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

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a 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 (the “Company”), you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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)**

**NOTICE OF ANNUAL GENERAL MEETING  
PROPOSED RENEWAL OF SHARE OPTION SCHEME MANDATE LIMIT  
RE-ELECTION OF RETIRING DIRECTORS  
PROPOSED GENERAL MANDATES TO ISSUE AND  
REPURCHASE SHARES**

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The notice convening the annual general meeting (“AGM”) of Sau San Tong Holdings Limited (the “Company”) to be held at Room 501, Prestige Tower, 23-25 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Monday, 24 July 2006 at 11:00 a.m. or any adjournment thereof is contained in this circular of the Company. Shareholders of the Company are advised to read the notice and to complete and return the form of proxy for use at the AGM enclosed with the circular of the Company in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company, Standard Registrars Limited at Level 28, Three Pacific Place, 1 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the AGM in person.

*This circular will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting.*

\* *for identification purposes only*

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## CHARACTERISTICS OF GEM

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**GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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.**

**The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at [www.hkgem.com](http://www.hkgem.com) in order to obtain up-to-date information on GEM-listed issuers.**

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## RESPONSIBILITY STATEMENT

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This circular, for which the Directors of the Company 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 of the Company having made all reasonable enquires, confirm that, to the best of their knowledge and belief:

- (i) the information contained in the circular is accurate and complete in all material respects and not misleading;
- (ii) there are no other matters the omission of which would make any statement herein misleading; and
- (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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## DEFINITIONS

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

“2006 Annual Report”	means the annual report of the Company for the year ended 31 March 2006
“AGM”	means annual general meeting of the Company to be convened and held at Room 501, Prestige Tower, 23-25 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Monday, 24 July 2006 at 11:00 a.m.
“Associates”	means the same definition as described under the GEM Listing Rules
“Biochem”	means Biochem Investments Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of Biochem is wholly owned by Dr. Cheung Yuk Shan, Shirley (“Dr. Cheung”), an executive director of the Company
“Company”	means Sau San Tong Holdings Limited, a company incorporated in the Cayman Islands with limited liability and is listed on GEM
“Director(s)”	means the directors of the Company
“GEM”	means the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on GEM
“Group”	means the Company and its subsidiaries
“HK\$”	means Hong Kong Dollars, the lawful currency of Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	means 21 June 2006, being the latest practicable date prior to the printing of this circular
“Notice”	means the notice convening the AGM
“Options”	means a right granted to subscribe for Shares pursuant under the Share Option Scheme of the Company

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## DEFINITIONS

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“Participants”	means any employee and certain consultants, suppliers or customers of the Group who, in the sole discretion of the Board having regard to the relevant criteria set out in the Share Option Scheme, have contributed to the Group
“Repurchase Mandate”	means a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares of the Company on the terms set out in the Notice
“Scheme Mandate Limit”	means the number of shares which may be issued upon exercise of all options of the Company which must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the share option scheme or of the renewal of such limit
“Share(s)”	means share(s) of par value of HK\$0.01 each in the capital of the Company
“Share Option Scheme”	means the Share Option Scheme adopted by the Company on 4 November 2003
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Takeovers Code”	means the Hong Kong Code on Takeovers and Mergers
“%”	means per cent

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## LETTER FROM THE BOARD OF DIRECTORS

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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)

*Executive Directors:*

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

Mr. Cheung Ka Heng, Frankie

Mr. Lee Man Kwong

*Independent Non-Executive Directors:*

Mr. Hong Po Kui, Martin

Mr. Li Kuo Hsing

Mr. Ho Yiu Ming

*Registered Office:*

Century Yard

Cricket Square

Hutchins Drive

P.O. Box 2681 GT

George Town

Grand Cayman

British West Indies

*Principal Place of Business:*

6th Floor

Prestige Tower

Nos. 23-25 Nathan Road

Tsimshatsui

Kowloon, Hong Kong

30 June 2006

*To the shareholders of the Company*

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING  
PROPOSED RENEWAL OF SHARE OPTION SCHEME MANDATE LIMIT  
RE-ELECTION OF RETIRING DIRECTORS  
PROPOSED GENERAL MANDATES TO ISSUE AND  
REPURCHASE SHARES**

### INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM which, upon approval, would enable the Company to:

- (a) allot and issue new shares of the Company and to make or grant offers, agreements, options and warrants not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing such resolution;

\* *for identification purposes only*

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## LETTER FROM THE BOARD OF DIRECTORS

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- (b) repurchase shares not exceeding 10% of the aggregate nominal value of the shares of the Company in issue as at the date of passing such resolution;
- (c) add to the general mandate for issuing shares set out in (a) above the number of shares repurchased by the Company pursuant to the Repurchase Mandate set out in (b) above;
- (d) renew the Scheme Mandate Limit so that the Company may grant Options up to 10% of the issued share capital of the Company as at the date of passing such resolution; and
- (e) re-elect retiring Directors.

