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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your securities in Sa Sa International Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the bank manager, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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*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)**

**DISCLOSEABLE TRANSACTION  
DISPOSAL OF ENTIRE ISSUED SHARE CAPITAL OF  
AND CERTAIN SHAREHOLDER'S DEBT DUE BY  
LISBETH ENTERPRISES LIMITED**

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## DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors;
“B + Business”	businesses being carried on by Sa Sa Cosmetic Company Limited under the trade names “Sa Sa Beauty Plus” and/or “Sa Sa Beauty +”;
“B + Customer Contract”	treatment contracts entered into by Sa Sa Cosmetic Company Limited under the trade names of “Sa Sa Beauty Plus” and/or “Sa Sa Beauty+” with customers before Completion;
“Company”	Sa Sa International Holdings Limited, a company incorporated in the Cayman Islands, whose shares are listed on the Stock Exchange;
“Completion”	completion of the Disposal;
“connected persons”	has the meaning ascribed thereto in the Listing Rules;
“Consideration”	The consideration for the Disposal in the sum of HK\$20,000,000;
“Directors”	the directors of the Company;
“Disposal”	the sale of the Sale Shares and the assignment of the Sale Debt pursuant to the Sale and Purchase Agreement;
“Group”	the Company and its subsidiaries;
“Highmove”	Highmove Enterprises Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;

## DEFINITIONS

“Latest Practicable Date”	6 March 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining and collation of relevant information contained herein;
“Lisbeth”	Lisbeth Enterprises Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of Highmove;
“Lisbeth Beauty”	Lisbeth Beauty Limited (formerly known as Sa Sa Beauty Plus (Light Therapy) Company Limited, a company incorporated in Hong Kong, which became a wholly owned subsidiary of Lisbeth on 24 September 2007;
“Lisbeth Group”	Lisbeth and its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Purchaser”	Fullgoal International Limited, a company incorporated in the British Virgin Islands;
“PRC”	People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purpose of this circular;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 19 February 2008 entered into between Highmove and the Purchaser in relation to the Disposal;
“Sale Debt”	the amount of HK\$87,000,000 owing by Lisbeth to Highmove;
“Sale Shares”	the entire issued share capital of Lisbeth;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time;
“Shareholders”	holders of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent; and
“2002 Share Option Scheme”	the share option scheme of the Company approved by the Shareholders at the general meeting held on 29 August 2002.



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**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:*

Mr. KWOK, Siu Ming, Simon

*(Chairman and Chief Executive Officer)*

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

Mr. LOOK, Guy *(Chief Financial Officer)*

*Non-executive Director:*

Mrs. LEE LOOK, Ngan Kwan, Christina

*Independent Non-executive Directors:*

Professor CHAN, Yuk Shee, *J.P.*

Ms. KI, Man Fung, Leonie, *SBS, J.P.*

Dr. LEUNG, Kwok Fai, Thomas, *J.P.*

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

*Registered office:*

P.O. Box 309 GT

Ugland House

South Church Street

George Town

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Cayman Islands

*Principal place of business*

*in Hong Kong:*

14th Floor, Block B

MP Industrial Centre

18 Ka Yip Street

Chaiwan

Hong Kong

10 March 2008

*To the Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION  
DISPOSAL OF ENTIRE ISSUED SHARE CAPITAL OF  
AND CERTAIN SHAREHOLDER'S DEBT DUE BY  
LISBETH ENTERPRISES LIMITED**

**INTRODUCTION**

On 20 February 2008, the Company announced that Highmove, a wholly-owned subsidiary of the Company, had entered into the Sale and Purchase Agreement with the Purchaser in relation to the sale of the Sale Shares and the assignment of the Sale Debt for an aggregate consideration of HK\$20,000,000.

## LETTER FROM THE BOARD

### THE SALE AND PURCHASE AGREEMENT

#### Date

19 February 2008

#### Parties

Vendor : Highmove, a wholly owned subsidiary of the Company

Purchaser : Fullgoal International Limited, a company incorporated in the British Virgin Islands. The principal business of the Purchaser is investment holding. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, (i) the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons and (ii) there was no previous transaction(s) between the Company and the Purchaser which may require aggregation under Rule 14.22 of the Listing Rules.

#### Subject matter of the Disposal

The entire issued share capital of Lisbeth, comprising 12,000 Shares of HK\$10.00 each, and shareholder's debt in the sum of HK\$87,000,000 owing by Lisbeth to Highmove. The unaudited combined net liabilities of the Lisbeth Group including the B+ Business was HK\$146,305,000 as at 31 December 2007.

