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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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Kosmopolito Hotels International Limited (the “**Company**”) will be held at Xinhua Room, Mezzanine Floor, Cosmopolitan Hotel, 387–397 Queen’s Road East, Wan Chai, Hong Kong on 8th September, 2011 at 10:00 a.m. for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (“**Directors**”) and the auditor of the Company for the year ended 31st March, 2011.
2. To declare a final dividend for the year ended 31st March, 2011.
3. To consider and approve, each as a separate resolution, if thought fit, the following resolutions:
 - (a) to re-elect Mr. MOK, Kwai Pui Bill as Director;
 - (b) to re-elect Mr. CHU, Chee Seng as Director;
 - (c) to re-elect Mr. LAI, Wai Keung as Director;
 - (d) to re-elect Ms. CHIU, Wing Kwan Winnie as Director;
 - (e) to re-elect Tan Sri Dato’ CHIU, David as Director;
 - (f) to re-elect Mr. HOONG, Cheong Thard as Director;
 - (g) to re-elect Mr. CHAN, Chi Hing as Director;
 - (h) to re-elect Mr. SHEK, Lai Him Abraham as Director;
 - (i) to re-elect Mr. TO, Peter as Director;

- (j) to re-elect Dr. LIU, Ngai Wing as Director;
 - (k) to authorise the board of Directors to fix the Directors' remuneration.
4. To re-appoint Deloitte Touche Tohmatsu as the auditor of the Company and authorise the Board to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions as ordinary resolutions (with or without modifications):

5. **“THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and all other applicable laws, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares in the Company) which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares in the Company) which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on shares in the Company in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares in the Company shall not exceed the aggregate of:
 - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and

(bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands or any other applicable law of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

“**Rights Issue**” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares in the Company open for a period fixed by the directors of the Company to holders of shares in the Company whose names appear on the Company’s register of members on a fixed record date in proportion to their then holdings of shares in the Company (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

6. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to purchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or any other stock exchange on which the shares in the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and

Futures Commission of Hong Kong, the Stock Exchange, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) (“**Companies Law**”) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of shares in the Company which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law or any other applicable law of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

7. “**THAT** conditional on the passing of resolutions numbered 5 and 6 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 5 above be and it is hereby extended by the addition to the aggregate nominal amount of the shares in the capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 6 above.”

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

Hong Kong, 27th July, 2011

Principal place of business in Hong Kong:
375 Queen’s Road East
Wan Chai
Hong Kong

Notes:

1. For the purpose of determining the entitlement of the shareholders to attend the annual general meeting to be held on 8th September, 2011, the Register of Members of the Company will be closed from 7th September, 2011 to 8th September, 2011, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the right to attend and vote at the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited ("**Branch Registrar**") at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 6th September, 2011.
2. Subject to the approval of the shareholders at the annual general meeting, the proposed final dividend will be distributed on or about 7th October, 2011 to the shareholders whose names appear on the Register of Members of the Company as at the close of business (5:30 p.m.) on 15th September, 2011. For the purpose of determining the entitlement of the shareholders to the proposed final dividend, the Register of Members of the Company will be closed from 16th September, 2011 to 19th September, 2011, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Branch Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 15th September, 2011.
3. A shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy need not be a member of the Company but must be present in person to represent him.
4. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Branch Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wan Chai, Hong Kong no later than 48 hours before the time of the meeting or any adjournment thereof.
5. Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. In the case of joint registered holders of a share in the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto or if more than one of such joint holders are present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
7. In relation to the proposed resolutions numbered 5 and 7 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"). The Directors have no immediate plans to issue any new shares other than shares which may fall to be issued under the share option scheme of the Company.
8. In relation to the proposed resolution numbered 6 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase shares in circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in a circular to the shareholders.

As at the date of this notice, 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. 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.

This notice 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 notice shall prevail over the Chinese text.