

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 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 and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer 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)

**(1) PROPOSED SHARE CONSOLIDATION,
(2) REFRESHMENT OF GENERAL MANDATE
TO ALLOT AND ISSUE SHARES
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the
Independent Board Committee and the Independent Shareholders of the Company**



粵海證券有限公司
GUANGDONG SECURITIES LIMITED

Terms used in this cover page have the same meanings as defined in this circular.

A letter from the Independent Board Committee of the Company (the “Independent Board Committee”) is set out on page 17 of this circular. A letter from Guangdong Securities Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders of the Company, is set out on pages 18-25 of this circular.

A notice convening an extraordinary general meeting (the “EGM”) of the Company to be held at 12th Floor, Prestige Tower, 23-25 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong, on Thursday, 11 February 2010 at 10:30 am is set out on pages 26-30 of this circular.

Whether or not you are able to attend and vote at the EGM, you are advised to read the notice and to complete and return the form of proxy for use at the EGM enclosed with the circular of the Company 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 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. The completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting in person if you so wish.

This circular 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.

27 January 2010

* For identification purposes only

CHARACTERISTICS OF GROWTH ENTERPRISE MARKET (“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.

RESPONSIBILITY STATEMENT

This circular, 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 GEM of the Stock Exchange (the “GEM Listing Rules”) 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:

- (i) the information contained in this 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

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

“AGM”	means the annual general meeting of the Company convened and held at 12th Floor, Prestige Tower, 23-25 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 27 August 2009 at 10:30 a.m.
“associates”	has the same definition as ascribed to it under the GEM Listing Rules
“Board”	means the board of Directors, including all independent non-executive Directors
“Business Day(s)”	means a day on which the Stock Exchange is open for trading
“CCASS”	means the Central Clearing and Settlement System established and operated by HKSCC
“Company”	means Sau San Tong Holdings Limited, a company incorporated in the Cayman Islands with limited liability and is listed on GEM
“Consolidated Shares”	means the ordinary shares of HK\$0.2 each in the share capital of the Company upon the Share Consolidation being effective
“Current General Mandate”	means the general mandate approved at the AGM authorizing the Directors to allot and issue Shares of up to 20% of the share capital of the Company in issue on the date of the passing of the relevant ordinary resolution, which was 27 August 2009
“Director(s)”	means the director(s) of the Company

DEFINITIONS

“EGM”	means the extraordinary general meeting of the Company to be held at 12th Floor, Prestige Tower, 23-25 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Thursday, 11 February 2010 at 10:30 a.m. to consider and, if thought fit, to approve the ordinary resolutions contained in the notice of the meeting which are set out on pages 26-30 of this circular
“GEM”	means the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on GEM
“Guangdong Securities” or “Independent Financial Adviser”	means Guangdong Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the New General Mandate
“Group”	means the Company and its subsidiaries
“HKSCC”	means the Hong Kong Securities Clearing Company Limited
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	means an independent committee of the Board, comprising all independent non-executive Directors, to advise the Independent Shareholders as to the fairness and reasonableness of the grant of the New General Mandate

DEFINITIONS

“Independent Shareholders”	means Shareholders other than the Directors (save for the independent non-executive directors) and their respective associates and at the Latest Practicable Date shall mean all Shareholders apart from Dr. Cheung Yuk Shan, Shirley, an executive Director, and her associate(s)
“Latest Practicable Date”	means 25 January 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“New General Mandate”	means the general mandate proposed to be granted to the Directors at the EGM to allot, issue and otherwise deal with additional Shares not exceeding 20% of the share capital of the Company in issue on the date of the passing of the relevant ordinary resolution
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	means ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Share Consolidation”	means the proposed consolidation of every twenty (20) shares in the issued and unissued share capital into one (1) share
“Shareholder(s)”	means holder(s) of Share(s)
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Subscription”	means the subscription of new Shares, details of which are set out in the announcement of the Company dated 11 January 2010
“HK\$”	means Hong Kong dollars, the lawfully currency of Hong Kong
“%”	means per cent.

EXPECTED TIMETABLE

Set out below is an indicative timetable for the implementation of the Share Consolidation. The timetable is subject to the results of the EGM. The Company will notify the Shareholders of any changes to the expected timetable by way of announcement(s) as and when appropriate.