### **PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES**

At the AGM, it will be proposed, by way of ordinary resolution, that the Directors be given a general and unconditional mandate to exercise all powers of the Company to allot and issue new shares in the Company up to 20% of the aggregate nominal value of the issued share capital of the Company on the date of passing of the ordinary resolution (“New Issue Mandate”). In addition, it is further proposed, by way of a separate ordinary resolution, that the New Issue Mandate be extended so that the Directors of the Company be given a general mandate to issue further shares in the Company of an aggregate nominal value equal to the aggregate nominal value of the share capital of the Company repurchased under the Repurchase Mandate. Any issue of new shares in the Company is subject to approval from the Stock Exchange for the listing of and permission to deal such new shares.

### **PROPOSED GENERAL MANDATE TO REPURCHASE SHARES**

At the AGM, it will be proposed, by way of an ordinary resolution, that the Directors of the Company be given a general and unconditional mandate to exercise all powers of the Company to repurchase on the Stock Exchange the Shares up to a maximum of 10% of the shares of the Company in issue at the date of passing of the ordinary resolution. This Repurchase Mandate, if approved, will continue in force until the conclusion of the next AGM of the Company or until revoked or varied by ordinary resolution of shareholders in general meeting prior to the next AGM. An explanatory statement containing information relating to the Repurchase Mandate is set out in Appendix to this circular.

### **RENEWAL OF THE EXISTING SCHEME MANDATE LIMIT**

The Company adopted the Share Option Scheme approved by way of written resolution of the Company on 4 November 2003. Under the rules of the Share Option Scheme:

1. the number of shares subject to Options that may be granted must not exceed 10% of the Shares in issue at the date of approval of the renewal of the Scheme Mandate Limit;

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## LETTER FROM THE BOARD OF DIRECTORS

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2. the Company may renew the Scheme Mandate Limit at any time subject to prior shareholders' approval. However, the Scheme Mandate Limit as renewed must not exceed 10% of the Shares in issue as at the date of the aforesaid shareholders' approval. Options previously granted under the Share Option Scheme and other share option schemes (including those outstanding, cancelled, lapsed in accordance with the schemes or exercised options) will not be counted for the purpose of calculating the Scheme Mandate Limit as renewed. A circular must be sent to shareholders in connection with the meeting at which their approval will be sought;
3. the Company may seek separate approval of the shareholders of the Company in general meeting to grant Options beyond the Scheme Mandate Limit to participants specifically identified by the Company before the aforesaid shareholders's meeting where such approval is sought; and
4. the overall limit on the number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme must not in aggregate exceed 30% of the Shares in issue from time to time.

As at the Latest Practicable Date, there were 39,390,000 outstanding Options, entitling to subscribe for 39,390,000 Shares, granted and yet to be exercised.

If the renewal of the existing Scheme Mandate Limit is approved at the AGM based on the 666,900,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the AGM, the Directors will, be able to grant Options up to a total of 66,690,000 Shares, representing 10% of the issued share capital of the Company as at the date of the AGM. Application will be made to the Stock Exchange for the listing of the new Shares.

An ordinary resolution, as special business, will be proposed at the AGM to approve the renewal of Scheme Mandate Limit in the terms set out in Resolution No. 7 of the Notice.

The Directors consider that the renewal of the Scheme Mandate Limit is in the interests of the Group and the Shareholders as a whole because it enables the Company to reward and motivate its employees and other participants. Therefore, the Directors recommend that Shareholders vote in favour of this resolution.

### **RE-ELECTION OF RETIRING DIRECTORS**

It will be proposed at the AGM an ordinary resolution to re-elect Mr. Lee Man Kwong and Mr. Ho Yiu Ming as Directors. Their particulars are shown below.

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## LETTER FROM THE BOARD OF DIRECTORS

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**Mr. Lee Man Kwong**, aged 51, has been practising as a solicitor in Hong Kong for over 20 years and is a partner at Messrs. Chan, Lau & Wai, Solicitors. He is also a solicitor qualified in England and Wales and Singapore. Mr. Lee is currently an executive director of BIG Media Group Limited (formerly known as B&S Entertainment Holdings Limited) and was an independent non-executive director of Mei Ah Entertainment Group Limited during the period between 1993 and October 2004, both of which are listed companies in Hong Kong. Save as disclosed above, Mr. Lee does not hold other directorships in listed companies in the last 3 years. Mr. Lee has no interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). He does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company (within the meaning of the GEM Listing Rules).

