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**THIS CIRCULAR IS IMPORTANT AND REQUIRED YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect about 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 shares in Sa Sa International Holdings Limited (the “**Company**”), you should at once hand this circular together with the attached proxy form and the annual report of the Company for the year ended 31 March 2018 (the “**Annual Report**”) to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**NOTICE OF ANNUAL GENERAL MEETING  
AND  
PROPOSALS INVOLVING  
RE-ELECTION OF RETIRING DIRECTORS,  
GENERAL MANDATES TO ISSUE NEW SHARES AND BUY BACK SHARES**

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The notice convening the annual general meeting of the Company to be held at 16<sup>th</sup> Floor, V Point, No. 18 Tang Lung Street, Causeway Bay, Hong Kong on Monday, 3 September 2018, at 12:30 p.m. (“**AGM**” or “**Meeting**”) is set out on pages 3 to 6 of this circular. Shareholders are advised to read the notice and to complete and return the attached proxy form in accordance with the instructions printed thereon as soon as possible and in any event so that it arrives no later than 48 hours before the commencement of the AGM.

Shareholders or proxies who attend the AGM in person will each receive one set of souvenir as a token of the Company’s appreciation. If a shareholder is also appointed as proxy/proxies of other shareholder(s), or if a proxy represents multiple shareholders, the allocation of additional number of souvenirs is entirely at the discretion of the Company and is subject to the availability of souvenirs.

23 July 2018

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LETTER FROM BOARD OF DIRECTORS

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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*

KWOK Siu Ming Simon, *SBS, JP*

*(Chairman and Chief Executive Officer)*

KWOK LAW Kwai Chun Eleanor, *BBS, JP*

*(Vice-chairman)*

LOOK Guy *(Chief Financial Officer)*

*Registered office*

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

*Non-executive Director*

LEE Yun Chun Marie-Christine

*Principal place of business*

*in Hong Kong*

8<sup>th</sup> Floor, Block B

MP Industrial Centre

18 Ka Yip Street

Chai Wan

Hong Kong

*Independent Non-executive Directors*

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

KI Man Fung Leonie, *GBS, SBS, JP*

TAN Wee Seng

23 July 2018

*Dear Shareholders,*

On behalf of the Board, it is my pleasure to invite you to the AGM to be held at 16<sup>th</sup> Floor, V Point, No. 18 Tang Lung Street, Causeway Bay, Hong Kong on Monday, 3 September 2018, at 12:30 p.m.

The notice of AGM and information regarding the business to be considered are set out in this circular. A proxy form for use at the AGM is attached. Whether or not you intend to attend the AGM, you are advised to complete the proxy form and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any case so that it arrives no later than 48 hours before the commencement of the AGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM and at any adjournment thereof, should you so wish to do so.

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## LETTER FROM BOARD OF DIRECTORS

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The Board considers that the proposed resolutions as set out in the notice of AGM are in the best interests of the Company and its shareholders, and recommends you to vote in favour of the resolutions.

I will demand that each of the proposed resolutions be voted by way of a poll. The poll results will be posted on the website of the Company and that of the Stock Exchange after the market closes on the day of the AGM.

Yours faithfully,  
By order of the Board  
**Sa Sa International Holdings Limited**  
**KWOK Siu Ming Simon**  
*Chairman and Chief Executive Officer*

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Sa Sa International Holdings Limited (the “**Company**”) will be held at 16<sup>th</sup> Floor, V Point, No. 18 Tang Lung Street, Causeway Bay, Hong Kong on Monday, 3 September 2018, at 12:30 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and independent auditor for the year ended 31 March 2018.
2. To declare a final dividend and special dividend for the year ended 31 March 2018.
3. (1) To re-elect the following retiring directors of the Company:
  - (a) Dr KWOK Siu Ming Simon as executive director;
  - (b) Dr KWOK LAW Kwai Chun Eleanor as executive director; and
  - (c) Ms KI Man Fung Leonie as independent non-executive director.
- (2) To authorise the board of directors (“**Board**”) to fix their remuneration.
4. To re-appoint PricewaterhouseCoopers as auditor and to authorise the Board to fix its remuneration.

