

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sa Sa International Holdings Limited, you should at once hand this circular together with the form of proxy and the annual report of Sa Sa International Holdings Limited to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



making life beautiful

SA SA INTERNATIONAL HOLDINGS LIMITED

莎莎國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 178)

**GENERAL MANDATES TO ISSUE
AND PURCHASE SHARES AND
RE-ELECTION OF RETIRING DIRECTORS**

A notice convening an annual general meeting of Sa Sa International Holdings Limited to be held at Taishan Room, Level 5, Island Shangri-la, Pacific Place, Supreme Court Road, Central, Hong Kong on Thursday, 23rd August 2007 at 11:00 a.m is set out on pages 146 to 148 of the annual report of the Company for the year ended 31st March 2007.

Whether or not shareholders are able to attend the annual general meeting, shareholders should complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share and transfer office, Abacus Share Registrars Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the annual general meeting. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the annual general meeting or any adjourned meeting, should shareholders so wish.

12th July 2007

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
1. Introduction	3
2. Proposed General Mandates to Issue and Purchase Shares	4
3. Re-election of Retiring Directors	4
4. Annual General Meeting	5
5. Recommendations	6
APPENDIX 1 – EXPLANATORY STATEMENT ON THE PURCHASE MANDATE	7
APPENDIX 2 – PARTICULARS CONCERNING RETIRING DIRECTORS	10

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Taishan Room, Level 5, Island Shangri-la, Pacific Place, Supreme Court Road, Central, Hong Kong on Thursday, 23rd August 2007 at 11 a.m., notice of which is set out in the annual report of the Company;
“Annual Report”	the annual report of the Company for the year ended 31st March 2007;
“Articles of Association”	the articles of association of the Company;
“associate”	shall have the meaning ascribed thereto in the Listing Rules;
“Board”	at any time means the board of Directors appointed from time to time or a duly authorised committee thereof;
“CG Code”	the Code on Corporate Governance Practice in Appendix 14 of the Listing Rules;
“Company”	Sa Sa International Holdings Limited, a company incorporated in the Cayman Islands, whose securities are listed on the Stock Exchange;
“connected person”	has the same meaning ascribed under the Listing Rules;
“Deferred Shares”	the issued non-voting deferred shares of the relevant subsidiaries of the Group;
“Director(s)”	the director(s) of the Company;
“General Mandates”	the Purchase Mandate and the Share Issue Mandate;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“INED(s)”	means an independent non-executive director(s) of a listed company;

DEFINITIONS

“Latest Practicable Date”	5th July 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“PRC”	People’s Republic of China;
“Purchase Mandate”	the proposed general mandate to be granted to the Directors to permit the purchase of Shares of up to a maximum of 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution granting such mandate;
“Retiring Directors”	the Directors retiring at the AGM and, being eligible, are offering themselves for re-election at the AGM in accordance with the Articles of Association;
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	shares of HK\$0.10 each in the capital of the Company or, if there has been a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	mean(s) holder(s) of Shares from time to time;
“Share Issue Mandate”	the proposed general mandate to be granted to the Directors to permit the allotment and issue of new Shares equal in aggregate up to a maximum of 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution granting such mandate;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	Code on Takeovers and Mergers; and
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

LETTER FROM THE BOARD



making life beautiful

SA SA INTERNATIONAL HOLDINGS LIMITED

莎莎國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 178)

Executive Directors:

KWOK, Siu Ming, Simon

(Chairman and chief executive officer ("CEO"))

KWOK LAW, Kwai Chun, Eleanor *(Vice-chairman)*

LOOK, Guy *(Chief financial officer)*

Non-executive Director:

LEE LOOK, Ngan Kwan, Christina

Independent Non-executive Directors:

CHAN, Yuk Shee, J.P.

KI, Man Fung, Leonie, J.P.

LEUNG, Kwok Fai, Thomas, J.P.

TAM, Wai Chu, Maria, GBS, J.P.

Registered office:

P.O. Box 309 GT

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

Principal place of business

in Hong Kong:

14th Floor, Block B

MP Industrial Centre

18 Ka Yip Street

Chaiwan

Hong Kong

12th July 2007

To Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE
AND PURCHASE SHARES AND
RE-ELECTION OF RETIRING DIRECTORS**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding ordinary resolutions to be proposed at the AGM to be held on 23rd August 2007 relating to the grant of the General Mandates to the Board and re-election of Retiring Directors.

LETTER FROM THE BOARD

2. PROPOSED GENERAL MANDATES TO ISSUE AND PURCHASE SHARES

At the annual general meeting of the Company held on 24th August 2006, resolutions were passed giving General Mandates to the Directors to issue and/or purchase Shares. Such General Mandates will lapse at the conclusion of the forthcoming AGM. Ordinary resolutions will therefore be proposed at the AGM to grant to the Directors General Mandates as follows:

- (i) to allot, issue and otherwise deal with new Shares with an aggregate nominal amount not exceeding 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution at the AGM; and
- (ii) to purchase Shares with an aggregate nominal amount not exceeding 10 per cent. of the aggregate nominal amount of issued share capital of the Company as at the date of passing the proposed resolution at the AGM.