	Date
	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 for 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 10,000 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

EXPECTED TIMETABLE

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 500 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



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

Independent Non-Executive Directors:

Mr. Hong Po Kui, Martin

Mr. Li Kuo Hsing

Ms. Hui Yat Lam

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681 GT

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal
and place of business:*

12th Floor

Prestige Tower

Nos. 23-25 Nathan Road

Tsimshatsui

Kowloon, Hong Kong

27 January 2010

To the shareholders of the Company

Dear Sir or Madam,

**PROPOSED SHARE CONSOLIDATION AND
REFRESHMENT OF GENERAL MANDATE
TO ALLOT AND ISSUE SHARES**

INTRODUCTION

The purpose of this circular is to provide you with information relating to: (i) the proposed Share Consolidation; (ii) the proposed grant of the New General Mandate; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders on the proposed grant of the New General Mandate; (iv) the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the proposed grant of the New General Mandate; and (v) the notice of EGM, at which an ordinary resolution will be proposed to the Shareholders

LETTER FROM THE BOARD OF DIRECTORS

to consider and, if thought fit, to approve the item as stated in (i) above and a separate ordinary resolution will be proposed to the Independent Shareholders to consider, and if thought fit, the item as stated in (ii) above.

PROPOSED SHARE CONSOLIDATION

Reference is made to the announcements of the Company dated 20 January 2010 and 21 January 2010. The Board proposed that every twenty (20) Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share. As at the Latest Practicable Date, there were 5,951,250,000 Shares in issue. Assuming no further Share be issued from the Latest Practicable Date up to the date of the EGM, there will be 5,951,250,000 Shares in issue and there will be 297,562,500 Consolidated Shares in issue following the Share Consolidation. The authorised share capital of the Company will remain at HK\$100,000,000. The number of authorised shares will be reduced as a result of the Share Consolidation from 10,000,000,000 Shares to 500,000,000 Consolidated Shares.

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of the necessary ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares.

STATUS OF THE CONSOLIDATED SHARES

The Consolidated Shares will rank pari passu in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders. Fractional Consolidated Shares will not be issued by the Company to Shareholders. Any fractional entitlement to the Consolidated Shares will be aggregated, sold and retained for the benefit of the Company. In order to alleviate the difficulties arising from the existence of odd lots of Consolidated Shares, the Company has procured a securities firm to act as an agent to arrange for matching service regarding the sale and purchase of odd lots of Consolidated Shares. For further details, please refer to the paragraph headed “Fractional Entitlement of the Consolidated Shares, Odd Lots Arrangements and Matching Services”.

Shareholders should note that successful matching of the sale and purchase of odd lots of Consolidated Shares is not guaranteed.

LETTER FROM THE BOARD OF DIRECTORS

REASONS FOR THE SHARE CONSOLIDATION

The proposed Share Consolidation will increase the nominal value of the Shares and reduce the total number of Shares currently in issue. As such, it is expected to bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange, which, will reduce the overall transaction costs for dealings in the Consolidated Shares. Further, as a result of the Share Consolidation, the trading costs to be incurred by the investors on a per board lot basis will be reduced. Accordingly, the Board is of the view that the Share Consolidation is beneficial to the Company and the Shareholders as a whole.

Other than the expenses to be incurred by the Company in relation to the Share Consolidation the implementation of the Share Consolidation will not, by itself, affect the underlying assets, business operations, management or financial position of the Group or the interests of the Shareholders as a whole.

FRACTIONAL ENTITLEMENT OF THE CONSOLIDATED SHARES, ODD LOTS ARRANGEMENTS AND MATCHING SERVICES

Where the Share Consolidation will result in fractions of Consolidated Shares, such fractional Consolidated Shares will not be issued but will be aggregated, sold and retained for the benefit of the Company.

In respect of odd lots of Consolidated Shares arising from the Share Consolidation, the Company has appointed Cinda International Securities Limited to arrange for the sale and purchase of odd lots on behalf of the Shareholders from 2 March 2010 to 22 March 2010 (both days inclusive). Shareholders who wish to acquire odd lots of Consolidated Shares to make up a full board lot of 10,000 Consolidated Shares, or to dispose of their holdings of odd lots of Consolidated Shares may directly or through their own brokers contact Mr. Leung Siu Wa at 45th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong, at the telephone number (852) 2235-7801 during such period. Shareholders should note that the matching service is on a "best efforts" basis only and successful matching of the sale and purchase of odd lots of Consolidated Shares is not guaranteed and will depend on there being adequate amounts of odd lots of Consolidated Shares available for such matching.

