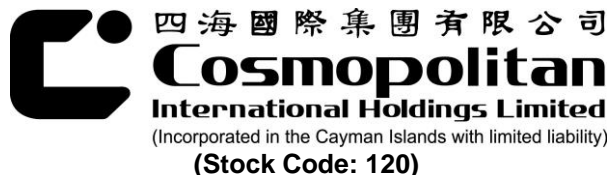


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CONNECTED TRANSACTIONS ACQUISITION OF COMPANIES

On 16 June 2014 (after trading hours), Purchaser 1 (a wholly-owned subsidiary of the Company) entered into the S&P Agreement 1 with Vendor 1, pursuant to which Purchaser 1 acquired the entire issued share capital of Best Accolade and the Shareholder Loan for a consideration of approximately HK\$10.0 million (equivalent to approximately RMB8.0 million).

On 16 June 2014 (after trading hours), Purchaser 2 (a wholly-owned subsidiary of the Company) entered into the S&P Agreement 2 with Vendor 2, pursuant to which Purchaser 2 has agreed to acquire the entire paid-up registered capital of PRC Co 2 for a consideration of RMB3.0 million (equivalent to approximately HK\$3.8 million).

The Acquisitions in aggregate constitute connected transactions for the Company subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under the Listing Rules.

ACQUISITION 1

On 16 June 2014 (after trading hours), Purchaser 1 (a wholly-owned subsidiary of the Company) entered into the S&P Agreement 1 with Vendor 1, pursuant to which Purchaser 1 acquired the entire issued share capital of Best Accolade and the Shareholder Loan. The major terms of the S&P Agreement 1 are set out below.

Date

16 June 2014

Parties

Purchaser: Purchaser 1 (a wholly-owned subsidiary of the Company)

Vendor: Vendor 1

Vendor 1 is a wholly-owned subsidiary of Paliburg. Paliburg, through its subsidiaries, is principally engaged in property development and investment, construction and building related businesses, hotel ownership, hotel operation and management, asset management and other investments (including financial assets investments, and aircraft ownership and leasing business).

As at the date of this announcement, Paliburg, through its subsidiaries, holds approximately 67.5% of the issued share capital of the Company. Vendor 1 is a wholly-owned subsidiary of Paliburg and therefore a connected person of the Company under the Listing Rules.

Assets to be acquired

Pursuant to the S&P Agreement 1, Purchaser 1 (a wholly-owned subsidiary of the Company) has agreed to acquire from Vendor 1 the entire issued share capital of Best Accolade and the Shareholder Loan. Upon completion of Acquisition 1, the Best Accolade Group will be wholly owned by the Company. The Best Accolade Group consists of Best Accolade which wholly owns City Path which in turn wholly owns PRC Co 1. As at the date of this announcement, the Shareholder Loan amounts to approximately HK\$12.0 million.

Consideration

The consideration for Acquisition 1 is approximately HK\$10.0 million (equivalent to approximately RMB8.0 million) and has been paid in cash. The consideration was determined having regard to the funding contributed for the Best Accolade Group and represents approximately the paid-up registered capital of PRC Co 1 as at the date of this announcement.

Completion

Completion of Acquisition 1 took place simultaneously upon entering into of the S&P Agreement 1.

ACQUISITION 2

On 16 June 2014 (after trading hours), Purchaser 2 (a wholly-owned subsidiary of the Company) entered into the S&P Agreement 2 with Vendor 2, pursuant to which Purchaser 2 has agreed to acquire the entire paid-up registered capital of PRC Co 2. The major terms of the S&P Agreement 2 are set out below.

Date

16 June 2014

Parties

Purchaser: Purchaser 2 (a wholly-owned subsidiary of the Company)

Vendor: Vendor 2

Vendor 2 is owned as to 99.999% by P&R Holdings and 0.001% by Century City. P&R Holdings is owned as to 50% by each of Paliburg and Regal, through their respective wholly-owned subsidiaries, and is a non wholly-owned subsidiary of Paliburg. Regal is a listed subsidiary of Paliburg and Paliburg is a listed subsidiary of Century City. As stated above, Paliburg, through its subsidiaries, holds approximately 67.5% of the issued share capital of the Company. Vendor 2 is a non wholly-owned subsidiary of Paliburg and therefore a connected person of the Company under the Listing Rules.

Assets to be acquired

Pursuant to the S&P Agreement 2, Purchaser 2 (a wholly-owned subsidiary of the Company) has agreed to acquire from Vendor 2 the entire paid-up registered capital of PRC Co 2. Upon completion of Acquisition 2, PRC Co 2 will become a wholly-owned subsidiary of the Company.

