
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 Sau San Tong Holdings Limited (“Company”), you should at once hand this circular, together with 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 transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



SAU SAN TONG HOLDINGS LIMITED

修身堂控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8200)

**ADOPTION OF SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM to be held at 16th Floor, Prosperity Tower, 39 Queen’s Road Central, Central, Hong Kong on Tuesday, 23 February 2016 at 11:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar and transfer office of the Company, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish, and in such case, the form of proxy previously submitted by such member(s) shall be deemed to be revoked.

This circular will remain on the “Latest Company Announcements” page of the website of GEM at <http://www.hkgem.com> for at least 7 days from the date of its posting and the website of the Company at www.sausantong.com.

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	<i>Page</i>
Characteristics of GEM	i
Definitions	1
Letter from the Board	5
Appendix — Summary of the principal terms of the rules of the Share Option Scheme	10
Notice of EGM	EGM-1

DEFINITIONS

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

“Adoption Date”	the date on which the Share Option Scheme becomes unconditional upon fulfilment of the conditions set out in the paragraph “Conditions of the adoption of the Share Option Scheme” in this circular
“Articles”	the articles of association of the Company as amended from time to time
“associate(s)”	has the meaning as ascribed to it under in the GEM Listing Rules
“Board”	the board of Directors
“business day”	any day on which the Stock Exchange is open for the business of dealing in securities
“close associate(s)”	has the meaning as ascribed to it under the GEM Listing Rules
“Company”	Sau San Tong Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM
“Companies Law”	Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and amended and supplemented from time to time) of the Cayman Islands
“connected person”	has the meaning as ascribed to it under the GEM Listing Rules
“core connected person”	has the meaning as ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company convened to be held at 16th Floor, Prosperity Tower, 39 Queen’s Road Central, Central, Hong Kong, on Tuesday, 23 February 2016 at 11:00 a.m. for the Shareholders to consider and, if thought fit, approve, the adoption of the Share Option Scheme

DEFINITIONS

“Eligible Participant(s)”	any full-time or part-time employees, executives or officers (including executive, non-executive and independent non-executive directors) of the Company or any of the Subsidiaries and any consultants, agents and advisers who, in the sole opinion of the Board, have contributed to the Company and/or any of the Subsidiaries
“Expired Share Option Scheme”	the expired share option scheme adopted by the Company on 4 November 2003 and expired on 3 November 2013
“Expiry Date”	in respect of an Option, the date of the expiry of the Option as may be determined by the Board which shall be the last day of the Option Period in respect of such Option
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Grantee”	any Eligible Participant who accepts the offer of the grant of an Option in accordance with the rules of the Share Option Scheme or (where the context so permits) his personal representative
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“inside information”	has the meaning defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Latest Practicable Date”	29 January 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Offer Date”	the date, which must be a business day, on which an offer for the grant of an Option is made to an Eligible Participant

DEFINITIONS

“Option(s)”	as the context may require, any option(s) granted or to be granted to Eligible participant(s) to subscribe for Share(s) under the Share Option Scheme
“Option Period”	in respect of an Option, the period to be notified by the Board to each grantee within which the Option may be exercisable provided that such period of time shall not exceed a period of five years commencing on the date upon which such Option is deemed to be granted and accepted in accordance with the terms of the Share Option Scheme
“Scheme Period”	a period commencing on the Adoption Date and ending on the date immediately preceding the date falling on the tenth anniversary of the Adoption Date (both dates inclusive)
“Securities Dealing Code”	the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company
“Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the EGM for the benefit of the Group, its full-time or part-time employees, executives or officers, the Subsidiaries and other Eligible Participants, a summary of the principal terms of which is set out in the Appendix to this circular
“Share(s)”	ordinary shares of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Subsidiary”	a company which is for the time being and from time to time a subsidiary of the Company within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) or the Companies Law, whether incorporated in Hong Kong, the Cayman Islands or elsewhere or any entity which is accounted for and consolidated in the audited consolidated financial statements of the Company as a subsidiary pursuant to the applicable Hong Kong Financial Reporting Standards or International Financial Reporting Standards and “ Subsidiaries ” shall be construed accordingly
“%”	per cent.

