



SAU SAN TONG HOLDINGS (CAYMAN ISLANDS) LIMITED
修身堂控股(開曼群島)有限公司

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

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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.

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This annual report, for which the directors (the “Directors”) of Sau San Tong Holdings (Cayman Islands) Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the 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 annual report 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 annual report misleading; and (3) all opinions expressed in this annual report have been arrived at after due and careful consideration and are founded on the bases and assumptions that are fair and reasonable.

香港聯合交易所有限公司（「聯交所」）創業板市場（「創業板」）之特色

創業板乃為帶有高投資風險之公司提供一個上市市場。尤其在創業板上市之公司毋須有過往溢利記錄，亦毋須承擔預測未來溢利之任何責任。此外，在創業板上市之公司可因其新興性質及該等公司經營業務之行業或國家而帶有風險。準投資者應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之風險較高及其他特色，均表示創業板較適合專業及其他資深投資者。

基於創業板上市公司之新興性質，在創業板買賣之證券可能會較於聯交所主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

創業板發佈資料之主要途徑為經聯交所就創業板而設之互聯網網站刊登。創業板上市公司一般毋須在憲報指定報章刊登付款公佈披露資料。因此，準投資者需注意彼等應瀏覽創業板網站 www.hkgem.com，以便取得創業板上市發行人之最新資料。

聯交所對本年報之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本年報全部或任何部份內容而產生或因依賴該等內容而引致之任何損失承擔任何責任。

本年報乃遵照聯交所創業板證券上市規則（「創業板上市規則」）之規定而提供有關修身堂控股（開曼群島）有限公司（「本公司」）之資料。本公司各董事（「董事」）對上述資料願共同及個別承擔全部責任。本公司董事經作出一切合理查詢後，確認就彼等所知及所信：(1)本年報所載資料在各主要方面均屬準確及完整，且無誤導成分；(2)並無遺漏任何其他事項致使本年報所載任何聲明產生誤導；及(3)本年報內所載之一切意見乃經審慎周詳考慮後方作出，並以公平及合理之基準及假設為依據。

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Founded in July 2000, Sau San Tong Holdings (Cayman Islands) Limited (“Sau San Tong” or the “Company”) and its subsidiaries (the “Group”) are dedicated to provide customer-oriented slimming and trimming solutions with healthy and natural concepts combined. With unrelenting commitment, the Group has rapidly emerged into one of the market leaders.

In response to the earnest demand for a slim figure, Sau San Tong, being a pioneer in the provision of slimming services, has launched a wide range of health and beauty products, and operated slimming centres to provide an unique all-rounded personalised slimming service. With its successful listing on the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited (the “Exchange”) (stock code: 8200) on 19 November 2003, the Group has become the first listed slimming company in Hong Kong.

The first two health and beauty products launched by the Group since inception, namely “Sau San Tong Beauty Figure” and “Sau San Tong Beauty Chest”, were well received by the market thus became the best sellers in a short span. In 2001, the Group set up its first Sau San Tong Healthy Trim Institute in Central. Sau San Tong was the first to launch the exclusive VIP Slimming Programme which combined the wisdom of eastern and western medications, taking care of both the inner and outer beauty of its customers, enabled its customers to attain their slimming goals healthily, safely and effectively without the need for strenuous diet or exercise. A distinctive image and a clear market positioning, coupled with sound and effective marketing strategies, enabled the Group to distinguish itself from its competitors, gaining wide spread recognition as well as increasing market share, despite of the fierce competition.

修身堂控股（開曼群島）有限公司（「修身堂」或「本公司」）及其附屬公司（「本集團」）於二零零零年七月成立，本著以人為本，以健康自然為纖體經營理念，百份百投入，致力為客戶締造健與美的身段，迅速成為業內之翹楚。

針對現今都市人對健美纖體的殷切需求，修身堂推出一系列的保健及美容產品，以及經營健康纖體中心，提供創新獨特的全方位個性化纖體服務，開創纖體服務的先河。二零零三年十一月十九日，本集團更於香港聯合交易所有限公司（「聯交所」）創業板市場（「創業板」）上市（股份編號：8200），成為首間於香港上市之純纖體公司。

本集團於最初成立時推出「修身堂修身寶丸」及「修身堂豐胸丸」兩款保健及美容產品，迅即成為市場上爭相搶購的熱賣產品。隨後在二零零一年，本集團在中環開設首家「修身堂健康纖體服務中心」，並首創中西合璧、內外兼顧的「一定得纖體療程」，為客戶提供健康、安全、有效、而又毋須運動及節食的纖體計劃。由於本集團形象鮮明，市場定位正確及清晰，加上強而有效的市場推廣策略，縱使纖體行業競爭激烈，本集團仍能突圍而出，且迅速建立廣泛的知名度和穩定上升的市場佔有率。

Sau San Tong
Beauty Figure
修身堂
修身寶丸



PRODUCT SALE

The Group has launched five major health and beauty products which were sold under the “Sau San Tong” brand name, including “Sau San Tong 5-Day Perfect Figure”, “Sau San Tong 7-Day Perfect Chest”, “Sau San Tong One Minute Diet Tea”, “Sau San Tong Beauty Figure” and “Sau San Tong Beauty Chest”. Furthermore, the Group is also the sole agent of “Easy Take Slim Tummy” in Hong Kong.

SLIMMING CENTRES

Sau San Tong operates four slimming centres located in Central, Tsim Sha Tsui, Causeway Bay and Shatin, providing tailor-made comprehensive VIP Slimming Programme to each customer.

WIDELY ACCLAIMED

Sau San Tong has been widely recognized and highly praised for its outstanding products and services. Over the years, the Group received numerous accolades which not only prove the effectiveness of its operating concepts and strategies, but also reflect the support given by local merchants and the public, thus strengthening its leading position in the slimming industry. Awards won by the Group's products and services include:

- “2003 Hong Kong Top Ten Brand Names Award” by the Chinese Manufacturers’ Association of Hong Kong and “The Most Popular Brand Name On-line Award”, where the Group was the only organization awarded, in December 2003

SAU SAN TONG HEALTHY TRIM INSTITUTE

- 2003
The only award winning organization in the Slimming and Beauty Category at the 14th “Top Service Award” of Next Magazine

產品銷售

本集團主要銷售以下五種以「修身堂」品牌推出的保健及美容產品，包括「修身堂5日修身料理」、「修身堂7日豐胸料理」、「修身堂一分鐘淨腸茶」、「修身堂修身寶丸」及「修身堂豐胸丸」。此外，本集團亦為「好得減肚配方」的香港獨家代理。

纖體中心

修身堂共開設四間纖體中心，分別位於中環、尖沙咀、銅鑼灣及沙田，為每一位顧客提供度身訂造的全方位「一定得纖體療程」。

屢獲殊榮

一直以來修身堂的產品及服務品質均受各界認可及稱譽，短短數年已獲取多項殊榮，這不但證明集團的經營理念及策略是正確的，同時亦反映了香港商家及市民大眾對修身堂的支持，更鞏固修身堂在纖體界的領導地位。本集團產品及服務所獲獎項包括：

- 二零零三年十二月，由「香港中華廠商聯合會」頒發的《二零零三年香港十大名牌》，並成為《網上最受歡迎品牌》的唯一得獎機構

修身堂健康纖體服務中心

- 二零零三年
榮獲壹周刊第十四屆「服務第壹大獎」，成為纖體美容組別中唯一得獎機構

Sau San Tong
Beauty Chest
修身堂
豐胸丸



Sau San Tong Beauty Chest

- From 2000 to 2001
“The Best Selling Breast Enhancing Product Award” awarded by Bonjour Cosmetics Co. Ltd.
- 2001
“Watson’s Health and Beauty Award – Breast Enhancing Product Award” awarded by Watson’s
- 2002
“The Best Selling Health Food Product Award For the Year” awarded by Bonjour Cosmetics Co. Ltd.

“Watson’s Health and Beauty Award – Breast Enhancing Product Award” awarded by Watson’s

Sau San Tong Beauty Figure

- From 2000 to 2001
“The Best Selling Slimming Product Award” awarded by Bonjour Cosmetics Co. Ltd.

“Watson’s Health and Beauty Award – New Slimming Product Award” awarded by Watson’s
- 2002
“The Best Selling Health Food Product Award For the Year” awarded by Bonjour Cosmetics Co. Ltd.

“Watson’s Health and Beauty Award – The Best Slimming Product Award” awarded by Watson’s

「修身堂豐胸丸」

- 二零零零至二零零一年
卓悦化妝品有限公司頒發「最佳豐胸產品銷量大獎」
- 二零零一年
屈臣氏頒發「屈臣氏健與美大賞•豐胸產品大獎」
- 二零零二年
卓悦化妝品有限公司頒發「全年最佳銷量健康食品大獎」

屈臣氏頒發「屈臣氏健與美大賞•豐胸產品大獎」

「修身堂修身寶丸」

- 二零零零至二零零一年
卓悦化妝品有限公司頒發「最佳修身產品銷量大獎」

屈臣氏頒發「屈臣氏健與美大賞•修身新產品大獎」
- 二零零二年
卓悦化妝品有限公司頒發「全年最佳銷量健康食品大獎」

屈臣氏頒發「屈臣氏健與美大賞•最佳修身產品大獎」

2003 Hong Kong Top
Ten Brand Name Award
二零零三年香港十大
名牌



Sau San Tong One Minute Diet Tea

- 2002
“Watson’s Health and Beauty Award - New Slimming Product Award” awarded by Watson’s

「修身堂一分鐘淨腸茶」

- 二零零二年
屈臣氏頒發「屈臣氏健與美大賞•修身新產品大獎」

Sau San Tong 5-Day Perfect Figure

- 2003
“Mannings’ Award for the Top 32 Most Popular Health Care Product” and “Mannings’ Slender and Slim Award” awarded by Mannings, where the Group was the only organization awarded in the Oral Slimming Product Category

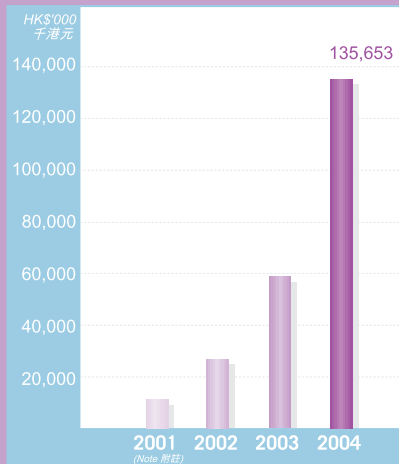
「修身堂 5 日修身料理」

- 二零零三年
萬寧頒發「萬寧 32 大最受歡迎的保健產品」及「萬寧健美大賞之窈窕纖體獎」，成為「纖體口服產品類別」中的唯一得獎機構

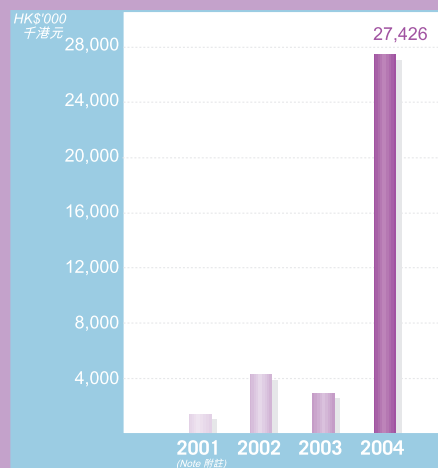
Sau San Tong
One Minute Diet Tea
修身堂
一分鐘淨腸茶



Turnover 營業額

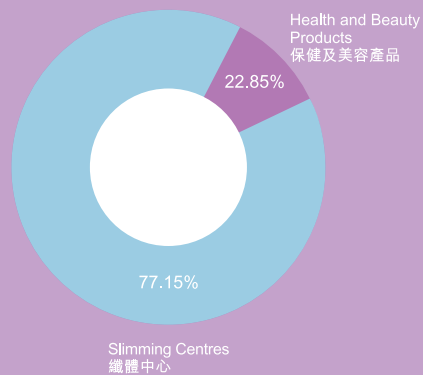


Profit Attributable to Shareholders 股東應佔溢利



Turnover by Business Segments 按業務分類之營業額

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度



Note: For the period from 17 July 2000 to 31 March 2001

附註：二零零零年七月十七日至二零零一年三月三十一日期間

FINANCIAL SUMMARY

財務概要

		For the year ended 31 March 截至三月三十一日止年度			
		2001 二零零一年 HK\$'000 千港元 (Note) (附註)	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Turnover	營業額	11,422	27,106	58,945	135,653
Gross profit	毛利	8,488	21,114	49,330	110,360
Profit from operations	經營溢利	1,876	5,583	4,703	29,124
Profit attributable to shareholders	股東應佔溢利	1,422	4,274	2,921	27,426
Non-current assets	非流動資產	48	2,167	6,786	13,531
Goodwill	商譽	-	-	581	439
Current assets	流動資產	5,409	8,483	11,686	63,218
Current liabilities	流動負債	(4,025)	(4,285)	(8,263)	(19,140)
Non-current liabilities	非流動負債	-	(320)	(782)	(222)
Minority interests	少數股東權益	-	(339)	(296)	(413)
		1,432	5,706	9,712	57,413
Shareholders' equity	股東股本	1,432	5,706	9,712	57,413

Note:

The summary of the financial information as at 31 March 2001, 2002 and 2003 and for each of the three years then ended has been extracted from the accountants' report included in the Company's prospectus dated 10 November 2003 (the "Prospectus"). The above financial information has been prepared as if the group structure at the date of the listing of the Company's shares on 19 November 2003 had been in existence and remained unchanged throughout the above periods.

附註：

於二零零一年、二零零二年及二零零三年三月三十一日及截至該日止三個年度各年之財務資料摘要，乃摘自本公司於二零零三年十一月十日刊發之招股章程（「招股章程」）所載之會計師報告。上述財務資料乃假設於本公司股份在二零零三年十一月十九日上市當日之集團架構，在上述期間均已存在並維持不變而編製。



Miss Cheung Yuk Shan, Shirley 張玉珊小姐
Chairman 主席

Chairman's Statement

主 席 報 告

I am pleased to present to shareholders the first annual report of the Group for the year ended 31 March 2004 (“the year under review”).

2003 was a challenging year. The Severe Acute Respiratory Syndrome (“SARS”), which severely affected the Hong Kong society and economy, dealt an unprecedented blow to all industries, especially the retail industry. Nevertheless, owing to its perseverance and the unity displayed by its staff, the Group managed to overcome the challenges and achieved excellent results amidst adversity. The Group’s effort was paid off. It was successfully listed on GEM of the Exchange on 19 November 2003 as Hong Kong’s first listed slimming company. After years of hardwork and dedication, the Group earned public recognition and gained considerable rewards. In December 2003, the Group was awarded the “2003 Hong Kong Top Ten Brand Names Award” and “The Most Popular Brand Name On-line of 2003 Hong Kong Top Ten Brand Names Awards” by The Chinese Manufacturers’ Association of Hong Kong.

During the year under review, the Group opened two new slimming centres in Causeway Bay and Shatin respectively, as well as expanding the scale of the two existing slimming centres in response to market demand. With the Group’s persistent business strategies and its reputable brand name, the Group achieved a substantial increase in turnover generated by these slimming centres, recording a total income of HK\$104,660,000 and a profit of HK\$29,246,000. The Group will continue to improve the quality of its services, which will be more diversified and personalized, so as to expand the market share of its slimming centre business.

本人欣然向各股東提呈本集團截至二零零四年三月三十一日止年度（「回顧年度」）之首份年報。

二零零三年是充滿挑戰的一年，嚴重急性呼吸道綜合症（「非典」）的爆發對香港社會環境及經濟造成莫大的影響。各行各業，尤其是零售業更受到前所未有的衝擊。然而，本集團憑著堅毅不屈的精神及上下一心的團隊力量，克服了重重困難，在逆境下仍創造了佳績。經過數年默默埋首經營，本集團於二零零三年十一月十九日成功在聯交所創業板上市，成為香港第一間上市之純纖體公司。於二零零三年十二月，本集團更獲得由「香港中華廠商聯合會」頒發的《二零零三年香港十大名牌》及《二零零三年香港十大名牌選舉之網上最受歡迎品牌》兩項殊榮，多年之努力，終獲得社會大眾之認同及理想的回報。

本集團於回顧年度內共新增了兩間健康纖體中心，分別位於銅鑼灣及沙田，並因應市場之需求，擴充兩間現有健康纖體中心之經營規模。憑著本集團一貫之經營策略及素有信譽之品牌，本集團於經營纖體中心方面之營業額大幅上升，共錄得104,660,000港元之收入，為本集團帶來29,246,000港元之利潤。本集團將繼續提升服務質素及提供更多元化、更個人化的纖體服務，從而令經營纖體中心業務之市場佔有率更上一層樓。

The Group also dedicated itself to increase the market share of its health and beauty products. During the year under review, the Group introduced three new health and beauty products, namely “Sau San Tong 5-Day Perfect Figure”, “Sau San Tong 7-Day Perfect Chest” and “Easy Take Slim Tummy”. These three new products contributed HK\$27,386,000, representing 88.36% of the turnover for the Group's health and beauty products during the year under review, while the sales of the Group's existing products remained stable.

As for the future, the Group will actively explore the Greater China market, in addition to consolidate and developing the Hong Kong market. The continuous rise of the average household income and improvement of living standards in the Greater China region lead to a sharp increase in demand for slimming. With a view to broaden its future income source, the Group will continue to deploy sound marketing strategies, while leveraging on its superior brand name and quality services to systematically introduce its slimming services to the major coastal cities in the People's Republic of China (the “PRC”), such as Shanghai, Guangzhou, Shenzhen and Beijing.

In view of the public's increasing health awareness, the Group will invest in developing the health food business. Through introducing new products to the market, the Group is able to capture additional customers thus expanding its customer base resulting in the increase of revenue stream. Income from health food is expected to make positive contribution to the growth of the Group's turnover and earnings.

Looking ahead, the Group will continue to expand its business reach as well as enhancing its operational efficiency and financial stability. With its strong marketing expertise and well-established brand name, the Group will grasp every opportunity to broaden its geographical coverage and diversify its products and services, hence bringing fruitful returns to its shareholders.

