
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, a licensed 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 (the “Company”), you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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)

**PROPOSED SHARE CONSOLIDATION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Financial adviser to the Company



A notice convening the EGM to be held at 11:30 a.m. on Thursday, 22 September 2016 at 16th Floor, Prosperity Tower, 39 Queen’s Road Central, Central, Hong Kong is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you intend to attend the EGM, you are requested to complete the enclosed 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 scheduled for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the EGM or any adjourned meeting thereof should you so wish.

This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at <http://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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Share Consolidation:

Event	2016
Latest date and time for lodging forms of proxy for the EGM	11:30 a.m. Tuesday, 20 September
Date and time of the EGM.	11:30 a.m. Thursday, 22 September
Announcement of voting result of the EGM	Thursday, 22 September
Effective date of the Share Consolidation	Friday, 23 September
Dealing in the Consolidated Shares commences.	9:00 a.m. Friday, 23 September
Original counter for trading in the Shares in board lots of 40,000 Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. Friday, 23 September
Temporary counter for trading in the Consolidated Shares in board lots of 20,000 Consolidated Shares (in the form of existing share certificates) opens.	9:00 a.m. Friday, 23 September
First day for free exchange of existing share certificates for new share certificates for the Consolidated Shares.	Friday, 23 September
Original counter for trading in the Consolidated Shares in board lots of 40,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. Friday, 7 October
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. Friday, 7 October

EXPECTED TIMETABLE

Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares9:00 a.m. Friday, 7 October

Temporary counter for trading in board lots of 20,000 Consolidated Shares (in the form of existing share certificates) closes.4:00 p.m. Friday, 28 October

Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends.4:00 p.m. Friday, 28 October

Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of the Consolidated Shares4:00 p.m. Friday, 28 October

Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares. Tuesday, 1 November

Note:

All times and dates in this circular refer to Hong Kong local times and dates. Shareholders should note that the dates and deadlines specified in this circular for events in the timetable for the Share Consolidation is subject to the satisfaction of all the conditions of the Share Consolidation, including without limitation, the approval of the Share Consolidation by Shareholders at the EGM, and is therefore for indicative purpose only.

In the event that any special circumstances arise, the Board may extend, or make adjustment to, the timetable if it considers appropriate. Any extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday and Sunday) on which licensed banks are generally open for business more than five hours in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Sau San Tong Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM
“Consolidated Share(s)”	Share(s) of HK\$0.02 each in the issued share capital of the Company immediately following the Share Consolidation
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Consolidation
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	31 August 2016, being the latest practicable date before the printing of this circular for the purpose of ascertaining certain information contained herein
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company

DEFINITIONS

“Share Consolidation”	the consolidation of every two (2) issued and unissued Shares of par value of HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.02 each
“Shareholder(s)”	holder(s) of the Share(s) and/or the Consolidated Shares, as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	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

Non-executive Director:

Mr. Takashi Togo

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

5 September 2016

To the Shareholders

Dear Sir or Madam,

PROPOSED SHARE CONSOLIDATION AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 22 August 2016 in relation to the Share Consolidation.

The purpose of this circular is to provide the Shareholders, among other things, further details of the Share Consolidation and the notice of EGM.

* For identification purpose only

LETTER FROM THE BOARD

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every two (2) issued and unissued Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.02 each.

Effects of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares of HK\$0.01 each, of which 3,642,271,908 Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective, on the basis that the Company does not allot, issue or repurchase any Shares prior thereto, the authorised share capital of the Company shall become HK\$100,000,000 divided into 5,000,000,000 Consolidated Shares of HK\$0.02 each, of which 1,821,135,954 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other.

As at the Latest Practicable Date, the Company has (i) 13,788,600 outstanding share options under the share option scheme adopted by the Company on 4 November 2003 to subscribe for 13,788,600 new Shares and there are 72,845,438 outstanding share options under the share option scheme adopted by the Company on 24 February 2016 to subscribe for 72,845,438 new Shares and (ii) convertible notes with outstanding principal amount of HK\$20,000,000 which is convertible into 147,058,823 Shares upon conversion in full. The Directors will determine any adjustments required to be made in respect the above as a result of the Share Consolidation. The Company will make further announcement about the adjustments in due course.

Save for the aforesaid, the Company has no other outstanding options, warrants or securities in issue which are convertible or exchangeable into the Shares.

Conditions Precedent to the Share Consolidation

The Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM; and

LETTER FROM THE BOARD

- (ii) the Listing Division of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

The Share Consolidation will become effective on the next Business Day immediately following the fulfillment of the above conditions.

