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City e-Solutions Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 557)

Major Transaction

Formation of Joint Venture Company - Tune Hospitality Investments LLC

Delay in despatch of the Major Transaction Circular

An application has been made to the Stock Exchange for an extension of time for the despatch of the major transaction circular relating to Tune Hospitality Investments LLC.

Reference is made to the announcement of the Company dated 26 June 2007 (the “Announcement”) published on the websites of the Company and the Stock Exchange on 26 June 2007 in respect of the formation of Tune Hospitality Investments LLC as a joint venture vehicle under the Tune Hospitality Shareholders Agreement (as defined therein). Unless otherwise defined herein, terms used in this announcement shall have the same meanings as ascribed thereto in the Announcement.

Pursuant to Rule 14.38 of the Listing Rules, a major transaction circular (the “Major Transaction Circular”) containing further particulars of the Tune Hospitality Investments LLC and the Tune Hospitality Shareholders Agreement, and other financial information as required by the Listing Rules should be despatched to the Shareholders not later than 16 July 2007. Since the time required for finalising the pro-forma statement of the Group for inclusion in the Major Transaction Circular has been longer than expected, the Company has applied to the Stock Exchange for an extension of time for its despatch to on or before 30 July 2007.

By order of the Board
Kwek Leng Beng
Chairman

Hong Kong, 16 July 2007

As at the date of this announcement, the Board comprises 11 Directors, of which 6 are executive Directors, namely Mr. Kwek Leng Beng, Mr. Vincent Yeo Wee Eng, Mr. Kwek Leng Joo, Mr. Kwek Leng Peck, Mr. Gan Khai Choon and Mr. Lawrence Yip Wai Lam, 2 are non-executive Directors, namely Mr. Wong Hong Ren and 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.