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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution 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 manager, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the 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)

PLACING OF CONVERTIBLE NOTES AND ISSUE OF CONVERTIBLE NOTE CONSTITUTING A CONNECTED TRANSACTION AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Placing Agent to the Placing



結好證券有限公司
GET NICE SECURITIES LIMITED

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders



富昌融資有限公司
FULBRIGHT CAPITAL LIMITED

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 16 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders of the Company, is set out on pages 17 to 37 of this circular.

A notice convening an extraordinary general meeting of the Company to be held at 4th Floor, Sands Building, 17 Hankow Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 6 December 2013 at 11:00 a.m. (“EGM”) is set out on pages 43 to 46 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed with this circular.

Whether or not you are able to attend and vote at EGM, you are advised to read the notice and to complete and return the accompanying form of proxy, in accordance with the instructions printed thereon and deposit 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. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should 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.

21 November 2013

* for identification purposes only

CHARATERISTICS OF 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“associate”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	board of Directors
“Business Day”	a day (excluding any Saturday, any Sunday or any public holidays) on which banks in Hong Kong are generally open for business in Hong Kong
“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
“connected person(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Conversion Price”	HK\$0.33 per Conversion Share (subject to adjustments)
“Conversion Share(s)”	those new Share(s) to be issued by the Company upon exercise of the conversion rights attached to the Convertible Notes
“Convertible Notes”	the Placing Convertible Notes and the Subscription Convertible Note
“Directors”	directors of the Company
“Dr. Cheung”	Dr. Cheung Yuk Shan, Shirley, the Chairman of the Board and a substantial shareholder the Company
“EGM”	the extraordinary general meeting of the Company to be held at 4th Floor, Sands Building, 17 Hankow Road, Tsimshatsui, Kowloon, Hong Kong at 11:00 a.m. on Friday, 6 December 2013 for the purpose of approving, among others, the Placing and the Subscription
“GEM”	The Growth Enterprise Market of the Stock Exchange

DEFINITIONS

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	Hong Kong Special Administrative Region of PRC
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors established for the purpose of advising the Independent Shareholders in respect of the Subscription
“Independent Financial Adviser” or “Fulbright Capital”	Fulbright Capital Limited, a licensed corporation under the SFO permitted to carry out type 6 (advising on corporate finance) regulated activities (as defined under the SFO), being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to the fairness and reasonableness of the terms of the Subscription Agreement and transactions contemplated thereunder (including the Specific Mandates)
“Independent Shareholders”	Shareholders who are not required to abstain from voting on the relevant resolutions at the EGM pursuant to the GEM Listing Rules
“Last Trading Day”	7 November 2013, being the last full trading day of the Shares on the Stock Exchange immediately prior to the signing of the Placing Agreement and the Subscription Agreement
“Latest Practicable Date”	19 November 2013 being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Placing”	the private placing of the Placing Convertible Notes by the Placing Agent pursuant to the Placing Agreement

DEFINITIONS

“Placing Agent”	Get Nice Securities Limited, a licensed corporation under the SFO permitted to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities (as defined under the SFO)
“Placing Agreement”	the placing agreement dated 7 November 2013 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Convertible Notes”	the four per cent. convertible notes of up to an aggregate principal amount of HK\$30,000,000 to be issued by the Company pursuant to the Placing Agreement
“PRC”	the People’s Republic of China
“Registrar”	Tricor Standard Limited, the Company’s branch share registrar and transfer office in Hong Kong
“SFO”	the Securities and Future Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holder(s) of the Company’s Shares in the registers of members of the Company as from time to time
“Specific Mandate(s)”	the specific mandate(s) proposed to be granted to the Board at the EGM for the allotment and issue of the Conversion Shares under the Placing Convertible Notes and the Subscription Convertible Note respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Convertible Note by Dr. Cheung or her nominee pursuant to the Subscription Agreement

DEFINITIONS

“Subscription Agreement”	the subscription agreement dated 7 November 2013 entered into between Dr. Cheung and the Company in relation to the Subscription
“Subscription Convertible Note”	the two per cent. convertible note of up to an aggregate principal amount of HK\$20,000,000 to be issued by the Company pursuant to the Subscription Agreement
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



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

Ms. Chiu Kam Hing, Kathy

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

***Head office and principal place
of business in Hong Kong:***

4th Floor, Sands Building

17 Hankow Road

Tsimshatsui

Kowloon

Hong Kong

21 November 2013

To the Shareholders

Dear Sir or Madam,

**PLACING OF CONVERTIBLE NOTES
AND
ISSUE OF CONVERTIBLE NOTE CONSTITUTING
A CONNECTED TRANSACTION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Company's announcement dated 7 November 2013 in relation to the Placing and the Subscription.

* *for identification purposes only*

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information relating to (i) further details of the Placing and the Subscription; (ii) a letter of advice from Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Subscription; and (iv) the notice of EGM.

PLACING OF CONVERTIBLE NOTES

On 7 November 2013 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place, on a best effort basis, over a period of 60 days from the date of the Placing Agreement, the Placing Convertible Notes up to an aggregate principal amount of HK\$30,000,000.

To the best of knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Assuming all the Placing Convertible Notes are fully placed, based on the initial Conversion Price of HK\$0.33 per Conversion Share, a maximum number of 90,909,090 Conversion Shares will be issued and allotted if the conversion rights attached to the Placing Convertible Notes are exercised in full, representing approximately 36.61% of the issued share capital of the Company and approximately 26.80% of the issued share capital of the Company as enlarged by the issue and allotment of such Conversion Shares.

Completion of the Placing is conditional upon:

- (1) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which the Company and the Placing Agent do not reasonably object) listing of and permission to deal in the Conversion Shares to be issued upon exercise of the conversion rights attached to the Placing Convertible Notes; and
- (2) the passing by the Shareholders at the EGM of the necessary resolution approving the Placing Agreement and the transactions contemplated thereunder including but not limited to the issue and allotment of the Conversion Shares and the creation and issue of the Placing Convertible Notes.

LETTER FROM THE BOARD

If the above conditions precedent are not fulfilled within 10 business days from the date the Placing Agent notifies the Company that it has procured subscribers for the Placing Convertible Notes (or such later date as may be agreed between the Placing Agent and the Company), then the obligations of the parties in respect of the issue and placing of the Placing Convertible Notes shall lapse.

The Placing Agent undertakes to use its reasonable endeavours to procure that no Placing Convertible Notes shall be placed to any person, firm or company who is a connected person (as defined in the GEM Listing Rules) of the Company.

As at the Latest Practicable Date, it is uncertain whether the number of places of the Placing Convertible Notes will be more or less than six. In case the number of places of the Placing Convertible Notes is less than six, the Company shall comply with Rules 17.30(7) of the GEM Listing Rules and disclose in an announcement the name(s) of such place(s).

Pursuant to the terms of the Placing Agreement, the Placing Agent shall be entitled to a fee equivalent to 2% of the aggregate principal amount of the Placing Convertible Notes for which it has procured subscribers to take up the Placing Convertible Notes.

The principal terms of the Placing Convertible Notes are set out in the section headed “Principal Terms of the Convertible Notes” below.

ISSUE OF CONVERTIBLE NOTE CONSTITUTING A CONNECTED TRANSACTION

On 7 November 2013 (after trading hours), the Company and Dr. Cheung entered into the Subscription Agreement pursuant to which the Company agreed to issue, and Dr. Cheung agreed to subscribe, or procure the subscription by her nominee, for the Subscription Convertible Note in the principal amount of HK\$20,000,000. Dr. Cheung will satisfy the subscription money as to the whole sum of principal amount by setting off an equivalent amount of debt owed by the Company to her.

Based on the initial Conversion Price of HK\$0.33 per Conversion Share, a maximum number of 60,606,060 Conversion Shares will be issued and allotted if the conversion rights attached to the Subscription Convertible Note are exercised in full, representing approximately 24.41% of the issued share capital of the Company and approximately 19.62% of the issued share capital of the Company as enlarged by the issue and allotment of such Conversion Shares.