The Directors will also propose a separate ordinary resolution at the AGM to add to the Share Issue Mandate to issue those Shares purchased by the Company pursuant to the exercise of the Purchase Mandate proposed to be granted to the Directors at the AGM.

An explanatory statement, as required by the Listing Rules to regulate the purchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange, to give requisite information for your consideration of the proposal to authorise the Directors to exercise the power of the Company to purchase Shares up to a maximum of 10 per cent. of the issued share capital of the Company as at the date of the AGM is set out in the Appendix 1 to this circular.

3. RE-ELECTION OF RETIRING DIRECTORS

At the AGM, resolutions will be proposed to approve, among other things, (i) the grant of the proposed General Mandates; and (ii) the re-election of Retiring Directors.

Pursuant to Article 99 of the Articles of Association, Ms. Ki Man Fung, Leonie, an INED of the Company, will retire from office at the AGM. Pursuant to Article 116, Mrs. Lee Look Ngan Kwan, Christina, the non-executive director, Professor Chan Yuk Shee and Dr. Leung Kwok Fai, Thomas, INEDs of the Company, will also retire from office at the AGM. All of the Retiring Directors, being eligible, offer themselves for re-election.

Particulars of the respective Retiring Directors are set out in Appendix 2 of this circular.

LETTER FROM THE BOARD

4. ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages 146 to 148 of the Annual Report.

Proxy Arrangement

A form of proxy for use at the AGM is enclosed in the Annual Report. Whether or not Shareholders are able to attend the AGM in person, Shareholders should complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share and transfer office, Abacus Share Registrars Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM or any adjournment thereof should Shareholders so wish.

Procedure for Demanding a Poll by Shareholders

Pursuant to Article 80 of the Articles of Association, a resolution put to the vote of a general meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (i) the chairman of the meeting; or
- (ii) at least five members present in person or by proxy and entitled to vote;
or
- (iii) any member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting;
or
- (iv) any member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

LETTER FROM THE BOARD

5. RECOMMENDATIONS

The Directors are of the opinion that the grant of the General Mandates and the re-election of Retiring Directors are in the interests of the Company and the Shareholders as a whole, and recommend Shareholders to vote in favour of the ordinary resolutions to be proposed at the AGM.

By order of the Board
Kwok Siu Ming, Simon
Chairman and CEO

The following is an explanatory statement required by the Listing Rules to be presented to Shareholders concerning the Purchase Mandate.

1. STOCK EXCHANGE RULES FOR PURCHASES OF SECURITIES

The Listing Rules permit companies with a primary listing on the Stock Exchange to purchase their securities on the Stock Exchange subject to certain restrictions, the most important of which is summarised in the paragraph below.

The Listing Rules provide that all proposed purchases of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction and that the securities to be purchased must be fully paid up.

2. FUNDING OF PURCHASES

Any purchases will be made out of funds which are legally available for the purpose in accordance with the Company's memorandum and Articles of Association and the Companies Law of the Cayman Islands. As compared with the financial position of the Company as at 31st March 2007 (being the date of its latest audited financial statements), the Directors consider that there will not be a material adverse impact on the working capital or on the gearing position of the Company in the event that the proposed purchases were to be carried out in full during the proposed purchase period.

The Directors do not propose to exercise the Purchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing position of the Company as determined from time to time by the Directors.

3. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,371,532,480 Shares.

Subject to passing of the resolution for the grant of Purchase Mandate and on the basis of 1,371,532,480 Shares in issue and that no further Shares are issued or purchased prior to the date of AGM, the Company will be allowed under the Purchase Mandate to purchase a maximum of 137,153,248 Shares during the course of the period ending on the earlier of the date of the annual general meeting in the year 2008, the date by which the next annual general meeting of the Company is required to be held by law or by the Articles of Association and the date upon which such Purchase Mandate is revoked or varied.

4. REASONS FOR PURCHASES

The Directors believe that it is in the interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to purchase Shares on the market. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earning per Share and will only be made when the Directors believe that such purchases will benefit the Company and the Shareholders.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the Purchase Mandate in accordance with the Listing Rules, the applicable laws of Cayman Islands and in accordance with its memorandum and Articles of Association.