Mr. Lee has entered into a service agreement with the Company for a term of two years commencing 20 March 2006, which can be terminated by not less than three months' notice in writing served by either party to the other. Mr. Lee is entitled to a basic remuneration of HK\$600,000 per year, which is based on Mr. Lee's experience and responsibility in the Company. In addition, Mr. Lee is also entitled to a discretionary bonus provided that the aggregate amount of the bonuses payable to all the Executive Directors for any financial year of the Company may not exceed 10% of the audit consolidated net profit of the Group (after taxation and minority interest but before extraordinary and exceptional items of the Group) in respect of the financial year. Save as disclosed above, there are no other matters that need to be brought to the attention of the shareholders of the Company and there is no matter to disclose under Rule 17.50 (2)(h) to (v).

**Mr. Ho Yiu Ming**, aged 62, is an Independent Non-Executive Director and joined the Group in September 2003. Mr. Ho has extensive experience in the auditing and accounting fields. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Association of International Accountants and an Associate of the Institute of Chartered Accountants in England and Wales. He has been the managing partner of Billy Ho and Company, Certified Public Accountants, since 1984. Mr. Ho is an independent non-executive director of Kantone Holdings Limited and Jade Dynasty Group Limited, companies listed on the Main Board of the Stock Exchange and DIGITALHONGKONG.COM, a company listed on GEM of the Stock Exchange. Save as disclosed above, Mr. Ho does not hold other directorships in listed companies in the last 3 years. Mr. Ho has no interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). He does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company (within the meaning of the GEM Listing Rules).

Mr. Ho has entered into a service contract with the Company for a term expiring on 31 July 2004 with the term being renewed for a further term of two years commencing from 1 August 2004. Mr. Ho is entitled to an annual director fee of HK\$120,000, based on the prevailing

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## LETTER FROM THE BOARD OF DIRECTORS

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market rates in Hong Kong and Mr. Ho is not entitled to any other remuneration. Save as disclosed above, there are no other matters that need to be brought to the attention of the shareholders of the Company and there is no matter to disclose under Rule 17.50 (2)(h) to (v).

### **PROXY**

A form of proxy for the AGM is enclosed with this circular. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the branch share registrar of the Company, Standard Registrars Limited at Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the meeting. The completion of a form of proxy will not preclude you from attending and voting at the AGM in person.

### **RIGHT TO DEMAND A POLL**

Under the Articles of Association, at any general meeting a resolution put to the vote of the meeting is to be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is demanded by the Chairman or at least one member. Where a poll is demanded, subject to any rights or restrictions for the time being lawfully attached to any class of shares, every person present at such meeting shall have one vote for each share of which such person is the holder or for which such person holds a proxy. Where a vote is taken by poll, each person present and entitled to vote shall be furnished with a ballot paper on which such person shall record his or her vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered member in the case of a proxy. At the conclusion of the poll, the ballot papers shall be examined and counted by a committee of not less than two members or proxy members appointed by the Chairman for the purpose and the result of the poll shall be declared by the Chairman.

### **RECOMMENDATION**

The Directors are of the opinion that all the proposals referred to in this circular are in the best interests of the Company and its shareholders and recommend you to vote in favour of all the relevant resolutions to be proposed at the AGM.

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

*This is an explanatory statement given to all shareholders of the Company relating to the resolution to be proposed at the AGM authorizing the Repurchase Mandate.*

**1. EXERCISE OF THE REPURCHASE MANDATE**

If the Repurchase Mandate was exercised in full, on the basis of 666,900,000 shares in issue as at the Latest Practicable Date, could result in up to 66,690,000 shares to be repurchased by the Company during the period up to the conclusion of the next AGM of the Company, the expiration of the period within which the next AGM of the Company is required by any applicable law or the articles of association of the Company to be held or when the Repurchase Mandate is revoked or varied by an ordinary resolution by the shareholders in general meeting, whichever is the earliest.

**2. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and its shareholders for the Directors to have a general authority from shareholders to enable the Company to repurchase shares in the market. Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share.

**3. FUNDING OF REPURCHASES**

Any repurchases will only be funded out of funds of the Company legally available for the purposes in accordance with its memorandum and articles of association of the Company and the laws of the Cayman Islands.

**4. EFFECT OF EXERCISE OF THE REPURCHASE MANDATE**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the Annual Report 2006) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**5. DISCLOSURE OF INTERESTS**

None of the Directors and, to the best of their knowledge, having made all reasonable enquiries, none of their respective associates, have any present intention, if the Repurchase Mandate is exercised, to sell Shares to the Company or its subsidiaries.