LETTER FROM THE BOARD



SAU SAN TONG HOLDINGS LIMITED

修身堂控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8200)

Executive Directors:

Dr. Cheung Yuk Shan, Shirley (*Chairman*)

Mr. Mui Wai Sum

Independent non-executive Directors:

Mr. Hong Po Kui, Martin

Ms. Hui Yat Lam

Ms. Chiu Kam Hing, Kathy

Registered office:

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman KY1-1111

Cayman Islands

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

16th Floor, Prosperity Tower

39 Queen's Road Central

Central

Hong Kong

2 February 2016

To the Shareholders

Dear Sir or Madam,

ADOPTION OF SHARE OPTION SCHEME

INTRODUCTION

The purpose of this circular is to give you notice of the EGM and to provide you with information regarding the adoption of the Share Option Scheme. At the EGM, an ordinary resolution relating to the adoption of the Share Option Scheme will be proposed.

ADOPTION OF THE SHARE OPTION SCHEME

The Expired Share Option Scheme

The adoption date of the Expired Share Option Scheme was 4 November 2003. Pursuant to the terms of the Expired Share Option Scheme, it was valid and effective until 3 November 2013, being the date immediately preceding the date falling on the 10th anniversary of the adoption date of the Expired Share Option Scheme.

LETTER FROM THE BOARD

As at the Latest Practicable Date, options granted under the Expired Share Option Scheme which would entitle the holders thereof to subscribe for an aggregate of 34,659,099 Shares remained outstanding.

The Share Option Scheme

Since the expiry of the Expired Share Option Scheme on 3 November 2013, no new share option scheme has been adopted by the Company. The Board now proposes to adopt the Share Option Scheme pursuant to Chapter 23 of the GEM Listing Rules and a resolution will be proposed at the EGM for the adoption of the Share Option Scheme.

The Directors consider that the Share Option Scheme will enable the Group to reward its employees, directors and other Eligible Participants for their contributions to the Group and will assist the Group in its recruitment and retention of high calibre professionals, executives and employees who are instrumental to the growth and development of the Group. Given that the Directors are entitled to determine any performance targets to be achieved as well as the minimum period that an Option must be held before an Option can be exercised on a case by case basis, and that the subscription price of an Option cannot in any event fall below the price stipulated in the GEM Listing Rules or such higher price as may be fixed by the Directors, it is expected that the Grantees will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the Options granted.

Pursuant to the terms of the Share Option Scheme, the Board shall have the right to determine and select Eligible Participants to whom the Options shall be granted.

As at the Latest Practicable Date, there were 3,642,271,908 Shares in issue. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the approval of the Share Option Scheme by the Shareholders at the EGM, the initial maximum number of Shares that may be allotted and issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Company will be 364,227,190 Shares, being approximately 10% of the Company's issued share capital as at the date of approval of the Share Option Scheme by the Shareholders at the EGM, which maximum number may however be refreshed as detailed in paragraph 3(b) and 3(c) of the Appendix to this circular provided that the maximum number of Shares in respect of which Options may be granted under the Share Option Scheme together with any Options outstanding and yet to be exercised under the Share Option Scheme and any other schemes shall not exceed 30% of the issued share capital of the Company from time to time.

LETTER FROM THE BOARD

None of the Directors is a trustee of the Share Option Scheme nor has a direct or indirect interest in the trustee. With respect to the operation of the Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 23 of the GEM Listing Rules.

Unless otherwise determined by the Directors and stated in the offer for the grant of an Option to a Grantee, there is no performance target and no minimum period for which an Option must be held before it can be exercised under the Share Option Scheme. The subscription price for Shares on the exercise of Options under the Share Option Scheme as determined by the Board, subject to any adjustments made pursuant to the Share Option Scheme, shall not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Offer Date; and (iii) the nominal value of a Share.

