


Miscellaneous	
* Asterisks denote mandatory information	
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Announcement Title *	Circular issued by Subsidiary Company, City e-Solutions Limited on Major Transaction - Disposal of 50% Equity Interest in MindChamps Holdings Pte. Limited
Description	Please see attached circular issued by City e-Solutions Limited on 6 April 2009.
Attachments	 CES-Circular060409.pdf Total size = 65K (2048K size limit recommended)

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If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **City e-Solutions Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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City e-Solutions Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 557)

Major Transaction

Disposal of 50% Equity Interest in MindChamps Holdings Pte. Limited

A letter from the board of directors of City e-Solutions Limited is set out on pages 3 to 9 of this circular

6 April 2009

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“associate”	has the meaning ascribed to such term in the Listing Rules
“Board”	the board of Directors
“CDL”	City Developments Limited, a company incorporated in Singapore and whose shares are listed on the Singapore Exchange Securities Trading Limited. CDL, through its wholly owned subsidiaries, is currently holding about 52.52% of the issued Shares of the Company
“Company”	City e-Solutions Limited, a company incorporated in the Cayman Islands, whose shares are listed on the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares under the MindChamps Disposal Agreement
“Completion Date”	23 March 2009, the date of Completion
“connected person”	has the meaning ascribed to such term in the Listing Rules
“Consideration”	the amount of S\$3.5 million (about HK\$17.75 million)
“Deferred Consideration”	the sum of S\$2.75 million (about HK\$13.95 million) of the Consideration, to be settled by cash instalments within 2 years from the date of the MindChamps Disposal Agreement
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party”	a party who, together with its ultimate beneficial owner(s), is (to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiry) not a connected person of the Company and is also independent of the Company and its connected persons
“Initial Consideration”	the sum of S\$0.75 million (about HK\$3.80 million) of the Consideration, which was settled in cash on the Completion Date
“Latest Practicable Date”	2 April 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MindChamps Disposal Agreement”	the share disposal agreement dated 13 March 2009 between the Seller, the Purchaser and the Principals relating to the sale of the Sale Shares
“MindChamps JVC”	MindChamps Holdings Pte. Limited, a limited liability company incorporated in Singapore on 22 May 2007, the entire issued share capital of which was owned as to 50% by the Seller and 50% by the Purchaser before Completion
“MindChamps JVC Group”	MindChamps JVC and its subsidiaries and associates
“Principals”	David Chiem Phu An and Catherine Du, the principals of the Purchaser
“Purchaser”	Champion Minds Pte. Limited, a company incorporated in Singapore, which held 50% of the entire issued share capital of MindChamps JVC before Completion
“Relevant CDL Subsidiaries”	wholly owned subsidiaries of CDL which own in aggregate a 52.52% shareholding interest in the issued share capital of the Company
“S\$”	Singapore dollars, the lawful currency of Singapore
“Sale Shares”	7.5 million ordinary shares, representing 50% of the entire issued share capital of MindChamps JVC as held by the Seller before Completion
“Seller”	CES Education Holdings Pte. Ltd., which is a company incorporated in Singapore and is a wholly owned subsidiary of the Company
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share”	ordinary share of HK\$1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

For the purpose of this circular, the translation of S\$ into HK\$ is based on the approximate exchange rate of S\$1.00 = HK\$5.07225.

LETTER FROM THE BOARD



City e-Solutions Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 557)

Directors:

Mr. Kwek Leng Beng (*Chairman and Managing Director*)
Mr. Vincent Yeo Wee Eng
Mr. Kwek Leng Joo
Mr. Kwek Leng Peck
Mr. Gan Khai Choon
Mr. Wong Hong Ren*
Mr. Chan Bernard Charnwut*
Mr. Lawrence Yip Wai Lam

Independent Directors:

Dr. Lo Ka Shui*
Mr. Lee Jackson (also known as Li Chik Sin)*
Mr. Teoh Teik Kee*

* *Non-Executive Directors*

Principal Office:

Room 2803, 28th Floor
Great Eagle Centre
No. 23 Harbour Road
Wanchai
Hong Kong

Registered Office:

c/o Maples and Calder
Ugland House
South Church Street
P.O. Box 309GT
Grand Cayman
Cayman Islands
British West Indies

6 April 2009

To the Shareholders

Dear Sir or Madam,

Major Transaction

Disposal of 50% Equity Interest in MindChamps Holdings Pte. Limited

The Company announced in its announcement dated 16 March 2009 that, on 13 March 2009, a wholly owned subsidiary of the Company entered into the MindChamps Disposal Agreement to dispose of its 50% shareholding interest in MindChamps JVC to the other 50% shareholder at the total cash consideration of S\$3.5 million (about HK\$17.75 million).