LETTER FROM THE BOARD OF DIRECTORS

EXCHANGE OF CERTIFICATES FOR CONSOLIDATED SHARES

Subject to the Share Consolidation becoming effective which is currently expected to be on 12 February 2010:

- (a) with effect from 9:30 a.m. on 12 February 2010 to 4:00 p.m. on 31 March 2010, Shareholders may submit their share certificates for the existing Shares to the Registrar for exchange, at the expense of the Company, for share certificates for the Consolidated Shares at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong;
- (b) after 31 March 2010, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Registrar for exchange of each share certificate, calculated on the basis of the number of share certificate(s) submitted for exchange or the number of share certificate(s) issued (whichever is more).

It is expected that new certificates for Consolidated Shares will be available for collection within ten (10) Business Days after the submission of the existing share certificates for existing Shares to Registrar for exchange.

Shareholders should note that with effect from 9:30 a.m. on 23 March 2010, trading will only be in Consolidated Shares in board lots of 10,000 Consolidated Shares. Share certificates for the Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

LISTING, DEALINGS AND TRADING ARRANGEMENTS FOR THE CONSOLIDATED SHARES

Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in the Consolidated Shares.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the GEM, 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 GEM or such other date as determined by HKSCC. Settlement of transactions between participants of the GEM on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

LETTER FROM THE BOARD OF DIRECTORS

Upon the Share Consolidation becoming effective, the arrangement proposed for dealings in the Consolidated Shares are expected to be as follows:

- (i) with effect from 9:30 a.m. on 12 February 2010, the original counter for trading in the Shares in board lots of 10,000 Shares will be temporarily closed. A temporary counter will be established for trading in the Consolidated Shares in board lots of 500 Consolidated Shares. Only certificates for Shares can be traded at this temporary counter;
- (ii) with effect from 9:30 a.m. on 2 March 2010, the original counter will be reopened for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares. Only new share certificates for the Consolidated Shares can be traded at this counter;
- (iii) from 2 March 2010 to 22 March 2010, both days inclusive, there will be parallel trading at the above two counters; and
- (iv) the temporary counter for trading in the Consolidated Shares in board lots of 500 Consolidated Shares will be closed after the close of trading on 22 March 2010. With effect from 9:30 a.m. on 23 March 2010, trading will only be in board lots of 10,000 Consolidated Shares.

OUTSTANDING SHARE OPTIONS

As at the Latest Practicable Date, the number of Shares in respect of which Share Options have been granted and are outstanding is 99,583,113 Shares.

Corresponding adjustments will be made on the basis that the proportion of the issued ordinary share capital of the Company to which a grantee of share options is entitled shall remain the same before and after such adjustments in accordance with the rules of the share option scheme and the supplementary guidance issued by the Stock Exchange.

The Company has engaged an independent financial adviser to provide a confirmation letter as to the adjustments required to be made to the terms of the outstanding Share Options as a result of the Share Consolidation. The Company will make a further announcement about the adjustments after receiving the confirmation letter.

Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional account or other professional adviser if they are in doubt about any of the matter contained in this circular.

LETTER FROM THE BOARD OF DIRECTORS

CURRENT GENERAL MANDATE

At the AGM, Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Current General Mandate to issue not more than 191,976,000 Shares, being 20% of the aggregate nominal amount of the issued share capital of the Company of Shares as at the date of passing of the resolution.

During the period from the grant of the Current General Mandate up to the Latest Practicable Date, the Current General Mandate has been utilised as to 191,970,000 Shares in association with the issue of new Shares on 25 January 2010, pursuant to the Subscription, representing approximately 99.997% of the aggregate number of Shares which may be allotted and issued under the Current General Mandate. Please refer to the Company's announcement dated 11 January 2010 for further details regarding the Subscription.

PROPOSED GRANT OF NEW GENERAL MANDATE

At the EGM, ordinary resolutions will be proposed to the Independent Shareholders that:

- (i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the share capital of the Company in issue as at the date of passing of the relevant ordinary resolution.

The Company has not refreshed the Current General Mandate since the AGM. The New General Mandate proposed will last 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 memorandum and articles of association of the Company or any other applicable laws to be held; and
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors under the New General Mandate.

LETTER FROM THE BOARD OF DIRECTORS

As a result of the issue of aforementioned Subscription, as at the Latest Practicable Date, the Company has an aggregate of 5,951,250,000 Shares in issue representing an increase of 3.33% Shares from the date on which the AGM was held. On the basis that no further Shares is issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, the Company would be allowed under the New General Mandate to allot and issue up to 1,190,250,000 Shares (equivalent to 59,512,500 Consolidated Shares).

