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)

RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2008

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "EXCHANGE")

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This announcement, for which the directors (the "Directors") of Sau San Tong Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given the compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on the bases and assumptions that are fair and reasonable.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting.

* *for identification purpose only*

The Board of Directors (the "Board") of Sau San Tong Holdings Limited (the "Company") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2008, together with the comparative audited figures for the year ended 31 March 2007, as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2008

	Notes	**2008** *HK$'000*	2007 *HK$'000*
Turnover	*3*	**446,821**	443,588
Cost of sales		**(344,809)**	(348,164)
Gross profit		**102,012**	95,424
Other revenue	*4*	**3,747**	6,001
Other net income		**980**	1,407
Selling and distribution costs		**(63,491)**	(65,370)
General and administrative expenses		**(39,115)**	(45,505)
Other operating expenses		**—**	(7)
Profit/(loss) from operations		**4,133**	(8,050)
Finance costs		**(941)**	(666)
Profit/(loss) before taxation	*5*	**3,192**	(8,716)
Income tax expense	*6*	**(1,353)**	(7,231)
Profit/(loss) for the year		**1,839**	(15,947)
Attributable to:			
Equity shareholders of the Company		**(55)**	(21,457)
Minority interests		**1,894**	5,510
Profit/(loss) for the year		**1,839**	(15,947)
Dividend	*7*	**—**	—
Loss per share	*9*		
Basic, HK cents		**(0.01)**	(3.22)
Diluted, HK cents		**(0.01)**	(3.22)

CONSOLIDATED BALANCE SHEET

As at 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000 (restated)
Non-current assets			
Property, plant and equipment		**22,737**	19,978
Goodwill		**250**	250
		22,987	20,228
Current assets			
Inventories		**6,689**	15,864
Trade receivables	*10*	**35,642**	24,678
Prepayments, deposits and other receivables		**28,472**	16,863
Amounts due from related parties		**23,200**	10,327
Cash and cash equivalents		**50,493**	20,533
		144,496	88,265
Current liabilities			
Bank loans, secured		**22,131**	10,110
Trade payables	*11*	**15,004**	16,312
Other payables and accrued charge		**21,699**	22,827
Loan and interest payable to a director		**—**	5,585
Deferred income		**18,110**	23,415
Obligation under finance leases		**302**	834
Current taxation		**197**	3,470
		77,443	82,553
Net current assets		**67,053**	5,712
Total assets less current liabilities		**90,040**	25,940
Non-current liabilities			
Obligation under finance leases		**—**	232
Deferred tax liabilities		**3,041**	—
		3,041	232
NET ASSETS		**86,999**	25,708
CAPITAL AND RESERVES			
Share capital		**9,599**	6,669
Reserves		**48,542**	2,403
Total equity attributable to equity shareholders of the Company		**58,141**	9,072
Minority interests		**28,858**	16,636
TOTAL EQUITY		**86,999**	25,708

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2008

	2008	2007
	HK$'000	*HK$'000*
		(restated)
Total equity at 1 April (restated)	**25,708**	35,687
Net income recognised directly in equity:		
Exchange differences on translation of the financial statements of overseas subsidiaries	**3,777**	309
Net profit/(loss) for the year	**1,839**	(15,947)
Total recognised income and expense for the year	**5,616**	(15,638)
Attributable to:		
Equity shareholders of the Company	**640**	(21,384)
Minority interests	**4,976**	5,746
	5,616	(15,638)
Movements in equity arising from capital transactions:		
Capital reserve arising from acquisition of additional interest in subsidiaries	**—**	195
Issue of shares, net of expenses	**48,514**	—
Capital injection from minority shareholders	**7,246**	5,391
Realisation of capital reserve	**(100)**	—
Realisation of merger reserve upon disposal of a subsidiary in prior year	**15**	—
Minority interest arising from business combination	**—**	73
	55,675	5,659
Total equity at 31 March (2007: restated)	**86,999**	25,708

Notes:

1. **Corporate information**

The Company was incorporated in the Cayman Islands on 21 May 2002 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares have been listed on The Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 19 November 2003.