LETTER FROM THE BOARD

As Dr. Cheung is a Director and a substantial shareholder of the Company, she is a connected person of the Company under the GEM Listing Rules. Accordingly, the Subscription constitutes a connected transaction of the Company, it is subject to the approval of the Independent Shareholders at the EGM. Dr. Cheung and her associates have abstained from voting on the board resolution and will abstain from voting at the EGM on the proposed resolution approving the Subscription Agreement and the transactions contemplated thereunder.

Completion of the Subscription is conditional upon:

- (1) the passing of an ordinary resolution by the Independent Shareholders to approve the Subscription Agreement and the transactions contemplated thereunder, including but not limited to, the issue of the Subscription Convertible Note and the Conversion Shares at the EGM;
- (2) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which the Company does not reasonably object) listing of and permission to deal in the Conversion Shares to be issued upon exercise of the conversion rights attached to the Subscription Convertible Note;
- (3) all necessary statutory, government and regulatory obligations having been complied with and all necessary statutory, government, regulatory and third party consents and waivers having been obtained and all filings having been made by each of the Company and Dr. Cheung; and
- (4) the Subscription Agreement not being terminated by Dr. Cheung due to the following:
 - (a) in the reasonable opinion of Dr. Cheung, there shall have been such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Subscription; or
 - (b) any material breach of any of the representations, warranties and undertakings by the Company comes to the knowledge of Dr. Cheung or any event occurs or any matter arises which if it had occurred or arisen before the date hereof would have rendered any of such Warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provisions of the Subscription Agreement; or

LETTER FROM THE BOARD

- (c) there is any adverse change in the business or financial position of the Group as a whole which in the reasonable opinion of Dr. Cheung is material in the context of the Subscription; or
- (d) any suspension of dealings in the Shares for more than 15 consecutive trading days (other than for clearance of this circular or as a result of the Subscription Agreement); or
- (e) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Completion Date; or
- (f) any new law or regulation or any change in existing laws or regulations which in the reasonable opinion of Dr. Cheung has or is likely to have a material adverse effect on the financial position of the Company.

If the above conditions precedent are not fulfilled on or before 31 December 2013 (or such later date as may be agreed between Dr. Cheung and the Company), then the obligations of the parties in respect of the issue and subscription of the Subscription Convertible Note shall lapse.

The principal terms of the Subscription Convertible Note are set out in the section headed “Principal Terms of the Convertible Notes” below.

PRINCIPAL TERMS OF THE CONVERTIBLE NOTES

	Placing Convertible Notes	Subscription Convertible Note
Principal amount	: HK\$30,000,000	HK\$20,000,000
Interest	: 4% per annum, payable annually in arrears	2% per annum, payable annually in arrears
Maturity date	: 3 years from the date of issuance of the Placing Convertible Notes	3 years from the date of issuance of the Subscription Convertible Note

LETTER FROM THE BOARD

Conversion Price : The initial Conversion Price is HK\$0.33 per Conversion Share, subject to adjustments in certain events such as share consolidation, share subdivision, capitalization issue, capital distribution, rights issue and other equity derivative issues.

The Conversion Price represents:

- (a) a premium of approximately 6.45% to the closing price of HK\$0.31 as quoted on the Stock Exchange on the Last Trading Day; and
- (b) a premium of approximately 3.45% to the average closing price of HK\$0.319 as quoted on the Stock Exchange from 1 November 2013 to the Last Trading Day, both days inclusive, being the last five consecutive full trading days immediately before the date of signing of the Placing Agreement and the Subscription Agreement.

The Conversion Price was arrived at after arm's length negotiation between the relevant parties with reference to the market price of the Shares under the prevailing market conditions.

Conversion right : The holder(s) of the Convertible Notes shall have the right to convert, on any business day from the date of issue of the Convertible Notes until five (5) business days before the maturity date of the Convertible Notes the whole or part only in an integral multiple of HK\$1,000,000 of the principal amount of the Convertible Notes into Conversion Shares at the Conversion Price.

The Conversion Shares under the Placing Convertible Notes will be issued under the Specific Mandates proposed to be sought from the Shareholders at the EGM.

The Conversion Shares under the Subscription Convertible Note will be issued under the Specific Mandates proposed to be sought from the Independent Shareholders at the EGM.

LETTER FROM THE BOARD

- Ranking of Conversion Shares : The Conversion Shares shall rank pari passu in all respects with all other Shares in issue at the date on which a notice is given for the exercise of conversion rights and be entitled to all dividends and other distributions the record date of which falls on a date on or after the notice for the exercise of conversion rights is given.
- Voting : The holder(s) of the Convertible Notes will not be entitled to receive notice of, attend or vote at any meeting of the Company by reason only of it/they being the holder(s) of the Convertible Notes.
- Transferability : The Convertible Notes may be transferred to any third party. Any transfer of the Convertible Notes shall be in respect of the whole or part only in an integral multiple of HK\$1,000,000 of the outstanding principal amount of the Convertible Notes.
- In the event of any transfer of the Convertible Notes to a connected person of the Company, the transferor shall notify the Company in writing of such transfer, so that the Company will promptly notify the Stock Exchange of such transfer.
- Early redemption : At any time after the date of the issue of the Convertible Notes and before the fifth business day before the date of maturity, the Company may redeem all or part (in an integral multiple of HK\$1,000,000) of the Convertible Notes at a price equal to 100% of the face value of the part of principal amount of the Convertible Notes proposed to be redeemed together with the interest accrued thereon up to but excluding the date of redemption.
- Listing : No application will be made for the listing of, or permission to deal in, the Convertible Notes on the Stock Exchange or any other stock exchange. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares, which may fall to be allotted and issued upon conversion of the Convertible notes.

LETTER FROM THE BOARD

REASONS FOR ENTERING INTO OF THE PLACING AGREEMENT AND THE SUBSCRIPTION AGREEMENT

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

In order to expand the Group's beauty, slimming and spa businesses in PRC and develop its growing beauty product distribution business, the Group would require additional working capital.

According to the Group's interim report for the six months ended 30 September 2013, the Company owed approximately HK\$28,650,000 to Dr. Cheung as at 30 September 2013. Such debt is repayable on demand and has been classified under current liabilities in the Group's consolidated financial statements. The Directors consider the Subscription would improve the Company's working capital position by converting a debt repayable on demand to a non-current fixed-term convertible note.

In view of the current market conditions, the Directors consider the Placing and the Subscription represent a good opportunity for the Company to raise additional working capital and improve its working capital position at relatively low cost. The Directors (including the independent non-executive Directors having taken into consideration the advice of the Independent Financial Adviser) consider that the terms of the Placing Agreement and the Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming all Placing Convertible Notes are successfully placed out, the estimated net proceeds of the Placing Convertible Notes, after deduction of the related expenses will approximately be HK\$29,000,000, which are intended to be applied by the Company for the expansion of the Group's beauty, slimming and spa businesses in PRC, product distribution business and as general working capital. The net issue price of each Conversion Share to be issued under the Placing Convertible Notes is approximately HK\$0.319.

LETTER FROM THE BOARD

EFFECT ON THE SHAREHOLDING IN THE COMPANY

For illustration purposes only, the shareholding structure of the Company as at the Latest Practicable Date and immediately before and after the exercise of the conversion rights under the Convertible Notes is as follows:

	As at the Latest Practicable Date		Immediately after full exercise of conversion rights of the Subscription Convertible Note, assuming none of the conversion rights of the Placing Convertible Notes is exercised		Immediately after full exercise of conversion rights of the Placing Convertible Notes, assuming none of the conversion rights of the Subscription Convertible Note is exercised		Immediately after full exercise of conversion rights of both the Placing Convertible Notes and the Subscription Convertible Note	
	Number of		Number of		Number of		Number of	
	Shares	Percentage	Shares	Percentage	Shares	Percentage	Shares	Percentage
<i>Substantial Shareholders:</i>								
Dr. Cheung and her associates	72,354,700	29.14%	132,960,760	43.04%	72,354,700	21.33%	132,960,760	33.25%
<i>Placees of the Placing Convertible Notes</i>								
Notes	—	—	—	—	90,909,090	26.80%	90,909,090	22.74%
Other public Shareholders	175,939,050	70.86%	175,939,050	56.96%	175,939,050	51.87%	175,939,050	44.01%
Total	248,293,750	100.00%	308,899,810	100.00%	339,202,840	100.00%	399,808,900	100.00%

Notes: Dr. Cheung has no intention to convert the Subscription Convertible Note to the extent that such conversion will trigger a general offer for all the securities of the Company (other than those already owned or agreed to be acquired by Dr. Cheung and her concert parties) under the Takeover Code. In the event that a general offer is triggered as a result of the conversion of the Subscription Convertible Note, Dr. Cheung will comply with the relevant requirements of the Takeover Code and the GEM Listing Rules.

