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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 Operational Update for the First Quarter ended 30 June 2013

#### Highlights

##### Group - Retail & Wholesale

	<i>3 months ended 30 June 2013</i>
Group turnover (HK\$ million)	1,905.3 <sup>^</sup>
YoY % change	+20.1% <sup>^</sup>

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

Retail & wholesale sales growth (HK\$ million)	1,528.1
YoY % change	+24.8% <sup>^</sup>
Same store sales growth	
YoY % change	+17.0% <sup>^</sup>
Average sales per transaction (HK\$)	383
YoY % change	+10.9%
Total no. of transactions (rounding to the nearest million)	3.9
YoY % change	+14.0%

<sup>^</sup> The adoption of Hong Kong International Financial Reporting Interpretation Committee - Interpretation 13 ("HK(IFRIC) - Int 13") on the bonus point system, resulted in Group turnover increased by 21.3% to HK\$1,889.9 million, while retail & wholesale sales growth and same store sales growth of HK & Macau were 26.5% and 18.6% respectively for the First Quarter of FY2013/14.

\* For identification purpose only

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 ended 30 June 2013.

For the three months ended 30 June 2013, the Group’s retail and wholesale business maintained steady growth and achieved a year-on-year increase of 20.1%<sup>\*\*</sup> in turnover. During the period, Sa Sa continued to benefit from the growing demand for cosmetics and beauty products, and strengthened penetration in non-traditional tourist areas to better capture opportunities brought by the increasing number of short-haul tourists from Mainland China. Turnover in Hong Kong and Macau rose 24.8%<sup>\*\*</sup>, with same store sales growth of 17.0%<sup>\*\*</sup>. The number of transactions and average sales per transaction increased by 14.0% and 10.9%<sup>\*\*</sup>, respectively. The Group’s retail and wholesale turnover in other markets (including Mainland China, Singapore, Malaysia, Taiwan and sasa.com) recorded a growth of 4.2%<sup>\*\*</sup> during the first quarter.

The Group had a net increase of 4 stores and counters for its network in the first quarter. The increase includes 3 stores in Hong Kong and Macau, 1 store in Malaysia, while the number of stores in Mainland China, Singapore and Taiwan remained unchanged. As at 30 June 2013, the Group’s retail network had a total of 264 stores, including 8 single-brand counters/stores.

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

#### **Number of Stores/Counters by Market**

	<b>As at 30 June 2013</b>	<b>As at 31 March 2013</b>
Hong Kong & Macau	<b>102*</b>	99*
Mainland China	<b>62<sup>#</sup></b>	62 <sup>##</sup>
Singapore	<b>21</b>	21
Malaysia	<b>51</b>	50
Taiwan	<b>28</b>	28
<b>Total</b>	<b>264</b>	260

*\* Include 2 single-brand stores*

*# Include 6 single-brand counters*

*## Include 9 single-brand counters*

The Group’s Hong Kong and Macau market maintained the upward momentum from the previous year and started the New Year on a strong note. Sales in the first quarter benefited from a low base last year and recorded stronger-than-expected growth on the back of increase in sales to both local residents and mainland China tourists. In contrast, the second quarter would be more challenging against the background of a high comparable base and depreciation of currencies in the region, and in particular, the Japanese Yen. Overall, the Group remains cautiously optimistic on its sales outlook. The Group will continue with a disciplined and measured store expansion strategy to drive business growth. The Group will also strengthen its brand recognition and product portfolio through closer cooperation with beauty brand owners. These will sharpen the Group’s competitiveness and thus reinforce its leading position in the industry.

The Board wishes to remind investors that the above operational data for the three months ended 30 June 2013 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 July 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)

***Non-executive Director***

Ms LEE Yun Chun Marie-christine

***Independent Non-executive Directors***

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

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

Ms TAM Wai Chu Maria, *GBM, JP*

Ms KI Man Fung Leonie, *SBS, JP*

Mr TAN Wee Seng