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SA SA INTERNATIONAL HOLDINGS LIMITED

莎莎國際控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 178)

(1) EXPIRATION OF 2012 SHARE OPTION SCHEME AND PROPOSED ADOPTION OF 2022 SHARE OPTION SCHEME AND (2) PROPOSED AMENDMENTS TO MEMORANDUM AND ARTICLES OF ASSOCIATION AND ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

EXPIRATION OF 2012 SHARE OPTION SCHEME AND PROPOSED ADOPTION OF 2022 SHARE OPTION SCHEME

The Board proposes to adopt the 2022 Share Option Scheme in view of the expiration of the 2012 Share Option Scheme in accordance with the requirements of Chapter 17 of the Listing Rules. The 2022 Share Option Scheme is conditional upon (i) approval by the Shareholders at the forthcoming AGM; and (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of options under the 2022 Share Option Scheme.

PROPOSED AMENDMENTS TO MEMORANDUM AND ARTICLES OF ASSOCIATION AND ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board further proposes to amend the Existing Memorandum and Articles to reflect the latest amendments to the Listing Rules, to afford more flexibility in relation to the conduct of general meetings of the Company through allowing general meetings to be held as virtual meetings in addition to physical or hybrid meetings, to bring the Existing Memorandum and Articles in line with the applicable laws of the Cayman Islands, and to make other consequential and housekeeping amendments. Accordingly, the Board proposes to adopt the New Memorandum and Articles in substitution for, and to the exclusion of, the Existing Memorandum and Articles.

At the forthcoming AGM, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, approve the proposed adoption of the 2022 Share Option Scheme and a special resolution will be proposed for the Shareholders to consider and, if thought fit, approve the Proposed Amendments and the adoption of the New Memorandum and Articles.

A Circular containing, inter alia, the details of the 2022 Share Option Scheme and the Proposed Amendments, together with the notice of the annual general meeting, will be despatched to the Shareholders on or around 25 July 2022.

(1) EXPIRATION OF 2012 SHARE OPTION SCHEME AND PROPOSED ADOPTION OF 2022 SHARE OPTION SCHEME

On 23 August 2012, a share option scheme (the "**2012 Share Option Scheme**") was adopted by Sa Sa International Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to the ordinary resolution of the shareholders of the Company (the "**Shareholders**"). The 2012 Share Option Scheme has a term of 10 years commencing on its adoption date and will expire on 23 August 2022. No further options can be offered or granted upon the expiration of the 2012 Share Option Scheme. As at 29 June 2022, being the latest practicable date for the purpose of ascertaining the number of options granted that were outstanding, options to subscribe for 3,571,000 shares of the Company (the "**Shares**") remained outstanding under the 2012 Share Option Scheme.

In view of the expiration of the 2012 Share Option Scheme, the board of directors of the Company (the "**Board**") proposes to adopt a new share option scheme (the "**2022 Share Option Scheme**") in accordance with Chapter 17 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") to provide incentives or rewards to the Participants (as defined below) for their contribution or potential contribution to the Group.

The key terms of the 2022 Share Option Scheme are set out below. Further details of the 2022 Share Option Scheme will be set out in the Circular (as defined below):

- Purpose** : The purpose of the 2022 Share Option Scheme is to reward and incentivize the Participants for their contribution or potential contribution to the Group and to align their interests with those of the Company and the Shareholders, and/or to recruit and retain high-calibre Participants and attract human resources that are valuable to the Group.
- Scheme period** : The 2022 Share Option Scheme shall remain valid and effective for a period of 10 years commencing on its adoption date.
- Participants** : The Board may at its discretion invite certain employees, directors and service providers (including, but not limited to, advisors and consultants) and/or shareholders of the Group and /or directors and employees of any holding company, fellow subsidiary or associated company of the Company (the "**Participants**") to participate in the 2022 Share Option Scheme after carefully considering and assessing their actual and/or potential contribution.
- Subscription price** : The subscription price for Shares under the 2022 Share Option Scheme shall be determined by the Board in its absolute discretion but in any event shall not be less than the higher of:

- (a) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant of an option;
- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the 5 business days immediately preceding the date of grant of such option; or
- (c) the nominal value of a Share.

Maximum number of Shares that may be issued upon exercise of all options : The maximum number of Shares in respect of which options may be granted shall not (when aggregated with any Shares subject to any other share option scheme(s) of the Company) exceed 10% of the total number of Shares in issue on the adoption date, and in respect of options that may be granted to service providers, a sublimit to be determined by the Board.

Maximum entitlement of each Participant under the 2022 Share Option Scheme : Unless separately approved by the Shareholders, the maximum number of Shares in respect of which options may be granted to a specifically identified single Participant in any 12-month period up to and including the date of such grant (when aggregated with any Shares subject to any other share option scheme(s) of the Company excluding any options lapsed in accordance with the terms of the 2022 Share Option Scheme) shall not exceed 1% of the Shares in issue from time to time.

Time of exercise of options : An option may be exercised in accordance with the terms of the 2022 Share Option Scheme at any time during a period as specified by the Board in relation to each such option in its terms of grant provided that the period within which the option must be exercised shall not be more than 10 years from the date of grant.

