

**Hong Kong investment firm pays RM1.5 billion for 5-star Paris hotel**  
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A Hong Kong investment firm said it has agreed to pay almost US\$470 million for the five-star Paris Marriott Hotel Champs-Elysees, as it targets Chinese tourists' desire for luxury travel.

Kai Yuan Holdings will pay EUR344.51 million (RM1.5 billion) for the seven-floor, 100-year-old hotel, it said in a filing to the Hong Kong stock exchange late Monday.

Shares in the firm surged to close up 62% at HK\$0.157 Tuesday after the announcement.

The company is mainly engaged in industrial investments in mainland China, including in steelmaking and supplying heat energy to cities. But it said it has been looking for investment opportunities in hotels to diversify revenue sources and capitalise on the growth of the global tourism industry.

"As the capital of the most visited country in the world, Paris has been benefiting from its importance as a global hub for business, culture and tourism," the stock exchange filing said.

France is the world's number one tourist destination, with government figures showing 83 million people visited last year. It is also the prime destination for Chinese tourists, with a record 1.4 million visitors from the country last year.

Kai Yuan said it would market the hotel to Chinese tourists, adding in the filing that it "takes an optimistic view in the prospect of the global tourism industry".

The company reported US\$97 million in revenue for 2013, but a net loss for the year of HK\$104.9 million.

It said the deadline for completion of the Paris hotel sale was September 5 and it would borrow US\$280 million from one of its shareholders who holds a 5.54% stake in the company.

The management agreement with Marriott International expires in 2030 and will be automatically renewed for three successive periods of 10 fiscal years, it said.

In December Kai Yuan paid US\$63 million for a hotel in Hong Kong, another popular destination for rich mainland tourists.

One of its associated companies has been granted a licence to carry out a money-lending business in Hong Kong, according to its 2013 annual report.  
– AFP, June 17, 2014.

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