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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 (the "Company"), you should at once hand this circular and the accompanying form of proxy 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.

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## **SA SA INTERNATIONAL HOLDINGS LIMITED**

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

**(Stock Code: 178)**

### **PROPOSED BONUS ISSUE OF SHARES AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening an extraordinary general meeting ("EGM") of the Company to be held at Vinson Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Monday, 20 December 2010 at 3:00 p.m. is set out on pages 10 to 12 of this circular. A form of proxy for use at the EGM is enclosed.

Whether or not shareholders are able to attend the EGM, shareholders should complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office, Tricor Abacus 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 EGM or any adjourned meeting. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM or any adjourned meeting, should shareholders so wish.

1 December 2010

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## DEFINITIONS

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

“Articles of Association”	the articles of association of the Company;
“Board”	the board of Directors;
“Bonus Issue”	the proposed issue of Bonus Shares to Qualifying Shareholders on the basis of one (1) Bonus Share for every one (1) existing ordinary Share held on the Record Date upon and subject to the terms of this circular;
“Bonus Share(s)”	new Shares proposed to be allotted and issued pursuant to the Bonus Issue;
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC;
“Companies Law”	the Companies Law (2010 Revision) of the Cayman Islands, as amended from time to time;
“Company”	Sa Sa International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“Directors”	directors of the Company;
“EGM”	the extraordinary general meeting of the Company to be held at Vinson Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Monday, 20 December 2010 at 3:00 p.m. to consider and, if thought fit, to approve the Bonus Issue;
“Excepted Shareholders”	Overseas Shareholders who are excluded from the Bonus Issue and as defined and more particularly described in the section headed “Overseas Shareholders” in this circular;
“Group”	the Company and its subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

## DEFINITIONS

“Latest Practicable Date”	29 November 2010, being the latest practicable date for the purpose of ascertaining certain information referred to in this circular;
“Listing Committee”	the listing committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Option(s)”	share option(s) granted under the Share Option Scheme;
“Overseas Shareholders”	holders of Shares whose addresses as shown on the Register of Members on the Record Date are outside Hong Kong;
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan);
“Qualifying Shareholder(s)”	the Shareholder(s), other than Excepted Shareholder(s), who are entitled to the Bonus Issue;
“Record Date”	Monday, 20 December 2010 being the record date for determination of entitlements to the Bonus Issue;
“Register of Members”	the principal or branch register of members of the Company maintained in the Cayman Islands or Hong Kong respectively;
“Registrar”	Tricor Abacus Limited, Hong Kong branch share registrar and transfer office of the Company at 26/F, Tesbury Centre, 28 Queen’s Road East, Hong Kong;
“Share(s)”	share(s) of HK\$0.1 each in the share capital of the Company;
“Shareholders”	holder(s) of Shares;
“Share Option Scheme”	the share option scheme of the Company adopted pursuant to a resolution passed by the then Shareholders on 29 August 2002;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vested Options”	Options which have fully vested on or before 15 December 2010; and
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

## EXPECTED TIMETABLE

The expected timetable for the Bonus Issue is set out below:

2010

Dispatch of circular and notice of the EGM	Wednesday, 1 December
Last day of dealings in Shares cum-entitlements to the Bonus Shares	Monday, 13 December
First day of dealings in Shares ex-entitlements to the Bonus Shares	Tuesday, 14 December
Latest time for lodging transfers of Shares for registration in order to qualify for the Bonus Issue	4:30 p.m. Wednesday, 15 December
Latest time for holders of Vested Options to lodge the Option exercise form together with a remittance in cash for the amount of the exercise price for the respective Shares in order to be qualified for the Bonus Issue	4:30 p.m. Wednesday, 15 December
Closure of Register of Members	Thursday, 16 December to Monday, 20 December (both days inclusive)
Latest time to return form of proxy for the EGM	3:00 p.m. Saturday, 18 December
Date and time of EGM	3:00 p.m. Monday, 20 December
Record Date for determination of entitlement to the Bonus Shares	Monday, 20 December
Register of Members re-opens	Tuesday, 21 December
Certificates for the Bonus Shares expected to be dispatched	Friday, 24 December
Dealing in Bonus Share commence	Wednesday, 29 December

