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SA SA INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 178)

PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF 2002 SHARE OPTION SCHEME AND PROPOSED AMENDMENTS TO MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposes to adopt a new share option scheme and terminate the 2002 Share Option Scheme and to amend the existing Memorandum and Articles.

A circular containing, inter alia, the terms of the new share option scheme and details of the proposed amendments to the Memorandum and Articles will be dispatched to the Shareholders on or around 6 July 2012.

The board of directors (the “**Board**”) of Sa Sa International Holdings Limited (the “**Company**”) proposes (i) to adopt a new share option scheme to provide the relevant participants with the opportunity to acquire proprietary interests in the Company and to encourage them to work towards enhancing the value of the Company and its shares for the benefit of the Company and the shareholders of the Company (the “**Shareholders**”) as a whole; and (ii) to terminate the share option scheme adopted by the Company on 29 August 2002 (the “**2002 Share Option Scheme**”) which will expire on 29 August 2012. An ordinary resolution will be proposed at the forthcoming annual general meeting of the Company to be held on Thursday, 23 August 2012 (the “**AGM**”) to seek approval of the Shareholders for the adoption of the new share option scheme and the termination of the 2002 Share Option Scheme.

The Board also proposes to make certain amendments to the Memorandum and Articles of Association (the “**Memorandum and Articles**”). The key proposed amendments to the Memorandum and Articles include (i) bringing the Memorandum and Articles in line with the recent amendments made to the Listing Rules; and (ii) other house-keeping improvements. The major proposed amendments include the following:

- (a) to remove 5% threshold for voting on a resolution in which a director has an interest;
- (b) to allow the chairman at a general meeting to exempt procedural and administrative matters from voting by poll;
- (c) to require Shareholders' approval at a general meeting of any proposal to remove an auditor before the end of its term of office; and
- (d) to adopt certain changes to reflect recent amendments made to the Companies Law and other house-keeping improvements.

The proposed amendments to the Memorandum and Articles and their adoption are subject to approval by the Shareholders by way of special resolutions to be passed at the AGM. A proposal will also be made to adopt the amended and restated Memorandum and Articles.

A circular containing, inter alia, the terms of the new share option scheme and details of the proposed amendments to the Memorandum and Articles will be dispatched to the Shareholders on or around 6 July 2012.

By order of the Board
KWOK Siu Ming Simon
Chairman and chief executive officer

Hong Kong, 15 June 2012

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)

Mr LOOK Guy (Chief financial officer)

Non-executive Directors

Mrs LEE LOOK Ngan Kwan Christina

Mr TAN Wee Seng

Independent Non-executive Directors

Professor CHAN Yuk Shee, *PhD, BBS, JP*

Dr LEUNG Kwok Fai Thomas, *PhD, BBS, JP*

Ms TAM Wai Chu Maria, *GBS, JP*

Ms KI Man Fung Leonie, *SBS, JP*