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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 INVESTMENT IN ACCORINVEST**

The Board hereby announces that on 9 March 2018, the Company has signed an Equity Commitment Letter with Accor S.A., pursuant to which the Company shall purchase, and Accor S.A shall sell, approximately 0.7% of equity in AccorInvest at a cash consideration of EUR25 million.

As the applicable percentage ratios of the Company in respect of the Transaction exceed 5% but are less than 25%, the Transaction constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules. Accordingly, the Company is required to make an announcement in respect of the Transaction under Rule 14.34 of the Listing Rules.

### **INTRODUCTION**

The board of directors (the “**Board**”) of Keck Seng Investments (Hong Kong) Limited (the “**Company**”) hereby announces that on 9 March 2018, the Company has signed an Equity Commitment Letter with Accor S.A, pursuant to which the Company shall purchase, and Accor S.A shall sell, approximately 0.7% of equity in AccorInvest Group S.A (“**AccorInvest**”) at a cash consideration of EUR25 million (the “**Transaction**”)

At the date of the announcement, the Company confirmed that, having made all reasonable enquiries, and to the best of the directors' knowledge and belief, Accor S.A. and the ultimate beneficial owner of Accor S.A. are third parties independent of the Company and not connected persons of the Company.

## **INFORMATION ON ACCORINVEST**

AccorInvest is a public limited liability company, registered in Luxembourg, and set up by Accor S.A.. It holds a portfolio of 891 owned and leased hotels located mostly in Europe. AccorInvest is a world leader in hotel real estate, with close to 30,000 employees and operations in 27 countries. To the understanding of the Company, it is the intention of Accor S.A. to sell a majority stake in AccorInvest to selected investors worldwide.

The consideration of the Transaction was based on an enterprise value of AccorInvest at EUR6.25 billion.

## **COMPLETION**

The Transaction is subject to certain regulatory approvals. Completion is expected to take place in the second quarter of 2018.

The Transaction will be funded by way of internally generated funds of the Company.

## **REASONS AND BENEFITS OF THE TRANSACTION**

AccorInvest is expected to provide an opportunity for the Company to gain exposure to a diversified portfolio of hotels mainly located in Europe with resilient income stream and opportunities for value creation. The Company does not foresee any extraordinary risks relating to the Transaction other than inherent risks in the hospitality sector. The Transaction is not expected to have any material effect on the net assets and gearing of the Company for the financial year ending 31 December 2018.

The Directors consider that the Transaction and the terms of the relevant agreements are entered into upon normal commercial terms following arm's length negotiations among the parties and that such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## GENERAL

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.

Accor S.A. is a French multinational hotel group which owns, operates and franchises hotels representing brands ranging from budget and economy lodgings to five-star hotels.

## LISTING RULES IMPLICATIONS

As the applicable percentage ratios of the Company in respect of the Transaction exceed 5% but are less than 25%, the Transaction constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules. Accordingly, the Company is required to make an announcement in respect of the Transaction under Rule 14.34 of the Listing Rules.

Keck Seng (Malaysia) Berhad (“KSM”), a company incorporated in Malaysia, the shares of which are listed on Bursa Malaysia, is also separately investing EUR25 million in AccorInvest. There are common directors and shareholders in the Company and KSM, but KSM is not a connected person of the Company under the definitions of the Listing Rules. The Company's Executive Chairman, Mr Ho Kian Guan, is also separately investing EUR5 million in AccorInvest. The proposed investments of the Company, KSM and Mr Ho Kian Guan are separate from each other and not inter-conditional.

To the best knowledge of the Company, except as above disclosed, none of the other directors and/or substantial shareholders of the Company and/or persons connected with them are investing in AccorInvest.

By Order of the Board  
**Ho Kian Guan**  
Executive Chairman

Hong Kong, 9 March 2018

*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, Ms YU Yuet Chu Evelyn, Mr HO Chung Tao and Mr HO Chung Hui (whose alternate is Mr HO Chung Kain) as executive directors, Mr HO Kian Cheong as non-executive director, and Dr CHAN Yau Hing Robin, Mr KWOK Chi Shun Arthur, Ms WANG Poey Foon Angela and Mr YU Hon To David as independent non-executive directors.*