PAST FUND RAISING EXERCISE OF THE COMPANY

The Company has not conducted any fund raising activities in the past twelve months prior to the Latest Practicable Date.

EGM

The notice convening the EGM is set out on pages 43 to 46 of this circular. The EGM will be held at 4th Floor, Sands Building, 17 Hankow Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 6 December 2013 at 11:00 a.m. for the purposes of considering, if thought fit, approving the Placing, the Subscription and transactions contemplated thereunder.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed herewith. Whether or not you are able to attend the extraordinary general meeting, you are advised to read the notice and to complete and return the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Registrar 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. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

RESPONSIBILITY STATEMENT

This circular, 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 the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATIONS

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders on the terms of the Subscription. Fulbright Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in these regards.

Your attention is drawn to the letter of advice from Independent Financial Adviser set out on pages 17 to 37 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the Subscription and the transaction contemplated thereunder and the letter from the Independent Board Committee set out on page 16 of this circular which contains its recommendation to the Independent Shareholders in respect of the Subscription and the transaction contemplated thereunder.

The Independent Board Committee, having reviewed the terms of the Subscription Agreement and taken into account the advice of Independent Financial Adviser, considers that the terms of the Subscription and the transaction contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and the Subscription

LETTER FROM THE BOARD

is in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM for approving among other things, the Subscription Agreement and the transaction contemplated thereunder.

The Directors consider the terms of the Placing and the Subscription are fair and reasonable and are in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders and the Independent Shareholders respectively to vote in favour of the relevant resolutions to be proposed at the EGM for approving, among other things, the Placing and the Subscription.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Subscription.



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)

21 November 2013

To the Independent Shareholders

Dear Sir or Madam,

ISSUE OF CONVERTIBLE NOTE CONSTITUTING A CONNECTED TRANSACTION

We have been appointed as the Independent Board Committee to consider and advise you as to whether the terms of the Subscription are fair and reasonable insofar as the Independent Shareholders are concerned. Details of the Subscription are set out in the circular dated 21 November 2013 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms defined in the Circular will have the same meanings when used herein unless the context otherwise requires.

We wish to draw your attention to the letter from the Board and the letter of advice from the Independent Financial Adviser set out on pages 5 to 15 and pages 17 to 37 of the Circular respectively.

Having taken into account the principal factors and reasons considered by the Independent Financial Adviser, its conclusion and advice, we concur with the view of the Independent Financial Adviser and consider the terms of the Subscription and the transaction contemplated thereunder are fair and reasonable insofar as the Independent Shareholders are concerned and the Subscription and the transaction contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend you to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Subscription and the transaction contemplated thereunder.

Yours faithfully,

Independent Board Committee

Mr. Hong Po Kui, Martin

Mr. Li Kuo Hsing

Ms. Hui Yat Lam

Ms. Chiu Kam Hing, Kathy

Independent non-executive Directors

* for identification purposes only

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the full text of a letter received from Fulbright Capital setting out the advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Subscription Agreement and the transactions contemplated thereunder, for the purpose of inclusion in this circular.



26/F., LHT Tower,
31 Queen's Road Central,
Hong Kong

21 November 2013

*To: the Independent Board Committee and
the Independent Shareholders of Sau San Tong Holdings Limited*

Dear Sirs,

CONNECTED TRANSACTION ISSUE OF SUBSCRIPTION CONVERTIBLE NOTE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the Subscription Agreement and the transactions contemplated thereunder, particulars of which are set out in the section headed "Letter from the Board" (the "**Board Letter**") contained in the circular dated 21 November 2013 issued by the Company (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

Reference is made to the Company's announcement dated 7 November 2013 in relation to, amongst other matters, the Placing Agreement and the Subscription Agreement and the transactions contemplated thereunder, including but not limited to the Placing Convertible Notes and Subscription Convertible Note and the grant of the Specific Mandates to allot and issue the Conversion Shares, are set out in the Board Letter. Pursuant to the Subscription Agreement, the Company agreed to issue and Dr. Cheung agreed to subscribe, or procure the subscription by her nominee, for the Subscription Convertible Note in the principal amount of HK\$20,000,000.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, Dr. Cheung and her associates are interested in 72,354,700 Shares, representing approximately 29.14% of the issued share capital of the Company. Dr. Cheung is also a Director and a substantial shareholder (as defined under the GEM Listing Rules) of the Company and, therefore a connected person of the Company. Accordingly, the Subscription constitutes a connected transaction of the Company, the Subscription Agreement and the transactions contemplated thereunder, including but not limited to the Subscription Convertible Note and the grant of the Specific Mandates for the Shares which may fall to be allotted and issued are subject to the approval of the Independent Shareholders at EGM by a way of a poll. Dr. Cheung and her associates will abstain from voting at the EGM on the proposed resolution approving the Subscription Agreement and the transactions contemplated thereunder.

Our role as the Independent Financial Adviser is to give our opinion as to whether the terms of the Subscription Agreement are on normal commercial terms, fair and reasonable insofar as the Independent Shareholders are concerned and in the interests of the Company and Shareholders as a whole.

An Independent Board Committee comprising Mr. Hong Po Kui, Martin, Mr. Li Kuo Hsing, Ms. Hui Yat Lam and Ms. Chiu Kam Hing, Kathy (all being independent non-executive Directors) has been formed to advise the Independent Shareholders as to the fairness and reasonableness of the Subscription Agreement and the transactions contemplated thereunder. We, Fulbright Capital 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 ADVICE

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 and the management of the Company. We have assumed that all information and representations provided to us by the Directors and the management of the Company, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to 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 consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. We have no reason to suspect that any relevant information have been withheld, or to doubt the

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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 and the management of the Company, which have been provided to us. We have not, however, carried out any independent verification of the information provided by the Directors and the management of the Company, nor have conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospect.

The Directors have collectively and individually accepted 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 have confirmed, after having made all reasonable enquires, which to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Subscription Agreement and the transactions contemplated thereunder, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation in relation to the terms of the Subscription Agreement, we have considered the following principal factors and reasons:

1. Information of the Group

(a) Financial Review

The Group is principally engaged in the provision of beauty and slimming services from slimming centres, distribution sale of cosmetic and skin care products, sales of health and beauty products. Tabularized below is a summary of the financial performance of the Group as extracted from the interim report of the Company for the six months ended 30 September 2013 (the “**IR 2013**”) and the annual report of the Company for the year ended 31 March 2013 (the “**AR 2013**”):

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Table I — Selected financial information on consolidated income statement of the Group for two years ended 31 March 2013 and 2012, and for the six months ended 30 September 2013 and 2012

	For the six months ended 30 September 2013 <i>HK\$ million</i>	For the six months ended 30 September 2012 <i>HK\$ million</i>	For the year ended 31 March 2013 <i>HK\$ million</i>	For the year ended 31 March 2012 <i>HK\$ million</i>
Consolidated Income Statement				
Revenue	645.8	541.5	1,141.7	1,039.8
Gross profit	82.0	79.7	167.6	178.2
(Loss)/profit for the period/year	(0.7)	6.5	7.6	26.5
Dividend	Nil	Nil	Nil	Nil

As depicted by the above table, the Group recorded a turnover of approximately HK\$1,141.7 million for the year ended 31 March 2013, representing an increase of approximately 10% as compared to the prior financial year. With reference to the AR 2013, the increase in turnover was mainly attributable to the remarkable growth in the distribution sale of cosmetic and skincare products in the Company's subsidiary Shanghai Dong Fang Ri Hua Sales Co. Ltd., increased by 16% to HK\$1,008.8 million for the year ended 31 March 2013 as compared to HK\$870.0 million for the year ended 31 March 2012. However, gross profit dropped slightly to HK\$167.6 million, whilst net profit substantially decreased to HK\$7.6 million as compared to HK\$26.5 million, of which the net profit margin decreased from 3% for the year ended 31 March 2012 to 1% for the year ended 31 March 2013. As advised by the Directors, the decline in gross profit and net profit were due to a transient shrink of the beauty and slimming industry in Hong Kong market under the challenging market conditions, and the increased investment in new flagship in Shanghai.