本集團亦致力增加保健及美容產品的市場佔有率。於回顧年度內，本集團共推出三款新保健及美容產品，包括「修身堂5日修身料理」、「修身堂7日豐胸料理」及「好得減肚配方」。此三種新產品為集團帶來27,386,000港元的營業額，佔集團於回顧年度在保健及美容產品方面的營業額88.36%，而集團原先已在市場發售的產品銷量亦維持平穩。

除繼續鞏固及發展香港市場外，本集團將會在未來積極開拓大中華市場。隨著大中華區人民平均家庭收入不斷提升，生活質素不斷改善，對纖體之需求亦大幅攀升。本集團將沿用成功之市場推廣策略，配以卓越之品牌，優良之服務質素，繼續將集團引以為傲之纖體服務登陸中華人民共和國（「中國」）沿海之重要大城市，如上海、廣州、深圳、北京等，為本集團未來之收入來源注入強勁動力。

基於社會大眾對身體健康日益關注，本集團將投放資源發展保健食品業務。藉著將新產品引入市場，本集團可爭取更多新客戶，從而擴闊客戶層面，增加收入來源。預期保健食品業務收入將正面帶動本集團之營業額及盈利上升。

展望未來，本集團將繼續擴展業務覆蓋範圍，並同時提高其營運效率及穩定財政狀況。憑藉豐富之市場推廣知識及卓越品牌，本集團將抓緊各種機遇，覆蓋更多業務範圍，使產品及服務邁向多元化發展，從而為股東帶來豐厚回報。

Sau San Tong
5-Day Perfect Figure
修身堂
5日修身料理



On behalf of the board of Directors, I would like to extend my sincere gratitude to the customers, shareholders, business partners and professional advisors, who have always offered their support and encouragement to the Group. The Group's excellent results were made possible by the dedication and diligence of its management and staff. I strongly believe that with the recovery of Hong Kong's economy and the commitment of its staff, the Group will enjoy an even brighter future.

本人謹代表董事會向長期對本集團支持及鼓勵之客戶、股東、商業夥伴及專業顧問致以衷心感謝。本集團有此驕人成績，實有賴管理層及全體員工之熱誠投入及努力不懈。本人深信隨著香港經濟開始復甦，加上所有員工全力以赴，本集團之前景將會更璀璨秀麗。

Cheung Yuk Shan, Shirley

Chairman

張玉珊

主席

Hong Kong, 21 June 2004

香港，二零零四年六月二十一日



The Group was listed on GEM of the Exchange on 19 November 2003

集團於二零零三年十一月十九日在聯交所創業板上市

Sau San Tong
7-Day Perfect Chest
修身堂
7日豐胸料理



Management Discussion and Analysis

管 理 層 討 論
及 分 析





BUSINESS AND OPERATION REVIEW**Review**

During the year under review, the Group has experienced a rapid revenue growth and a substantial improvement in operating results. Consolidated turnover of the Group increased by 130.13% to HK\$135,653,000 compared to HK\$58,945,000 for the last year. This significant increase was attributable to the revenue generated from the new slimming centres in Causeway Bay and Shatin which were opened in June 2003 and January 2004 respectively and the soaring sales of health and beauty products. During the year under review, turnover generated from slimming centres accounted for 77.15% of the total turnover (2003: 80.45%) while turnover from health and beauty products accounted for 22.85% of the total turnover (2003: 19.55%).

The Group recorded a gross profit of HK\$110,360,000 for the year ended 31 March 2004, representing an increase of 123.72% compared to the last year. The gross profit as percentage of turnover decreased from 83.69% for the last year to 81.35% for 2004.

Consolidated profit attributable to shareholders amounted to HK\$27,426,000 for the year ended 31 March 2004, an increase of 838.93% from HK\$2,921,000 compared to the last year. The significant rise was primarily due to the considerable increase in the revenue while maintaining stringent cost control. The operating productivity and efficiency were improved immensely due to economy of scale.

業務及營運回顧**回顧**

於回顧年度內，本集團之收益增長迅速，經營業績大幅上升。本集團之綜合營業額達135,653,000港元，較去年之58,945,000港元上升130.13%。營業額大幅增長，乃由於二零零三年六月及二零零四年一月分別於銅鑼灣及沙田開業之新纖體中心帶來之收益，以及保健及美容產品銷售額上升所致。於回顧年度內，纖體中心所帶來之營業額佔總營業額之77.15%（二零零三年：80.45%），而保健及美容產品之營業額則佔總營業額之22.85%（二零零三年：19.55%）。

本集團於截至二零零四年三月三十一日止年度錄得之毛利達110,360,000港元，較去年增長123.72%，而毛利佔營業額之比例則由去年之83.69%減至二零零四年之81.35%。

截至二零零四年三月三十一日止年度，股東應佔綜合溢利為27,426,000港元，較去年之2,921,000港元增加838.93%。股東應佔綜合溢利大幅增加，主要因為收入大幅上升，並保持嚴謹之成本控制措施。營運效率亦因取得經濟效益而大大提高。



Business Review – Slimming Centres

The slimming industry has been blooming despite intense market competition. This is due to the increasing demand for a fitter and healthier body. Sau San Tong continues to monitor the market trends and respond to the ever-changing market by improving the quality of its products and services. During the year under review, in view of the demand of its slimming centre business, the Group has opened two new slimming centres located in Causeway Bay and Shatin, as well as expanded the operation of two existing slimming centres.

Business Review – Health and Beauty Products

The Group continues to launch new health and beauty products. As at 31 March 2004, there were a total of six health and beauty products available in the market, including the three new products introduced during the year, namely “Sau San Tong 5-Day Perfect Figure”, “Sau San Tong 7-Day Perfect Chest” and “Easy Take Slim Tummy”. These three new products not only brought attractive revenue to the Group, but also enriched its product line.

Sales and Marketing

With a thorough understanding of the value of brand name effect, Sau San Tong devoted immense efforts in advertising and publicity. The Group’s outstanding publicity campaigns have attracted huge market response and are widely imitated in the slimming industry. Owing to its success in utilising its publicity budget, Sau San Tong managed to achieve exponential growth in turnover with each and every campaign.

業務回顧 – 纖體中心

纖體市場競爭雖然非常激烈，但由於越來越多人注重身形及身體健康，故纖體市場的需求亦一直增加。修身堂一直緊貼市場脈搏，不斷改進產品及服務質素，以回應瞬息萬變的市場需求。基於纖體中心業務需求甚殷，於回顧年度內，本集團新增銅鑼灣及沙田共兩間健康纖體中心，此外亦將兩間原有纖體中心之經營規模擴充。

業務回顧 – 保健及美容產品

本集團的保健及美容產品亦不斷推陳出新。截至二零零四年三月三十一日止，集團共有六款保健及美容產品於市場銷售，其中三款為於回顧年度內推出的全新產品，包括「修身堂5日修身料理」、「修身堂7日豐胸料理」及「好得減肚配方」。該三款新產品除為集團帶來理想收益外，亦豐富集團的產品系列。

銷售及市場推廣

修身堂深明名牌效應的價值，所以一直以來於廣告宣傳方面均不遺餘力。卓越的宣傳活動使本集團引來市場極大的迴響及同業的爭相仿效。由於宣傳費用運用得宜，每一次的宣傳活動均為修身堂帶來以倍數計的營業額增長，令營業額節節上升。

Easy Take
Slim Tummy
好得
減肚配方



Outlook

The Group has established a strong foothold in the Hong Kong slimming market. Looking ahead, the Group will focus on the development of the Greater China market. In addition to opening slimming centres in major cities in the PRC, the Group will explore the health food and drinks market with an aim to expand its customer base, diversify its range of health and beauty products and increase its market share. Building upon Sau San Tong's well-established reputation, the Group will continue to deploy its active publicity campaigns to further advance its business in the future.

FINANCIAL REVIEW

Capital Resources and Liquidity

The Group continued to improve resources and liquidity over the past twelve months.

Cash and bank balances as at 31 March 2004 were HK\$34,305,000 compared to HK\$4,284,000 as at 31 March 2003. The Group had no bank borrowings as at 31 March 2004.

As at 31 March 2004, the Group's liability was HK\$19,362,000, compared to HK\$9,045,000 as at 31 March 2003. The gearing ratio of the Group, calculated on the basis of total borrowings as a percentage of net assets improved from 21.60% as at 31 March 2003 to 0.06% as at 31 March 2004.

展望

集團已成功於香港纖體市場穩佔一席位，放眼未來，大中華地區將成為集團另一主力發展市場之一，集團將會於國內主要城市開設纖體中心。此外，本集團會開拓健康飲品及食品市場，擴闊客戶層面，使保健及美容產品種類多元化，增強市場佔有率。修身堂雖已建立相當知名度，但仍會繼續舉辦積極的宣傳推廣活動，為集團未來的業務再創佳績。

財務回顧

資本資源及流動資金

在過去十二個月本集團持續改善資源及流動資金。

於二零零四年三月三十一日之現金及銀行結餘為 34,305,000 港元，而於二零零三年三月三十一日則為 4,284,000 港元。本集團於二零零四年三月三十一日並無任何銀行借貸。

於二零零四年三月三十一日，本集團之負債為 19,362,000 港元，而於二零零三年三月三十一日則為 9,045,000 港元。本集團按借貸總額佔資產淨值之百分比計算之資產負債比率，由二零零三年三月三十一日之 21.60% 改善至二零零四年三月三十一日之 0.06%。

Foreign Exchange Exposure

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

Net Assets

As at 31 March 2004, the Group's net assets amounted to HK\$57,413,000 compared to HK\$9,712,000 as at 31 March 2003. There was no charge on the Group's assets as at 31 March 2004.

Contingent Liabilities

As at 31 March 2004, there were no material contingent liabilities.

Employee Information

As at 31 March 2004, the Group had approximately 230 employees (2003: 115 employees) in Hong Kong. The Group's total staff costs (excluding Directors' emoluments) amounted to HK\$27,772,000 (2003: HK\$14,037,000). 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. As at 31 March 2004, there were 9,000,000 share options exercised by the eligible participants and a sum of HK\$4,374,000 was received by the Company.

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. In addition to the salary, the Group also offers to its employees other fringe benefits including provident fund and medical benefit.

外匯風險

由於本集團之資產與負債、收益及付款主要以港元計算，本集團認為並無任何重大之外匯波動風險。

資產淨值

於二零零四年三月三十一日，本集團之資產淨值達 57,413,000 港元，而於二零零三年三月三十一日則為 9,712,000 港元。於二零零四年三月三十一日，本集團並無任何資產抵押。

或然負債

於二零零四年三月三十一日，本集團並無任何重大或然負債。

僱員資料

於二零零四年三月三十一日，本集團在香港聘有約 230 名僱員（二零零三年：115 名僱員）。本集團之員工成本總額（不包括董事酬金）達 27,772,000 港元（二零零三年：14,037,000 港元）。本公司已根據其採納之購股權計劃向合資格參與者授出購股權，可按照訂明之條款及條件認購本公司股份。於二零零四年三月三十一日，合資格參與者已行使 9,000,000 份購股權，而本公司則由此收取合共 4,374,000 港元之款項。

本集團之薪酬政策依據個別僱員之表現及經驗制定，並符合當地市場慣例。除薪金外，本集團亦向僱員提供其他額外福利，包括公積金及醫療福利。

DIRECTORS**Executive Directors**

Miss CHEUNG Yuk Shan, Shirley, aged 29, is the Chairman, Chief Executive Officer and founder of the Group. She established the Group four years ago and successfully developed it from a three-staffed company to an organisation with over 200 staff. Miss Cheung is responsible for the overall stewardship of the Group which includes directions and formulating strategies. Leading the Group to a new height, she achieved various accomplishments complimenting her management style and innovative promotional strategies. Miss Cheung received the Honour Award of the Innovative Entrepreneur of the Year 2004 of the Hong Kong district, organised by the City Junior Chamber in May 2004.

Mr. CHEUNG Ka Heng, Frankie, aged 31, is an Executive Director. He is responsible for the business development and administration of the Group. Mr. Cheung holds a master degree in business administration from Americus University of the United States. Prior to joining the Group in June 2002, he was the director of Vicorp Credit Services Limited, a company which provides credit information, commencing from September 1999. Mr. Cheung is the elder brother of Miss Cheung Yuk Shan, Shirley.

董事**執行董事**

張玉珊小姐，二十九歲，本集團之主席、行政總裁及創辦人。彼於四年前創辦本集團，由一間三人公司擴展至一間擁有二百多名員工的機構，成績斐然。張小姐負責本集團之整體策劃，包括制訂業務方向和策略，結合經營及嶄新之宣傳策略，帶領本集團屢創高峰，成為行內翹楚。張小姐於二零零四年五月榮獲城市青年商會頒發「創意創業大賞2004榮譽大獎」香港區得主。

張嘉恒先生，三十一歲，執行董事，負責本集團之業務發展及行政事務。張先生持有美國 Americus University 工商管理碩士學位。於二零零二年六月加盟本集團前，張先生於一九九九年九月起曾為中建商業資訊有限公司，一間提供信貸資料之公司擔任董事一職。張先生為張玉珊小姐之胞兄。

Mr. HO, Francis Man Kwong, aged 50, is an Executive Director. Mr. Ho is responsible for overall management and business planning of the Group's slimming centres. He has extensive experience in the management, sales and marketing field. He is responsible for the general management of the Group, including sales and marketing, participating in planning, formulating and launching of new products. Prior to joining the Group in April 2002, Mr. Ho was the general manager of Ocean Cassette Accessories Manufactory Limited for the period from September 1998 to July 2000. This company is principally engaged in the manufacturing of cassette tape parts and components.

何孟剛先生，五十歲，執行董事。何先生負責本集團纖體中心之整體管理及業務規劃，於管理、銷售及市場推廣範疇擁有豐富經驗。彼負責本集團之一般管理，包括銷售及市場推廣，並參與策劃、製造及推出新產品。於二零零二年四月加盟本集團前，何先生由一九九八年九月起至二零零零年七月期間為海洋盒帶零件廠有限公司之總經理，該公司為從事生產錄音帶零件之業務。

Independent Non-Executive Directors

Mr. HONG Po Kui, Martin, aged 54, is an Independent Non-Executive Director and joined the Group in June 2002. He is responsible for giving advices to the board of Directors and shareholders of the Company. Mr. Hong is a practicing solicitor and a notary public in Hong Kong. He has been practicing as a solicitor of the High Court of Hong Kong for over 25 years and is the senior partner of Messrs Lau, Chan & Ko, Solicitors. He holds a bachelor degree in science from University of New South Wales. Mr. Hong is a non-executive director of Tse Sui Luen Jewellery (International) Limited, a company listed on the Main Board of the Exchange, as well as the chairman of The Hong Kong Football Association and the commissioner of Hong Kong Road Safety Patrol.

Mr. LI Kuo Hsing, aged 45, is an Independent Non-Executive Director and joined the Group in June 2002. He is an appointed member of the District Board, Southern District, Hong Kong. Mr. Li is the chairman of Mei Ah Entertainment Group Limited, a company listed on the Main Board of the Exchange.

Mr. TO Kon Hung, Terence, aged 41, is an Independent Non-Executive Director and joined the Group in September 2003. Mr. To is a partner of Messrs To, Lam & Co., Solicitors. He holds a bachelor degree in social sciences with honour from the University of Hong Kong and a bachelor's degree in laws with honour from University of London. Mr. To is a practising solicitor of the High Court of Hong Kong and is admitted as a solicitor of the Supreme Court of England and Wales.

獨立非執行董事

康寶駒先生，五十四歲，獨立非執行董事，於二零零二年六月加盟本集團，負責向本公司董事會及股東提供意見。康先生為一名在香港執業之律師及公證人，為香港高等法院執業律師超過二十五年，是劉陳高律師事務所之高級合夥人，持有新南威爾士大學科學學士學位。康先生為於聯交所主板上市公司，謝瑞麟珠寶（國際）有限公司之非執行董事，亦為香港足球總會主席及香港交通安全隊總監。

李國興先生，四十五歲，獨立非執行董事，於二零零二年六月加盟本集團。彼獲委任為香港南區區議會之區議員。李先生為於聯交所主板上市公司，美亞娛樂資訊集團有限公司之主席。

杜幹雄先生，四十一歲，獨立非執行董事，於二零零三年九月加盟本集團。杜先生為杜林律師事務所合夥人，持有香港大學社會科學榮譽學士學位，及倫敦大學法律榮譽學士學位。杜先生現時是香港高等法院之認可執業律師及英格蘭及威爾斯最高法院之認可律師。

Mr. HO Yiu Ming, aged 60, is an Independent Non-Executive Director and joined the Group in September 2003. Mr. Ho has extensive experience in the auditing and accounting fields. He is a fellow of the Hong Kong Society of Accountants, the Association of Chartered Certified Accountants and the Association of International Accountants. He has been the managing partner of Billy Ho and Company, Certified Public Accountants, since 1984. From December 1999 to January 2002, Mr. Ho was an independent non-executive director of China Nan Feng Group Limited (formerly known as Prosper eVision Limited), a company listed on the Main Board of the Exchange.

SENIOR MANAGEMENT

Miss HO Hau Yin, aged 28, is the Chief Accountant and Company Secretary of the Group. Miss Ho is responsible for overseeing the accounting and financial management and company secretarial functions of the Group. She holds a bachelor's degree in accounting from the City University of Hong Kong and is a qualified accountant. Prior to joining the Group in May 2002, Miss Ho worked in an international accounting firm, Deloitte Touche Tohmatsu and served the assurance and advisory services division. Miss Ho is an associate member of both the Association of Chartered Certified Accountants and the Hong Kong Society of Accountants.

