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## **KECK SENG INVESTMENTS (HONG KONG) LIMITED**

**激成投資(香港)有限公司**

*(Incorporated in Hong Kong with limited liability)*

Website: [www.keckseng.com.hk](http://www.keckseng.com.hk)

(Stock Code: 184)

### **DISCLOSEABLE TRANSACTION ENTERING INTO OF THE RENOVATION CONTRACTS**

The Board announces that on 15 August 2024 (New York time), KSSNY Inc., an indirect wholly-owned subsidiary of the Company, has instructed Parker Company, a company with whom KSSNY Inc. has entered into the Previous Renovation Contract B on 1 May 2022, pursuant to which Parker Company has undertaken to provide hospitality procurement services to KSSNY Inc. in respect of the renovation of the Hotel, to effect the additional purchases of the Current Transaction as further specified in this announcement.

References are made to the Previous Renovation Contracts entered into by KSSNY Inc. with the Contractors which are still continuing on an ongoing basis, pursuant to which each of the Contractors had agreed to provide various services in relation to the construction and renovation works for the Hotel, including hospitality procurement, construction, contracting, and renovation works and related services in respect of the Hotel for KSSNY Inc.. According to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the Previous Transactions (individually and in aggregate) was lower than 5%, the Previous Transactions were not subject to the announcement requirement under Chapter 14 of the Listing Rules.

According to Rule 14.22 of the Listing Rules, the Current Transaction and the Previous Transactions shall be aggregated. According to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio is higher than 5% but lower than 25% when aggregated with the Previous Transactions, the Current Transaction constitutes a discloseable transaction of the Company and is subject to the announcement requirement but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

The various services in relation to the construction and renovation works for the Hotel form part of the alteration and renovation works in order to prepare the Hotel to be fully renovated and upgraded within approximately the next 24 months. The Company is expecting to enter into further renovation contracts with various different contractors in due course and will make timely disclosures and comply with the applicable disclosure requirements in accordance with the Listing Rules as and where appropriate in the event when further renovation contracts are entered into.

## INTRODUCTION

The Board announces that on 15 August 2024 (New York time), KSSNY Inc., an indirect wholly-owned subsidiary of the Company, has instructed Parker Company, a company with whom KSSNY Inc. has entered into the Previous Renovation Contract B on 1 May 2022, pursuant to which Parker Company has undertaken to provide hospitality procurement services to KSSNY Inc. in respect of the renovation of the Hotel, to effect the additional purchases of the Current Transaction as further specified in this announcement.

The principal terms of the Current Transaction made pursuant to Previous Renovation Contract B are set out as follows:

### A. THE CURRENT TRANSACTION

Date	Counterparty	Scope of Work	Contract Sum	Payment Terms
15 August 2024 (New York time)	Parker Company	Procurement of furniture, fixtures and equipment for the general upgrade and renovation of the Hotel, including but not limited to the procurement of sleeper sofas, solution dyed nylon carpets, case goods, upholstered seating, wall mirrors and illuminated vanity mirrors and vinyl wallcovering	US\$5,471,588 (equivalent to approximately HK\$42,678,390)	The contract sum shall be paid by a 50% upfront payment upon issuance of purchase instructions to Parker Company and a 50% payment upon completion of the procurement

## **B. THE PREVIOUS RENOVATION CONTRACTS**

References are made to the Previous Renovation Contracts entered into by KSSNY Inc. with the Contractors which are still continuing on an ongoing basis, pursuant to which each of the Contractors had agreed to provide various services in relation to the construction and renovation works for the Hotel, including hospitality procurement, construction, contracting and renovation works and related services in respect of the Hotel for KSSNY Inc..

The principal terms of the Previous Renovation Contracts are set out as follows:

<b>Date</b>	<b>Counterparty</b>	<b>Scope of Work</b>	<b>Contract Sum</b>	<b>Payment Terms</b>
<b>Previous Renovation Contract A</b>				
2 April 2019	Dyami Architecture	Provision of architect of record and engineering services, including but not limited to, the design and preparation of the overall construction and renovation documents of the Hotel	US\$1,121,362 (equivalent to approximately HK\$8,746,622)	The contract sum shall be paid by progress payments based on the amount of services performed and upon the periodic submission of payment application made by Dyami Architecture
<b>Previous Renovation Contract B</b>				
1 May 2022	Parker Company	Provision of procurement agent services for the procurement of furniture, fixtures and equipment for the general upgrade and renovation of the Hotel	US\$170,000 (equivalent to approximately HK\$1,326,000)	The contract sum shall be paid by progress payments based on the amount of services performed, and delivery of furniture, fixtures and equipment, and upon the periodic submission of payment application made by Parker Company

