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City e-Solutions Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 557)

ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE

This announcement is made by City e-Solutions Limited (the “Company”) pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “Takeovers Code”).

Reference is made to the announcement issued by the Company on 25 November 2013 and 23 December 2013 (the “Announcement”) in relation to the possible disposal of interests by the CDL Subsidiaries and the HL Entities in the Company. Terms defined in the Announcement shall have the same meanings where used herein unless the context otherwise requires.

The Board was given to understand that due diligence review on the Company and its subsidiaries is still ongoing and no formal agreement for sale and purchase has been entered into by the parties up to the date of this announcement.

There is no assurance whether a binding sale and purchase agreement can be entered into in respect of the above proposed acquisition. In accordance with Rule 3.7 of the Takeovers Code, monthly announcement(s) will be made by the Company until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made.

As the proposed acquisition may or may not realise, shareholders of the Company and the investing public are advised to exercise extreme caution when dealing in the shares of the Company.

By order of the Board
Kwek Leng Beng
Chairman

Hong Kong, 23 January 2014

As at the date of this announcement, the Board is comprised of 9 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, 2 are non-executive directors, namely Mr. Chan Bernard Charnwut and Mr. Ronald Nathaniel Issen, 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.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.