The main purpose of this circular is to provide you with further particulars of the MindChamps Disposal Agreement and other information required under the Listing Rules.

LETTER FROM THE BOARD

A. THE MINDCHAMPS DISPOSAL AGREEMENT

The material terms of the MindChamps Disposal Agreement are summarized below:

1. *Date*

13 March 2009

2. *Parties*

Seller: CES Education Holdings Pte. Ltd., which is a limited liability company incorporated in Singapore and is wholly owned by the Company;

Purchaser: Champion Minds Pte. Limited, which is a limited liability company incorporated in Singapore; and

Principals: Mr. David Chiem Phu An and Ms. Catherine Du, the principals of the Purchaser. The Principals together with the Purchaser provided warranties and covenants in favour of the Seller.

The principal business of the Purchaser before Completion is holding 50% shareholding interest in MindChamps JVC, and the Principals are collectively the majority beneficial shareholders of the Purchaser. To the best of the knowledge of the Directors after making all reasonable enquiry, the Purchaser and its ultimate beneficial owners (including the Principals) are Independent Third Parties.

3. *Asset disposed of and Consideration*

The Seller sold its 50% shareholding interest in MindChamps JVC at the total consideration of S\$3.5 million (about HK\$17.75 million). The Consideration is to be settled by cash in the following manner:

- (a) S\$0.75 million (about HK\$3.80 million) upon the Completion Date;
- (b) S\$0.25 million (about HK\$1.27 million) by 5 equal monthly instalments of S\$0.05 million (about HK\$0.25 million) each payable on or before the last business day of each month, with the first instalment to be paid in the month immediately following the Completion Date; and
- (c) the remaining S\$2.5 million (about HK\$12.68 million) upon the second anniversary of the date of the MindChamps Disposal Agreement.

As security for the due and punctual settlement of the Deferred Consideration, the Purchaser has charged its equity interests being 100% in MindChamps JVC in favour of the Seller on Completion. The MindChamps Disposal Agreement provided for various events (including disposal of any interest in MindChamps JVC at any time before the expiry of the

LETTER FROM THE BOARD

second anniversary of the Completion Date, commencement of winding-up or insolvency proceedings in respect of MindChamps JVC Group or the Purchaser itself, entering into any agreement with the creditors of MindChamps JVC Group or the Purchaser with a view to reducing, or suspending payment of, their indebtedness and breach of warranties, representations and undertakings in the MindChamps Disposal Agreement), the occurrence of any of which shall constitute default on the part of the Purchaser before full settlement of the Deferred Consideration. If any of such events of default occurs, the Seller is entitled to declare that the outstanding Deferred Consideration be immediately due and payable and if such amount is not settled within 3 business days, the Seller may enforce the share charge given by the Purchaser.

The Consideration was determined after arm's length negotiations between the parties. It was agreed to by the Company primarily with reference to the audited net asset value of MindChamps JVC Group as at 31 December 2008 and after taking into consideration certain adjustment factors, including (a) the illiquidity of the Group's investment in MindChamps JVC as the shareholding comprises of private non-quoted shares and (b) exiting discount for non-majority (i.e. 50%) control conferred by the Sale Shares.

4. *Completion*

Completion is conditional upon the approval of the Shareholders to the transactions contemplated under the MindChamps Disposal Agreement being obtained in accordance with the Listing Rules. This condition has been satisfied by way of the written approval issued by the Relevant CDL Subsidiaries holding about 52.52% of the entire issued share capital of the Company. Completion took place on 23 March 2009.

The Sale Shares represent all the indirect shareholding interest of the Company in MindChamps JVC, and the Group no longer had any such equity interests upon Completion.

5. *Information on MindChamps JVC and its principal business*

MindChamps JVC Group is principally engaged in offering "How-to-Learn" programmes, comprising of specialized accelerated learning and memorization technique programmes taught to children and young people ranging from pre-school to tertiary level.

LETTER FROM THE BOARD

Based on the audited financial statements of MindChamps JVC Group as at 31 December 2008, the net asset value of MindChamps JVC Group was approximately S\$8 million (about HK\$40.58 million). The table below summarizes the audited operating results of MindChamps JVC Group for the following accounting periods:

	Year ended 31/12/2008 S\$'000	Period from 22/5/2007 (date of incorporation) to 31/12/2007 S\$'000
Turnover	17,056	8,752
Profit/(Loss) before taxation	(7,919)	718
Profit/(Loss) after taxation and extraordinary items	(8,022)	1,085

The loss after taxation and extraordinary items of MindChamps JVC Group for the financial year ended 31 December 2008 was primarily due to operating losses of approximately S\$1.8 million (about HK\$9.13 million) and one-time non-cash impairment to the valuation of intellectual property of approximately S\$6.1 million (about HK\$30.94 million).

