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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)

**TOP-UP PLACING
AND
RESUMPTION OF TRADING**

Placing Agent



KINGSTON SECURITIES LIMITED

THE TOP-UP PLACING

On 11 April 2007, the Vendor entered into the Placing Agreement and the Top-Up Subscription Agreement with the Placing Agent and the Company respectively. Pursuant to the Placing Agreement, the Vendor agreed to place, through the Placing Agent, an aggregate of 133,000,000 existing Shares, on a fully underwritten basis, to not fewer than six Placees who and whose ultimate beneficial owners will not be connected persons (as defined in the GEM Listing Rules) of the Company and its connect persons (as defined in the GEM Listing Rules) at a price of HK\$0.16 per Placing Share. Pursuant to the Top-Up Subscription Agreement, the Vendor conditionally agreed to subscribe for an aggregate of 133,000,000 Top-Up Subscription Shares at a price of HK\$0.16 per Top-Up Subscription Share.

The Placing Price (or the Top-Up Subscription Price) of HK\$0.16 represents (i) a discount of approximately 14.44% to the closing price of HK\$0.187 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of approximately 13.51% to the average closing price per Share of approximately HK\$0.185 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date; and (iii) a discount of approximately 10.11% over the average closing price per Share of HK\$0.178 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Date.

The 133,000,000 Placing Shares (or the Top-Up Subscription Shares) represent (i) approximately 19.94% of the existing issued share capital of the Company of 666,900,000 Shares as at the date of this announcement; and (ii) approximately 16.63% of the issued share capital of the Company of 799,900,000 Shares as enlarged by the Top-Up Subscription.

* For identification purpose only

The Top-Up Subscription Agreement is conditional upon (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Top-Up Subscription Shares; and (ii) completion of the Placing Agreement.

The gross proceeds from the Top-Up Subscription will be approximately HK\$21.3 million. The net proceeds of approximately HK\$20.5 million from the Top-Up Subscription is intended to be used for the general working capital of the Group.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 11 April 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m., on 12 April 2007.

THE TOP-UP PLACING

The Placing Agreement

Date

11 April 2007

Parties involved

The Placing Agent and the Vendor

Placing Agent

On 11 April 2007, the Vendor entered into the Placing Agreement and the Top-Up Subscription Agreement with the Placing Agent and the Company respectively. The Placing Agent will receive a placing commission of 2.5% on the gross proceeds of the Placing, which was arrived at after arm's length negotiations between the Company and the Placing Agent. The Placing Agent and its ultimate beneficial owners are not connected persons (as defined in the GEM Listing Rules) of the Company and its connected persons (as defined in the GEM Listing Rules). The Directors (including the independent non-executive Directors) consider that the placing commission is on the normal commercial terms and fair and reasonable and in the interests of the Company and its shareholders as a whole.

Placees

The Placing Agent agreed to place the Placing Shares on a fully underwritten basis, to not fewer than six Placees who and whose ultimate beneficial owners will not be connected persons (as defined in the GEM Listing Rules) of the Company and its connect persons (as defined in the GEM Listing Rules).

Placing Price

The Placing Price (or the Top-Up Subscription Price) of HK\$0.16 represents (i) a discount of approximately 14.44% to the closing price of HK\$0.187 per Share as quoted on the Stock Exchange on the Last Trading

Date; (ii) a discount of approximately 13.51% to the average closing price per Share of approximately HK\$0.185 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date; and (iii) a discount of approximately 10.11% over the average closing price per Share of HK\$0.178 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Date.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent on 11 April 2007. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are fair and reasonable based on the prevailing volatile stock market and in the interests of the Company and the Shareholders as a whole.

The Placing Shares

The 133,000,000 Placing Shares (or the Top-Up Subscription Shares) represent (i) approximately 19.94% of the existing issued share capital of the Company of 666,900,000 Shares as at the date of this announcement; and (ii) approximately 16.63% of the issued share capital of the Company of 799,900,000 Shares as enlarged by the Top-Up Subscription.

Ranking of Placing Shares

The Placing Shares rank pari passu among themselves and with Shares in issue as at the date of this announcement.

Condition of the Placing Agreement

The Placing Agreement is unconditional.

Completion

The Placing Agreement is expected to be completed on or about 18 April 2007.

THE TOP-UP SUBSCRIPTION AGREEMENT

Date

11 April 2007

Parties involved

The Company and the Vendor

The Top-Up Subscription Price

The Top-Up Subscription Price is HK\$0.16 per Share. The Top-Up Subscription Price is the same to the Placing Price and was determined after arm's length negotiation between the Company and the Vendor with reference to the Placing Price of the Placing Shares.

Number of Top-Up Subscription Shares

The number of Top-Up Subscription Shares is equivalent to the number of Placing Shares, being 133,000,000.

Ranking of Top-Up Subscription Shares

The Top-Up Subscription Shares, when issued and fully paid, will rank pari passu among themselves and with Shares in issue at the time of issue and allotment of the Top-Up Subscription Shares.

