Listed Company Information

SA SA INT'L<00178> - Results Announcement

SA SA INTERNATIONAL HOLDINGS LTD. announced on 29/06/2006:
(stock code: 00178)
Year end date: 31/03/2006
Currency: HKD
Auditors' Report: Unqualified

	Note	(Audited) Current Period from 01/04/2005 to 31/03/2006 ('000)	(Audited) Last Corresponding Period from 01/04/2004 to 31/03/2005 (Restated) ('000)
Turnover	:	2,620,586	2,313,706
Profit/(Loss) from Operations	:	222,610	245,616
Finance cost	:	N/A	N/A
Share of Profit/(Loss) of Associates	:	N/A	N/A
Share of Profit/(Loss) of Jointly Controlled Entities	:	N/A	N/A
Profit/(Loss) after Tax & MI	:	185,171	202,056
% Change over Last Period	:	-8.4 %	
EPS/(LPS)-Basic (in dollars)	:	0.139	0.155
-Diluted (in dollars)	:	0.137	0.151
Extraordinary (ETD) Gain/(Loss)	:	N/A	N/A
Profit/(Loss) after ETD Items	:	185,171	202,056
Final Dividend per Share	:	5.0 cents	5.0 cents
Special Dividend per Share	:	6.0 cents	6.0 cents
(Specify if with other options)			

B/C Dates for Final & Special Dividend	:	21/08/2006	to 24/08/2006 bdi.
Payable Date	:	29/08/2006	
B/C Dates for Annual General Meeting	:	21/08/2006	to 24/08/2006 bdi.
Other Distribution for Current Period	:	N/A	
B/C Dates for Other Distribution	:	N/A	

Remarks:

1. Basis of preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS). They have been prepared under the historical cost convention, as modified by the revaluation of buildings, financial assets and financial liabilities at fair value through profit or loss and an investment property, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The adoption of new/revised HKFRS

During the year ended 31st March 2006, the Group adopted the new/ revised standards and interpretations of HKFRS below, which are relevant to its operations. The 2004/05 comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 (Amendment)	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKAS 40	Investment Property
HKAS-Int 15	Operation Leases - Incentives

HKAS-Int 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
HKFRS 2	Share-based Payment

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 16, 21, 24, 27, 33, 36 and HKAS-Int 15 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 had affected certain financial statement disclosures.
- HKASs 2, 7, 8, 10, 16, 27, 33, 36 and HKAS-Int 15 had no material effect on the Group's policies.
- HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance to the revised standard. All the Group entities have the same functional currency as the presentation currency for respective entity financial statements.
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land from property, plant and equipment to operating leases. The up-front prepayments made for the leasehold land are expensed in the income statement on a straight-line basis over the period of the lease or when there is impairment, the impairment is expensed in the income statement. In prior years, the leasehold land was accounted for at fair value less accumulated depreciation and accumulated impairment.

The adoption of HKASs 32 and 39 has resulted in a change in the accounting policy for recognition, measurement, derecognition and disclosure of financial instruments. Following the adoption of HKASs 32 and 39, the Group's rental deposits are measured at amortised cost and the carrying amount of the assets is computed by discounting the future cash flows to the present value using the effective interest method. In addition, it has resulted in the recognition of derivative financial instruments at fair value.

The adoption of revised HKAS 40 has resulted in a change in the accounting policy of which the changes in fair values are recorded in the income statement. In prior years, the increases in fair value were credited to the investment properties revaluation reserve. Decreases in fair value were first set off against increases on earlier valuations on a portfolio basis and thereafter expensed in the income statement.

The adoption of revised HKAS-Int 21 has resulted in a change in the accounting policy relating to the measurement of deferred income tax liabilities arising from the revaluation of investment properties. Such deferred income tax liabilities are measured on the basis of tax consequences that would follow from recovery of the carrying amount of that asset through use. In prior years, the carrying amount of that asset was expected to be recovered through sale.

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments. Until 31st March 2005, the provision of share options to employees did not result in an expense in the income statement. Effective on 1st April 2005, the Group expenses the cost of share options in the income statement. As a transitional provision, the cost of share options granted after 7th November 2002 and had not yet vested on 1st April 2005 was expensed retrospectively in the income statement of the respective periods.

