[For Immediate Release]

Sa Sa Announces Annual Results 2010/11

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Group Turnover Increased 19.2% to HK$4,901.4 Million
Net Profit Increased 33.4% to HK$509.3 Million
Turnover in Hong Kong and Macau Rose by 19.3%

Annual Results Highlights	For the year ended 31 March		% Change
	2010/11	2009/10	
	HK$ million	**HK$ million**	
Group's turnover	**4,901.4**	4,111.3	+19.2%
Group's EBITDA	**692.7**	528.1	+31.2%
Profit for the year	**509.3**	381.9	+33.4%
Earnings per share	**18.2* HK cents**	13.8* HK cents	+31.9%
Final dividend - *basic* - *special*	**9.5 HK cents** ***2.5 HK cents*** ***7 HK cents***	9.5* HK cents *2.5* HK cents* *7* HK cents*	-- -- --
Total annual dividend - *basic* - *special*	**14 HK cents** ***4 HK cents*** ***10 HK cents***	14* HK cents *4* HK cents* *10* HK cents*	-- -- --
Group gross profit margin	**45.1%**	44.1%	+1.0%
Net margin	**10.4%**	9.3%	+1.1%

** Adjusted for the 1:1 bonus issue*

(16 June 2011 – HONG KONG) – **Sa Sa International Holdings Limited** ('Sa Sa' or the 'Group', stock code: 0178), Asia's leading cosmetics retailing group, announced today its annual results for the year ended 31 March 2011.

For the year ended 31 March 2011, the Group's turnover amounted to HK$4,901.4 million, representing an increase of 19.2% over the HK$4,111.3 million recorded last year. The Group's profit for the year was HK$509.3 million, a rise of 33.4% over the HK$381.9 million recorded last fiscal year. The Group's gross profit margin for the full fiscal year increased to 45.1% from 44.1% last year. The net margin increased from 9.3% to 10.4%. Basic earnings per share were 18.2*****HK cents, as compared to 13.8* HK cents in the previous fiscal year.

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The Board of Directors has resolved to declare a final dividend of 2.5 HK cents (2009/10: 2.5* HK cents) and a special dividend of 7 HK cents (2009/10: 7* HK cents) per share. Together with the interim dividend of 1.5* HK cents per share and a special dividend of 3* HK cents per share paid previously, the total annual dividend for FY2010/11 is 14 HK cents per share (2009/10: 14* HK cents).

The Group's performance benefited from the continuing improvement in the retail environment and the economy of the region. The Group's leading market position, the ongoing success of our House Brands (including own-branded products, sole agent products, and products sold exclusively in our stores), our well-targeted business strategies and proven execution ability, enabled the Group to deliver a strong performance in the fiscal year 2010/11.

Retail & Wholesale Business

In **Hong Kong and Macau**, the Group's turnover increased by 19.3% to HK$3,922.6 million and same store sales growth increased by 9.3%. Such buoyant performance was driven by increased revenue from both local residents and Sa Sa's continuing position as the top-of-mind cosmetics retailer among Mainland tourists. Both the number of transactions and average value per transaction recorded healthy growth.

The Group's capability to introduce more new products aimed at wider range of customer segments helped drive the sales increase of own-branded and exclusive products. Strong new own-branded and exclusive product launches and successful marketing led to an improvement in the sales mix, and to an enhanced gross profit margin.

The Group launched a new store design to enhance customers' shopping experience and opened 8 new "Sasa" stores during the year. As of 31 March 2011, the Group operated 78 "Sasa" stores (including 9 in Macau), one Suisse Programme specialty store and one La Colline specialty store.

Turnover in **Mainland China** increased by 49.9% to HK$145.5 million. Although Sa Sa's operations in the Mainland is still in the investment stage, the performance, at the operating level, continued to improve in fiscal year 2010/11. During the year, the Group stepped up its pace of store opening and expanded its store network. A series of strategic measures were underway to build a stronger platform and increase our operation efficiency to provide stronger support for more rapid expansion and growth in the Mainland. These measures included taking more proactive strategies in store location selection and product strategies. The majority of new stores opened in the second half of the fiscal year delivered a better performance than our older stores and provided enhanced contribution. Increasing support was received from landlords in our drive to choose better store locations in new and existing shopping malls. Also, product portfolio is enhanced by extending the product range, increasing the number of new products, and improving the inventory management. More established beauty brands undertook to retail through our network. A new retail IT system to provide scalability and to prepare for future expansion on the Mainland was rolled out in the second half of the fiscal year. This new system brings together the functions of Point of Sale, merchandising, auto replenishment, customer relationship management and business intelligence. Nine new "Sasa" stores and three Suisse Programme counters were added during the year. As of 31 March 2011, there were 26 "Sasa" stores and 21 beauty counters under Suisse Programme in the Mainland market.

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Singapore and Malaysia achieved steady turnover growth by 27.2% and 25.6% respectively. In the Singapore market, the Group achieved 5.2% same store growth due to successful adaptation of marketing and product mix strategy to local market conditions. In Malaysia, the Group delivered solid results during the year with same store growth increasing 4.6%. This satisfactory performance came on the back of the outstanding performance of the Group's own-branded and sole agent products, particularly new products, as well as strengthened relationships with suppliers and the broadening of product offerings to increase appeal to different customer segments. By adding two new stores in Singapore and eight stores in Malaysia during the year, as of 31 March 2011, the Group has 20 and 38 "Sasa" stores in Singapore and Malaysia respectively.

