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## **SA SA INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

### **CONNECTED TRANSACTIONS**

#### **SUMMARY**

The Company announces that on 11th June, 2002, three Promissory Notes were entered into by the Borrowers in favour of the Lenders in the principal amounts of HK\$1,000,000, S\$700,000 and M\$1,000,000 respectively evidencing the Loans. The Borrowers are non wholly-owned subsidiaries of the Company and the Lenders are indirect wholly-owned subsidiaries of the Company. The Loans constitute connected transactions under Rule 14.25(1)(a) of the Listing Rules requiring disclosure by way of a press announcement.

#### **PROMISSORY NOTES**

The details of the Promissory Notes are as follows:–

- (1) Issuer: Executed by Lisbeth in favour of Sa Sa Cosmetic Company Limited, a wholly-owned subsidiary of the Company  
Date: 11th June, 2002  
Principal: HK\$1,000,000 repayable on demand  
Interest: prime lending rate per annum quoted from time to time by The Hongkong & Shanghai Banking Corporation Limited from the date of the promissory note to the day of the repayment
- (2) Issuer: Executed by PW Singapore in favour of Sa Sa Singapore  
Date: 11th June, 2002  
Principal: S\$700,000 (equivalent to approximately HK\$3,017,000) repayable on demand  
Interest: prime lending rate per annum quoted from time to time by The Hongkong & Shanghai Banking Corporation Limited from the date of the promissory note to the day of the repayment
- (3) Issuer: Executed by PW Malaysia in favour of Sa Sa Malaysia  
Date: 11th June, 2002  
Principal: M\$1,000,000 (equivalent to approximately HK\$2,060,000) repayable on demand  
Interest: base lending rate per annum quoted from time to time by Malaysian Banking Berhad Limited from the date of the promissory note to the day of the repayment

No security was granted by the Borrowers to the Lenders in relation to the Loans.

The Loans were advanced on 11th June, 2002.

Purpose of Loans: to support the business of the Borrowers

## **REASONS**

Lisbeth and its overseas subsidiaries hold nine health and beauty centres operated under the name of Phillip Wain in Hong Kong, Singapore, Malaysia and Thailand. Through its wholly-owned subsidiaries in Hong Kong, Singapore and Malaysia, the Company wishes to inject further funds into Lisbeth and its subsidiaries in Singapore and Malaysia to support the business of the Borrowers. Any increase in business generated by Lisbeth will bring benefits to Sa Sa by way of increased revenue and any improvements in results would have a positive effect on the consolidated profit and loss account of the Company.

Mr. Phillips holds 41.67% of the issued share capital of Lisbeth and is therefore a substantial shareholder of Lisbeth. Mr. Phillips ceased to be a director of Lisbeth with effect from 29th November, 2001 and is still a connected person of the Company as he ceased to be a director within the last 12 months. The Borrowers are indirect non wholly-owned subsidiaries of the Company and the Lenders are indirect wholly-owned subsidiaries of the Company.

The granting of the Loans by the Lenders to the Borrowers constitutes financial assistance granted by wholly-owned subsidiaries of the Company on normal commercial terms to non-wholly owned subsidiaries of the Company the total consideration or value of which is less than the higher of HK\$10 million or 3% of the book value of the net tangible assets of the Company (as disclosed in the latest published audited accounts) under Rule 14.25(1)(a) of the Listing Rules and requires disclosure by way of a press announcement.

## **GENERAL**

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in the retailing and wholesaling of a wide range of brand name cosmetic products and the provision of health club services to members.

## **DEFINITIONS**

In this announcement:–

- |                 |   |
|-----------------|---|
| “Borrowers”     | means Lisbeth, PW Singapore and PW Malaysia;  |
| “Company”       | means Sa Sa International Holdings Limited;   |
| “Lenders”       | means Sa Sa Cosmetic, Sa Sa Malaysia and Sa Sa Singapore;   |
| “Lisbeth”       | means Lisbeth Enterprises Limited, a company incorporated in Hong Kong and held indirectly as to 58.33% by the Company; |
| “Listing Rules” | means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;                         |

“Loans”	means the aggregate principal amounts of HK\$1,000,000, S\$700,000 and M\$1,000,000 due from the Borrowers to the Lenders as evidenced by the Promissory Notes;
“Mr. Phillips”	means Mr. Edwin John Phillips, previously a director of Lisbeth;
“Promissory Notes”	means the promissory notes executed by the Borrowers in favour of the Lenders on 11th June, 2002, details of which are described in the section headed “Promissory Notes”;
“PW Malaysia”	means Phillip Wain (M) Sdn. Bhd., a wholly-owned subsidiary of Lisbeth and an indirect non-wholly owned subsidiary of the Company, which the Company has an attributable interest of 58.33%;
“PW Singapore”	means Phillip Wain International (Singapore) Pte. Ltd., a wholly-owned subsidiary of Lisbeth and an indirect non-wholly owned subsidiary of the Company;
“Sa Sa Cosmetic”	means Sa Sa Cosmetic Company Limited, an indirect wholly-owned subsidiary of the Company;
“Sa Sa Malaysia”	means Hong Kong Sa Sa (M) Sdn. Bhd., an indirect wholly-owned subsidiary of the Company;
“Sa Sa Singapore”	means Sa Sa Cosmetic Co. (S) Pte. Ltd., an indirect wholly-owned subsidiary of the Company;
“M\$”	means Malaysia Ringgits;
“S\$”	means Singapore dollars.

In this announcement, the exchange rate adopted is:–

*HK\$2.06 to M\$1.00 and HK\$4.31 to S\$1.00.*

By Order of the Board  
**Sa Sa International Holdings Limited**  
**Kwok Siu Ming, Simon**  
*Chairman*

Hong Kong, 13th June, 2002

“Please also refer to the published version of this announcement in The Standard”.