#### Consideration

The Consideration for the Sale Shares and the Sale Debt is HK\$20,000,000 which is payable in cash in the following manner:

- (i) A deposit of HK\$2,000,000 has been paid by the Purchaser to Highmove upon signing of the Sale and Purchase Agreement; and
- (ii) HK\$18,000,000, being the balance of the Consideration, shall be paid by the Purchaser to Highmove upon Completion.

The Consideration is arrived at after arm's length negotiation between the parties and by reference to the historical performance including the unaudited net liabilities of the Lisbeth Group and B+ Business as at 31 December 2007 prepared in accordance with generally accepted accounting principles in Hong Kong.

## LETTER FROM THE BOARD

### **Completion**

Pursuant to the terms of the Sale and Purchase Agreement, subject to the Purchaser (in good faith) being reasonably satisfied with the result of its due diligence review of the Lisbeth Group, completion of the Disposal shall take place on 31 March 2008 or such other date as Highmove and the Purchaser may mutually agree in writing.

### **Other Terms**

Highmove warranted to the Purchaser that the cash on hand of the Lisbeth Group on Completion should not be less than HK\$138,000,000. The parties further agreed that out of such cash a security money of approximately HK\$23,014,000 shall be held in an account jointly operated by Highmove and Lisbeth. In the event that any B+ Customer Contract expires or is novated to or performed partially by the Lisbeth Group, a corresponding amount equivalent to the outstanding book value of the respective treatment in the relevant B+ Customer Contract as at the Completion Date from the jointly operated account shall be released to Lisbeth until such security money is completely released to Lisbeth.

The Purchaser undertook to Highmove that, within 60 calendar months from the Completion Date, the Lisbeth Group would not wind up or dispose of any division or operations which is material to its business and/or adversely affects its operations.

Upon Completion, Highmove would assign the Sale Debt to the Purchaser. However, with a view to preserving the cash flow for the purpose of maintaining the on-going operation of the Lisbeth Group after Completion, the Purchaser further undertook to Highmove that the Purchaser and its successor and assigns will not demand and there should not be any repayment of any part of the Sale Debt to the Purchaser and/or its successor and/or assigns within 5 years from Completion date.

## **INFORMATION ON THE COMPANY AND LISBETH**

### **Information on the Company**

The Company is an investment holding company incorporated in the Cayman Islands. The Group is principally engaged in the retailing and wholesaling of cosmetic products and the provision of beauty and health club services.

### **Information on Lisbeth**

Lisbeth is a company incorporated in Hong Kong and the Lisbeth Group holds and operates eight Phillip Wain health and beauty ladies' clubs in Hong Kong, Malaysia, Singapore and Thailand and a men's salon, "Inspire", in Hong Kong for selected premium customers.

## LETTER FROM THE BOARD

Lisbeth has acquired the B+ Business from Sa Sa Cosmetic Company Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of the Group, at a nominal consideration of HK\$1.

The unaudited combined net losses before taxation and after taxation of the Lisbeth Group (assuming Lisbeth Beauty has become a subsidiary of the Lisbeth Group and the B+ Business has been acquired by the Lisbeth Group) for the year ended 31 March 2006 were HK\$10,192,000 and HK\$8,436,000 respectively. The unaudited combined net profit before taxation and after taxation of the Lisbeth Group (assuming Lisbeth Beauty has become a subsidiary of the Lisbeth Group and the B+ Business has been acquired by the Lisbeth Group) for the year ended 31 March 2007 were HK\$947,000 and HK\$1,266,000 respectively. All relevant unaudited combined net losses and unaudited combined net profit were prepared in accordance with generally accepted accounting principles in Hong Kong.

### REASONS FOR AND BENEFITS OF THE DISPOSAL

As mentioned in the Group's interim report for the six months ended 30 September 2007, the Group shall continue to focus on its core retail and wholesale businesses and intends to allocate and concentrate more of its resources to strengthen its brand building and management, particularly its own brands, and strive to drive further business expansion in the PRC market. The Disposal is in line with the Group's strategy.

Based on the management accounts of the Lisbeth Group and the B+ Business as at 31 December 2007, prepared in accordance with generally accepted accounting principles in Hong Kong, the net liabilities of the Lisbeth Group and the B+ Business were approximately HK\$129,053,000 and HK\$17,252,000 respectively. As such, the Disposal will result in an unaudited gain of approximately HK\$79,305,000, being the difference between the Consideration, the aggregate net liabilities of the Lisbeth Group and the B+ Business of approximately HK\$146,305,000 as at 31 December 2007 and Sale Debt. The final amount of the gain on the Disposal, after deducting the related expenses, is to be determined with reference to the aggregate net liabilities of the Lisbeth Group and the B+ Business on Completion. Taking into account of such gain on the Disposal, the Directors consider the Disposal and the terms of the Sale and Purchase Agreement are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

### INTENDED USE OF PROCEEDS AND FINANCIAL EFFECTS OF THE DISPOSAL

The proceeds from the Disposal, after deducting the related expenses, will be applied as general working capital of the Group.