何耀明先生，六十歲，獨立非執行董事，於二零零三年九月加盟本集團。何先生在核數及會計專業具有豐富之經驗，彼為香港會計師公會、特許公認會計師公會及國際會計師公會之資深會員。自一九八四年起，彼已是執業會計師行何耀明會計師事務所之主理合夥人。由一九九九年十二月至二零零二年一月，何先生曾為聯交所主板上市公司，中國南峰集團有限公司（前稱盈盛數碼世紀有限公司）之獨立非執行董事。

高級管理層

何巧燕小姐，二十八歲，本集團首席會計師及公司秘書。何小姐負責監察本集團之會計、財務管理及公司秘書職務。彼持有香港城市大學會計學士學位，並為合資格會計師。於二零零二年五月加盟本集團前，何小姐曾於一間國際會計師行，德勤•關黃陳方會計師行任職，並於審計及顧問部工作。何小姐為英國特許公認會計師公會及香港會計師公會會員。

Business objectives for the year under review as set out in the Prospectus

招股章程所載於回顧年度之業務目標

Research and develop health and beauty products
研究及開發保健及美容產品

- Continue its focus on the development of quality and innovative health and beauty products
- 繼續專注開發優質及創新之保健及美容產品

Actual business progress for the year under review

回顧年度內之實際業務進程

- Will launch a natural health drink in June 2004. Relevant research and development costs will be incurred after the year under review
- 將於二零零四年六月推出天然健康飲品。有關研究及開發成本將於回顧年度後產生

Business objectives for the year under review as set out in the Prospectus

招股章程所載於回顧年度之業務目標

Expand health and beauty products in local and other markets

於本地及其他市場推出保健及美容產品

- Intend to set up a maximum of 10 self-owned counters in a personal care products retailer chain in Hong Kong and carry out feasibility studies of the expansion of the health and beauty products to other markets such as cities in Guangdong province
- 計劃在香港一家個人護理產品零售連鎖店設立最多 10 個專櫃，並正進行其保健及美容產品進軍其他市場（如廣東省各大城市）之可行性研究
- Study the feasibility of launching its health and beauty products in the PRC
- 研究在中國市場推出保健及美容產品之可行性

Actual business progress for the year under review

回顧年度內之實際業務進程

- Will launch a natural health drink in June 2004 and has conducted continuous studies on the potential launch of health and beauty products into other markets. To reserve resources and consolidate the Hong Kong market, plans for expansion into other markets were on hold
- 將於二零零四年六月推出天然健康飲品，並就其他市場推出保健及美容產品之可行性進行持續研究。為保留資源及鞏固香港市場，於其他市場擴展保健及美容產品業務之計劃已暫時擱置

Business objectives for the year under review as set out in the Prospectus

招股章程所載於回顧年度之業務目標

Expand the market coverage for health and beauty services
擴大保健及美容服務之市場覆蓋範圍

- Carry out feasibility studies and intend to establish slimming centres in the PRC
- 進行可行性研究，計劃在中國開設纖體中心
- Carry out feasibility studies to explore the possibilities to establish slimming centres in Taiwan
- 進行在台灣開設纖體中心之可行性研究

Actual business progress for the year under review

回顧年度內之實際業務進程

- Opened two new slimming centres located in Causeway Bay and Shatin during the year under review. Since Hong Kong, Taiwan and the PRC have seriously suffered from the outbreak of SARS during March to July 2003, the Group decided to adopt a conservative approach and postponed its expansion plan in the PRC after 31 March 2004
- 於回顧年度，在銅鑼灣及沙田開設兩間新纖體中心。由於香港、台灣及中國於二零零三年三月至七月期間因爆發「非典」而遭受沉重打擊，本集團採取審慎態度，將其在中國擴充業務之計劃延遲至二零零四年三月三十一日後
- In view of the political instability after the Taiwan Presidential Election, the management decided to adopt a conservative approach thus the expansion plan in Taiwan was on hold. The management will resume its expansion plan when political stability in Taiwan has been attained
- 由於台灣總統選舉後政局不穩定，管理層決定採取審慎態度，故其在台灣擴展業務之計劃暫時擱置。管理層將於台灣政局回復穩定後重新開展其擴展計劃

Business objectives for the year under review as set out in the Prospectus

招股章程所載於回顧年度之業務目標

Increase efforts on advertising and promotional activities

加強廣告及宣傳活動

- Intend to implement a series of strategies, such as advertising in printed media, television, radio and other media and participating in public functions including charity events
- 計劃實施一連串策略，包括在印刷傳媒、電視、電台及其他媒體進行廣告宣傳及參與公開活動，包括慈善事項在內

Actual business progress for the year under review

回顧年度內之實際業務進程

- Continue to allocate resources on advertising and promotional activities to promote the image of the Group and its products and services in Hong Kong
- 繼續在廣告及宣傳活動方面投放資源，以宣傳本集團之形象及其於香港之產品及服務

Business objectives for the year under review as set out in the Prospectus

招股章程所載於回顧年度之業務目標

Improve the quality of services at retailers and slimming centres
改善零售商及纖體中心之服務質素

- Continue to implement a series of training programmes to improve the standard of services and product knowledge for its health and beauty consultants at the Group's slimming centres, and intend to invest in additional and advanced beauty care and slimming equipment and technology for the health and beauty services provided by the Group
- 繼續推行一連串培訓課程，以提升本集團纖體中心保健及美容顧問之服務水平及產品知識，並計劃投資更多先進之美容護理及纖體設備，以完善本集團所提供之保健及美容服務技術

Actual business progress for the year under review

回顧年度內之實際業務進程

- Continue to implement a series of training programmes to improve the standard for services and product knowledge of the health and beauty consultants at its slimming centres. Product training was provided to its retailers to strengthen the communications
- 繼續舉辦一系列之培訓課程，以提高纖體中心保健及美容顧問之服務水平及產品知識。本集團更向各零售商提供產品培訓，以增強互相之溝通
- Introduced a number of new equipment in the slimming centres to provide more diversified and personalized services to the customers. The management considered it was necessary to dedicate additional resources under the current competitive market
- 引進多項新設備於纖體中心，進一步為客戶提供更多元化、更個性化之服務。管理層認為現時市場競爭激烈，故有必要在此投放額外資源

Use of Proceeds		所得款項用途		From the Listing date to 31 March 2004	
				Actual	Actual
			Proposed	由上市日期至二零零四年三月三十一日之	實際金額
		Notes	擬定金額	三月三十一日之	實際金額
		附註	HK\$'000	三月三十一日之	實際金額
			千港元	三月三十一日之	實際金額
				三月三十一日之	實際金額
				三月三十一日之	實際金額
				三月三十一日之	實際金額
Research and develop health and beauty products	研究及開發保健及美容產品	1	200		–
Expand health and beauty products in local and other markets	於本地及其他市場推出保健及美容產品	2	100		–
Expand the market coverage on health and beauty services	擴大保健及美容服務之市場覆蓋範圍	3	9,100		3,075
Increase efforts on advertising and promotional activities	加強廣告及宣傳活動	4	5,000		2,426
Improve the quality of services at retailers and slimming centres	改善零售商及纖體中心之服務質素	5	100		371
Total	合計		14,500		5,872

Notes:

1. The Group will launch a natural health drink in June 2004. Relevant research and development costs will be incurred after the year under review.
2. The management has conducted continuous studies on the potential launch of health and beauty products into other markets. To reserve resources and consolidate the Hong Kong market, plans for expansion into other markets were on hold. The Group will dedicate additional resources when necessary.
3. The Group has opened two new slimming centres located in Causeway Bay and Shatin during the year under review. Since Hong Kong, Taiwan and the PRC have seriously suffered from the outbreak of SARS during March to July 2003, the Group decided to adopt a conservative approach and postponed its expansion plan in the PRC after 31 March 2004. Proceeds used during the year was far less than the amount stated in the Prospectus.
4. Television advertisements were deferred to April 2004 and thus the actual usage during the year under review was lower than the amount stated in the Prospectus. As the “Sau San Tong” brand name became more popular, the management considered that the actual use of proceeds on advertising and promotional activities were sufficient.
5. Apart from implementing a series of training programmes to improve the standard of services and product knowledge of the health and beauty consultants, the Group introduced a number of new equipment in the slimming centres to provide more diversified and personalized services to the customers. The management considered it was necessary to dedicate additional resources under the current competitive market.

附註：

1. 本集團將於二零零四年六月推出天然健康飲品。有關研究及開發成本乃於回顧年度後產生。
2. 管理層已就於其他市場推出保健及美容產品之可行性進行持續研究。為保留資源及鞏固香港市場，於其他市場擴展業務之計劃已暫時擱置。本集團將於有需要時投放額外資源。
3. 於回顧年度，本集團在銅鑼灣及沙田開設兩間新纖體中心。由於香港、台灣及中國於二零零三年三月至七月期間因爆發「非典」而遭受沉重打擊，本集團採取審慎態度，將其在中國擴充業務之計劃延遲至二零零四年三月三十一日後。年內動用之所得款項遠較招股章程所載之金額為低。
4. 電視廣告延遲至二零零四年四月開始，故回顧年度內之實際金額少於招股章程所載之金額。由於「修身堂」品牌已有相當的知名度，管理層認為現時用於廣告及宣傳活動之款項已經足夠。
5. 除舉辦一系列培訓課程以提高保健及美容顧問之服務水平及產品知識外，本集團為纖體中心引進多項新設備，進一步為客戶提供更多元化、更個性化之服務。管理層認為現時市場競爭激烈，故有必要在此投放資源。

Directors' Report

董事會報告

Sau San Tong Holdings (Cayman Islands) Limited 修身堂控股（開曼群島）有限公司

The Directors have pleasure in submitting their first directors' report together with the audited financial statements of the Company and the Group for the year ended 31 March 2004.

The Company was incorporated in 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. Pursuant to a group reorganization (the "Reorganization") to rationalize the Group structure in preparation for the listing of the Company's shares on GEM of the Exchange, the Company became the holding company of the Group upon completion of the Reorganization on 4 November 2003. Further details of the Reorganization are set out in the Company's prospectus dated 10 November 2003 (the "Prospectus").

The shares of the Company have been listed on GEM of the Exchange since 19 November 2003.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the health and beauty business of (i) the sale of a range of health and beauty products; and (ii) the provision of a wide range of health and beauty services with emphasis on weight management at its slimming centres. The slimming centres, which are operated under the "Sau San Tong" brand name, provide services such as whole and partial body slimming, weight management, body treatment services and facial treatment services to its customers.

董事欣然提呈本公司及本集團截至二零零四年三月三十一日止年度之首份董事會報告及經審核財務報表。

本公司於二零零二年五月二十一日根據開曼群島法律第22章公司法（一九六一年法例三，經綜合及修訂），於開曼群島註冊成立為豁免有限責任公司。為籌備本公司股份於聯交所創業板上市，本集團進行一項集團重組（「重組」）以整頓集團架構。根據重組，本公司已於二零零三年十一月四日重組完成後成為本集團之控股公司。有關重組之進一步詳情已載於本公司在二零零三年十一月十日刊發之招股章程（「招股章程」）內。

自二零零三年十一月十九日起，本公司股份於聯交所創業板上市。

主要業務

本集團主要從事保健及美容業務，包括(i)銷售一系列保健及美容產品；以及(ii)於纖體中心提供各類保健及美容服務，並側重體重控制服務。纖體中心以「修身堂」品牌經營，為客戶提供全身及局部纖體、控制體重、全身護理及面部護理等服務。

RESULTS

Details of the results and cash flow of the Group for the year ended 31 March 2004, and the state of affairs of the Company and of the Group as at that date, are set out in the financial statements on pages 43 to 93.

DIVIDENDS

The Directors recommend a final dividend of HK\$0.01 per share and a special dividend of HK\$0.008 per share for the year ended 31 March 2004.

FIXED ASSETS

Details of the movements in fixed assets of the Group are set out in note 13 to the financial statements on page 74.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 24 to the financial statements on pages 83 to 85.

RESERVES

Movements in the reserves of the Group and the Company during the year under review are set out in note 26 to the financial statements and in the consolidated statement of changes in equity on pages 87 to 88.

業績

本集團截至二零零四年三月三十一日止年度之業績及現金流量詳情，以及本公司與本集團於該日之財務狀況載於第43至第93頁之財務報表內。

股息

董事建議派付截至二零零四年三月三十一日止年度之末期股息每股港幣1仙，及特別股息每股港幣0.8仙。

固定資產

本集團固定資產之變動詳情載於第74頁之財務報表附註13。

股本

本公司股本之變動詳情載於第83至第85頁之財務報表附註24。

儲備

本集團與本公司於回顧年度之儲備變動載於財務報表附註26及第87至第88頁之綜合權益變動表內。

DISTRIBUTABLE RESERVES

Pursuant to the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, share premium and contributed surplus of the Company are distributable to the shareholders. As at 31 March 2004, the Company's reserves available for distribution to shareholders amounted in total to HK\$30,743,000.

SEGMENT INFORMATION

An analysis of the Group's performance for the year under review by business segment is set out in note 5 to the financial statements on pages 63 to 66. No geographical segment analysis is presented as all the Group's turnover and operating profits are derived from the activities in Hong Kong.

SHARE OPTION INFORMATION

A summary of the share option scheme and details of the movements in share options of the Company during the year under review are set out in note 25 to the financial statements on pages 85 to 87.

DIRECTORS

The Directors who held office during the year under review and up to the date of this annual report are:

Executive Directors

Miss Cheung Yuk Shan, Shirley
Mr. Cheung Ka Heng, Frankie
Mr. Ho, Francis Man Kwong
Mr. Siu, John Kwong Chung (resigned on 9 May 2003)

可分派儲備

根據開曼群島法律第22章公司法(一九六一年法律三·經綜合及修訂)，本公司之股份溢價及繳入盈餘可分派予股東。於二零零四年三月三十一日，本公司可分派予股東之儲備合共為30,743,000港元。

分類資料

於回顧年度，本集團按業務分類之表現分析載於第63至第66頁之財務報表附註5。本報告並無呈報地域分類分析，蓋因本集團所有營業額及經營溢利均來自香港業務。

購股權資料

購股權計劃之概要及本公司於回顧年度之購股權變動詳情載於第85至第87頁之財務報表附註25。

董事

直至本年報編製日期，於回顧年度在任董事包括以下人士：

執行董事

張玉珊小姐
張嘉恒先生
何孟剛先生
蕭光中先生(於二零零三年五月九日辭任)

Independent Non-Executive Directors

Mr. Hong Po Kui, Martin
Mr. Li Kuo Hsing
Mr. To Kon Hung, Terence
Mr. Ho Yiu Ming

In accordance with Article 87 of the Company's Articles of Association, Mr. Ho, Francis Man Kwong and Mr. Hong Po Kui, Martin will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors of the Company and senior management of the Group as at the date of this report are set out on pages 18 to 21.

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors has entered into a service contract with the Company for a term of three years commencing 4 November 2003 and will continue thereafter for successive term of one year unless and until terminated by not less than six months' notice in writing served by either party to the other provided that such notice period shall not expire at any time during the first 12 calendar months of the term of the appointment. Each of these Executive Directors is entitled to a basic salary which will be reviewed at the discretion of the board of Director. In addition, the Executive Directors are also entitled to a discretionary bonus provided that the aggregate amount of the bonuses payable to all the Executive Directors for any financial year of the Company may not exceed

獨立非執行董事

康寶駒先生
李國興先生
杜幹雄先生
何耀明先生

根據本公司組織章程細則第 87 章，何孟剛先生及康寶駒先生將於下屆股東週年大會退任並合資格膺選連任。

董事及高級管理層之履歷

於本報告編製日期，本公司董事及本集團高級管理層之履歷詳情載於第 18 至第 21 頁。

董事之服務合約

各執行董事與本公司訂有服務合約，由二零零三年十一月四日起計為期三年，並將於合約屆滿後續期一年，除非及直至任何一方發出至少六個月書面通知終止合約為止，惟有關通知期間不得於委任年期首 12 個月內任何時間屆滿。執行董事各自有權收取一筆基本薪金，有關金額將由董事會酌情檢討。此外，執行董事亦有權收取酌情花紅，惟就本公司於任何財政年度應付全體執行董事之花紅總金額，不得超過有關財政年度本集團之經審核綜合純利（除稅及少數股東權益後但未計非經常性及特殊項目前）的 10%。執行董事一概不得就有

10% of the audited consolidated net profit of the Group (after taxation and minority interest but before extraordinary and exceptional items of the Group) in respect of the financial year. An Executive Director may not vote on any resolution of the Directors regarding any increase in the basic salary or payment of discretionary bonus payable to him. The Independent Non-Executive Directors have been appointed for a term expiring on 31 July 2004. Save for a total fee of HK\$176,000 for all of them for the year ended 31 March 2004, the Independent Non-Executive Directors are not entitled to any other remuneration.

DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors had a material interest, whether directly or indirectly, in any contract of significance subsisting during or at the end of the financial year to which the Company or any of its subsidiaries was a party.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2004, 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

關增加應付予其本身之基本薪金及酌情花紅之任何董事決議案投票。獨立非執行董事已獲委任，並將於二零零四年七月三十一日屆滿。除於截至二零零四年三月三十一日止年度支付予彼等之總費用合共176,000港元外，獨立非執行董事無權享有任何其他酬金。

董事之合約權益

董事概無於本公司或其任何附屬公司所訂立而於本財政年度內或結束時仍然存在之任何重大合約中直接或間接擁有重大權益。

董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債券中擁有之權益及淡倉

於二零零四年三月三十一日，本公司董事及主要行政人員或其各自之聯繫人士於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份及相關股份（「股份」）中擁有權益或淡倉，而須根據證券及期貨條例第XV部第7及第8分部規定知會本公司及聯交所（包括根據證券及期貨條例之有關條文，其被視為或當作擁有之權益及／或淡倉），或根據證券及期貨條例第352條將須要，或須根據

Exchange pursuant to Rules 5.40 to 5.58 of the GEM Listing Rules were as follows:

創業板上市規則第 5.40 至 5.58 條知會本公司及聯交所者如下：

(i) Long position in Shares of the Company:

(i) 於本公司股份之好倉：

Name of Director 董事姓名	Capacity 身份	Number of shareholding 持股數目	
		Share 股份	Percentage 百分比
Miss Cheung Yuk Shan, Shirley ("Miss Cheung") 張玉珊小姐 (「張小姐」)	Interest of a controlled corporation (Note 1) 於一間受控制公司之權益 (附註 1)	293,200,000	54.60%

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 Miss Cheung.

附註 1：上述 293,200,000 股股份由 Biochem Investments Limited (「Biochem」) 持有，Biochem 為一間於英屬處女群島註冊成立之有限公司。Biochem 之全部已發行股本由張小姐全資擁有。

(ii) Long position in underlying shares of equity derivatives of the Company:

(ii) 於本公司股本衍生工具之相關股份之好倉：

Name of Director 董事姓名	Capacity 身份	Description of equity derivatives 股本衍生工具詳情	Number of
			underlying shares 相關股份數目
Miss Cheung Yuk Shan, Shirley 張玉珊小姐	Beneficial owner 實益擁有人	Share option (Note 1) 購股權 (附註 1)	79,200,000
Mr. Cheung Ka Heng, Frankie 張嘉恒先生	Beneficial owner 實益擁有人	Share option (Note 1) 購股權 (附註 1)	26,400,000

Note 1: The share options were granted under the Pre-IPO Share Option Scheme

附註 1：根據首次公開招股前購股權計劃授出之購股權

Save as disclosed above, as at 31 March 2004, 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 the 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 the minimum standard of dealings by Directors of the Company as referred to in Rules 5.40 to 5.58 of the GEM Listing Rules, are required to be notified to the Company and the Exchange. During the year under review, there was no debit securities issued by the Company at any time.