The Company is domiciled in the Cayman Islands and has its registered office and principal place of business at Cricket Square, Hutchins Drive, P.O. Box 2681GT, Grand Cayman KY1-1111, Cayman Islands and 12th Floor, Prestige Tower, Nos. 23-25 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong respectively.

2. **Basis of Preparation and Significant Accounting Policies**

The consolidated financial statements for year ended 31 March 2008 comprise the Company and its subsidiaries (together referred to as "the Group").

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued a number of new and revised Hong Kong Financial Reporting Standards ("HKFRSs") and Interpretations that are first effective or available for early adoption for the current accounting period of the Group and the Company.

There have been no significant changes to the accounting policies applied in these financial statements for the years presented as a result of these developments.

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2008 and which have not been adopted in these financial statements.

The following relate to matters that may be relevant to the Group's operations and financial statements:

		Effective for accounting periods beginning on or after
Amendment to HKAS 1	Presentation of financial statements: Comprehensive revision including requiring a statement of comprehensive income	1 January 2009
HKAS 23 (Revised)	Borrowing costs	1 January 2009
HKAS 27	Consolidated and separate financial statements: Consequential amendments arising from amendments to HKFRS 3	1 July 2009
HKAS 28	Investment in associates: Consequential amendments arising from amendments to HKFRS 3	1 July 2009
HKFRS 2	Share-based payment: Amendment relating to vesting conditions and cancellations	1 January 2009
HKFRS 3	Business combinations: Comprehensive revision on applying the acquisition method	1 July 2009
HKFRS 8	Operating segments	1 January 2009

3. **Turnover**

Turnover represents the invoiced value of goods sold, net of discounts, returns, value-added tax and sales tax; and service income from provision of beauty and slimming services, net of discounts. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2008	2007
	HK$'000	*HK$'000*
Distribution sale of cosmetic and skin care products	**344,563**	348,249
Provision of beauty and slimming services	**99,935**	91,090
Sale of other health and beauty products	**2,323**	4,249
	446,821	443,588

Segment information are set out in note 8 to this results announcement.

4. **Other revenue**

	2008	2007
	HK$'000	*HK$'000*
Interest income	**276**	125
Management and consultancy fee income	**3,383**	4,017
Others	**88**	1,859
	3,747	6,001

5. **Profit/(loss) before taxation**

Profit/(loss) before taxation is arrived after charging:

	2008	2007
	HK$'000	*HK$'000*
Finance costs	**941**	666
Staff costs	**45,049**	42,173
Cost of inventories sold *(note (i))*	**344,809**	348,164
Auditors' remuneration	**751**	842
Depreciation on property, plant and equipment		
— Leased assets	**329**	189
— Owned assets	**7,472**	8,895
Reinstatement cost of lease premises *(note (ii))*	**630**	—
Impairment loss on trade receivables	**362**	7
Net foreign exchange loss	**9**	72
Donation	**164**	220
Operating lease rentals: minimum lease payments		
— property rentals	**16,708**	15,751
— other equipment	**424**	309

Note:

(i) Cost of inventories includes HK$1,974,000 (2007: HK$1,993,000) relating to staff cost and depreciation.

(ii) Under a tenancy agreement, a subsidiary is obligated to reinstate the leased office premises to a condition in accordance with the landlord's standard specifications. Accordingly, HK$630,000 was paid by the subsidiary during the year ended 31 March 2008 in connection with the reinstatement of leased premised based on a surrender agreement entered into with the landlord.

Apart from the above, during the years ended 31 March 2007 and 2008, the Group had also entered into certain tenancy agreements whereas the Group is obligated to reinstate the leased office premises. However, no provision for reinstatement of leased premises is made by the Group in this regard since the magnitude of the possible reinstatement is unknown and therefore such future cost cannot be reasonably estimated.

