

Miscellaneous

* Asterisks denote mandatory information

Name of Announcer *	CITY DEVELOPMENTS LIMITED
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Announcement is submitted with respect to *	CITY DEVELOPMENTS LIMITED
Announcement is submitted by *	Enid Ling Peek Fong
Designation *	Company Secretary
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>> 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 Three Months Ended 31 March 2010

Description Please see attached subject Announcement released by City e-Solutions Limited on 10 May 2010.

Attachments

 [CES_Q1_2010.pdf](#)
Total size = **36K**
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City e-Solutions Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 557)

UNAUDITED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2010

SUMMARY

To provide the market with updated information, the Board of City e-Solutions Limited announces the unaudited consolidated financial results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2010.

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 three months ended 31 March 2010 was approximately HK\$11.9 million.

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 and its subsidiaries (the “Group”) for the three months ended 31 March 2010 (the “Period”).

CONSOLIDATED INCOME STATEMENT

		Three months ended	
		31 March	
	<i>Note</i>	2010	2009
		<i>Re-presented</i>	
		<i>HK\$'000</i>	<i>HK\$'000</i>
		<i>(unaudited)</i>	<i>(unaudited)</i>
Continuing operations			
Turnover	2	7,736	16,545
Cost of sales		<u>(1,526)</u>	<u>(7,257)</u>
Gross profit		6,210	9,288
Other net income/(losses)	3	15,259	(16,575)
Administrative expenses		<u>(10,788)</u>	<u>(8,924)</u>
Profit/(Loss) from operations		10,681	(16,211)
Share of losses of associate		<u>—</u>	<u>(92)</u>
Profit/(Loss) before taxation		10,681	(16,303)
Income tax		<u>962</u>	<u>(321)</u>
Profit/(Loss) from continuing operations		11,643	(16,624)
Discontinued operations			
Profit from discontinued operations, net of tax	4	<u>—</u>	<u>3,410</u>
Profit/(Loss) for the period	5	<u><u>11,643</u></u>	<u><u>(13,214)</u></u>
Attributable to:			
Equity shareholders of the Company		11,879	(12,846)
Minority interests		<u>(236)</u>	<u>(368)</u>
Profit/(Loss) for the period		<u><u>11,643</u></u>	<u><u>(13,214)</u></u>
Earnings/(Losses) per share			
		<i>HK cents</i>	<i>HK cents</i>
Basic earnings/(losses) per share		<u>3.11</u>	<u>(3.36)</u>
Continuing operations			
		<i>HK cents</i>	<i>HK cents</i>
Basic earnings/(losses) per share		<u>3.11</u>	<u>(4.25)</u>

CONSOLIDATED BALANCE SHEET (unaudited)

	The Group	
	As At	As At
	31 March	31 December
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets		
Plant and equipment	2,180	2,472
Intangible assets	87	103
Interest in an associate	—	—
Deferred tax assets	13,898	12,814
Total non-current assets	16,165	15,389
Current assets		
Trading securities	118,082	95,340
Trade and other receivables	10,547	22,745
Current tax recoverable	358	395
Cash and cash equivalents	488,608	489,219
	<u>617,595</u>	<u>607,699</u>
Current liabilities		
Trade and other payables	(19,200)	(20,127)
Provision for taxation	(142)	(880)
	<u>(19,342)</u>	<u>(21,007)</u>
Net current assets	<u>598,253</u>	<u>586,692</u>
Total assets less current liabilities	<u>614,418</u>	<u>602,081</u>
NET ASSETS	<u>614,418</u>	<u>602,081</u>
CAPITAL AND RESERVES		
Share capital	382,450	382,450
Reserves	<u>195,844</u>	<u>183,368</u>
Total equity attributable to equity shareholders of the Company	578,294	565,818
Minority interests	<u>36,124</u>	<u>36,263</u>
TOTAL EQUITY	<u>614,418</u>	<u>602,081</u>

Notes:-

1. The Group's unaudited consolidated financial results for the three months ended 31 March 2010 have 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 2009 and have not been reviewed by the Company's auditors.

2. **Turnover**

	Three months ended	
	31 March	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Continuing operations		
Revenue from external customer		
- Investment holding	566	—
- Hospitality related services	6,905	9,532
- Property investment	—	6,218
	<u>7,471</u>	<u>15,750</u>
Interest income	265	795
	<u>7,736</u>	<u>16,545</u>
Discontinued operations		
Education related services	—	7,842
	<u>7,736</u>	<u>24,387</u>

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

	Three months ended	
	31 March	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net realised and unrealised foreign exchange losses	(11,517)	(8,153)
Net realised and unrealised gains/(losses) on trading securities	26,783	(8,504)
Others (losses)/income	(7)	82
	<u>15,259</u>	<u>(16,575)</u>

4. Discontinued operations

	Three months ended	
	31 March 2009	
	<i>HK\$'000</i>	
Turnover		7,842
Expenses		<u>(8,400)</u>
Loss before taxation		(558)
Income tax		<u>—</u>
Loss after taxation		(558)
Gain on disposal of discontinued operations		<u>3,968</u>
Profit from discontinued operations		<u><u>3,410</u></u>

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

	Three months ended	
	31 March	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Depreciation of plant and equipment	337	827
Amortisation of intangible assets	14	210
Dividends and interest income	<u>(831)</u>	<u>(800)</u>

BUSINESS REVIEW AND PROSPECTS

The Group recorded a net profit attributable to the equity shareholders of the Company for the three months ended 31 March 2010 of HK\$11.9 million as compared with a net loss of HK\$12.8 million reported in the previous corresponding period.

For the period under review, the profit can be attributed mainly to the unrealised profit of HK\$26.8 million as a result of the revaluation of the Group's trading securities to fair value as at 31 March 2010. However, the unrealised gain was negatively affected by the net realised and unrealised translation exchange loss of HK\$11.5 million arising mainly from the Sterling Pound denominated trading security and cash deposit. The total net realised and unrealised gains of HK\$15.3 million compare favourably to the total net realised and unrealised losses of HK\$16.6 million reported in the previous corresponding period.

The Group recorded lower revenue from its continuing operations of HK\$7.7 million for the period under review as compared with HK\$16.5 million in the previous corresponding period. This is mainly due to the revenue of HK\$6.2 million from the sale of a remaining residential property in Singapore in the previous corresponding period.

The Group's hospitality related services reported lower revenue and an operating loss for the period under review. The decline in the managed hotels' operating results as well as a reduction in the number of managed hotels in its portfolio adversely affected the management fees recorded by Richfield Hospitality, Inc. ("Richfield"), the Group's hotel management arm in the United States. However, with new management in place at Richfield this year that is actively pursuing hotel management contracts, a strong pipeline of potential contracts has been built up in a relatively short period of time.

The management 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 economy continues to recover, investment opportunities may become available at attractive valuations. The Group has significant cash reserves to capitalise on any attractive 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, 10 May 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.