
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of 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** (“Company”), you should at once hand this circular 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 transferee.

No Shareholder receiving a copy of this circular or a Form of Election in any territory outside Hong Kong may treat the same as an invitation to elect for new Shares unless in that relevant territory such invitation could lawfully be made to that Shareholder without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. **It is the responsibility of any Shareholder outside Hong Kong who wishes to receive New Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdiction including any applicable procedures or any other similar formalities.**

In particular, this circular does not constitute an offer to sell or the solicitation of an offer to buy any of the Shares in the United States. The Shares may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. No public offer of the Shares is to be made in the United States.

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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)

**FINAL DIVIDEND AND SPECIAL FINAL DIVIDEND
FOR THE YEAR ENDED 31 MARCH 2016
WITH SCRIP ALTERNATIVE**

13 September 2016

IMPORTANT NOTICE

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ALSO, THIS DOCUMENT HAS BEEN PREPARED FOR THE PURPOSE OF COMPLIANCE WITH HONG KONG REGULATORY REQUIREMENTS. IT IS NOT A DISCLOSURE DOCUMENT FOR THE PURPOSES OF AUSTRALIAN LAW, AND MAY NOT CONTAIN ALL THE INFORMATION REQUIRED TO BE CONTAINED IN DISCLOSURE DOCUMENTS UNDER THE LAWS OF AUSTRALIA. THE COMPANY IS A FOREIGN COMPANY FOR THE PURPOSES OF AUSTRALIAN LAW, AND IS NOT SUBJECT TO THE CONTINUOUS DISCLOSURE REQUIREMENTS UNDER AUSTRALIAN LAW. THE COMPANY HAS NOT CONSIDERED WHETHER OR NOT THE OFFER OF THE NEW SHARES COMPLIES WITH AUSTRALIAN LAW. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER, AND IF YOU ARE IN DOUBT ABOUT ANY OF THE CONTENTS OF THIS DOCUMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

FURTHER, THE RECEIPT OF THE CASH DIVIDEND OR ELECTION TO RECEIVE THE SCRIP DIVIDEND MAY HAVE TAX IMPLICATIONS FOR SHAREHOLDERS WHO ARE RESIDENT IN THE UNITED KINGDOM AND YOU ARE THEREFORE ADVISED TO OBTAIN APPROPRIATE ADVICE FROM YOUR PROFESSIONAL ADVISORS IN THIS REGARD BEFORE TAKING ANY ACTION.

DEFINITIONS

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

“Board”	the board of directors of the Company;
“Branch Share Registrar and Transfer Office”	Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong;
“Closing Time”	the closing time for the return of the completed Form of Election to the Branch Share Registrar and Transfer Office, being 4:30 p.m. on Thursday, 29 September 2016;
“Company”	Sa Sa International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange;
“Dividend”	the Final Dividend and the Special Final Dividend;
“Final Dividend”	the final dividend of 9.0 HK cents per Share for the year ended 31 March 2016 payable to Shareholders whose names appear on the Company’s register of members on the Record Date;
“Form of Election”	the form of election for use by Shareholders who wish to receive the Dividend wholly or partly in New Shares instead of cash;
“HK\$” and “HK cents”	Hong Kong dollar(s) and cent(s) respectively, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“New Share(s)”	new fully paid Share(s) to be issued under the Scrip Dividend Scheme;
“Record Date”	Tuesday, 6 September 2016, being the date for determining Shareholders’ respective entitlements to the Dividend;
“Scrip Dividend Scheme”	the scheme under which eligible Shareholders may elect to receive the Dividend wholly or partly by the allotment of New Shares instead of cash;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

DEFINITIONS

“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company, or if there has been a subdivision, consolidation, reduction, reclassification of or reconstruction of or any other alteration to the share capital of the Company, shares forming part of the share capital of the Company;
“Shareholder(s)”	holder(s) of Shares;
“Special Final Dividend”	the special final dividend of 5.5 HK cents per Share for the year ended 31 March 2016 payable to Shareholders whose names appear on the Company’s register of members on the Record Date;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“United States”	United States of America or any of its territories or possessions.

