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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 REFRESHMENT OF GENERAL MANDATE**

SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued and unissued Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.2 each. The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the necessary resolution(s) in respect of the Share Consolidation.

Currently, the Shares are traded on the GEM in board lot size of 10,000 Shares. After the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 10,000 Consolidated Shares.

REFRESHMENT OF GENERAL MANDATE

The Board further proposes that, in the event of the completion of the subscription of shares of the Company as detailed in the announcement of the Company of 11 January 2010, the general mandate granted to the Directors at the Company's annual general meeting held on 27 August 2009 to issue, allot and otherwise deal with the Shares ("General Mandate") would have been substantially utilised. In the circumstances and in order to provide the Company with flexibility to fund future investments or developments when opportunities are identified, the Directors propose to convene the EGM to consider and if thought fit by the Independent Shareholders, to approve a refreshment of the General Mandate. If approved by the Independent Shareholders at the EGM, such refreshment to the General Mandate will authorize the Directors to allot and issue Shares up to 20% of the Shares then in issue on the date of the EGM.

A circular containing, amongst other things, details of the Share Consolidation the Refreshment of the General Mandate and the notice of the EGM will be despatched to the Shareholders as soon as practicable.

* *For identification purpose only*

SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued and unissued Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.2 each. 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.

ARRANGEMENT ON ODD LOT TRADING

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide a 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. Details of the odd lot matching arrangements will be set out in the circular in relation to the Share Consolidation and Refreshment of General Mandate to be despatched to the Shareholders.

Effects of the Share Consolidation

As at the date of this announcement, the authorized share capital of the Company amounts to HK\$100,000,000 divided into 10,000,000,000 Shares of par value HK\$0.01 each, of which 5,951,250,000 (including the Subscription Shares of 191,970,000) Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and on the basis that no further Shares will be allotted and issued prior thereto, the authorized share capital of the Company will become HK\$100,000,000 divided into 500,000,000 Consolidated Shares, of which 297,562,500 Consolidated Shares will be in issue.

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

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

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

Conditions of the Share Consolidation and Refreshment of General Mandate

The Share Consolidation is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the EGM for approving the Share Consolidation; and
- (b) the GEM Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Consolidated Shares.

The refreshment of the General Mandate is conditional upon:

- (a) the passing of an ordinary resolution by the Independent Shareholders at the EGM approving the refreshment of the general mandate.

Reasons for the Share Consolidation

The Share Consolidation will increase the nominal value of the shares of the Company. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidation Shares on GEM. Besides, the Share Consolidation will reduce the number of board lots in the market. Any trading costs or handling charges, which are calculated on a per board lot basis will be lower and the transaction costs for dealing in the ordinary shares of the Company will be reduced. The Board believes that it may attract more investors and extend the shareholder base of the Company. The Board therefore considers that the Share Consolidation is in the interests of the Company and its Shareholders as a whole.

Exchange of Share Certificates

Subject to the Share Consolidation becoming effective, which is expected to be at on 12 February 2010, Shareholders may, on or after 12 February 2010 until 31 March 2010 (both days inclusive) submit share certificates for existing Shares to the Company's branch share registrar in Hong Kong, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, to exchange, at the expense of the Company, for certificates of the Consolidated Shares (on the basis of twenty (20) existing Shares for one (1) Consolidated Shares). Thereafter, certificates of Shares will remain effective as documents of title but will be accepted for exchange only on payment of a fee of a prescribed fee (or such higher amount as may from time to time be specified by the Stock Exchange) per existing share certificate cancelled or new share certificate issued (whichever is the higher) by Shareholders.

Adjustments in Relation to Share Options

As at the date of this announcement, there are outstanding Share Options entitling the holders thereof to subscribe for up to an aggregate of 99,583,113 Shares.

The Share Consolidation may cause adjustments to the subscription price and the number of Consolidated Shares to be issued under the Share Options. The Company will notify the holders of the Share Options regarding adjustments to be made (if any) pursuant to the terms of the share option scheme of the Company and the GEM Listing Rules.

