

**WANG ON BUILDING FOR SALE:
\$HK500 MILLION IS LIKELY TO BE THE GOING RATE, FOLKS**

Mr Francis Choi Chee Ming () is a very rich man – and he plans to be very much richer by the end of April, by at least another \$HK296 million, in fact.

He has put up for sale one of his many pieces of commercial properties in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC): The Ground Floor to the Fourth Floor of Wang On Building (), which lies in the heart of Mongkok, among one of the most-densely populated areas in the world.

The property is located at Numbers 73-81, Argyle Street, at the junction of Argyle Street and Tung Choi Street.

The Gross Floor Area of the Ground Floor to the Fourth Floor is about 25,016 square feet, with the Ground Floor to the Third Floor, being used for retail purposes, while the Fourth Floor is being designated as an office unit.

Mr Francis Choi Chee Ming purchased this property on June 5, 2002, according to the database of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider).

He paid \$HK204 million for the property, using one of his many companies as the purchaser, namely, Fortune International Investment Development Ltd.

At a simple, 20-percent increase per annum, the market value of this property has doubled – which would put today's market price at about \$HK400 million.

However, it would appear that \$HK500 million would be closer to the mark, in **TARGET**'s estimation, due to the following factors.

Gome Home Appliances (Hongkong) Ltd ([]) has rented the entire commercial podium at a monthly rental of \$HK1,782,500, exclusive of Rates and Management Fees, and this company has the right of first refusal when its present lease expires on August 31, 2009.

[Gome Home Appliances (Hongkong) Ltd is not the publicly listed company – GOME Electrical Appliances Holding Ltd () (Code: 493, Main Board, The Stock Exchange of Hongkong Ltd) – but a company, owned by the Chairman of GOME, namely, Mr Wong Kwong Yu ().]

Gome has the option to renew its lease for another 3 years with an increase in rent, not exceeding 15 percent of the existing monthly figure of \$HK1,782,500.

This would bring the rental income up to about \$HK2.05 million per month before expenses.

In essence, therefore, Gome is locked into this property and it likes to be locked in because it has a peach of a deal and it is unlikely that this company would be willing to walk away from the property.

Recently, at Numbers 8 to 8A, Nelson Street, Mongkok, not very far from Wang On Building, Tai Hung Fai Enterprise Company Ltd () sold its property for about \$HK750 million.

That property comprised about 26,000 square feet of retail space on the Ground Floor to the Fourth Floor

(similar, in fact, to the proposed sale of the commercial podium of Wang On Building).

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