TIMETABLE OF EVENTS

A timetable summarising the events in relation to the Dividend is set out below:

Event	Date
Last date cum-Dividend	Wednesday, 31 August 2016
Ex-Dividend date	Thursday, 1 September 2016
Latest time by which transfers were accepted for registration for entitlement to the Dividend	4:30 p.m. on Friday, 2 September 2016
Closure of the Company's register of members for the purpose of determining Shareholders' respective entitlements to the Dividend	Monday, 5 September 2016 to Tuesday, 6 September 2016 (both dates inclusive)
Record Date	Tuesday, 6 September 2016
Closing Time <i>(Note 1)</i>	4:30 p.m. on Thursday, 29 September 2016
Despatch of dividend warrants and/or definitive certificates for New Shares	Monday, 17 October 2016
Expected first day of dealings in New Shares	Tuesday, 18 October 2016 (subject to the receipt of definitive certificates for New Shares by the relevant Shareholders)

Notes:

- (1) If a typhoon signal no. 8 or above, or a "black" rainstorm warning is in force at or at any time prior to 4:30 p.m. on Thursday, 29 September 2016, the closing time for returning the Form of Election will be extended. Further information is set out in this circular.
- (2) References to time and dates in this circular are to Hong Kong time and dates.

LETTER FROM THE BOARD



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:

Dr KWOK Siu Ming Simon, *BBS, JP*

(Chairman and chief executive officer)

Dr KWOK LAW Kwai Chun Eleanor, *BBS*

(Vice-chairman)

Dr LOOK Guy *(Chief financial officer)*

Registered office:

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

Non-executive Director:

Ms LEE Yun Chun Marie-Christine

*Head office and principal place
of business in Hong Kong:*

8th Floor, Block B

MP Industrial Centre

18 Ka Yip Street

Chai Wan

Hong Kong

Independent non-executive Directors:

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

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

Ms TAM Wai Chu Maria, *GBM, GBS, JP*

Ms KI Man Fung Leonie, *GBS, JP*

Mr TAN Wee Seng

13 September 2016

Dear Shareholders,

**FINAL DIVIDEND AND SPECIAL FINAL DIVIDEND
FOR THE YEAR ENDED 31 MARCH 2016
WITH SCRIP ALTERNATIVE**

INTRODUCTION

On 23 June 2016, the Board declared the Final Dividend of 9.0 HK cents per Share and the Special Final Dividend of 5.5 HK cents per Share for the year ended 31 March 2016 payable in cash with an option to elect payment of the Dividend wholly or partly by allotment of New Shares credited as fully paid up, payable to the Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date. The register of members of the Company was closed from Monday, 5 September 2016 to Tuesday, 6 September 2016, during which period no transfer of Shares was effected. The latest time by which transfers were accepted for registration for entitlement to the Dividend was 4:30 p.m. on Friday, 2 September 2016.

LETTER FROM THE BOARD

The purpose of this circular is to set out the procedures and conditions which apply in relation to the Scrip Dividend Scheme and the actions which should be taken by the Shareholders in relation thereto.

PARTICULARS OF THE SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, each Shareholder whose name appears on the register of members as at the close of business on the Record Date shall have the following choices of receiving the Dividend (comprising the Final Dividend and Special Final Dividend) of 14.5 HK cents per Share:

- (a) in cash per Share; or
- (b) by an allotment of New Shares in lieu of cash at an issue price of HK\$2.90 per New Share (as determined below), save for adjustment for fractions; or
- (c) partly in cash and partly in New Shares.

For the purpose of calculating the number of New Shares to be allotted on a pro-rata basis to Shareholders pursuant to the Scrip Dividend Scheme, the market value of each New Share means the average value of the closing prices of one Share on the Stock Exchange for the five consecutive trading days up to and including the Record Date less a discount of five per cent, being HK\$2.90. **The last day on which Shareholders will be entitled to make their choices of the above alternatives is Thursday, 29 September 2016.**