Refreshment of the General Mandate

In the event of the subscription of shares of the Company as detailed in the announcement of the Company of 11 January 2010 being completed, the General Mandate granted to the Directors at the Company's annual general meeting held on 27 August 2009 would have been substantially utilised. In the circumstances and in order to provide the Company with flexibility to fund future investments or developments when opportunities are identified, the Directors propose to convene the EGM to consider and if thought fit by the Independent Shareholders, to approve a refreshment of the General Mandate. Under Rule 17.42A(1) of the GEM Listing Rules, Directors of the issuer (save for the Independent Directors) and their respective associates (as such term is defined in the GEM Listing Rules) shall abstain from voting in favour of the ordinary resolution approving the refreshment of the General Mandate at the EGM.

An independent financial adviser has been appointed to advise the Independent Shareholders and the Independent Board Committee in respect of the refreshment of the General Mandate and their advice will be published in the circular to be despatched to the Shareholders as soon as practicable following this announcement.

Expected Timetable

The expected timetable for implementation of the Share Consolidation and the refreshment of the General Mandate and the associated trading arrangements is set out below:

2010

Despatch of circular in relation to the Share Consolidation and Refreshment of the General Mandate	Wednesday, 27 January
Latest time for lodging proxy forms for the EGM	10:30 a.m., Tuesday, 9 February
EGM	10:30 a.m., Thursday, 11 February
Announcement of results of EGM to be published on the Stock Exchange website	Thursday, 11 February
Effective date of the Share Consolidation	Friday, 12 February
Dealings in Consolidated Shares commence	Friday, 12 February

Original counter for trading in existing Shares
in board lots of 10,000 Shares temporarily closes 9:30 a.m., Friday, 12 February

Temporary counter for trading in Consolidated
Shares in board lots of 500 Consolidated Shares
(in the form of existing share certificates) opens 9:30 a.m., Friday, 12 February

First day of free exchange of existing share
Certificates for new share certificates Friday, 12 February

Original counter for trading in Consolidated Shares
in board lots of 500 Consolidated Shares
(in the form of new share certificates) reopens 9:30 a.m., Tuesday, 2 March

Parallel trading in Consolidated Shares
(in the form of new share certificates and
existing share certificates) commences 9:30 a.m., Tuesday, 2 March

Designated broker starts to stand in the market
to provide matching services for the sale and purchase
of odd lots of Consolidated Shares Tuesday, 2 March

Temporary counter for trading in Consolidated
Shares in board lots of 10,000 Consolidated Shares
(in the form of existing share certificates) closes 4:00 p.m., Monday, 22 March

Parallel trading in Consolidated Shares
(in the form of new share certificates and
existing share certificates) ends 4:00 p.m., Monday, 22 March

Designated broker ceases to stand in the market
to purchase and sell odd lots of Consolidated Shares Monday, 22 March

Last day for free exchange of existing
share certificates for new share certificates Wednesday, 31 March

GENERAL

A circular containing, amongst other things, details of the Share Consolidation, refreshment of the General Mandate and the notice of the EGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions having the following meanings:

“Board”	the board of Directors
“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
“Consolidated Share(s)”	ordinary share(s) of HK\$0.2 each in the share capital of the company after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the approving, amongst other things, the Share Consolidation and the refreshment of the General Mandate
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	as defined in this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	the Shareholders not being the Directors (save for the Independent Directors) and their respective associates
“Independent Directors”	as at the date of this announcement means Mr. Hong Po Kui, Martin, Mr. Li Kuo Hsing and Ms. Hui Yat Lam
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Consolidation”	the proposed consolidation of every twenty (20) issued and unissued Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.2 each
“Share Options”	share options granted under the share option scheme of the company

“Share Option Scheme”	the share option scheme adopted by the Company on 4 November 2003
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Shares”	as defined in the announcement of the Company dated 11 January 2010
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board
Sau San Tong Holdings Limited
TSE CHING LEUNG
Company Secretary

Hong Kong 20 January 2010

As at the date of this announcement, the Board comprises executive directors namely Dr. Cheung Yuk Shan, Shirley (Chairman) and Mr. Cheung Ka Heng, Frankie; independent non-executive directors namely Mr. Hong Po Kui, Martin, Mr. Li Kuo Hsing and Ms. Hui Yat Lam.

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 (“GEM”) of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having 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 bases and assumptions that are fair and reasonable.

This announcement 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.