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## **HANG SANG (SIU PO) INTERNATIONAL HOLDING COMPANY LIMITED**

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

**(Stock Code: 3626)**

### **SUPPLEMENTAL ANNOUNCEMENT**

#### **DISCLOSEABLE TRANSACTION IN RELATION TO THE 2024 RENTAL AGREEMENT**

Reference is made to the announcement of the Company dated 30 April 2024 in relation to the 2024 rental agreement (the “**Announcement**”). Unless otherwise stated, all the capitalised terms used herein shall have the same meaning as those adopted in the Announcement.

The Board wishes to provide the following supplemental information.

#### **FURTHER DETAILS OF THE VALUATION**

The monthly rent (exclusive of management fee, government rent and rates) under the 2024 Rental Agreements is approximately HK\$279,170 and total saleable areas is approximately 18,933 square feet by several industrial units which saleable area in between 1,653 square feet to 9,398 square feet represents a modest discount to the market rent (exclusive of management fee, government rent and rates) according to valuation is HK\$288,400.

In valuing the market rent of the Properties, the Valuer has adopted the market approach. The market approach considers rents recently paid for similar assets, with adjustments made to the indicated market rents to reflect the condition and utility of the Properties relative to market comparables, assuming the lessor leases the Property in its existing state to lessee for a term of two to five years under normal leases. The Valuer have identified and analysed various comparables that have similar characteristics as the Property. The comparables located at Tin On Industrial Building were selected based on the following criteria:

- a. Normal transaction and duly registered in the Land Registry;
- b. Date of instrument registered in the Land Registry within 6 months from the Valuation Date;
- c. Industrial units located at Cheung Sha Wan with the Properties;
- d. Saleable area in between 1,500 square feet to 10,000 square feet; and
- e. Building completion date in between 1975 to 1979

Based on the above criteria, three comparables were selected. The unit rent is calculated by dividing monthly rent by saleable area (measured from registered building plan) of these three comparables. Adjustments reflect the differences in various aspects between the comparable properties and the Properties, including time, floor, location, headroom, loading, building quality and size account for the adjusted unit rent. The general basis of adjustment is that if the comparable property is superior to the Properties, a downward adjustment is made, vice versa. The summary of the comparable properties and adjustments are as follows.

The comparison of three properties are all used for industrial purposes and were occupied in 1977. There were no comparables selected from the Gee Hing Cheong Industrial Building as no rental transaction registered in the Land Registry within 6 months from the Valuation Date. The properties have different floor numbers and units, with varying monthly rents, but same headroom and loading capacity. The lease terms for these properties range from 2 to 3 years. The saleable areas of the properties also differ, ranging from 5,855 to 9,021 square feet. The unit rent per square foot are also provided, along with the date of the leasing agreements.

Each property undergoes adjustments that consider factors including time, floor level, available headroom, loading capacity, building construction quality, and overall size. The adjusted unit rent reflects the relative superiority or similarity of each property against the subject property. The total adjustments range from -4.1% to -5.7%. The adopted unit rent, based on these adjustments, is HKD15.23 per square foot.

Based on the adopted unit rent and the approximate saleable area of the subject property, the total market rent, excluding management fees, government rent, and rates, is calculated to be HK\$288,400.

## **THE 2024 RENTAL AGREEMENTS**

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, one of the business activities of the ultimate beneficial owner(s) of the landlord is property investment for the purpose of generating rental income.

By order of the Board  
**Hang Sang (Siu Po) International Holding Company Limited**  
**Fung Man Wai Samson**  
*Chairman, chief executive officer and executive director*

Hong Kong, 22 May 2024

*As at the date of this announcement, the executive Directors of the Company are Mr Fung Man Wai Samson, Mr Fung Man Kam and Mr Fung Kar Chue Alexander, and the independent non-executive Directors of the Company are Dr Loke Yu, Ms Fung Po Yee and Dr Sung Ting Yee.*