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For the six months ended 30 September 2013, the turnover of the Group was approximately HK\$645.8 million, an increase of approximately 19% as compared to the corresponding period in last year. With reference to the IR 2013, the aforesaid increase in turnover was mainly contributed from the 22% increase of the distribution business. However, the Group recorded a mild drop in gross profit margin from 15% for the six months ended 30 September 2012 to 13% for the six months ended 30 September 2013, and has generated a net loss of approximately HK\$0.7 million for the six months ended 30 September 2013 which is mainly due to the intense competition, slowdown of the customer sentiment in Hong Kong segment and expansion of business of the Group.

Table II — Selected financial information on consolidated statement of cash flows of the Group for two years ended 31 March 2013 and 2012, and for the six months ended 30 September 2013 and 2012

	For the six months ended 30 September 2013 <i>HK\$ million</i>	For the six months ended 30 September 2012 <i>HK\$ million</i>	For the year ended 31 March 2013 <i>HK\$ million</i>	For the year ended 31 March 2012 <i>HK\$ million</i>
Consolidated Cashflow Statement				
Net cash (used in)/from operating activities	(2.1)	(26.0)	(33.4)	33.0
Net cash used in investing activities	(10.7)	(1.9)	(20.9)	(5.7)
Net cash from/(used in) financing activities	23.5	(6.4)	17.4	4.9
Net increase/(decrease) in cash and cash equivalent	10.7	(34.3)	(36.9)	32.2
Cash and cash equivalents	84.3	75.4	73.5	110.0

During the periods illustrated above, we noted that net cash from operating activities decrease from inflow of approximately HK\$33.0 million for the year ended 31 March 2012 to outflow of approximately HK\$33.4 million for the year ended 31 March 2013. According to the AR 2013, the significant decrease of net cash from operating activities was mainly due to the increase in trade

receivables and increase in prepayment, deposits and other receivables. Net cash from investing activities decreased from an outflow of approximately HK\$5.7 million for the year ended 31 March 2012 to outflow of approximately HK\$20.9 million for the year ended 31 March 2013, the decline was mainly due to the increase in purchase of property, plant and equipment, and intangible asset in relation to the development cost of online platform. Cash and cash equivalents decreased from approximately HK\$110.0 million as at 31 March 2012 to approximately HK\$73.5 million as at 31 March 2013. Such decrease was mainly due to the decrease in net cash from operating and investing activities.

For the six months ended 30 September 2013, cash and cash equivalents was amounted to approximately HK\$84.3 million, representing a moderate increase of approximately HK\$10.8 million as compared to the year ended 31 March 2013. The net increase was due to the decrease in net cash used in operating and investing activities, and increase of net cash from financing activities. In light of the current cashflow position, the Group's cashflow has been mostly supported by financing activities and indicated its immediate need to make cash inflow from financing activities.

2. Key Terms of the Subscription Agreement

Key terms of the Subscription Agreement are summarised as follows:

Date: 7 November 2013 (after trading hours)

Parties to the Subscription Agreement

- (a) The Company as the issuer; and
- (b) Dr. Cheung as the initial subscriber to the Subscription Convertible Note.

As Dr. Cheung is a Director and a substantial shareholder of the Company, she is a connected person of the Company under the GEM Listing Rules. Accordingly, the Subscription constitutes a connected transaction of the Company.

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Principal Amount : HK\$20,000,000

Interest : 2% per annum, payable annually in arrears

Maturity Date : Three years from the date of issuance of the Subscription Convertible Note

Conversion Price : The initial Conversion Price is HK\$0.33 per Conversion Share, subject to adjustments in certain events such as share consolidation, share subdivision, capitalization issue, capital distribution, right issues and other equity derivative issues.

The Conversion Price was arrived at after arm's length negotiation between the relevant parties with reference to the market price of the Shares under the prevailing market conditions.

Conversion Right : The holder(s) of the Subscription Convertible Note shall have the right to convert, on any business day from the date of issue of the Subscription Convertible Note until five business days before the maturity date of the Subscription Convertible Note the whole or part only in an integral multiple of HK\$1,000,000 of the principal amount of the Subscription Convertible Note into Conversion Shares at the Conversion Price.

The Conversion Shares under the Subscription Convertible Note will be issued under the Specific Mandates.

Transferability : The Subscription Convertible Note may be transferred to any third party. Any transfer of the Subscription Convertible Note shall be in respect of the whole or part only in an integral multiple of HK\$1,000,000 of the outstanding principal amount of the Subscription Convertible Note.

In the event of any transfer of the Subscription Convertible Note to a connected person of the Company, the transferor shall notify the Company in writing of such transfer, so that the Company will promptly notify the Stock Exchange of such transfer.

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- Early Redemption : At any time after the date of the issue of the Subscription Convertible Note and before the fifth business day before the date of maturity, the Company may redeem all or part (in an integral multiple of HK\$1,000,000) of the Subscription Convertible Note at a price equal to 100% of the face value of the part of principal amount of the Subscription Convertible Note proposed to be redeemed together with the interest accrued thereon up to but excluding the date of redemption.
- Listing : No application will be made for the listing of, or permission to deal in, the Subscription Convertible Note on the Stock Exchange or any other stock exchange. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares, which may fall to be allotted and issued upon conversion of the Subscription Convertible Note.
- Completion : If the conditions precedent are not fulfilled on or before 31 December 2013 (or such later date as may be agreed between Dr. Cheung and the Company), then the obligations of the parties in respect of the issue and subscription of the Subscription Convertible Note shall lapse.

Further details of other principal terms of the Subscription Agreement are set out in the sections headed “Issue of Convertible Notes constituting a connected transaction” and “Principal Terms of the Convertible Notes” of the Board Letter.

3. Reason for the Subscription Agreement

(i) *Benefits of the Subscription*

On 5 November 2010, the Company issued a 2% per annum convertible note with a principal amount of HK\$20 million to Dr. Cheung (the “**2010 CB**”), the 2010 CB was not converted upon the maturity date and, hence the Company redeemed the 2010 CB on 5 November 2012 and the proceeds on the redemption were dealt with in the Company’s current account with Dr. Cheung. According to the IR 2013, the outstanding amount due to Dr. Cheung is approximately HK\$28.65 million as at 30 September 2013, which is unsecured and interest free without fixed repayment term and would be repayable on demand by Dr. Cheung (the “**Director’s Loan**”). We noted that the amount of the Director’s Loan increased from approximately HK\$20.71

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million as at 31 March 2013 to approximately HK\$28.65 million as at 30 September 2013, such increase is the working capital to support the Group's expansion of slimming and beauty business in PRC and as general working capital.

