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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)

**CLARIFICATION ANNOUNCEMENT UPON
PLACING OF EXISTING SHARES
AND
ANNOUNCEMENT UPON PRICE AND TRADING VOLUME
MOVEMENTS**

This announcement is made at the request of The Stock Exchange of Hong Kong Limited. The Board of Directors (the “Board”) of Sau San Tong Holdings Limited (the “Company”) has noted the recent increase in the price and trading volume of the shares of the Company and wish to state that we are not aware of any reasons for such increase. The Board of the Company also wishes to clarify certain information contained in the announcement upon the placing of existing shares dated 19 November 2004 (the “Announcement”). Terms defined in the Announcement will have the same meanings herein unless the context requires otherwise.

Reference is made to the second paragraph of the Announcement. The Board wishes to clarify that an inadvertent error is noted in this paragraph and the amended parts were underlined as follows:

The Company has been informed by Citytop Worldwide Ltd. (“Citytop”), a limited company incorporated in British Virgin Island and wholly-owned by Mr. Cheung Ka Heng, Frankie (“Mr. Cheung”), an executive director of the Company and the pre-IPO investors namely Thunder Ride Inc. (“Thunder Ride”), Workingfield Group Limited (“Workingfield”), Value Capital Investment Limited (“Value Capital”) and Diamond Profit Holdings Limited (“Diamond Profit”), Marlborough Resources Limited (“Marlborough”) and Mak Tai Wo (“Mr. Mak”) (collectively and together with

Citytop, the “Vendors”), the existing shareholders of the Company that a placing (the “Placing”) of total 113,450,000 existing shares (the “Placing Shares”) or 17.63% interests in the issued share capital of the Company have been placed through the independent agent Kingston Securities Limited to a number of institutional investors, including Value Partners Limited and Lloyd George Management (Hong Kong) Limited, who are independent of and not connected to the Company as defined in the GEM Listing Rules, at a placing price of HK\$0.688 per Placing Share, a discount of approximately 8.27% to the closing price of HK\$0.75 per share as quoted on The Stock Exchange of Hong Kong Limited at 4:00 p.m. on 18 November 2004. Of the total Placing Shares, Citytop placed 26,400,000 Placing Shares, representing approximately 4.10% interests in the Company and the remaining 87,050,000 Placing Shares, representing approximately 13.53% interests in the Company, were placed by the other Vendors. Immediately after completion of the Placing, Value Partners Limited and Lloyd George Management (Hong Kong) Limited will respectively hold approximately 10.38% and 5.44% interests in the issued share capital of the Company. The other institutional investors will totally hold 11.05% interests in the total issued share capital of the Company.

The Stock Exchange has indicated that it reserved the right to take appropriate actions regarding to the aforesaid matter.

Save as the Announcement and the clarification aforesaid, we confirm that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Chapter 19 to 20 of the GEM Listing Rules. The Board is not aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the directors of the Company collectively and individually accept responsibility for the accuracy of this announcement.

By Order of the Board
Sau San Tong Holdings Limited
Ho, Francis Man Kwong
Executive Director

Hong Kong, 22 November 2004

As at the date of this announcement, the Board comprises executive directors namely Miss Cheung Yuk Shan, Shirley (Chairman), Mr. Cheung Ka Heng, Frankie and Mr. Ho, Francis Man Kwong; independent non-executive directors namely Mr. Hong Po Kui, Martin, Mr. Li Kuo Hsing, Mr. To Kon Hung, Terence, Mr. Ho Yiu Ming and Mr. Cheng Shing Lung, Edwin..

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange for the purpose of giving information with regard to the Company. The directors of the Company, have made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on the bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting.

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