In view of the losses of MindChamps JVC Group in 2008 and the uncertain macro-economic environment, the Directors adopted a valuation of the intellectual property of MindChamps JVC based on conservative assumptions, resulting in the Group recording a nil net carrying value of its interest in MindChamps JVC as at 31 December 2008. As a result of this lower valuation of the intellectual property of MindChamps JVC, the Group recorded a total impairment loss of HK\$37.3 million for the financial year ended 31 December 2008, as disclosed in the Company's recent announcement of results for the financial year ended 31 December 2008 on 23 February 2009.

B. REASONS FOR, AND BENEFITS OF, THE MINDCHAMPS DISPOSAL AGREEMENT

The Group's principal business includes investment holding and provision of hospitality related services.

The Sale Shares were acquired by the Group in 2007 for S\$7.5 million (about HK\$38.5 million at that time). Although the Consideration represents only approximately half of the original acquisition price, the growth assumptions at the time of the original investment have now changed as the business of MindChamps JVC is being affected by the reduction in consumer discretionary spending caused by the current recession. The Directors are of the opinion that the sale of the Group's 50% shareholding interest in MindChamps JVC at the Consideration is in the interests of the Company and the Shareholders as a whole in view of the losses of MindChamps JVC Group in 2008 and the uncertain macro-economic environment ahead. The Directors are of the view that the disposal would enable the Group and its management to focus on hospitality services and other more attractive investments. Due to the challenging economic climate, the Directors believe that it is prudent for the

LETTER FROM THE BOARD

Group to participate in investments where it can exercise greater management control in order to be able to respond more quickly to changes in the operating environment. The Directors also anticipate that the severe economic downturn should give rise to investment opportunities at attractive valuations. The divestment of its shareholding interest in MindChamps JVC would enable the Group to focus its attention and resources on uncovering investment opportunities (if any) that may offer higher returns.

The Directors believe that the terms of the MindChamps Disposal Agreement are on normal commercial terms and fair and reasonable, and are also in the interests of the Company and the Shareholders as a whole.

C. LISTING RULES IMPLICATIONS

The MindChamps Disposal Agreement constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules as the revenue ratio in respect of it exceeds 25% but is less than 75%.

CDL, through its wholly owned subsidiaries, is currently holding about 52.52% of the entire issued share capital of the Company. As none of CDL and its subsidiaries and associates has any material interests in the MindChamps Disposal Agreement (save in the same manner as any other Shareholders generally), the Relevant CDL Subsidiaries are permitted to vote at a general meeting of the Company that may be convened for the purposes of considering and approving the MindChamps Disposal Agreement under the Listing Rules. The Purchaser has confirmed that it and its associates do not have any interests in the Shares and to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiry, no Shareholders or any of their respective associates have any material interest in the MindChamps Disposal Agreement. As such, no Shareholder is required to abstain from voting under the Listing Rules if the Company were to convene a general meeting for the approval of the MindChamps Disposal Agreement. As the Relevant CDL Subsidiaries holding such 52.52% issued Shares are a closely allied group of Shareholders under Rule 14.45 of the Listing Rules, they have issued a written confirmation approving the MindChamps Disposal Agreement. As this written shareholders' approval is accepted under Rule 14.44 of the Listing Rules in lieu of holding an extraordinary general meeting of the Company, no extraordinary general meeting will be convened by the Company to approve the MindChamps Disposal Agreement.

D. FINANCIAL EFFECTS

Upon Completion, the financial results of MindChamps JVC Group will no longer be consolidated in the Group's financial statements. The Group's assets and liabilities will both decrease as a result of not consolidating the financial statements of MindChamps JVC Group.

At Completion Date, the net gain accrued to the Group from the disposal of the Sale Shares was about S\$0.8 million (about HK\$4.06 million), subject to finalisation of the financial statements of MindChamps JVC Group for the period from 1 January 2009 to the Completion Date. The gain represents the difference between (i) the Initial Consideration received at Completion Date less expenses estimated to be S\$0.2 million (about HK\$1.01 million) related to the MindChamps Disposal Agreement and (ii) the nil net carrying value of the Group's 50% interest in MindChamps JVC in its

LETTER FROM THE BOARD

audited financial statements as at 31 December 2008, as adjusted for the Group's share of the operating loss (of about S\$0.25 million (about HK\$1.27 million)) of MindChamps JVC Group for the period from 1 January 2009 to the Completion Date. The Group would record additional gains as and when parts of the Deferred Consideration are received by the Seller. Accordingly, if the full amount of Deferred Consideration is received by the Group, the expected total gain from the disposal of the Sale Shares would be S\$3.55 million (about HK\$ 18.01 million). The net proceeds received by the Group are intended to be used as working capital.

E. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Upon Completion, the Group will no longer be engaged in the education business. Recognising that business conditions will remain extremely challenging in 2009, the Board has adopted a very cautious business strategy and decided to focus on its core competencies in hospitality related businesses and real estate investments.

With the U.S. economy continuing to weaken, business fundamentals in the hospitality industry are expected to remain poor in 2009. Management will adopt a cost-conscious approach towards managing its current businesses in the U.S.

The Group's 40% associate company, Tune Hospitality Investments FZCO ("Tune Hospitality"), established to develop and own a portfolio of "no frills" Tune branded hotels, has acquired a total of eight sites; five in Malaysia and three in Indonesia. Construction work has started on the two Bali sites in Indonesia with completion expected by the end of 2009. The management of Tune Hospitality believes that the room demand in Bali remains healthy and it is feasible to proceed with both projects. However, due to potential adverse impact on consumer demand caused by the current economic recession, Tune Hospitality has deemed it prudent to delay the development of the remaining sites. It has taken steps to minimise the holding costs while closely monitoring the economic impact on consumer demand. As a further step of prudence, the management of Tune Hospitality is exploring various alternatives for these sites including possible divestment to reduce its overall capital investment.

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 exchange 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 still has significant cash reserves to capitalise on any such price dislocation that may arise in the current environment.

F. RECOMMENDATION

The Board considers that the terms of the MindChamps Disposal Agreement are fair and reasonable so far as the Shareholders are concerned, and are in the interests of the Shareholders as a whole.

LETTER FROM THE BOARD

G. FURTHER INFORMATION

Your attention is drawn to the information set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Kwek Leng Beng
Chairman and Managing Director

A. INDEBTEDNESS OF THE GROUP

As at 28 February 2009 (being the latest practicable date for the purpose of the information in this section), the Group did not have any outstanding debt securities, whether issued and outstanding, authorised or otherwise created but unissued, term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Group or by third parties) or unsecured, other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured borrowings or debt, mortgages, charges, guarantees or other material contingent liabilities.

B. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the financial resources and banking facilities available to the Group and its internal generated funds, the Group has sufficient working capital to satisfy its present requirements, that is for at least the next twelve months from the date of this circular.

A. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

B. DISCLOSURE OF INTERESTS

- (a) As at the Latest Practicable Date, the interests of the Directors and chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”), were as follows:

The Company

Name of Director	Nature of Interest	Number of Ordinary Shares of HK\$1.00 each
Kwek Leng Beng	Personal	3,286,980
Vincent Yeo Wee Eng	Personal	718,000
Kwek Leng Joo	Personal	1,436,000
Kwek Leng Peck	Personal	2,082,200
Gan Khai Choon	Personal	1,041,100
Lawrence Yip Wai Lam	Personal	520,550
Wong Hong Ren	Personal	1,513,112
Chan Bernard Charnwut	Personal	53,850

CDL

Name of Director	Nature of Interest	Number of Ordinary Shares
Kwek Leng Beng	Personal	397,226
Kwek Leng Joo	Personal	65,461
Kwek Leng Peck	Personal	43,758
Gan Khai Choon	Personal	100,000
	Family	25,000
Wong Hong Ren	Family	4,950

Name of Director	Nature of Interest	Number of Preference Shares
Kwek Leng Beng	Personal	144,445
Kwek Leng Joo	Personal	100,000
Gan Khai Choon	Personal	49,925
	Family	25,738

Hong Leong Investment Holdings Pte. Ltd.

Name of Director/Chief Executive	Nature of Interest	Number of Ordinary Shares
Kwek Leng Beng	Personal	2,320
Kwek Leng Joo	Personal	1,290
Kwek Leng Peck	Personal	10,921
Gan Khai Choon	Family	247
Sherman Kwek Eik Tse	Personal	1,174

Millennium & Copthorne Hotels New Zealand Limited

Name of Director	Nature of Interest	Number of Ordinary Shares
Kwek Leng Beng	Personal	3,000,000
Vincent Yeo Wee Eng	Personal	500,000
Wong Hong Ren	Personal	2,000,000

Note: Millennium & Copthorne Hotels New Zealand Limited is an indirect subsidiary of Millennium & Copthorne Hotels plc (“M&C”), a subsidiary of CDL. CDL is the holding company of the Company. The Directors consider Hong Leong Investment Holdings Pte. Ltd. to be the Company’s ultimate holding company.