Based on the IR 2013, the Group has a cash and cash equivalents amounting to approximately HK\$84.3 million, which is sufficient to repay the outstanding amount of the Director's Loan. However, taking into consideration (i) the cash inflow is required for supporting current operating activities, given that the cash outflow from operating and investing activities for the period ended 30 September 2013. With such persistent net cash outflow, we believe that the rigid obligation of making repayment of the amount owed to Dr. Cheung would further worsen the Group's liquidity position; (ii) the further funding required for the expansion the Group's beauty, slimming and spa business in the PRC and product distribution business; and (iii) the Subscription with three years maturity period could restructure the nature of the Director's Loan from a current liability to a non-current liability of the Company and hence could slow down the pace of cash outflow of the Company to repay the Director's Loan, which could eventually strengthen the working capital position of the Group to maintain more sufficient internal resources for the Group's daily operation and future business development. As such, the Company believes it is not prudent to repay majority portion of the Director's Loan, which could expose the Company to short-term cash flow timing differences and interfere with the smooth operation of the Company. After the completion of the Subscription, the Company advised that the remaining balance owed to Dr. Cheung would be approximately HK\$8.65 million which expects to be satisfied by cash, upon repayable on demand without affecting the working capital of the Group. We are of the view that the settlement of the Director's Loan by way of the Subscription is in the interest of the Company and Shareholders as a whole, due to the sufficient operating cash flow required by the Company.

(ii) *Net Proceeds from the Subscription*

As set out in the Board Letter, the Directors consider that the Subscription Agreement will provide an opportunity for the Company to repay the Director's Loan without affecting the working capital of the Company, if conversion rights attached to the Subscription Convertible Note are exercised, will be thereby strengthening the financial position of the Group and enlarging the capital base of the Company. It further expands the working capital pool of the Group and alleviates the Group from the reliance of interest bearing loans in near future where finance costs already accounted for approximately 24% of the net profit of the Group for the year ended 31 March 2013.

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(iii) Other Financing Alternatives

We understand from the Company that various alternative funding approaches have been considered to enhance its working capital, which included the conduct of right issue or an open offer, the placing of new shares and the raising of bank loans. Nonetheless, we are advised by the Company that (i) right issues or an open offer takes considerable time to complete and may involve higher cost in terms of the underwriting commission expenses; (ii) placing of new shares would immediately dilute the shareholdings of other existing Shareholders, a deep discount to the issue price to be offered to potential underwriters to increase the attractiveness would be undesirable and the Company has not identified any suitable prospective investors as at the Latest Practicable Date given the current size of the Company, the recent financial performance and prevailing market conditions; and (iii) the raising of bank loans would increase the finance costs of the Group and require repayment at the end of its terms. The Company advised that additional loans at favorable terms from banks or financial institutions are not readily available due to the current volatile market conditions. Pledges of fixed assets or properties and/or guarantees may also be required for loans offered by financial institutions.

Furthermore, given that the Group (i) recorded the decline in earnings for the recent two financial years and even a loss incurred for the six months ended 30 September 2013; and (ii) has not declared any dividend for the recent financial years, which may hinder the potential investors to invest in the Shares. As such, the Subscription Convertible Note will provide an opportunity for the Company to further enlarge and strengthen its capital base and will not create any financial burden on the Company if it is converted in full. Accordingly, the Company considered that the Subscription Convertible Note is the best approach to enhance the working capital at relatively low cost.

Taking into consideration of the above circumstances, being the Subscription (i) can improve the financial flexibility of the Group by converting a debt repayable on demand to a non-current fixed-term convertible note; (ii) is more appropriate than other financing alternatives; and (iii) has a term of three years and is not expected to cause an immediate dilution effect to the shareholdings of the Independent Shareholders, we are of the view that the entering into of the Subscription Agreement is in the interest of the Company and the Shareholders as a whole.

4. Analysis on the Subscription Agreement

The following analysis has been conducted to assess the fairness and reasonableness of the terms of the Subscription Convertible Note, which include reviews on the historical price, trading liquidity of the Shares and the comparison with other issue of convertible bonds/notes exercises:

(i) Comparable Analysis

In order to assess the fairness and reasonableness of the terms of the Subscription Agreement, we have reviewed relevant comparable transactions which are selected based on the following criteria: (i) issue of convertible bonds/notes exercises (excluding the issues to counterparty for the settlement of transaction considerations); (ii) companies listed on the Main Board and GEM of the Stock Exchange; and (iii) being announced in the past three months immediately preceding the date of the announcement dated 7 November 2013 under similar market sentiment (the “**Comparable Subscription**”). We have, to our best effort, identified and made references to, so far as we are aware, 21 Comparable Subscription which are exhaustive and the convertible bonds/notes of which were either issued to independent third parties or connected parties, of which we consider appropriate in our analysis since their respective terms of issue is determined after arm’s length negotiation between the relevant parties and we are of the view that each of them represents a fair and representative sample. The Independent Shareholders should note that the Comparable Subscription are not identical to the Company in terms of principal business, operations and financial position, and that the dilution impact of the Comparable Subscription is not identical to that of the Subscription Convertible Note. Nevertheless, we consider that the Comparable Subscription could provide a general reference for the recent common market practice of companies listed on the Main Board and GEM of the Stock Exchange in the issue of convertible bonds/notes exercises. Details of our analyses are set out in the following table:

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**Table III — Comparable analysis with other issue of convertible bonds/
notes exercises for the recent three months**

Company (Stock code)	Announcement date	Currency denominated in	Principal amount (in million)	Interest rate per annum (%)	Maturity (years)	Premium/ (discount) of conversion price to the closing price on the respective last trading day	Premium/ (discount) of conversion price to the closing price on the respective last 5 trading days	Whether convertible bonds/notes were issued to connected person(s)
Fosun International Ltd. (656) <i>(Note 1)</i>	7/11/2013	HKD	3,875	1.5%	5	32.50%	N/A	No
Fufeng Group Ltd. (546)	6/11/2013	RMB	975	3.0%	5	30.00%	29.30%	No
Dongfang Electric Corporation Limited (1072) <i>(Note 2)</i>	30/10/2013	RMB	4,000	2.0%	6	N/A	N/A	No
Same Time Holdings Ltd. (451)	30/10/2013	HKD	240	0.0%	5	(55.6%)	(47.6%)	No
Xiangyu Dredging Holdings Ltd. (871) <i>(Note 3)</i>	28/10/2013	HKD	243	3.0%	3	39.2%	N/A	No
Semiconductor Manufacturing International Corporation (981)	25/10/2013	USD	200	0.0%	5	35.0%	32.1%	No
Fornton Group Ltd. (1152)	22/10/2013	HKD	900	0.0%	3	(24.8%)	(27.0%)	No
SimSen International Corporation Ltd. (993)	17/10/2013	HKD	500	0.0%	3	40.1%	40.5%	No
China Water Industry Group Ltd. (1129)	16/10/2013	HKD	200	7.5%	1	21.3%	19.6%	No
Goldpoly New Energy Holdings Ltd. (686)	16/10/2013	USD	70	5.0%	3	(18.8%)	(16.3%)	No
China Molybdenum Co., Ltd. (3993) <i>(Note 4)</i>	30/9/2013	RMB	4,900	3.0%	6	N/A	N/A	No
Goldpoly New Energy Holdings Ltd. (686)	29/9/2013	USD	50	5.0%	3	0.0%	5.5%	No
Haitong International Securities Group Ltd. (665)	18/9/2013	HKD	232	1.3%	5	0.3%	0.0%	No
Goldpoly New Energy Holdings Ltd. (686)	13/9/2013	HKD	233	0.0%	5	11.9%	10.3%	No
China Resources and Transportation Group Ltd. (269)	11/9/2013	HKD	1,500	9.0%	3	5.7%	1.9%	No
Suncorp Technologies Ltd. (1063)	3/9/2013	HKD	110	1.0%	2	(64.3%)	(64.8%)	No
Yanchang Petroleum International Ltd. (346)	3/9/2013	HKD	1,600	0.0%	3	2.6%	2.0%	Yes