### ORDINARY RESOLUTIONS

5. As special business, to consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions of the Company:
  - (1) “**THAT:**
    - (a) subject to paragraph (c) below, a general mandate be unconditionally granted to the directors of the Company (“**Directors**”) to exercise during the Relevant Period (as defined below) all the powers of the Company to allot, issue and deal with additional shares in the Company and to make or grant offers, agreements, options and warrant (including securities convertible into shares of the Company) which would or might require the exercise of such powers;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the mandate in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and rights which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the mandate in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) an issue of shares under any options granted under the share option schemes adopted by the Company; (iii) an issue of shares in lieu of the whole or part of a dividend pursuant to any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company, shall not exceed 20% of the total number of shares of the Company in issue at the date of passing of this resolution (subject to adjustment in the case of any subdivision and consolidation of shares after passing of this resolution) and the said mandate shall be limited accordingly; and
- (d) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of Cayman Islands to be held; and
- (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares or an issue of options, warrants or other securities giving the right to subscribe for shares, open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

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## NOTICE OF ANNUAL GENERAL MEETING

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(2) “**THAT:**

(a) a general mandate be unconditionally granted to the Directors to exercise during the Relevant Period (as defined below) all the powers of the Company to buy back or otherwise acquire shares of the Company in accordance with all applicable laws and/or requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), provided that the total number of shares so bought back and otherwise acquired shall not exceed 10% of the total number of shares of the Company in issue at the date of passing this resolutions (subject to adjustment in the case of any subdivision and consolidation of shares after the passing of this resolutions) (the “**Share Buy-back Mandate**”); and

(b) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of Cayman Islands to be held; and
- (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

(3) “**THAT** subject to the passing of the ordinary resolutions numbered 5(1) and 5(2) set out in the notice of annual general meeting, the total number of shares of the Company which are bought back or otherwise acquired by the Company pursuant to the said resolution numbered 5(2) shall be added to the total numbers of shares of the Company which may be issued pursuant to the resolution numbered 5(1).”

By Order of the Board  
**Sa Sa International Holdings Limited**  
**MAK Sum Wun Simmy**  
*Company Secretary*

Hong Kong, 23 July 2018

*Notes:*

1. Any member of the Company entitled to attend, speak and vote at a meeting of the Company shall be entitled to appoint one or more proxies (who must be an individual) to attend, speak and vote on his/her behalf. A proxy need not be a member of the Company.

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## NOTICE OF ANNUAL GENERAL MEETING

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2. 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 shares as if he/she were solely entitled thereto, but the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the relevant joint holding.
3. In order to be valid, the completed proxy form must be received by the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited ("**Tricor**") at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 48 hours before the time appointed for holding the above meeting or any adjourned meeting. If a proxy form is signed by an attorney of a shareholder who is not a corporation, the power of attorney or other authority under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practice in Hong Kong) must be delivered to Tricor together with the proxy form. In the case of a corporation, the proxy form must either be executed under its company stamp or be signed by an officer or agent duly authorised in writing.
4. For the purpose of ascertaining eligibility to attend, speak and vote at the annual general meeting to be held on Monday, 3 September 2018, the register of members of the Company will be closed from Friday, 31 August 2018 to Monday, 3 September 2018, both dates inclusive, during which period no transfer of shares of the Company will be effected. To be eligible to attend, speak and vote at the above meeting (or at any adjournment of it), all transfers accompanied by the relevant share certificates must be lodged with Tricor, not later than 4:30 p.m. on Thursday, 30 August 2018.
5. The registration for attending the annual general meeting will start at 12:00 noon on 3 September 2018.
6. If a Typhoon Signal No. 8 or above remains hoisted or a Black Rainstorm Warning Signal is in force at 9:00 a.m. on the date of the annual general meeting, the annual general meeting will be postponed or adjourned. The Company will post an announcement on the website of the Company and that of the Stock Exchange to notify shareholders of the details of the rescheduled meeting.

The annual general meeting will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force. Shareholders should make their own decision as to whether they would attend the annual general meeting under bad weather conditions bearing in mind their own situation.