除上文所披露者外，於二零零四年三月三十一日，本公司董事、主要行政人員或其各自之聯繫人士概無於本公司或其相聯法團（定義見證券及期貨條例第 XV 部）之股份中，擁有任何記錄於根據證券及期貨條例第 352 條規定存置之登記冊中，或根據創業板上市規則第 5.40 至 5.58 條所述，公司董事進行交易之最低標準須知會本公司及聯交所之個人、家族、公司或其他權益或淡倉，而須知會本公司及聯交所。於回顧年度，本公司並無於任何時間發行任何債務證券。

INTERESTS OR SHORT POSITIONS DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at 31 March 2004, 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 of the Company:

Substantial shareholder 主要股東	Capacity 身份	Number of shareholding 持股數目	
		Share 股份	Percentage 百分比
Biochem	Beneficial owner (Note 1) 實益擁有人 (附註 1)	293,200,000	54.60%
Value Partners Limited 惠理基金管理公司	Investment manager (Note 2) 投資經理 (附註 2)	40,910,000	7.6 %

Note 1: Biochem is a company incorporated in the British Virgin Islands with limited liability. The entire issued share capital of Biochem is directly owned by Miss Cheung, who is a sole director of the company.

Note 2: Mr. Cheah Cheng Hye is deemed to be interested in the shares through his 31.82% interest in Value Partners Limited.

Saved as disclosed above, as at 31 March 2004, 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

根據證券及期貨條例擁有須予披露之權益或淡倉及主要股東

於二零零四年三月三十一日，就本公司任何董事或主要行政人員所知，下列權益根據證券及期貨條例第XV部第2及第3分部須予披露，或被視為直接或間接擁有本公司已發行股本5%或以上，或須記錄於根據證券及期貨條例第336條規定存置之權益登記冊或知會本公司者如下：

於本公司股份之好倉：

Substantial shareholder 主要股東	Capacity 身份	Number of shareholding 持股數目	
		Share 股份	Percentage 百分比
Biochem	Beneficial owner (Note 1) 實益擁有人 (附註 1)	293,200,000	54.60%
Value Partners Limited 惠理基金管理公司	Investment manager (Note 2) 投資經理 (附註 2)	40,910,000	7.6 %

附註 1：Biochem 為一間於英屬處女群島註冊成立之有限公司。Biochem 之全部已發行股本由該公司唯一董事張小姐直接擁有。

附註 2：謝清海先生透過其於惠理基金管理公司之 31.82% 權益而被視為於股份中擁有權益。

除上文所披露者外，於二零零四年三月三十一日，除本公司董事及本集團主要行政人員外（其權益載於上文「董事及主要行政人員於股

Chief Executive's Interests in Shares or 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.

PRE-IPO SHARE OPTION SCHEME

Pursuant to the Company's Pre-IPO Share Option Scheme adopted and approved by written resolution of the sole shareholder of the Company passed on 4 November 2003, options to subscribe for an aggregate of 105,600,000 Shares at an exercise price of HK\$0.1 per share of the Company have been conditionally granted by the Company under the Pre-IPO Share Option Scheme. Each of the grantees has paid HK\$1.00 to the Company by way of consideration for the grant. All of these options are exercisable within the period commencing from the date falling on the expiry of the six-month period following the listing date of the Company and ending on the expiry of five years following the listing date of the Company but each will lapse in accordance with the terms of the Pre-IPO Share Option Scheme if the relevant grantee ceases to be a Director or an employee of the Group or on any other grounds set out in the Pre-IPO Share Option Scheme. Particulars of the options granted are as follows:

Name of grantee 承授人姓名	Title/ position 職銜／職位	No. of options granted 獲授購股權數目	No. of options outstanding as at the date hereof 於本報告刊發日期 未行使購股權數目	Exercise price per underlying share 每股相關 股份之行使價
Miss Cheung 張小姐	Director 董事	79,200,000	79,200,000	HK\$0.1 0.1 港元
Mr. Cheung Ka Heng, Frankie 張嘉恒先生	Director 董事	26,400,000	26,400,000	HK\$0.1 0.1 港元

份之權益或股份之淡倉」一節內），概無任何人士於本公司股本、相關股份及債券中已登記權益或淡倉，而須根據證券及期貨條例第 336 條予以記錄。

首次公開招股前購股權計劃

根據本公司唯一股東於二零零三年十一月四日以書面決議案通過採納及批准之本公司首次公開招股前購股權計劃，本公司已根據首次公開招股前購股權計劃有條件地授出購股權，可按本公司每股股份行使價 0.1 港元認購合共 105,600,000 股股份。各名承授人已就授出該等購股權以代價方式向本公司支付 1.00 港元。所有該等購股權可由本公司上市日期後六個月期間屆滿當日起至本公司上市日期後五年屆滿止期間內行使，惟倘有關承授人不再為本集團之董事或僱員或基於首次公開招股前購股權計劃所載之任何其他原因，則各份購股權將根據首次公開招股前購股權計劃之條款失效。授出之購股權詳情如下：

No options granted pursuant to the Pre-IPO Share Option Scheme as stated above has been exercised or cancelled during the year under review.

SPONSOR'S INTEREST

Pursuant to a sponsor agreement dated 10 November 2003 entered into between the Company and South China Capital Limited (the "Sponsor"), the Sponsor will receive a fee for acting as the Company's retained sponsor for the period from 19 November 2003 to 31 March 2006.

As at 31 March 2004, none of the Sponsor, its Directors, employees or associates (as defined in the GEM Listing Rules) had any interest in the Shares of the Company, or any right to subscribe for or to nominate persons to subscribe for any Shares of the Company.

COMPETING INTERESTS

None of the Directors or the substantial shareholders or the initial management 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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the period from 19 November 2003, the commencement date of the listing of the Company's shares on the Exchange, to 31 March 2004 (the "Listing Period"), the Company has not redeemed any of its shares. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the Listing Period.

於回顧年度，概無任何根據上述首次公開招股前購股權計劃獲授之購股權獲行使或註銷。

保薦人權益

根據本公司與南華融資有限公司（「保薦人」）於二零零三年十一月十日訂立之保薦人協議，保薦人已獲委任為本公司自二零零三年十一月十九日至二零零六年三月三十一日為止期間內之延聘保薦人，就此，保薦人將收取相關費用。

於二零零四年三月三十一日，保薦人、其董事、僱員或聯繫人士（定義見創業板上市規則）概無於本公司股份中擁有任何權益，或擁有任何權利以認購或提名他人認購本公司之任何股份。

競爭性權益

本公司董事、主要股東、上市時管理層股東或其各自之聯繫人士（定義見創業板上市規則）並無在與本集團業務構成競爭或可能構成競爭之業務中擁有任何權益。

購買、出售或贖回本公司上市證券

自二零零三年十一月十九日（本公司股份在聯交所開始上市當日）起至二零零四年三月三十一日止期間（「上市期間」）內，本公司並無贖回其任何股份。本公司或其任何附屬公司亦無於上市期間內購買或出售本公司任何股份。

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group purchased 71.32% of its goods and services from its five largest suppliers and sold 21.42% of its goods and services to its five largest customers.

PRINCIPAL SUBSIDIARIES

The activities of the Company's subsidiaries are set out in note 14 to the financial statements.

CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to HK\$369,000

CONNECTED TRANSACTIONS

The Group did not enter into any transactions during the year ended 31 March 2004, that would constitute connected transactions under the GEM Listing Rules.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and there was no restriction against such rights under the laws of the Cayman Islands.

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

During the Listing Period, the Company was in compliance with the Code of Best Practice as set out in the GEM Listing Rules.

主要客戶及供應商

年內，本集團自其五大供應商購買之貨品及服務佔其採購額之 71.32%，而向其五大客戶出售之貨品及服務則佔其銷售額之 21.42%。

主要附屬公司

本公司附屬公司之業務載於財務報表附註 14。

慈善捐款

本集團於年內撥出之慈善捐款達 369,000 港元。

關連交易

於截至二零零四年三月三十一日止年度，本集團並無訂立任何交易而根據創業板上市規則可能構成關連交易。

優先購買權

本公司之組織章程細則並無訂明任何有關優先購買權之條文，而開曼群島法律亦無就該等權利設置任何限制。

遵守上市規則最佳應用守則

於上市期間，本公司一直遵守創業板上市規則所載之最佳應用守則。

AUDIT COMMITTEE

The Group has established an audit committee with written terms of reference in the compliance with Rules 5.23 to 5.25 of the GEM Listing Rules. The audit committee comprises two Independent Non-Executive Directors of the Company, namely Mr. Hong Po Kui, Martin and Mr. Li Kuo Hsing. The audit committee reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the audited financial results of the Group for the year ended 31 March 2004.

AUDITORS

The accounts were audited by Charles Chan, Ip & Fung CPA Limited. A resolution to re-appoint the retiring auditors, Charles Chan, Ip & Fung CPA Limited, is to be proposed at the forthcoming Annual General Meeting.

BOARD PRACTICES AND PROCEDURES

The Company has complied with the board practices and procedures as set out in Rules 5.28 to 5.39 of the GEM Listing Rules for the year under review.

On behalf of the Board

Cheung Yuk Shan, Shirley

Chairman

Hong Kong, 21 June 2004

審核委員會

本集團已遵照創業板上市規則第 5.23 至 5.25 條之規定成立審核委員會，並以書面訂立其職權範圍。審核委員會之成員包括本公司兩名獨立非執行董事康寶駒先生及李國興先生。審核委員會與管理層已審閱本集團採納之會計準則及常規，並討論內部監控及財務申報事宜，包括審閱本集團截至二零零四年三月三十一日止年度之經審核財務業績。

核數師

該等賬目乃由陳葉馮會計師事務所有限公司審核。本公司將於應屆股東週年大會上提呈一項決議案，重新委聘退任核數師陳葉馮會計師事務所有限公司。

董事會常規及程序

於回顧年度，本公司已遵照創業板上市規則第 5.28 至 5.39 條所載之董事會常規及程序。

代表董事會

張玉珊

主席

香港，二零零四年六月二十一日

Auditors' Report

核數師報告

Sau San Tong Holdings (Cayman Islands) Limited 修身堂控股（開曼群島）有限公司



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To the Shareholders of
Sau San Tong Holdings (Cayman Islands) Limited
(Incorporated in Cayman Islands with limited liability)

致修身堂控股（開曼群島）有限公司各股東
（於開曼群島註冊成立之有限公司）

We have audited the financial statements on pages 43 to 93 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

本核數師已審核第43至第93頁根據香港公認會計原則編製之財務報表。

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

董事與核數師各自之責任

The Company's Directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

貴公司董事負責編製真實而公平之財務報表。編製真實而公平之財務報表時，必須採用合適之會計政策並貫徹應用。

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

本核數師有責任依據本核數師之審核向閣下發表有關該等財務報表之獨立意見，並僅向閣下（作為團體）呈報有關意見，除此以外並無其他目的。就本報告之內容而言，本核數師不會向任何其他人士承擔或接納任何責任。

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An

意見基準

本核數師根據香港會計師公會頒佈之《核數準則》展開審核。審核包括以抽查方式查實有關

audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and of the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2004 and of the profit and cash flows of the Group for the year then ended, and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Charles Chan, Ip & Fung CPA Ltd.

Certified Public Accountants

Hong Kong, 21 June 2004

Chan Wai Dune, Charles

Practising Certificate Number P00712

金額之證據及財務報表之披露。此外，審核亦包括評核董事編製財務報表時作出之重要估計及判斷，以及會計政策是否適用於貴公司及貴集團之情況、有否貫徹採用及足夠披露等。

本核數師計劃並履行本核數師之審核，藉此獲取本核數師認為需要之資料及解釋，從而取得本核數師可合理保證財務報表並無重大失實內容之證據。本核數師發表意見時，亦已評估財務報表之資料呈報方式整體上是否足夠。本核數師相信，本核數師之審核可為本核數師之意見提供合理基礎。

意見

本核數師認為，財務報表真實而公平地反映貴公司與貴集團於二零零四年三月三十一日之財務狀況，以及貴集團截至該日止年度之溢利與現金流量，並已根據《香港公司條例》之披露規定妥善編製。

陳葉馮會計師事務所有限公司

香港執業會計師

香港，二零零四年六月二十一日

陳維端

執業證明書編號 P00712

Consolidated Income Statement

綜合收益表

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

Sau San Tong Holdings (Cayman Islands) Limited 修身堂控股(開曼群島)有限公司

		Note 附註	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Turnover	營業額	4	135,653	58,945
Cost of sales	銷售成本		(25,293)	(9,615)
Gross profit	毛利		110,360	49,330
Other revenue	其他收益	4	991	101
Selling and distribution expenses	銷售及分銷開支		(58,733)	(33,056)
General and administrative expenses	一般及行政開支		(23,494)	(11,672)
Profit from operations	經營溢利		29,124	4,703
Finance costs	融資成本		(133)	(90)
Gain on disposal of interest in a subsidiary company	出售附屬公司 權益之收益	27(b)	3,775	–
Profit before taxation	除稅前溢利	6	32,766	4,613
Taxation	稅項	8	(5,222)	(958)
Profit after taxation	除稅後溢利		27,544	3,655
Minority interests	少數股東權益		(118)	(734)
Profit attributable to shareholders	股東應佔溢利	9	27,426	2,921
Dividends	股息	10	10,666	4,300
Earnings per share	每股盈利			
– Basic	– 基本	11	5.18 cents 仙	0.55 cents 仙
– Diluted	– 攤薄	11	4.86 cents 仙	–

The notes on pages 50 to 93 form an integral part of these financial statements.

第 50 至第 93 頁之附註乃財務報表之其中部份。

		Consolidated 綜合		Company 本公司		
		Note 附註	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
			HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Non-current assets	非流動資產					
Goodwill	商譽	12	439	581	–	–
Fixed assets	固定資產	13	13,531	6,786	–	–
Investment in subsidiaries	於附屬公司之投資	14	–	–	3,660	–
Total non-current assets	非流動資產總額		13,970	7,367	3,660	–
Current assets	流動資產					
Inventories	存貨	15	210	–	–	–
Due from subsidiaries	應收附屬公司款項		–	–	6,087	286
Due from a related company	應收關連公司款項	16	–	15	–	–
Due from a minority shareholder of a subsidiary	應收附屬公司 少數股東款項	17	3,774	–	–	–
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項		17,259	4,738	332	904
Trade receivables	應收貿易款項	18	7,670	2,422	–	–
Pledged fixed deposits	已抵押定期存款		–	227	–	–
Cash and bank balances	現金及銀行結餘		34,305	4,284	21,605	–
Total current assets	流動資產總額		63,218	11,686	28,024	1,190
Current liabilities	流動負債					
Due to a director	應付董事款項	19	–	(264)	–	(500)
Due to a subsidiary	應付附屬公司款項		–	–	(1,955)	(408)
Short-term bank loan	短期銀行貸款	20	–	(921)	–	–
Current portion of obligations under finance lease	融資租賃承擔之 即期部份	21	(32)	(755)	–	–
Trade payables	應付貿易款項	22	(3,414)	(146)	–	–
Deferred income	遞延收入		(7,162)	(2,356)	–	–
Other payables and accruals	其他應付款項及應計款項		(3,743)	(2,933)	(118)	–
Taxation payable	應付稅項		(4,789)	(888)	–	–
Total current liabilities	流動負債總額		(19,140)	(8,263)	(2,073)	(908)

		Consolidated		Company	
		綜合		本公司	
		2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Net current assets	流動資產淨額	44,078	3,423	25,951	282
Total assets less current liabilities	資產總額減流動負債	58,048	10,790	29,611	282
Non-current liabilities	非流動負債				
Obligations under finance leases	融資租賃承擔	21	(422)	–	–
Deferred taxation	遞延稅項	23	(360)	–	–
		57,826	10,008	29,611	282
Minority interests	少數股東權益	(413)	(296)	–	–
Net assets	資產淨額	57,413	9,712	29,611	282
Capital and reserves	資本及儲備				
Share capital	股本	24	500	5,370	500
Reserves	儲備	26	9,212	24,241	(218)
Shareholders' equity	股東股本		9,712	29,611	282

Approved and authorised for issue by the board of Directors on 21 June 2004.

董事會於二零零四年六月二十一日批准及授權刊發。

On behalf of the board
代表董事會

Cheung Yuk Shan, Shirley

張玉珊

Director

董事

Ho, Francis Man Kwong

何孟剛

Director

董事

The notes on pages 50 to 93 form an integral part of these financial statements.

第 50 至第 93 頁之附註乃財務報表之其中部份。

Consolidated Statement of Changes In Equity

綜合權益變動表

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

		Share capital	Share premium	Merger reserve	Retained profits	Total
		股本	股份溢價	合併儲備	保留溢利	合共
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Balance as at 1 April 2002	於二零零二年四月一日					
	之結餘	10	-	-	5,696	5,706
Net profit attributable						
to shareholders	股東應佔純利	-	-	-	2,921	2,921
Issue of ordinary shares	發行普通股	500	-	-	-	500
Share swap in accordance	根據集團重組					
with the Group Reorganization	之股份交換	(10)	-	-	-	(10)
Share premium	股份溢價	-	4,895	-	-	4,895
Dividends	股息	-	-	-	(4,300)	(4,300)
Balance as at 31 March 2003	於二零零三年三月三十一日					
and 1 April 2003	及二零零三年四月一日					
	之結餘	500	4,895	-	4,317	9,712
Effect of the Reorganization	重組之影響	-	(4,895)	4,895	-	-
Share issued in acquiring	收購附屬公司時					
subsidiaries	發行之股份	3,856	4,704	(8,547)	-	13
New issue of shares	新發行股份	924	22,176	-	-	23,100
Share issuance expenses	發行股份開支	-	(6,212)	-	-	(6,212)
Exercise of share options	行使購股權	90	4,284	-	-	4,374
Net profit attributable	股東					
to shareholders	應佔純利	-	-	-	27,426	27,426
Dividends	股息	-	-	-	(1,000)	(1,000)
Balance as at 31 March 2004	於二零零四年					
	三月三十一日之結餘	5,370	24,952	(3,652)	30,743	57,413

The notes on pages 50 to 93 form an integral part of these financial statements.

