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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)

SUPPLEMENTAL ANNOUNCEMENT TO 2020 ANNUAL REPORT AND 2021 ANNUAL REPORT

References are made to (i) the prospectus (the “**Prospectus**”) of Sau San Tong Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 9 February 2017, in relation to, among others, the Rights Issue; (ii) the annual report of the Company for the financial year ended 31 March 2020 (the “**2020 Annual Report**”) published on 30 June 2020; and (iii) the annual report of the Company for the financial year ended 31 March 2021 (the “**2021 Annual Report**”) published on 29 June 2021. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Prospectus, the 2020 Annual Report and the 2021 Annual Report.

USE OF PROCEEDS FROM THE RIGHTS ISSUE

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide shareholders of the Company and potential investors with further information for the paragraph headed “**Use of Proceeds**” under the section headed “**Management Discussion and Analysis**” in the 2020 Annual Report:

		Actual amount utilised	Actual amount utilised	Actual amount utilised	Unutilised balance	Expected timeline for unutilised proceeds
	Total planned amount to be used	up to 31 March 2019	during the year ended 31 March 2020	up to 31 March 2020	as at 31 March 2020	as at 31 March 2020
	HK\$' million	HK\$' million	HK\$' million	HK\$' million	HK\$' million	
Use of net proceeds						
Acquisition of commercial and residential properties situated in the PRC and Hong Kong	174	16	—	16	158	By 30 September 2020
Repayment of the outstanding amount due to Dr. Cheung Yuk Shan, Shirley under the Convertible Note	20	20	—	20	—	—

* For identification purpose only

		Actual amount utilised during the year ended 31 March 2020	Actual amount utilised up to 31 March 2020	Actual amount utilised up to 31 March 2020	Unutilised balance as at 31 March 2020	Expected timeline for unutilised proceeds as at 31 March 2020
Use of net proceeds	Total planned amount to be used	Actual amount utilised up to 31 March 2019	Actual amount utilised up to 31 March 2020	Actual amount utilised up to 31 March 2020	Unutilised balance as at 31 March 2020	Expected timeline for unutilised proceeds as at 31 March 2020
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	
Development of the Group's money lending business	40	40	—	40	—	—
Renovation of offices and shops in the PRC and Hong Kong	60	7	—	7	53	By 30 September 2020
Development of securities investment business	30	30	—	30	—	—
General working capital	28	—	6.13	6.13	21.87	By 30 September 2020
Total	352	113	6.13	119.13	232.87	

With reference to the supplemental announcement to 2019 annual report and change in use of proceeds (the “**Supplemental Announcement**”) dated 14 September 2020, the Board resolved to change the proposed use of the unutilised Net Proceeds (the “**Reallocation**”). The reasons of the Reallocation can be referred to the Supplemental Announcement. Details of Use of Net Proceeds after taking Reallocation into account for the financial year ended 31 March 2020 is set out as follows:

	The total allocation of the Net Proceeds after the Reallocation	Actual amount utilised up to 31 March 2019	Actual amount utilised during the year ended 31 March 2020	Actual amount utilised as at 31 March 2020	Unutilised balance as at 31 March 2020	Expected timeline for unutilised Net proceeds after the Reallocation as at 31 March 2020
Use of Net Proceeds						
Properties Acquisition	116	16	—	16	100	Approximately HK\$20 million by 31 December 2020 and approximately HK\$80 million by 31 June 2021
Repayment of the outstanding amount due to Dr. Cheung Yuk Shan, Shirley under the Convertible Note	20	20	—	20	—	—
Development of the Group’s money lending business	78	40	—	40	38	By 30 June 2021
Renovation of offices and shops in the PRC and Hong Kong	60	7	—	7	53	By 30 September 2021
Development of securities investment business	30	30	—	30	—	—
General working capital	48	—	6.13	6.13	41.87	By 30 September 2021
Total	352	113	6.13	119.13	232.87	

In addition, with reference to the 2021 Annual Report, the Board would like to provide shareholders of the Company and potential investors with further information for the paragraph headed “**Use of Proceeds**” under the section headed “**Management Discussion and Analysis**” in the 2021 Annual Report:

		Actual amount utilised	Actual amount utilised	Actual amount utilised	Unutilised balance as	Expected timeline for unutilised net proceeds
	The total allocation of the net proceeds	Actual amount utilised up to 31 March 2020	during the year ended 31 March 2021	at 31 March 2021	at 31 March 2021	as at 31 March 2021
Use of net proceeds						
Acquisition of commercial, industrial and residential properties situated in the PRC and Hong Kong (“ Properties Acquisition ”)	116	16	—	16	100	By 31 December 2022
Repayment of the outstanding amount due to Dr. Cheung Yuk Shan, Shirley under the Convertible Note	20	20	—	20	—	—
Development of the Group’s money lending business	78	40	11.4	51.4	26.6	By 31 December 2022
Renovation of offices and shops in the PRC and Hong Kong	60	7	1.7	8.7	51.3	By 31 December 2022
Development of securities investment business	30	30	—	30	—	—
General working capital	48	6.13	27.07	33.2	14.8	By 31 December 2021
Total	352	119.13	40.17	159.3	192.7	

In view of the adverse impact of the outbreak of the Covid-19 coupling with the challenges encountered by the Group in its business operations, such as increasing costs of sales, rising salaries and inflating rentals, the Board resolved that the expected timeline of unutilised Net Proceeds as at 31 March 2020 and the expected timeline of unutilised net proceeds as at 31 March 2021 are adjusted.

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

Hong Kong, 5 October 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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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