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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

(Stock Code: 184)

PROFIT WARNING

This announcement is made by Keck Seng Investments (Hong Kong) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary assessment of the unaudited consolidated management accounts of the Group and the information currently available to the Board, the Group expects to record a consolidated loss attributable to equity shareholders of the Company for the year ended 31 December 2020 of approximately HK\$563 million as compared to a profit attributable to equity shareholders of the Company of HK\$5.5 million for the year ended 31 December 2019.

The expected consolidated loss of the Company for the year ended 31 December 2020 was mainly attributable to the following:

- (i) An impairment loss of approximately HK\$345 million on a hotel property of the Group, namely the Sofitel New York. The impairment loss was based on an appraisal report prepared by an independent professional valuer and reflected the impact of the protracted Covid-19 pandemic (“the pandemic”) on the hotel and tourism market worldwide due to significant curtailment in travelling, extensive social distancing measures in place, as well as the increased supply of hotel rooms in the city in the current economic cycle.
- (ii) A net unrealised loss of approximately HK\$131 million on other non-current financial assets. This was mainly related to our investment in A2I Holdings S.A.R.L., which owns 7.01% equity shares of AccorInvest Group S.A.. The revaluation loss reflects the deterioration in the macro-economic environment and the tourism sector as a result of the impact of the pandemic.
- (iii) The performance of our overseas hotels for 2020 has been severely impacted by the outbreak of the pandemic and the related containment measures. All of our hotels have seen continuing and significantly weak demand in 2020 due to strict controls on travel and social distancing implemented in every jurisdiction. Several of our hotels suspended operation during certain months in 2020. Owing to a collapse in hotel room demand, the Board expects to record a decline in consolidated revenue by 66% as compared to consolidated revenue for the year ended 31 December 2019.

The impairment loss and net unrealised loss mentioned in item (i) and (ii) are non-cash items and will not affect the cash flow of the Group.

Notwithstanding the above information, and despite the extraordinary operating conditions brought about by COVID-19, the overall financial position of the Group remains healthy, and the various operating units are well positioned to take advantage of any upturn in the market.

As the information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 prepared by the management of the Company and the information currently available, and is not based on any figures or information which has been audited or reviewed by the Group’s auditors, there may be changes or adjustments following further review and finalisation of the accounts of the Group by the Board and the actual results of the Group may be different from what is disclosed in this announcement. It is expected that the final results of the Group for the year ended 31 December 2020 will be published by the Company on 25 March 2021.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

On Behalf of the Board
Keck Seng Investments (Hong Kong) Limited
HO Kian Guan
Executive Chairman

Hong Kong, 15 March 2021

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 (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.