

 [Print this page](#)

Miscellaneous

* Asterisks denote mandatory information

Name of Announcer *	CITY DEVELOPMENTS LIMITED
Company Registration No.	196300316Z
Announcement submitted on behalf of	CITY DEVELOPMENTS LIMITED
Announcement is submitted with respect to *	CITY DEVELOPMENTS LIMITED
Announcement is submitted by *	Enid Ling Peek Fong
Designation *	Company Secretary
Date & Time of Broadcast	11-Nov-2009 19:10:01
Announcement No.	00170

>> Announcement Details

The details of the announcement start here ...

Announcement Title * Announcement by Subsidiary Company, City e-Solutions Limited on Unaudited Financial Results for the Nine Months Ended 30 September 2009

Description Please see attached the above announcement issued by City e-Solutions Limited on 11 November 2009

Attachments
 [CSE111109.pdf](#)
 Total size = **39K**
 (2048K size limit recommended)

[Close Window](#)

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



City e-Solutions Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 557)

UNAUDITED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

SUMMARY

To provide the market with updated information, the Board of City e-Solutions Limited announces the unaudited consolidated financial results of the Company, its subsidiaries and its jointly controlled entity (the “Group”) and the Group’s interest in an associate for the nine months ended 30 September 2009.

This announcement is made in accordance with Rule 13.09(1) of the Listing Rules.

The unaudited consolidated profit attributable to equity shareholders of the Company for the nine months ended 30 September 2009 was approximately HK\$59.8million.

Shareholders of the Company and potential investors should note that all figures contained herein are unaudited and are advised to exercise caution when dealing in the shares of the Company.

This announcement is made in accordance with Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

To provide the market with updated information, the board (“Board”) of directors (“Directors”) of City e-Solutions Limited (the “Company”) announces the unaudited consolidated financial results of the Company, its subsidiaries and its jointly controlled entity (the “Group”) and the Group’s interest in an associate for the nine months ended 30 September 2009 (the “Period”).

CONSOLIDATED INCOME STATEMENT

		Nine months ended	
	<i>Note</i>	30 September	
		2009	2008
		<i>HK\$'000</i>	<i>Re-presented</i>
		<i>(unaudited)</i>	<i>HK\$'000</i>
		<i>(unaudited)</i>	
Continuing operations			
Turnover	2	46,975	62,022
Cost of sales		<u>(16,637)</u>	<u>(12,499)</u>
Gross profit		30,338	49,523
Other net income/(losses)	3	57,314	(59,062)
Administrative expenses		<u>(29,098)</u>	<u>(33,715)</u>
Profit/(Loss) from operations		58,554	(43,254)
Share of losses of associate		<u>(544)</u>	<u>(484)</u>
Profit/(Loss) before taxation		58,010	(43,738)
Income tax		<u>(1,998)</u>	<u>(3,582)</u>
Profit/(Loss) from continuing operations		56,012	(47,320)
Discontinued operations			
Profit from discontinued operations, net of tax	4	<u>4,721</u>	<u>(858)</u>
Profit/(Loss) for the period	5	<u><u>60,733</u></u>	<u><u>(48,178)</u></u>
Attributable to:			
Equity shareholders of the Company		59,826	(48,474)
Minority interests		<u>907</u>	<u>296</u>
Profit/(Loss) for the period		<u><u>60,733</u></u>	<u><u>(48,178)</u></u>
Earnings/(Losses) per share			
Basic earnings/(losses) per share		HK cents <u>15.64</u>	HK cents <u>(12.67)</u>
Continuing operations			
Basic earnings/(losses) per share		HK cents <u>14.41</u>	HK cents <u>(12.45)</u>

CONSOLIDATED BALANCE SHEET (unaudited)

	The Group	
	As At	As At
	30 September	31 December
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets		
Plant and equipment	3,259	7,612
Intangible assets	132	3,651
Interest in an associate	—	30,039
Deferred tax assets	11,223	12,940
Total non-current assets	14,614	54,242
Current assets		
Properties held for resale	—	11,609
Trading securities	104,734	59,856
Trade and other receivables	17,662	27,622
Current tax recoverable	217	163
Cash and cash equivalents	486,685	438,954
	<u>609,298</u>	<u>538,204</u>
Current liabilities		
Trade and other payables	(16,378)	(44,785)
Provision for taxation	(1,022)	(2,439)
	<u>(17,400)</u>	<u>(47,224)</u>
Net current assets	<u>591,898</u>	<u>490,980</u>
Total assets less current liabilities	<u>606,512</u>	<u>545,222</u>
NET ASSETS	<u>606,512</u>	<u>545,222</u>
CAPITAL AND RESERVES		
Share capital	382,450	382,450
Reserves	<u>187,412</u>	<u>127,044</u>
Total equity attributable to equity shareholders of the Company	569,862	509,494
Minority interests	<u>36,650</u>	<u>35,728</u>
TOTAL EQUITY	<u>606,512</u>	<u>545,222</u>

Notes:

- The Group's unaudited consolidated financial results for the nine months ended 30 September 2009 has been prepared in accordance with the same accounting policies adopted by the Group as disclosed in the annual report for the year ended 31 December 2008 and have not been reviewed by the Company's auditors.