第 50 至第 93 頁之附註乃財務報表之其中部份。

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

Sau San Tong Holdings (Cayman Islands) Limited 修身堂控股(開曼群島)有限公司

	Note	2004	2003
	附註	二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
NET CASH INFLOW FROM OPERATING ACTIVITIES	經營業務現金流入淨額		
Profit before taxation	除稅前溢利	32,766	4,613
Amortisation of goodwill	商譽攤銷	142	131
Depreciation	折舊	4,332	2,275
(Gain)/loss on disposal of fixed assets	出售固定資產之(收益)/虧損	(78)	38
Gain on disposal of interest in a subsidiary company	出售附屬公司權益之收益 27(b)	(3,775)	-
Interest income	利息收入	(2)	(1)
Interest expenses	利息開支	25	11
Interest expenses on obligation under finance leases	融資租賃承擔之利息開支	108	79
Operating profit before working capital changes	營運資金變動前之經營溢利	33,518	7,146
Increase in inventories	存貨增加	(210)	-
Decrease in amount due from a director	應收董事款項減少	-	407
Decrease in amount due from a related company	應收關連公司款項減少	15	846
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加	(12,521)	(2,875)
(Increase)/decrease in trade receivables	應收貿易款項(增加)/減少	(5,248)	1,040
Increase/(decrease) in trade payables	應付貿易款項增加/(減少)	3,268	(206)
Increase in deferred income	遞延收入增加	4,806	2,023
(Decrease)/Increase in amount due to a director	應付董事款項(減少)/增加	(264)	764
Increase/(decrease) in other payables and accruals	其他應付款項及應計款項增加/(減少)	810	(17)
Cash generated from operations	經營業務賺取之現金	24,174	9,128
Hong Kong profits tax paid	已付香港利得稅	(1,459)	(1,100)
NET CASH INFLOW FROM OPERATING ACTIVITIES	經營業務現金流入淨額	22,715	8,028

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 March 2004 截至二零零四年三月三十一日止年度

	Note 附註	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
INVESTING ACTIVITIES	投資活動		
Purchase of fixed assets	購入固定資產	(11,759)	(6,879)
Sales proceeds on disposal of fixed assets	出售固定資產之 所得款項	760	9
Purchase of subsidiary (net of cash and cash equivalents)	購入附屬公司 (現金及現金 等值物之淨額)	27(a) -	12
Cash outflow from further acquisition of a subsidiary	進一步收購附屬公司 之現金流出	(5)	-
Decrease/(increase) in pledged fixed deposit	已抵押定期存款 減少 / (增加)	227	(1)
Interest received	已收取利息	2	1
NET CASH USED IN INVESTING ACTIVITIES	用於投資活動之 現金淨額	(10,775)	(6,858)
FINANCING ACTIVITIES	融資活動		
Proceeds from issue of ordinary shares in acquiring subsidiaries	收購附屬公司時發行 普通股之所得款項	13	-
Proceeds from issue of new shares	發行新股之所得款項	23,100	-
Share issuance expenses	發行股份開支	(6,212)	-
Proceeds from issuance of shares upon exercise of share options	行使購股權時發行股份 之所得款項	4,374	-
Proceeds from new share issue of a subsidiary	附屬公司發行新股 之所得款項	-	4,900
New bank loan	新增銀行貸款	-	1,100
Repayment of bank loan	銀行貸款還款	(921)	(179)
Inception of finance leases	融資租賃承擔初期	-	1,508
Repayment of finance leases	融資租賃承擔還款	(1,145)	(963)
Interest paid	已付利息	(25)	(11)
Interest paid on obligation under finance leases	融資租賃承擔 已付利息	(108)	(79)
Capital contributed by minority shareholder	少數股東之資本貢獻	4	-
Increase in minority interest	少數股東權益增加	1	-
Dividend paid	已付股息	(1,000)	(4,300)
Dividend paid to minority interest	已付予少數股東 權益之股息	-	(200)
NET CASH INFLOW FROM FINANCING ACTIVITIES	融資活動之現金 流入淨額	18,081	1,776

	<i>Note</i> <i>附註</i>	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值物 增加淨額	30,021	2,946
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	年初之現金及 現金等值物	4,284	1,338
CASH AND CASH EQUIVALENT AT END OF YEAR	年末之現金及 現金等值物	34,305	4,284
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值物 結餘之分析		
Cash and bank balances	現金及銀行結餘	34,305	4,284

The notes on pages 50 to 93 form an integral part of these financial statements. 第 50 至第 93 頁之附註乃財務報表之其中部份。

1. GROUP RESTRUCTURING AND BASIS OF PRESENTATION

The Company was incorporated in 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 GEM of the Exchange since 19 November 2003.

Under a group reorganization scheme to rationalize the structure of the Group in preparation for the listing of the Company's shares on the Exchange, the Company became the holding company of the Group on 4 November 2003. Details of the Reorganization were set out in the Prospectus issued by the Company.

The principal steps of the Reorganization, which involved the exchange of shares, were as follows:

- (i) the Company acquired the entire issued share capital of Sau San Tong Holdings Inc., the previous holding company of the Group, in consideration of and in exchange for the allotment and issue of a total of 366,000,000 shares of HK\$0.01 each in the share capital of the Company, credited as fully paid, to the former shareholder of Sau San Tong Holdings Inc.
- (ii) the Company acquired remaining 49% equity interest in Sau San Tong Healthy Trim Institute (TST) Limited for consideration of HK\$4,900,000, which then became wholly owned subsidiary of the Group, in exchange for the Company's allotted and issued 19,600,000 shares of HK\$0.01 each, credited as fully paid.

1. 集團重組及編製基準

本公司於二零零二年五月二十一日根據開曼群島公司法第22章（一九六一年法例三，經綜合及修訂）於開曼群島註冊成立為獲豁免有限責任公司，其股份自二零零三年十一月十九日起在聯交所創業板上上市。

為籌備本公司股份在聯交所上市，本集團進行一項集團重組計劃以整頓本集團架構。根據重組，本公司已於二零零三年十一月四日成為本集團之控股公司。有關重組之詳情已載於本公司之招股章程。

重組涉及交換股份，其主要步驟如下：

- (i) 本公司收購本集團前控股公司 Sau San Tong Holdings Inc.之全部已發行股本，代價為配發及發行合共 366,000,000 股本公司股本中每股面值 0.01 港元之入賬列作已繳足股份予 Sau San Tong Holdings Inc. 前股東作為交換。
- (ii) 本公司以 4,900,000 港元之代價收購修身堂健康纖體服務中心（尖沙咀）有限公司餘下 49% 股本權益，透過本公司已配發及發行之 19,600,000 股每股面值 0.01 港元入賬列作繳足股份作為交換，該公司其後成為本集團之全資附屬公司。

1. GROUP RESTRUCTURING AND BASIS OF PRESENTATION (continued)

The Group resulting from the above mentioned Reorganization is regarded as a continuing entity. Accordingly, the financial statements of the Group have been prepared using the principles of merger accounting in accordance with the Statement of Standard Accounting Practice 27 “Accounting for Group Reconstructions”.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 14 to the financial statements.

2. IMPACT OF REVISED HONG KONG STATEMENT OF STANDARD ACCOUNTING PRACTICE

The revised Hong Kong Statement of Standard Accounting Practices (“SSAP”) 12 “Income taxes” is effective for the first time for the current year’s financial statements. SSAP 12 prescribes the accounting for income taxes payable or recoverable, arising from the taxable profit or loss for the current year (current tax); and income taxes payable or recoverable in future periods, principally arising from taxable and deductible temporary differences and the carry forward of unused tax losses (deferred tax).

The adoption of this revised SSAP has had no significant impact for these financial statements on the amounts recorded for income taxes. However, the related note disclosures of deferred tax assets and liabilities are now more extensive than previously required. These disclosures are presented in note 8 to the financial statements and include a reconciliation between the accounting profit and the tax income for the year.

Further details of these changes are included in the accounting policy for deferred tax in note 3 and 8 to the financial statements.

1. 集團重組及編製基準（續）

經進行上述重組後，本集團被視為持續經營實體。因此，本集團之財務報表已按照會計實務準則第27號「集團重組會計方法」採用合併會計原則編製。

本公司為投資控股公司，其主要附屬公司之主要業務載於財務報表附註14。

2. 經修訂香港會計實務準則之影響

經修訂香港會計實務準則（「會計實務準則」）第12號「所得稅」於本年度之財務報表首次生效。會計實務準則第12號訂明因本年度應課稅溢利或虧損所產生之應付或可收回所得稅（當期稅項）；以及主要因應課稅及可扣除暫時差額及結轉未動用稅務虧損而產生之未來期間應付或可收回所得稅（遞延稅項）之會計方法。

採納此項經修訂會計實務準則對該等財務報表就所得稅錄得之金額並無任何重大影響。然而，遞延稅項資產及負債之相關附註披露現時較以往所規定者更為全面。該等披露事項載於財務報表附註8，並列入本年度會計溢利與稅項收入之對賬內。

該等變動之其他詳情載於財務報表附註3及8之遞延稅項會計政策內。

3. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Statements of Standard Accounting Practice (“SSAPs”) issued by the Hong Kong Society of Accountants (“HKSA”), accounting principles generally accepted in Hong Kong, and the disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules. The financial statements are prepared under the historical cost convention. Principal accounting policies are summarised below:

a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant inter-company transactions and balances within the Group are eliminated on consolidation.

b) Goodwill

Positive goodwill arising on consolidation represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable assets and liabilities acquired.

Positive goodwill is amortised to the income statement on a straight-line basis over its estimated useful life of five years. Positive goodwill is stated in the balance sheet at cost less any accumulated amortisation and any impairment losses.

3. 主要會計政策

財務報表乃按照香港會計師公會（「香港會計師公會」）所頒佈之會計實務準則（「會計實務準則」）、香港普遍接納之會計原則，及香港公司條例與創業板上市規則之披露規定編製。財務報表乃根據歷史常規法編製，主要之會計政策概述於下文：

a) 綜合基準

綜合財務報表載有本公司及其附屬公司每年截至三月三十一日止之財務報表。

年內所收購或出售附屬公司之業績乃自收購生效日期起或截至出售生效日期止（倘適用）計入綜合收益表內。

所有本集團內公司間之重大交易及結餘均於綜合賬目時抵銷。

b) 商譽

綜合賬目時產生之正商譽指收購成本超出本集團應佔所收購之可識別資產及負債公允價值之數額。

正商譽乃於其估計五年可使用年期內，以直線法基準於收益表內計算攤銷。正商譽於資產負債表內按成本減累計攤銷及任何減值虧損列賬。

3. PRINCIPAL ACCOUNTING POLICIES (continued)

c) Subsidiaries

A subsidiary is a company in which the Company directly or indirectly, controls more than half of its voting power or issued share capital or controls the composition of its board.

The results of subsidiaries are included in the Company's income statements to the extent of dividend received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

d) Turnover and revenue recognition

- i) Revenue from the sale of health and beauty products including consignment sales is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.
- ii) Revenue from operation of slimming centres is recognised when the services are rendered on a proportion basis. Payments received that are related to future performance are deferred and recorded as revenue as they are earned over the specified future performance periods.
- iii) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.
- iv) Management fee income is recognised when services are rendered.

e) Borrowing costs

Borrowing costs are interests and other costs incurred in connection with the borrowings of funds. The borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other borrowing costs are charged to the income statement in the year in which they are incurred.

3. 主要會計政策（續）

c) 附屬公司

附屬公司指本公司直接或間接控制其超過一半表決權或已發行股本或控制其董事會成員之公司。

附屬公司之業績以已收及應收股息為限計入本公司之收益表內。本公司於附屬公司之權益乃按成本減任何減值虧損列賬。

(d) 營業額及收益之確認

- i) 保健及美容產品（包括寄售銷售）之收益會在擁有權之風險及回報轉移予客戶後確認入賬，一般與貨品送交客戶及所有權轉移時同時發生。
- ii) 纖體中心之經營收益會在提供服務後按比例確認入賬。所收取有關未來表現之款項，乃當作於指定未來表現期間賺取之收益遞延及記錄。
- iii) 利息收益按未償還本金金額及適用利率按時間比例確認入賬。
- iv) 管理費收入乃於提供服務時確認。

(e) 借貸成本

借貸成本為有關基金借貸時所產生之利息及其他成本。直接關於收購、建築或生產資產（需要一段長時間才可達致原定用途或銷售）之借貸成本則撥作該資產之部份成本。一切其他借貸成本於其產生年度之收益表中列支。

3. PRINCIPAL ACCOUNTING POLICIES (continued)**f) Fixed assets and depreciation**

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Fixed assets are depreciated at rates sufficient to write off their cost over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold improvements	Over the lease term
Office equipment	20%
Furniture and fixtures	20%
Machinery	20%
Motor vehicles	30%

Major costs incurred in restoring fixed assets to their normal working conditions are charged to the income statement. Improvements are capitalised and depreciated over their expected useful lives to the Group.

The carrying amount of fixed assets are reviewed regularly to assess whether their recoverable amounts have declined below their carrying amounts. Expected future cash flows have not been discounted in determining the recoverable amount.

The gain or loss on disposal of fixed assets is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

g) Investment in securities

Investments in debt and equity securities (other than held-to-maturity securities) which are intended to be held for an identified long-term purpose on a continuing basis, are classified as investment securities and are included in the balance sheet at cost less impairment loss.

3. 主要會計政策 (續)**(f) 固定資產及折舊**

固定資產乃按成本值減累計折舊及累計減值虧損列賬。

固定資產是以直線基準按其估計可使用年期撇銷其成本之年率折舊。主要年折舊率如下：

租賃物業裝修	在租約期內
辦公室設備	20%
傢俬及固定裝置	20%
機器	20%
汽車	30%

為回復固定資產之正常操作情況而產生之重大成本在收益表中列支。裝修均資本化，並按其對本集團之估計使用年期折舊。

固定資產之賬面值均定期審核，以評估其可收回金額是否已降至低於其賬面值。預期之未來現金流量在釐定可收回金額時，並未折讓。

出售固定資產之盈虧乃出售所得收益淨額與有關資產賬面值之差異，計入收益表內。

(g) 證券投資

投資於計劃按持續基準持有以作確定長期用途之債券及股本證券（持有至到期證券除外），均列為證券投資，並按成本減減值虧損納入資產負債表。

3. PRINCIPAL ACCOUNTING POLICIES (continued)

g) Investment in securities (continued)

The carrying amounts of investment securities are reviewed at each balance sheet date to assess whether the fair values have declined below the carrying amounts. When such a decline has occurred, the carrying amounts are reduced and the reduction is recognised as an expense in the income statement unless there is evidence that the decline is temporary. Provisions against the carrying value of investment securities are reversed to the income statement when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

h) Inventories

Inventories are stated at the lower of cost and net realisable value and is calculated using the first-in, first-out method. Net realisable value represents the estimate selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

i) Leases

i) Finance leases

Leases that transfer to the Group substantially all the rewards and risks of ownership of the assets, other than legal title, are accounted for as finance leases.

Fixed assets held under finance leases are initially recorded at the present value of the minimum lease payments at the inception of the leases, with the equivalent liabilities recorded as appropriate under current or non-current liabilities.

Finance charges, which represent the difference between the minimum lease payments at the inception of the leases and the fair value of the assets, are allocated to accounting periods over the period of the relevant leases so as to produce a constant period rate of charge on the outstanding balances.

3. 主要會計政策（續）

(g) 證券投資（續）

證券投資之賬面值已於各個結算日審核，以評估其公允價值是否已降至低於其賬面值。當此跌幅出現時，除非有證據顯示跌幅屬暫時性，否則此跌幅將在收益表中確認為開支，其賬面值並會降低。倘有情況及事件導致減記或撇銷不再存在，及有具說服力之證據顯示新情況及事件將會在可見將來持續下去，投資證券之賬面值撥備將會撥回收益表。

(h) 存貨

存貨乃以成本及可變現淨值（兩者之較低者）入賬，並以先進先出法計算。可變現淨值指估計售價減去完成之所有估計成本，及於市場推廣、銷售及分銷時產生之成本。

(i) 租賃

i) 融資租賃

將資產擁有權（合法所有權除外）之回報及風險實質上轉移給本集團之租賃，均列為融資租賃。

根據融資租賃持有之固定資產，在租賃開始時按最低應付租賃款項之現值記錄，而等值之負債則適當地記錄於流動負債或非流動負債中。

於租賃開始時最低應付租賃款項及資產公允價值之差額之融資費用，均被分配至有關租賃期之會計期間，以在未償還餘額中得出固定期間收費率。

3. PRINCIPAL ACCOUNTING POLICIES (continued)**i) Leases (continued)***i) Finance leases (continued)*

Assets held under capitalised finance leases are included in fixed assets and depreciated over the shorter of the lease terms and the estimated useful lives of the assets.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

ii) Operating leases

Lease where substantially all the rewards and risks of ownership remain with the leasing company are accounted for as operating leases. Rental payments under operating leases are charged to the income statement on a straight-line basis over the period of the respective leases.

j) Related parties

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

k) Trade receivables

Provision is made against trade receivables to the extent that they are considered to be doubtful. Trade receivables in the balance sheet is stated net of such provision.

3. 主要會計政策 (續)**(i) 租賃 (續)***i) 融資租賃 (續)*

資本化融資租賃持有之資產均納入固定資產，並按租賃期及資產之估計使用年期（以較短者為準）折舊。

經由融資性質之分期付款合約所收購之資產均被列為融資租賃，惟根據其估計使用年期折舊。

ii) 經營租賃

凡擁有權之回報及風險實質上歸於出租公司之租賃，均列為經營租賃。經營租賃之應付租金，會在有關租賃期內以直線法在收益表內扣除。

(j) 關連人士

倘一方有能力直接或間接控制另一方，或可對另一方之財務及經營決策施加重大影響力，則有關雙方會被視作關連人士。倘該等人士受共同控制或受共同重大影響時，亦被視為關連人士。

(k) 應收貿易款項

凡被視為呆賬之應收貿易款項，均作出撥備。資產負債表內之應收貿易款項已扣除該撥備。

3. PRINCIPAL ACCOUNTING POLICIES (continued)

l) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes income statement items that are never taxable and deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

3. 主要會計政策（續）

(l) 稅項

入息稅開支指現時應付稅項及遞延稅項總額。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利不包括已撥往其他年度之應課稅或應扣減之收入及開支項目，亦不包括可作免稅或不可作稅項扣減之收益表項目，故與收益表所列之純利不同。

遞延稅項指預期從財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基之差額所應付或可收回之稅項，以資產負債表負債法處理。遞延稅項負債一般就所有應課稅暫時差額確認，遞延稅項資產則於可扣減暫時差額很可能對銷應課稅溢利時予以確認。如暫時差額由商譽（或負商譽）或由初次確認一項不影響稅項溢利或會計溢利之交易之其他資產及負債（業務合併除外）所產生，有關資產及負債則不予確認。

遞延稅項資產之賬面值乃於各個結算日進行檢討，並予以相應扣減，直至並無足夠應課稅溢利可供收回全部或部份遞延稅項資產為止。

遞延稅項按預期適用於負債清償或資產變現期間之稅率計算。遞延稅項從收益表扣除或計入收益表，除非遞延稅項關乎直接從權益扣除或直接計入權益之項目，在該情況下遞延稅項亦於權益中處理。

3. PRINCIPAL ACCOUNTING POLICIES (continued)**m) Translation of foreign currencies**

Transactions in foreign currencies during the year are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the income statement.

For the purpose of preparing consolidated financial statements, the income statements of overseas subsidiaries expressed in currencies other than Hong Kong dollars are translated into Hong Kong dollars at the average rates of exchange for the year. The balance sheets of overseas subsidiaries expressed in currencies other than Hong Kong dollars are translated into Hong Kong dollars at the rates of exchange ruling on the balance sheet date. All exchange differences arising therefrom are dealt with in the currency translation reserve.

n) Provision and contingent liabilities

A provision is recognised for liabilities of uncertain timing or amount when the Group has a present obligation (legal or constructive) arising as a result of a past event, it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Where it is not probable that a future outflow of resources will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of resources is remote.