All changes in accounting policies have been made in accordance with the transitional provisions in the respective standards, when applicable. All standards adopted by the Group require retrospective application other than:

- HKAS 16 - the initial measurement of an item of property, plant and equipment acquires in an exchange of asset transaction is accounted at fair value prospectively only to future transactions;
- HKAS 21 - prospective accounting for goodwill and fair value adjustments as part of foreign operations;
- HKAS 39 - does not permit to recognise, derecognise and measure financial assets and liabilities in accordance with this standard on a retrospective basis;
- HKAS 40 - since the Group has adopted the fair value model, there is no requirement for the Group to restate the comparative information. As there was no revaluation surplus as at 31st March 2005, no reclassification of any amount held in revaluation surplus for investment property is necessary;
- HKAS-Int 15 - does not require the recognition of incentives for leases beginning before 1st April 2005; and
- HKFRS 2 - only retrospective application for all equity instruments granted after 7th November 2002 and not vested at 1st April 2005.

(i) The adoption of revised HKAS 17 resulted in a decrease in opening retained earnings at 1st April 2004 by HK$1,213,000.

	Group	
	2006	2005
	HK$'000	HK$'000

Decrease in property, plant and equipment	17,892	7,527
Increase in leasehold land	17,892	7,527
Increase in deferred income tax liabilities	175	175
Decrease in deferred income tax assets	1,038	1,038
Decrease in depreciation	401	290
Increase in amortisation	401	290

(ii) The adoption of revised HKAS 39 resulted in:

	Group 2006 HK$'000
Increase in financial liabilities at fair value through profit or loss	262
Increase in fair value losses on forward foreign exchange contracts	262
Decrease in basic earnings per share (HK cents)	-
Decrease in diluted earnings per share (HK cents)	-

(iii) The adoption of revised HKFRS 2 resulted in:

	Group	
	2006 HK$'000	2005 HK$'000
Increase in employee share-based compensation reserve	22,733	19,769
Decrease in retained earnings	31,037	19,769
Increase in share premium	8,304	-
Increase in employee benefit expenses	11,268	14,551
Decrease in basic earnings per share (HK cents)	0.8	1.1
Decrease in diluted earnings per share (HK cents)	0.8	1.4

No early adoption of the following new Standards or Interpretations or Amendments that have been issued but are not yet effective. The directors anticipate that the adoption of these Standards or Interpretations or Amendments will have no material impact on the accounts of the Group and will not result in substantial changes to the Group's accounting policies.

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 21 (Amendment)	Net Investment in a Foreign Operation
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 & HKFRS 4 (Amendment)	Financial Guarantee Contracts
HKFRS 1 (Amendment)	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 6 (Amendment)	Exploration for and Evaluation of Mineral Resources
HKFRS 7	Financial Instruments: Disclosures
HKFRS - Int 4	Determining whether an Arrangement contains a Lease
HKFRS - Int 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
HK(IFRIC) - Int 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
HK(IFRIC) - Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies

2. Revenues and turnover

The Group is principally engaged in the retailing and wholesaling of a wide range of brand name cosmetic products and the provision of beauty and health club services. Turnover represents the invoiced sales value of goods and of services supplied to customers. Revenues recognised during the year are as follows:

	Group	
	2006 HK$'000	2005 HK$'000
Turnover		
Retail and wholesale	2,425,314	2,122,215
Beauty and health club services	195,272	191,491

	2,620,586	2,313,706
Other gains and revenues		
Interest income	17,518	12,357
Slide display rental income	16,873	13,612
Rental income	831	600
Provision for staff costs, including discretionary bonus, made in previous years written back	23,923	-
Sundry income	988	936
	60,133	27,505
	2,680,719	2,341,211

3. Earnings per share

(a) The calculation of basic and diluted earnings per share is based on the Group's profit attributable to equity holders of the Company of HK$ 185,171,000 (2005: HK$202,056,000, as restated).

(b) The calculation of basic earnings per share is based on the weighted average of 1,332,919,316 (2005: 1,306,760,549) shares in issue during the year.

(c) The calculation of diluted earnings per share is based on the weighted average of 1,332,919,316 (2005: 1,306,760,549) shares in issue during the year plus the weighted average of 21,410,603 (2005: 30,828,044, as restated) shares deemed to be issued if all outstanding share options granted under the share option scheme of the Company had been exercised.