



LAI SUN HOTELS

**ANNOUNCEMENT OF FINAL RESULTS  
FOR THE YEAR ENDED 31ST DECEMBER, 1999**

**RESULTS**

The Board of Directors of Lai Sun Hotels International Limited (the "Company") announces that the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 1999 are as follows:

	1999 HK\$'000	1998 HK\$'000
TURNOVER	374,694	369,221
Cost of sales	(174,097)	(187,105)
	=====	=====
Gross profit	200,597	182,116
Other revenue	132,923	94,447
Marketing expenses	(16,094)	(16,364)
Administrative expenses	(86,754)	(115,015)
Other operating expenses	(131,693)	(117,154)
Provisions for diminutions in values of associates	(116,224)	---
Net loss on investments in associates	---	(25,466)
Write off of goodwill	(83,362)	---
Provisions for diminutions in value on goodwill	---	(23,219)
Provisions against the carrying values of properties under development to net realisable values and losses on disposal of properties	(158,645)	(61,365)
Provisions for diminutions in values of fixed assets	(1,030,470)	---
Provisions for diminutions in long term investments	(55,157)	---
Net gain on disposal of subsidiaries	58,306	---
Revaluation deficit on investment properties	---	(28,247)
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LOSS FROM OPERATING ACTIVITIES	(1,286,573)	(110,267)
Finance costs	(38,390)	(56,987)
Attributable profits less losses related to associates	2,761	106,123
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LOSS BEFORE TAX	(1,322,202)	(61,131)
Tax (Note (a))	(4,649)	(13,703)
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LOSS BEFORE MINORITY INTERESTS	(1,326,851)	(74,834)
Minority interests	442,100	25,032
	=====	=====
NET LOSS ATTRIBUTABLE TO SHAREHOLDERS	(884,751)	(49,802)
	=====	=====
LOSS PER SHARE --- BASIC (Note (b))	(48.50 cents)	(2.73 cents)
	=====	=====

*Notes:*

## (a) Tax

No provision for Hong Kong profits tax has been made (1998: Nil) as the Group has no assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

	1999 HK\$ '000	1998 HK\$ '000
Provision for tax for the year:		
Overseas	4,262	19,455
Prior year's under/(over) provisions:		
Hong Kong	---	(2,797)
Overseas	56	---
	-----	-----
	4,318	16,658
Deferred tax	---	(5,404)
Overseas associates	331	2,449
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Tax charge for the year	4,649	13,703
	=====	=====

Included in overseas tax provision for the prior year was a corporate tax provision of HK\$17,342,000 of Hotel 57 Corp. I, Inc., a then subsidiary of the Group which held a 50% interest in a partnership, Hotel 57 L.L.C.. As a partner of Hotel 57 L.L.C., Hotel 57 Corp. I, Inc. was responsible for its attributable portion of the United States Federal and State income tax of Hotel 57 L.L.C..

#### (b) Loss per share

The calculation of loss per share is based on the net loss attributable to shareholders for the year of HK\$884,751,000 (1998: HK\$49,802,000) and the weighted average of 1,824,143,092 (1998: 1,824,143,092) ordinary shares of the Company in issue during the year.

No diluted loss per share is presented as there is no dilution effect arising from the share options as well as the unexercised warrants granted by the Company for the years ended 31st December, 1998 and 1999.

#### **FINAL DIVIDEND**

The Board does not recommend the payment of any final dividend in respect of the year ended 31st December, 1999 (1998: Nil) at the forthcoming Annual General Meeting. No interim dividend was paid in 1999 (1998: HK1 cent per share).

#### **YEAR 2000 COMPLIANCE**

All of the Group's computer systems and equipment have been operating smoothly into the Year 2000 ("Y2K"). However, we will continue to stay alert and prepared for the upcoming "high risk" days generally identified with the Y2K issue. The total cost incurred for the Y2K compliance was within the original budget.

#### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the year ended 31st December, 1999, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

#### **ANNUAL GENERAL MEETING AND ANNUAL REPORT**

Notice of the Annual General Meeting together with the Company's Annual Report for the year ended 31st December, 1999 incorporating details of business review and prospects of the Company, will be dispatched to shareholders as soon as possible.

By Order of the Board  
**Lien Jown Jing, Vincent**  
*Chairman*

Hong Kong, 27th April, 2000