

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

(Stock code: 184)

**MAJOR TRANSACTION
PROPOSED MANDATE IN RELATION TO THE
RENOVATION CONTRACTS FOR HOTEL**

INTRODUCTION

References are made to the announcements on the Company dated 19 August 2024, 9 September 2024, 27 November 2024 and 13 December 2024 in relation to the entering into of the Previous Renovation Contracts. The Board announces that the Company proposes to seek for approval for the Proposed Mandate from the Shareholders in advance to authorise the Board to take necessary actions within the scope of the Proposed Mandate to enter into the Further Renovation Contracts with the contractors in respect of the renovation of the Hotel during the Mandate Period.

THE PROPOSED MANDATE

The Hotel consists of a 15,816-square-foot site located along the northern side of West 44th street and the southern side of West 45th street, proximate to Times Square in New York, the United States. The site is improved with a 30-storey, 398-room full-service Hotel that opened in 2000 and currently features amenities and facilities that include a restaurant and bar, a fitness center, a business center, and approximately 6,827 square feet of meeting and event space. The Hotel is owned by KSSNY Inc. and operated by a management company and an Independent Third Party.

Post-Covid, the Group has been refurbishing and renovating the Hotel with a view to generate additional hotel accommodation and miscellaneous revenues for the Hotel. As set out in the announcements of the Company dated 19 August 2024, 9 September 2024, 27 November 2024 and 13 December 2024, KSSNY Inc. had entered into renovation contracts and purchase orders with the Contractors for various construction and renovation services with a view to renovate and upgrade the Hotel.

As at the date of this announcement, the Hotel is still under continuous refurbishment. In order to prepare the Hotel to be fully renovated and upgraded within approximately the next 18 months, it is expected that the Group will continue to enter into Further Renovation Contracts with various different contractors in the near future on an on-going basis until the completion of the renovation of the Hotel. After due and careful consideration, the Board has proposed to seek approval for the Proposed Mandate from the Shareholders in advance to authorise the Board to take necessary actions within the scope of the Proposed Mandate to enter into the Further Renovation Contracts with the contractors in respect of the renovation of the Hotel during the Mandate Period.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the transactions contemplated under the Proposed Mandate is expected to be higher than 25% but lower than 100%, the transactions contemplated under Further Renovation Contracts of the Proposed Mandate, when aggregated with the Previous Renovation Contracts, constitute a major transaction of the Company and is subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the Further Renovation Contracts will be entered into on an on-going basis to get the Hotel to be fully renovated and upgraded, the relevant contractors should be engaged without undue delay and it would not be practicable to seek Shareholders' approval for the entering into of each of the Further Renovation Contracts. Accordingly, the Directors proposed to seek the Shareholders' prior approval for the grant of the Proposed Mandate.

As at the date of this announcement, each of Goodland Limited and Kansas Holdings Limited, the two largest Shareholders holding 96,646,960 shares and 101,437,360 shares in the Company respectively, amounting to approximately 28.41% and 29.82% of the issued share capital of the Company respectively, has given its written approval on the Proposed Mandate. Both Goodland Limited and Kansas Holdings Limited are wholly-owned subsidiaries of KS Ocean Inc., in which each of Mr. HO Kian Guan and Mr. HO Kian Hock had one-third interest in its issued shares respectively. Owing to the common ownership of Goodland Limited and Kansas Holdings Limited, they form a closely allied group of Shareholders for the purpose of Rule 14.44 of the Listing Rules. As Goodland Limited and Kansas Holdings Limited together hold more than 50% of the issued shares of the Company and no Shareholder is materially interested in the Proposed Mandate and are therefore required to abstain from voting at a general meeting of the Company approving the transactions contemplated under the Proposed Mandate, no general meeting for the approval of the Proposed Mandate is required to be held.

A circular containing, among other things, further details on the Proposed Mandate and other information as required under the Listing Rules is expected to be despatched to the Shareholders on 21 February 2025.

INTRODUCTION

References are made to the announcements on the Company dated 19 August 2024, 9 September 2024, 27 November 2024 and 13 December 2024 in relation to the entering into of the Previous Renovation Contracts. The Board announces that the Company proposes to seek for approval for the Proposed Mandate from the Shareholders in advance to authorise the Board to take necessary actions within the scope of the Proposed Mandate to enter into the Further Renovation Contracts with the contractors in respect of the renovation of the Hotel during the Mandate Period.