Listing Application

An application will be made by the Company to the Listing Division of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares in issue and to be in issue upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the Shares are listed or dealt in any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

LETTER FROM THE BOARD

Odd lots arrangement and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed Cinda International Securities Limited to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares from 9:00 a.m. on Friday, 7 October 2016 to 4:00 p.m. on Friday, 28 October 2016 (both days inclusive). Holders of odd lots of the Consolidated Shares who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares or top up to a full board lot may, directly or through their brokers, contact Mr. Leung Siu Wa of Cinda International Securities Limited at 45th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong by phone at (852) 2235-7081 during office hours of this period.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lots arrangement, is recommended to consult his/her/its own professional advisers.

Free exchange of Consolidated Shares' certificates and trading arrangement

Subject to the Share Consolidation becoming effective, Shareholders may, on or after Friday, 23 September 2016 until Tuesday, 1 November 2016 (both days inclusive), submit share certificates for the Shares 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, to exchange, at the expense of the Company, for new share certificates of the Consolidated Shares (on the basis of two (2) Shares for one (1) Consolidated Share). Thereafter, certificates of Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled/issued is higher. After 4:00 p.m. on Friday, 28 October 2016, existing share certificates for the Shares will only remain effective as documents of title and may be exchanged for certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

The new share certificates for the Consolidated Shares will be issued in gold colour in order to distinguish them from the existing share certificates for the Shares in purple colour.

LETTER FROM THE BOARD

REASONS FOR THE SHARE CONSOLIDATION

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. In view of (i) the recent trading prices of the Shares at a level less than HK\$0.1; and (ii) intention of the Company to conduct a fund raising activity by way of placing of new shares under general mandate (the “**Possible Placing**”), the Board considers that the Share Consolidation would enable the Company to comply with the trading requirements under the GEM Listing Rules and is beneficial to and in the interests of the Company and the Shareholders as a whole.

Save as the Possible Placing, as at the Latest Practicable Date, the Company does not have any plan, arrangement, understanding, intention, negotiation (either concluded or in process) on any potential fund raising activities which will involve issue of equity securities of the Company.

EGM

The EGM will be convened and held at 11:30 a.m. on Thursday, 22 September 2016 at 16th Floor, Prosperity Tower, 39 Queen’s Road Central, Central, Hong Kong, for the purpose of considering, and, if thought fit, the Share Consolidation.

The notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of 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 an event not less than 48 hours before the time scheduled for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the EGM or any adjourned meeting should you so wish.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation to be proposed at the EGM.

The ordinary resolution proposed to be approved at the EGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

LETTER FROM THE BOARD

COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or controlling shareholders or substantial shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Group nor does any of them has or may have any other conflicts of interest with the Group.

RECOMMENDATION

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

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 Group. 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.

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

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 IS HEREBY GIVEN that an extraordinary general meeting of Sau San Tong Holdings Limited (the “**Company**”) will be held at 11:30 a.m. on Thursday, 22 September 2016 at 16th Floor, Prosperity Tower, 39 Queen’s Road Central, Central, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution:

ORDINARY RESOLUTION

“**THAT**, subject to and conditional upon the Listing Division of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Consolidated Shares (as hereinafter defined) in issue and any new Consolidated Shares which may fall to be issued, every two (2) issued and unissued shares of HK\$0.01 each in the capital of the Company be and is hereby consolidated into one (1) share of HK\$0.02 (the “**Consolidated Share**”) with effect on the business day next following the date on which this resolution is passed (the “**Share Consolidation**”) and the directors of the Company be authorised to issue new share certificates in respect of the Consolidated Shares to holders of existing shares of the Company pursuant to the Share Consolidation and to do all things and execute all documents in connection with or incidental to the Share Consolidation.”

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

Hong Kong, 5 September 2016

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

* For identification purpose only

NOTICE OF EGM

Notes:

1. Any shareholder entitled to attend and vote at the extraordinary general meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf. A proxy need not to be a shareholder of the Company.
2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at 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 not less than 48 hours before the time appointed for the extraordinary general meeting (or any adjournment thereof).
3. Completion and delivery of a form of proxy shall not preclude a shareholder from attending and voting in person at the extraordinary general meeting and in such event, the instrument appoint a proxy shall be deemed to be revoked.
4. Where there are joint holders of any shares, any one of such joint holder may vote, either in person or by proxy in respect of such shares as if he/she was solely entitled hereto; but if more than one of such joint holders be present at the extraordinary general meeting, 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.
5. A form of proxy for use at the extraordinary general meeting is attached herewith.
6. Any voting at the extraordinary general meeting shall be taken by poll.
7. The form of proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.

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