The unaudited consolidated net liabilities of the Lisbeth Group and the unaudited net liabilities of the B+ Business as at 31 December 2007 were approximately HK\$129,053,000 and HK\$17,252,000 respectively. As a result of the Disposal, it is estimated that the Group will record an unaudited gain on disposal of approximately HK\$79,305,000.



## LETTER FROM THE BOARD

Saved as aforesaid, the Disposal will have no material impact on the earnings, assets and liabilities of the Company.

Upon completion of the Sale and Purchase Agreement, the Group shall not have any equity interest in Lisbeth and Lisbeth shall cease to be a subsidiary of the Company.

### GENERAL

Pursuant to Rule 14.06 of the Listing Rules, the Disposal constitutes a discloseable transaction for the Company.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

By Order of the Board  
**Kwok Siu Ming, Simon**  
*Chairman and Chief Executive Officer*

## RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts concerning the Group the omission of which would make any statement herein misleading.

## DISCLOSURE OF INTERESTS

### (a) Interests and short positions of directors and chief executive

As at the Latest Practicable Date, the interests or short positions of each Director and chief executive of the Group in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provision of the SFO); or (b) were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or (c) were required pursuant to the Model Code for Securities Transaction by Directors of Listed Companies (the "Model Code") to be notified to the Company and the Stock Exchange were as follows:

#### (i) Long position in the Shares, Underlying Shares and Debentures of the Company

Name of Director	Capacity	Number of Shares in the Company				Total interests	Approximate percentage of shareholding
		Personal interests	Family interests	Corporate interests	Other interests		
Mr. KWOK, Siu Ming, Simon	Interests of a controlled corporation (Note 1)	-	-	898,506,400	-	898,506,400	65.18%
	Beneficial Owner	20,364,000	-	-	-	20,364,000	1.48%
Mrs. KWOK LAW, Kwai Chun, Eleanor	Interests of a controlled corporation (Note 1)	-	-	898,506,400	-	898,506,400	65.18%
	Beneficial Owner	1,000,000	-	-	-	1,000,000	0.07%
Mrs. LEE LOOK, Ngan Kwan, Christina	Interests of a controlled corporation	-	-	148,000	-	148,000	0.01%
	Beneficial Owner	1,150,000	-	-	-	1,150,000	0.08%
Professor CHAN, Yuk Shee	Beneficial Owner	1,150,000	-	-	-	1,150,000	0.08%

*Note 1:* These shares are held as to 696,780,000 shares by Sunrise Height Incorporated and as to 201,726,400 shares by Green Ravine Limited. Both Sunrise Height Incorporated and Green Ravine Limited are owned as to 50% each by Mr. KWOK, Siu Ming, Simon and Mrs. KWOK LAW, Kwai Chun, Eleanor.

(ii) *Long position in the Shares, Underlying Shares and Debentures of Associated Corporations*

As at the Latest Practicable Date, Mr. KWOK, Siu Ming, Simon and Mrs. KWOK LAW, Kwai Chun, Eleanor were each taken to be interested in all the issued non-voting deferred shares (“Deferred Shares”) of Base Sun Investment Limited, Matford Trading Limited, Sa Sa Cosmetic Company Limited and Sa Sa Investment Limited, all wholly-owned subsidiaries of the Company. Mrs. KWOK LAW, Kwai Chun, Eleanor is also taken to be interested in all the Deferred Shares of Vance Trading Limited, a wholly-owned subsidiary of the Company. Details of interests in the Deferred Shares were set out below:

(1) Mr. KWOK, Siu Ming, Simon

Name of associated corporation	Capacity	Number of Deferred Shares in the associated corporation					Total interests	Percentage of shareholding to all the Deferred Shares of associated corporation
		Personal interests	Family interests	Corporate interests	Other interests			
Base Sun Investment Limited	Interests of a controlled corporation ( <i>Note 1</i> )	-	-	2	-	2	100%	
Matford Trading Limited	Beneficial Owner ( <i>Note 2</i> )	3	-	-	-	3	50%	
Sa Sa Cosmetic Company Limited	Beneficial Owner	1	-	-	-	1	50%	
Sa Sa Investment Limited	Beneficial Owner	1	-	-	-	1	50%	

