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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 – DISPOSAL OF LISTED SECURITIES

THE DISPOSALS

On 27 April 2021 and 28 April 2021, the Group disposed of 2,520,000 Target Company Shares at approximately HK\$0.71 per Target Company Shares and 7,480,000 Target Company Shares at approximately HK\$0.70 per Target Company Shares, respectively, in aggregate representing approximately 1.47% of the entire issued share capital of Target Company (based on 680,000,000 Target Company Shares in issue as at 31 March 2021, according to publicly available information), for the aggregate consideration of approximately HK\$7.03 million (excluding transaction costs).

IMPLICATIONS UNDER THE GEM LISTING RULES

Pursuant to Rule 19.22 of the GEM Listing Rules, the First Disposal and the Second Disposal shall be aggregated as if they were one transaction. As one of the applicable percentage ratios (as defined under the GEM Listing Rules) for the Disposals exceeds 5% but is less than 25%, the Disposals constitute a discloseable transaction and subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

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* For identification purpose only

As the Disposals were made in the open market, the Company is not aware of the identities of the purchaser(s) of the Target Company Shares and accordingly, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the purchaser(s) of the Target Company Shares and its/their respective ultimate beneficial owner(s) are Independent Third Parties.

ASSETS BEING DISPOSED OF

The Group disposed of a total of 10,000,000 Target Company Shares, representing approximately 1.47% of the entire issued share capital of the Target Company (based on 680,000,000 the Target Company Shares in issue as at 31 March 2021, according to publicly available information).

CONSIDERATION

The aggregate consideration of the Disposals was approximately HK\$7.03 million (excluding transaction costs), which is receivable in cash on settlement. The consideration of the Disposals represented the then market value of Target Company Shares at the time of the Disposals.

INFORMATION ON TARGET COMPANY

The Target Company is an investment holding company. The Target Company and its subsidiaries are distributors of food ingredients and food additives in Asia with outstanding research and development capacity.

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

	Year ended 31 December	
	2020	2019
	<i>RMB '000</i>	<i>RMB '000</i>
	(audited)	(audited)
Revenue	655,318	579,885
Profit before taxation	49,335	41,054
Profit after taxation	34,898	30,001

The audited net asset value of the Target Company as at 31 December 2020 was approximately RMB337 million.

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.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Group acquired the Target Company Shares for investment purpose. The Directors considered that the Disposals would enable the Group to realise its investment in the Target Company Shares.

As a result of the Disposals, the Group is expected to receive the proceeds of HK\$7.03 million (excluding transaction costs) and recognise a gain of approximately HK\$220,000 which is calculated on the basis of the difference between the acquisition cost and the disposal price (excluding transaction costs). The Group intends to use the proceeds from the Disposals as the working capital. The Disposals are made at the then market price and the Directors are of the view that the Disposals are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

Pursuant to Rule 19.22 of the GEM Listing Rules, the First Disposal and the Second Disposal shall be aggregated as if they were one transaction. As one of the applicable percentage ratios (as defined under the GEM Listing Rules) for the Disposals exceeds 5% but is less than 25%, the Disposals constitute a discloseable transaction and subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Sau San Tong Holdings Limited, a company incorporated in the Cayman Islands with limited liability and issued shares are listed on GEM (Stock Code: 8200)
“Disposals”	collectively, the First Disposal and the Second Disposal
“Director(s)”	director(s) of the Company

“First Disposal”	the disposal of 2,520,000 Target Company Shares by the Group on 27 April 2021
“GEM”	the Growth Enterprise Market 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 People’s Republic of China
“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 associates
“Main Board”	The Main Board of the Stock Exchange
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Second Disposal”	the disposal of 7,480,000 Target Company Shares by the Group on 28 April 2021
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Shineroad International Holdings Limited (stock code: 1587), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board
“Target Company Shares”	shares of HK\$0.01 each in the share capital of Target Company listed on the Main Board
“%”	per cent.

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

Hong Kong, 28 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 for at least 7 days from the date of its posting and on the Company’s website at www.sst-holding.com.