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City e-Solutions Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 557)

EXTENSION OF THE EXCLUSIVITY PERIOD OF THE MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE ACQUISITION

Reference is made to the announcement of City e-Solutions Limited (the “**Company**”) dated 15 December 2016 (the “**Announcement**”) in relation to, among other things, the entering into of the MOU. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

As disclosed in the Announcement, within two months after the signing of the MOU (either party has the right to request for an extension of 15 days or such other period the parties may agree in writing), the Vendor shall not (and shall not appoint a third party to represent the Vendor) discuss or negotiate with any third party any transaction relating to the Possible Acquisition (or any part of the Possible Acquisition) or accept or respond to any third party offer or invitation to treat in relation to the Possible Acquisition (or any part of the Possible Acquisition).

As more time is required for the due diligence review on the Target Company and the negotiation of the terms of the Possible Acquisition, on 20 February 2017 (after trading hours), the Company and the Vendor entered into an extension letter to extend the Exclusivity Period to (and including) 18 April 2017 (or such other date as the parties may agree in writing) with effect from 14 February 2017. Save as disclosed above, all material terms and conditions of the MOU remain unchanged.

GENERAL

The Board wishes to emphasise that the Possible Acquisition may or may not proceed and that the Company has not entered into any binding agreement in relation to the Possible Acquisition as at the date of this announcement. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
City e-Solutions Limited
Jiang Yulin
Chairman

Hong Kong, 20 February 2017

As at the date of this announcement, the board is comprised of six directors of which Mr. Jiang Yulin, Ms. Zhang Xian and Mr. Lawrence Yip Wai Lam are the executive directors; and Mr. Hu Baihe, Mr. Yuen Kwok Kuen and Mr. Guo Jingbin are the independent non-exeuctive directors.