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

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

**(Stock Code: 3626)**

### **PROPOSED SHARE PREMIUM REDUCTION AND PROPOSED DECLARATION AND PAYMENT OF SPECIAL DIVIDEND**

The Company proposes to effect the Share Premium Reduction by reducing the amount standing to the credit of the share premium account of the Company as at the Effective Date, and the credit arising from such Share Premium Reduction be applied towards offsetting the entire amount of the accumulated losses of the Company as at the Effective Date. The Company will then pay the Special Dividend out of the share premium account of the Company. After payment of the Special Dividend, the remaining balance in the share premium account of the Company is approximately HK\$28,689,000, which will be transferred to the retained earnings account of the Company.

The Board recommends the declaration and payment of the Special Dividend to the Shareholders whose names appear on the register of members of the Company on the Record Date.

A circular containing, inter alia, further details about the Share Premium Reduction and the declaration and payment of Special Dividend together with a notice convening the EGM will be published on the websites of the Stock Exchange and the Company as soon as practicable in accordance with the Listing Rules.

### **PROPOSED SHARE PREMIUM REDUCTION**

As at 31 December 2024, the amount standing to the credit of the share premium account of the Company was approximately HK\$77,105,000 and the amount of accumulated losses of the Company was approximately HK\$28,544,000.

The Company proposes to effect the Share Premium Reduction by reducing the amount standing to the credit of the share premium account of the Company as at the Effective Date, which is expected to be approximate to the aforesaid amount, and the credit arising from such Share Premium Reduction be applied towards offsetting the entire amount of the accumulated losses of the Company as at the Effective Date. The Company will then pay the Special Dividend out of the share premium account of the Company. After payment of the Special Dividend, the remaining balance in the share premium account of the Company is approximately HK\$28,689,000, which will be transferred to the retained earnings account of the Company.

### **Conditions of the Share Premium Reduction**

The Share Premium Reduction is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Premium Reduction; and
- (ii) compliance by the Company with the requirements of the Companies Act to effect the Share Premium Reduction and the Directors being satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Effective Date would be, unable to pay its debts as they become due in the ordinary course of business.

Subject to the fulfillment of the above conditions, it is expected that the Share Premium Reduction will become effective on the date of passing the ordinary resolution by the Shareholders at the EGM to approve the Share Premium Reduction or upon the day on which the above conditions are fulfilled (whichever is later). No Shareholders are required to abstain from voting on the ordinary resolution proposed to approve the Share Premium Reduction.

### **Reasons for the Share Premium Reduction**

The Share Premium Reduction, after becoming effective, will eliminate the accumulated losses of the Company and will put the Company in a better position to declare dividends to the Shareholders in the future. The Board considers that the accumulated losses of the Company to be historical and proposes the reduction of the share premium account to eliminate the accumulated losses of the Company and to better reflect the financial position of the Company which it considers to be in the best interests of the Company and the Shareholders as a whole.

### **Effects of the Share Premium Reduction**

The Share Premium Reduction does not involve any reduction in the authorized or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements in respect of the Shares.

Save for the expenses incurred by the Company in relation to the Share Premium Reduction, implementation of the Share Premium Reduction will not itself alter the underlying assets, business, operations, management, financial position (other than as regards the payment of the relevant expenses) or the paid up share capital of the Company.

## **PROPOSED DECLARATION AND PAYMENT OF SPECIAL DIVIDEND**

The Board recommends the declaration and payment of the Special Dividend to the Shareholders whose names appear on the register of members of the Company on the Record Date, subject to the conditions as stated below.

An ordinary resolution will be proposed at the EGM to approve the declaration and payment of the Special Dividend.

### **Conditions of payment of the Special Dividend**

The declaration and payment of the Special Dividend is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM approving the Share Premium Reduction and the Share Premium Reduction has become effective;
- (ii) the passing of an ordinary resolution by the Shareholders at the EGM approving the declaration and payment of the Special Dividend; and
- (iii) the Board being satisfied that, immediately following the payment of the Special Dividend, the Company shall be able to pay its debts as they fall due in the ordinary course of business.

The Board is satisfied that the Company has sufficient funds available, after taking into account the criteria set out in the Companies Act, to pay the Special Dividend. Under section 34(2) of the Companies Act, no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the Company shall be able to pay its debts as they fall due in the ordinary course of business.

## **GENERAL**

A circular containing, inter alia, further details about the Share Premium Reduction and the declaration and payment of Special Dividend together with a notice convening the EGM will be published on the websites of the Stock Exchange and the Company as soon as practicable in accordance with the Listing Rules.

**Shareholders and potential investors of the Company should note that the Share Premium Reduction and declaration and payment of Special Dividend are conditional upon satisfaction of the conditions set out in this announcement. Therefore, the proposed Share Premium Reduction and payment of Special Dividend may or may not proceed.**

## DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the meanings set out below in this announcement:

“Board”	the board of Directors
“Companies Act”	Companies Act (2025 Revision) of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor
“Company”	Hang Sang (Siu Po) International Holding Company Limited, a company incorporated as an exempted company with limited liability in the Cayman Islands, whose Shares are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Share Premium Reduction shall become effective
“EGM”	the extraordinary general meeting of the Company to be held for the purpose of considering and approving the Share Premium Reduction and the declaration and payment of Special Dividend
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Record Date”	the record date for determination of entitlements to the Special Dividend
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Premium Reduction”	the proposed reduction of the amount standing to the credit of the share premium account of the Company as at the Effective Date and applying the credits arising therefrom towards the elimination of the entire amount of the accumulated losses of the Company as at the Effective Date

“Shareholder(s)”	holder(s) of the Shares from time to time
“Special Dividend”	the proposed special dividend of HK\$0.108 per Share in cash out of the share premium account of the Company to the Shareholders whose names appear on the register of members of the Company on the Record Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board of  
**HANG SANG (SIU PO) INTERNATIONAL HOLDING COMPANY LIMITED**  
**Fung Man Wai Samson**  
*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 11 April 2025

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