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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 ACQUISITION OF PROPERTY

The Board is pleased to announce that on 8 May 2015, the Provisional Agreement in relation to the Acquisition for a purchase price of HK\$45,576,000 was entered into between the Purchaser and the Vendor.

As one or more of the applicable percentage ratios in respect of the Acquisition is/are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 8 May 2015, the Provisional Agreement in relation to the acquisition of the Property (the “**Acquisition**”) for a purchase price of HK\$45,576,000 (the “**Purchase Price**”) was entered into between the Purchaser and the Vendor.

THE PROVISIONAL AGREEMENT AND THE ACQUISITION

The Provisional Agreement:

Date : 8 May 2015

Parties : (1) Komda Holdings Limited (as Vendor)
(2) Sau San Tong Investment Holdings Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company (as Purchaser)

Sale and Purchase:

Pursuant to the Provisional Agreement, the Vendor will sell the Property to the Purchaser (or its nominee(s) or sub-purchaser(s)) free from encumbrances. The Vendor and the Purchaser will enter into the Formal Agreement on or before 22 May 2015.

* For identification purpose only

The Property:

The Property is at whole of 5th Floor together with the adjacent flat roof, lift lobby/corridor, Male and Female Lavatories, CFC Tower, 28 Mody Road, Tsimshatsui, Kowloon, Hong Kong. The Property is a commercial property with a gross area of approximately 3,370 square feet (excluding the adjacent flat roof).

According to the Vendor, part of the Property has been leased out to a third party independent of the Group as at the date of this announcement, and the lease shall expire in April 2017 (the “**Existing Lease**”). According to the Vendor, the monthly rental pursuant to the Existing Lease is HK\$57,000.

Purchase Price:

The Purchase Price is payable in cash.

The Purchase Price was arrived at after arm’s length negotiations between the Purchaser and the Vendor after taking into account the market price of similar properties of similar size, character and location. It is estimated that the Purchase Price together with transaction costs such as stamp duty, property agent commission and legal costs will put the total costs of the Property at approximately HK\$50,000,000.

On the basis of the above factors and considering the benefits of the Acquisition as set out in the section headed “Reasons for and benefits of the Acquisition” under this announcement, the Board believes that the Purchase Price is fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Terms of Payment:

- (a) an initial deposit of HK\$2,278,800 (the “**Initial Deposit**”) has been paid by the Purchaser to the Vendor upon signing of the Provisional S&P Agreement;
- (b) a further deposit of Hk\$2,278,800 (the “**Further Deposit**”) is payable upon signing of the Formal Agreement on 22 May 2015; and
- (c) the remaining balance of the Purchase Price of HK\$41,018,400 will be satisfied in full by the Purchaser upon Completion.

The Company intends to satisfy the Purchase Price by a combination of internal resources of the Group and bank mortgage financing to the extent where available.

Completion:

Completion will take place on or before 23 October 2015.

INFORMATION OF THE PURCHASER, THE COMPANY AND THE GROUP

The Purchaser is a wholly-owned subsidiary of the Company and its principal activity is investment.

The Company is the holding company of the Group, which is principally engaged in the provision of beauty and slimming services from slimming centres, distribution sales of cosmetic and skin care products and sales of other health and beauty products.

INFORMATION OF THE VENDOR

The Vendor is a company incorporated in Hong Kong with limited liability, which principally engaged in bicycle manufacturing and selling.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor, its directors and its ultimate beneficial owner are independent of, and not connected with any of the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group currently leases several commercial properties as its back office and beauty and slimming centres in Hong Kong. The Group has been exploring appropriate investment opportunities and is optimistic about the prospect of the property market in Hong Kong. The Group intends to hold the Property for investment purposes and/or self-use as a beauty and slimming centre and will, depending on the then market circumstances, lease out all or part of the Property for rental income.

The Board considers that the purchase of the Property would enable the Group to achieve a considerable rental savings and would strengthen the asset and/or income base of the Group and provide capital appreciation potential to the Group. With the Existing Lease providing additional rental income and allowing for full utilization of the lease that the Group currently entered into, which is due to expire, up to the conclusion of its full term.

On the above basis, the Board is of the view that the terms of the Provisional Agreement and the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

IMPLICATION UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios as defined under Rule 19.04 of the GEM Listing Rules in respect of the Acquisition is/are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under the GEM Listing Rules. The Acquisition is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

Unless the context otherwise requires, capitalized terms used in this announcement shall have the following meanings:-

“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Company”	Sau San Tong Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Director(s)”	director(s) of the Company
“Formal Agreement”	the formal sale and purchase agreement expected to be entered into between the Purchaser and the Vendor on or before 22 May 2015 for the acquisition of the Property
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Property”	5th Floor together with the adjacent flat roof, lift lobby/corridor, Male and Female Lavatories, CFC Tower, 28 Mody Road, Tsimshatsui, Kowloon, Hong Kong.
“Provisional Agreement”	the provisional sales and purchase agreement dated 8 May 2015 entered into between the Purchaser and the Vendor for the acquisition of the Property
“Purchaser”	Sau San Tong Investment Holdings Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Komda Holdings Limited, a company incorporated in Hong Kong with limited liability
“%”	per cent.

On behalf of the Board
Sau San Tong Holdings Limited
Cheung Yuk Shan, Shirley
Chairman

Hong Kong, 8 May 2015

As at the date of this announcement, the Board comprises executive Directors namely Dr. Cheung Yuk Shan, Shirley (Chairman), Mr. Cheung Ka Heng, Frankie and Mr. Mui Wai Sum; independent non-executive Directors namely Mr. Hong Po Kui, Martin, Mr. Li Kuo Hsing, Ms. Hui Yat Lam and Ms. Chiu Kam Hing, Kathy.

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 this announcement misleading.

This announcement will remain on the “Latest Company Announcements” 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.sausantong.com.