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If you have sold or transferred all your shares in **KECK SENG INVESTMENTS (HONG KONG) LIMITED** (the “**Company**”), you should at once hand this circular, together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)*

(Stock Code: 184)

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

A letter from the Board is set out on page 4 to page 15 of this circular.

The transactions being the subject matter of this circular have been approved by written shareholders' approval pursuant to the Listing Rules and this circular is published to the Shareholders for information only.

21 February 2025

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DEFINITIONS

In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“C\$”	Canadian dollars, the lawful currency of Canada
“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

DEFINITIONS

“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
“Latest Practicable Date”	17 February 2025, being the latest practicable date prior to printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“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 the Latest Practicable Date

DEFINITIONS

“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
“VND”	Vietnamese đồng, the lawful currency of the Socialist Republic of Vietnam
“%”	per cent

For the purpose of illustration only and unless otherwise stated, conversion of US\$ into HK\$ in this circular 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.

LETTER FROM THE BOARD



KECK SENG INVESTMENTS (HONG KONG) LIMITED

激成投資(香港)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 184)

Executive Directors:

HO Kim Swee@ HO Kian Guan (*Executive Chairman*)
HO Cheng Chong@ HO Kian Hock (*Deputy Executive Chairman*)
TSE See Fan Paul
CHAN Lui Ming Ivan
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Registered office:

Room 2902 West Tower
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Hong Kong

Non-executive Directors:

HO Eng Chong@ HO Kian Cheong
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Independent Non-executive Directors:

KWOK Chi Shun Arthur
WANG Poey Foon Angela
YU Hon To David
Stephen TAN

21 February 2025

Dear Sir or Madam

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

INTRODUCTION

Reference is made to the announcement of the Company dated 21 February 2025, pursuant to which the Board announced that the Company proposed 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.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further details of the Proposed Mandate and other information as required under the Listing Rules.

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 Latest Practicable Date, 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 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.

LETTER FROM THE BOARD

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 the Latest Practicable Date.

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 contracted for as at the Latest Practicable Date	Remaining amount under the Proposed Mandate	Number of contractors to be engaged	Level of completion of such category of renovation work as of the Latest Practicable Date	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

LETTER FROM THE BOARD

Category of renovation work	Budget for such category of renovation work	Amount contracted for as at the Latest Practicable Date	Remaining amount under the Proposed Mandate	Number of contractors to be engaged	Level of completion of such category of renovation work as of the Latest Practicable Date	Expected completion date for such category of renovation work
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\$1,188,847 (equivalent to approximately HK\$9,249,230)	US\$3,611,153 (equivalent to approximately HK\$28,094,770)	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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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.

THE PREVIOUSLY DISCLOSED RENOVATION CONTRACTS AND PURCHASE ORDERS

As set out in the announcements of the Company dated 19 August 2024, 27 November 2024 and 13 December 2024 respectively, KSSNY Inc. had previously entered into various renovation contracts and purchase orders with the Contractors for services including but not limited to the interior design and renovation of Hotel rooms, procurement of furniture, fixtures and equipment, carpet installation, and construction of guest rooms, suites and banquet halls.

The principal terms of these previous renovation contracts and purchase orders are summarised as follows:

Date	Counterparty	Scope of Work	Contract Sum ^(Note)	Payment Terms
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

LETTER FROM THE BOARD

Date	Counterparty	Scope of Work	Contract Sum ^(Note)	Payment Terms
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
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
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
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
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

LETTER FROM THE BOARD

Date	Counterparty	Scope of Work	Contract Sum ^(Note)	Payment Terms
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
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
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
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
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

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Date	Counterparty	Scope of Work	Contract Sum ^(Note)	Payment Terms
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
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
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
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
15 August 2024	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

LETTER FROM THE BOARD

Date	Counterparty	Scope of Work	Contract Sum ^(Note)	Payment Terms
From 16 August 2024 to 11 December 2024	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\$4,386,115 (equivalent to approximately HK\$34,123,975)	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
26 November 2024	Hunter Roberts	Provision of construction management services, pre-consultation services, including but not limited to demolition, electrical works, painting works, carpentry and other works	US\$14,304,081 (equivalent to approximately HK\$111,285,750)	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
12 December 2024	Parker Company	Procurement of case goods and decorative lighting for public space	US\$108,897 (equivalent to approximately HK\$847,219)	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

Note: The conversion of US\$ into HK\$ in this section is based on the exchange rate as set out in the announcements of the Company dated 19 August 2024, 27 November 2024 and 13 December 2024 respectively. 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.