6. EFFECT OF TAKEOVERS CODE

As at the Latest Practicable Date, Mr. Kwok Siu Ming and his wife, Mrs. Kwok Law Kwai Chun, Eleanor together with their associates were beneficially interested in 918,870,400 Shares, representing approximately 66.99 per cent. of the issued share capital of the Company. Based on such shareholdings and in the event that the Directors exercise in full the power to purchase Shares under the Purchase Mandate, the attributable shareholdings of Mr. Kwok Siu Ming and Mrs. Kwok Law Kwai Chun, Eleanor together with their associates in the Company would be increased to approximately 74.43 per cent. of the issued share capital of the Company. Such increase will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors are not aware of any consequence which the exercise in full of the Purchase Mandate would have under the Takeovers Code. At present, so far as is known to the Directors, no Shareholder may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

7. DIRECTORS, THEIR ASSOCIATES AND THEIR CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective associates has any present intention, in the event that the Purchase Mandate is approved by Shareholders, to sell Shares to the Company. No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make purchases of Shares.

8. GENERAL

(a) Share Purchase Made by the Company

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

(b) Share Prices

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months immediately prior to the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2006		
July	2.800	2.650
August	2.760	2.380
September	2.750	2.370
October	2.780	2.620
November	2.900	2.720
December	2.950	2.560
2007		
January	2.770	2.510
February	2.700	2.370
March	2.440	2.150
April	2.480	2.270
May	2.720	2.350
June	2.980	2.450

APPENDIX 2 PARTICULARS CONCERNING RETIRING DIRECTORS

The following are the particulars of the four Retiring Directors proposed to be re-elected at the AGM:-

Ms. Ki Man Fung, Leonie, J.P.

Ms. Ki Man Fung, Leonie, J.P. ("Ms. Ki"), aged 60, was appointed as an INED of the Company on 15th December 2006 and serves as the member of the audit and compensation committees of the Company.

A graduate of Hong Kong University, Ms. Ki is a veteran advertising professional with over 30 years' experience in integrated communication and marketing services, especially in advertising. She was founder, partner and chairman/ chief executive officer of Grey Hong Kong (1978 – 1995) and Grey China Advertising Ltd. (1992 – 1995). She helped found the Better Hong Kong Foundation and was their first chief executive from 1995 – 1997.

Ms. Ki was appointed by the HKSAR Government to be a member of the Commission on Strategic Development, a Court and Council member of Lingnan University and a member of the Sports Commission. On education, she is a member of the Advisory Board of the EMBA/CUHK, Career Advisory Board of HKU and Asian Advisory Board of the Cheng Yu Tung Management Institute, Richard Ivey School of Business, University of Western Ontario, Canada.

For community and social services, Ms. Ki is a life member of the Children Cancer Foundation, Council Member of UNICEF and Hon. Secretary of Wu Zhi Qiao (Bridge to China) Charitable Foundation.

Ms. Ki is currently an INED of Clear Media Limited, whose securities are listed on the Stock Exchange. Save as aforesaid, she does not hold other directorships in listed companies in the last three years nor other major appointments.

There is no service contract between Ms. Ki and the Company and the term of directorship of Ms. Ki is for three years commencing 15th December 2006, subject to retirement by rotation and re-election at AGM pursuant to the Articles of Association and the Listing Rules. The Director's fee payable to Ms. Ki is HK\$257,400 per annum, which is determined by the Board with reference to the recommendation by the compensation committee taking into account of her duties and responsibility, experience, industry standards and prevailing market conditions.

Ms. Ki has neither interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance nor any relationship with any Directors, senior management nor substantial nor controlling shareholders of the Company. She has met the independence guidelines set out in Rule 3.13 of the Listing Rules and the Company has received her annual written independence confirmation and considered her to be independent.

APPENDIX 2 PARTICULARS CONCERNING RETIRING DIRECTORS

Save as the above, the Company is neither aware of any other matters that need to be brought to the attention of the holders of securities of the Company nor information required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) – (v) of the Listing Rules.

Mrs. Lee Look Ngan Kwan, Christina

Mrs. Lee Look Ngan Kwan, Christina (“Mrs. Lee”), aged 83, was appointed as an INED of the Company in May 1997 and re-designated as non-executive director on 24th June 2004. Mrs. Lee is the widow of the founder of Television Broadcasts Limited, Mr. Lee Hsiao-Wo. Mrs. Lee is actively involved in Caritas, Hong Kong, a local charitable organization.

Mrs. Lee is currently a non-executive director of Television Broadcasts Limited, whose securities are listed on the Stock Exchange. Save as aforesaid, she does not hold other directorships in listed companies in the last three years nor other major appointments.

There is no service contract between Mrs. Lee and the Company and the three-year term of Mrs. Lee as the non-executive Director was expired on 23rd June 2007 and subsequently extended for a further term of three years commencing 24th June 2007 and she is subject to retirement by rotation and re-election at AGM pursuant to the Articles of Association and the Listing Rules. The Director’s fee payable to Mrs. Lee is HK\$257,400 per annum, which is determined by the Board with reference to the recommendation by the compensation committee taking into account of her duties and responsibility, experience, industry standards and prevailing market conditions.