Consideration

The consideration for Acquisition 2 is RMB3.0 million (equivalent to approximately HK\$3.8 million), payable in cash upon completion of Acquisition 2. The consideration was determined having regard to the funding contributed for PRC Co 2 and is equivalent to the paid-up registered capital of PRC Co 2 as at the date of this announcement.

Condition and completion

Completion of the S&P Agreement 2 is conditional upon obtaining of the necessary consents and approvals from the relevant authorities in respect of the transfer of the entire paid-up registered capital of PRC Co 2 within three months from the date of the S&P Agreement 2 (or such later date as the parties may agree).

Completion of Acquisition 2 shall take place within one month (or such later date as the parties may agree) after the satisfaction of the above condition precedent.

INFORMATION ON THE TARGET COMPANIES

The Best Accolade Group, comprising Best Accolade, City Path and PRC Co 1, was established in 2013. Other than their investment in PRC Co 1, Best Accolade and City Path do not hold any other material assets. PRC Co 1 has a team of professional staff including project managers, architect, engineers and marketing consultants experienced in property development in the PRC and has been providing property development consultancy services to the Group. As at 31 May 2014, the Best Accolade Group had unaudited total assets of approximately HK\$4.8 million and unaudited total liabilities of approximately HK\$13.0 million, which included the Shareholder Loan of approximately HK\$12.0 million. The Best Accolade Group has not recorded any revenue. For the period commencing from the establishment of the Best Accolade Group to 31 December 2013, the Best Accolade Group reported unaudited net loss before and after tax of approximately HK\$3.1 million.

PRC Co 2 was established in 2012 in the PRC. It is qualified and licensed to conduct property management business in Chengdu, Sichuan Province, the PRC. As at 31 May 2014, PRC Co 2 had unaudited total assets of approximately HK\$3.4 million and unaudited total liabilities of approximately HK\$51,000. PRC Co 2 has not commenced its business and has not recorded any revenue. For the

period from the date of its establishment to 31 December 2012, PRC Co 2 reported unaudited net loss before and after tax of approximately HK\$21,000. For the year ended 31 December 2013, PRC Co 2 reported unaudited net loss before and after tax of approximately HK\$0.2 million.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Group is principally engaged in property development and investment as well as financial assets and other investments. The Group's property business is primarily focused on the PRC market.

PRC Co 1 has been providing property development consultancy services to the Group in relation to the Group's Chengdu Project, Tianjin Project and Xinjiang Project. PRC Co 2 is licensed and qualified to carry out property management business and after Acquisition 2, it is anticipated that PRC Co 2 will provide property management services to the Chengdu Project.

The Chengdu Project is a mixed use development project consisting of hotel, commercial, office, service apartments and residential components with an overall total gross floor area of approximately 497,000 square metres, which is being developed in stages spanning over a period to 2017. The Tianjin Project is being developed on a site with a total site area of approximately 31,700 square metres which is presently planned to include commercial, office, hotel and residential components with total gross floor area of about 145,000 square metres, and is anticipated to be completed in stages before end of 2016. The Xinjiang Project is a re-forestation and land grant project for a land parcel with a site area of about 7,600 mu in accordance with the relevant laws and policies in Urumqi City, Xinjiang Uygur Autonomous Region, the PRC. For further details of the Chengdu Project, the Tianjin Project and the Xinjiang Project, please refer to the annual report of the Company for the nine-month period ended 31 December 2013.

The Company considers that the Acquisitions would facilitate the development and management of the Group's property projects in the PRC, in particular the Chengdu Project, the Tianjin Project and the Xinjiang Project.

The Directors (including the independent non-executive Directors) consider that the terms of the S&P Agreement 1 and S&P Agreement 2, and the transactions contemplated thereunder, are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Given that Mr. LO Yuk Sui, Mr. Jimmy LO Chun To, Miss LO Po Man and Mr. Kenneth NG Kwai Kai (all being executive Directors) are executive directors of Century City, Paliburg and Regal, Mr. Kenneth WONG Po Man (being an executive Director) is an executive director of Paliburg, Mr. Kelvin LEUNG So Po (being an executive Director) is an executive director of Century City and Hon. Abraham SHEK Lai Him (being an independent non-executive Director) is an independent non-executive director of Paliburg, all of these directors have abstained from voting on the relevant Board resolutions relating to the Acquisitions. In addition, given that Ms. Alice KAN Lai Kuen (being an independent non-executive Director) is an independent non-executive director of Regal, she has abstained from voting on the relevant Board resolutions relating to the Acquisition 2.

