

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **Kosmopolito Hotels International Limited**

### **麗悦酒店集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

*Website: <http://www.kosmohotels.com>*

**(Stock Code: 2266)**

### **Unaudited Operational Update for the First Quarter Results to 30 June 2011**

The Board of Directors of Kosmopolito Hotels International Limited (the “Company”) announces the unaudited operational update of the Company and its subsidiaries (the “Group”) for the quarter and the three months ended 30 June 2011 as follows:

<b>Operational Highlights</b>						
<b>Region</b>	<b>For the three months ended</b>					
	<b>RevPAR (HK\$)</b>		<b>Occupancy (%)</b>		<b>Average Room Rate (HK\$)</b>	
	<b>30.6.2011</b>	<b>y-o-y%</b>	<b>30.6.2011</b>	<b>y-o-y%</b>	<b>30.6.2011</b>	<b>y-o-y%</b>
Hong Kong*	799.17	24%	94%	5%	852.34	18%
Malaysia	372.79	8%	75%	-1%	494.51	9%
China	338.61	-1%	55%	-7%	619.61	6%
<b>Group Wide</b>	<b>589.45</b>	<b>21%</b>	<b>82%</b>	<b>3%</b>	<b>716.35</b>	<b>17%</b>

\* Includes Cosmo Hotel Mongkok which opened in July 2010 but excludes The Mercer by Kosmopolito.

The Group’s operational performance continued to record a solid growth for the quarter ended 30 June 2011, with its revenue per available room (“RevPAR”) rose by 21% as compared to the same period of previous year driven by a 17% improvement in average room rate.

Following its sale in the last financial year, “The Mercer by Kosmopolito” commenced operation in April, becoming the first third party hotel operated by the Group under a hotel management agreement. The Company will from time to time consider other opportunities to churn its capital by monetarising some of its smaller hotel assets so as to generate higher financial returns and strategic value for the shareholders.

At the end of June, the Company also opened the Dorsett Regency Hotel Hong Kong, bringing its number of operating hotels in Hong Kong to 10 and group-wide, to 17.

The Company continues to actively seek investments as well as other asset-light and cost-effective business opportunities, including in new arenas. The Company notes that Asians, in particular the Chinese, are making more outbound trips and to farther destinations. The Company will leverage on its successful track record of attracting RevPAR accretive outbound Asians including Chinese travellers. The Group will also remain prudent and disciplined when considering capital proposals and will rigorously apply its set investment criteria.

The lingering global economic instability and political concerns in pockets of Asia Pacific are disquieting factors, but the Company strongly believes that the Company will once again find opportunities in times of uncertainty and remains cautiously optimistic about the tourism industry, the operational performance of our hotels and the Company's performance.

**The Board wishes to remind investors and/or shareholders that the above operational update for the quarter and the three months ended 30 June 2011 are based on the Group's internal records and unaudited management accounts which have not been reviewed or audited by auditors. Differences may arise between such data and the information disclosed in subsequent audited financial statements. Investors and/or shareholders are cautioned not to unduly rely on such data and are advised to exercise caution when dealing in the shares of the Company.**

This announcement is a voluntary information disclosure.

By Order of the Board  
**Kosmopolito Hotels International Limited**  
**MOK Kwai Pui Bill**  
*President and Executive Director*

Hong Kong, 26 August 2011

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

*This announcement was originally prepared in English and was subsequently translated into Chinese. In the event of any inconsistency between the two texts, the English text of this announcement shall prevail over the Chinese text.*