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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 RIGHT-OF-USE ASSETS LEASE RENEWAL OF OFFICE

THE LEASE RENEWAL

The Board announces that on 23 October 2024, the Tenant, a direct wholly-owned subsidiary of the Company, entered into the Lease Renewal with the Landlord, an Independent Third Party, in respect of the Premises for a term commencing on 1 November 2024 and ending on 30 October 2027 (both days inclusive).

Pursuant to HKFRS 16, the tenancy of the Premises is recognised as a right-of-use asset for an amount of approximately HK\$8.3 million, which is calculated with reference to the present value of the aggregated lease payments to be made under the Lease Renewal.

IMPLICATIONS UNDER THE GEM LISTING RULES

Given the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Lease Renewal is more than 5% but less than 25%, the Lease Renewal 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 Rules.

BACKGROUND

The Board announces that on 23 October 2024, the Tenant, a direct wholly-owned subsidiary of the Company, entered into the Lease Renewal with the Landlord, an Independent Third Party, in respect of the Premises for a term commencing on 1 November 2024 and ending on 30 October 2027 (both days inclusive).

* For identification purpose only

THE LEASE RENEWAL

Details of the principal terms of the Lease Renewal are set out below:

Date	:	23 October 2024
Parties	:	(i) the Landlord (ii) the Tenant
Premises	:	Unit 2303, 23/F China Insurance Group Building, 141 Des Voeux Road Central, Central, Hong Kong
Term	:	from 1 November 2024 to 30 October 2027 (both days inclusive)
Total aggregated value of consideration payment	:	HK\$8,346,624 in aggregate (exclusive of service charges, Government rent, rates and management fee) during the term from 1 November 2024 to 30 October 2027
Rental payment	:	The monthly rent payment is HK\$250,000 exclusive of service charges, government rent, rates and Tenant's outgoing. The Tenant shall be responsible for Government rent, rates and management fee during the term. The rent under the Lease Renewal was determined after arm's length negotiations between the Landlord and the Tenant, taking into consideration of the prevailing market price of comparable premises in the vicinity of the Premises.
Rental deposit	:	a rental deposit of HK\$280,348 being equivalent to one month rent, building management fee and Government rate
Stamp duty	:	the stamp duty shall be borne equally by the Landlord and the Tenant

The payment of the monthly rent, the rental deposit and the stamp duty will be funded by the internal resources of the Group.

RIGHT-OF-USE ASSETS

Pursuant to HKFRS 16, the tenancy of the Premises is recognised as a right-of-use asset for an amount of approximately HK\$8.3 million, which is calculated with reference to the present value of the aggregated lease payments to be made under the Lease Renewal.

INFORMATION OF THE PARTIES

The Company

The Company is an investment holding company. 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.

The Tenant

The Tenant is a company incorporated under the laws of British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of the Company. The Tenant is principally engaged in the investment in securities.

The Landlord

Willing Investments Limited is a company incorporated under the laws of Hong Kong with limited liability. The principal activity of the Landlord is property investment. To the best of the Directors' knowledge, information and belief, each of the Landlord and its ultimate beneficial owners is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE LEASE RENEWAL

The Group has been leasing the Premises as its headquarters and principal place of business since 2018 pursuant to the previous lease agreement which was due to expiration.

In evaluating the options of renewal of the existing tenancy or leasing a new office, the Directors consider that the Premises are located in the commercial zone in Central, Hong Kong, which is easily accessible by various transportation and staying would have saved the renovation cost and the expenditure on relocation. As such, the Directors are of the opinion that the Lease Renewal is in favour of the Group's future development and it is probable that the extension option is exercised.

The terms of the Lease Renewal were determined after arm's length negotiations between the parties and with reference to the prevailing market price of comparable premises in the vicinity of the Premises. The entering into of the Lease Renewal is necessary for continuing the business operation of the Group and is in the ordinary and usual course of business of the Group. Therefore, the Board considers that the terms of the Lease Renewal are on normal commercial terms and fair and reasonable and the entering into of the Lease Renewal is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

Given the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Lease Renewal is more than 5% but less than 25%, the Lease Renewal 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 Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors of the Company
“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 the GEM
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a third party independent of the Company and the connected persons of the Company
“Landlord”	Willing Investments Limited, a company incorporated under the laws of Hong Kong with limited liability

“Lease Renewal”	a lease renewal agreement entered into between the Landlord and the Tenant on 23 October 2024 in relation to the lease of the Premises
“Premises”	Unit 2303, 23/F China Insurance Group Building, 141 Des Voeux Road Central, Central, Hong Kong
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenant”	Win Ease (BVI) Limited, a company incorporated under the laws of British Virgin Islands with limited liability and direct wholly-owned subsidiary of the Company

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

On Behalf of the Board
Sau San Tong Holdings Limited
Mui Wai Sum
Executive Director

Hong Kong, 23 October 2024

As at the date of this announcement, the Board comprises executive directors namely Mr. Mui Wai Sum and Mr. Lei Nelson; independent non-executive directors namely Mr. Lau Wai Leung, Alfred, Mr. Au Siu Lun and Ms. Tsang Tsz Nok, Aleen.

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.hkexnews.hk for at least 7 days from the date of its posting and on the Company’s website at www.sst-holding.com.