<b>Date</b>	<b>Counterparty</b>	<b>Scope of Work</b>	<b>Contract Sum</b>	<b>Payment Terms</b>
<b>Previous Renovation Contract C</b>				
31 May 2022	Kevin Barry Art	Provision of art consultancy services in respect of the artworks to be displayed in the Hotel	US\$38,000 (equivalent to approximately HK\$296,400)	The contract sum shall be paid by progress payments based on the amount of services performed and upon the periodic submission of payment application made by Kevin Barry Art
<b>Previous Renovation Contract D</b>				
7 July 2022	Hunter Roberts	Provision of construction management services, pre-consultation services, including but not limited to the overall planning and design development of the Hotel	US\$245,000 (equivalent to approximately HK\$1,911,000)	The contract sum shall be paid by progress payments based on the amount of services performed and upon the periodic submission of payment application made by Hunter Roberts
<b>Previous Renovation Contract E</b>				
11 January 2023	Parker Company	Provision of procurement agent services for the procurement of furniture, fixtures, and equipment for the first mock up room and a suite in the Hotel	US\$293,546 (equivalent to approximately HK\$2,289,662)	The contract sum shall be paid by a 50% upfront payment upon issuance of purchase instructions to Parker Company and a 50% payment upon completion of the procurement
<b>Previous Renovation Contract F</b>				
9 February 2023	EEC Industries	Provision of signage consultation services in relation to the signages in the Hotel	US\$29,950 (equivalent to approximately HK\$233,610)	The contract sum shall be paid by progress payments based on the amount of services performed and upon the periodic submission of payment application made by EEC Industries

<b>Date</b>	<b>Counterparty</b>	<b>Scope of Work</b>	<b>Contract Sum</b>	<b>Payment Terms</b>
<b>Previous Renovation Contract G</b>				
20 March 2023	U.S. Hospitality Publishers	Provision of digital signage services for banquet halls and meeting rooms in the Hotel	US\$38,178 (equivalent to approximately HK\$297,787)	The contract sum shall be paid by a 50% upfront payment upon issuance of purchase instructions to U.S. Hospitality Publishers and a 50% payment upon delivery of the digital signage solutions
<b>Previous Renovation Contract H</b>				
20 March 2023	Hunter Roberts	Provision of general construction services for the first mock up room and suite in the Hotel	US\$256,391 (equivalent to approximately HK\$1,999,847)	The contract sum shall be paid by progress payments based on the amount of services performed and upon the periodic submission of payment application made by Hunter Roberts
<b>Previous Renovation Contract I</b>				
30 October 2023	HBA International	Provision of interior design services for the Hotel	US\$526,000 (equivalent to approximately HK\$4,102,800)	The contract sum shall be paid by progress payments based on the amount of services performed and upon the periodic submission of payment application made by HBA International
<b>Previous Renovation Contract J</b>				
19 March 2024	Parker Company	Provision of procurement agent services for the procurement of furniture, fixtures, and equipment for the second mock up room and suite in the Hotel	US\$233,118 (equivalent to approximately HK\$1,818,324)	The contract sum shall be paid by a 50% upfront payment upon issuance of purchase instructions to Parker Company and a 50% payment upon completion of the procurement

<b>Date</b>	<b>Counterparty</b>	<b>Scope of Work</b>	<b>Contract Sum</b>	<b>Payment Terms</b>
<b>Previous Renovation Contract K</b>				
25 March 2024	Hunter Roberts	Provision of additional pre-construction services, including but not limited to the overall planning and design development of the Hotel	US\$106,000 (equivalent to approximately HK\$826,800)	The contract sum shall be paid by progress payments based on the amount of services performed and upon the periodic submission of payment application made by Hunter Roberts
<b>Previous Renovation Contract L</b>				
26 April 2024	Hunter Roberts	Provision of the general construction services for the second mock up room and suite in the Hotel	US\$181,840 (equivalent to approximately HK\$1,418,352)	The contract sum shall be paid by progress payments based on the amount of services performed and upon the submission of payment application made by Hunter Roberts
<b>Previous Renovation Contract M</b>				
16 July 2024	JLS Floor Covering	Provision of carpet installation services for the second mock up room and banquet halls in the Hotel	US\$68,210 (equivalent to approximately HK\$532,039)	The contract sum shall be paid by a 50% upfront payment upon issuance of installation instructions to JLS Floor Covering and a 50% payment upon completion of the carpet installation
<b>Previous Renovation Contract N</b>				
26 July 2024	Parker Company	Provision of procurement agent services for the procurement of furniture, fixtures and equipment for banquet halls in the Hotel	US\$282,913 (equivalent to approximately HK\$2,206,721)	The contract sum shall be paid by a 50% upfront payment upon issuance of purchase instructions to Parker Company and a 50% payment upon completion of the procurement