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

***Executive Directors***

Dr KWOK Siu Ming Simon, *SBS, JP (Chairman and Chief Executive Officer)*

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

Dr LOOK Guy (*Chief Financial Officer*)

***Non-executive Director***

Ms LEE Yun Chun Marie-Christine

***Independent Non-executive Directors***

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

Ms KI Man Fung Leonie, *GBS, SBS, JP*

Mr TAN Wee Seng

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## BUSINESS OF THE MEETING AND BOARD RECOMMENDATIONS

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### RESOLUTION 1 – RECEIVING THE AUDITED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company and the respective reports of the directors and independent auditor for the year ended 31 March 2018 are set out in the Annual Report which are available in English and Chinese on the Company's website at <http://corp.sasa.com> and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

The financial statements have been reviewed by the Audit Committee and audited by PricewaterhouseCooper (“PwC”).

### RESOLUTION 2 – DECLARATION OF FINAL DIVIDEND AND SPECIAL DIVIDEND

The Board has recommended a final dividend of 11.0 HK cents (2017: 8.0 HK cents) per share together with a special dividend of 3.0 HK cents per share (2017: Nil) for the year ended 31 March 2018. Subject to the approval by shareholders at the AGM, such dividend will be payable on 24 October 2018 to shareholders whose names appear on the register of members on 10 September 2018.

The proposed final dividend and special dividend will be offered with a scrip alternative for shareholders to elect to receive such final dividend and special dividend wholly or partly in the form of new fully paid shares instead of in cash. The new shares to be issued pursuant to the scrip dividend scheme are conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the new shares.

A circular containing details of this scrip dividend scheme will be dispatched to shareholders together with an election form for the scrip dividend in the middle of September 2018.

### RESOLUTIONS 3 – RE-ELECTION OF RETIRING DIRECTORS

In accordance with the articles of association of the Company, Dr KWOK Siu Ming Simon, Dr KWOK LAW Kwai Chun Eleanor and Ms KI Man Fung Leonie will retire at the AGM and, being eligible, have agreed to offer themselves for re-election. The Nomination Committee considered that they continue to contribute effectively.

Details of the retiring Directors proposed for re-election at the AGM are set out in Appendix 1 of this circular.

Ms KI Man Fung Leonie meets the independence guidelines set out in Rule 3.13 of the Listing Rules and the Company has received her annual written independence confirmation. Even though Ms Ki will have served as an independent non-executive director for 12 years upon expiration of her current three-year term in December 2018, it is well recognised that an individual's independence cannot be determined arbitrarily on the basis of a set period of time. In assessing Ms Ki's independence, the Board and the Nomination Committee consider the character and judgement demonstrated by Ms Ki's commitment and contribution during her years of service and other relevant factors. The Board is of the view that despite Ms Ki's length of service, she provides invaluable expertise, experience, continuity and stability to the Board, and the Company has benefited greatly from her contribution and valuable insights derived from her in-depth knowledge of



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## BUSINESS OF THE MEETING AND BOARD RECOMMENDATIONS

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the Company. Her duration of service will not interfere with her exercise of independent judgement in carrying out her duties and responsibilities as an independent non-executive director, and she will be able to maintain an independent view of the Group's affairs. The Board considers her to be independent and believes that she will continue to contribute effectively to the Board. The Board recommended the re-election of each retiring Director as a separate resolution.

### RESOLUTION 4 – RE-APPOINTMENT OF AUDITOR

The Audit Committee has assessed the performance of the external auditor, PwC, and recommended to the Board (which endorsed the view) that, subject to shareholders' approval at the AGM, PwC be reappointed as the external auditor of the Company for the year ending 31 March 2019.

### RESOLUTION 5 – GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

At the annual general meeting of the Company held on 29 August 2017, ordinary resolutions were passed giving general mandates to the Directors (i) to allot, issue and otherwise deal with shares equal to 20% of the total number of shares of the Company in issue at 29 August 2017, plus the aggregate number of shares bought back by the Company and (ii) to buy back shares of the Company on the Stock Exchange up to 10% of the total number of shares of the Company in issue as at 29 August 2017. Such general mandates will lapse at the conclusion of the AGM. Resolutions will be proposed at the AGM to give the Directors the mandates to allot or issue new shares or to grant rights to subscribe for or convert to new shares and buy back shares in accordance with the terms of those resolutions.

