



## City e-Solutions Limited: Highlights of Financial Results for Year 2000

March 20, 2001

City e-Solutions Limited (CES) released its first set of financial results following a major restructuring which transformed the Hong Kong-listed company, previously known as CDL Hotels International Limited, into a technology solutions provider focusing on the hospitality industry.

Under a restructuring, the entire shareholding of Millennium and Copthorne Hotels plc (M&C) was transferred to its parent, Singapore-listed City Developments Ltd (CDL). The restructuring, completed on October 7, 2000, also involved a bonus issue, a capital reduction and a distribution of cash to shareholders.

Releasing the results for the financial year ended December 31, 2000, the restructured CES recorded a profit attributable to shareholders of HK\$58.26 million on the back of a turnover of HK\$157.96 million. This compared with a net profit of HK\$638.81 million and a turnover of HK\$5.22 billion under the old structure of CDL Hotels International. However, comparison between the results of financial year 2000 to those of the previous year will not be meaningful due to the change in the Group's principal activities as well as the disposal of the Group's hotel and property interests following the restructuring last year. For FY2000, 92% of the turnover, or HK\$145.4 million, came from investment holding, with the balance 8% coming from the recreation sector, an operation which has since discontinued. In terms of contribution by geographical sector, the entire turnover from investment holding came from Hong Kong while the contribution from the discontinued recreation business was from Indonesia.

CES, the shares of which are also traded on CLOB International in Singapore and the Amsterdam Stock Exchange, recorded a fully diluted earnings per share (EPS) of HK1.01 cents. The Net Tangible Asset (NTA) per share as at the end of December 31, 2000 stood at HK\$1.49. These compared with EPS of HK\$8.89 and NTA of HK\$3.74 for the financial year ended December 31, 1999.

CES declared a first and final dividend of two (2) HK cents per share for the year ended December 31, 2000, which compared with a total dividend of 24 HK cents declared by CDL Hotels International in 1999 before the Group's restructuring exercise.

"Following a restructuring completed during the last financial year, CES is now dedicated to being a global solutions provider for the hospitality industry," CES Chairman Mr Kwek Leng Beng said in a statement.

"CES has already begun implementing a workable and practical strategy to provide business solutions for the hospitality industry. It is an industry which the group understands well, and one which is facing major challenges and opening up dramatic opportunities which few other corporations in the world are as well poised to seize," Mr Kwek said.

Mr Kwek added: "Whilst costs relating to product development and sales acquisitions are unavoidable, they will be put in the context of achieving profitability as soon as possible. We will seek to attain the right balance between the growth in revenue and costs, ensuring at all times a prudent management of expenses."

CES's Chief Executive Officer Vincent Yeo said: "The mission of the new management is to develop the global brand of SWAN as an integrated e-business solutions provider that specializes in services from property, yield and risk management to sales and marketing, reservations, back-office systems, training and procurement."

"SWAN will draw on the complete resources of two existing hospitality business units which were previously owned by M&C - Richfield Hospitality Services and Sceptre Hospitality Resources - to help it implement the overall strategy," said Mr Yeo, who was appointed CEO on 1 November 2000.