REASONS FOR THE NEW GENERAL MANDATE

The Group is principally engaged in the provision of beauty and slimming services from slimming centres, distribution sales of comestic and skin care products and sale of other health and beauty products.

As explained in the paragraph headed “Current General Mandate” above, the Current General Mandate has been utilised as to 191,970,000 Shares, being approximately 99.997% of the aggregate number of Shares which may be allotted and issued under the Current General Mandate.

In view of the substantial increase of the issued share capital of the Company since the AGM, the Board considers that granting of the New General Mandate is in the best interests of the Company and the Shareholders as a whole in maintaining the financial flexibility necessary for the Group’s future business development. The Board considers equity financing to be an important avenue of resources to the Group since it does not create any interest paying obligations on the Group. In appropriate circumstances, the Group will also consider other financing methods such as debt financing or internal cash resources to fund its future business development. The Board is now proposing to seek the approval of Independent Shareholders at the EGM of the New General Mandate such that should future funding needs arise or attractive terms for investment in the Shares become available from potential investors, the Board will be able to respond to the market and such investment opportunities promptly because fund raising exercise pursuant to a general mandate provides the Company a more simple and less lead time process than other types of fund raising exercises and to avoid the uncertainties in such circumstances that specific mandate may not be obtained in a timely manner.

LETTER FROM THE BOARD OF DIRECTORS

The following table summaries the use of the Current General Mandate since the AGM:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at The Latest Practicable Date
11 January 2010	Top-up placing	Approximately HK\$3.6 million	General working capital	Not utilized yet

In view of the above, the Directors consider the grant of the New General Mandate, which may or may not be utilized, is in the best interests of the Company and the Shareholders as a whole.

EXTRAORDINARY GENERAL MEETING

The notice convening the EGM is set out on pages 26-30 of this circular. At the EGM, ordinary resolutions will be proposed to approve the proposed Share Consolidation, and the grant of the New General Mandate. A form of proxy for use at the EGM is also enclosed with this circular. To be valid, the enclosed form of proxy, together with any power of attorney or other authority under which it is signed must be completed in accordance with the instructions printed thereon and delivered to the Hong Kong branch share registrar and transfer office of the Company, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong 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 in respect of the resolutions approving the Share Consolidation and the grant of the New General Mandate or any adjourned meeting. The completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting in person if you so wish.

Pursuant to Rule 17.42A(1) of the GEM Listing Rules, the New General Mandate requires the approval of the Independent Shareholders at the EGM at which any of the controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions. As at the Latest Practicable Date, there are no controlling Shareholders, thus the Directors (excluding the independent non-executive Directors) and the chief executive of the company, and their respective associates will abstain from

LETTER FROM THE BOARD OF DIRECTORS

voting in favour of the relevant resolutions. As at the Latest Practicable Date, there was no controlling shareholder, Dr. Cheung Yuk Shan, Shirley (“Dr. Cheung”) was interested in approximately 25.13% of the existing issued share capital of the Company. Dr. Cheung and her associate(s), will abstain from voting in favour of the resolution relating to the granting of the New General Mandate. Further, pursuant to Rule 17.47(4)(b) of the GEM Listing Rules, any vote of the Independent Shareholders at the EGM will be taken by poll and the Chairman will also demand a poll be taken in respect of the resolution approving the Share Consolidation and an announcement will be made after the EGM on the results of the EGM.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprises Mr. Hong Po Kui, Martin, Mr. Li Kuo Hsing and Ms. Hui Yat Lam, all being independent non-executive Directors, has been established to advise the Independent Shareholders on the grant of the New General Mandate.

Guangdong Securities has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate.

RECOMMENDATIONS

The Directors consider that the proposed Share Consolidation and the grant of the New General Mandate is in the interest of the Company and the Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM for approving the grant of the New General Mandate.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the granting of the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and its shareholders as a whole and accordingly recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM for approving the grant of the New General Mandate.

LETTER FROM THE BOARD OF DIRECTORS

GENERAL INFORMATION

Your attention is drawn to the letter of advice from the Independent Financial Adviser set out on pages 18-25 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the grant of the New General Mandate and the letter from the Independent Board Committee set out on page 17 of this circular which contains its recommendation to the Independent Shareholders in relation to the grant of the New General Mandate.

PROXY

A form of proxy for the EGM is enclosed with this circular. Whether or not you intend to be present at the EGM, you are requested to complete the form of proxy and return it to the Hong Kong branch share registrar and transfer office of the Company, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the meeting. The completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting in person if you so wish.

