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**SAU SAN TONG HOLDINGS LIMITED**

**修身堂控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8200)**

## **DISCLOSEABLE TRANSACTION – THE SALE SHARES IN THE TARGET COMPANY**

### **THE DISPOSALS**

On 9 April 2021 (after trading hours of the Stock Exchange), the Group executed the Bought and Sold Notes and Instrument of Transfer to effect the Disposal of the Sales Shares of Target Company, representing approximately 1.04% of the entire issued share capital of Target Company (based on 300,000,000 shares of Target Company in issue as at 31 March 2021, according to publicly available information) at a consideration of approximately HK\$6,250,000.

### **IMPLICATIONS UNDER THE GEM LISTING RULES**

Pursuant to Rule 19.22 of the GEM Listing Rule, the Disposal aggregated with the Previous Disposal shall be aggregated as if they were one transaction.

Given the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Disposal aggregated with the Previous Disposal is more than 5% but less than 25%, the Disposal aggregated with the Previous Disposal constitute a discloseable transaction of the Company under the GEM Listing Rules and are subject to reporting and announcement requirements of Chapter 19 of the GEM Listing Rule.

\* *For identification purpose only*

## THE DISPOSAL

On 9 April 2021, the Group executed the Disposal and the Previous Disposal. Details of the Disposal and the Previous Disposal are set out as follows:

### The Disposal

Vendor	:	The Group
Purchaser	:	Hong Kong Aerospace Technology Group Limited, a company incorporated in Hong Kong with limited liability
Assets to be disposed of	:	Sales Shares, representing 1.04% of the issued share capital of the Target Company
Consideration	:	The consideration of Disposal is HK\$6,250,000

The consideration was determined after arm's length negotiations between the parties, having taken into account the financial performance of the Target Company and the current liquidity of the Target Company shares.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

### The Previous Disposal

The Group disposed 130,000 of Target Company shares through the open market, representing approximately 0.04% of the entire issued share capital of Target Company in the 12 months preceding the Disposal at a consideration of approximately HK\$334,000. The Previous Disposal on its own did not constitute a discloseable transaction of the Company pursuant to the Chapter 19 of the GEM Listing Rules at the relevant time.

## INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 1725). The Target Company is principally engaged in the business of electronic manufacturing services, which includes provision of design enhancement and verification, offering of technical advice and engineering solutions, raw materials selection and procurement, quality control, logistic and delivery and after-sale services to the customers in respect of the assembling and production of printed circuit board assemblies and fully-assembled electronic products.

The following information is extracted from the annual report of the Target Company for the financial year ended 31 December 2019 and the result announcement of the Target Company for the financial year ended 31 December 2020:

	<b>Year ended 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<i>RMB '000</i> <i>(audited)</i>	<i>RMB '000</i> <i>(audited)</i>
Revenue	546,325	547,825
Profit before income tax	29,187	20,327
Profit after income tax	25,457	17,323
Net assets	236,181	250,290
Earnings per share attributable to equity owners	8.49 cents	5.77 cents

## **INFORMATION OF THE GROUP**

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

## **INFORMATION OF THE PURCHASER**

The Purchaser is a company established in Hong Kong with limited liability. To the best of the Directors' knowledge, information and belief, the Purchaser and its ultimate beneficial owners is an Independent Third Party.

## **FINANCIAL EFFECTS OF THE DISPOSAL**

The Group will cease to own any of the Target Company shares upon the completion of the Disposal and the Previous Disposal. It is estimated that the Group records a gain of approximately HK\$1.75 million which is calculated on the basis of the difference between the acquisition cost and the disposal price (excluding transaction costs). The Group intends to apply the proceeds from the Disposals and the Previous Disposal as the Group's general working capital.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL AND THE PREVIOUS DISPOSAL**

The Disposal and the Previous Disposal will allow the Group to optimise its investment portfolio, which help to better achieve the Group's prudent development strategy. The Disposal and the Previous Disposal generate a lump sum cash for the Group to be applied for its general working capital purpose, which benefits the carrying out of the Group's strategy.

The historical trading volume of the shares in the Target Company was generally thin during the few months and it is difficult to dispose the Target Company shares held by the Group in the open market without exerting a significant downward pressure on its price. In addition, the Disposal price represents a premium of 139.7% of the net asset value per share of the Target Company as at 31 December 2020. Based on the above and taking into considerations the financial performance of the Target Company and the recent market condition, the Directors consider that the transactions contemplated under the Bought and Sold Notes and Instruments of Transfer, including the considerations received for the Disposal are on commercial terms which are fair and reasonable and in the best interests of the Company and its shareholders as a whole, particularly for the situation to sell a large amount of Target Company shares in the open market.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

Pursuant to Rule 19.22 of the GEM Listing Rule, the Disposal aggregated with the Previous Disposal shall be aggregated as if they were one transaction.

Given the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Disposal aggregated with the Previous Disposal is more than 5% but less than 25%, the Disposal aggregated with the Previous Disposal constitutes a discloseable transaction of the Company under the GEM Listing Rules and is subject to reporting and announcement requirements of Chapter 19 of the GEM Listing Rule.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Bought and Sold Notes”	the bought and sold note executed by the Vendor and the Purchaser in respect of the sale and transfer of Sale Shares
“Company”	Sau San Tong Holdings Limited, a company incorporated in the Cayman Islands with limited liability and issued shares are listed on GEM
“Disposals”	the disposal of 3,125,000 Target Company shares by the Group to the Purchaser
“Director(s)”	director(s) of the Company
“GEM”	the GEM of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associate
“Instrument of Transfer”	the instrument of transfer executed by the Vendor and Purchaser in respect of the sale and transfer of Sale Shares
“Main Board”	the Main Board operated by the Stock Exchange
“PRC”	the People’s Republic of China
“Previous Disposal”	the disposal of 130,000 Target Company shares through the open market in the 12 months preceding the Disposal at an consideration of approximately HK\$ 334,000
“Purchaser”	Hong Kong Aerospace Technology Group Limited, a company incorporated under laws of Hong Kong with limited liability. The ultimate beneficial owner of the Purchaser is Sun Fengquan
“RMB”	Renminbi, the lawful currency of the PRC
“Sales Shares”	3,125,000 ordinary share(s) of HK\$0.01 each in the existing issued share capital of the Target Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Eternity Technology Holdings Limited (stock code: 1725), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of Stock Exchange

“Vendor”

The Group

“%”

per cent.

By Order of the Board  
**SAU SAN TONG HOLDINGS LIMITED**  
**Mui Wai Sum**  
*Executive Director*

Hong Kong, 13 April 2021

*As at the date of this announcement, the Board comprises executive directors namely Mr. Mui Wai Sum and Mr. Chan Ka Kin; non-executive director namely Mr. Takashi Togo; independent non-executive directors namely Ms. Chiu Kam Hing, Kathy, Mr. Lau Wai Leung, Alfred and Mr. Au Siu Lun.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement herein or in this announcement misleading.*

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