<b>Date</b>	<b>Counterparty</b>	<b>Scope of Work</b>	<b>Contract Sum</b>	<b>Payment Terms</b>
<b>Previous Renovation Contract O</b>				
2 August 2024	Hunter Roberts	Provision of general construction services for the banquet halls in the Hotel	US\$752,316 (equivalent to approximately HK\$5,868,067)	The contract sum shall be paid by progress payments based on the amount of services performed and upon the periodic submission of payment application made by Hunter Roberts

## **CONSIDERATION**

The total contract sum of the Current Transaction and the Previous Renovation Contracts amounted to US\$9,814,413 (equivalent to approximately HK\$76,552,422).

The consideration for each of the Current Transaction and the Previous Renovation Contracts was arrived at after arm's length negotiations between KSSNY Inc. and the Contractors, respectively, with reference to the standard and materials chosen by the Group, the experience and the expected quality of the construction works.

The consideration for the Current Transaction will be funded by the internal resources of the Group. The Group has sufficient financial resources in the form of deposits at banks, and revenues from existing business operations to fund the construction and renovation works of the Hotel.

## **INFORMATION ON KSSNY INC. AND THE GROUP**

KSSNY Inc. is a company incorporated under the laws of the State of New York, the United States and is an indirect wholly-owned subsidiary of the Company. It wholly owns the Hotel and is principally engaged in the operation of the Hotel.

The principal activities of the Group are hotel and club operations, property investment and development and the provision of management services. The Company's principal activity is investment holding.

## **INFORMATION ON THE CONTRACTORS**

Parker Company is a company incorporated under the laws of the State of Florida, the United States. It is principally engaged in the provision of hospitality procurement services.

Dyami Architecture is a company with principal place of business in New York, the United States. It is principally engaged in the provision of architectural and engineering services.

Kevin Barry Art is a company with principal place of business in California, the United States. It is principally engaged in the provision of art consultation and advisory services.

Hunter Roberts is a company with principal place of business in New York, the United States. It is principally engaged in the provision of construction management services.

EEC Industries is a company with principal place of business in British Columbia, Canada. It is principally engaged in the provision of custom sign design and production services.

U.S. Hospitality Publishers is a company with principal place of business in Tennessee, the United States. It is principally engaged in the provision of digital signage solutions.

HBA International is a company incorporated under the laws of the State of California, the United States. It is principally engaged in the provision of hospitality high-end interior designs.

JLS Floor Covering is a company with principal place of business in New York, the United States. It is principally engaged in the provision of flooring solutions.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Contractors and their ultimate beneficial owner(s) are Independent Third Parties.

**REASONS FOR AND BENEFITS OF ENTERING INTO OF THE CURRENT TRANSACTION**

Post-Covid, the New York hotel lodgings market has recovered well against the background of increased visitor arrivals into the city in the past eighteen months. Both room rates and occupancy rates have rebounded significantly. After a comprehensive evaluation of the trajectory and prospects of the luxury hotel segment in mid-town Manhattan where the Hotel is located, the Directors are of the view that the Hotel needs to build upon the foundation of its strong brand name, extensive market reach, and high service standards by further enhancing its competitiveness via an upgrading of its lobby areas, guest rooms and suites, and other service elements. The Board is also of the view that the various services in relation to the construction, contracting, and renovation works under the Current Transaction and the Previous Renovation Contracts, as well as execution of additional renovation plans currently under consideration, would upon completion upgrade the Hotel and enhance Sofitel brand standards, as well as generate additional hotel accommodation and miscellaneous revenues for the Hotel.

The Board is of the view that the terms of the Current Transaction are on normal commercial terms and fair and reasonable, and the entering into of the Current Transaction is in the interests of the Company and the Shareholders as a whole.