Accordingly, the number of New Shares which Shareholders will receive under the Scrip Dividend Scheme will be calculated as follows:

$$\begin{array}{rcccl} \text{Number of} & & \text{Number of existing} & & \text{14.5 HK cents} \\ \text{New Shares to be} & & \text{Shares held on the} & & \text{(Dividend per Share)} \\ \text{received (rounded} & = & \text{Record Date for which} & \times & \hline \text{down to the nearest} & & \text{cash election is not} & & \text{95} \\ \text{whole number)} & & \text{made} & & \text{HK\$3.05} \times \hline & & & & \text{100} \end{array}$$

The New Shares to be issued pursuant to the Scrip Dividend Scheme will rank pari passu in all respects with the existing issued Shares except that such New Shares themselves will not rank for the Dividend, and will rank in full for all future dividends and distributions which may be declared, made or paid. No Shareholder will be entitled to be issued any fraction of a Share under the Scrip Dividend Scheme. Fractional entitlements to Shares will be disregarded and the benefit thereof will accrue to the Company.

LETTER FROM THE BOARD

ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will enable Shareholders to increase their investment in the Company without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Scheme will also benefit the Company to the extent that such cash as would otherwise have been paid to the Shareholders who elect to receive the Dividend in scrip, in whole or in part in lieu of a cash dividend, will be retained for use by the Company as working capital or to fund new investments. To facilitate Shareholders' reinvestment of their dividends into the Company's Shares, the Board has resolved to offer a five per cent discount on the subscription price for eligible Shareholders who elect to receive the Dividend in scrip.

ELECTION OF THE SCRIP DIVIDEND SCHEME

If all registered Shareholders as at the Record Date elected to receive all their entitlement to the Dividend in the form of New Shares, the Company will issue approximately 144,606,578 New Shares, representing an increase of approximately 5.00% of the number of Shares in issue as at Wednesday, 7 September 2016 being the latest practicable date prior to the printing of this circular. If elections to receive the Dividend in cash were received in respect of all the existing Shares registered as at the Record Date, the total cash dividend payable by the Company would be HK\$419,359,076.

Shareholders should note that subscription for New Shares to be issued under the Scrip Dividend Scheme may give rise to notification requirements under the SFO for those Shareholders who may have notifiable interests (as defined under the SFO) in the Company. Shareholders who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice.

FORM OF ELECTION

Enclosed is a Form of Election. **No action is required if you wish the Dividend to which you are entitled to be wholly satisfied in cash. Otherwise, if you wish to receive such dividend wholly in New Shares in lieu of cash, or partly in New Shares with the balance satisfied in cash, you must complete the enclosed Form of Election in accordance with the instructions printed thereon and lodge it with the Branch Share Registrar and Transfer Office, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than the Closing Time.**

The Closing Time will be extended, as the case may be, in accordance with (a) or (b) below if there is a typhoon signal no. 8 or above, or a "black" rainstorm warning (either one of the warnings is referred to as the "**Warning**"):

- (a) in force in Hong Kong at any time before 12:00 noon and no longer in force after 12:00 noon on Thursday, 29 September 2016. In such a case, the closing time for the return of the Form of Election will be extended to 5:00 p.m. on Thursday, 29 September 2016; or

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- (b) in force in Hong Kong at any time between 12:00 noon and 4:30 p.m. on Thursday, 29 September 2016. In such a case, the closing time for the return of the Form of Election will be extended to 4:30 p.m. on the next business day where no Warning is in force at any time between 9:00 a.m. and 4:30 p.m.

If you have signed the Form of Election but do not specify the number of Shares in respect of which you wish to receive the Dividend by way of allotment of New Shares or, if you elect to receive New Shares in respect of a greater number of Shares than your registered holding as at the Record Date, then in either case you will be deemed to have exercised your election to receive New Shares in lieu of cash dividend in respect of all the Shares registered in your name(s). No acknowledgement of receipt of the Form of Election will be issued.

If the Branch Share Registrar and Transfer Office does not receive your completed and signed Form of Election by the Closing Time, you will receive the whole of your Dividend in cash.