*Note: All times refer to Hong Kong local time in this circular.*

Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

LETTER FROM THE BOARD



**SA SA INTERNATIONAL HOLDINGS LIMITED**

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

**(Stock Code: 178)**

*Executive Directors*

KWOK Siu Ming Simon, *JP*

(Chairman and CEO)

KWOK LAW Kwai Chun Eleanor, *BBS*

(Vice-chairman)

LOOK Guy (CFO)

*Non-executive Directors*

LEE LOOK Ngan Kwan Christina

TAN Wee Seng

*Independent Non-executive Directors*

CHAN Yuk Shee, *PhD, BBS, JP*

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

TAM Wai Chu Maria, *GBS, JP*

KI Man Fung Leonie, *SBS, JP*

*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

Chai Wan

Hong Kong

1 December 2010

*To Shareholders*

*and, for information only,*

*holders of the Options*

Dear Sir or Madam,

**PROPOSED BONUS ISSUE OF SHARES  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the ordinary resolution to approve the Bonus Issue and to give you notice of EGM.

## LETTER FROM THE BOARD

### 2. PROPOSED BONUS ISSUE

#### **Basis of Bonus Issue**

Reference is made to the Company's announcement dated 18 November 2010. Subject to the conditions as set out under the heading "Conditions of the Bonus Issue" below, the Bonus Issue is proposed to be made on the basis of one (1) Bonus Share for every one (1) existing ordinary Share held on the Record Date by the Qualifying Shareholders. The Bonus Shares will be issued and credited as fully paid at par.

On the basis of 1,398,510,861 existing Shares in issue as at the Latest Practicable Date, and assuming no further Shares will be issued or purchased before the Record Date, not less than 1,398,510,861 Bonus Shares will be issued under the Bonus Issue and the amount of HK\$139,851,086.10, being part of the Company's share premium account, will be capitalized and accordingly such sum will be applied in paying in full at par for not less than 1,398,510,861 Bonus Shares. After the completion of the Bonus Issue, there will be a total of 2,797,021,722 Shares in issue as enlarged by the Bonus Issue.

#### **Record Date and Closure of Register of Members**

The Bonus Shares will be issued to the Qualifying Shareholders. Arrangement for the Excepted Shareholders are further elaborated below under the heading "Overseas Shareholders".

The Register of Members will be closed from Thursday, 16 December 2010 to Monday, 20 December 2010 (both days inclusive) during which no transfer of Shares will be registered, in order to determine the entitlement of the Shareholders under the Bonus Issue. In order for the holders of the Vested Options to be qualified for the Bonus Issue, they must lodge the Option exercise form together with a remittance in cash for the amount of the exercise price for the respective Shares no later than 4:30 p.m. on Wednesday, 15 December 2010.

Shareholders are reminded that in order to qualify for the Bonus Issue, they must ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Registrar, Tricor Abacus Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 15 December 2010.

On the basis of (i) no further Shares being issued or purchased before the Record Date, a total of 1,398,510,861 Bonus Shares will be issued pursuant to the Bonus Issue; and (ii) assuming all the Vested Options are exercised before the latest lodging time, a total of 1,407,732,760 Bonus Shares will be issued pursuant to the Bonus Issue. Accordingly, the Bonus Shares to be issued pursuant to the Bonus Issue will therefore be not more than 1,407,732,760 Bonus Shares.

## LETTER FROM THE BOARD

The exact total number of Bonus Shares to be issued under the Bonus Issue will not be capable of determination until the Record Date. The Company will make an announcement when the number of Bonus Shares to be issued is determined.

### **Reasons for the Proposed Bonus Issue**

In recognition of the continual support of the Shareholders, the Board decides to propose the Bonus Issue. In addition to that, the Directors believe that the Bonus Issue will enhance the liquidity of the Shares in the market and thereby enlarging the Shareholder and capital base.