6. Income tax expense

Taxation in the consolidated income statement represents:

	2008	2007
	HK$'000	*HK$'000*
Current tax — PRC Income Tax		
Provision for the year	**1,684**	6,865
Over-provision in respect of prior years	**(3,197)**	—
	(1,513)	6,865
Deferred tax		
Origination and reversal of temporary differences	**2,866**	366
Income tax expenses	**1,353**	7,231

(i) No provision for taxation is made for the Company as it is exempted from taxation in the Cayman Islands.

(ii) No provision for Hong Kong Profits Tax is made for 2008 (2007: HK$Nil) as the subsidiaries sustained tax losses or have no assessable profit for Hong Kong Profits Tax purposes.

(iii) Individual subsidiaries within the Group are generally subject to the appropriate current rates of taxation ruling in the relevant countries.

7. Dividend

The Board of Directors do not recommend the payment of a dividend for the year ended 31 March 2008 (2007: Nil).

8. Segment information

(a) *Business segments*

An analysis of the Group's turnover and loss attributable to equity holders of the Company by business segment is as follows:

	Distribution sale		Provision of beauty and slimming services		Sale of other health and beauty products		Inter-segment elimination		Total	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue										
External sales	**344,563**	348,249	**99,935**	91,090	**2,323**	4,249	**—**	—	**446,821**	443,588
Inter-segment sales	**—**	—	**—**	—	**693**	1,490	**(693)**	(1,490)	**—**	—
Total revenue	**344,563**	348,249	**99,935**	91,090	**3,016**	5,739	**(693)**	(1,490)	**446,821**	443,588
Segment result	**3,142**	331	**17,494**	11,973	**(2,280)**	(570)			**18,356**	11,734
Unallocated corporate expenses									**(19,063)**	(27,192)
Unallocated corporate other revenue									**4,840**	7,408
Profit/(loss) from operations									**4,133**	(8,050)
Finance costs									**(941)**	(666)
Profit/(loss) before taxation									**3,192**	(8,716)
Taxation									**(1,353)**	(7,231)
Profit/(loss) after taxation									**1,839**	(15,947)
Minority interests									**(1,894)**	(5,510)
Loss attributable to equity shareholders of the Company									**(55)**	(21,457)

(b) *Geographical segments*

In presenting information on the basis of geographical segments, segment revenue is based on the geographical locations of customers. The following tables present revenue and results for the Group's geographical segments.

	The PRC		Hong Kong		Total	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**383,167**	393,839	**63,654**	49,749	**446,821**	443,588
Segment profit/(loss)	**10,487**	17,244	**7,869**	(5,510)	**18,356**	11,734

9. Loss per share

The calculation of basic loss per share for the year ended 31 March 2008 is based on the loss attributable to equity holders of the Company of approximately HK$55,000 (2007: approximately HK$21,457,000) and on the weighted average number of 906,421,475 (2007: approximately 666,900,000) ordinary shares in issue during the year.

No diluted loss per share has been presented for the year ended 31 March 2008 and 2007 since the effect of the outstanding share options as at 31 March 2008 and 2007 is anti-dilutive.

10. Trade receivables

Included in trade receivables are trade receivables (net of allowance for doubtful debts) with the following ageing analysis as of the balance sheet date:

	2008	2007
	HK$'000	*HK$'000*
Current	**30,689**	18,466
Less than one month past due	**4,518**	2,698
1 to 2 months past due	**136**	1,571
More than 2 months but less than 4 months past due	**46**	1,923
More than 4 months but less than 12 months past due	**186**	20
More than 12 months past due	**67**	—
Amounts past due	**4,953**	6,212
	35,642	24,678

Trade receivables are due within 30 to 60 days from the date of billing.