Mrs. Lee was granted share option by the Company on 16th December 2002 to subscribe for 1,000,000 Shares at an exercise price of HK\$0.76 per Share in which the exercise period was from 16th December 2003 to 15th December 2012 and she exercised all her options. As at the Latest Practicable Date, she holds 1,000,000 Shares in personal interest and a corporate interest of 148,000 Shares, as recorded in the notice pursuant to Part XV of the Securities and Future Ordinance. Mrs. Lee is the aunt of Mr. Look Guy, an executive director of the Company. Save as aforesaid, she has neither interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance nor any relationship with any Directors, senior management nor substantial nor controlling shareholders of the Company.

Save as the above, the Company is neither aware of any other matters that need to be brought to the attention of the holders of securities of the Company nor information required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) – (v) of the Listing Rules.

Professor Chan Yuk Shee, J.P.

Professor Chan Yuk Shee, *J.P.* (“Professor Chan”), aged 53, was appointed as INED of the Company since November 1999 and is currently the chairman of the audit committee of the Company.

Professor Chan received his BBA from The Chinese University of Hong Kong, and his MBA, MA, and PhD from the University of California at Berkeley. He is Chair Professor of Finance as well as Senior Advisor to the President at the Hong Kong University of Science and Technology. He is the Chairman of the Advisory Committee on Social Work Training and Manpower Planning and a member of the Process Review Panel for the Securities and Futures Commission. Save as aforesaid, he does not hold other directorships in listed companies in the last three years nor other major appointments.

There is no service contract between Professor Chan and the Company and the three-year term of Professor Chan’s directorship was expired on 30th October 2005 and subsequently extended for a further term of three years commencing 1st November 2005 and he is subject to retirement by rotation and re-election at AGM pursuant to the Articles of Association and the Listing Rules. The Director’s fee payable to Professor Chan is HK\$257,400 per annum, which is determined by the Board with reference to the recommendation by the compensation committee taking into account of his duties and responsibility, experience, industry standards and prevailing market conditions.

Professor Chan was granted share option by the Company on 16th December 2002 to subscribe for 1,000,000 Shares at an exercise price of HK\$0.76 per Share in which the exercise period was from 16th December 2003 to 15th December 2012. As at the Latest Practicable Date, he exercised all his options and he holds a total of 1,150,000 Shares in personal interest as recorded in the notice pursuant to Part XV of the Securities and Future Ordinance. Save as aforesaid, he has neither interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance nor any relationship with any Directors, senior management nor substantial nor controlling shareholders of the Company. He has met the independence guidelines set out in Rule 3.13 of the Listing Rules and the Company has received his annual written independence confirmation and considered him to be independent.

Save as the above, the Company is neither aware of any other matters that need to be brought to the attention of the holders of securities of the Company nor information required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) – (v) of the Listing Rules.

Dr. Leung Kwok Fai, Thomas, J.P.

Dr. Leung Kwok Fai, Thomas, J.P. (“Dr. Leung”), aged 58, was appointed as an INED of the Company since January 2000 and is currently the chairman of the compensation committee and member of the audit and nomination committees of the Company.

Dr. Leung holds a PhD in Business Administration from the University of Illinois. He has over 24 years’ experience in management consultancy and is an expert in organization and human resources development. He has been appointed to significant positions in many public organizations and committees by the Government and was formerly Chief Executive – Asia for the Hay Group, one of the world’s leading management consulting firms. Save as aforesaid, he does not hold other directorships in listed companies in the last three years nor other major appointments.

There is no service contract between Dr. Leung and the Company and the three-year term of Dr. Leung’s directorship was expired on 31st December 2005 and was subsequently extended for a further term of three years commencing 1st January 2006 and he is subject to retirement by rotation and re-election at AGM pursuant to the Articles of Association and the Listing Rules. The Director’s fee payable to Dr. Leung is HK\$257,400 per annum, which is determined by the Board with reference to the recommendation by the compensation committee taking into account of his duties and responsibility, experience, industry standards and prevailing market conditions.

Dr. Leung was granted share option by the Company on 16th December 2002 to subscribe for 1,000,000 Shares at an exercise price of HK\$0.76 per Share in which the exercise period was from 16th December 2003 to 15th December 2012 and he exercised the share option. As at the Latest Practicable Date, he has neither interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance nor any relationship with any Directors, senior management nor substantial nor controlling shareholders of the Company. He has met the independence guidelines set out in rule 3.13 of the Listing Rules and the Company has received his annual written independence confirmation and considered him to be independent.

Save as the above, the Company is neither aware of any other matters that need to be brought to the attention of the holders of securities of the Company nor information required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) – (v) of the Listing Rules.