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.

LETTER FROM THE BOARD

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.

POSSIBLE FINANCIAL EFFECTS OF THE RENOVATION

The consideration payable under the Further Renovation Contracts of the Proposed Mandate will be settled by the Group's internal resources. Following the completion of construction works contemplated under the Further Renovation Contracts and without taking into account of any appreciation of the Group's property, furniture, fixtures and equipment, the total of the property, furniture, fixtures and equipment of the Group is expected to increase by approximately the same amount as the aggregated consideration of the Previous Renovation Contracts and the Further Renovation Contracts. As a result, the net asset value of the Group will be offset by the decrease in bank balances and cash. The Group does not expect the Further Renovation Contracts contemplated under the Proposed Mandate to have any immediate material impact upon the earnings of the Group.

LETTER FROM THE BOARD

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 Latest Practicable Date, 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.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the Proposed Mandate and the transactions contemplated thereunder are on normal commercial terms and fair and reasonable, and is in the interests of the Company and its Shareholders as a whole.

Accordingly, if a general meeting were to be convened, the Board would recommend the Shareholders to vote in favour of the ordinary resolution to approve the Proposed Mandate and the transactions contemplated thereunder at such general meeting.

FURTHER INFORMATION

Your attention is also drawn to the financial and general information of the Group as set out in the appendices to this circular.

Yours faithfully
For and on Behalf of the Board
Keck Seng Investments (Hong Kong) Limited
HO Kian Guan
Executive Chairman

1. INDEBTEDNESS

At the close of business on 31 December 2024, being the latest practicable date for the purpose of preparing the indebtedness statement, the Group had indebtedness as follows:

Borrowings	<i>Note</i>	<i>HK\$'000</i>
Secured		
Bank loans	<i>(i)</i>	1,196,287
Unsecured		
Bank loans		10,045
Loan from an associate	<i>(ii)</i>	464
Loans from non-controlling shareholders	<i>(iii)</i>	112,287
		<u>122,796</u>
Total borrowings		<u><u>1,319,083</u></u>

- (i) The bank loans were secured by hotel properties owned by the Group and guaranteed by the Company.
- (ii) Loan from an associate was unsecured, interest-free and repayable on demand.
- (iii) Loans from non-controlling shareholders amounts of HK\$34,890,000 and HK\$77,397,000 were unsecured, interest-free and repayable on 30 April 2026 and 30 April 2025, respectively.

Commitments

At 31 December 2024, the Group had capital commitments of HK\$517,371,000 which included the amount of HK\$52,607,000 which was contracted for and the amount of HK\$464,764,000 which was authorised but not contracted for.

Contingent liabilities

As at 31 December 2024, there were outstanding counter indemnities relating to guarantees issued by the banks of a subsidiary in favour of the Macau Special Administrative Region Government in respect of properties held for sale amounted to HK\$8,252,000.

Save as aforesaid and apart from intra-group liabilities and normal trade payables, the Group did not have any loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding at the close of business on 31 December 2024.

2. WORKING CAPITAL

The Directors are of the opinion that, taking into account the financial resources available to the Group, including internally generated funds and the available banking facilities, the Group has sufficient working capital for its present requirements for at least the next twelve months from the date of this circular, in the absence of unforeseeable circumstances.