THE PROPOSED MANDATE

The Hotel consists of a 15,816-square-foot site located along the northern side of West 44th street and the southern side of West 45th street, proximate to Times Square in New York, the United States. The site is improved with a 30-storey, 398-room full-service Hotel that opened in 2000 and currently features amenities and facilities that include a restaurant and bar, a fitness center, a business center, and approximately 6,827 square feet of meeting and event space. The Hotel is owned by KSSNY Inc. and operated by a management company and an Independent Third Party.

Post-Covid, the Group has been refurbishing and renovating the Hotel with a view to generate additional hotel accommodation and miscellaneous revenues for the Hotel. As set out in the announcements of the Company dated 19 August 2024, 9 September 2024, 27 November 2024 and 13 December 2024, KSSNY Inc. had entered into renovation contracts and purchase orders with the Contractors for various construction and renovation services with a view to renovate and upgrade the Hotel.

As at the date of this announcement, the Hotel is still under continuous refurbishment. In order to prepare the Hotel to be fully renovated and upgraded within approximately the next 18 months, it is expected that the Group will continue to enter into Further Renovation Contracts with various different contractors in the near future on an on-going basis until the completion of the renovation of the Hotel. After due and careful consideration, the Board has proposed to seek approval for the Proposed Mandate from the Shareholders in advance to authorise the Board to take necessary actions within the scope of the Proposed Mandate to enter into the Further Renovation Contracts with the contractors in respect of the renovation of the Hotel during the Mandate Period.

The Proposed Mandate to be sought from the Shareholders is on the following terms:

1. Mandate period

The Proposed Mandate is for the Mandate Period, i.e. the period from the date on which Shareholders' approval on the Proposed Mandate is obtained by way of written Shareholders' approval till 30 June 2026, being the expected completion date of the entire renovation of the Hotel.

2. Maximum amount

The Proposed Mandate shall authorise the Board to take necessary actions within the scope of the Proposed Mandate to enter into the Further Renovation Contracts with the contractors in respect of the Hotel of up to US\$25,936,117 (equivalent to approximately HK\$201,782,990). For the avoidance of doubt, the above amount does not include the transaction value of renovation contracts and purchase orders entered into by the Group prior to the approval of the Proposed Mandate by the Shareholders by way of Shareholders' written approval.

The total budget for the entire renovation of the Hotel amounts to approximately US\$61,600,000 (equivalent to approximately HK\$479,248,000), out of which, approximately US\$35,663,883 (equivalent to approximately HK\$277,465,010) has been contracted for as at 17 February 2025.

3. Scope of authorisation

The Board shall be authorised to determine, decide, execute and implement with full discretion all matters in relation to the entering into of each of the Further Renovation Contracts by KSSNY Inc., including but not limited to the nature, number, timing and consideration of each of the Further Renovation Contracts.

The overall category of renovation work, relevant budget, number of contractors to be engaged, renovation progress and expected completion date of the renovation work of the Hotel are set out as follows:

Category of renovation work	Budget for such category of renovation work	Amount incurred as at 17 February 2025	Amount to be incurred under the Proposed Mandate	Number of contractors to be engaged	Level of completion of such category of renovation work as of the date of this announcement	Expected completion date for such category of renovation work
Professional fees for the design, architectural and engineering services	US\$3,300,000 (equivalent to approximately HK\$25,674,000)	US\$2,807,411 (equivalent to approximately HK\$21,841,658)	US\$492,589 (equivalent to approximately HK\$3,832,342)	6	70%	June 2026
Construction of mock-up rooms	US\$1,000,000 (equivalent to approximately HK\$7,780,000)	US\$1,023,694* (equivalent to approximately HK\$7,964,339)	US\$0 (equivalent to approximately HK\$0)	3	100%	Completed
General construction works including furniture, fixtures, and equipment	US\$43,400,000 (equivalent to approximately HK\$337,652,000)	US\$28,597,396 (equivalent to approximately HK\$222,487,741)	US\$14,802,604 (equivalent to approximately HK\$115,164,259)	3 to 5	5%	May 2026
Allowance for building repairs	US\$3,000,000 (equivalent to approximately HK\$23,340,000)	US\$1,960,825 (equivalent to approximately HK\$15,255,218)	US\$1,039,175 (equivalent to approximately HK\$8,084,782)	2 to 3	4%	July 2025
Allowance for the permits and special inspections issued or conducted by New York City Department of Buildings	US\$100,000 (equivalent to approximately HK\$778,000)	US\$85,710 (equivalent to approximately HK\$666,824)	US\$14,290 (equivalent to approximately HK\$111,176)	4	40%	January 2026
Operating supplies and equipment for guestrooms, suites, meeting event space, public space, gym, restaurant and bar, and IT upgrades	US\$4,800,000 (equivalent to approximately HK\$37,344,000)	US\$1,188,846 (equivalent to approximately HK\$9,249,222)	US\$3,611,154 (equivalent to approximately HK\$28,094,778)	15 to 20	25%	December 2025
Contingency fees	US\$6,000,000 (equivalent to approximately HK\$46,680,000)	US\$23,694* (equivalent to approximately HK\$184,339)	US\$5,976,306 (equivalent to approximately HK\$46,495,661)	Not applicable	Not applicable	Not applicable

