

RESULTS

The Directors of City e-Solutions Limited (the "Company") are pleased to announce the following interim unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2001 together with comparative figures.

CONSOLIDATED PROFIT & LOSS ACCOUNT

For the six months ended 30 June 2001 - unaudited

	Note	Six months ended 30 June 2001	2000
		HK\$'000	Restated* HK\$'000
Turnover	3		
Continuing operations		54,258	47,390
Discontinued operations		—	8,163
		54,258	55,553
Cost of sales	4	(14,541)	(1,573)
Gross profit		39,717	53,980
Other expenses (net)		(22,935)	(25,422)
Administrative expenses	4	(43,960)	(18,263)
(Loss)/profit from operations	3	(27,178)	10,295
Profit on disposal of subsidiaries	5	—	3,161
Finance cost	6	(8)	(2,612)
(Loss)/profit from ordinary activities before taxation	6		
Continuing operations		(27,186)	11,206
Discontinued operations		—	(362)
		(27,186)	10,844
Taxation	7	(6)	(636)
(Loss)/profit from ordinary activities after taxation		(27,192)	10,208
Minority interests		694	826
(Loss)/profit attributable to shareholders		(26,498)	11,034
Dividends	8	—	—
(Accumulated loss)/retained profit for the period		(26,498)	11,034
(Loss)/earnings per share	9		
Basic		(6.92 cents)	0.54 cents
Diluted		(6.92 cents)	0.54 cents

* Comparative figures have been adjusted to conform with the new accounting policy in respect of dividends (note 2).

The notes on pages 6 to 12 form part of this interim financial report.