Value of Options that can be granted under the Share Option Scheme

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the Share Option Scheme as if they had been granted on the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date prior to the approval of the Share Option Scheme at the EGM will not be meaningful to the Shareholders, since the Options will be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Option or attempt to do so. In addition, the calculation of the value of the Options is based on a number of variables such as exercise price, exercise period, interest rate, expected volatility and other relevant variables. As Options have not been granted under the Share Option Scheme, certain variables are not available for calculating the value of the Options. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would even be misleading to the Shareholders.

Conditions of the adoption of the Share Option Scheme

The adoption of the Share Option Scheme is conditional upon:

- (a) the passing of the necessary resolution of the Shareholders at the EGM to approve and adopt the Share Option Scheme; and

LETTER FROM THE BOARD

- (b) the Stock Exchange granting approval of the listing of, and permission to deal in, such number of Shares which may fall to be allotted and issued upon the exercise of Options in accordance with the terms and conditions of the Share Option Scheme (up to 10% of the Shares in issue as at the date of the EGM).

General

A summary of the principal terms of the rules of the Share Option Scheme which is proposed to be approved and adopted by the Company at the EGM is set out in the Appendix to this circular. A copy of the rules of the Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at 16th Floor, Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong during normal business hours for the period from the date of this circular to the date of the EGM (inclusive of both dates) and at the EGM.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of the Options granted under the Share Option Scheme (up to 10% of the Shares in issue as at the date of the EGM).

As at the Latest Practicable Date, no Option has been agreed to be granted under the Share Option Scheme.

To the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors or their respective close associates had any interests in a business, which competes or is likely to compete either directly or indirectly with the business of the Group, and none of the Directors or their respective close associates had or might have any other conflicts of interest with the Group which would be required to be disclosed under Rule 11.04 of the GEM Listing Rules as if the Director were controlling Shareholders.

EGM

The EGM will be held at 16th Floor, Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong on Tuesday, 23 February 2016 at 11:00 a.m. for the purpose of considering, if thought fit, approving the adoption of the Share Option Scheme. The notice of the EGM is set out on pages EGM-1 to EGM-3 of this circular. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution to be proposed at the EGM.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar and transfer office of the Company, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish, and in such case, the form of proxy previously submitted by such member(s) shall be deemed to be revoked.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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.

RECOMMENDATION

The Directors are of the opinion that the adoption of the Share Option Scheme is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders to vote in favour of the resolution to be proposed at the EGM.

On behalf of the Board
Sau San Tong Holdings Limited
Cheung Yuk Shan, Shirley
Chairman

The following is a summary of the principal terms of the Share Option Scheme proposed to be adopted at the EGM:

(1) PURPOSE OF THE SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to enable the Company to grant Options to Eligible Participants as incentives or rewards for their contribution or potential contribution to the Company and/or any of the Subsidiaries.

(2) WHO MAY JOIN

The Board shall, subject to and in accordance with the provisions of the Share Option Scheme and the GEM Listing Rules, be entitled to but shall not be bound, at any time on any business day during the Scheme Period offer to grant an Option to any full-time or part-time employees, executives or officers (including executive, non-executive and independent non-executive directors) of the Company or any of the Subsidiaries and any consultants, agents and advisers who, in the sole opinion of the Board, have contributed to the Company and/or any of the Subsidiaries whom the Board may in its absolute discretion select and subject to such conditions (including, without limitation, any minimum period for which an Option must be held before it can be exercised and/or any performance targets which must be achieved before an Option can be exercised) as it may think fit.

(3) MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

(a) Unless further approval has been obtained pursuant to (b) and/or (c) below and subject to (d) and (e) below, the total number of Shares which may be allotted and issued upon exercise of all Options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10 per cent. of the Shares in issue on the date which the Share Option Scheme is approved by the Shareholders at the EGM, which is 364,227,190 Shares (assuming there will be no change in the number of issued Shares between the Latest Practicable Date and the date of approval of the Share Options Scheme at the EGM) ("**Scheme Limit**").

