



(HKSE: 2266)

For Immediate Release

December 2, 2010

**KOSMOPOLITO (2266) GAINS HK\$90 MILLION
BY DISPOSE OF THE MERCER BY KOSMOPOLITO
AT HK\$290 MILLION**

Kosmopolito Hotels International Limited (KHI) (HKSE: 2266) today announced that it had entered into a sale and purchase agreement with an independent third party on 1 December 2010 to sell the total interests of Excel Chinese International Limited (ECIL) for a total consideration of HK\$290 million (approximately HK\$5.3 million per room) less existing bank loan. ECIL's principal business involves the holding and development of a boutique hotel, The Mercer by Kosmopolito at the junction of Mercer Street and Jervois Street, Sheung Wan. KHI is expected to record a gain from the sale of approximately HK\$90 million after the completion of the sale and purchase agreement.

Mr. Bill Mok, President of KHI, said: "The sale would provide a good opportunity for the Group to realize the profits made and value created as a result of the increase in the price of the property and the undertaking of the hotel project. The agreement would release the Group from the obligation of the existing bank loan and provide additional cash flows to the Group to enable it to adjust its resources to other investment opportunities."

Mr. Mok added, "The purchaser has also appointed KHI to manage the hotel under the Boutique Series by Kosmopolito. This makes The Mercer by Kosmopolito the 6th boutique hotel under the series within the Group."

Boutique Series by Kosmopolito not only exemplifies the best boutique offerings of KHI but also celebrates the uniqueness of individual hotels. These boutique hotels are cosy havens, coupled with personal touches and they capture the charm of the property and location.

Kosmopolito Hotels International

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The Mercer by Kosmopolito, just steps away from the heart of Central, will offer 55 rooms with a uniquely contemporary design. Offering studios and bedrooms, the hotel will also have a gymnasium and swimming pool. The hotel is scheduled to complete and open in the first quarter of 2011.

About Kosmopolito Hotels International Limited

Kosmopolito Hotels International Limited (KHI) (HKSE: 2266) is one of the largest listed hotel companies in Hong Kong. Newly listed on the Hong Kong Stock Exchange, it is a fast-growing developer, owner and operator of value, mid-scale, upscale and boutique hotels in Asia with a strong presence in Hong Kong and Malaysia and a primary focus on expansion in mainland China and other regions of the Asia Pacific. Its business comprises hotel investment, operation, management and development. KHI owns and manages four key hotel brands in different market segments – upscale Hotel Kosmopolito, Boutique Series by Kosmopolito, mid-scale business hotel Dorsett Regency and good value hotel Silka. It has 22 hotels, of which seven are under development.

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Photo captioned: Hotel Exterior of The Mercer by Kosmopolito

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