Turnover of the Group's **Taiwan** business increased by 17.9% during the fiscal year to HK$173.3 million and same store growth rose 2.0%. Taiwan's operation achieved positive turnaround in profit contribution due to Taiwan's improving economy and consumer sentiment, enhanced sales mix of House Brands and cautious cost controls. Four new stores were opened during the year. As of 31 March 2011, there were 19 "Sasa" stores and one Suisse Programme counter in Taiwan.

Turnover for **sasa.com** amounted to HK$232.6 million, a decrease of 3.5% over the previous fiscal year. The slight drop in turnover was mainly due to the impact from the new regulations introduced by the Mainland's Customs since September 2010. The Group aims to continue the market diversification to achieve more balanced market mix, and tap the potential of the online market within China through the implementation of a series of initiatives. These initiatives will include partnering with more online shopping sites, and further develop our business on Sa Sa's official online store on the Taobao site (the most popular shopping website in China).

Brand Management
During the year, the Group's sales of House Brands increased by 24.5%, contributing 42.1% of the Group's total retail sales (40.1% for 2009/10). During the year, the Group introduced a number of strong new products. The product portfolio was also broadened in terms of target consumer segments, product concepts and price segments. Along with effective marketing, these initiatives drove solid sales growth, enhanced the sales mix and increased gross profit margin. The Group's exclusive products gained popularity and strong word-of-mouth, as evidenced by a number of awards received in 2010/11.

Outlook
The Group remains cautiously optimistic about the outlook in the coming year. With the support of China's strong economic growth, increased consumer purchasing power, a strengthening Renminbi and rising inbound tourism, the retail market, including the cosmetics sector, in Hong Kong and Macau, will continue to grow. Sa Sa is well positioned to benefit from this improving economic climate, not only in Greater China but also throughout the region. The Group will continue to invest in the development of our core markets and of other markets with promising prospects.

To capture these opportunities, Sa Sa will increase the pace of store openings by adding at least 14 stores in Hong Kong and Macau in fiscal year 2011/12. The Group will maintain this strategy of rapid store opening to establish a more balanced store network and gain further market share in Hong Kong and Macau.

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Operationally, the restructuring and increased accountability of the category management team is expected to enable more efficient inventory planning and to increase the productivity of the product portfolio. This adjustment in the inventory mix will become a driving force of the Group's sales growth, in particular in the Hong Kong and Macau market. In regard to costs, the Group aims to increase overall gross profits to address rental pressures. The Group believes our increased growth rate will help maintain rental to sales percentages within a reasonable range.

For Sa Sa's strategy in Mainland China, the priority is to accelerate the network expansion and to continue the long-term strategic plan to develop five "clusters" of stores with an independent operations team for each. For the two existing clusters of Northern China and Eastern China, the Group will continue to add stores in the cities where it already has a presence and expand into new ones. The Group will soon start to build the new cluster in Central China and will allocate additional resources to support the network expansion to cover more than 15 cities in fiscal year 2011/12. The Group plans to add about 40 to 50 stores in the coming fiscal year. Leases have been signed for 8 upcoming new store spaces in Mainland China of which 4 were opened in the first quarter of fiscal year 2011/12.

The outlook for the Group's retail operations in Singapore, Malaysia and Taiwan is promising and the growth momentum in these markets is expected to continue in the coming year. Sa Sa will continue to expand its retail network in these markets to increase its market share.

In regard to brand management, the Group will continue to add quality exclusive brands, in particular own-brands, to optimize its exclusive brand portfolio and increase productivity.

Dr Simon Kwok, Chairman and Chief Executive Officer of the Group, concluded, "Sa Sa has a long track record of sustainable growth in both challenging and more positive economic times. Due to our clear vision, flexible and professional management, robust financial platform and innovative growth strategies, we are confident that we will continue to grow at a sustainable pace both in our core market in Hong Kong and Macau, and other markets in the region including Mainland China, Taiwan, Singapore and Malaysia, to generate better returns for our shareholders."

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About Sa Sa International Holdings Limited

Sa Sa is a leading cosmetics retailing group in Asia. Its over 200 stores and counters in Asia sell more than 400 brands of skin care, fragrance, make-up and hair care products including its own-brands and other exclusive international brands. Over 2,800 well-trained beauty consultants are employed to provide professional services to its customers.

Sa Sa runs the largest cosmetics specialty store chain in Asia Pacific region, as ranked by Retail Asia magazine, KPMG and Euromonitor in 2010. The Group is also the Best Managed Medium Cap company in Hong Kong ranked by AsiaMoney magazine in 2010. As one of the major sole agents in cosmetics in Hong Kong, Sa Sa also represents more than 100 international beauty brands in Asia. Sa Sa prospers on its successful and proven "one-stop cosmetics specialty store" concept which aims to provide customers with the widest range of quality products. Its e-commerce arm, sasa.com, provides online shopping service to customers as well as a strong marketing tool for the Group. Sa Sa, established in 1978, was listed on The Stock Exchange of Hong Kong since June 1997.

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