- (b) Subject to (d) below, the issue of a circular by the Company which complies with Rules 23.03(3) and 23.06 of the GEM Listing Rules and/or such other requirements prescribed under the GEM Listing Rules from time to time, the Company may seek approval by its shareholders in general meeting to refresh the Scheme Limit provided that the total number of Shares which may be allotted and issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option scheme of the Group must not exceed 10 per cent. of the Shares in issue as at the date of approval of the limit and for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of the Group) previously granted under the Share Option Scheme and any other share option scheme of the Group will not be counted.
- (c) Subject to (d) below, the issue of a circular by the Company in compliance with Rules 23.03(3) and 23.06 of the GEM Listing Rules and/or such other requirements prescribed under the GEM Listing Rules from time to time, the Company may seek separate approval by its shareholders in general meeting to grant Options under the Share Option Scheme beyond the Scheme Limit or, if applicable, the extended limit referred to in (b) above to Eligible Participants specifically identified by the Company before such approval is sought.
- (d) The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group must not exceed 30 per cent. of the Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option scheme adopted by the Group if the grant of such option will result in the limit referred to in this paragraph (3)(d) being exceeded.
- (e) The Scheme Limit referred to in (a) above (or as extended in accordance with (b) and/or (c) above, as the case may be) shall be adjusted, in such manner as the auditors of the Company or the approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company whether by way of capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of share capital of the Company but in any event shall not exceed the limit prescribed in (d) above.

(4) MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

The total number of Shares issued and which may fall to be issued upon exercise of the Options and the options granted under any other share option scheme of the Group to each Eligible Participant (including both exercised or outstanding options) in any 12-month period shall not exceed 1 per cent. of the issued share capital of the Company for the time being.

Where any further grant of Options to an Eligible Participant under the Share Option Scheme would result in the Shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the Share Option Scheme and any other share option schemes of the Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1 per cent. of the Shares in issue:

- (a) that grant shall be subject to (i) the issue of a circular by the Company to its shareholders which shall comply with Rules 23.03(4) and 23.06 of the GEM Listing Rules and or such other requirements as prescribed under the GEM Listing Rules from time to time; and (ii) the approval of the shareholders of the Company in general meeting at which that Eligible Participant and his close associates (or his associate if the Eligible Participants is a connected person) shall abstain from voting; and
- (b) unless provided otherwise in the GEM Listing Rules, the number and terms (including the exercise price) of Options to be granted to that Eligible Participant must be fixed before shareholders' approval and the date of the Board meeting at which the Board resolves to grant the proposed Options to that Eligible Participant shall be taken as the Offer Date for the purpose of calculating the exercise price.

(5) GRANT OF OPTIONS TO CONNECTED PERSONS

- (a) Subject to (b) below, if the Board determines to offer to grant Options to a director, chief executive or substantial shareholder of the Company or any of their respective associates, such grant shall be subject to the approval by the independent non-executive directors of the Company (excluding any independent non-executive director of the Company who is the relevant Grantee).

(b) If the Board determines to offer to grant Options to a substantial shareholder or an independent non-executive Director (or any of their respective associates) and that grant would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person under the Share Option Scheme and any other share option schemes of the Group in the 12-month period up to and including the Offer Date:

(i) representing in aggregate over 0.1 per cent. of the Shares in issue on the Offer Date; and

(ii) having an aggregate value, based on the closing price of the Shares on the Offer Date, in excess of HK\$5 million,

such grant shall be subject to, in addition to the approval of the independent non-executive directors of the Company as referred to (a) above, the issue of a circular by the Company to its shareholders and the approval of the shareholders of the Company in general meeting on a poll at which the relevant Grantee and his associates, and all core connected persons of the Company shall abstain from voting except that the relevant Grantee or any of his associates or a core connected person of the Company may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in that circular which comply with Rules 23.04 and 23.06 of the GEM Listing Rules and/or such other requirements as prescribed under the GEM Listing Rules from time to time.

Shareholders' approval as required under (b) above is also required for any change in the terms of Options granted to an Eligible Participant who is a substantial shareholder of the Company or an independent non-executive Director, or any of their respective associates.