Based on the 3,040,034,398 shares in issue as at 16 July 2018, being the latest practicable date prior to the printing of this circular (the “**Latest Practicable Date**”) (and assuming that there is no change in respect of the total number of shares of the Company in issue after the Latest Practicable Date and up to the date of passing of the relevant resolution), the Directors will be authorised under the general mandate to issue a maximum of 608,006,879 shares and buy back a maximum of 304,003,439 shares, subject to adjustment in the case of any subdivision and consolidation of shares after the AGM.

The Explanatory Statement required by the Listing Rules to be sent to shareholders in connection with the proposed general mandate for the share buy-back is set out in Appendix 2 of this circular.

### BOARD RECOMMENDATIONS

The Directors consider that each of the Resolutions (1) to (5) as set out in the Notice of AGM is in the best interests of the Company and its shareholders as a whole, and accordingly, recommend shareholders to vote in favour of the proposed resolutions.

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## BUSINESS OF THE MEETING AND BOARD RECOMMENDATIONS

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### VOTING BY POLL

On a poll, every member present in person (or in the case of a corporation by its corporate representative) or by proxy (including where more than one proxy is appointed) shall have one vote for each share in the Company of which he/she is the holder. All shareholders, corporate representatives or proxies who attend the AGM will be given voting papers upon their registration at the AGM. You can cast your votes either for or against each resolution in respect of the number of shares held under your name.

Under the Listing Rules, all votes at the AGM are required to be taken by poll. Accordingly, the Chairman of the AGM will demand a poll regarding the voting for all the resolutions set out in the Notice of AGM. The poll results will be published on the website of the Company and the designated issuer website of the Stock Exchange after market close on the day of the AGM.

*The following are the biographical details of the three Directors who will retire and stand for re-election at the forthcoming AGM:*

**Dr KWOK Siu Ming Simon, SBS, JP**

Dr Kwok, aged 65, is the Chief Executive Officer and an executive director of the Company. He is also the Chairman of the Board and the Chairman of both the Executive Committee and the Risk Management Committee of the Company. Dr Kwok is a director and shareholder of both Sunrise Height Incorporated and Green Ravine Limited, the respective controlling and substantial shareholders of the Company. Both Dr Simon Kwok and Dr Eleanor Kwok have a 50% shareholdings in each of the two companies. Dr Kwok is also a director of certain subsidiaries of the Group.

Dr Kwok together with his wife, Dr KWOK LAW Kwai Chun Eleanor, has overseen Sa Sa's operations since the Group's earliest days and successfully listed the shares of the Company on the Stock Exchange in June 1997. Over the past 40 years, Dr Kwok has played a leading role in transforming Sa Sa into a leading market player with a regional network of operations in Asia. Dr Kwok is a member of the Electoral Conference for the election of Hong Kong Deputies to the Thirteenth National People's Congress of PRC, a member of the Executive Committee and Central Committee of the Liberal Party, a member of the Election Committee in the Wholesale and Retail subsector, Honorable Life President and Councilor of the Cosmetic & Perfumery Association of Hong Kong, Honorary Founding President of the Professional Validation Centre of Hong Kong Business Sector, Honorary Life President of the Hong Kong Brands Protection Alliance and Adviser of Quality Tourism Services Association (Dec 2017-Dec 2018). Dr Kwok was also a committee member of the Chinese People's Political Consultative Conference of Hubei Province (2008-2017), Chairman of Quality Tourism Services Association (Dec 2013-Dec 2017) and Honorary President of the Immigration Service Officers Association. He is also an elected member of the Board of Trustees of New Asia College, The Chinese University of Hong Kong.

