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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 2014**

Highlights

Group - Retail and Wholesale

	<i>3 months ended 30 June 2014</i>
Group turnover (HK\$ million)	1,998.0
YoY % change	+4.9%

HK and Macau - Retail and Wholesale

Retail and wholesale sales growth (HK\$ million)	1,608.5
YoY % change	+5.3%
Same store sales growth	
YoY % change	+1.9%
Average sales per transaction (HK\$)	370
YoY % change	-3.4%
Total no. of transactions (million)	4.3
YoY % change	+9.6%

Remarks: Figures in the above table exclude adjustments according to the Hong Kong International Financial Reporting Interpretation Committee - Interpretation 13 (“HK (IFRIC) - Interpretation 13”) on the bonus point system. As reported, the Group’s turnover increased by 5.4% to HK\$1,992.2 million, while retail and wholesale sales growth and same store sales growth of HK and Macau were 6.0% and 2.7% respectively for the First Quarter of FY2014/15.

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 2014.

For the three months ended 30 June 2014, the Group’s retail and wholesale turnover recorded a steady growth of 4.9%**. Turnover in Hong Kong and Macau market rose by 5.3%**, with same store sales growth of 1.9%**. The number of transactions and average sales per transaction increased by 9.6% and decreased by 3.4%** respectively. The Group’s retail and wholesale turnover in other markets (including Mainland China, Singapore, Malaysia, Taiwan and sasa.com) recorded a growth of 3.3%** during the first quarter.

The Group had a net decrease of six stores and counters for its network in the first quarter. The number of stores in Hong Kong, Macau and Singapore remain unchanged, stores in Mainland China decreased by six, stores in Malaysia increased by one and stores in Taiwan decreased by one. As at 30 June 2014, the Group's retail network had a total of 274 stores, including eight single-brand counters/stores.

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

Number of Stores/Counters by Market

	As at 30 June 2014	As at 31 March 2014
Hong Kong and Macau	109***	109***
Mainland China	61##	67#
Singapore	22	22
Malaysia	54	53
Taiwan	28	29
Total	274	280

**** Include 3 single-brand stores*

Include 6 single-brand counters

Include 5 single-brand counters

The Group's operating performance in Hong Kong and Macau during the first quarter was below expectations. It was primarily due to the significantly weaker purchasing power of Mainland Chinese visitors, which was evident in the approximately 10% decline in the average sales per their transaction. The Group is actively strengthening its product portfolio to better cater to market needs, and will continue to enhance its price competitiveness, in order to drive sales growth in the second quarter.

The Board wishes to remind investors that the above operational data for the first quarter ended 30 June 2014 is 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 July 2014

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)

Dr 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