WAIVER FROM COMPLIANCE WITH THE REQUIREMENTS UNDER RULES 24.09(2) AND 24.09(3) OF THE GEM LISTING RULES

The Company has applied for, and the Stock Exchange has granted, a waiver from compliance with Rules 24.09(2) and 24.09(3) of the GEM Listing Rules regarding the requirements on including in this circular summaries of: (a) all provisions of the constitutive documents of the Company in so far as they may affect shareholders' rights and protections and directors' powers; and (b) the relevant regulatory provisions (statutory or otherwise) of the jurisdiction in which the Company is incorporated.

COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors are aware of, none of themselves or the controlling Shareholders (as defined in the GEM Listing Rules) (if any) or their respective associates had any interest in a business which competes or may compete with the business of the Group or any other conflicts of interest with the Group.

LISTING ON OTHER EXCHANGES

No part of any equity or debt securities of the Company is listed or dealt in any other stock exchange on which listing or permission to deal is being or is proposed to be sought.

LETTER FROM THE BOARD OF DIRECTORS

VOTING BY POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of the independent shareholders in respect of the granting of the New General Mandate at a general meeting must be taken by poll. In order to facilitate the convening of the EGM, the chairman of the meeting will therefore demand a poll for every resolution put to the vote of the EGM pursuant to Article 66 the Company's Articles of Association. An announcement on the poll vote results will be made by the Company after the EGM in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents shall be available for inspection by the Shareholders during normal business hours at the principal place of business of the Company at 12/F, Prestige Tower, Nos. 23-25 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong from the date of this circular to the date of the EGM (both dates includes).

- (i) the memorandum and articles of association of the Company;
- (ii) Companies Laws of the Cayman Islands (as revised and amended);
- (iii) service agreements with each of the Directors;
- (iv) The underwriting agreement dated 21 July 2009 entered into among the Company and Kingston Securities Limited in relation to the Open Offer (as defined in the Circular of the Company dated 14 August 2009 therein) as varied and supplemented by a supplemental agreement dated 30 July 2009 entered into between the Company and the Kingston Securities Limited at the subscription price of HK\$0.01 per share raising a net proceeds of approximately HK\$46,000,000;
- (v) Annual reports of the Company for the two years ended 31 March 2009; and
- (vi) the subscription agreement dated 11 January 2010 entered into between Biochem Investments Limited as Subscriber and the Company as issuer in respect of the Subscription of 191,970,000 Shares at the subscription price of HK\$0.02 per share raising a net proceeds of approximately HK\$3,600,000.

Yours faithfully

For and on behalf of the Board
Sau San Tong Holdings Limited
Cheung Yuk Shan, Shirley
Chairman

The following is the text of a letter of advice from the Independent Board Committee to the Independent Shareholders in connection with the proposed New General Mandate, which has been prepared for the purpose of incorporation in 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)

27 January 2010

To the Independent Shareholders

Dear Sir or Madam,

**REFRESHMENT OF GENERAL MANDATE
TO ALLOT AND ISSUE SHARES**

We refer to the circular of the Company dated 27 January 2010 (the “Circular”) of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders as to whether the terms of the proposed grant of the New General Mandate are fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and its shareholders as a whole. Guangdong Securities has been appointed as the Independent Financial Adviser to advise us in this respect.

Having considered the principal reasons and factors considered by, and the advice of, the Independent Financial Adviser as set out in its letter of advice to us on pages 18-25 of the Circular, we are of the opinion that the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole and the terms of which are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the grant of the New General Mandate by way of poll.

Independent Board Committee
Hong Po Kui, Martin Li Kuo Hsing Hui Yat Lam
Independent non-executive Directors

* For identification purposes only

LETTER FROM GUANGDONG SECURITIES

Set out below is the text of a letter received from Guangdong Securities, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the granting of the New General Mandate for the purpose of inclusion in this circular.



