.

Number of Outlets (Stores/Counters) by Market

	As at 31 Dec 2008	As at 30 Sep 2008
Hong Kong & Macau	67*	64*
Mainland China	31 ^{##}	28 [#]
Taiwan	14	14
Singapore	14	14
Malaysia	26	23
Total	152	143

* Include a La Colline store and an Elizabeth Arden counter

Include 21 Suisse Programme counters

Include 22 Suisse Programme counters

The Board wishes to remind investors the above operational data for the three months ended 31 December 2008 is based on the unaudited management accounts of the Group which has not been reviewed or audited by the auditors. 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 securities of the Company.

By Order of the Board
Kwok Siu Ming, Simon
Chairman and chief executive officer

Hong Kong, 8 January 2009

As at the date of this announcement, the Board comprises the following directors:-

Executive Directors:

Mr. Kwok Siu Ming, Simon, *J.P.* (*Chairman and chief executive officer*)

Mrs. Kwok Law Kwai Chun, Eleanor (*Vice-chairman*)

Mr. Look Guy (*Chief financial officer*)

Non-executive Director:

Mrs. Lee Look Ngan Kwan, Christina

Independent Non-executive Directors:

Professor Chan Yuk Shee, *J.P.*

Dr. Leung Kwok Fai, Thomas, *J.P.*

Ms. Tam Wai Chu, Maria, *GBS, J.P.*

Ms. Ki Man Fung, Leonie, *SBS, J.P.*