Dr Kwok was awarded the "Best IR by Chairman/CEO" (small-cap category) by Hong Kong Investor Relations Association for three consecutive years from 2016 to 2018 and was selected as one of the "CAPITAL Leaders of Excellence 2014" by CAPITAL Magazine in 2015. In 2014, he received the "Global Outstanding Chinese Award" from the "Global Outstanding Chinese Association" and was selected for the "Who's Who Leadership Award Scheme" by the Asian College of Knowledge Management. In 2012, he received the "China Cosmetic Retail Industry Special Contribution Award" from the Circulation Industry Promotion Centre of Chinese Ministry of Commerce and the China Beauty Expo Organising Committee. Dr Kwok was an awardee in The Directors of the Year Awards 2011 in the listed companies (SEHK — Non Hang Seng Index Constituents) category organised by the Hong Kong Institute of Directors, a winner of the "Owner-Operator Award" at the DHL/SCMP Hong Kong Business Awards 2007 and a winner in the Retail Category in the "Ernst & Young Entrepreneur of the Year Awards China 2006". Dr Kwok was elected University Fellow by The Hong Kong Polytechnic University in 2012. He received the degree of Doctor of Business Administration *honoris causa* from the Open University of Hong Kong in 2011, and an *honoris causa* doctorate degree in Business Administration from Lingnan University in 2008.

Dr Kwok is an active participant in the work of charities. He is Second Vice-president (2011-14 and 2016-18), Campaign Committee Co-Chairman (2011-14 and 2016-18), member (2009-15 and 2016-18) and First Vice-President (2014-15) and Executive Committee Chairman (2014-15) of the Community Chest of Hong Kong, Honorary President of New Territories Region of Scout Association of Hong Kong (2016-18), Committee Member of Heifer International (since 2009), Board Member of Concerted Efforts Resource Centre (since 2009), Vice-chairman of the Second & Third Board of Hongkong Kowloon Charitable Foundation Association Limited (2014-19), Executive Board Member of the Hong Kong AIDS Foundation (since 2006), and Honorary Advisor and member (since 2006) and Co-chairman for the Organizing Committee (2006 & 2009) of The Hong Kong Committee for the China AIDS Initiative. He was also an Honorary Advisor of Hong Kong Youth and Professional Network (2015-17).

Save as aforesaid, Dr Kwok does not hold any other position within the Company and its subsidiaries and does not hold any other directorships in the last three years in companies the securities of which are listed on any securities market in Hong Kong or overseas, and he does not have any other major appointments or professional qualifications.

There is no service contract between Dr Kwok and the Company. He is subject to retirement by rotation and re-election at annual general meetings in accordance with the articles of association of the Company (the “**Articles**”) and the Listing Rules. The total director’s emoluments received by Dr Kwok in the year ended 31 March 2018 was approximately HK\$3,263,000, determined by the Board following recommendations by the Remuneration Committee with reference to Dr Kwok’s duties, responsibilities, experience, qualifications, prevailing market conditions and the Group’s performance.

Dr Kwok is the brother-in-law of Mr LAW Kin Ming Peter (Senior Vice President of Category Management and Product Development of the Company) and Mr YUNG Leung Wai Tony (Senior Vice President of e-Commerce of the Company). As at the Latest Practicable Date, Dr Kwok has personal interest of 40,728,000 shares and corporate interest of 1,915,333,768 shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance. The 1,915,333,768 shares are held as to 1,484,312,877 shares by Sunrise Height Incorporated and as to 431,020,891 shares by Green Ravine Limited. Both Sunrise Height Incorporated and Green Ravine Limited are owned as to 50% each by Dr Kwok and his wife, Dr KWOK Law Kwai Chun Eleanor. Dr Kwok and his wife are each taken to be interested in all issued non-voting deferred shares of Base Sun Investment Limited, Matford Trading Limited, Sa Sa Cosmetic Company Limited and Sa Sa Investment (HK) Limited, all of which are wholly-owned subsidiaries of the Company. Details of the above interests are shown in the section “Report of the Directors” in the Annual Report. Save as aforesaid, Dr Kwok does not hold any interests in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Save as the above, he does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

A public censure announcement in respect of Dr Kwok and Mr CHENG Sai Kei Johnnie, an ex-director, was published by the Stock Exchange on 5 September 2000, in which Dr Kwok and Mr Cheng were publicly censured for breach of the declaration and undertaking with regard to directors given by them to the Stock Exchange in the form set out in Appendix 5B to the Listing Rules. Details of the above incident are set out in the announcement referred to.

Save as aforesaid, the Company is not aware of any other matters relating to the re-election of Dr Kwok that need to be brought to the attention of the shareholders nor information required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules.