3. FINANCIAL AND TRADING PROSPECTS

In 2025, the global economy remains at a crossroads. Whilst it is generally expected that interest rates will trend downward, possibly offering relief to businesses and consumers, the magnitude and speed of reducing interest rates are uncertain. The reduction in borrowing costs supports consumer spending and investment, though the impact may vary across regions. Inflationary pressures are expected to ease, particularly in advanced economies, as supply chain issues improve and energy prices stabilise. However, geopolitical tensions and economic uncertainties persist, posing risks that could temper the pace of recovery. China faces persistent deflationary pressures and weak demand, with lingering effects from the property market crisis further heightening risks across Greater China, including Hong Kong and Macau. Emerging markets, while benefiting from lower interest rates, may still face challenges due to currency volatility and slower global demand. There is also prospect of declining economic growth in the United States, which will have critical impact on the rest of the world.

In 2025, Macau's property market continues to face significant challenges, with slow recovery prospects. High interest rates, though expected to decrease modestly in 2025, coupled with cautious investor sentiment continue to dampen activity, particularly in the residential and commercial sectors. Despite that the government has relaxed property cooling measures in April 2024, such as reducing stamp duty on second homes and adjusting loan-to-value ratios, the market has yet to experience a significant rebound. The office market is particularly strained as government departments relocate to government-owned premises, increasing vacancy rates and putting downward pressure on rental prices. Despite these challenges, opportunities exist for growth in the longer term, supported by economic stabilisation, increased tourism, and infrastructure improvements. The limited supply in the luxury sector is expected to contribute to price stability. Factors such as inflation, interest rates, and China's economic recovery will continue to influence market dynamics. Our strategy remains focused on increasing occupancy and maximising tenant retention through competitive leasing strategies.

The global hospitality industry is poised for a gradual recovery in 2025, supported by the downward trend in interest rates, which is expected to encourage consumer spending on travel and accommodation. As inflationary pressures ease and energy prices stabilise, regions previously struggling with high costs may see an improvement in demand. Domestic travel is likely to strengthen, while international tourism is expected to pick up as economic conditions stabilise. However, the pace of recovery will vary by region, with markets dependent on international visitors and those still facing economic challenges likely to experience slower growth. Despite these regional variations, the overall outlook for the hospitality sector is cautiously optimistic as conditions improve globally.

The Group continues to maintain a robust financial position with HK\$1,489 million in cash, bank balances, and short-term bank deposits as of 30 June 2024. We will focus on reviewing potential investments that create long-term value for shareholders on a sustainable basis. Our approach to acquisitions remains disciplined and pragmatic, targeting industries and regions where we have experience and comparative advantages.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(1) Directors' interests and short positions in Shares

As at the Latest Practicable Date, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules ("Model Code") were as follows:

Number of ordinary shares (unless otherwise specified)

Long positions:

Name of Company	Name of Directors	Personal Interests ⁽¹⁾	Corporate Interests	Total	% Interest
Keck Seng Investments (Hong Kong) Limited	HO Kian Guan	496,480	198,084,320 ⁽²⁾	198,580,800	58.37
	HO Kian Hock	20,480	198,084,320 ⁽²⁾	198,104,800	58.23
	HO Kian Cheong	55,160,480	–	55,160,480	16.21
	TSE See Fan Paul	288,720	–	288,720	0.08
	Stephen TAN	–	900,000 ⁽³⁾	900,000	0.26
Lam Ho Investments Pte Ltd	HO Kian Guan	–	32,410,774 ⁽⁴⁾	32,410,774	99.70
	HO Kian Hock	–	32,410,774 ⁽⁴⁾	32,410,774	99.70
	HO Kian Cheong	96,525	–	96,525	0.30
Shun Seng International Ltd	HO Kian Guan	–	83,052 ⁽⁵⁾	83,052	83.05
	HO Kian Hock	–	83,052 ⁽⁵⁾	83,052	83.05
	HO Kian Cheong	1,948	–	1,948	1.95
Hubei Qing Chuan Hotel Company Limited – paid in registered capital in US\$	HO Kian Guan	–	13,163,880 ⁽⁶⁾	13,163,880	80.76
	HO Kian Hock	–	13,163,880 ⁽⁶⁾	13,163,880	80.76
	HO Kian Cheong	1,017,120	–	1,017,120	6.24
	KWOK Chi Shun Arthur	–	489,000 ⁽⁷⁾	489,000	3.00

Long positions:

Name of Company	Name of Directors	Personal Interests ⁽¹⁾	Corporate Interests	Total	% Interest
Golden Crown Development Ltd – common shares	HO Kian Guan	–	56,675,000 ⁽⁸⁾	56,675,000	80.96
	HO Kian Hock	–	56,675,000 ⁽⁸⁾	56,675,000	80.96
	HO Kian Cheong	1,755,000	–	1,755,000	2.51
	TSE See Fan Paul	50,000	–	50,000	0.07
Ocean Gardens Management Company Limited	HO Kian Guan	–	1,000,000 ⁽⁹⁾	1,000,000	100.00
	HO Kian Hock	–	1,000,000 ⁽⁹⁾	1,000,000	100.00
Shun Cheong International Limited	HO Kian Guan	–	4,305 ⁽¹⁰⁾	4,305	43.05
	HO Kian Hock	–	4,305 ⁽¹⁰⁾	4,305	43.05
	HO Kian Cheong	195	–	195	1.95
	KWOK Chi Shun Arthur	–	5,500 ⁽¹¹⁾	5,500	55.00
KSF Enterprises Sdn Bhd – ordinary shares	HO Kian Guan	–	31,705,000 ⁽¹²⁾	31,705,000	100.00
	HO Kian Hock	–	31,705,000 ⁽¹²⁾	31,705,000	100.00
KSF Enterprises Sdn Bhd – redeemable convertible preferred shares	HO Kian Guan	–	24,000,000 ⁽¹³⁾	24,000,000	100.00
	HO Kian Hock	–	24,000,000 ⁽¹³⁾	24,000,000	100.00
Chateau Ottawa Hotel Inc – common shares	HO Kian Guan	–	9,000,000 ⁽¹⁴⁾	9,000,000	100.00
	HO Kian Hock	–	9,000,000 ⁽¹⁴⁾	9,000,000	100.00

Notes:

- (1) This represents interests held by the relevant Directors as beneficial owners.
- (2) This represents 101,437,360 shares held by Kansas Holdings Limited and 96,646,960 shares held by Goodland Limited. Both companies are subsidiaries of KS Ocean Inc., the controlling shareholder of the Company, in which each of HO Kian Guan and HO Kian Hock had 1/3 interest in its ordinary share and preference share, respectively.
- (3) This represents 180,000 shares held by Stephen Tan as one of the joint executors/administrators of the estate of Chan Yau Hing, Robin and 720,000 shares held by United Asia Enterprises Inc which is controlled corporation of Stephen Tan.
- (4) This represents 29,776,951 shares (91.60%) indirectly held by the Company and 2,633,823 shares (8.10%) held by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (5) This represents 75,010 shares (75.01%) indirectly held by the Company and 8,042 shares (8.04%) held by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (6) This represents US\$8,965,000 (55.00%) indirectly contributed by the Company and US\$4,198,880 (25.76%) contributed by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (7) This represents interests held by AKA Project Management International Limited which was wholly owned by KWOK Chi Shun Arthur.
- (8) This represents 49,430,000 shares (70.61%) indirectly held by the Company and 7,245,000 shares (10.35%) held by Goodland Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (9) This represents 1 quota of Ptc999,000 (99.90%) indirectly held by the Company and 1 quota of Ptc1,000 (0.10%) held by Goodland Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.

- (10) This represents 3,501 shares (35.01%) indirectly held by the Company and 804 shares (8.04%) held by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (11) This represents interests held by Ample Star Enterprise Limited in which KWOK Chi Shun Arthur had a controlling interest.
- (12) This represents 7,926,250 ordinary shares (25.00%) directly held by the Company, 7,926,249 ordinary shares (25.00%) held by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly and 15,852,501 ordinary shares (50.00%) held by Keck Seng (Malaysia) Berhad in which each of HO Kian Guan and HO Kian Hock was a substantial shareholder and a director.
- (13) This represents 6,000,000 redeemable convertible preference shares (25.00%) directly held by the Company, 6,000,000 redeemable convertible preference shares (25.00%) held by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly and 12,000,000 redeemable convertible preference shares (50.00%) held by Keck Seng (Malaysia) Berhad in which each of HO Kian Guan and HO Kian Hock was a substantial shareholder and a director.
- (14) This represents 7,650,000 common shares (85.00%) indirectly held by the Company; 1,350,000 common shares (15.00%) held by KSC Enterprises Ltd. in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(2) Interests of substantial Shareholders in Shares