### **Conditions of the Bonus Issue**

The completion of Bonus Issue is conditional upon:

- (i) the approval of the Bonus Issue by the Shareholders at the EGM;
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Bonus Shares; and
- (iii) compliance with the relevant provisions under the Companies Law and the Articles of Association to effect the Bonus Issue.

### **Status of the Bonus Shares**

The Bonus Shares, upon issue, will rank *pari passu* with the Shares then existing in all respects, including the entitlement of receiving dividends and other distributions the record date for which is on or after the date of allotment and issue of those Bonus Shares.

### **Commencement of dealings in the Bonus Shares**

Application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Bonus Shares to be issued pursuant to the Bonus Issue.

It is expected that certificates for the Bonus Shares will be posted on or before 24 December 2010 after all the conditions have been fulfilled at the risk of the Shareholders entitled thereto to their respective addresses shown on the Register of Members on the Record Date. It is expected that the dealing of Bonus Shares on the Stock Exchange will commence on 29 December 2010.



## LETTER FROM THE BOARD

Subject to the granting of the listing of and permission to deal in the Bonus Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Bonus Shares will be accepted as eligible securities for deposit, clearance and settlement in CCASS established and operated by HKSCC with effect from the commencement date of dealings in the Shares on the Stock Exchange or such other date as determined by HKSCC. Dealings in the Shares may be settled through CCASS. Shareholders should seek the advice of their licensed securities dealers or other professional advisers for details of these settlement arrangements and how such arrangements will affect their rights and interests.

No part of the share capital of the Company is listed or dealt in on any other stock exchange and no such listing or permission to deal is being or proposed to be sought. The Bonus Shares will not be listed or traded on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or proposed to be sought. Dealings in the Bonus Shares will be subject to the payment of stamp duty in Hong Kong.

### **Overseas Shareholders**

Based on the Company's Register of Members as at the Latest Practicable Date, there were 10 Overseas Shareholders with registered addresses in Australia, Japan, New Zealand, Singapore, the Netherlands, the United Kingdom and the United States of America. If at 4:30 p.m. on the Record Date, the Register of Members reveals there are Overseas Shareholders, an enquiry will be made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules. Upon such enquiry, if the Board considers that it would be necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place to exclude those Overseas Shareholders having registered addresses outside Hong Kong (the "Excepted Shareholders") but not having corresponding addresses in Hong Kong from the Bonus Issue, the Bonus Shares will not be granted to the Excepted Shareholders.

In such circumstance, arrangement will be made for the Bonus Shares which would otherwise have been issued to the Excepted Shareholders to be sold in the market as soon as practicable after dealings commence. Any net proceeds of such sale, after deduction of expenses, of HK\$100 or more will be distributed in Hong Kong dollars to the relevant Excepted Shareholders, by ordinary post at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100 in which case it will be retained for the benefit of the Company.

## LETTER FROM THE BOARD

### 3. ADJUSTMENTS TO THE OPTIONS

Implementation of the Bonus Issue will lead to adjustments to the subscription price and the number of Shares to be issued upon exercise of the Options. The Company will notify the respective holders of the Options regarding the adjustments to be made pursuant to the respective terms and conditions of the Options and notify the Shareholders by way of announcement(s). Such adjustments will be certified by an independent financial adviser or the auditor of the Company (as the case may be). Save for the Options, the Company has no other outstanding options, warrants or convertible securities to subscribe for any Share.

### 4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's principal place of business in Hong Kong at 14th Floor, Block B, MP Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong from 9:00 am to 5:00 p.m. on any weekday other than public holidays from Wednesday, 1 December 2010 to Monday, 20 December 2010:

- (a) Memorandum and Articles of Association of the Company;
- (b) The Companies Law of the Cayman Islands; and
- (c) Annual reports of the Company for each of the financial years ended 31 March 2008, 2009 and 2010.

### 5. EXPECTED TIMETABLE

The expected timetable for the Bonus Issue is set out on page 3 of this circular. Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

### 6. EGM

The notice convening the EGM is set out on pages 10 to 12 of the circular. At the EGM, a resolution will be proposed for the Shareholders to consider and, if thought fit, approve the Bonus Issue.

The Directors confirm that none of the Shareholders will be required to abstain from voting at the EGM.