**Dr KWOK LAW Kwai Chun Eleanor, BBS, JP**

Dr Kwok, aged 64, is one of the founders of the Group, an executive director of the Company and the Vice-chairman of the Board. She is a member of the Executive Committee, Remuneration Committee, Nomination Committee and Risk Management Committee of the Company. She is a director and shareholder of both Sunrise Height Incorporated and Green Ravine Limited, the respective controlling and substantial shareholders of the Company. Both Dr Eleanor Kwok and Dr Simon Kwok have a 50% shareholdings in each of the two companies. Dr Kwok is also a director of certain subsidiaries of the Group.

Dr Kwok has more than 40 years of experience in the sales and marketing of beauty products. With extensive professional knowledge and many years of experience in cosmetics retailing, she pioneered the unique operational concept of open-shelf display of beauty products, making shopping a more enjoyable experience. Dr Kwok plays a leading role in the marketing, operations, human resources and staff training functions of the Group.

Dr Kwok was honoured “Excellent Businesswomen” of the year by Hong Kong Commercial Daily, “Asian Outstanding Leaders Awards for Women” by Asian College of Knowledge Management and “Asian Social Caring Leadership Award” by Social Enterprise Research Institute in 2017. She received “Most Successful Women Awards” by JESSICA Magazine in 2016. She was named “2013 Entrepreneur of the Year” in the Asia Pacific Entrepreneurship Awards 2013 Hong Kong by Enterprise Asia and received “The Excellent Award in Hong Kong Beauty Industry 2012/13” from the International CICA Association of Esthetic-CIDESCO Section China in 2012. Dr Kwok won the “Outstanding Women Entrepreneurs” award of the Hong Kong Women Professionals & Entrepreneurs Association in 2008, and received the “World Outstanding Chinese” award from the World Outstanding Chinese Association and World Chinese Business Investment Foundation. She was conferred Honorary Doctorate of Management by Morrison University, USA, and Honorary Fellowship by the Professional Validation Centre of Hong Kong Business Sector.

Dr Kwok is actively involved in chamber of commerce and charity activities. She is currently Honorable President of the Cosmetic & Perfumery Association of Hong Kong, President of Sa Sa Making Life Beautiful Charity Fund (since 2013), Vice President of the Hong Kong Girl Guides Association (since 2012), Senator of the Hong Kong Federation of Women (2015-19), Honorary President of the Hong Kong Federation of Women (since 2005), Committee Member of Hong Kong Federation of Women Entrepreneurs Committee (since 2004), Major Sports Events Committee (since 2015) and was a patron of Caritas Fund Raising Campaign (since 2006). Dr Kwok was also Adviser (Apr 2017-Mar 2018), Chairman (Apr 2016-Mar 2017), Vice-chairman (Apr 2012-Mar 2016) and Directors of Po Leung Kuk (2006-12), and one of the originators of “Making Life Beautiful” Beauty Ambassador Training Programme of Po Leung Kuk together with Sa Sa (2008 and 2009). She was also the Vice President of New Territories Region of Scout Association of Hong Kong (2016-2017).

Save as aforesaid, Dr Kwok does not hold any other position within the Company and its subsidiaries and does not hold any other directorships in the last three years in companies the securities of which are listed on any securities market in Hong Kong or overseas, and she does not have any other major appointments or professional qualifications.

There is no service contract between Dr Kwok and the Company. She is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles and the Listing Rules. The total director's emoluments received by Dr Kwok in the year ended 31 March 2018 was approximately HK\$2,991,000, determined by the Board following recommendations by the Remuneration Committee with reference to Dr Kwok's duties, responsibilities, experience, qualifications, prevailing market conditions and the Group's performance.

Dr Kwok is the wife of Dr Kwok Siu Ming Simon, and the sister of Mr Law Kin Ming Peter (Senior Vice President of Category Management and Product Development of the Company). As at the Latest Practicable Date, Dr Kwok has family interest of 40,728,000 shares and corporate interest of 1,915,333,768 shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance. The 1,915,333,768 shares are held as to 1,484,312,877 shares by Sunrise Height Incorporated and as to 431,020,891 shares by Green Ravine Limited. Both Sunrise Height Incorporated and Green Ravine Limited are owned as to 50% each by Dr Kwok and her husband, Dr KWOK Siu Ming Simon. Dr Kwok and her husband are each taken to be interested in all issued non-voting deferred shares of Base Sun Investment Limited, Matford Trading Limited, Sa Sa Cosmetic Company Limited and Sa Sa Investment (HK) Limited, all of which are wholly-owned subsidiaries of the Company. Details of the above interests are shown in the section "Report of the Directors" in the Annual Report. Save as aforesaid, Dr Kwok does not hold any interests in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Save as the above, she does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