The Top-Up Subscription Shares

The 133,000,000 Top-Up Subscription Shares will be allotted and issued pursuant to the general mandate to allot, issue and deal with Shares granted to the Directors by a resolution passed at the annual general meeting of the Company held on 24 July 2006 (the "AGM") subject to the limit up to 20% of the issued share capital of the Company as at the date of passing such resolution at the AGM (i.e. 133,380,000 Shares). As at the date of this announcement, none of the Shares have been allotted and issued pursuant to the general mandate as at the date of this announcement.

Conditions of the Top-Up Subscription Agreement

The Top-Up Subscription Agreement is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Top-Up Subscription Shares; and
- (ii) completion of the Placing Agreement.

Completion

Completion of the Top-Up Subscription will take place on the second business day after the conditions of the Top-Up Subscription are fulfilled. Under Rule 20.31(3)(d) of the GEM Listing Rules, the Top-Up Subscription must be completed within 14 days from the date of the Placing Agreement, that is, on or before 24 April 2007.

In the event that the Top-Up Subscription are not completed by 24 April 2007, the Company and the Vendor may elect, subject to compliance with all requirements in relation to connected transactions under the GEM Listing Rules (including the Shareholder's approval), to postpone completion of the Top-Up Subscription to a later date to be agreed between the Company and the Vendor.

REASON FOR THE TOP-UP PLACING AND USE OF PROCEEDS

The Directors have considered various ways of raising funds and consider that the Placing and Top-Up Subscription represent an opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors consider the Placing Agreement and the Top-Up Subscription Agreement are in the interest of the Company and the Shareholders as a whole.

The gross proceeds from the Top-Up Subscription will be approximately HK\$21.3 million. The net proceeds of approximately HK\$20.5 million from the Top-Up Subscription is intended to be used for the general working capital of the Group. The net proceeds raised per Placing Share upon completion of the Top-Up Subscription will be approximately HK\$0.1541.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities in the past twelve months before the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company as at the date of this announcement, immediately after the Placing but before the Top-Up Subscription, and immediately after the Top-Up Subscription are as follows:

	Shareholding as at the date of this announcement (No. of Shares)	%	Shareholding immediately after the Placing but before the Top-Up Subscription (No. of Shares)	%	Shareholding immediately after the Top-Up Subscription (No. of Shares)	%
Dr. Cheung Yuk Shan, Shirley (Note 1)	374,270,000	56.12	241,270,000	36.18	374,270,000	46.79
The Placees (Note 2)	—	—	133,000,000	19.94	133,000,000	16.63
Public	292,630,000	43.88	292,630,000	43.88	292,630,000	36.58
Total	666,900,000	100.00	666,900,000	100.00	799,900,000	100.00

Notes:

1. Dr. Cheung Yuk Shan, Shirley, the chairman and the executive director of the Company, is personally interested in 81,070,000 Shares, representing approximately 12.16% of the existing issued share capital of the Company, and through the Vendor, which is wholly-owned by Dr. Cheung, interested in 293,200,000 Shares, representing approximately 43.96% of the existing issued share capital of the Company.
2. The number of Shares set out in this row represents the total number of Placing Shares, that is 133,000,000 Shares, to be placed to the Placees.

GENERAL

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. The existing authorised share capital of the Company consists of 1,500,000,000 Shares out of which 666,900,000 Shares are issued and fully paid up.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Top-Up Subscription Shares.

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 11 April 2007 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m., on 12 April 2007.

DEFINITIONS

“Board”	the board of Directors
“Company”	Sau San Tong Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the GEM
“Director(s)”	director(s) of the board of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Last Trading Date”	10 April 2007, being the last full trading day for the Shares before this announcement
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“GEM”	the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“Placee(s)”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of 133,000,000 existing Shares beneficially owned by the Vendor pursuant to the terms of the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activities (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Placing Agreement”	the placing agreement between the Vendor and the Placing Agent dated 11 April 2007 in relation to the Placing
“Placing Price”	HK\$0.16 per Placing Share
“Placing Share(s)”	an aggregate of 133,000,000 existing Shares beneficially owned by the Vendor and to be placed pursuant to the Placing Agreement
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Top-Up Subscription”	the subscription of 133,000,000 new Shares pursuant to the terms of Top-Up Subscription Agreement
“Top-Up Subscription Agreement”	the subscription agreement entered into between the Vendor and the Company dated 11 April 2007 in relation to the Top-Up Subscription
“Top-Up Subscription Price”	HK\$0.16 per Top-Up Subscription Share
“Top-Up Subscription Share(s)”	a total of 133,000,000 new Shares to be subscribed for by the Vendor pursuant to the Top-Up Subscription Agreement
“Vendor”	Biochem Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 11 April 2007

As at the date of this announcement, the Board comprises executive directors namely Dr. Cheung Yuk Shan, Shirley (Chairman), Mr. Cheung Ka Heng, Frankie and Mr. Lee Man Kwong; independent non-executive directors namely Mr. Hong Po Kui, Martin, Mr. Li Kuo Hsing and Mr. Ho Yiu Ming.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, have 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 GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting.