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## **City e-Solutions Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 557)**

### **PROFIT WARNING ANNOUNCEMENT**

This announcement is made in accordance with Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the Group may possibly record a loss for the six months ended 30 June 2010 subject to finalisation of, and necessary adjustments to, the financial statements of the Group.

**Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

This announcement is made by City e-Solutions Limited (the “Company”, and together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Based on the information currently available, the board of directors (the “Board”) of the Company wishes to inform the shareholders of the Company and potential investors that the Group may possibly record a loss for the six months ended 30 June 2010, as compared with a profit for the corresponding period in 2009. The Board considers that it was mainly attributable to unrealised losses arising from fair value readjustments of the Group’s trading securities, and unrealised exchange loss on revaluation of foreign currency cash deposits. The Group estimates that the total net unrealised foreign exchange losses and unrealised losses on trading securities for the six months ended 30 June 2010 is about HK\$26 million, as compared with a profit of HK\$28 million recorded for the corresponding period in 2009. Nevertheless, the negative impact is reduced by a dividend income of HK\$32 million.

The information contained in this announcement is only based on information currently available to the Group and preliminary assessment of the management accounts of the Group by the management of the Company. It is not based on any figures or information that has been audited or reviewed by the Company's auditors and remains subject to finalisation and necessary adjustments. Subject to approval of the Board, the unaudited financial statements of the Group for the six months ended 30 June 2010 is expected to be announced by the Company in August 2010.

**Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Kwek Leng Beng**  
*Chairman*

Hong Kong, 26 July 2010

*As at the date of this announcement, the Board is comprised of 8 directors, of which 4 are executive directors, namely Mr. Kwek Leng Beng, Mr. Kwek Leng Joo, Mr. Gan Khai Choon and Mr. Lawrence Yip Wai Lam, 1 is a non-executive director, namely Mr. Chan Bernard Charnwut, and 3 are independent non-executive directors, namely Dr. Lo Ka Shui, Mr. Lee Jackson a.k.a. Li Chik Sin and Mr. Teoh Teik Kee.*