* The amount of US\$23,694 which exceeded the budget for the construction of mock-up rooms was recognised as contingency fees.

4. Manner of entering into of the Further Renovation Contracts

The Further Renovation Contracts are expected to be conducted by way of entering into contracts and/or purchase orders between KSSNY Inc. and the relevant contractors.

5. Basis of consideration and payment terms

The consideration for the Further Renovation Contracts will be arrived at after arm's length negotiations between KSSNY Inc. and the relevant contractors 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 Further Renovation Contracts will be satisfied by the internal resources of the Group.

Based on the terms of the Previous Renovation Contracts and market practice, it is expected that the contract sum for each of the Further Renovation Contracts will be (i) paid by 50% upfront payment upon issuance of purchase instructions to the contractor and a 50% payment upon completion of provision of services; or (ii) paid by progress payments based on the amount of services performed and upon the periodic submission of payment application made by the contractor.

The estimated aggregate consideration to be payable for the Further Renovation Contracts under the Proposed Mandate shall not exceed the maximum amount of US\$25,936,117 (equivalent to approximately HK\$201,782,990), which was determined with reference to the current status of the renovation and construction work at the Hotel and the volume of further construction works to be undertaken for the Hotel to be fully renovated and upgraded.

6. Compliance

The Company has established the following procedures to ensure that the terms of the Further Renovation Contracts, including the consideration and the payment terms, will be on normal commercial terms, fair and reasonable, in the interests of the Company and are no less favourable than those offered by Independent Third Parties (as the case may be):

- (a) the project team which comprises multiple professionals with over 25 years of experience in project management, construction and hospitality industry shall be responsible for reviewing and ensuring the terms of the Further Renovation Contracts are in line with Previous Renovation Contracts before entering into such contracts and may consult with industry experts if necessary;
- (b) the consideration under the Further Renovation Contracts are determined by reference to the prevailing market rates/prices that are agreed upon under similar commercial terms for transaction with third parties, business practices and policies and on terms which are generally in line with industry norms;
- (c) if there are any deviations from the payments terms, the project team shall obtain necessary approvals from the Board; and
- (d) records shall be maintained to capture all transactions which are entered into pursuant to the Proposed Mandate.

The Company will closely monitor the status of the entering into the Further Renovation Contracts in respect of the Hotel and report on its progress, including (i) disclosure of the identities of major contractors, consideration and payment terms for transactions with transaction amount of US\$3.5 million or above, and (ii) disclosure of the number of contractors, the corresponding range of the transaction amount and payment terms for transactions with transaction amount of less than US\$3.5 million of the Further Renovation Contracts entered during the relevant period (when calculated on an aggregated basis with transactions conducted with the same contractor), and the latest progress of each category of renovation work, in the interim report and annual report of the Company as appropriate. The independent non-executive Directors will also conduct annual review of the transactions in respect of the Renovation to ensure the terms of the Proposed Mandate are fully complied with by the Company.

The Company will monitor the aggregate consideration of the Further Renovation Contracts. In the event that the aggregate consideration of the Further Renovation Contracts is expected to exceed the maximum amount of the Proposed Mandate, the Company will re-comply with the Listing Rules requirements and seek another Shareholders' approval for the Further Renovation Contracts. The Company does not intend to enter into any Further Renovation Contracts with connected persons of the Company. Nevertheless, in the event that any of the counterparties of the Further Renovation Contracts is a connected person of the Company, the Company will also comply with the requirements under Chapter 14A of the Listing Rules as and when appropriate.

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 POSSIBLE COUNTERPARTIES UNDER THE PROPOSED MANDATE

It is expected that the Group will engage the professional contractors, including but not limited to the Contractors to perform the renovation and construction works contemplated under the Further Renovation Contracts of the Proposed Mandate. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Contractors and their ultimate beneficial owners are Independent Third Parties.