As at the Latest Practicable Date, so far as was known to the Directors or the chief executive of the Company, the following are the details of the persons (other than the Directors, or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares which were disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to section 336 of the SFO:

Long Positions:

Name	Capacity in which shares were held	Number of ordinary shares held	% of total issued share capital of the Company
KS Ocean Inc. <i>(Note 1, 2)</i>	Interests of controlled corporations	198,084,320	58.23
Pad Inc. <i>(Note 1)</i>	Interests of controlled corporations	96,646,960	28.41
Lapford Limited <i>(Note 1)</i>	Interests of controlled corporations	96,646,960	28.41
Kansas Holdings Limited <i>(Note 1)</i>	Interests of controlled corporations	96,646,960	28.41
Kansas Holdings Limited <i>(Note 2)</i>	Beneficial owner	101,437,360	29.82
Goodland Limited <i>(Note 1)</i>	Beneficial owner	96,646,960	28.41

Notes:

- (1) KS Ocean Inc., Pad Inc., Lapford Limited and Kansas Holdings Limited had deemed interests in the same 96,646,960 shares beneficially held by Goodland Limited.
- (2) KS Ocean Inc. had deemed interests in the same 101,437,360 shares beneficially held by Kansas Holdings Limited.

Save as mentioned above, as at the Latest Practicable Date, the Company had not been notified of any interests and short positions in the shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

3. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date, there existed the following arrangements:

- (a) Goodland Limited (“**Goodland**”) acts as the project manager of Golden Crown Development Limited for its Ocean Gardens development in Taipa Island, Macau for a management fee and is also responsible for marketing the development.
- (b) Goodland provides management services to Ocean Incorporation Ltd in return for a management fee.

Messrs Ho Kian Guan and Ho Kian Hock were interested in the above arrangements as substantial shareholders and directors of Goodland.

Save as disclosed above, as the Latest Practicable Date,

- (a) none of the Directors was materially interested in any contract or arrangement subsisting and which was significant in relation to the business of the Group; and
- (b) none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited financial statements of the Company were made up.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective close associates was considered to have any interest in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors or their respective close associates were appointed to represent the interests of the Company and/or the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, there was no existing or proposed service contract between any Director and any member of the Group which is not determinable within one year without payment of compensation other than by statutory compensation.

6. MATERIAL CONTRACTS

The following contracts were entered into by the Group within the two years immediately preceding the date of this circular and which is or may be material or of significance:

- (a) the sale and purchase agreement dated 6 October 2023 entered into between Chateau Ottawa Hotel Inc., an indirect non-wholly owned subsidiary of the Company, and Sunray Group of Hotels Inc. in relation to transfer of the interests in the hotel assets, including but not limited to the Sheraton Ottawa Hotel, other tangible properties and assigned operating contracts and leases thereof at a consideration of C\$43,200,000;
- (b) the Previous Renovation Contracts; and
- (c) the signing and issuance of the letter of acceptance on 20 January 2025 by Ocean Place Joint Venture Company Limited, an indirect non-wholly owned subsidiary of the Company, to Sen Interior Decoration Joint Stock Company (“**Sen Interior Decoration**”) in respect of its appointment of Sen Interior Decoration as the contractor to carry out the interior design fit-out in respect of the renovation of the Sheraton Saigon Grand Opera Hotel at a consideration of VND153,731,330,518.

7. MATERIAL ADVERSE CHANGE

The Company is not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited financial statements of the Company were made up.

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

9. GENERAL

- (a) The English text of this circular shall prevail over the Chinese text.
- (b) The company secretary of the Company is Mr. Cheng Ka Kit, who is an associate member of both of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.
- (c) The registered office of the Company is at Room 2902 West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong.
- (d) The share registrar of the Company is Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.