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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 EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “EGM”) of Sau San Tong Holdings Limited (the “Company”) will be held at 11:00 a.m. on 18 August 2010 at 12th Floor, Prestige Tower, 23-25 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong to consider and, if thought fit, pass the following resolutions (with or without modifications):

#### **SPECIAL RESOLUTION**

1. **“THAT** conditional upon (i) approval of the Capital Reduction (as defined below) by the Grand Court of the Cayman Islands (the “Court”); (ii) registration by the Registrar of Companies of the Cayman Islands of the order of the Court confirming the Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Law of the Cayman Islands in respect of the Capital Reduction and compliance with any conditions as may be imposed by the Court in relation to the Capital Reduction; (iii) the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Adjusted Shares (as defined below) in issue, upon the date on which the Capital Reduction becomes effective:
  - (a) every 10 issued shares of HK\$0.20 each in the share capital of the Company be consolidated into one consolidated share of HK\$2.00 each (“Consolidated Share(s)”) and any fraction of Consolidated Shares arising therefrom shall not be allocated to the shareholders but shall be aggregated and be sold, if possible, for the benefit of the Company (the “Share Consolidation”);
  - (b) upon the Share Consolidation becoming effective, the issued share capital of the Company be reduced by cancelling the paid-up capital to the extent of HK\$1.99 on each of the issued Consolidated Shares such that the nominal value of each of the issued shares of the Company be reduced from HK\$2.00 to HK\$0.01 (“Adjusted Share(s)”) and the entire amount of the authorised but unissued share capital of the Company be cancelled (the “Capital Reduction”);

\* *For identification purpose only*

- (c) the credit arising from the Capital Reduction be transferred to the distributable capital reduction reserve account of the Company and applied towards cancelling the accumulated losses of the Company;
- (d) subject to and forthwith upon the Capital Reduction becoming effective, the authorised share capital of the Company be increased from such amount as shall have resulted from the Capital Reduction to HK\$10,000,000.00 divided into 1,000,000,000 Adjusted Shares by the creation of such number of new Adjusted Shares as shall be necessary to restore the authorised share capital of the Company to HK\$10,000,000.00 (together with the Share Consolidation and the Capital Reduction, the “Capital Reorganisation”); and
- (e) the directors of the Company be and are hereby authorised to do all such acts, deeds and things as they shall, in their absolute discretion, consider necessary, desirable or expedient in connection with the implementation of the Capital Reorganisation.”

## **ORDINARY RESOLUTIONS**

### 2. **“THAT:**

- (a) the entering into of the conditional underwriting agreement dated 5 July 2010 (the “Underwriting Agreement”) between the Company and Kingston Securities Limited (the “Underwriter”), a copy of which has been produced to the meeting marked “A” and initialled by the chairman of the meeting for the purpose of identification, whereby the Underwriter has conditionally agreed to underwrite not less than 107,748,900 Rights Shares (as defined below) and not more than 109,475,310 Rights Shares, upon the terms and subject to the conditions therein contained, be and is hereby approved, confirmed and ratified and the performance of all transactions contemplated under the Underwriting Agreement by the Company be and is hereby approved; and
- (b) subject to and conditional upon (i) the capital reorganisation referred to in resolution numbered 1 set out in the notice convening this meeting becoming effective; (ii) the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares of HK\$0.01 each in the capital of the Company (the “Shares”) to be issued by way of rights in their nil-paid and fully-paid forms, as described in the circular of the Company dated 26 July 2010 (the “Circular”), a copy of which has been submitted to the meeting marked “B” and signed by the chairman for identification purposes; (iii) the filing with and registration of all relevant documents in relation to the

Rights Issue (as defined below) by the Company with the Registrar of Companies in Hong Kong on or prior to the date of the Prospectus (as defined in the Circular); and (iv) the obligations of the Underwriter under the Underwriting Agreement not being terminated in accordance with its terms or otherwise:

- (aa) the issue by way of rights (the “Rights Issue”) of not less than 178,537,500 and not more than 180,163,026 Shares (the “Rights Share(s)”) to the holders of Shares whose names appear on the register of members of the Company at the close of business on 11 November 2010 (or such other date as the Underwriter may agree in writing with the Company) other than the Excluded Overseas Shareholders (as defined in the Circular), in the proportion of six (6) Rights Shares for every Share then held at the subscription price of HK\$0.30 per Rights Share and otherwise on the terms of the Rights Issue as set out in the Circular be and is hereby approved, and the directors of the Company (the “Directors”) be and are hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue notwithstanding that the same may be offered, allotted or issued otherwise than pro rata to the existing shareholders of the Company and, in particular (i) no Rights Shares shall be offered to the Excluded Overseas Shareholders and the Rights Shares which would otherwise have been offered to them shall be aggregated and issued to a nominee to be named by the Directors and such Rights Shares shall be sold in the market as soon as practicable after dealings in nil-paid Rights Shares commence if a premium (net of expenses) can be obtained and the net proceeds of sale, after deduction of expenses, shall be distributed to the Excluded Overseas Shareholders pro rata to their respective shareholdings unless the amount falling to be distributed to any Excluded Overseas Shareholder shall be less than HK\$100 in which case such amount shall be retained for the benefit of the Company; and (ii) to the extent that the Rights Shares referred to in (i) above are not sold as aforesaid, such Rights Shares together with any Rights Shares provisionally allotted but not accepted or otherwise subscribed for by transferees of nil-paid Rights Shares shall be offered for application under forms of application for excess Rights Shares; and
- (bb) the Directors be and are hereby authorised to make such other exclusions or other arrangements in relation to the Excluded Overseas Shareholders as they may deem necessary or expedient and generally to do such things or make such arrangements as they may think fit to give effect to the Rights Issue.”