Trade receivables	**35,968**	24,814
Less: allowance for doubtful debts	**(326)**	(136)
	35,642	24,678

11. Trade payables

Included in trade payables are trade creditors with the following ageing analysis as of the balance sheet date:

	2008	2007
	HK$'000	*HK$'000*
Due within 1 month or on demand	**14,347**	14,933
Due after 1 month but within 3 months	**644**	238
Due after 3 months but within 12 months	**13**	1,141
	15,004	16,312

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the year ended 31 March 2008 ("the Year Under Review"), turnover amounted to approximately HK$446,821,000, representing an 1% increase from approximately HK$443,588,000 in last year. Such increase was mainly contributed by the improved performance of our beauty, slimming and spa centres in both Hong Kong and in the People's Republic of China (the "PRC") and the contribution by Shanghai Dong Fang Ri Hua Sales Co. Ltd. ("Dong Fang"), a subsidiary of the Company since September 2005. Dong Fang is engaged in the distribution of P&G's personal care products in Shanghai and P&G's cosmetic and skin care products, including SK-II in the eastern and western part of PRC. Turnover from such distribution business amounted to approximately HK$344,563,000 during the Year Under Review (2007: approximately HK$348,249,000).

During the Year Under Review, turnover generated from all the beauty, slimming and spa centres in Hong Kong and in the PRC amounted to approximately HK$99,935,000 (2007: approximately HK$91,090,000). Such increment was mainly contributed by our firmly belief in not to enter price war with others, which returned with loss and close down. Besides, refreshing change and diversification of products help to maintain growth in our slimming and beauty business. Such encouraging results once again provided a solid proof of customer's recognition of the Group's brand and quality.

During the Year Under Review, the Group recorded an increase of approximately HK$6,588,000 in gross profit. In addition to the improved turnover as mentioned above, the increased efficiency and the recognition of income from the provision of management consultation services (more details in the section "Outlook" below) have all contributed to such increase in gross profit.

The Group has incurred a loss attributable to equity holders of the Company of approximately HK$55,000. Nevertheless, such loss represented a dramatic and radical reduction of 99.7% when compared with a loss of approximately HK$21,457,000 in last year. The impressive improvement is contributed from strategies of exploring of new revenue stream such as management consultation services while adopting vigorous cost control as reflected from the substantial reduction of administrative expenses from approximately HK$45,505,000 to approximately HK$39,115,000 during the Year Under Review.

Outlook

Beauty and Slimming Centres

For Hong Kong, the Group providing not only slimming services but also a variety of non-slimming services. In addition to a range of comprehensive beauty and health services and the successfully launch of "Anti-aging program" in 2006, the Group introduced the "Lipolaser Slimming treatment" and "Gold Facial" medical cosmetology in late of 2007. Contributed by the advanced new technology, we can help our customers to regain their youth and slimness effectively and efficiency. In near future, the Group will bring us the "Nano Cavitation Treatment", medical cosmetology, Chinese, Western & Thai style spa beauty treatments. With the above-mentioned advantage, the Group is optimistic on this new type of service which in turn will strengthen the profitability of the Group.

For PRC, due to economic boom in the PRC and the more awareness of health, the citizens there are more affordable and more willing to pay for beauty and health of her own. This benefit our beauty, slimming and spa centres, as shown by our strong performance of our PRC beauty, slimming and spa centres. As the Group expects the prosperity in the PRC will continue, the Group is actively seeking opportunities to open new beauty, slimming and spa centres in major cities in the PRC and the distribution of beauty products in order to capture the untapped market. In the near future, 2 brand new beauty, slimming and spa centres will be opened in Beijing, the Capital of PRC.

Management Consultation Services

Being the leading beauty and slimming services provider, our Group has accumulated a wealth of experience in the management and operation of beauty, slimming and spa centres as well as high caliber professionals from the industry. In order to capitalize its existing resources, the Group has embarked the provision of management consultation services for the setting up beauty and slimming centres.

During the Year Under Review, our Group partnered New World Group and Sinolink Group to develop clubhouses and spa beauty centres for luxury estates in PRC. Benefit from their years of experience in real estate market and our reputation in beauty and slimming industry, it will become a new stream of income in future.