(6) TIME OF ACCEPTANCE OF AN OFFER OF THE GRANT OF OPTION AND EXERCISE OF OPTION

An Option shall be deemed to have been granted and accepted by the Grantee and to have taken effect when the duplicate offer document constituting acceptance of the Option duly signed by the Grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company on or before the relevant date upon which an offer for an Option must be accepted by the relevant Eligible Participant, being a date not later than 30 days after the Offer Date.

An Option may be exercised in accordance with the terms of the Share Option Scheme during the period to be notified by the Board to each Grantee provided that such period of time shall not exceed a period of five years commencing on the date upon which such Option is deemed to be granted and accepted in accordance with the provisions of the Share Option Scheme.

(7) MINIMUM PERIOD AND PERFORMANCE TARGETS

The Board may, in its discretion, require at the time of grant any particular Grantee to achieve such performance targets or hold an Option for any minimum period as the Board may then specify in the grant before any Options granted under the Share Option Scheme to such Grantee can be exercised.

(8) EXERCISE PRICE OF THE OPTIONS

The exercise price in relation to each Option offered to an Eligible Participant shall be determined by the Board in its absolute discretion but in any event shall not be less than the highest of:

- (a) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the Offer Date;
- (b) the average closing price of the Shares as stated in the daily quotations sheets of the Stock Exchange for the 5 business days immediately preceding the Offer Date; and
- (c) the nominal value of a Share.

The subscriptions price is subject to adjustments to be made in accordance with the Share Option Scheme.

(9) RANKING OF SHARES

- (a) The Shares allotted and issued upon the exercise of an Option shall not carry voting rights until completion of the registration of the Grantee on the register of members of the Company as the holder thereof. Subject as aforesaid, the Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the constitutional documents of the Company for the time being in force and shall rank *pari passu* in all respects with and shall have the

same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully-paid Shares in issue on the date of issue, in particular but without prejudice to the generality of the foregoing, in respect of voting, transfer and other rights including those arising on a liquidation of the Company and rights in respect of any dividend or other distributions paid or made on or after the date of issue.

- (b) Unless the context otherwise requires, references to “Shares” in this paragraph shall include references to ordinary shares in the capital of the Company or, if there has been a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital in the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital in the share capital of the Company.

(10) RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

For so long as the Shares are listed on GEM:

- (a) the Board shall not grant any Option after inside information has come to its knowledge until it has announced the information. In particular, no Options shall be granted during the period commencing one month immediately before the earlier of:
- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the GEM Listing Rules) for the approval of the Company’s results for any year, half year or quarter-year period or any other interim period (whether or not required under the GEM Listing Rules); and
 - (ii) the deadline for the Company to announce its results for any year, half year or quarter-year period under the GEM Listing Rules or any other interim period (whether or not required under the GEM Listing Rules) including any period of delay in publishing the results announcement,

and ending on the date of the results announcement; and

- (b) the Board may not make any offer to an Eligible Participant who is subject to the Securities Dealing Code during the periods or times in which such Eligible Participant is prohibited from dealing in Shares pursuant to the Securities Dealing Code.

(11) PERIOD OF THE SHARE OPTION SCHEME

The Share Option Scheme shall be valid and effective for the Scheme Period after which no further Options shall be offered but the provisions of the Share Option Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme and Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(12) RIGHTS TO EXERCISE THE OPTION

Subject as hereinafter provided, an Option may be exercised by a Grantee or his personal representative(s) at any time or times during the Option Period provided that:

- (a) in the event of the Grantee ceasing to be an Eligible Participant for any reason other than on his death, ill-health, injury, disability, retirement or the termination of his relationship with the Company and/or any of the Subsidiaries on one or more of the grounds constituting a Condition of Dismissal, the Grantee may exercise the Option up to his entitlement in whole or in part at the date of cessation of being an Eligible Participant (to the extent not already exercised) within the period of one month (or such longer period as the Board may determine) following the date of such cessation (which date shall be, in relation to a Grantee who is an Eligible Participant by reason of his employment with the Company or any of the Subsidiaries, the last actual working day with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not);
- (b) in the case of the Grantee ceasing to be an Eligible Participant by reason of death, ill-health, injury or disability, retirement (all evidenced to the satisfaction of the Board) and none of the events which would be a ground for termination of his relationship with the Company and/or any of the Subsidiaries under the Condition of Dismissal has occurred, the Grantee or the

personal representative(s) of the Grantee shall be entitled within a period of 12 months (or such longer period as the Board may determine) from the date of cessation of being an Eligible Participant to exercise the Option (to the extent not already exercised) in whole or in part;