粵海證券有限公司
GUANGDONG SECURITIES LIMITED

Units 2505-06, 25/F.
Low Block of Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

27 January 2010

*To: The independent board committee and the independent shareholders
of Sau San Tong Holdings Limited*

Dear Sirs,

REFRESHMENT OF GENERAL MANDATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the granting of the New General Mandate, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 27 January 2010 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As at the Latest Practicable Date, only a further of 6,000 Shares could be issued under the Current General Mandate, which was granted to the Directors at an annual general meeting of the Company held on 27 August 2009 (the “**AGM**”). Therefore, the Board proposes to seek approval of the Independent Shareholders for the granting of the New General Mandate such that the Directors will be granted the authority to issue, allot and deal with new Shares not exceeding 20% of the total issued share capital of the Company as at the date of passing the relevant resolution(s) at the EGM. Pursuant to Rule 17.42A(1) of the GEM Listing Rules, the granting of the New General Mandate requires the approval of the Independent Shareholders at the EGM at which any of the controlling Shareholders (as defined in the GEM Listing Rules) and their associates or, where there are no controlling Shareholder, the Directors (excluding the independent non-executive

Directors), the chief executive of the Company and their respective associates are required to abstain from voting in favour of the resolution(s) proposed for the approval of such grant, and under Rule 17.47(4) of the GEM Listing Rules, any vote of the shareholders at a general meeting must be taken by way of poll. As at the Latest Practicable Date, there was no controlling Shareholder. Dr. Cheung Yuk Shan, Shirley (“**Dr. Cheung**”), an executive Director, was interested in approximately 25.13% of the existing issued share capital of the Company. Accordingly, Dr. Cheung and her associates are required to abstain from voting in favour of the resolution(s) relating to the granting of the New General Mandate at the EGM. As at the Latest Practicable Date, save for Dr. Cheung and her associates, no Shareholder, including GEM Hero Investments Limited, is required to abstain from voting in favour of the relevant resolution(s) at the EGM.

An Independent Board Committee comprising Mr. Hong Po Kui, Martin, Mr. Li Kuo Hsing and Ms. Hui Yat Lam (all being independent non-executive Directors) has been established to advise the Independent Shareholders on the granting of the New General Mandate. We, Guangdong Securities Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true, complete and accurate in all material respects at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiries and careful considerations. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our recommendation in compliance with Rule 17.92 of the GEM Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

We consider that we have been provided sufficient information to reach an informed view and to provide a reasonable basis for our recommendation. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, or its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the granting of the New General Mandate. In addition, we have no obligation to update this opinion to take into account events occurring after the issue of this letter. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Guangdong Securities is to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the granting of the New General Mandate, we have taken into consideration the following principal factors and reasons:

(1) Background of the granting of the New General Mandate

The Group is principally engaged in the sale of a range of health and beauty products and provision of a wide range of health and beauty services with emphasis on weight management at its slimming centres.

The Directors were authorised to issue and allot up to 191,976,000 new Shares under the Current General Mandate which was granted to the Directors at the AGM.

According to the announcement of the Company dated 11 January 2010 regarding the top-up placing of new Shares (the “**Top-up Placing**”), a total of 191,970,000 new Shares were issued after the completion of the Top-up Placing on 25 January 2010. Since all of such Shares were issued under the authority of the Current General Mandate, the Current General Mandate has been utilised as to 191,970,000 Shares, representing approximately 99.997% of the Current General Mandate.

If the New General Mandate is not granted, only 6,000 new Shares may be further issued and allotted by the Directors under the Current General Mandate. Given that the Current General Mandate has almost been fully utilised as a result of the Top-up Placing, the Board proposes to seek approval of the Independent Shareholders for the granting of the New General Mandate such that the Directors will be granted the authority to issue, allot and deal with new Shares not exceeding 20% of the total issued share capital of the Company as at the date of passing the relevant resolution(s) at the EGM.

The Board also proposed that every 20 Shares in the issued and unissued share capital of the Company be consolidated into one Consolidated Share (details of the Share Consolidation are set out in the Board Letter).

As at the Latest Practicable Date, the Company had 5,951,250,000 Shares (equivalent to 297,562,500 Consolidated Shares) in issue. On the basis that no Share would be issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the EGM, the granting of the New General Mandate would allow the Directors to issue, allot and deal with up to 1,190,250,000 new Shares (equivalent to 59,512,500 Consolidated Shares), representing 20% of the aforesaid total issued share capital of the Company.

(2) **Reasons for the granting of the New General Mandate**

With reference to the Board Letter and as further advised by the Directors, in view of the substantial increase of the issued share capital of the Company since the AGM and the utilisation of the Current General Mandate, the Directors believe that the granting of the New General Mandate is in the interests of the Company and the Shareholders as a whole by maintaining the financial flexibility necessary for the Group's future business development. In this regard, the Directors also consider equity financing to be an important avenue of resources to the Group since it does not create any interest paying obligations on the Group.