Pursuant to Rule 13.39(4) of the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to the vote at the EGM. The results of the poll shall be deemed to be the resolution of the general meeting in which the poll was demanded or required and the poll results will be published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.sasa.com](http://www.sasa.com)) after the EGM.

## LETTER FROM THE BOARD

### 7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### 8. RECOMMENDATION

The Directors believe that the Bonus Issue is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolution to approve the above matters to be proposed at the EGM.

By Order of the Board  
**KWOK Siu Ming Simon**  
*Chairman and CEO*

## NOTICE OF EXTRAORDINARY GENERAL MEETING



### SA SA INTERNATIONAL HOLDINGS LIMITED

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

**(Stock Code: 178)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting of Sa Sa International Holdings Limited will be held at Vinson Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Monday, 20 December 2010 at 3:00 p.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution which will be proposed as an ordinary resolution of the Company:

#### ORDINARY RESOLUTION

**“THAT**, subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting and agreeing to grant listing of and permission to deal in the Bonus Shares (as hereinafter defined):

- (a) upon the recommendation of the directors of the Company, a sum of HK\$139,851,086.10 being part of the amount standing to the credit of the share premium account of the Company, or such larger sum as may be necessary to give effect to the bonus issue of shares pursuant to this resolution, be capitalised and accordingly the directors of the Company be and are hereby authorised and directed to apply such sum in paying up in full at par not less than 1,398,510,861 unissued shares (the **“Bonus Shares”**) of HK\$0.1 each in the capital of the Company, and that such Bonus Shares shall be issued, allotted and distributed, credited as fully paid up, to and amongst those shareholders whose names appear on the register of members of the Company on 20 December 2010 (the **“Record Date”**) on the basis of one (1) Bonus Share for every one (1) existing ordinary issued share of HK\$0.1 each in the capital of the Company held by them respectively on the Record Date;
- (b) the Bonus Shares to be issued and allotted pursuant to this resolution shall be subject to the memorandum and articles of association of the Company and shall rank *pari passu* in all respects with the shares of HK\$0.1 each in the capital of the Company in issue on the Record Date, including all future dividends and distributions which are declared, made or paid after the date on which the Bonus Shares are allotted and issued, except that they will not rank for the bonus issue of shares mentioned in this resolution or dividends declared by the Company before the date of allotment and issue of the Bonus Shares; and

## NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) the directors of the Company be authorised to do all acts and things as may be necessary and expedient in connection with the allotment and issue of the Bonus Shares, including, but not limited to, determining the amount to be capitalized out of the share premium account of the Company and the number of Bonus Shares to be issued, allotted and distributed in the manner referred to in paragraph (a) of this resolution.”

By Order of the Board  
**MAK Sum Wun Simmy**  
*Company Secretary*

Hong Kong, 1 December 2010

Notes:

1. The register of members of the Company will be closed from Thursday, 16 December 2010 to Monday, 20 December 2010 (both days inclusive) during which no transfer of shares will be registered, in order to determine the entitlement of the shareholders under the bonus issue of shares. Shareholders are reminded that in order to qualify for the bonus issue of shares, they must ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's branch share registrar and transfer office, Tricor Abacus Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 15 December 2010.
2. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his/her proxy to attend and vote instead of him/her. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend in his/her stead.
3. The enclosed form of proxy and (if required by the Board) the power of attorney or other authority (if any), under which it is signed, or a notarially certified copy of such power or authority shall be delivered at the Company's branch share registrar and transfer office, Tricor Abacus Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the above meeting or adjourned meeting at which the person named in the enclosed form of proxy proposes to vote, or, in the case of a poll taken subsequently to the date of the above meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll, and in default the enclosed form of proxy shall not be treated as valid provided always that the chairman of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex or cable or facsimile confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most, or as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.
5. The enclosed form of proxy must be signed by the appointor or of his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.

## NOTICE OF EXTRAORDINARY GENERAL MEETING

As at the date of this notice, the directors of the Company are:-

### **Executive Directors**

Dr KWOK Siu Ming Simon, *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*