3. 主要會計政策 (續)**(m) 外幣換算**

年內之外幣交易按交易日之匯率換算。於結算日以外幣結算之貨幣資產及負債按結算日之匯率換算。由該等情況引起之滙兌差額列入收益表中處理。

就編製綜合財務報表而言，海外附屬公司以港元以外貨幣列賬之收益表均按年內平均匯率換算為港元。海外附屬公司以港元以外貨幣列賬之資產負債表乃按結算日之匯率換算為港元。由此產生之所有換算差額於貨幣換算儲備中處理。

(n) 撥備及或然負債

當本集團有因過去事件而引起之現有責任（法律或推定），倘能對該責任作出可靠之預測，有可能須用未來之資源流出清償該責任，對時間或金額不明之負債之撥備即確列入賬。

倘毋須作出未來之資源流出，或不能可靠地預測金額，該責任即披露為或然負債，除非經濟效益流出之可能性微乎其微。有可能之責任僅會在一項或多項未來事件出現或沒有出現後方會確認，並會列作或然負債予以披露，除非資源流出之可能性微乎其微。

3. PRINCIPAL ACCOUNTING POLICIES (continued)

o) Employee benefits

(i) Retirement benefit costs

The contributions payable to Mandatory Provident Fund as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are charged to the income statement. Contributions are reduced by employer's voluntary contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The assets of the scheme are held separately and independently from those of the Group.

(ii) Share options

The nominal income received from the grantees as consideration for the grant is recognized as income upon acceptance of the grant by the grantees. No employee benefits cost is recognized when options are granted. When the options are exercised, equity is increased by the amount of the proceeds received.

p) Cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

q) Impairment of assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

3. 主要會計政策（續）

o) 僱員福利

(i) 退休福利成本

根據香港強制性公積金計劃條例之規定應付之強制性公積金供款乃於收益表內支銷，而員工在取得全數既得利益前退出計劃而被沒收之僱員供款將會用作扣減此供款。計劃之資產與本集團之資產分開獨立持有。

(ii) 購股權

向承授人收取作為批授代價之象徵性收入，乃於承授人接納批授時確認為收入。於批授購股權時不會確認任何僱員福利成本。於購股權獲行使時，股本會按所收取之所得款項金額增加。

(p) 現金等值物

現金等值物為短期及可隨時兌換為可預知數目現金之高流通性投資，其在價值變動上承受之風險並不重大。

(q) 資產減值

於各個結算日審核內部及外部之資料來源，以識別出資產可能減值或過去確認之減值虧損不再存在或可能有所下降之跡象。

倘出現任何該等跡象，即估計資產之可收回金額。減值虧損在資產之賬面值高於可收回金額時確認入賬。

3. PRINCIPAL ACCOUNTING POLICIES (continued)**q) Impairment of assets (continued)***i) Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its net selling price and value in use. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

ii) Reversal of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is reversed only if the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment losses is credited to the income statement in the year in which the reversal is recognised.

r) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the Group has chosen business segment information as the primary reporting format and no geographical segment information is presented as all the Group's turnover and operating profit are derived from activities in Hong Kong.

3. 主要會計政策 (續)**(q) 資產減值 (續)***i) 計算可收回金額*

資產之可收回金額為其售價淨額及在用價值之較大者。凡資產並非完全倚靠其他資產賺取現金流入，則可收回金額乃按可獨立賺取現金流入之最小類別資產（賺取現金單位）而釐定。

ii) 撥回減值虧損

就商譽以外之資產而言，倘用以釐定可收回金額之估計出現變動，減值虧損即被撥回。商譽之減值虧損僅會在虧損由不預期會再度發生、具有特殊性質之特別外在事件引致，及可收回金額之上升明顯與撥回該特別事件之影響有關時才會被撥回。

減值虧損之撥回僅限於過往年度並無確認任何減值虧損而將會釐定之資產賬面值。減值虧損之撥回按照確認撥回之年度記入收益表。

(r) 分類報告

分類指本集團內可明顯區分之組成部份，負責提供產品或服務（業務分類），或在一特定之經濟環境中提供產品或服務（地區分類），並且承擔有別於其他分類之風險及回報。

按照本集團之內部財務申報模式，本集團選擇以業務分類資料作為主要申報形式，惟並無呈列地區分類資料，因為本集團之所有營業額及經營溢利來自香港之業務。

3. PRINCIPAL ACCOUNTING POLICIES (continued)

r) Segment reporting (continued)

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include trade receivables and plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before inter-company balances and inter-company transactions are eliminated as part of the consolidation process, except to the extent that such inter-company balances and transactions are between group companies within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, corporate and financing expenses and minority interests.

3. 主要會計政策（續）

(r) 分類報告（續）

分類收入、支出、業績、資產及負債包括直接歸屬某一分類，以及可按合理基準分配至該分類之項目。例如，分類資產可包括應收貿易款項、廠房及設備。分類收入、支出、資產及負債在公司間結餘及公司間交易抵銷前釐定，作為合併過程之一部份，惟在單一分類中集團公司間之公司間結餘及交易除外。分類間之定價以其他外部各方之類似條款為基礎。

分類資本開支指在期內購入預計可於超過一個會計期使用之分類資產（包括有形及無形資產）所產生之成本總和。

未能分配之項目主要包括財務及公司資產、附息貸款、借貸、公司及融資支出及少數股東權益。

4. TURNOVER AND REVENUE

Turnover and revenue consisted of:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Turnover	營業額		
– Sales of health and beauty products	– 銷售保健及美容產品	30,993	11,526
– Operation of slimming centers	– 經營纖體中心	104,660	47,419
		135,653	58,945
Other revenue	其他收益		
– Interest income	– 利息收入	2	1
– Management fee income	– 管理費收入	592	–
– Others	– 其他	397	100
		991	101
Total revenue	收益總額	136,644	59,046

Turnover represents the invoiced value of goods sold, net of discounts and returns and the appropriate proportion of contract revenue from services rendered, net of discounts.

4. 營業額及收益

營業額及收益包括：

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
營業額			
– 銷售保健及美容產品		30,993	11,526
– 經營纖體中心		104,660	47,419
		135,653	58,945
其他收益			
– 利息收入		2	1
– 管理費收入		592	–
– 其他		397	100
		991	101
收益總額		136,644	59,046

營業額指已售貨品之發票值減去折讓及退貨，以及來自提供服務之合約收益適當比例減去折讓。

5. SEGMENT INFORMATION

The Group is principally engaged in the selling of health and beauty products and operation of slimming centres. The Group comprises the following two business segments:

- selling of health and beauty products
- operation of slimming centres

Since all the Group's turnover and operating profits are derived from activities in Hong Kong, no geographical analysis is shown.

5. 分類資料

本集團主要從事銷售保健及美容產品以及經營纖體中心。本集團由以下兩個業務分類構成：

- 銷售保健及美容產品
- 經營纖體中心

由於本集團之營業額及經營溢利全部均來自香港業務，故並無呈列地區分析。

		Year ended 31 March 2004			
		截至二零零四年三月三十一日止年度			
		Sales of	Service	Elimination	Group
		goods	income		
		銷售貨品	服務收入	抵銷	本集團
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Turnover	營業額				
External sales	外部銷售	30,993	104,660	–	135,653
Inter-segment sales	分類間銷售	1,384	–	(1,384)	–
Total revenue	收益總額	32,377	104,660	(1,384)	135,653
Segment profit	分類溢利	2,289	29,246		31,535
Unallocated costs	未分配成本				(3,402)
Other revenue	其他收益				991
Profit from operations	經營溢利				29,124
Finance costs	融資成本				(133)
Gain on disposal of interest in a subsidiary company	出售附屬公司權益之收益				3,775
Profit before taxation	除稅前溢利				32,766
Taxation	稅項				(5,222)
Profit after taxation	除稅後溢利				27,544
Minority interests	少數股東權益				(118)
Profit attributable to shareholders	股東應佔溢利				27,426

5. SEGMENT INFORMATION (continued)

Other segment information extracted from the income statement and balance sheet.

5. 分類資料 (續)

其他摘錄自收益表及資產負債表之分類資料。

		Year ended 31 March 2004 截至二零零四年三月三十一日止年度		
		Sales of goods 銷售貨品 HK\$'000 千港元	Service income 服務收入 HK\$'000 千港元	Group 本集團 HK\$'000 千港元
Assets	資產			
Fixed assets	固定資產	965	10,524	11,489
Other assets	其他資產	6,476	36,523	42,999
Unallocated assets	未分配資產			22,700
Total assets	資產總額			77,188
Liabilities	負債			
Segment liabilities	分類負債	4,430	13,804	18,234
Unallocated liabilities	未分配負債			1,128
Total liabilities	負債總額			19,362
Other segment information:	其他分類資料：			
Capital expenditure	資本開支			
– Segment capital expenditure	– 分類資本開支	42	9,899	9,941
– Unallocated capital expenditure	– 未分配資本開支			1,818
				11,759
Depreciation	折舊			
– Segment depreciation	– 分類折舊	579	3,729	4,308
– Unallocated depreciation	– 未分配折舊			24
				4,332
Amortisation of goodwill	攤銷商譽			
– unallocated	– 未分配			142

5. SEGMENT INFORMATION (continued)

5. 分類資料 (續)

Year ended 31 March 2003

截至二零零三年三月三十一日止年度

		Sales of goods 銷售貨品 HK\$'000 千港元	Service income 服務收入 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Group 本集團 HK\$'000 千港元
Turnover	營業額				
External sales	外部銷售	11,526	47,419	–	58,945
Inter-segment sales	分類間銷售	–	–	–	–
Total revenue	收益總額	11,526	47,419	–	58,945
Segment (loss)/profit	分類 (虧損) / 溢利	(3,607)	8,835		5,228
Unallocated costs	未分配成本				(626)
Other revenue	其他收益				101
Profit from operations	經營溢利				4,703
Finance costs	融資成本				(90)
Profit before taxation	除稅前溢利				4,613
Taxation	稅項				(958)
Profit after taxation	除稅後溢利				3,655
Minority interests	少數股東權益				(734)
Profit attributable to shareholders	股東應佔溢利				2,921

5. SEGMENT INFORMATION (continued)

Other segment information extracted from the income statement and balance sheet.

5. 分類資料 (續)

其他摘錄自收益表及資產負債表之分類資料。

		Year ended 31 March 2003		
		截至二零零三年三月三十一日止年度		
		Sales of	Service	
		goods	income	Group
		銷售貨品	服務收入	本集團
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Assets	資產			
Fixed assets	固定資產	1,586	5,158	6,744
Other assets	其他資產	2,441	8,326	10,767
Unallocated assets	未分配資產			1,542
Total assets	資產總額			19,053
Liabilities	負債			
Segment liabilities	分類負債	921	6,304	7,225
Unallocated liabilities	未分配負債			1,820
Total liabilities	負債總額			9,045
Other segment information:	其他分類資料：			
Capital expenditure	資本開支			
– Segment capital expenditure	– 分類資本開支	1,685	5,190	6,875
– Unallocated capital expenditure	– 未分配資本開支			121
				6,996
Depreciation	折舊			
– Segment depreciation	– 分類折舊	518	1,733	2,251
– Unallocated depreciation	– 未分配折舊			24
				2,275
Amortisation of goodwill – unallocated	攤銷商譽 – 未分配			131

6. PROFIT BEFORE TAXATION

Profit before taxation is stated after crediting and charging the following:

6. 除稅前溢利

除稅前溢利已計入及扣除下列各項：

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Crediting	計入		
Interest income	利息收入	2	1
Gain on disposal of fixed assets	出售固定資產之收益	78	-
Gain on disposal of interest in a subsidiary company	出售附屬公司權益 之收益	3,775	-
Management fee income	管理費收入	592	-
Charging	扣除		
Auditors' remuneration	核數師酬金	524	650
Cost of sales (i)	銷售成本	25,293	9,615
Staff costs (excluding Directors' emoluments)	職員成本 (不包括董事袍金)		
– Basic salaries and allowance	– 基本薪金及津貼	26,376	13,361
– Pension scheme contribution	– 退休金計劃供款	1,168	599
– Staff quarter expenses	– 職員宿舍開支	228	77
Amortisation of goodwill	商譽攤銷	142	131
Depreciation	折舊		
– Owned assets	– 擁有資產	4,069	1,824
– Leased assets	– 租用資產	263	451
Operating lease rentals	經營租賃租金		
– Premises	– 廠房	4,342	3,316
– Machinery	– 機器	16	66
Loss on disposal of fixed assets	出售固定資產之虧損	-	38
Interest on bank loan and overdrafts wholly repayable within five years	須於五年內全數償還之銀行 貸款及透支之利息	25	11
Interest expenses on obligation under finance leases	融資租賃承擔之利息開支	108	79

Notes:–

附註：

(i) During the year ended 31 March 2004, cost of sales included depreciation of machinery and machinery rental expenses of approximately HK\$649,000 (2003: HK\$358,000) and HK\$16,000 (2003: HK\$103,000) respectively.

(i) 截至二零零四年三月三十一日止年度，銷售成本包括機器折舊及機器租用費用，分別約為649,000港元 (二零零三年：358,000港元) 及16,000港元 (二零零三年：103,000港元)。

7. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

a) Details of emoluments paid/payable to Directors of the Company are:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Fees for Executive Directors	執行董事之袍金	-	-
Fees for Non-Executive Directors	非執行董事之袍金	176	-
Other emoluments for Executive Directors	其他酬金		
- Bonus	- 花紅	-	-
- Retirement cost	- 退休成本	29	12
- Basic salaries, allowances and benefits in kind	- 基本薪金、津貼及 實物利益	4,250	1,399
		4,455	1,411

The number of Directors whose remuneration falls within the following bands is as follows:

以下為酬金歸入下列等級之董事數目:

		2004 二零零四年	2003 二零零三年
Executive Directors	執行董事		
- Nil to HK\$1,000,000	- 零至 1,000,000 港元	3	4
- HK\$3,000,001 to HK\$3,500,000	- 3,000,001 港元至 3,500,000 港元	1	-
Non-Executive Directors	非執行董事		
- Nil to HK\$1,000,000	- 零至 1,000,000 港元	4	2
		8	6

During the year ended 31 March 2004, the three Executive Directors received individual emoluments of approximately HK\$3,382,000 (2003: HK\$747,000), HK\$647,000 (2003: HK\$423,000) and HK\$250,000 (2003: HK\$241,000) respectively. The four Independent Non-Executive Directors received individual fee of approximately HK\$44,000 (2003: HK\$Nil), HK\$44,000 (2003: HK\$Nil), HK\$44,000 (2003: HK\$Nil) and HK\$44,000 (2003: HK\$Nil) respectively.

截至二零零四年三月三十一日止年度，三名執行董事分別收取約 3,382,000 港元（二零零三年：747,000 港元）、647,000 港元（二零零三年：423,000 港元）及 250,000 港元（二零零三年：241,000 港元）之個人酬金，而四名獨立非執行董事則分別收取約 44,000 港元（二零零三年：零港元）、44,000 港元（二零零三年：零港元）、44,000 港元（二零零三年：零港元）及 44,000 港元（二零零三年：零港元）之個人袍金。

7. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (continued)

- a) Details of emoluments paid/payable to Directors of the Company are: (continued)

During the year ended 31 March 2004, an Executive Director who received individual fee and emolument of HK\$Nil resigned (2003: HK\$ nil).

No Directors waived any emoluments during the year. No incentive payment for joining the Group or compensation for loss of office was paid or payable to any Director during the year.

- b) Details of emoluments paid/payable to the five highest paid individuals (including Directors and other employees) are:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Basic salaries, allowances and benefits in kind	基本薪金、津貼及實物利益	5,110	2,920
Pension scheme contribution	退休金計劃供款	57	45
		5,167	2,965
		2004 二零零四年	2003 二零零三年
Number of Directors	董事數目	2	2
Number of employees	僱員數目	3	3
		5	5

During the year, no emoluments were paid to the five highest paid individuals (including Directors and other employees) as inducement to join or upon joining the Group, or as compensation for loss of office.

7. 董事及高級行政人員之酬金（續）

- a) 本公司向董事支付／應付之酬金詳情如下：
(續)

截至二零零四年三月三十一日止年度，一名已收取零港元之個人袍金及酬金之執行董事離職（二零零三年：零港元）。

年內並無董事放棄任何酬金。年內並無向任何董事支付或應付加入本集團之獎勵款項或離職補償。

- b) 五位獲支／應支最高酬金人士（包括董事及其他僱員）之詳情：

於年內，該五名最高薪人士（包括董事及其他僱員）並無獲支付作為吸引彼等加盟或於加入本集團時之酬金或離職補償。

7. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS
(continued)

The number of the five highest paid individuals (including Directors and other employees) whose remuneration falls within the following bands is as follows:

		2004 二零零四年	2003 二零零三年
Nil to HK\$1,000,000	零至 1,000,000 港元	4	5
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元	1	–
		5	5

7. 董事及高級行政人員之酬金 (續)

以下為酬金歸入下列等級之五位最高薪人士 (包括董事及其他僱員) 數目：

8. TAXATION

Hong Kong profits tax has been provided for at the rate of 17.5% on the estimated assessable profits of the individual companies incorporated in Hong Kong in the year (2003: 16%).

The details of the taxation charge are as follows:

8. 稅項

香港利得稅乃按年內於香港註冊成立之個別公司之估計應課稅溢利以 17.5% 之稅率作出撥備 (二零零三年：16%)。

繳納稅項之詳情如下：

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Hong Kong profits tax	香港利得稅	5,360	688
Deferred taxation (note 23)	遞延稅項 (附註 23)	(138)	270
		5,222	958

8. TAXATION (continued)

A numerical reconciliation between tax expenses and the product of accounting profit and the applicable tax rates is as follows:–

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Profit before taxation	除稅前溢利	32,766	4,613
Tax at Hong Kong Profits Tax rates	按香港利得稅稅率繳納之稅項	5,734	738
Tax effect on non-taxable income	非應課稅收入之稅務影響	(1,051)	–
Tax effect on non-deductible expenses	非可扣除開支之稅務影響	416	118
Increase in opening deferred tax liability resulting from an increase in Hong Kong Profits Tax rate	因香港利得稅稅率增加而引致之 期初遞延稅項負債增加	34	–
Temporary differences not recognized	未確認之暫時性差額	89	115
Over-provision of Hong Kong Profits Tax	香港利得稅超額撥備	–	(13)
		5,222	958

SSAP 12 (revised) was adopted during the year, as further explained in note 3 to the financial statements. There were no material effects on the Group's deferred tax assets or liabilities as at 31 March 2004. Accordingly, no prior year adjustment is included in the financial statements.

9. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

During the year ended 31 March 2004, the consolidated profit attributable to shareholders includes a loss of approximately HK\$493,000 (2003: HK\$218,000) dealt with in the financial statements of the Company.

8. 稅項（續）

稅項開支與會計溢利乘以適用稅率之數值對賬如下：

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Profit before taxation	除稅前溢利	32,766	4,613
Tax at Hong Kong Profits Tax rates	按香港利得稅稅率繳納之稅項	5,734	738
Tax effect on non-taxable income	非應課稅收入之稅務影響	(1,051)	–
Tax effect on non-deductible expenses	非可扣除開支之稅務影響	416	118
Increase in opening deferred tax liability resulting from an increase in Hong Kong Profits Tax rate	因香港利得稅稅率增加而引致之 期初遞延稅項負債增加	34	–
Temporary differences not recognized	未確認之暫時性差額	89	115
Over-provision of Hong Kong Profits Tax	香港利得稅超額撥備	–	(13)
		5,222	958

年內已採納會計實務準則第12號（經修訂），如財務報表附註3詳述，對本集團於二零零四年三月三十一日之遞延稅項資產或負債並無重要影響。因此，財務報表並無載列去年調整。

9. 股東應佔溢利

截至二零零四年三月三十一日止年度，股東應佔綜合溢利包括約493,000港元（二零零三年：218,000港元）之虧損，已於本公司之財務表中處理。

10. DIVIDENDS

10. 股息

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Interim dividend declared and paid by the subsidiaries of the Company	本公司附屬公司已宣派及派付之中期股息 (i)	1,000	4,300
Final and Special dividend proposed after the balance sheet date of total HK1.8 cents per share (2003: HK\$Nil)	於結算日後擬派之末期及特別股息每股合共 1.8 港仙 (二零零三年：零港元) (ii)	9,666	-
		10,666	4,300

(i) Prior to the Reorganization, certain companies of the Group had declared and paid dividends to their then shareholders.

(i) 進行重組前，本集團旗下若干公司已向其當時之股東宣派及派付股息。

(ii) No dividend has been paid by the Company since its incorporation. At the meeting on 21 June 2004, the Board of Directors proposed a final dividend and special dividend in respect of the year ended 31 March 2004 of HK\$0.01 per share and HK\$0.008 per share amounting to a total of HK\$5,370,000 and HK\$4,296,000 respectively. These financial statements do not reflect this dividend payable, which will be accounted for in shareholder's equity as an appropriation of retained profits in the year ending 31 March 2005.

(ii) 自註冊成立以來，本公司並無派付任何股息。於二零零四年六月二十一日舉行之會議上，董事會建議就截至二零零四年三月三十一日止年度派付每股 0.01 港元之末期股息及每股 0.008 港元之特別股息，分別合共 5,370,000 港元及 4,296,000 港元。該等財務報表並無反映截至二零零五年三月三十一日止年度列為撥作保留溢利之股東股本之應付股息。

11. EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 31 March 2004 is based on the profit attributable to shareholders of approximately HK\$27,426,000 (2003: HK\$2,921,000) and on the weighted average number of approximately 529,085,000 ordinary shares in issue during the year (2003: 528,000,000 shares, all of which were deemed to have been issued prior to the placing).

11. 每股盈利

截至二零零四年三月三十一日止年度之每股基本盈利，乃按股東應佔溢利約 27,426,000 港元 (二零零三年：2,921,000 港元) 及年內已發行普通股加權平均數約 529,085,000 股 (二零零三年：528,000,000 股，全部均被視作已於配售事項前發行) 計算。

The calculation of diluted earnings per share for the year ended 31 March 2004 is based on the net profit attributable to shareholders of approximately HK\$27,426,000 and on 564,022,000 shares, being the weighted average number of ordinary shares outstanding during the year adjusted for the effects of the share options during the period.

截至二零零四年三月三十一日止年度之每股攤薄盈利，乃按股東應佔純利約 27,426,000 港元及年內已就期內購股權之影響作出調整之普通股加權平均數 564,022,000 股股份計算。

11. EARNINGS PER SHARE (continued)

No diluted earning per share has been disclosed during the year ended 31 March 2003 as there were no diluting events existed.

11. 每股盈利（續）

由於並無存在攤薄事件，故此並無於截至二零零三年三月三十一日止年度披露每股攤薄盈利。

12. GOODWILL

Movements of goodwill (consolidated) were:

12. 商譽

商譽（綜合）變動：

HK\$'000

千港元

Cost	成本	
At 1 April 2003 and 31 March 2004	於二零零三年四月一日及二零零四年三月三十一日	712
Accumulated Amortisation	累計攤銷	
At 1 April 2003	於二零零三年四月一日	131
Amortisation for the year	年內攤銷	142
At 31 March 2004	於二零零四年三月三十一日	273
Carrying Amount	賬面值	
At 31 March 2004	於二零零四年三月三十一日	439
At 31 March 2003	於二零零三年三月三十一日	581

Positive goodwill is amortised on a straight-line basis over the estimated useful life of five years. 正商譽於估計使用年期五年按直線基準攤銷。

13. FIXED ASSETS

Movements of fixed assets (consolidated) were:

		13. 固定資產					Total
		Leasehold improvements	Machinery	Office equipment	Furniture and fixture	Motor vehicles	
		租賃物業裝修	機器	辦公室設備	傢俬及固定裝置	汽車	合共
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Cost	成本						
At 1/4/2003	於二零零三年四月一日	4,188	2,725	1,249	926	720	9,808
Additions	增添	6,733	2,157	575	477	1,817	11,759
Disposals	出售	-	(580)	(68)	(54)	(351)	(1,053)
At 31/3/2004	於二零零四年三月三十一日	10,921	4,302	1,756	1,349	2,186	20,514
Accumulated depreciation	累計折舊						
At 1/4/2003	於二零零三年四月一日	1,669	538	273	248	294	3,022
Provision for the year	本年撥備	2,737	639	324	249	383	4,332
Disposals	出售	-	-	(52)	(51)	(268)	(371)
At 31/3/2004	於二零零四年三月三十一日	4,406	1,177	545	446	409	6,983
Net book value	賬面淨值						
At 31/3/2004	於二零零四年三月三十一日	6,515	3,125	1,211	903	1,777	13,531
At 31/3/2003	於二零零三年三月三十一日	2,519	2,187	976	678	426	6,786

Notes:

At 31 March 2004, the carrying amount of fixed assets held by the Group under finance leases was approximately HK\$23,000 (2003: HK\$1,508,000).

固定資產（綜合）變動：

附註：

於二零零四年三月三十一日，本集團根據融資租賃持有之固定資產之賬面值約為 23,000 港元（二零零三年：1,508,000 港元）。

14. INVESTMENT IN SUBSIDIARIES

In the Company's balance sheet, investment in subsidiaries consists of:

14. 於附屬公司之投資

於本公司之資產負債表中，附屬公司之投資包括：

		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted shares	非上市股票	3,660	-

The underlying value of the investment in subsidiaries is, in the opinion of the Company's Directors, not less than their carrying value as at 31 March 2004.

本公司董事認為於附屬公司之投資相關值並不少於其於二零零四年三月三十一日之賬面值。

The amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand.

應收／應付附屬公司之款額為無抵押、免息及須按
要求償還。

14. INVESTMENT IN SUBSIDIARIES (continued)

Details of the principal subsidiaries as at 31 March 2004 are:

14. 於附屬公司之投資 (續)

於二零零四年三月三十一日之主要附屬公司之詳情：

Name 附屬公司名稱	Place of incorporation and operations 及營運地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本／註冊資本	Percentage of equity interest attributable to the Group	Percentage of equity interest attributable to the Group	Principal activities 主要業務
			Direct 直接	Indirect 間接	
Sau San Tong Holdings Inc.	British Virgin Islands 英屬處女群島	US\$1,000 1,000 美元	100%	—	Investment holding 投資控股
Brilliant Concept Co. Ltd.	British Virgin Islands 英屬處女群島	US\$1 1 美元	—	100%	Investment holding 投資控股
Sau San Tong Healthy Trim Institute Limited 修身堂健康纖體中心有限公司	Hong Kong 香港	HK\$18,750 18,750 港元	—	92%	Operation of a slimming centre 經營纖體中心
Sau San Tong Beauty Figure Limited 修身堂有限公司	Hong Kong 香港	HK\$10,000 10,000 港元	—	100%	Selling of health and beauty products 銷售保健及美容產品
Sau San Tong Healthy Trim Institute (TST) Limited 修身堂健康纖體服務中心 (尖沙咀) 有限公司	Hong Kong 香港	HK\$10,000 10,000 港元	—	100%	Operation of a slimming centre 經營纖體中心

14. INVESTMENT IN SUBSIDIARIES (continued)

14. 於附屬公司之投資（續）

Name 附屬公司名稱	Place of incorporation and operations 註冊成立 及營運地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本／註冊資本	Percentage of equity interest attributable to the Group 本集團應佔 股權百分比	Percentage of equity interest attributable to the Group 本集團應佔 股權百分比	Principal activities 主要業務
			Direct 直接	Indirect 間接	
Sau San Tong Healthy Trim Institute (Causeway Bay) Limited (Formerly known as Fully Profit Limited)	Hong Kong	HK\$100	—	100%	Operation of a slimming centre
修身堂健康纖體服務中心 (銅鑼灣) 有限公司 (前稱富而達有限公司)	香港	100 港元	—	100%	經營纖體中心
Sau San Tong Management Limited	Hong Kong	HK\$100	—	100%	Provision of management services
修身堂管理有限公司	香港	100 港元	—	100%	提供管理服務
SST Advertising Agency Limited	Hong Kong	HK\$10,000	—	100%	Provision of advertising agency services
盛世廣告代理有限公司	香港	10,000 港元	—	100%	提供廣告代理服務
Sau San Tong Healthy Trim Institute (Shatin) Limited	Hong Kong	\$100	—	100%	Operation of a slimming centre
修身堂健康纖體服務中心 (沙田) 有限公司	香港	100 港元	—	100%	經營纖體中心

14. INVESTMENT IN SUBSIDIARIES (continued)

14. 於附屬公司之投資 (續)

Name 附屬公司名稱	Place of incorporation and operations 註冊成立 及營運地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Percentage of equity interest attributable to the Group 本集團應佔 股權百分比	Percentage of equity interest attributable to the Group 本集團應佔 股權百分比	Principal activities 主要業務
			Direct 直接	Indirect 間接	
Sau San Tong China Holdings Limited (Formerly known as Sau San Tong Healthy Trim Institute (H.K.) Limited)	British Virgin Islands 英屬處女群島	US\$1 1 美元	100%	–	Investment holding 投資控股
Sau San Tong (Shanghai) Limited (Formerly known as Simply Beauty Limited)	British Virgin Islands 英屬處女群島	US\$1,000 1,000 美元	–	50%	Investment holding 投資控股

None of the subsidiaries had any loan capital in issue at any time during the year ended 31 March 2004.

截至二零零四年三月三十一日止年度任何時間內，概無附屬公司發行任何借貸資本。

15. INVENTORIES

Inventories (consolidated) consist of:

		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
Consumables	消耗品	210	-

At 31 March 2004, none of the inventories are stated at net realizable value (2003: HK\$Nil)

於二零零四年三月三十一日，概無存貨以可變現價值淨額列賬（二零零三年：零港元）

15. 存貨

存貨（綜合）包括：

16. DUE FROM A RELATED COMPANY

Name	Connected parties	Balance at	Balance at	Maximum outstanding balance during the year
		31 March 2004	31 March 2003	
		於二零零四年 三月三十一日	於二零零三年 三月三十一日	年內最高 未償還餘額
名稱	關連人士	結餘	結餘	
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Super Nike Group Company Limited	Common director, Miss Cheung Yuk Shan, Shirley 共同董事 張玉珊小姐	-	15	15

17. DUE FROM A MINORITY SHAREHOLDER OF A SUBSIDIARY

The balance with Pentium Investment Limited, minority shareholder of a subsidiary, is unsecured, interest-free and repayable on demand.

17. 應收附屬公司少數股東款項

與附屬公司少數股東鵬昇投資有限公司之結餘為無抵押、免息及須按要求償還。

18. TRADE RECEIVABLES

Credit periods given to customers ranged from 45 to 90 days. The aging analysis of trade receivables (consolidated), based on invoice date, is as follows:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
0 to 90 days	0 至 90 日	7,443	2,117
91 to 120 days	91 至 120 日	142	305
121 to 150 days	121 至 150 日	85	-
		7,670	2,422

19. DUE TO A DIRECTOR

The balance due to Miss Cheung Yuk Shan, Shirley is unsecured, interest-free and repayable on demand.

20. SHORT-TERM BANK LOAN

The short-term bank loan was unsecured, bearing interest at prime rate plus 1% per annum and repayable by instalments.

18. 應收貿易款項

一般給予顧客之信貸期為45至90日。根據發票日期之應收貿易款項（綜合）之賬齡分析如下：

19. 應付董事款項

應付張玉珊小姐之結餘為無抵押，免息及須按要求償還。

20. 短期銀行貸款

短期銀行貸款為無抵押，按最優惠利率加1厘之年利率計息及分期償還。

21. OBLIGATIONS UNDER FINANCE LEASES

The future minimum lease payments under finance leases and their present values for the year were as follows:

21. 融資租賃承擔

於年內根據融資租賃之未來最低應付租賃款項及其現有價值如下：

		Minimum lease payments		Present value of Minimum lease payments	
		最低應付租賃款項		最低應付租賃款項之現有價值	
		2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Amount repayable:	應償還款項：				
Within one year	一年內	34	814	32	755
In the second year	第二年	-	181	-	158
In the third to fifth year, inclusive	第三年至第五年（包括首尾兩年）	-	307	-	264
Total minimum finance lease payments	最低應付融資租賃款項總額	34	1,302	32	1,177
Less: future finance charges	減：未來融資費用	(2)	(125)		
Total net finance lease payables	應付融資租賃淨值總額	32	1,177		
Portion classified as current liabilities	歸類為流動負債之部份	(32)	(755)		
Long term portion	長期部份	-	422		

22. TRADE PAYABLES

Credit periods given by suppliers ranged from 30 to 60 days. The aging analysis of trade payables (consolidated), based on invoice date, is as follows:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
0 to 90 days	0 至 90 日	2,496	146
91 to 120 days	91 至 120 日	331	-
121 to 150 days	121 至 150 日	286	-
Over 150 days	150 日以上	301	-
		3,414	146

23. DEFERRED TAXATION

The followings are the major deferred tax liabilities recognised by the Group and movements during the year.

Deferred tax liabilities arising from accelerated tax depreciation.

22. 應付貿易款項

供應商一般給予之信貸期介乎 30 至 60 日。根據發票日期之應付貿易款項之賬齡分析如下：

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
0 至 90 日	0 至 90 日	2,496	146
91 至 120 日	91 至 120 日	331	-
121 至 150 日	121 至 150 日	286	-
150 日以上	150 日以上	301	-
		3,414	146

23. 遞延稅項

以下為年內本集團已確認之重大遞延稅項負債以及變動：

遞延稅項負債來自加速稅項折舊。

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
At beginning year	於年初	360	90
(Credited)/charged to income statement for the year (note 8)	年內於收益表中 (計入) / 扣除 (附註 8)	(138)	270
At end of year	於年末	222	360

24. SHARE CAPITAL

The following is a summary of movements in the authorised and issued share capital of the Company:

24. 股本

以下乃公司之法定及已發行股本之變動概要：

		Number of shares		Nominal value	
		股份數目			
		Ordinary shares of HK\$0.10 each	Ordinary shares of HK\$0.01 each		
		每股面值 0.10 港元之普通股	每股面值 0.01 港元之普通股	面值	
	Notes	'000	'000	HK\$'000	
	附註	千股	千股	千港元	
Authorised:		法定：			
On incorporation and at 31 March 2003	註冊成立日期及 二零零三年三月 三十一日	(i)	5,000	–	500
Sub-division of each share of HK\$0.10 each into 10 shares of HK\$0.01 each	每股面值 0.10 港元股份 分拆為十股每股面值 0.01 港元之股份	(ii)	(5,000)	50,000	–
Increase in authorised share capital	法定股本增加	(ii)	–	1,450,000	14,500
At 31 March 2004	於二零零四年 三月三十一日		–	1,500,000	15,000
Issued and fully paid:		已發行及繳足：			
Allotted and issued at nil paid	未繳股款之配發及發行	(i)	5,000	–	–
Nil paid shares offsetting against amount due to a director	未繳股款股份以償還 應付董事款額抵銷	(i)	–	–	500
At 31 March 2003	於二零零三年三月 三十一日		5,000	–	500
Sub-division of each share of HK\$0.10 each into 10 shares of HK\$0.01 each	每股面值 0.10 港元股份 分拆為十股每股面值 0.01 港元之股份	(ii)	(5,000)	50,000	–
On acquisition of Sau San Tong Holdings Inc. – consideration share issues	收購 Sau San Tong Holdings Inc. – 代價股份發行	(iii)	–	366,000	3,660
On acquisition of Sau San Tong Healthy Trim Institute (TST) Limited – consideration share issues	收購修身堂健康纖體 服務中心(尖沙咀)有限公司 – 代價股份發行	(iv)	–	19,600	196
New issue of shares	新發行股份	(v)	–	92,400	924
Exercises of share options	行使購股權	(vi)	–	9,000	90
At 31 March 2004	於二零零四年三月 三十一日		–	537,000	5,370

24. SHARE CAPITAL (continued)

The following changes in the Company's authorised and issued share capital took place during the period from 21 May 2002 (date of incorporation) to 31 March 2004.

- (i) On 21 May 2002 (date of incorporation), the authorised share capital of the Company was HK\$500,000 divided into 5,000,000 shares of HK\$0.10 each, 5,000,000 shares of which were allotted and issued at nil paid on 30 May 2002. The shares were subsequently settled through offsetting against amount due to a director during the year ended 31 March 2003.
- (ii) Pursuant to a written resolution of the sole shareholder of the Company passed on 4 November 2003, every issued and unissued shares of HK\$0.10 each in the share capital of the Company was sub-divided into ten shares of HK\$0.01 each. Pursuant to a further written resolution of the sole shareholder of the Company passed on 4 November 2003, the authorised share capital of the Company was increased from HK\$500,000 to HK\$15,000,000 by the creation of 1,450,000,000 additional shares of HK\$0.01 each.
- (iii) On 4 November 2003, the Company acquired the entire share capital of Sau San Tong Holdings Inc for consideration of HK\$3,660,000, and became the holding company of the Group in exchange for the Company's allotted and issued 366,000,000 shares of HK\$0.01 each, credited as fully paid.
- (iv) On 4 November 2003, the Company acquired remaining 49% equity interest in Sau San Tong Healthy Trim Institute (TST) Limited for consideration of HK\$4,900,000, which then became wholly owned subsidiary of the Group, in exchange for the Company's allotted and issued 19,600,000 shares of HK\$0.01 each, credited as fully paid.
- (v) Pursuant to the listing of Company's shares on GEM of the Exchange on 19 November 2003, the Company issued 92,400,000 shares of HK\$0.01 each at HK\$0.25 per share to the public by way of placing.