A public statement in respect of Dr Kwok, Mr CHEN Chou Fan Edward and Mr TONG Hang Chan Peter, two ex-directors was published by the Stock Exchange on 5 September 2000, in which Dr Kwok, Mr Chen and Mr Tong were criticised for breach of the declaration and undertaking with regard to directors given by them to the Stock Exchange in the form set out in Appendix 5B to the Listing Rules. Details of the above incident are set out in the public statement referred to.

Save as aforesaid, the Company is not aware of any other matters relating to the re-election of Dr Kwok that need to be brought to the attention of the shareholders nor information required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules.

**Ms KI Man Fung Leonie, GBS, SBS, JP**

Ms Ki, aged 71, was appointed as an independent non-executive director of the Company in December 2006. She is the Chairman of the Remuneration Committee, member of the Audit Committee and member of the Nomination Committee of the Company. Ms Ki is a non-executive director of New World Development Company Limited and an independent non-executive director of Clear Media Limited. Ms Ki has more than 40 years of experience in integrated communication and marketing services. She was the founder, partner and Chairman/Chief Executive Officer of Grey Hong Kong Advertising Limited and Grey China Advertising Limited. Ms Ki is committed to community and public services. She was the first Chief Executive of The Better Hong Kong Foundation. She is currently a Director of PMQ Management Company Limited, Founder and Honorable President of Wu Zhi Qiao Charitable Foundation, a member of the Asian Advisory Board of Cheng Yu Tung Management Institute, Richard Ivey School of Business (University of Western Ontario, Canada), Vice-chairman of the Committee of Overseers of Morningside College at The Chinese University of Hong Kong, a member of the Advisory Board of the EMBA Programme of The Chinese University of Hong Kong, a member of the executive committee of Youth Outreach, Vice-chairman, council of the Musicus Society, a council member of The University of Hong Kong and a member of Hong Kong Institute of Construction Management Board. Ms. Ki is a recipient of Honorary University Fellowship from The Open University of Hong Kong and The University of Hong Kong. She has been awarded the honour of Beta Gamma Sigma by the Faculty of Business Administration of The Chinese University of Hong Kong, and Justice of the Peace, Silver Bauhinia Star and Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region. She also has been appointed as member of 12th Chinese People's Political Consultative Conference (CPPCC) National Committee in 2013 and member of 10th, 11th & 12th CPPCC Yunnan Provincial Committee.

Save as aforesaid, Ms Ki does not hold any other position within the Company and its subsidiaries and does not hold any other directorships in the last three years in companies the securities of which are listed on any securities market in Hong Kong or overseas, and she does not have any other major appointments or professional qualifications.

Ms Ki's appointment is governed by a formal letter of appointment but there is no service contract between Ms Ki and the Company. Ms Ki's last three-year term of appointment will expire on 14 December 2018. Following the recommendation of the Nomination Committee, the Company offered to re-appoint Ms Ki as an independent non-executive director for a further term of three years commencing from 15 December 2018 to 14 December 2021, subject to retirement by rotation and re-election at annual general meetings in accordance with the provisions of the Articles and the Listing Rules, which has been accepted by Ms Ki. The Director's fees payable to Ms Ki is HK\$257,400 per annum, plus an additional annual fee of HK\$80,000 for her role as a member of the Audit Committee, which were determined by the Board following recommendations by the Remuneration Committee with reference to the fees payable by companies of comparable business and scale.

As at the Latest Practicable Date, Ms Ki has outstanding share options to subscribe for a maximum of 100,000 shares in the Company which will be vested on 13 April 2020 and are exercisable at an exercise price of HK\$4.65 per share. Save as aforesaid, Ms Ki does not have any other interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. She does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

Save as aforesaid, the Company is not aware of any other matters relating to the re-election of Ms Ki that need to be brought to the attention of the shareholders nor information required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules.