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Company (Stock code)	Announcement date	Currency denominated in	Principal amount (in million)	Interest rate per annum (%)	Maturity (years)	Premium/(discount) of conversion price to the closing price on the respective last trading day	Premium/(discount) of conversion price to the closing price on the respective last 5 trading days	Whether convertible bonds/notes were issued to connected person(s)
Grand Field Group Holdings Ltd. ("GFGH") (115)	30/8/2013	HKD	30	17.0% (Note 5)	3	(13.3%)	(20.0%)	No
Hong Kong Resources Holdings Co. Ltd. ("HKRH") (2882) (Note 6)	26/8/2013	USD	5	5.0%	4	N/A	N/A	No
Asia Resources Holdings Ltd. (899) (Tranche 1)	15/8/2013	HKD	186	0.0%	2	(14.6%)	(14.8%)	No
Asia Resources Holdings Ltd. (899) (Tranche 2)	15/8/2013	HKD	350	5.0%	2	(14.6%)	(14.8%)	No
			Mean =	2.6%	4	0.7%	(4.0%)	
			Maximum =	9.0%	6	40.1%	40.5%	
			Minimum =	0.0%	1	(64.3%)	(64.8%)	
The Company		HKD	20	2.0%	3	6.45%	3.45%	Yes

Source: www.hkex.com.hk

Notes:

- The premium/(discount) of conversion price to the average closing price on the respective last 5 trading days is not provided, but it only disclosed a premium of 32.50% to the closing price on the respective last trading day.
- The conversion price is not provided and will be determined by the board of the directors prior to the issue of the A share convertible bonds.
- The premium/(discount) of conversion price to the average closing price on the respective last 5 trading days is not provided, but it disclosed a premium of 35.68% to the average closing price on the respective last 10 trading days.
- The conversion price is not provided and shall be determined by the board of the directors after consultation with the sponsor and the lead underwriter.
- GFGH is an exceptional case and is excluded from the calculation of mean, maximum and minimum of the interest rate in this comparable analysis.
- The convertible bonds are issued by a wholly-owned subsidiary of HKRH. Conversion price is not provided, while conversion of the convertible bonds into shares of the subsidiary is based on a conversion rate, which is being the ratio of the principal amount of the convertible bonds to the consolidated net assets of the subsidiary.

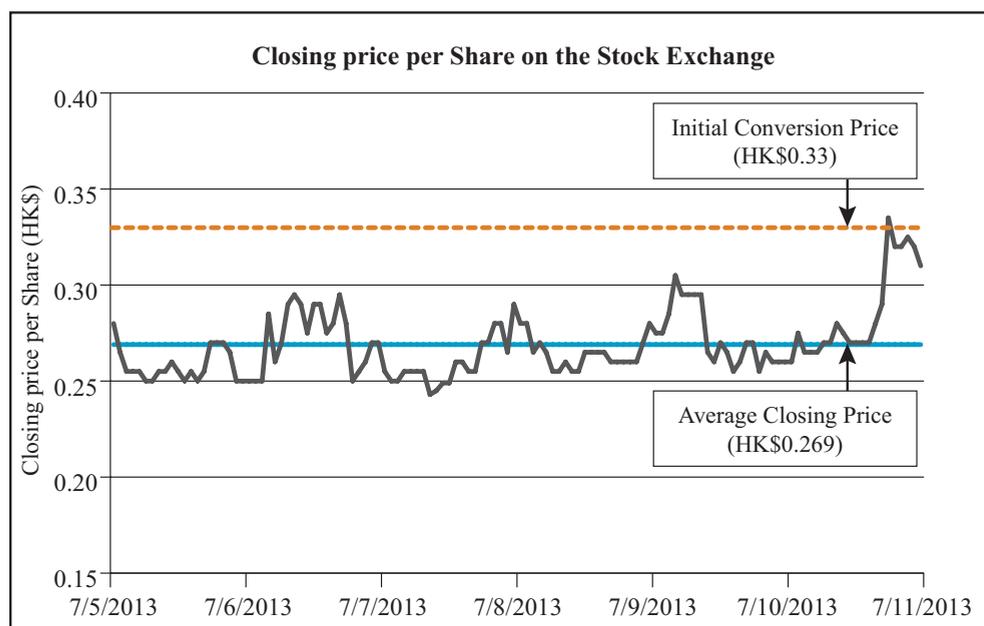
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We have checked into the announcements of the above listed companies subsequent to proposed issuance of bonds/notes and observed that, as at the Latest Practicable Date, the proposed issuance of bonds/notes are either issued on the closing date or within the relevant placing period or the relevant agreement(s) of the proposed issuance has not been lapsed. Therefore, we consider that the above Comparable Subscription adopted in our analysis are valid comparison.

(ii) *Initial Conversion Price*

Set out below are charts showing the closing price and daily trading volume of the Shares as quoted on the Stock Exchange for the six months period ended 7 November 2013 (the “**Review Period**”), being the Last Trading Day.

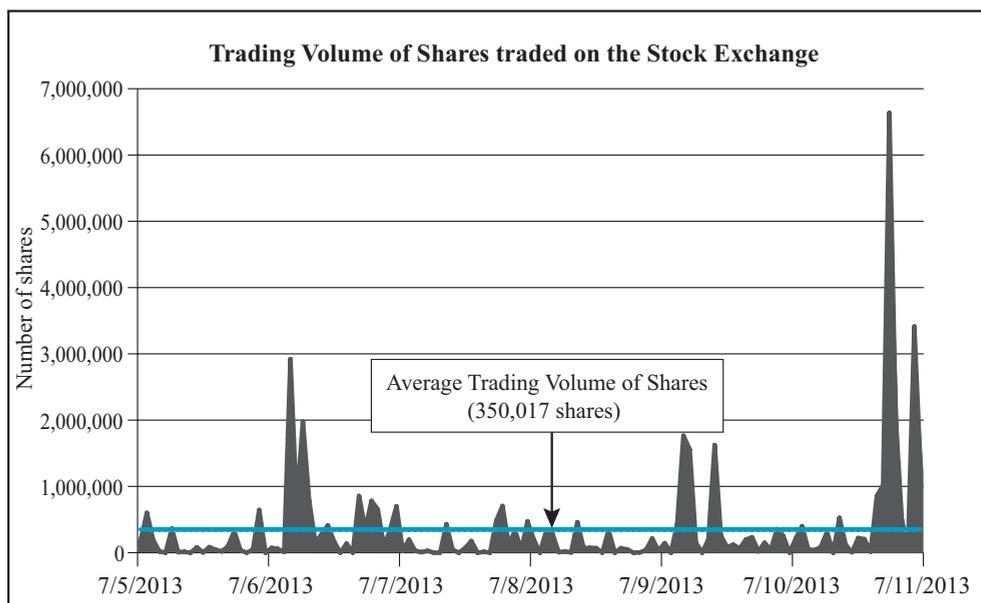
Chart I — Chart of closing price per Share on the Stock Exchange



Source: www.hkex.com.hk

During the Review Period, the closing prices of the Shares ranged from the lowest of HK\$0.243 on 18 July 2013 to the highest of HK\$0.335 on 31 October 2013 with the average closing price (the “**Average Closing Price**”) of the Shares during the Review Period is approximately HK\$0.269 per Share.

Chart II — Chart of trading volume of Shares traded on the Stock Exchange



Source: www.hkex.com.hk

As illustrated in the charts above, the trading volume of the Shares was relatively thin during the Review Period, with average daily trading volume being approximately 350,017 Shares, representing approximately 0.1% of the Company's issued share capital as at the Latest Practicable Date.

The initial Conversion Price of HK\$0.33 per Share pursuant to the Subscription Agreement is at the high end of the closing price under the Review Period, and represents a premium 23% of the Average Closing Price. As stated in the Board Letter, the initial Conversion Price was arrived at after arm's length negotiation between the relevant parties with reference to the market price of the Shares under the prevailing market conditions, which is also equivalent to the conversion price of the Placing Agreement, represents:

- (a) a premium of approximately 6.45% over the closing price of HK\$0.31 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (b) a premium of approximately 3.45% over the average of the closing price per Share of HK\$0.319 for the last five consecutive full trading days up to and including the Last Trading Day.

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Based on the initial Conversion Price of HK\$0.33 (subject to adjustments as set out in the Board Letter), a maximum number of 60,606,060 Conversion Shares will be issued and allotted upon full conversion of the Subscription Convertible Note.