## **LISTING RULES IMPLICATIONS**

According to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the Previous Transactions (individually and in aggregate) was lower than 5%, the Previous Transactions were not subject to the announcement requirement under Chapter 14 of the Listing Rules.

According to Rule 14.22 of the Listing Rules, the Current Transaction and the Previous Transactions shall be aggregated. According to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio is higher than 5% but lower than 25% when aggregated with the Previous Transactions, the Current Transaction constitutes a discloseable transaction of the Company and is subject to the announcement requirement, but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

The various services in relation to the construction and renovation works for the Hotel form part of the alteration and renovation works in order to prepare the Hotel to be fully renovated and upgraded within approximately the next 24 months. The Company is still expecting to enter into further contracts with different contractors in due course. The Company will make timely disclosures and comply with the applicable disclosure requirements in accordance with the Listing Rules as and where appropriate in the event when further contracts are entered into.

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following terms have the following meanings:

“Board”	the board of Directors
“Company”	Keck Seng Investments (Hong Kong) Limited, a company incorporated in Hong Kong under the Companies Ordinance (Cap. 622), the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“Contractors”	collectively, Parker Company, Dyami Architecture, Kevin Barry Art, Hunter Roberts, EEC Industries, U.S. Hospitality Publishers, HBA International and JLS Floor Covering, details of which are set out in the section headed “Information on the Contractors” in this announcement

“Current Transaction”	the making of additional purchases by KSSNY Inc. on 15 August 2024 with Parker Company pursuant to the Previous Renovation Contract B, the details of which are set out in the section headed “A. The Current Transaction” in this announcement
“Director(s)”	the director(s) of the Company
“Dyami Architecture”	Dyami Architecture PC, a company with principal place of business in New York, the United States, and an Independent Third Party
“EEC Industries”	EEC Industries Ltd, a company with principal place of business in British Columbia, Canada, and an Independent Third Party
“Group”	the Company and its subsidiaries
“HBA International”	HBA International Inc, a company incorporated under the laws of the State of California, the United States, and an Independent Third Party
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Hotel”	the Sofitel New York Hotel, a 398-room hotel located at 45 W 44th St, New York, NY 10036, the United States
“Hunter Roberts”	Hunter Roberts Construction Group LLC, a company with principal place of business in New York, the United States, and an Independent Third Party
“Independent Third Party(ies)”	a third party independent of and not connected with the Company and its connected persons (as defined under the Listing Rules)
“JLS Floor Covering”	JLS Floor Covering Inc, a company incorporated under the laws of the State of New York, the United States, and an Independent Third Party

“Kevin Barry Art”	Kevin Barry Art Advisory, a company with principal place of business in California, the United States, and an Independent Third Party
“KSSNY Inc.”	KSSNY Inc., a company incorporated under the laws of the State of New York, the United States, and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parker Company”	The Parker Company LLC, a company incorporated under the laws of the State of Florida, the United States, and an Independent Third Party
“Previous Renovation Contracts”	the previous renovation contracts entered into between KSSNY Inc. and each of the Contractors, the details of which are set out in the section headed “B. The Previous Renovation Contracts” in this announcement
"Previous Transactions"	the transactions contemplated under the Previous Renovation Contracts
“Shareholder(s)”	holder(s) of share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“U.S. Hospitality Publishers”	U.S. Hospitality Publishers Inc, a company with principal place of business in Tennessee, the United States, and an Independent Third Party
“United States”	the United States of America
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent

*For the purpose of illustration only and unless otherwise stated, conversion of US\$ into HK\$ in this announcement is based on the exchange rate of US\$1.00 to HK\$7.80. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.*

By Order of the Board  
**Keck Seng Investments (Hong Kong) Limited**  
**Ho Kian Guan**  
*Executive Chairman*

Hong Kong, 19 August 2024

*As at the date of this announcement, the Board of the Company comprises Mr. HO Kian Guan, Mr. HO Kian Hock, Mr. TSE See Fan Paul, Mr. CHAN Lui Ming Ivan and Mr. HO Chung Hui (whose alternate is Mr. HO Chung Kain) as executive directors, Mr. HO Kian Cheong (whose alternate is Mr. HO Chung Kiat Sydney) as non-executive director, and Mr. KWOK Chi Shun Arthur, Ms. WANG Poey Foon Angela, Mr. YU Hon To David and Mr. Stephen TAN as independent non-executive directors.*