We noted from the interim report of the Company for the six months ended 30 September 2009 (the "**Interim Report**") that the Group is (i) actively seeking opportunities to open new beauty, slimming and spa centres in major cities in the People's Republic of China (the "**PRC**") and the distribution of beauty products in order to capture the untapped market; and (ii) planning the distribution of health and beauty products to the major cities in the PRC, with satisfactory progress.

LETTER FROM GUANGDONG SECURITIES

Given the foregoing, we are of the opinion that the granting of the New General Mandate would provide the Company with the necessary flexibility to fulfil any possible funding needs for future business development and/or investment decisions. Accordingly, we are of the view that the granting of the New General Mandate is in the interests of the Company and the Independent Shareholders as a whole.

(3) Capital fund raising activities in the past twelve months

Set out below are the capital fund raising activities conducted by the Company in the past twelve months prior to the Latest Practicable Date:

Date of announcement	Description of the fund raising activity	Intended use of proceeds	Actual use of proceeds
11 January 2010	the Top-up Placing	For general working capital of the Group	Not utilised yet
23 July 2009	Open offer of 4,799,400,000 Shares of HK\$0.01 each in the share capital of the Company at the subscription price of HK\$0.01 per Share offered on the basis of five offer Shares for every one Share held on the record date	For repayment of debts and as general working capital of the Company and for financing its operations and activities for expanding its existing beauty, slimming and spa businesses and developing the growing beauty product distribution business in order to improve its financial position and to enrich and diversify its business, bringing better returns to the Shareholders	Approximately HK\$20 million was used for repayment of debts and approximately HK\$12 million have been utilised as general working capital of the Company

Save as and except for the above, the Company had not conducted any other capital fund raising activities in the past twelve months immediately prior to the Latest Practicable Date.

(4) Flexibility in financing

As advised by the Directors, the Group does not obviate the possibilities of further issuing capital if there is investor indicating interest in the business of the Company. The Directors believe that the granting of the New General Mandate will provide the Group with flexibility for possible future fund raising. The Directors are therefore of the view that the granting of the New General Mandate is in the interests of the Company and the Shareholders as a whole.

As discussed in the foregoing, we consider that the granting of the New General Mandate would provide the Company with the necessary flexibility to fulfil any possible funding needs for future business development and/or investment decisions. The granting of the New General Mandate would provide the Company with the flexibility as allowed under the GEM Listing Rules to issue and allot new Shares for equity fund raising activities, such as placing of new Shares, or as consideration for potential investments in the future as and when such opportunities arise. Furthermore, the additional amount of equity which may be raised after the granting of the New General Mandate would provide the Group with more financing options when assessing and negotiating potential investments in a timely manner. Given the financial flexibility available to the Company as discussed above, we are of the opinion that the granting of the New General Mandate is in the interests of the Company and the Shareholders as a whole.

(5) Other financing alternatives

We have enquired into the Directors and the Directors confirmed that apart from equity financing, the Group will also consider debt financing, such as bank borrowings and issue of bonds, to be other possible fund raising alternatives available to the Group. However, the Directors are of the view that that the ability of the Group to obtain bank borrowings usually depends on the Group's profitability, financial position and the then prevailing market condition. Furthermore, such alternative may be subject to lengthy due diligence and negotiations with the banks. In light of also that debt financing will usually incur interest burden on the Group, the Directors consider debt financing to be relatively uncertain and time-consuming as compared to equity financing, such as placing of new Shares, for the Group to obtain additional funding.

LETTER FROM GUANGDONG SECURITIES

The Directors confirmed that they would exercise due and careful consideration when choosing the best financing method available to the Group. With this being the case, along with the fact that the granting of the New General Mandate will provide the Company with an additional alternative and it is reasonable for the Company to have the flexibility in deciding the financing methods for its future business development, we are of the view that the granting of the New General Mandate is in the interests of the Company and the Shareholders as a whole.

(6) Potential dilution to shareholding of the public Shareholders

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the New General Mandate (assuming no other Shares are issued or repurchased by the Company):

	As at the Latest Practicable Date		Upon full utilisation of the New General Mandate (assuming no other Shares are issued or repurchased by the Company)	
	<i>Number of Shares</i>	%	<i>Number of Shares</i>	%
Biochem Investments Limited (<i>Note 1</i>)	895,200,000	15.04	895,200,000	12.54
Cheung Yuk Shan, Shirley (<i>Note 1</i>)	600,420,000	10.09	600,420,000	8.41
GEM Hero Investments Limited (<i>Note 2</i>)	864,000,000	14.52	864,000,000	12.10
Existing public Shareholders	3,591,630,000	60.35	3,591,630,000	50.28
Shares to be issued under the New General Mandate	—	—	1,190,250,000	16.67
Total	5,951,250,000	100.00	7,141,500,000	100.00

Notes:

- Dr. Cheung, the chairman of the Company and an executive Director, is personally interested in 600,420,000 Shares and beneficially interested in 895,200,000 Shares through Biochem Investments Limited which represented approximately 10.09% and 15.04% respectively of the issued share capital of the Company as at the Latest Practicable Date.
- The entire issued capital of GEM Hero Investments Limited is beneficially owned by Mr. Chung Kwok Cheung.