Compared to the premium or discount on the conversion prices of the aforesaid Comparable Subscription, the range of the Comparable Subscription is from a discount of 64.3% to a premium of 40.1% for the last trading day and a discount of 64.8% to a premium of 40.5% for last five trading days. We are of the opinion that the premium of the Conversion Price of 6.45% and 3.45% for the Last Trading Day and the five trading days up to and including the Last Trading Day, respectively, when compared to the Comparable Subscription solely on a conversion price basis is fair and reasonable as it lies within the range of the Comparable Subscription.

By taking into account of the above analysis on the Comparable Subscription, historical price performance and trading volume of the Shares, being (i) the Conversion Price represents the premium over the closing prices as quoted in the Last Trading day and the last five trading days as well as the Average Closing Price during the Review Period, and also at the high end of the closing price under the Review Period to minimise the potential dilution effect on the shareholding of the existing Shareholders, (ii) the thin trading volume of the Shares during the Review Period which would generally imply a discount (instead of premium) for the issue price of new securities, and (iii) the basis of the Conversion Price is within the range of discount or premium as compared with those of the Comparable Subscription, we consider that the Conversion Price is on normal commercial terms, is fair and reasonable and is in the interest of the Company and its independent shareholders as a whole.

(iii) Interest rate

Based on the above findings, it was noted that the Comparable Subscription carried an interest rate ranges from 0% to 9% per annum. Although the interest rate of the Subscription Convertible Note of 2% is higher than the interest rate in the Director's Loan of 0%, it still falls within the range of the Comparable Subscription and also below the average interest rate of 2.6% issued by the Comparable Subscription. Given that the current size of the Company, the interest free debt may not be applied to the Company due to the unsatisfactory financial performance of the Company and no distribution of dividend in the last two financial years. Furthermore, the interest rate of 2% under the

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Subscription is lower than the interest rate of 4% under the Placing as stated in the Board letter, and is also equivalent to the interest rate of the 2010 CB. Therefore, we consider that the interest rate was arrived at after arm's length negotiation and on normal commercial terms and is in the interest of the Company and the Shareholders as a whole.

(iv) *Maturity*

We note that the maturity of the Subscription with a term of three years is within the range of the Comparable Subscription, which ranges from one to six years. The maturity under the Subscription Convertible Note is equivalent to the maturity of the Placing, which is arrived at normal commercial terms between relevant parties. We are of the view that three years maturity allow the Group a longer period before redeeming the Subscription Convertible Note and can therefore minimise the financial burden of the Group in the near period. We consider that the maturity is in the interest of the Company and the Shareholders as a whole.

(v) *Dilution effect on the shareholding interests of the existing public Shareholders*

Based on the initial Conversion Price of HK\$0.33 (subject to adjustments as set out in the Board Letter), a maximum number of 60,606,060 Conversion Shares will be issued and allotted to the Subscription Convertible Note are exercised in full, representing approximately 24.41% of the issued share capital of the Company and approximately 19.62% of the issued share capital of the Company as enlarged by the issue and allotment of such Conversion Shares as at the Latest Practicable Date. The table below (for illustration purpose only) sets out the Company's shareholding structure as at the Latest Practicable Date and the effect on the shareholding structure of the Company upon the exercise of the conversion rights under the Convertible Notes as follows:

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	As at the		Immediately after full		Immediately after full		Immediately after full	
	Latest Practicable Date		exercise of conversion		exercise of conversion rights		exercise of conversion	
	Number of	Percentage	Number of	Percentage	Number of	Percentage	Number of	Percentage
	Shares	Percentage	Shares	Percentage	Shares	Percentage	Shares	Percentage
<i>Substantial Shareholders:</i>								
Dr. Cheung and her associates (Note)	72,354,700	29.14%	132,960,760	43.04%	72,354,700	21.33%	132,960,760	33.25%
<i>Placees of the Placing Convertible</i>								
Notes	—	—	—	—	90,909,090	26.80%	90,909,090	22.74%
Other public Shareholders	175,939,050	70.86%	175,939,050	56.96%	175,939,050	51.87%	175,939,050	44.01%
Total	248,293,750	100%	308,899,810	100%	339,202,840	100%	399,808,900	100%

Note: Dr. Cheung has no intention to convert the Subscription Convertible Note to the extent that such conversion will trigger a general offer for all the securities of the Company (other than those already owned or agreed to be acquired by Dr. Cheung and her concert parties) under the Takeover Code. In the event that a general offer is triggered as a result of the conversion of the Subscription Convertible Note, Dr. Cheung will comply with the relevant requirements of the Takeover Code and the GEM Listing Rules.

As shown in the above table, the shareholding of the public Shareholders would be diluted from approximately 70.86% to 56.96%, representing a dilution of approximately 13.90% upon full conversion of the Subscription Convertible Note by Dr. Cheung. However, taking into consideration of previously mentioned factors, in particular, (i) the improvement of the working capital; (ii) the Conversion Price represents a premium over the closing prices as quoted in the Last Trading Day and last five trading days as well as the Average Closing Price of the Shares during the Review Period; (iii) Dr. Cheung currently has no intention to exercise the Subscription Convertible Note if such conversion will trigger a general offer pursuant to the Takeover Code; and (iv) the Subscription Convertible Note would not have an immediate dilution effect on the shareholding of the existing public Shareholders, we consider that the dilution effect on the interest of the Shareholders in the Company is acceptable.

(vi) Other terms of the Subscription Agreement

We have also reviewed other major terms of the Subscription Agreement and are not aware of any terms which are unusual.

Based on the foregoing, taking into consideration of (i) the financial performance of the Group in terms of earning and cashflow position in recent financial years; (ii) the reasons arising from the Subscription Convertible Note as discussed above; (iii) use of proceeds arising from the Subscription Convertible Note in order to improve the financial flexibility; (iv) the premium of the Conversion Price over the closing prices as quoted in the Last Trading Day and last five trading days as well as the Average Closing Price during the Review Period; (v) the Subscription is not expected to cause any immediate dilution effect to the shareholdings of the Independent Shareholders; and (vi) interest rate of the Subscription is lower than the interest rate of the Placing and the average interest rate of the Comparable Subscription, we consider that the key terms of the Subscription Agreement have been determined under after arms' length negotiations between the Company and Dr. Cheung. The Subscription Agreement entered into among parties are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned.

5. Possible Financial Effects of the Subscription Convertible Note

The following analysis on the effects on the net asset value, working capital, gearing and earning position of the Group as a result of the issue of the Subscription Convertible Note is for illustration purpose only assuming that there will not be any changes to the issued share capital of the Company as at the Latest Practicable Date.

(i) Net asset value

As stated in IR 2013, the net asset value of the Group was approximately HK\$148.6 million as at 30 September 2013. The Directors advised that the issuance of the Subscription Convertible Note will result in a decrease in current liabilities while an increase in non-current liabilities (liability component) and an increase in convertible bonds equity reserve (equity component) of the Group. As such, it is expected that the issue of the Subscription Convertible Note will not have any material impact on the Group's net asset value.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) Liquidity

As referred to the IR 2013, the Group had cash and cash equivalents of approximately HK\$84.3 million as at 30 September 2013. Immediately upon completion of the issue of the Subscription Convertible Note, the net proceeds will be used to set off against the balance of the Director's Loan, which would reduce the position of current liabilities. The Director advised that the liquidity will be improved accordingly.

(iii) Gearing

According to the IR 2013, the gearing ratio of the Group, which was calculated based on total borrowings of bank borrowings divided by total equity, was approximately 28% as at 30 September 2013. We are advised by the Company that, given the issue of the Subscription Convertible Note will result in an decrease in current liabilities and increase in non-current liabilities and convertible bonds equity reserve at the same time, the total equity of the Group are not expected to experience any material change, hence the gearing ratio of the Group is also not expected to experience any material change immediately upon the completion of the Subscription.

(iv) Earnings

As the Subscription Convertible Note bears an interest of 2% per annum, the Directors expected that the annual interest payment of approximately HK\$0.4 million will be incurred on the Subscription Convertible Note, which only represents approximately 5% of the net profit for the financial year ended 31 March 2013.

