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## **City e-Solutions Limited**

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

**(Stock Code: 557)**

### **UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS, POSSIBLE DISPOSAL OF SHAREHOLDINGS BY THE CONTROLLING SHAREHOLDER AND RESUMPTION OF TRADING**

This announcement made by City e-Solutions Limited (the “Company”) falls within Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “Takeovers Code”). It is also issued pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”).

The board of directors of the Company (the “Board”) has noted the recent increase in the price and trading volume of the shares of the Company. Having made such enquiries with respect to the Company as is reasonable in the circumstances, the Board confirms that save as disclosed below, it is not aware of any reason for such increase or of any information which must be announced to avoid a false market in the Company’s shares or of any inside information that needs to be disclosed under Part XIVA of the SFO.

The Board was informed by City Developments Limited (“CDL”), a controlling shareholder of the Company, that independent third parties (the “Potential Purchasers”) have approached it regarding the possibility of the sale (“Potential Sale”) of CDL’s entire interests in the Company held through CDL’s subsidiaries, which is approximately 52.52% of the Company’s shares in issue. These parties to the knowledge of CDL are not connected with the Company or any connected person (as defined in the Listing Rules) of the Company. The approaches have been entirely exploratory in nature and CDL has not received any commitment from or entered into any agreement with any of them with respect to the Potential Sale. The approaches may or may not lead to an agreement or a transaction.

Should the Potential Sale results in the Potential Purchasers (and parties acting in concert with them) holding in aggregate 30% or more of the issued shares of the Company, the Potential Purchasers would be required to make a general offer to acquire all the issued shares of the Company (other than those acquired or agreed to be acquired by the relevant purchaser and parties acting in concert with them) pursuant to Rule 26.1 of the Takeovers Code.

**As the Proposed Sale 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.** Further announcement(s) will be made by the Company if and when appropriate in accordance with the Takeovers Code and the law.

As at the date of this announcement, the Company has in issue a total of 382,449,524 ordinary shares (“Shares”). The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into shares as at the date of this announcement. CDL holds indirectly, through its subsidiaries, approximately 52.52% of the Shares in issue. Hong Leong Holdings Limited, a substantial shareholder of CDL and also a related corporation of CDL, holds an additional 5.58% of the Shares in issue. Hong Leong Investment Holdings Pte. Ltd., which is the holding company of CDL and Hong Leong Holdings Limited, owns an aggregate of direct and indirect interests of approximately 60.37% of the Shares in issue, which include the aggregate interests held by CDL and Hong Leong Holdings Limited.

## **DEALING DISCLOSURE**

The respective associates (as defined in the Takeovers Code) (including, among others, persons holding 5% or more of a class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code)) of the Company and the Potential Purchasers are reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

## **RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES**

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below whereby the terms used therein shall have the same meaning as those ascribed to them in the Takeovers Code:

*“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them.*

*Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **GENERAL AND RESUMPTION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted with effect from 9:00 a.m. on 15 April 2016 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:00 a.m. on 18 April 2016.

This announcement is made by the order of the Company. The Board collectively and individually accepts responsibility for the accuracy of this announcement.

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

Hong Kong, 15 April 2016

*As at the date of this announcement, the Board is comprised of 8 directors, of which 3 are executive directors, namely Mr. Kwek Leng Beng, 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.*