The 2022 Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution to approve the adoption of the 2022 Share Option Scheme by the Shareholders at the forthcoming annual general meeting scheduled to be held on Thursday, 25 August 2022 (the “**AGM**”); and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares which may be issued upon the exercise of the options which may be granted under the 2022 Share Option Scheme.

An application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may be issued upon the exercise of the options under the 2022 Share Option Scheme. An ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, approve the proposed adoption of the 2022 Share Option Scheme.

(2) PROPOSED AMENDMENTS TO MEMORANDUM AND ARTICLES OF ASSOCIATION AND ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

Further, pursuant to Rule 13.51(1) of the Listing Rules, the Board announces that it proposes to make certain amendments (the "**Proposed Amendments**") to the existing Second Amended and Restated Memorandum and Articles of Association of the Company (the "**Existing Memorandum and Articles**") to, inter alia, (i) reflect the latest amendments to the Listing Rules, particularly Appendix 3 to the Listing Rules concerning the core shareholder protection standards which came into effect on 1 January 2022; (ii) afford more flexibility in relation to the conduct of general meetings of the Company through allowing general meetings to be held as virtual meetings in addition to physical or hybrid meetings; (iii) bring the Existing Memorandum and Articles in line with the applicable laws of the Cayman Islands; and (iv) make other consequential and housekeeping amendments. Accordingly, the Board proposes to adopt a Third Amended and Restated Memorandum and Articles of Association (the "**New Memorandum and Articles**") in substitution for, and to the exclusion of, the Existing Memorandum and Articles.

The major areas of the Proposed Amendments are summarised as follows:

- (a) to insert the definitions of, inter alia, "Communication Facilities", "hybrid meeting", "physical meeting" and "Virtual Meeting", and make corresponding changes to the relevant provisions;
- (b) to expressly allow all general meetings (including annual general meetings, any adjourned meetings and postponed meetings) to be held as physical meetings in any part of the world, as hybrid meetings or virtual meetings by means of video, video-conferencing, internet or online conferencing applications, telephone or tele-conferencing and/or any other video-communication, internet or online conferencing application or telecommunications facilities by means of which all persons participating in a meeting are capable of communicating with each other (the "**Communication Facilities**");
- (c) to expressly allow the chairman of any general meeting to attend and participate in such general meeting by means of Communication Facilities;
- (d) to expressly allow the chairman of any general meeting to change or postpone such general meeting to another date, time and/or place and/or change the Communication Facilities and/or change the form of the meeting (which may be a physical meeting, a hybrid meeting or a Virtual Meeting) where the chairman considers that it is impractical or unreasonable for any reason to hold such meeting on the date or at the time or by means of Communication Facilities specified in the notice calling such meeting;
- (e) to require that additional details must be specified in a notice of any general meeting at which Communication Facilities will be utilised;
- (f) to provide that the Company must hold an annual general meeting in each financial year;

- (g) to remove the requirement of allowing 21 days' notice when calling any extraordinary general meeting for the passing of a special resolution;
- (h) to ensure that all Shareholders have the right to speak and vote at a general meeting except where a Shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration; and that at any general meeting on a show of hands (where allowed), every Shareholder present at such meeting has one vote and on a poll every Shareholder present has one vote for each share registered in his name in the register;
- (i) to clarify that the appointment and remuneration of the auditors shall be approved by the Company at the general meeting by ordinary resolution;
- (j) to expressly allow voluntary winding up of the Company by special resolution;
- (k) to modify the definition of "associate" into that of "close associate", and make corresponding changes to the relevant provisions in relation to any Board resolution approving any contract or arrangement or any other proposal in which a director or any of his close associates is materially interested;
- (l) to prohibit the Company from making any loan, directly or indirectly, to a director or his close associates if and to the extent it would be prohibited by the Companies Ordinance (Cap.622 of the Laws of Hong Kong) as if the Company were a company incorporated in Hong Kong, for as long as the Shares are listed on the Stock Exchange; and
- (m) to make other amendments to update or clarify provisions of the Existing Memorandum and Articles to better align with the language in the applicable laws of the Cayman Islands and the Listing Rules.

The Proposed Amendments and the adoption of the New Memorandum and Articles are subject to approval by the Shareholders by way of a special resolution to be passed at the AGM.

A circular (the "**Circular**") containing, inter alia, the details of the 2022 Share Option Scheme and the Proposed Amendments, together with the notice of the AGM, will be despatched to the Shareholders on or around 25 July 2022.

By order of the board of directors
Sa Sa International Holdings Limited
KWOK Siu Ming Simon
Chairman and Chief Executive Officer

Hong Kong, 30 June 2022

As at the date of this announcement, 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)

Ms KWOK Sze Wai Melody, *MH*

Mr HO Danny Wing Fi (Co-Chief Financial Officer)

Non-executive Director

Ms LEE Yun Chun Marie-Christine

Independent Non-executive Directors

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

Mr TAN Wee Seng

Mr CHAN Hiu Fung Nicholas, *MH, JP*