The Group is confident that there will be an immense demand for this kind of services in the PRC since the beauty and slimming market there is still under developed with a shortage of expertise. Also, provision of this kind of services command not much overhead costs and thus contributing to a positive revenue growth to the Group.

Health and Beauty Products

During the past years, the Group's ability to introduce innovative and quality products has earned a leading status in the Hong Kong market. Besides Hong Kong, the Group is planning the distribution of health and beauty products to the major cities in the PRC, with satisfactory progress. The management believes by leveraging on "Sau San Tong" brand name and the customer confidence built up over the prior years, these health and beauty products will be well received in the market bringing forth an additional revenue stream for the Group.

Distribution Business in the PRC

After the challenge of PRC authority to SK-II brand in 2006, with the Group's great effort, the sales of SK-II gradually regain. Although the contributions to turnover as well as the profit derived from Dong Fang show only a slight improvement as compared to those of last year, the pace and trend of recovery are encouraging. And, the Group firmly believed that SK-II will resume it's position in the PRC market soon. Besides of SK-II, the Group also distributes Olay, Philips and Gillette's products through its well developed distribution channel during the Year Under Review. Due to the increasing popularity and admiration of Olay products, such product sales shows a remarkable increase when compare to last year. We believe it will bring sizeable revenue for the Group in near future. Looking forward, as the PRC market continues to boom showing immense potential for P&G products, the management anticipates the revenues generated from the distribution business will experience further growth and will in turn provide the Group with stable source of income.

Capital structure, liquidity and financial resources

Cash and bank balances as at 31 March 2008 were approximately HK$50,493,000 compared to approximately HK$20,533,000 as at 31 March 2007. The Group's gearing ratio of 26% (2007: 43%) was based on the total of bank borrowings and obligations under finance leases of approximately HK$22,433,000 and the net assets of the Group of approximately HK$86,999,000.

As at 31 March 2008, the Group's liability was approximately HK$80,484,000, compared to approximately HK$82,785,000 as at 31 March 2007. It includes account payables and other payables approximately HK$36,703,000 (2007: approximately HK$39,139,000), mainly for the daily operations of our subsidiary-Dong Fang, deferred income approximately HK$18,110,000 (2007: HK$23,415,000) and bank borrowings approximately HK$22,131,000 (2007: HK$10,110,000), banking borrowings is also for Dong Fang trading activities. Such liability are intended to be financed by internal resources of the Group.

Treasury policy

The Group adopts a conservative approach towards its treasury policies. The Group evaluates the financial condition of its customers regularly so as to reduce the credit risk. The average outstanding days of the Group's accounts receivable was maintained at below 90 days. To manage liquidity risk, the Group closely monitors the Group's liquidity position to ensure the liquidity structure of the Group's assets, liabilities and commitments and to ensure that the Group can meet its funding requirements.

Foreign Exchange Exposure

Since the Group's assets and liabilities, revenue and payments are mainly denominated in Hong Kong Dollars and Renminbi, the Groups considers that there was no significant exposure to foreign exchange fluctuations.

Net Assets

As at 31 March 2008, the Group's net assets amounted to approximately HK$86,999,000 compared to approximately HK$25,708,000 as at 31 March 2007. Except for those assets charged in the obligations under finance lease, there are no other charges on the Group's assets as at 31 March 2008.

Contingent Liabilities

As at 31 March 2008, the Company has issued a corporate guarantee approximately amounting to HK$16,618,000 (equivalent to RMB15,000,000) to a bank in respect of banking facilities granted to Dong Fang, a subsidiary (31 March 2007: HK$Nil); and has given a corporate guarantee to a finance company in respect of the finance lease facilities for high-tech beauty and slimming machinery of approximately HK$1,748,000 (2007: HK$1,748,000) granted to a subsidiary.