- (c) if a general offer is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes, or is declared, unconditional, the Grantee (or in the case of the death of the Grantee, his personal representatives) shall be entitled to exercise the Option (to the extent not already exercised) in whole or in part at any time within 14 days after the date on which the offer becomes or is declared unconditional;
- (d) if a general offer by way of a scheme of arrangement is made to all the holders of Shares and the scheme has been approved by the necessary number of holders of Shares at the requisite meetings, the Grantee (or in the case of the death of the Grantee, his personal representatives) may, thereafter (but before such time as shall be notified by the Company and in any case, before the scheme becomes effective) exercise the Option to its full extent or to the extent specified in such notice; and
- (e) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or in the case of the death of the Grantee, his personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

For the purposes of paragraphs 12 and 17, “**Condition of Dismissal**” shall mean the condition that the Grantee ceases to be an Eligible Participant by reason of the termination of his relationship with the Company and/or any of the Subsidiaries on

any one or more of the grounds that he has been guilty of serious misconduct, or has committed any act of bankruptcy or is unable to pay his debts or has become insolvent or has made any arrangement or has compromised with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or in relation to an employee of the Company and/or any of the Subsidiaries (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant Subsidiary. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the relationship of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive.

(13) ADJUSTMENTS TO THE EXERCISE PRICE

- (a) In the event of any capitalisation issue, rights issue, sub-division, consolidation of shares, or reduction of capital of the Company whilst any Option remains exercisable or the Share Option Scheme remains in effect, such corresponding alterations (if any) shall be made (except on an issue of securities of the Company as consideration in a transaction which shall not be regarded as a circumstance requiring alteration or adjustment) in:
- (i) the number and/or nominal amount of Shares to which the Share Option Scheme or any outstanding Options relates; and/or
 - (ii) the exercise price, and/or
 - (iii) (unless the relevant Grantee elects to waive such adjustment) the number of Shares comprised in an Option or which remain comprised in an Option,

as the auditors of the Company or the approved independent financial adviser shall at the request of the Company or any Grantee, certify in writing either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, provided that any such adjustments shall be made on the basis that a Grantee shall have the same proportion of the equity capital of the Company as that to which he was entitled to subscribe had he exercised all the Options held by him immediately before such adjustments and the aggregate exercise price payable by a Grantee on the full exercise of any Option shall remain

as nearly as possible the same as (but shall not be greater than) it was before such event and that no such adjustments shall be made if the effect of such adjustments would be to enable a Share to be issued at less than its nominal value and that any such adjustment shall be made in compliance with such rules, codes and guidance notes of the Stock Exchange from time to time. The capacity of the auditors of the Company or the approved independent financial adviser, as the case may be, in this paragraph is that of experts and not arbitrators and their certificate shall, in the absence of manifest error, be final and conclusive and binding on the Company and the Grantees.

- (b) In respect of any adjustments required by (a) above, other than any made on a capitalisation issue, the auditors of the Company or the approved independent financial adviser, as the case may be, shall confirm to the Board in writing that the adjustments satisfy the requirements set out in Rule 23.03(13) of the GEM Listing Rules and the note thereto and/or such other requirement prescribed under the GEM Listing Rules from time to time.
- (c) Unless otherwise stipulated by the applicable rules or regulations or guidance from the Stock Exchange, the effective date of such adjustment made in accordance with this paragraph shall be the Trigger Event Effective Date.

For the purpose of this paragraph, a “**Triggering Event Effective Date**” shall refer to, in respect of each relevant event resulting in alteration in the capital structure of the Company referred to this paragraph, the day on which the Shares relating to such event are allotted or, as the case may be, created.

