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City e-Solutions Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 557)

ANNOUNCEMENT

UPDATE IN RESPECT OF JOINT VENTURE AND

ACQUISITION OF RENAISSANCE SYRACUSE HOTEL

Reference is made to the announcement of City e-Solutions Limited (“CES”) dated 10 May 2010 in respect of the formation of RSF PARTNERS I, LLC (now known as RSF Syracuse Partners, LLC) (“RSFP”) in the United States of America as a joint venture between SWAN USA Inc (a subsidiary of CES) and Shelbourne Falcon Investors, LP.

RSFP, through its wholly owned subsidiary Richfield Syracuse Hotel Partners, LLC (“RSHP”), has successfully closed the acquisition of the Renaissance Syracuse Hotel, a 279-room full service hotel (the “Hotel”) located in Syracuse, New York, United States of America. The purchase price of the Hotel is US\$10 million (about HK\$78 million), which represents US\$35,842 per key and a 14% yield on 2009 net operating income.

The Hotel operates as a full service hotel and is equipped with various supporting facilities. Most notably, the Hotel offers 12,235 square feet of meeting space that includes a conference center and a 3,600 square feet multi-purpose function room. In terms of food and beverage, the primary outlets are the Redfield’s Restaurant, a 128-seat, Manhattan-style bistro located on the first floor, and the Library, a 65-seat lounge which serves as the Hotel’s primary bar. Both outlets are serviced by a central kitchen facility. Other supporting facilities in the Hotel include a fitness center, a 24-hour business center, a gift shop, and an airline reservation desk.

The Hotel, which sits on freehold land, is located on the corner of interstate highway no 81, a major traffic artery that connects cities in the northeastern United States, and Genesee Street, the main street that runs into downtown Syracuse within a five-minute drive. With proximity to the educational and medical hubs of Central New York State, the Hotel is able to benefit from a variety of demand generators. Also, the Hotel is within a 15 minute drive to the Syracuse Hancock International Airport, which services 19 national and international airlines, including connecting passengers to all three airports in New York City and two in Washington, D.C.

Syracuse is a major city located at the intersection of interstate highway no 81 and 90 in the northern part of New York State. With a metropolitan area population of over 700,000 (fifth most in the state), it is the economic and educational hub of Central New York, a region with over a million inhabitants. The city has functioned as a major transportation and trading hub over the last two centuries, first between the Erie Canal and its branch canals, then of the railway network, and today contains the Hancock International Airport, largest airport in the region. Syracuse is home to Syracuse University, a major research university, as well as several smaller colleges including the prestigious State University of New York Upstate Medical University. Syracuse is also well-provided with convention sites, with a downtown convention complex and, directly west of the city, the Empire Expo Center, which hosts the annual Great New York State Fair.

By order of the Board
Kwek Leng Beng
Chairman

Hong Kong, 20 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.

For the purpose of this announcement, the translation of US\$ into HK\$ is based on the approximate exchange rate of US\$1.00 = HK\$7.80.