



Sa Sa Announces Unaudited Operations Update for the Third Quarter ended 31 December 2010

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Unaudited Third Quarter Operations Performance Highlights

Group - Retail & Wholesale

	Three months ended 31 December 2010 (YoY % change)	Nine months ended 31 December 2010 (YoY % change)
Group turnover	+16.8%	+18.1%

HK & Macau - Retail & Wholesale

	Three months ended 31 December 2010 (YoY % change)	Nine months ended 31 December 2010 (YoY % change)
Retail & wholesale sales growth	+17.5%	+17.5%
Same store sales growth	+6.8%	+8.3%
Average sales per transaction (HK\$)	326 (+8.4%)	289 (+9.6%)
Total no. of transactions (million)	3.4 (+7.4%)	9.3 (+6.5%)

(10 January 2011 – HONG KONG) – Sa Sa International Holdings Limited ('Sa Sa' or the 'Group', stock code: 0178), Asia's leading cosmetics retailing group, announced today the unaudited 2010/11 third quarter operations update of the Group for the three months ended 31 December 2010.

For the three months ended 31 December 2010, the Group's retail and wholesale business achieved a year-on-year increase in turnover of 16.8%. Retail and wholesale sales growth in Hong Kong and Macau rose by 17.5%, with same store sales growth of 6.8%. During the period, the average sales per transaction increased by 8.4% and the number of transactions increased by 7.4%. Other markets (comprising Mainland China, Singapore, Malaysia, Taiwan and sasa.com) recorded a year-on-year sales growth of 13.5% in retail and wholesale turnover.

During the period, as the economy improved in the region, Sa Sa's retail sales in the third quarter of fiscal year 2010/11 enjoyed higher growth than the second quarter across its Mainland China, Singapore, Malaysia and Taiwan markets. Hence, the Group's Mainland China, Singapore, Malaysia and Taiwan markets together recorded a year-on-year sales growth of 33.5% in the third quarter. The e-commerce operation was affected by changes in customs duty exemption limit in Mainland China and the outsourcing of logistics function. Therefore, the year-on-year turnover of sasa.com decreased by 35.5% in the third quarter.

The Group added 15 outlets to its network in the third quarter, including four outlets in the Hong Kong and Macau market, four outlets in Mainland China, two outlets in Singapore, four outlets in Malaysia and one outlet in Taiwan. The Group's retail network has 195 stores and counters as at 31 December 2010.

Number of Outlets (Stores/Counters) by Market

	<i>As at 31 December 2010</i>	<i>As at 30 September 2010</i>
Hong Kong & Macau	78*	74*
Mainland China	42 [#]	38 ^{##}
Singapore	20	18
Malaysia	37	33
Taiwan	18 [^]	17 ^{^^}
Total	195	180

* Include one La Colline and one Suisse Programme specialty stores

Include 22 Sasa stores and 20 Suisse Programme counters

Include 19 Sasa stores and 19 Suisse Programme counters

[^] Include one Suisse Programme counter

^{^^} Include two Suisse Programme counters

Commenting on the Group's performance for the third quarter of its fiscal year 2010/11, Dr. Simon Kwok, Chairman and Chief Executive Officer of the Group, said, "During the period under review, the Group's retail stores turnover in the region recorded satisfactory growth. Benefiting from the improved consumer sentiment and strong mainland tourist traffic, the growth momentum of the Group's retail business in Hong Kong and Macau continued. The thriving economy in the region helped drive robust sales growth in the Group's Mainland China market as well as Singapore, Malaysia and Taiwan markets. Although the performance of sasa.com during the period was affected by the changes in customs duty exemption limit in Mainland China, the Group has already stepped up its efforts to develop markets outside of Mainland China. These efforts started generating initial results by achieving strong growth in these overseas markets. In addition, as the impact from the outsourcing of logistics function gradually phases out, we believe the performance of sasa.com will improve, and therefore will be reflected in the fourth quarter. For the year ahead, riding on the Group's strong brand recognition and increased network penetration, Sa Sa is well-positioned for its strategic expansion in the region. The Group will continue to diversify its product portfolio and enhance operational efficiency so as to maximize 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 190 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 1,400 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 Mid-Cap company in Hong Kong ranked by FinanceAsia 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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