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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)

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

(Stock Code: 2266)

VOLUNTARY ANNOUNCEMENT RELATING TO EXPIRATION OF MANAGEMENT CONTRACT OF THE CENTRAL PARK HOTEL

The board of directors (the “**Board**”) of Kosmopolito Hotels International Limited (the “**Company**”) announces that the Company, together with its subsidiaries (the “**Group**”), will cease to operate and manage the Central Park Hotel (the “**Hotel**”) starting from 1 June 2012.

The Hotel, comprising of 142 rooms, situated at 263 Hollywood Road, Sheung Wan, Hong Kong, was acquired by the Group in September 2004. It was eventually disposed of on 30 November 2011 for HK\$515 million realizing gain on sale of approximately HK\$370 million. On the same date, the Company entered into a management contract, which was prepared in a form specifically tailored for the short term management of the Hotel for a period of six months commencing from 1 December 2011 (please see our announcement dated 30 November 2011). This contract is due for expiry on 31 May 2012 as scheduled. After expiration, the Hotel will cease to use our trademarks.

During these six months of management, the contract has contributed to the Group total management fee of HK\$2 million. This compares with the Group’s total revenue of HK\$867 million and total EBITDA of HK\$422 million for the financial year ended 31 March 2011.

By Order of the Board of
Kosmopolito Hotels International Limited
CHIU, Wing Kwan Winnie
President and Executive Director

Hong Kong, 22 May 2012

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

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.