2. **Turnover**

	Nine months ended	
	30 September	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Continuing operations		
Revenue from external customer		
- Investment holding	560	1,708
- Hospitality related services	31,440	38,240
- Property investment	<u>12,405</u>	<u>10,000</u>
	44,405	49,948
Interest income	<u>2,570</u>	<u>12,074</u>
	<u>46,975</u>	<u>62,022</u>
Discontinued operations		
Education related services	<u>7,842</u>	<u>39,589</u>
	<u>54,817</u>	<u>101,611</u>

3. **Other net income/(losses)**

	Nine months ended	
	30 September	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net realised and unrealised foreign exchange gains/(losses)	13,601	(18,487)
Net realised and unrealised gains/(losses) on trading securities	42,617	(40,350)
Gain on disposal of interest in an associate	819	—
Others	<u>277</u>	<u>(225)</u>
	<u>57,314</u>	<u>(59,062)</u>

4. **Discontinued Operations**

	Nine months ended	
	30 September	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	7,842	39,589
Expenses	<u>(8,400)</u>	<u>(40,204)</u>
Loss before taxation	(558)	(615)
Income tax	<u>—</u>	<u>(243)</u>
Loss after taxation	(558)	(858)
Gain on disposal of discontinued operation	<u>5,279</u>	<u>—</u>
Profit/(loss) from discontinued operation	<u>4,721</u>	<u>(858)</u>

5. **Profit/(Loss) for the period is arrived after charging/(crediting)**

	Nine months ended	
	30 September	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Depreciation of plant and equipment	1,623	2,426
Amortisation of intangible assets	234	47
Dividends and interest income	<u>(3,135)</u>	<u>(13,874)</u>

BUSINESS REVIEW AND PROSPECTS

The Group recorded a net profit attributable to the equity shareholders of the Company for the nine months ended 30 September 2009 of HK\$59.8 million (June 2009: HK\$31.6 million) as compared with a net loss of HK\$48.5 million reported in the previous corresponding period.

For the period under review, the profit can be attributed mainly to the unrealised profit of HK\$42.6 million (June 2009: HK\$11.4 million) as a result of the revaluation of the Group's trading securities to fair value as at 30 September 2009 as well as a net realised and unrealised translation exchange gain of HK\$13.6 million (June 2009: HK\$16.6 million) arising mainly from the Sterling Pound denominated trading security and cash deposit. The total gains of HK\$56.2 million (June 2009: HK\$28.0 million) compares favourably to the total net realised and unrealised losses of HK\$58.8 million reported in the previous corresponding period.

In addition, the Group recognised a net profit of HK\$4.7 million comprising a disposal gain of HK\$5.3 million from the discontinued operations (MindChamps), net of the losses of HK\$0.6 million for the period under review as compared to net losses of HK\$0.9 million in the previous corresponding period. Following the disposal of the interest in this joint venture (MindChamps Sale) on 23 March 2009, the Group no longer consolidates proportionately the financial results of MindChamps and the result has been reported as discontinued operations.

Besides the MindChamps Sale, the Group has completed the sale of its 40% equity interest in Tune Hospitality Investment FZCO ("Tune") for a total consideration of HK\$31.0 million (US\$4 million) which was received on 2 September 2009. The net gain from Tune amounted to HK\$0.3 million comprising a disposal gain of HK\$0.8 million, net of the share of losses amounting to HK\$0.5 million for the period under review.

The Group has also completed the sale of the remaining two units of residential properties in Singapore held for resale at a total revenue of HK\$12.4 million as compared with revenue of HK\$10.0 million on the sale of one unit in the previous corresponding period. Accordingly, a smaller pre-tax profit of HK\$0.8 million was realised for the period under review as compared with a pre-tax profit of HK\$3.6 million recorded in the previous corresponding period.

The continuing challenging economic environment has resulted in lower Group's revenue from its continuing operations of HK\$47.0 million (June 2009: HK\$35.3 million) for the period under review as compared with HK\$62.0 million in the previous corresponding period. This is mainly due to lower dividend and interest income of HK\$3.1 million as compared with HK\$13.9 million reported in the previous corresponding period.

The current recession in the US economy has caused most of Swan's hotels under management to record lower revenues and operating profits compared to the previous corresponding period. The decline in the managed hotels' operating results has in turn affected the property revenues and management fees recorded by Swan's hotel management business unit, Richfield.

Business conditions continue to remain challenging in the last quarter of 2009 and the management of Swan will adopt a cost-conscious approach towards managing its current business. The Group continues to hold some trading securities while its cash reserves are in a basket of currencies. From time to time, there could be continued adjustments attributable to unrealised gains or losses arising from the fair value readjustments of the Group's trading securities and unrealised gains or losses on revaluation of foreign currency cash deposits.

As the global recession continues and the credit environment remains tight, investment opportunities may become available at attractive valuations. The Group has significant cash reserves to capitalise on any good investment opportunities that may arise.

Shareholders of the Company and potential investors should note that all figures contained herein are unaudited and are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Kwek Leng Beng
Chairman

Hong Kong, 11 November 2009

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.