3. **“THAT:**

- (a) the entering into of the conditional placing agreement dated 5 July 2010 (the “Placing Agreement”) between the Company and Kingston Securities Limited (the “Placing Agent”), a copy of which has been produced to the meeting marked “C” and initialled by the chairman of the meeting for the purpose of identification, whereby the Company has conditionally agreed to issue, and the Placing Agent has conditionally agreed to place and

procure the subscription for, a series of 2% convertible notes due 2012 up to a principal amount of HK\$20 million (the “Placing Convertible Notes”) upon the terms and subject to the conditions therein contained, be and is hereby approved, confirmed and ratified and the performance of all transactions contemplated under the Placing Agreement by the Company be and is hereby approved;

- (b) subject to and conditional upon (i) the capital reorganisation referred to in resolution numbered 1 set out in the notice convening this meeting becoming effective; (ii) the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Conversion Shares (as defined in the Placing Agreement); and (iii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with its terms or otherwise, the issue of the Placing Convertible Notes, the allotment and issue of the Conversion Shares pursuant to the terms of the Placing Convertible Notes and the performance of the transactions contemplated under the Placing Convertible Notes by the Company be and are hereby approved; and
- (c) the directors of the Company be and are hereby authorised for and on behalf of the Company to do all acts and things and execute and deliver all documents whether under the common seal of the Company or otherwise as may be necessary, desirable or expedient to carry out or to give effect to any or all transactions contemplated under the Placing Agreement and the Placing Convertible Notes (including but not limited to the allotment and issue of the Conversion Shares).”

4. **“THAT:**

- (a) the entering into of the conditional subscription agreement dated 5 July 2010 (the “Subscription Agreement”) between the Company and Dr. Cheung Yuk Shan, Shirley (“Dr. Cheung”), a copy of which has been produced to the meeting marked “D” and initialled by the chairman of the meeting for the purpose of identification, whereby the Company has conditionally agreed to issue, and Dr. Cheung has conditionally agreed to subscribe or procure the subscription for, a 2% convertible note due 2012 in the principal amount of HK\$20 million (the “Subscription Convertible Note”) upon the terms and subject to the conditions therein contained, be and is hereby approved, confirmed and ratified and the performance of all transactions contemplated under the Subscription Agreement by the Company be and is hereby approved;
- (b) subject to and conditional upon (i) the capital reorganisation referred to in resolution numbered 1 set out in the notice convening this meeting becoming effective; (ii) the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Conversion Shares (as defined in the Subscription Agreement); and (iii) the obligations of Dr. Cheung under the Subscription Agreement not being terminated in accordance with its terms or otherwise, the issue of the Subscription Convertible Note, the allotment and issue of the Conversion Shares pursuant to the terms

of the Subscription Convertible Note and the performance of the transactions contemplated under the Subscription Convertible Note by the Company be and are hereby approved; and

- (c) the directors of the Company be and are hereby authorised for and on behalf of the Company to do all acts and things and execute and deliver all documents whether under the common seal of the Company or otherwise as may be necessary, desirable or expedient to carry out or to give effect to any or all transactions contemplated under the Subscription Agreement and the Subscription Convertible Note (including but not limited to the allotment and issue of the Conversion Shares).”

5. “**THAT:**

- (a) the entering into of the consultancy agreement dated 24 June 2010 (the “Consultancy Agreement”) between the Company and Wealth Capital Investment Limited (the “Consultant”), a copy of which has been produced to the meeting marked “E” and initialled by the chairman of the meeting for the purpose of identification, whereby the Company has agreed to appoint the Consultant and issue to it unlisted warrants (the “Warrants”) to subscribe up to an aggregate amount of HK\$16,250,000 for shares in the capital of the Company upon the terms and subject to the conditions therein contained, be and is hereby approved, confirmed and ratified and the performance of all transactions contemplated under the Consultancy Agreement by the Company be and is hereby approved;
- (b) subject to and conditional upon (i) the capital reorganisation referred to in resolution numbered 1 set out in the notice convening this meeting becoming effective; and (ii) the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares to be issued by the Company upon exercise of the subscription rights attached to the Warrants (the “Warrant Shares”), the issue of the Warrants and the allotment and issue of the Warrant Shares pursuant to the terms of the Warrants be and are hereby approved; and
- (c) the directors of the Company be and are hereby authorised for and on behalf of the Company to do all acts and things and execute and deliver all documents whether under the common seal of the Company or otherwise as may be necessary, desirable or expedient to carry out or to give effect to any or all transactions contemplated under the Consultancy Agreement and the Warrants (including but not limited to the allotment and issue of the Warrant Shares).”

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

Hong Kong, 26 July 2010

*Registered office:*  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of business:*  
12th Floor, Prestige Tower  
23-25 Nathan Road  
Tsim Sha Tsui, 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 shares 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 authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised 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 authorised to sign such form of proxy on behalf of the corporation without further evidence of the facts.
4. A form of proxy for use at the EGM is enclosed with the circular of the Company dated 26 July 2010. Such form of proxy is also published on the GEM website at [www.hkgem.com](http://www.hkgem.com) and the Company's website at [www.sausantong.com](http://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 Company's branch share registrar in Hong Kong, 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 48 hours before the time appointed for holding the EGM or any 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.

*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 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, 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 or deceptive; and (2) there are no other matters the omission of which would make any statement herein or this announcement misleading.*

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