The table above illustrates that the shareholdings of the existing public Shareholders would decrease from approximately 60.35% as at the Latest Practicable Date to approximately 50.28% upon full utilisation of the New General Mandate (assuming no other Shares are issued or repurchased by the Company). Such potential dilution to the shareholdings of the existing public Shareholders represents a dilution of approximately 10.07 percent point.

Taking into account that the New General Mandate (i) would provide an alternative to increase the amount of capital which may be raised under the New General Mandate; (ii) would provide more options of financing to the Group for further development of its business as well as in other potential future investment as and when such opportunities arise; and (iii) the shareholding interests of all the Shareholders in the Company will be diluted in proportion to their respective shareholdings upon any utilisation of the New General Mandate, we are of the opinion that the potential dilution to the shareholdings of the public Shareholders as just mentioned is acceptable.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that the granting of the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the granting of the New General Mandate and we recommend the Independent Shareholders to vote in favour of the ordinary resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Guangdong Securities Limited
Graham Lam
Managing Director



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 (the “EGM”) of Sau San Tong Holdings Limited (the “Company”) will be held at 12th Floor, Prestige Tower, 23-25 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Thursday, 11 February 2010 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, with or without amendments, as ordinary resolutions of the Company by way of poll:

1. “**THAT** subject to and conditional upon the granting by the GEM Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) of the listing of and permission to deal in the Consolidated Shares (as defined in paragraph (a) of this Resolution below):
 - (a) with effect from the first business day immediately following the date on which this Resolution is passed, every 20 ordinary shares of HK\$0.01 each in the issued and unissued share capital of the Company be consolidated into one share of HK\$0.2 (each a “Consolidated Share”) and the Consolidated Shares in issue shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the Articles of Association of the Company;
 - (b) all fractions of the Consolidated Shares to which holders of issued shares of HK\$0.01 each in the share capital of the Company would otherwise be entitled to be aggregated sold and retained for the benefit of the Company;
 - (c) the directors of the company be and are generally authorized to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangements; and
 - (d) in this Resolution, the term “business day” shall mean a day on which the Stock Exchange is open for the business of dealing in securities and there is no suspension in the trading in the shares of the Company on that day.”

NOTICE OF EGM

2. “**THAT**, to the extent not already exercised, the mandate to allot and issue shares of the Company given to the directors of the Company (the “Directors”) at the annual general meeting of the Company held on 27 August 2009 (the “AGM”) be and is hereby revoked (without prejudice to any valid exercise of such general mandate prior to the passing of this resolution) and replaced by the mandate **THAT**:
- (a) subject to paragraph (c) below, pursuant to the Rules (the “GEM Listing Rules”) Governing the Listing of Securities on the Growth Enterprises Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot and issue unissued shares (each a “Share”) of HK\$0.01 each in the share capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above 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), issued or dealt with by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (i) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and

NOTICE OF EGM

- (ii) (provided that resolution no. 2 is passed) the nominal amount of any share capital of the Company repurchased by the Company pursuant to the general mandate to repurchase Shares granted to the Directors at the AGM (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of such resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes 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 memorandum and articles of association of the Company or any other applicable laws 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, 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 on the register on a fixed record date in proportion to their then 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 may be involved in determining the existence or extent of any restrictions or

NOTICE OF EGM

obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognized regulatory body or any stock exchange outside Hong Kong).”

By Order of the Board
Sau San Tong Holdings Limited
Cheung Yuk Shan, Shirley
Chairman

Hong Kong, 27 January 2010

Registered office:

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

Head office and principal place of business:

12th Floor, Prestige Tower
Nos. 23-25 Nathan Road
Tsimshatsui, Kowloon
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 Share 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 attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized 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 authorized 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 of the Company dated 27 January 2010. Such form of proxy is also published on the GEM website 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 copy which has been certified by a notary) to the Hong Kong branch share registrar and transfer office of the Company, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, 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 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.