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Kosmopolito Hotels International Limited

麗悦酒店集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 2266)

GRANT OF SHARE OPTIONS

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This announcement is made pursuant to Rule 17.06A of the Listing Rules.

The Board announces that on the Date of Grant, the Board resolved to grant 30,609,080 Share Options pursuant to which the eligible Grantees are entitled, subject to the terms and conditions of grant and upon exercise, to subscribe for an aggregate of 30,609,080 Shares, representing 1.53% of the total of 2,000,000,000 Shares in issue as at the Listing Date and the Date of Grant, under the Scheme, subject to the acceptance of the Grantees.

Each Share Option shall entitle the holder of the Share Option to subscribe for one Share upon exercise of such Share Option at a subscription price of HK\$2.20 per Share.

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The board (the “Board”) of Directors (the “Directors”) of Kosmopolito Hotels International Limited (the “Company”) announces that on the date of listing of the Shares (as defined below) on the Stock Exchange, 11 October 2010 (the “Listing Date” or “Date of Grant”), the Board resolved to grant 30,609,080 options (the “Share Options”) pursuant to which certain eligible grantees (the “Grantees”) are entitled, subject to the terms and conditions of grant and upon exercise, to subscribe for an aggregate of 30,609,080 ordinary shares of HK\$0.10 each in the share capital of the Company (the “Shares”), representing 1.53% of the total of 2,000,000,000 Shares in issue as at the Listing Date and the Date of Grant, under the share option scheme (the “Scheme”) adopted on 10 September 2010 with effect from the Listing Date, subject to the acceptance of the Grantees.

The details of the Share Options are as follows:

Date of Grant: 11 October 2010

Details of Grantees:

Name of Grantee	Number of Shares which may be subscribed for pursuant to the exercise of Options granted	Approximate to total issued share capital of the Company as at the date of this announcement (note 1)
<i>Executive Directors</i>		
MOK Kwai Pui Bill	3,545,454	0.18%
CHU Chee Seng (“Mr. Chu”)	3,522,727	0.18%
LAI Wai Keung	1,590,909	0.08%
CHIU Wing Kwan Winnie	2,272,727	0.11%
<i>Non-Executive Directors</i>		
HOONG Cheong Thard	2,836,363	0.14%
CHAN Chi Hing	3,545,454	0.18%
<i>Employees (note 2)</i>	13,295,446	0.66%
Total	30,609,080	1.53%

Notes

1. Issued share capital of the Company as at the Date of Grant is 2,000,000,000 Shares.
2. Of the options granted to the employees which, if exercised, would entitle them to subscribe for an aggregate of 13,295,446 Shares (0.66% of the Shares in issue on the Date of Grant), 3,522,727 Shares (0.18% of the Shares in issue on the Date of Grant) were granted to the Company’s Chief Marketing Officer, Yip Shu Kiong. To the best knowledge and belief of the Board, the employees referred above are not associates (as defined in the Listing Rules) of any of the directors, chief executive or substantial shareholders of the Company.

Validity and Exercise Period of the Share Options: The Share Options are valid for a period from 11 October 2010 to 10 October 2018 (both dates inclusive) to be vested and/or exercised in the following manner:

For Mr. Chu and the Company’s Chief Marketing Officer, Yip Shu Kiong (“Mr. Yip”) in three tranches:

- (i) 30% of the Share Options granted can be exercised from 11 October 2011 until 10 October 2014;

- (ii) 30% of the Share Options granted can be exercised from 11 October 2012 until 10 October 2015; and
- (iii) the remaining 40% of the Share Options granted can be exercised from 11 October 2013 until 10 October 2016.

For the remaining Grantees, in five equal tranches:

- (i) 20% of the Share Options granted can be exercised from 11 October 2011 until 10 October 2014;
- (ii) 20% of the Share Options granted can be exercised from 11 October 2012 until 10 October 2015;
- (iii) 20% of the Share Options granted can be exercised from 11 October 2013 until 10 October 2016;
- (iv) 20% of the Share Options granted can be exercised from 11 October 2014 until 10 October 2017; and
- (v) the remaining 20% of the Share Options granted can be exercised from 11 October 2015 until 10 October 2018.

Each Share Option shall entitle the holder of the Share Option to subscribe for one Share upon exercise of such Share Option at a subscription price of HK\$2.20 per Share, which represents the highest of (i) the closing price of HK\$1.88 per Share as stated in the daily quotation sheet issued by the Stock Exchange on 11 October 2010, being the Date of Grant; (ii) the Offer Price of HK\$2.20 per Share; and (iii) nominal value of the Share of HK\$0.10 each in the capital of the Company.

The grant of Share Options to the Directors listed above has been approved by the Board (including the independent non-executive Directors who were present at the Board meeting held on the Date of Grant (“Board Meeting”)) in accordance with Rule 17.04(1) of the Listing Rules and the relevant rules governing the Scheme. Each of the Directors who attended the Board Meeting and was a grantee abstained from voting on his own entitlement.

By order of the Board
Kosmopolito Hotels International Limited
David Chiu
Chairman

Hong Kong, 11 October 2010

As at the date of this announcement, the executive Directors are Mr. MOK, Kwai Pui Bill, Mr. CHU, Chee Seng, Mr. LAI, Wai Keung and Ms. CHIU, Wing Kwan Winnie. The non-executive Directors are Tan Sri Dato’ CHIU, David, Mr. IP, Hoi Wah Edmond, Mr. HOONG, Cheong Thard and Mr. CHAN, Chi Hing. The independent non-executive Directors are Mr. SHEK, Lai Him Abraham, Mr. TO, Peter and Dr. LIU, Ngai Wing.