24. 股本 (續)

以下本公司法定及已發行股本之變動，乃於二零零二年五月二十一日（註冊成立日期）至二零零四年三月三十一日止期間出現。

- (i) 於二零零二年五月二十一日（註冊成立日期），本公司之法定股本為500,000港元，分拆為5,000,000股每股面值0.10港元之股份，而5,000,000股股份已於二零零二年五月三十日以無償方式配發及發行。其後該等股份透過償還截至二零零三年三月三十一日止年度之應付董事款項而抵銷。
- (ii) 根據本公司唯一股東於二零零三年十一月四日通過之書面決議案，本公司股本中每股面值0.10港元之已發行及未發行股份分拆為十股每股面值0.01港元之股份。根據本公司唯一股東於二零零三年十一月四日通過之另一份書面決議案，本公司增設1,450,000,000股每股面值0.01港元之額外股份，因此法定股本由500,000港元增加至15,000,000港元。
- (iii) 於二零零三年十一月四日，本公司以3,660,000港元之代價收購Sau San Tong Holdings Inc之全部股本，從而成為本集團之控股公司，以交換本公司已配發及發行366,000,000股每股面值0.01港元之入賬列作繳足股份。
- (iv) 於二零零三年十一月四日，本公司以4,900,000港元之代價收購修身堂健康纖體服務中心(尖沙咀)有限公司其餘49%股權，從而成為本集團之全資附屬公司，以交換本公司已配發及發行19,600,000股每股面值0.01港元之入賬列作繳足股份。
- (v) 本公司股份於二零零三年十一月十九日在聯交所創業板上市，據此本公司以配售方式按每股0.25港元向公眾人士發行92,400,000股每股面值0.01港元之股份。

24. SHARE CAPITAL (continued)

(vi) During the year, 9,000,000 (2003: Nil) ordinary shares of HK\$0.01 each were issued pursuant to the Share Option Scheme of the Company (see Note 25)

25. SHARE OPTIONS

The Company has adopted a Pre-IPO Share Option Scheme (the “Pre-IPO Share Option Scheme”) and a Share Option Scheme (the “Share Option Scheme”) on 4 November 2003.

(i) Pre-IPO Share Option Scheme

Pursuant to the Pre-IPO Share Option Scheme, the Company had granted pre-IPO share options to two executive directors in recognition of their contribution to the growth of the Group and/or the listing of the shares of the Company on GEM. The options granted under the Pre-IPO Share Option Scheme entitle the holders to subscribe for a total of 105,600,000 shares of HK\$0.01 each in the Company at a subscription price of HK\$0.1 per share, representing 20% of the enlarged issued share capital of the Company as at the listing date. Each of the grantees had paid HK\$1 to the Company by way of consideration for the grant. All of these options are exercisable within the period from 19 May 2004 to 18 November 2008.

Details of the options, which have been granted under the Pre-IPO Share Option Scheme are listed below:

	Date of grant 授予日期	Subscription price per share 每股份認購價	Number of options granted during the year 年內授出 購股權數目	Outstanding number of options as at 31 March 2004 於二零零四年 三月三十一日尚未 行使之購股權數目	Exercisable period 行使期
<i>Directors</i> 董事					
Miss Cheung Yuk Shan, Shirley 張玉珊小姐	10/11/2003	HK\$0.10	79,200,000	79,200,000	19/5/2004 – 18/11/2008
Mr. Cheung Ka Heng, Frankie 張嘉恒先生	10/11/2003	HK\$0.10	26,400,000	26,400,000	19/5/2004 – 18/11/2008
			105,600,000	105,600,000	

No pre-IPO share options were exercised or cancelled during the year ended 31 March 2004.

24. 股本（續）

(vi) 年內，本公司根據購股權計劃發行9,000,000股（二零零三年：無）每股面值0.01港元之普通股（見附註25）。

25. 購股權

本公司於二零零三年十一月四日採納一項首次公開招股前購股權計劃（「首次公開招股前購股權計劃」）及購股權計劃（「購股權計劃」）。

(i) 首次公開招股前購股權計劃

根據首次公開招股前購股權計劃，本公司已向兩名執行董事批授首次公開招股前之購股權，藉此肯定彼等對本集團發展及／或本公司股份於創業板上市之貢獻。根據首次公開招股前購股權計劃批授之購股權，授權持有人可按每股0.1港元之認購價認購合共105,600,000股每股面值0.01港元之股份，相當於本公司於上市日期經擴大已發行股本之20%。各承授人向本公司支付1港元作為批授之代價。該等購股權均可於二零零四年五月十九日至二零零八年十一月十八日止期間行使。

根據首次公開招股前購股權計劃批授之購股權詳情載列如下：

於截至二零零四年三月三十一日止年度，概無首次公開招股前購股權獲行使或註銷。

25. SHARE OPTIONS (continued)**(ii) Share Option Scheme**

The purpose of the Share Option Scheme is to enable the Company to grant options to eligible participants as incentives or rewards for their contribution or potential contribution to the Company and/or any of its subsidiaries. Eligible participants of the Share Option Scheme include full-time or part-time employees, executives or officers (including executive, non-executive directors and independent non-executive directors) of the Company and/or any of its subsidiaries and any suppliers, consultants, agents or advisers who, in the sole opinion of the Board, have contributed to the Company and/or such subsidiaries.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company at any time (including the Pre-IPO Share Option Scheme) shall not exceed 30% of the shares in issue from time to time.

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding options) to each eligible participant in any 12-month period up to the date of grant in excess of 1% of the number of shares in issue as at the date of grant, are subject to the Company issuing a circular and the approval from the Company's shareholders in a general meeting.

The exercise price for a share in respect of any particular option granted under the Share Option Scheme (which shall be payable upon exercise of the option) shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of (a) the official closing price of the shares as stated in the daily quotation sheets of the Exchange on the date of grant, which must be a business day; (b) the average of the closing prices of the shares as stated in the Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (c) the nominal value of a share.

25. 購股權 (續)**(ii) 購股權計劃**

購股權計劃旨在讓本公司向合資格參與人授出購股權，作為彼等對本公司及／或其附屬公司帶來貢獻或潛在貢獻之鼓勵或獎勵。購股權計劃之合資格參與人包括本公司及／或其附屬公司之全職或兼職僱員、行政人員或高級職員（包括執行、非執行董事及獨立非執行董事），以及董事會獨立認為對本公司及／或該等附屬公司作出貢獻之任何供應商、顧問、代理人或提供意見之人士。

根據購股權計劃及本公司不時之其他購股權計劃（包括首次公開招股前購股權計劃）授出但未行使之所有購股權獲行使時可能發行之股份最高數目，不得超過本公司不時已發行股份之 30%。

已發行股份及根據購股權計劃及本公司任何其他購股權計劃向合資格參與人授出購股權（包括已行使、已註銷及未獲行使之購股權）獲行使後可能發行之股份總數，倘於截至批授日期止任何十二個月期間超過批授日期已發行股份之 1%，則本公司須就此發出通函並取得本公司股東於股東大會上批准。

根據購股權計劃批授之任何特定購股權，其認購股份之行使價（須在行使購股權時繳付）應由董事會全權決定，惟該價格不得低於(a) 股份於批授日期（必須為營業日）在聯交所日報表所報之正式收市價；(b) 緊接批授日期前五個營業日股份於聯交所日報表所報之平均收市價；及(c) 股份面值（以較高者為準）。

25. SHARE OPTIONS (continued)

(ii) Share Option Scheme (continued)

The period during which an option may be exercised will be determined by the Board at its absolute discretion, save that no option may be exercised more than five years after it has been granted. No option may be granted more than 10 years after the date of approval of the Share Option Scheme.

Details of the options, which have been granted under the Share Option Scheme are listed below:

Type of grantee	Date of grant	Subscription price per share	Number of options granted during the year	Exercised during the year	Outstanding number of options as at 31 March 2004	Exercisable period
承授人類別	授予日期	每股股份認購價	年內授出購股權數目	年內行使數目	於二零零四年三月三十一日尚未行使之購股權數目	行使期
Other employees 其他僱員	5/1/2004	HK\$0.486	30,000,000	(9,000,000)	21,000,000	5/1/2004-4/1/2009

26. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 46 of the financial statements.

The share premium account of the Group represents the excess of proceeds received over the nominal value of the Company's shares issued, less share issue expenses.

Merger reserve of the Group represents the difference between the nominal value of the ordinary shares issued by the Company and the aggregate of the share capital and share premium of the subsidiaries acquired by the Company through exchange of shares.

25. 購股權（續）

(ii) 購股權計劃（續）

購股權之行使期間由董事會全權決定，惟購股權授出超過五年後不得行使。自購股權計劃批准日期起計超過十年後不得批授購股權。

根據購股權計劃批授之購股權詳情載列如下：

26. 儲備

(a) 本集團

本集團於本年及往年之儲備金額及其變動載於財務報表 46 頁之綜合權益變動表內。

本集團之股份溢價賬指本公司發行股份所得款項超出股份面值之差額（已扣除股份發行開支）。

本集團之合併儲備指本公司發行普通股之面值與本公司藉著交換股份所收購附屬公司股本及股本溢價總額之差額。

26. RESERVES (continued)
(b) Company26. 儲備 (續)
(b) 本公司

		Share premium account	Accumulated losses	Total
		股份溢價賬	累計虧損	合共
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
		(Note)		
		附註		
Net loss for the period	期內虧損淨額	–	(218)	(218)
At 31 March 2003	於二零零三年三月三十一日	–	(218)	(218)
Share issued in acquiring subsidiaries	收購附屬公司時發行之股份	4,704	–	4,704
New issue of shares	新發行股份	22,176	–	22,176
Share issuance expenses	發行股份開支	(6,212)	–	(6,212)
Exercise of share options	行使購股權	4,284	–	4,284
Net loss for the year	年內虧損淨額	–	(493)	(493)
At 31 March 2004	於二零零四年三月三十一日	24,952	(711)	24,241

Note: The share premium account of the Company represents the shares of the Company issued at a premium less share issue expenses. Under the Companies Law of the Cayman Islands, the share premium account is distributable to the shareholders of the Company, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

附註：本公司股份溢價賬指本公司以溢價發行之股份（已扣除股份發行開支）。根據開曼群島公司法，股份溢價賬可分派予本公司股東，條件為緊隨建議分派股息之日期，本公司可於其日常業務過程中債務到期時償還債務。

27. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

27. 綜合現金流量表附註

a) Net cash inflow from purchase of a subsidiary

a) 收購附屬公司之現金流入淨額

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Net liabilities acquired:	收購之負債淨額		
Fixed assets, net	固定資產淨額	-	62
Due from a related company	應收關連公司	-	200
Deposit and other assets	存款及其他資產	-	1
Cash and cash equivalents	現金及現金等值物	-	13
Accruals	應付未付款項	-	(21)
Other payable	其他應付款項	-	(1,031)
Due to a related company	應付關連公司款項	-	(517)
		-	(1,293)
Minority interests	少數股東權益	-	582
		-	(711)
Goodwill amortised over 5 years	於五年內攤銷之商譽	-	712
Satisfied by cash	以現金償付	-	1
Analysis of the net inflow of cash and cash equivalents in respect of the purchase of a subsidiary	有關收購附屬公司之現金及現金等值物流入淨額之分析		
Cash consideration	現金代價	-	(1)
Cash and cash equivalent acquired	現金及收購之現金等值物	-	13
Net inflow of cash and cash equivalents in respect of the purchase of a subsidiary	有關收購附屬公司之現金及現金等值物流入之淨額	-	12

27. NOTES TO THE CONSOLIDATED CASH FLOW
STATEMENT (continued)

b) Disposal of a subsidiary

27. 綜合現金流量表附註 (續)

b) 出售附屬公司

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Net liabilities disposed of:	出售負債淨額		
Amount due from immediate holding company	應收直屬控股公司款項	8	-
Amount due to group companies	應付集團公司款項	(10)	-
Amount attribute to minority interests	應佔少數股東權益款項	1	-
Net liabilities	負債淨額	(1)	-
Gain on disposal of interest in a subsidiary	出售附屬公司權益之收益	3,775	-
Consideration	代價	3,774	-
Satisfied by:	償還方式：		
Consideration receivable	應收代價	3,774	-

i) On 12 February 2004, the Group entered into an agreement to dispose its 50% equity interest in a wholly-owned subsidiary, Sau San Tong (Shanghai) Limited to an independent third party, Pentium Investment Limited, for a total consideration of RMB4,000,000 (equivalent to approximately HK\$3,774,000) ("the Disposal"). The Disposal was completed on 31 March 2004. Upon completion, the Group retained control over Sau San Tong (Shanghai) Limited and Pentium Investment Limited became minority shareholder of the subsidiary.

i) 於二零零四年二月十二日，本集團訂立協議以代價總額人民幣4,000,000元（相等於約3,774,000港元）出售全資附屬公司 Sau San Tong (Shanghai) Limited 50% 股權予一位獨立第三者鵬昇投資有限公司（「出售事項」）。出售事項於二零零四年三月三十一日完成。完成後，本集團仍擁有 Sau San Tong (Shanghai) Limited 之控制權，而鵬昇投資有限公司則成為該附屬公司之少數股東。

27. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

c) Major non-cash transaction

During the year ended 31 March 2004, the Company acquired the entire share capital of Sau San Tong Holdings Inc with share issued value of HK\$8,000 for consideration of HK\$3,660,000, and became the holding company of the Group in exchange for the Company's allotted and issued 366,000,000 shares of HK\$0.01 each, credited as fully paid. In addition, the Company acquired remaining 49% equity interest in Sau San Tong Healthy Trim Institute (TST) Limited with share issued value of HK\$5,000 for consideration of HK\$4,900,000, which then became wholly owned subsidiary of the Group, in exchange for the Company's allotted and issued 19,600,000 shares of HK\$0.01 each, credited as fully paid.

During the year ended 31 March 2003, the Group issued 4,999,999 shares of HK\$0.10 each to a director of the Company for HK\$500,000, which were settled through offsetting against amount due to a director.

28. EMPLOYEE RETIREMENT BENEFITS

The Group has implemented a provident fund scheme for its staff in compliance with the requirements of the Mandatory Provident Fund Scheme Ordinance effective from 1 December 2000. The pension scheme contributions charged to the income statement represent contributions payable (i.e. 5% of staff's relevant income with upper monthly limit to HK\$1,000) by the Group to the specified retirement fund of the individual employees.

27. 綜合現金流量表附註（續）

c) 重大非現金交易

於截至二零零四年三月三十一日止年度，本公司以 3,660,000 港元代價收購 Sau San Tong Holdings Inc 已發行股份價值為 8,000 港元之全部股本，並成為本集團之控股公司，以交換本公司已配發及發行 366,000,000 股每股面值 0.01 港元之入賬列作繳足股份。此外，本公司亦以 4,900,000 港元之代價收購修身堂健康纖體服務中心（尖沙咀）有限公司已發行股份價值為 5,000 港元之餘下 49% 股本權益，從而成為本集團之全資附屬公司，以交換本公司已配發及發行 19,600,000 股每股面值 0.01 港元之入賬列作繳足股份。

於截至二零零三年三月三十一日止年度，本集團向本公司一名董事發行 4,999,999 股每股面值 0.10 港元之股份，代價為 500,000 港元，透過償還董事的應付款額而抵銷。

28. 僱員退休福利

本集團遵照由二零零零年十二月一日起生效之強制性公積金計劃條例之規定。為職員推行公積金計劃。計入收益表之退休金計劃供款指本集團應付予個別僱員特定退休基金之供款（即僱員有關入息之 5%，每月上限為 1,000 港元）。

29. COMMITMENTS**a) Capital commitments**

Capital commitments (consolidated) not provided for in the financial statements are analysed as follows:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Authorised and contracted for	已授權及訂約		
– purchase of fixed assets	– 收購固定資產	110	405

The Company had no capital commitments as at 31 March 2004 and 2003.

b) Operating lease commitments

The Group has operating lease commitments in respect of land and buildings and machinery under various non-cancellable operating lease agreements. The total commitments payable under these agreement are analysed as follows:

		Land and buildings 土地及樓宇		Machinery 機器	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Payable	應付				
– Within one year	– 一年內	5,395	3,272	–	24
– In the second year	– 第二年	2,818	1,845	–	–
– In the third to fifth years	– 第三至第五年	1,243	295	–	–
		9,456	5,412	–	24

29. 承擔**a) 資本承擔**

財務報表並無載列之資本承擔(綜合)分析如下:

	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Authorised and contracted for		
– purchase of fixed assets	110	405

於二零零四年及二零零三年三月三十一日，本公司並無任何資本承擔。

b) 經營租賃承擔

根據各項不可撤銷之經營租賃協議，本集團擁有有關土地及樓宇及機器之經營租賃承擔。該等協議項下應付之承擔總額分析如下:

30. CHARGE ON ASSETS

As at 31 March 2004, the Group has not pledged any assets.

As at 31 March 2003, fixed deposit of the Group amounted to approximately HK\$227,000 had been pledged to a bank to secure the guarantee of approximately HK\$225,000 given by the bank in respect of an additional rental deposit.

30. 資產抵押

於二零零四年三月三十一日，本集團並無抵押任何資產。

於二零零三年三月三十一日，本集團將總額約為227,000港元之定期存款抵押予銀行，以取得銀行為一項額外租賃押金提供約225,000港元之擔保。

BOARD OF DIRECTORS**Chairman**

Miss CHEUNG Yuk Shan, Shirley

Executive Directors

Miss CHEUNG Yuk Shan, Shirley

Mr. CHEUNG Ka Heng, Frankie

Mr. HO, Francis Man Kwong

Independent Non-Executive Directors

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Mr. LI Kuo Hsing

Mr. TO Kon Hung, Terence

Mr. HO Yiu Ming

COMPANY SECRETARY

Miss HO Hau Yin

QUALIFIED ACCOUNTANT

Miss HO Hau Yin

COMPLIANCE OFFICER

Miss CHEUNG Yuk Shan, Shirley

AUDIT COMMITTEE

Mr. HONG Po Kui, Martin

Mr. LI Kuo Hsing

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執行董事

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康寶駒先生

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何耀明先生

公司秘書

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何巧燕小姐

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