*Note:* Details of the Director's emoluments for the year ended 31 March 2018 are set out in note 7 to the consolidated financial statements in the Annual Report.



*This Appendix serves as the explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to provide the shareholders with all the information necessary for their consideration of the Share Buy-back Mandate. Reference in this Appendix to “Share(s)” mean the ordinary share(s) of the Company.*

## **1. STOCK EXCHANGE RULES FOR BUY-BACKS OF COMPANY’S OWN SHARES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to buy back their own shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised in the paragraphs below.

The Listing Rules provide that all proposed buy-backs of shares 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 and that the shares to be bought back must be fully paid up.

## **2. FUNDING BUY-BACKS**

Any buy-backs will be made out of the Company’s internal funds and resources which are legally available for the purpose in accordance with the memorandum of association of the Company and Articles, the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and the Listing Rules. There might be a material adverse effect on the working capital or gearing position of the Group, as compared with the position disclosed in the audited financial statements contained in the Annual Report, in the event that the Share Buy-back Mandate is exercised in full at any time. However, the Board does not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or its gearing levels which, in the opinion of the Board, are from time to time appropriate for the Group.

## **3. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,040,034,398 Shares.

Subject to the passing of the resolution for the grant of the Share Buy-back Mandate at the AGM and on the basis of 3,040,034,398 Shares in issue and assuming no further Shares are issued or bought back between the Latest Practicable Date and the date of the AGM, the Company will be allowed under the Share Buy-back Mandate to buy back a maximum of 304,003,439 Shares during the course of the period ending on the earlier of: (i) the date of the next annual general meeting following the AGM; (ii) the expiration of the period within which the next annual general meeting following the AGM is required by the memorandum of association of the Company and Articles or any applicable laws of the Cayman Islands to be held; and (iii) the date upon which such Share Buy-back Mandate is revoked or varied.

**4. REASONS FOR BUY-BACKS**

The Directors believe that it is in the interests of the Company and its shareholders to have a general authority from the shareholders to enable the Directors to buy back Shares on the market. Such buy-backs 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 earnings per Share and will only be made when the Directors believe that such buy-backs will benefit the Company and its shareholders as a whole.

**5. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange to exercise the Share Buy-back Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and in accordance with the memorandum of association of the Company and Articles. The Company has further confirmed to the Stock Exchange that this Explanatory Statement as set out in this Appendix contains all information required under Rule 10.06(1)(b) of the Listing Rules and that neither the Explanatory Statement as contained herein nor the proposed Share Buy-back Mandate has unusual features.

**6. EFFECT OF HONG KONG CODE OF TAKEOVERS AND MERGERS (THE “TAKEOVER CODE”)**

As at the Latest Practicable Date, Dr KWOK Siu Ming Simon and his wife, Dr KWOK LAW Kwai Chun Eleanor were beneficially interested in 1,956,061,768 Shares, representing approximately 64.34% 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 buy back Shares under the Share Buy-back Mandate, the shareholding of Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor in the Company would increase to approximately 71.49% of the issued share capital of the Company. The Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any buy-backs made pursuant to the Share Buy-back Mandate as at the Latest Practicable Date. At present, the Directors have no intention to exercise in full the power to buy back Shares under the Share Buy-back Mandate.

**7. DIRECTORS, THEIR ASSOCIATES AND THEIR CONNECTED PERSONS**

None of the Directors nor, to the best of the knowledge of the Directors having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), has any present intention, in the event that the Share Buy-back Mandate is approved by shareholders, to sell Shares to the Company. No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company or has undertaken not to do so in the event that the Share Buy-back Mandate is approved by the shareholders.

8. GENERAL

(a) Share buy-back made by the Company

The Company has not bought back any of its Share (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 12 months immediately prior to the Latest Practicable Date were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2017</b>		
July	3.13	2.87
August	2.99	2.77
September	3.10	2.80
October	3.15	2.80
November	3.25	2.78
December	3.11	2.86
<b>2018</b>		
January	3.50	3.01
February	3.60	2.98
March	4.48	3.51
April	5.04	4.03
May	5.68	4.86
June	5.92	4.75
July (up to and including the Latest Practicable Date)	4.96	4.45