## (2) Mrs. KWOK LAW, Kwai Chun, Eleanor

Name of associated corporation	Capacity	Number of Deferred Shares in the associated corporation					Total interests	Percentage of shareholding to all the Deferred Shares of associated corporation
		Personal interests	Family interests	Corporate interests	Other interests			
Base Sun Investment Limited	Interests of a controlled corporation (Note 1)	-	-	2	-	2	100%	
Matford Trading Limited	Beneficial Owner (Note 3)	3	-	-	-	3	50%	
Sa Sa Cosmetic Company Limited	Beneficial Owner	1	-	-	-	1	50%	
Sa Sa Investment Limited	Beneficial Owner	1	-	-	-	1	50%	
Vance Trading Limited	Beneficial Owner	1,600,000	-	-	-	1,600,000	100%	

*Note 1:* Mr. KWOK, Siu Ming, Simon and Mrs. KWOK LAW, Kwai Chun, Eleanor hold 2 shares in Base Sun Investment Limited through Link Capital Investment Limited and Modern Capital Investment Limited. Link Capital Investment Limited and Modern Capital Investment Limited are companies owned as to 50% each by Mr. KWOK, Siu Ming, Simon and Mrs. KWOK LAW, Kwai Chun, Eleanor.

*Note 2:* Mr. KWOK, Siu Ming, Simon holds 3 shares in Matford Trading Limited through Mr. YUNG, Leung Wai who acts as a nominee shareholder.

*Note 3:* Mrs. KWOK LAW, Kwai Chun, Eleanor holds 3 shares in Matford Trading Limited through Ms. KWOK, Lai Yee, Mable who acts as a nominee shareholder.

*Note 4:* Certain qualifying share was held by Mr. KWOK, Siu Ming, Simon in trust for a wholly-owned subsidiary of the Company.

*(iii) Share Options*

Details of the outstanding share options granted to the Directors under the 2002 Share Option Scheme as at the Latest Practicable Date were set out below:

Name	Date of Grant	Subscription price per share (HK\$)	Exercisable Period	Vesting period (from the date of grant)	Number of Share Options Outstanding
Mr. LOOK, Guy	26 May 2006	2.965	28 February 2007 – 25 May 2016	0.75 year	2,248,141
			28 February 2008 – 25 May 2016	1.75 years	2,248,141
			28 February 2009 – 25 May 2016	2.75 years	2,248,140
			(Note 1)	(Note 1)	2,248,141
			(Note 1)	(Note 1)	2,248,141
			(Note 1)	(Note 1)	2,248,140
Ms. TAM, Wai Chu, Maria	29 June 2004	3.00	29 June 2005 – 28 June 2014	1 year	1,000,000

*Note 1:* The exercise of the share options is subject to certain performance targets that must be achieved by the Director. The share options shall be exercised by the Director not later than 25 May 2016.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required to be recorded in the register kept by the Company pursuant to section 352 of the SFO; or (c) were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

**(b) Interests of Shareholders discloseable pursuant to the SFO**

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, based on the register of interests kept by the Company under Section 336 of the SFO the following are persons (other than a Director or chief executive of the Company) who had, or were deemed to have, an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

*Long position in the Shares*

Name of Company	Capacity	Number of shares held	Approximate percentage of shareholding
Sunrise Height Incorporated	Beneficial Owner	696,780,000 (Note)	50.54%
Green Ravine Limited	Beneficial Owner	201,726,400 (Note)	14.63%

*Note:* Both Sunrise Height Incorporated and Green Ravine Limited are owned as to 50% each by Mr. KWOK, Siu Ming, Simon and Mrs. KWOK LAW, Kwai Chun, Eleanor.

Saved as disclosed above, the Directors and the chief executive of the Company are not aware that there is any party who, as at the Latest Practicable Date, had, or deemed to have, an interest or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital.

**DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered into, or was proposing to enter into, any service contract with any member of the Group which will not expire or be determinable by the Group within one year without payment of compensation (other than statutory compensation).

**COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors and his/her respective associates was considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group other than those businesses to which the Directors and his/her associates were appointed to represent the interests of the Company and/or the Group.

**LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

## GENERAL

- (a) The registered office of the Company is situated at P.O. Box 309 GT, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong is situated at 14th Floor, Block B, MP Industrial Centre, 18 Ka Yip Street, Chaiwan, Hong Kong.
- (c) The branch share and transfer office of the Company is Tricor Abacus Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (d) The secretary of the Company is Ms. HO, Sze Nga, Maggie who was admitted as a solicitor of the High Court of Hong Kong and Supreme Court of England and Wales.
- (e) The qualified accountant of the Company is Mr. LOOK, Guy who is an associate member of the Institute of Chartered Accountants in England and Wales and Hong Kong Institute of Certified Public Accountants.
- (f) The English text of this circular shall prevail over the Chinese text.