LISTING RULES IMPLICATION

As at the date of this announcement, Paliburg, through its subsidiaries, holds approximately 67.5% of the issued share capital of the Company. Given that Vendor 1 and Vendor 2 are subsidiaries of Paliburg, they are connected persons of the Company and the Acquisitions constitute connected transactions for the Company.

The Acquisitions are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under the Listing Rules.

DEFINITIONS

“Acquisition 1”	the acquisition of the entire issued share capital of Best Accolade and the Shareholder Loan by Purchaser 1 from Vendor 1 on the terms and subject to the conditions of the S&P Agreement 1
“Acquisition 2”	the acquisition of the entire paid-up registered capital of PRC Co 2 by Purchaser 2 from Vendor 2 on the terms and subject to the conditions of the S&P Agreement 2
“Acquisitions”	Acquisition 1 and Acquisition 2 collectively
“Best Accolade”	Best Accolade Limited
“Best Accolade Group”	Best Accolade and its subsidiaries
“Board”	the board of Directors
“Century City”	Century City International Holdings Limited, a company incorporated in Bermuda and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 355)
“Chengdu Project”	the mixed-use development project located in Xindu District in Chengdu, Sichuan Province, the PRC
“City Path”	City Path Investments Limited
“Company”	Cosmopolitan International Holdings Limited, a company incorporated in the Cayman Islands and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 120)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Paliburg”	Paliburg Holdings Limited, a company incorporated in Bermuda and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 617)
“PRC”	the People’s Republic of China
“PRC Co 1”	富宏(深圳)諮詢管理有限公司 (for identification purposes, Fuhong (Shenzhen) Consultancy Management Company Limited)
“PRC Co 2”	成都富都物業管理有限公司 (for identification purposes, Chengdu Fudu Property Management Company Limited)
“Purchaser 1”	Groupsource Investments Limited, a wholly-owned subsidiary of the Company
“Purchaser 2”	Cosmopolitan International (Chengdu) Management Limited, a wholly-owned subsidiary of the Company
“P&R Holdings”	P&R Holdings Limited 百富控股有限公司
“Regal”	Regal Hotels International Holdings Limited, a company incorporated in Bermuda and whose issued ordinary shares are listed on the Main Board of the Stock Exchange (Stock Code: 78)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder Loan”	all amounts due (including principal, interests and other sums (if any)), owing or payable by the Best Accolade Group to Vendor 1, amounting to approximately HK\$12.0 million as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“S&P Agreement 1”	the sale and purchase agreement dated 16 June 2014 entered into between Purchaser 1 and Vendor 1 in relation to Acquisition 1
“S&P Agreement 2”	the sale and purchase agreement dated 16 June 2014 entered into between Purchaser 2 and Vendor 2 in relation to Acquisition 2
“Tianjin Project”	the development project on a site located in a prime district in Tianjin City, the PRC

“Vendor 1”	Paliburg Development BVI Holdings Limited, a wholly-owned subsidiary of Paliburg
“Vendor 2”	Regal (Chongqing) Equity Investment Fund, L.P., a non wholly-owned subsidiary of P&R Holdings
“Xinjiang Project”	a re-forestation and land grant project for a land parcel in Urumqi City, Xinjiang Uygur Autonomous Region, the PRC

By Order of the Board
Cosmopolitan International Holdings Limited
Eliza Lam Sau Fun
Secretary

Hong Kong, 16 June 2014

As at the date of this announcement, the Board comprises the following members:

Executive directors:

Mr. LO Yuk Sui
(Chairman and Chief Executive Officer)
Mr. Jimmy LO Chun To
(Vice Chairman and Managing Director)
Miss LO Po Man *(Vice Chairman)*
Mr. Kenneth WONG Po Man
(Chief Operating Officer)
Mr. Kelvin LEUNG So Po
(Chief Financial Officer)
Mr. Daniel BONG Shu Yin
Mr. Kenneth NG Kwai Kai

Non-executive director:

Mr. Francis BONG Shu Ying

Independent non-executive directors:

Ms. Judy CHEN Qing
Ms. Alice KAN Lai Kuen
Mr. LEE Choy Sang
Mr. David LI Ka Fai
Hon. Abraham SHEK Lai Him, GBS, JP

For illustration purposes, the exchange rate of RMB1.00 = HK\$1.25008 has been used to convert RMB into HK\$ in this announcement.