Employee Information

As at 31 March 2008, the Group had 413 employees (2007: around 433 employees). During the year, the Group's total staff costs amounted to approximately HK$45,079,000 (2007: approximately HK$42,173,000). Pursuant to the share option scheme adopted by the Company, share options have been granted to eligible participants to subscribe for shares in the Company under the terms and conditions stipulated therein.

The Group's remuneration policies are formulated on the basis of the performance and experience of individual employee and are in line with local market practices where the Group operates. In addition to salary, the Group also offers to its employees other fringe benefits including provident fund and medical benefits. The Group has a share option scheme whereby qualified participants may be granted options to acquire shares of the Company. There is an aggregate of 24,690,000 outstanding options to subscribe for 24,690,000 shares of the Company pursuant to the share option scheme as at 31 March 2008.

Significant Investments and Acquisitions

There were no significant acquisitions and disposals of investments by the Group during the Year Under Review.

Future Plan

Going forward, in addition to the continual improvement of the operation performance of the existing beauty, slimming and spa centres, the Group is planning to open two new beauty, slimming and spa centres in Beijing in July 2008. Besides, the Group will invest more resources on beauty product distribution business in order to enrich and diversify our business, bringing profits to our shareholders.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES

As at 31 March 2008, 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 Securities and Futures Ordinance (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 shares of the Company:

Name of Director	Number of shares Corporate interests	 Personal interests	 Total	Approximate percentage of interest in the Company's issued share capital
Dr. Cheung Yuk Shan, Shirley	293,200,000 *(Note 1)*	100,070,000	393,270,000	40.97%

Note 1:

The 293,200,000 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 of the Company:

Share Option Scheme

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

Name of Director	Date of grant	Exercisable period	Subscription price per share	Aggregate long position in underlying shares of the Company	Approximate percentage of interest in the Company's issued share capital
Dr. Cheung Yuk Shan, Shirley	10 September 2004	10 September 2004 — 3 November 2013	HK$0.512	5,000,000	0.52%
Mr. Cheung Ka Heng, Frankie	10 September 2004	10 September 2004 — 3 November 2013	HK$0.512	5,000,000	0.52%

Note 1:

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 31 March 2008, 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 (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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 31 March 2008, 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:

Long position in Shares:

		Number of shareholding		
Substantial shareholder	**Capacity**	**Share**	**Percentage**	**Number of share options held**
Biochem	Beneficial owner	293,200,000	30.55%	—
Dr. Cheung Yuk Shan, Shirley	Beneficial owner	100,070,000	10.42%	5,000,000

Save as disclosed above, as at 31 March 2008, 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, had 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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors and Chief Executive's Interests and Short Positions in Shares" above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

COMPETING INTERESTS

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.

CORPORATE GOVERNANCE PRACTICES

The Company has established a formal and transparent procedure to protect the interests of the shareholders of the Company. The Company applied the principles and complied with all the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules throughout the year, except that:

Under the code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Dr. Cheung Yuk Shan, Shirley is both the Chairman and chief executive officer of the Company. The Board is of the view that it is in the best interests of the Group to have Dr. Cheung, who is the founder of the Group with vast and solid experience in the beauty sector, to perform the dual role so that the Board can have the benefit of a chairman who is knowledgeable about the business of the Group and is most capable to guide discussions and brief the Board in a timely manner on pertinent issues. With Dr. Cheung being the chief executive officer, the Group can also benefit from having strong connection and network in the beauty market.

Full details in respect of the compliance with Appendix 15 and 16 of the GEM Listing Rule in the form of a "Corporate Governance Report" will be included in the annual report for the year ended 31 March 2008.

AUDIT COMMITTEE

The Group has established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The audit committee comprises three Independent Non-Executive Directors, namely Mr. Hong Po Kui, Martin, Mr. Li Kuo Hsing and Ms. Hui Yat Lam. The audit committee has reviewed the audited financial results of the Group for the year ended 31 March 2008.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

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

Hong Kong, 30 June 2008

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