(14) CANCELLATION OF OPTIONS

Any cancellation of Options granted but not exercised must be consented to by the Grantees of the relevant Options and approved by the Board. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph 16 below. Where the Company cancels Options, the grant of new options to the same Grantee may only be made under the Share Option Scheme within the limits set out in paragraphs 3, 4 and 5 above.

(15) TERMINATION OF THE SHARE OPTION SCHEME

The Company may, by resolution in general meeting, terminate the operation of the Share Option Scheme and in such event no further Options shall be offered but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the Share Option Scheme and Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

Details of the Options granted, including Options exercised or outstanding, under the Share Option Scheme and (if applicable) Options that become void or non-exercisable as a result of the termination of the Share Option Scheme shall be disclosed in the circular to shareholders of the Company seeking approval of the first new scheme to be established after the termination of the Share Option Scheme.

(16) RIGHTS ARE PERSONAL TO THE GRANTEE

An Option shall be personal to the Grantee and shall not be transferrable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so. Any breach of the foregoing shall entitle the Company to cancel any outstanding Options or any part thereof granted to such Grantee.

(17) LAPSE OF OPTION

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the Expiry Date relevant to that Option;
- (b) the expiry of any of the periods referred to in paragraph 12 (a), (b), (c) or (e);
- (c) subject to the scheme of arrangement of the Company becoming effective, the expiry of the period referred to in paragraph 12 (d);

- (d) the date of commencement of the winding-up of the Company (as determined in accordance with the Companies Law or other applicable laws);
- (e) the date on which the Grantee ceases to be an Eligible Participant by the reason of a Condition of Dismissal;
- (f) the date on which the Board shall exercise the Company's right to cancel the Option at any time after the Grantee commits a breach of paragraph 16 above or the Options are cancelled in accordance with paragraph 14; or
- (g) in relation to the Grantee who is an Eligible Participant by reason of his employment with the Company or any of the Subsidiaries, the date on which the Grantee ceases to be so employed by the Company and/or any of the Subsidiaries during the 12-month period following the date upon which such Option is deemed to be granted and accepted in accordance with the Share Option Scheme in respect of his particular Option.

(18) OTHERS

- (a) The Share Option Scheme shall take effect upon the passing of the necessary resolution of the shareholders of the Company to approve and adopt the rules of the Share Option Scheme and Stock Exchange granting approval of the listing of, and permission to deal in, such number of Shares representing the Scheme Limit to be allotted and issued by the Company pursuant to the exercise of Options under the Share Option Scheme.
- (b) The terms and conditions of the Share Option Scheme and the regulations for the administration and operation of the Share Option Scheme (provided that the same are not inconsistent with the Share Option Scheme and the GEM Listing Rules) may be altered in any respect by resolution of the Board except that:
 - (i) any alteration to the advantage of the Grantees or the Eligible Participants (as the case may be) including without limitation, the definitions of "Eligible Participant", "Expiry Date", "Grantee" and "Option Period" of the provisions in the Share Option Scheme ;
 - (ii) the provisions of the Share Option Scheme relating to the matters governed by Rule 23.03 of the GEM Listing Rules;

- (iii) any change to the authority of the Board or scheme administrators in relation to any alteration to the terms of the Share Option Scheme; or
- (iv) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of Options granted (except any alterations which take effect automatically under the terms of the Share Option Scheme)

must be made with the prior approval of the shareholders of the Company in general meeting provided that the amended terms of the Share Option Scheme or the Options shall remain in compliance with Chapter 23 of the GEM Listing Rules and no alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration or to reduce the proportion of the equity capital to which any person was entitled pursuant to such Option prior to such alteration except with:

- (i) the consent in writing of Grantees holding in aggregate Options which if exercised in full on the date immediately preceding that on which such consent is obtained would entitle them to the issue of three-fourths in nominal value of all Shares which would fall to be issued upon the exercise of all Options outstanding on that date; or
- (ii) the sanction of a special resolution, which is a resolution passed at a meeting of the Grantees (being only those Grantees holding Options, all or any part of which is unexercised as at the time of the meeting at which the resolution is proposed) duly convened and held and carried by a majority consisting of not less than three-fourths of the votes cast upon a show of hands or if a poll is duly demanded, by a majority consisting of not less than three-fourths of the votes cast on a poll.