It should be noted that the aforementioned information (i) is for illustrative purpose only and does not purport to represent how the financial position of the Group will be upon completion of the issue of the Subscription Convertible Note; (ii) would not affect our opinion on the issue of the Subscription Convertible Note; and (iii) serves to provide additional information to the Independent Shareholders.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having taken into consideration of the aforesaid principal factors, we are of the view that the terms of the Subscription Agreement and the transactions contemplated thereunder (including the Specific Mandates) are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole. Accordingly, we would recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the proposed resolution to approve the Subscription Agreement and the transactions contemplated thereunder (including the Specific Mandates) at the upcoming EGM.

Yours faithfully,
For and on behalf of
Fulbright Capital Limited

Arthur Kan
Director of Corporate Finance

1. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of the Company or their respective associates in shares and underlying shares (the “Shares”) of the Company or its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and/or short positions which they are deemed or taken to have under such provisions of the SFO, or which will be required, pursuant to section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long position in the Shares:

Name of Directors	Number of Shares			Approximate percentage of interest in the Company’s issued share capital
	Corporate interests	Person interests	Total	
Dr. Cheung Yuk Shan, Shirley	31,332,000 <i>(Note 1)</i>	40,322,700	71,654,700	28.86%
Mr. Cheung Ka Heng, Frankie	—	700,000	700,000	0.28%

Note 1: The 31,332,000 shares were held by Biochem Investments Limited (“Biochem”), a company incorporated in the British Virgin Islands with limited liability. The entire issued share capital of Biochem is wholly owned by Dr. Cheung Yuk Shan, Shirley.

Long position in underlying Shares:

The interests in the underlying Shares arise from share option granted to the Directors under the Company's share option scheme, details of which are as follows:

Name of Directors	Date of grant	Exercise period	Subscription price per share	Aggregate long position in underlying Shares	Approximate percentage of interest in the Company's issued share capital
Mr. Cheung Ka Heng, Frankie	2 March 2011	2 March 2011 — 1 March 2016	HK\$0.66	2,000,000	0.81%

Note: The above interest constitutes a long position of the Director in a physically settled equity derivative for the purpose of the SFO.

Save as disclosed above, as at Latest Practicable Date, none of the Directors or chief executive of the Company or their respective associates has any personal, family, corporate or other interests or short positions in the Shares of the Company or its associated corporations (within the meaning of Part XV of SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to the minimum standard of dealings by Directors of the Company as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, are required to be notified to the Company and the Exchange.

2. DISCLOSURE OF INTERESTS BY SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far was known to any Directors or chief executive of the Company, the following interests of which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who were deemed to be directly or indirectly interested in 5% or more of the issued capital of the Company,

or which were recorded in the register of interests required to be kept under Section 336 of the SFO or have notified to the Company were as follows:

Substantial Shareholder	Capacity	Number of Shares	Approximate percentage of interest in the Company's issued share capital
Biochem	Beneficial owner	31,332,000	12.62%
Dr. Cheung Yuk Shan, Shirley	Beneficial owner	40,322,700	16.24%

Saved as disclosed above, as at Latest Practicable Date, no person, other than the Directors of the Company and the chief executive of the Group whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Position in Shares" above, has registered an interest or short position in the share capital, underlying shares and debentures of the Company that was required to be recorded pursuant to Section 336 of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

4. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors had any interests, either directly or indirectly, in any assets which have been, since 31 March 2013 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of or leased to any members of the Group, or are proposed to be acquired or disposed of or leased to any members of the Group.

As at the Latest Practicable Date, save for the Subscription Agreement, none of the Directors were materially interested in any contracts or arrangements subsisting at the Latest Practicable Date, which are significant to the business of the Group.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or substantial shareholders of the Company or their respective associates (as defined in the GEM Listing Rules) has any interest in a business which compete or might compete with the business of the Group.

6. EXPERT AND CONSENT

The following is the qualification of the expert who has made its statement in this circular:

Name	Qualification
Fulbright Capital	a licensed corporation under the SFO permitted to carry out type 6 (advising on corporate finance) regulated activities (as defined under the SFO)

As at the Latest Practicable Date, Fulbright Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letter and/or references to its name, in the form and context in which it appears.

As at the Latest Practicable Date, Fulbright Capital did not have any shareholding in any member of the Group and did not have the right to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

As at the Latest Practicable Date, Fulbright Capital did not have any interests, either directly or indirectly, in any assets which have been, since 31 March 2013 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of or leased to any members of the Group, or are proposed to be acquired or disposed of or leased to any members of the Group.

7. NO MATERIAL CHANGES

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2013, the date to which the latest published audited financial statements of the Group were made up.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at 4th Floor, Sands Building, 17 Hankow Road, Tsimshatsui, Kowloon, Hong Kong during normal business hours on any Business Day from, the date of this circular up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) a letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on page 16 of this circular;
- (c) a letter from Fulbright Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 17 to 37 of this circular;
- (d) the written consent from Fulbright Capital referred to in the paragraph headed “Expert and consent” in this appendix;
- (e) the Placing Agreement;
- (f) the Subscription Agreement; and
- (g) this circular.

NOTICE OF EGM



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 an extraordinary general meeting (the “EGM”) of Sau San Tong Holdings Limited (the “Company”) will be held at 4th Floor, Sands Building, 17 Hankow Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 6 December 2013 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company:

ORDINARY RESOLUTION

1. “**THAT**

- (a) the entering into of the conditional placing agreement (the “Placing Agreement”) dated 7 November 2013 between the Company and Get Nice Securities Limited (the “Placing Agent”), a copy of which is marked “A” and produced to the EGM and signed by the chairman of the EGM for identification purpose, 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 4% 3-year convertible notes up to an aggregate principal amount of HK\$30,000,000 (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 only to the Placing Agreement becoming unconditional, the directors of the Company (“Directors”) be and are hereby granted a specific mandate (“Specific Mandate for Placing”) to allot, issue and deal with the Conversion Shares (as defined in the Placing Agreement) in accordance with the terms of the Placing Convertible Notes. The Specific Mandate for Placing is in addition to, and shall not prejudice nor revoke any existing or such other general or specific mandates which may from time to time be granted to the Directors prior to the passing of this resolution;

* *for identification purposes only*

NOTICE OF EGM

- (c) the allotment and issue of the Conversion Shares, credited as fully paid, at the Conversion Price (as defined in the Placing Convertible Notes) pursuant to the Specific Mandate for Placing be and are hereby approved; and
- (d) 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).”

2. “**THAT**

- (a) the entering into of the conditional subscription agreement (the “Subscription Agreement”) dated 7 November 2013 between the Company and Dr. Cheung Yuk Shan, Shirley (the “Dr. Cheung”), a copy of which is marked “B” and produced to the EGM and signed by the chairman of the EGM for identification purpose, whereby the Company has conditionally agreed to issue and the Dr. Cheung has conditionally agreed to subscribe for, a 2% 3-year convertible note in the principal amount of HK\$20,000,000 (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 only to the Subscription Agreement becoming unconditional, the Directors be and are hereby granted a specific mandate (“Specific Mandate for Subscription”) to allot, issue and deal with the Conversion Shares (as defined in the Subscription Agreement) in accordance with the terms of the Subscription Convertible Note. The Specific Mandate for Subscription is in addition to, and shall not prejudice nor revoke any existing or such other general or specific mandates which may from time to time be granted to the Directors prior to the passing of this resolution;
- (c) the allotment and issue of the Conversion Shares, credited as fully paid, at the Conversion Price (as defined in the Subscription Convertible Note) pursuant to the Specific Mandate for Subscription and the performance of the transactions contemplated under the Subscription Convertible Note by the Company be and are hereby approved; and

NOTICE OF EGM

- (d) 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).”

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

Hong Kong, 21 November 2013

Registered office:

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

Head office and principal place

of business in Hong Kong:
4th Floor, Sands Building
17 Hankow 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.

NOTICE OF EGM

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.
4. A form of proxy for use at the EGM is enclosed with the circular of the Company dated 21 November 2013. 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.