

General Announcement::Announcement by Subsidiary Company, City e-Solutions Limited

Issuer & Securities

Issuer/ Manager	CITY DEVELOPMENTS LIMITED
Securities	CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09
Stapled Security	No

Announcement Details

Announcement Title	General Announcement
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Announcement Sub Title	Announcement by Subsidiary Company, City e-Solutions Limited
Announcement Reference	SG160217OTHR5T97
Submitted By (Co./ Ind. Name)	Enid Ling Peek Fong
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below)	Please refer to the announcement issued by City e-Solutions Limited on 17 February 2016 relating to Profit Warning.

Attachments	<p>17022016_CES_Profit warning.pdf</p> <p>Total size =28K</p>
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City e-Solutions Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 557)

PROFIT WARNING ANNOUNCEMENT

This announcement is made in accordance with Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a loss of about HK\$62 million for the year ended 31 December 2015 subject to the finalisation and necessary adjustments to the financial statements of the Group. The Board considers that the loss was mainly attributable to (i) the net unrealised losses arising from fair value readjustments of the Group's trading securities as at reporting date; and (ii) the reduction of the Group's deferred tax assets following an assessment of the availability of future taxable profit against which the tax losses can be utilised.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

This announcement is made by City e-Solutions Limited (the "Company", together with its subsidiaries, joint arrangements and associates, the "Group") 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 (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the unaudited financial results announcement of the Company for the nine months ended 30 September 2015 published on 11 November 2015 whereby it was announced that the Group recorded a loss of HK\$32.86 million for the period as compared with a loss of HK\$11.62 million in the previous corresponding period (the “September 2015 Results Announcement”). Further to the September 2015 Results Announcement, the board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of the available unaudited financial information of the Group for the year ended 31 December 2015, the loss is expected to increase to about HK\$62 million for the year ended 31 December 2015 as compared to a loss of HK\$18.51 million for the previous year. The Board considers that the loss was mainly attributable to (i) the net unrealised losses arising from fair value readjustments of the Group’s trading securities as at reporting date; and (ii) the reduction of the Group’s deferred tax assets following an assessment of the availability of future taxable profit against which the tax losses can be utilised.

The information contained in this announcement is based on information currently available to the Group and a preliminary assessment of the management accounts of the Group by the management of the Company. It is not based on any figures or information that has been audited or reviewed by the Company’s auditors and remains subject to finalisation and necessary adjustments. Further details of the Group’s financial information will be disclosed in the audited financial results announcement of the Company for the year ended 31 December 2015, which is expected to be published on 24 February 2016.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

By order of the Board
Kwek Leng Beng

Chairman and Managing Director

Hong Kong, 17 February 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.