SHAREHOLDERS RESIDENT OUTSIDE HONG KONG

This circular and Form of Election will not be registered in Hong Kong or any other jurisdiction. The Shares have not been registered under the applicable securities legislation of any jurisdiction other than Hong Kong. All Shareholders resident outside Hong Kong should consult their bankers or other professional advisers as to whether any governmental or other consents are required or other formalities need to be observed to enable them to receive New Shares in satisfaction of the Dividend. No Shareholder receiving a copy of this circular and/or a Form of Election in any territory outside Hong Kong may treat the same as an invitation to participate in the Scrip Dividend Scheme unless in that relevant territory such invitation could lawfully be made to that Shareholder without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities.

As at Tuesday, 6 September 2016, according to the Company's register of members, there were nine overseas Shareholders residing in six jurisdictions, namely Australia, Japan, Macau, the Netherlands, United Kingdom and the United States, who together held an aggregate of 50,148 Shares.

The Company has made enquiries with legal advisers where its overseas Shareholders are based regarding legal restrictions and regulatory requirements on participation of Shareholders resident outside Hong Kong in the Scrip Dividend Scheme as required by Rule 13.36(2) of the Rules Governing the Listing of Securities on the Stock Exchange. Since registration or filing or other procedures will need to be carried out to comply with the relevant securities legislations of Japan ("**Excluded Jurisdiction**") and/or the costs of complying with the requirements in the Excluded Jurisdiction will exceed materially any potential benefit to the Company of doing so, the Board considers that it would be necessary and expedient to exclude Shareholders with registered addresses in

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the Excluded Jurisdiction (“**Excluded Shareholders**”) from the Scrip Dividend Scheme as it would be impractical to comply with such procedures in this country given the small Shareholder base. Accordingly, the Form of Election will not be sent to the Excluded Shareholders and they will only receive this circular for information. Excluded Shareholders will receive their dividend wholly in cash.

For the avoidance of doubt, the New Shares are not offered to the public (other than the Shareholders) and the Forms of Election are non-transferable. Notwithstanding the legal advice taken by the Company, it is the responsibility of any Shareholder outside Hong Kong who wishes to receive New Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdiction including procedures or any other similar formalities. It is also the responsibility of any Shareholder outside Hong Kong who receive New Shares in lieu of the cash dividend to also comply with any restrictions on the resale of the Shares which may apply outside Hong Kong.

CONDITIONS

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the New Shares.

LISTING AND DEALINGS

Shares issued by the Company have been admitted as eligible securities for deposit and settlement in the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited. Dealings in the Shares may be settled through the Central Clearing and Settlement System. Investors should seek the advice of their stockbrokers or other professional advisers for details of these settlement arrangements and how such arrangements will affect their rights and interests.

The Shares are listed and dealt in on the Stock Exchange. No equity or debt securities of the Company are listed or dealt in or for which listing or permission to deal in is being or is proposed to be sought in any other stock exchanges.

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the New Shares to be issued pursuant to the Scrip Dividend Scheme. Subject to the approval being granted by the Listing Committee of the Stock Exchange, the New Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the Central Clearing and Settlement System. It is expected that share certificates in respect of such New Shares and/or dividend warrants in respect of the Dividend payable in cash will be posted at the risk of those entitled thereto on Monday, 17 October 2016 and dealings in such Shares will commence on Tuesday, 18 October 2016. In the unlikely event that the New Shares are not admitted to listing by the Stock Exchange before Monday, 17 October 2016, the Forms of Election will be disregarded and the Dividend will be paid wholly in cash to the entitled Shareholders according to their registered shareholdings.

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RECOMMENDATION AND ADVICE

New Shares issued to a Shareholder pursuant to an election to receive some or all of their Dividend in New Shares may be allocated in odd lots. No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of New Shares issued in odd lots. Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

It is the Shareholders' responsibility to decide in this regard whether or not to exercise their rights to receive New Shares in lieu of cash. Whether or not it is to the Shareholders' advantages to receive cash or New Shares, in whole or in part, depends upon their own individual circumstances. The effect on the tax position of any Shareholder will depend on that Shareholder's particular circumstances. **If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered/licensed dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.** Shareholders who are trustees are recommended to take professional advice as to whether the choice to receive cash or New Shares, in whole or in part, is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

Yours faithfully,
By Order of the Board
Sa Sa International Holdings Limited
KWOK Siu Ming Simon
Chairman and chief executive officer