Written notice of any alterations made in accordance with this paragraph 18(b) shall be given to all Grantees.

NOTICE OF EGM



SAU SAN TONG HOLDINGS LIMITED

修身堂控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8200)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) of Sau San Tong Holdings Limited (“**Company**”) will be held at 16th Floor, Prosperity Tower, 39 Queen’s Road Central, Central, Hong Kong on Tuesday, 23 February 2016 at 11:00 a.m. for the purposes of considering and, if thought fit, passing (with or without amendments), the following resolution of the Company as an ordinary resolution:

ORDINARY RESOLUTION

“**THAT** conditional upon The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting the approval for the listing of, and permission to deal in, the shares of HK\$0.01 each (“**Shares**”) in the capital of the Company to be issued pursuant to the exercise of options which may be granted under the share option scheme of the Company (“**Share Option Scheme**”, the rules of which are summarised in the circular of the Company dated 2 February 2016) (“**Circular**”), such number being not less than that of the Scheme Limit (as defined in the Circular), the rules of the Share Option Scheme be and are hereby approved and adopted and that the Directors be and are hereby authorised to:

- (a) administer the Share Option Scheme under which options will be granted to eligible participants under the Share Option Scheme to subscribe for Shares;
- (b) modify and/or amend the rules of the Share Option Scheme from time to time subject to the provisions of such rules;
- (c) allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the Share Option Scheme;
- (d) make application at the appropriate time to the Stock Exchange, and any other stock exchange upon which the Shares may for the time being be listed, for listing of, and permission to deal in, the Shares which may thereafter from time to time be allotted and issued pursuant to the exercise of the options under the Share Option Scheme; and

* For identification purpose only

NOTICE OF EGM

- (e) take all such action as they may consider necessary or expedient to implement the Share Option Scheme.”

On behalf of the Board
Sau San Tong Holdings Limited
Cheung Yuk Shan, Shirley
Chairman

Hong Kong, 2 February 2016

Registered office:

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

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

16th Floor, Prosperity Tower
39 Queen’s Road Central
Central
Hong Kong

Notes:

1. Subject to the provisions of the articles of association of the Company, any member of the Company entitled to attend and vote at the EGM is entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A member of the Company who is the holder of two or more Shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the EGM. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. On a poll, votes may be given either in person or by proxy. In addition, a proxy or proxies representing either a member of the Company who is an individual or a member of the Company which is a corporation shall be entitled to exercise the same powers on behalf of the member of the Company which he/she/it or they represent as such member of the Company could exercise.
2. Where there are joint holders of Shares, any one of such joint holders may vote at the EGM, either in person or by proxy, in respect of such Shares as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the EGM the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes 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 of the Company in respect of the joint holding.
3. The form of proxy shall be in writing under the hand of the appointor or of his/her attorney duly 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 authorised to sign the same. In the case of a form of proxy purporting to be signed on behalf of a corporation by an officer thereof, it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such form of proxy on behalf of the corporation without further evidence of the facts.

NOTICE OF EGM

4. A form of proxy for use at the EGM is enclosed with the Circular. Such form of proxy is also published on the website of the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited at www.hkgem.com and the Company's website at www.sausantong.com. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and return, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, to the Hong Kong branch share registrar and transfer office of the Company, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any event not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjourned meeting at which the person named in the form proposes to vote.
5. Completion and return of the form of proxy shall not preclude a member of the Company from attending and voting in person at the EGM and in such event, the form of proxy shall be deemed to be revoked.

As at the date of this notice, the Board comprises executive Directors namely Dr. Cheung Yuk Shan, Shirley (Chairman) and Mr. Mui Wai Sum; independent non-executive Directors namely Mr. Hong Po Kui, Martin, Ms. Hui Yat Lam and Ms. Chiu Kam Hing, Kathy.

This notice, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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: (1) the information contained in this notice is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement herein or this notice misleading.

This notice will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the Company's website at www.sausantong.com.