- (b) Pursuant to the Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme (the “2003 Scheme”), approved by shareholders of M&C on 21 May 2002, certain Directors have outstanding options thereunder to subscribe for M&C shares for cash as follows:

Name of Director	Part	Date Granted	Number of M&C Options Outstanding	Exercise Price per M&C Share	Exercise Period
Vincent Yeo Wee Eng	II	24/03/2005	10,581	£3.9842	24/03/2008 to 23/03/2015
Wong Hong Ren	II	10/03/2003	32,248	£1.9350	10/03/2007 to 09/03/2013
	II	10/03/2003	91,783	£1.9350	10/03/2008 to 09/03/2013
	II	16/03/2004	44,999	£2.9167	16/03/2007 to 15/03/2014
	II	24/03/2005	75,297	£3.9842	24/03/2008 to 23/03/2015

Note: The 2003 Scheme has two parts. Part I is designed for the approval by the UK Inland Revenue, of which approval was obtained under Schedule 9 of the Income and Corporation Taxes Act 1988 on 19 July 2002. Part II is an unapproved executive share option scheme designed for UK and non-UK executives.

- (c) Pursuant to Millennium & Copthorne Hotels Long Term Incentive Plan (the “LTIP”) approved by shareholders of M&C on 4 May 2006, certain Directors were awarded Performance Share Award of ordinary shares of 30p each as follows:

Name of Director	Date Awarded	Number of Performance Shares	Vesting Date
Wong Hong Ren	01/09/2006	67,834	01/09/2009
	27/03/2007	44,736	27/03/2010
	25/06/2008	86,455	25/06/2011
	30/03/2009	174,165	30/03/2012
Lawrence Yip Wai Lam	01/09/2006	9,622	01/09/2009
	27/03/2007	5,698	27/03/2010
	25/06/2008	15,877	25/06/2011
	30/03/2009	42,322	30/03/2012

Note: Under the terms of the LTIP, M&C is permitted to make both Performance Share Awards and Deferred Share Bonus Awards to an employee (including an executive director) of M&C or its subsidiaries.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company held any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(d) As at the Latest Practicable Date,

- none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2008, the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or were proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries; and
- none of the Directors was materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement was subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

(e) Mr. Kwek Leng Beng (Chairman and Managing Director), Mr. Kwek Leng Joo (Executive Director) and Mr. Kwek Leng Peck (Executive Director) are also directors of each of (a) CDL, (b) Hong Leong Holdings Limited and (c) Hong Leong Investment Holdings Pte. Ltd., all of which have an interest in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO. Mr. Yip Wai Lam, Lawrence (Executive Director) and Mr. Gan Khai Choon (Executive Director) are also directors of eMpire Investments Limited which has an interest in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

C. LITIGATION

No member of the Group was engaged in any litigation, arbitration or claims of material importance and no litigation, arbitration or claims of material importance was known to the Directors to be pending or threatened by or against any member of the Group as at the Latest Practicable Date.

D. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any of its subsidiaries other than contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

E. COMPETING INTERESTS

None of the Directors or their respective associate(s) was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

F. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- the shareholders' agreement dated 1 June 2007 between CES Education, MindChamps JVC and MindChamps Pte. Ltd. in respect of investment in, and establishment and operation of MindChamps JVC;
- the shareholders' agreement dated 25 June 2007 between CES Hospitality Holdings Limited, Istithmar Hotels FZE and Tune Hotels.Com Capital Partners Limited and its holding company Tune Hotels.Com Limited in respect of investment in, and establishment and operation of Tune Hospitality; and
- the MindChamps Disposal Agreement.

G. MISCELLANEOUS

- The secretary of the Company is Mr. Kwong Seung Chi Jimmy, who is an associate member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and a member of the Certified General Accountants Association of Canada.
- The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited of 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

H. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company at Room 2803, 28th Floor, Great Eagle Centre, No. 23 Harbour Road, Wanchai, Hong Kong during normal business hours on any business day (except public holidays) for a period of 14 days commencing from the date of this circular:

- (a) the memorandum and articles of association of the Company;

- (b) the material contracts referred to under the paragraph headed “Material Contracts” in this Appendix;
- (c) this circular; and
- (d) the annual report of the Company for the two financial years ended 31 December 2007 and 2008.