**6. DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

**7. TAKEOVERS CODE CONSEQUENCES**

If as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a shareholder, or a group of shareholders acting in concert, depending on the level of increase in the shareholder's interests, may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. The Directors are not aware of any consequences which could arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, Biochem and Dr. Cheung, who are the substantial shareholders of the Company, held in aggregate approximately 56.12% of the shares of the Company. Upon exercise in full of the Repurchase Mandate, such percentage shareholding will be increased to 62.36%. As at the Latest Practicable Date, the Directors are not aware of any consequences for Biochem and Dr. Cheung under the Takeovers Code as a result, solely for the Directors exercising the Repurchase Mandate in full.

**8. SHARE PURCHASE MADE BY THE COMPANY**

No repurchases of securities have been made by the Company in the previous six months before the Latest Practicable Date, whether on the Stock Exchange or otherwise.

**9. CONNECTED PERSON**

No connected person (as defined in the GEM Listing Rules) has notified the Company that he/she/it has a present intention to sell Shares to the Company, nor has undertaken not to do so, in the event that the Repurchase Mandate is approved by the shareholders.

**10. SHARE PRICES**

The highest and lowest prices at which the Shares were traded on the GEM during each of the previous twelve months before the Latest Practicable Date were as follows:

	<b>Shares</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2005</b>		
June	0.590	0.460
July	0.550	0.485
August	0.540	0.485
September	0.510	0.350
October	0.500	0.370
November	0.450	0.350
December	0.350	0.260
<b>2006</b>		
January	0.320	0.245
February	0.300	0.216
March	0.270	0.181
April	0.195	0.160
May	0.219	0.148
June (up to the Latest Practicable Date)	0.154	0.131

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting (the “Annual General Meeting”) of the shareholders of Sau San Tong Holdings Limited (the “Company”) will be held at Room 501, Prestige Tower, 23-25 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Monday, 24 July 2006 at 11:00 a.m. for the following purposes:

1. to receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 March 2006;
2. to re-elect retiring Directors and authorise the board of directors to fix the Director’s remuneration;
3. to re-appoint auditors and authorise the Directors to fix their remuneration;
4. to consider as special business and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on The Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (“Stock Exchange”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue new shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the grant or exercise of any option under the share option scheme of the Company or any other issue of shares or rights to acquire shares of the Company; or (iii) any scrip

\* *for identification purposes only*

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## NOTICE OF ANNUAL GENERAL MEETING

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dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing warrants of the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal mount of the share capital of the Company in issue at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purpose of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, or any applicable law of the Cayman Islands to be held; and
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the Company on the register on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which any be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

5. to consider as special business and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its shares on the GEM or any other stock exchange on which the

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## NOTICE OF ANNUAL GENERAL MEETING

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shares of the Company may be listed and recognised by The Securities and Futures Commission of Hong Kong (“Securities and Futures Commission”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regards be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of shares of the Company authorised to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
  - (c) for the purpose of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, or any applicable law of the Cayman Islands to be held; and
    - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
6. to consider as special business and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon resolutions no. 4 and 5 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional shares and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to resolution no. 4 above be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 5 above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the said resolution.”

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## NOTICE OF ANNUAL GENERAL MEETING

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7. to consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** the existing Scheme Mandate Limit in respect of the granting of share options under the share option scheme adopted by the Company on 4 November 2003 (the “Share Option Scheme”) be renewed provided that the total number of shares of HK\$0.01 each in the capital of the Company (each a “Share”) which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Company must not exceed 10% of the Share in issue at the date of AGM of such renewal of the Scheme Mandate Limit.”

By Order of the Board  
**Sau San Tong Holdings Limited**  
**Sit Hon Wing**  
*Company Secretary*

Hong Kong, 30 June 2006

*Principal Place of Business:*

6th Floor, Prestige Tower  
Nos. 23-25 Nathan Road  
Tsimshatsui, Kowloon  
Hong Kong

*Notes:*

1. A shareholder entitled to attend and vote at the meeting is entitled to appoint a person or persons as his or her proxy or proxies to attend and, on a poll, vote instead of him or her. A proxy need not be a shareholder of the Company.
2. 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 of that power of attorney or authority must be deposited with the Company’s branch share registrar, Standard Registrars Limited at Level 28, Three Pacific Place, 1 Queen’s Road East not less than 48 hours before the time appointed for holding the meeting and in default thereof the form or proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiry of 12 months from the date of its execution.
3. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting; in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The Register of Members of the Company will be closed from 21 July 2006 to 25 July 2006, both days inclusive, during the period no share transfers will be registered. To qualify for attendance of the annual general meeting, all transfers accompanied by the relevant share certificates of the Company must be lodged with the Company’s branch share registrar, Standard Registrars Limited, Level 28, Three Pacific Place, 1 Queen’s Road East, Hong Kong no later than 4:00 p.m. on 20 July 2006, for registration.