REASON FOR AND THE BENEFITS OF THE RENOVATION AND THE PROPOSED MANDATE

Post-Covid, the New York hotel lodgings market has recovered well against the background of increased visitor arrivals into the city in the past 18 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 and renovation works would, upon completion, upgrade the Hotel and enhance Sofitel brand standards, as well as generate additional hotel accommodation and miscellaneous revenues for the Hotel.

As it is expected that the Group will continue to enter into Further Renovation Contracts with various different contractors for the renovation of the Hotel, the Board is of the view that the Proposed Mandate will facilitate the entering into of the Further Renovation Contracts during the Mandate Period, allow the Company to make disclosures which are meaningful and reduce administrative burden and costs of the Company.

The Board is of the view that the terms of the Proposed Mandate are on normal commercial terms and fair and reasonable, the entering into of the Further Renovation Contracts will bring positive impact to the complete upgrade of the Hotel and is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the transactions contemplated under the Proposed Mandate is expected to be higher than 25% but lower than 100%, the transactions contemplated under Further Renovation Contracts of the Proposed Mandate, when aggregated with the Previous Renovation Contracts, constitute a major transaction of the Company and is subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the Further Renovation Contracts will be entered into on an on-going basis to get the Hotel to be fully renovated and upgraded, the relevant contractors should be engaged without undue delay and it would not be practicable to seek Shareholders' approval for the entering into of each of the Further Renovation Contracts. Accordingly, the Directors proposed to seek the Shareholders' prior approval for the grant of the Proposed Mandate.

As at the date of this announcement, each of Goodland Limited and Kansas Holdings Limited, the two largest Shareholders holding 96,646,960 shares and 101,437,360 shares in the Company respectively, amounting to approximately 28.41% and 29.82% of the issued share capital of the Company respectively, has given its written approval on the Proposed Mandate. Both Goodland Limited and Kansas Holdings Limited are wholly-owned subsidiaries of KS Ocean Inc., in which each of Mr. HO Kian Guan and Mr. HO Kian Hock had one-third interest in its issued shares respectively. Owing to the common ownership of Goodland Limited and Kansas Holdings Limited, they form a closely allied group of Shareholders for the purpose of Rule 14.44 of the Listing Rules. As Goodland Limited and Kansas Holdings Limited together hold more than 50% of the issued shares of the Company and no Shareholder is materially interested in the Proposed Mandate and are therefore required to abstain from voting at a general meeting of the Company approving the transactions contemplated under the Proposed Mandate, no general meeting for the approval of the Proposed Mandate is required to be held.

A circular containing, among other things, further details on the Proposed Mandate and other information as required under the Listing Rules is expected to be despatched to the Shareholders on 21 February 2025.

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 (stock code: 184)

“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
“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, which is principally engaged in the provision of architectural and engineering services, and an Independent Third Party
“EEC Industries”	EEC Industries Ltd, a company with principal place of business in British Columbia, Canada, which is principally engaged in the provision of custom sign design and production services, and an Independent Third Party
“Further Renovation Contracts”	the further renovation contracts and/or purchase orders to be entered into by KSSNY Inc. with various different contractors in respect of the Hotel under the Proposed Mandate
“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, which is principally engaged in the provision of hospitality high-end interior designs, and an Independent Third Party
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the 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, which is principally engaged in the provision of construction management services, 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, which is principally engaged in the provision of flooring solutions, and an Independent Third Party
“Kevin Barry Art”	Kevin Barry Art Advisory, a company with principal place of business in California, the United States, which is principally engaged in the provision of art consultation and advisory services, 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
“Mandate Period”	the period from the date on which Shareholders’ approval on the Proposed Mandate is obtained by way of written Shareholders’ approval till 30 June 2026, being the expected completion date of the entire renovation of the Hotel
“Parker Company”	The Parker Company LLC, a company incorporated under the laws of the State of Florida, the United States, which is principally engaged in the provision of hospitality procurement services, and an Independent Third Party
“Previous Renovation Contracts”	all the previous renovation contracts and purchase orders in respect of the Hotel that had been entered into between KSSNY Inc. and the contractors prior to 17 February 2025
“Proposed Mandate”	a specific mandate proposed by the Directors in order to seek Shareholders’ approval to authorize and empower the Directors to enter into Further Renovation Contracts with the contractors in respect of the Hotel during the Mandate Period
“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, which is principally engaged in the provision of digital signage solutions, 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\$7.78. 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, 21 February 2025

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.