

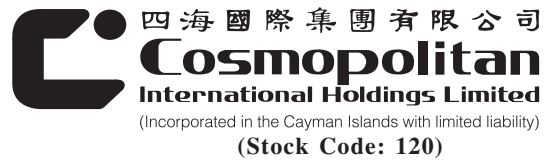
Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in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

This joint announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of Cosmopolitan.



VERY SUBSTANTIAL ACQUISITION

MAJOR TRANSACTION



MAJOR TRANSACTION

**(I) PROPOSED SHARE CONSOLIDATION
AND PROPOSED CHANGE
OF BOARD LOT SIZE**

**(II) PROPOSED OPEN OFFER OF
OPEN OFFER SHARES
AND/OR CONVERTIBLE
PREFERENCE SHARES**

AND

**(III) PROPOSED ISSUE OF
CONVERTIBLE BONDS
AND POSSIBLE ISSUE
OF OPTIONAL
CONVERTIBLE BONDS**

Financial adviser



(A) PROPOSED SHARE CONSOLIDATION AND PROPOSED CHANGE OF BOARD LOT SIZE

Cosmopolitan proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Shares of par value HK\$0.0002 each will be consolidated into one (1) Consolidated Share of par value HK\$0.002. Cosmopolitan also proposes to change the board lot size for trading in the ordinary shares of Cosmopolitan from 20,000 Shares to 10,000 Consolidated Shares upon the Share Consolidation becoming effective.

(B) PROPOSED OPEN OFFER

In addition, Cosmopolitan also proposes to make the Open Offer. Under the Open Offer, the Qualifying Shareholders will have assured entitlements to apply for two Open Offer Shares (with alternative for the Qualifying Shareholders to elect to receive Convertible Preference Shares in lieu of all or part of their entitlements to Open Offer Shares on a “one-for-one” basis) for every one Consolidated Share held on the Record Date at the Subscription Price.

To qualify for the Open Offer, a Shareholder must be registered as a member of Cosmopolitan on the Record Date. Based on the current tentative timetable, all transfer of Consolidated Shares must be lodged with the branch registrar of Cosmopolitan by no later than 4:30 p.m. on Thursday, 19 June 2014. The Qualifying Shareholders who do not take up the Open Offer Shares and/or Convertible Preference Shares to which they are entitled should note that their shareholdings in Cosmopolitan will be diluted.

Under the Open Offer, the Qualifying Shareholders may apply for the entitlements of the Excluded Shareholders and any Open Offer Shares and/or Convertible Preference Shares not taken up by the Qualifying Shareholders. Applications can be made by completing excess application forms and lodging the same with separate remittances for the excess Open Offer Shares and/or Convertible Preference Shares being applied for.

The Directors will allocate the excess Open Offer Shares and/or Convertible Preference Shares at their discretion, but on a fair and equitable basis to the Qualifying Shareholders who have applied for excess Open Offer Shares and/or Convertible Preference Shares.

The Board considers that the financial position of the Group will be improved with the support of the funding to be raised under the Open Offer. The Directors (excluding the independent non-executive Directors whose views, after considering the opinion from an independent financial adviser, will be set out in

the circular to be despatched to the Shareholders) consider that the Open Offer is in the interests of both Cosmopolitan and its Shareholders as a whole as it provides an equitable means for the Shareholders to participate in the future development of Cosmopolitan and the opportunity to maintain their respective pro-rata shareholding interests in Cosmopolitan.

The Open Offer will be underwritten by the Underwriter. Details of the underwriting arrangement are set out in the paragraph headed “Underwriting arrangement” below in this joint announcement. If the Underwriting Agreement is terminated by the Underwriter on or before the Latest Time for Termination or does not become unconditional, the Open Offer will not proceed.

(C) PROPOSED ISSUE OF THE CONVERTIBLE BONDS AND POSSIBLE ISSUE OF THE OPTIONAL CONVERTIBLE BONDS

On 30 April 2014 (after trading hours), Cosmopolitan entered into the Convertible Bonds Subscription Agreement with P&R, pursuant to which P&R will procure its wholly-owned subsidiary to subscribe for the Convertible Bonds in the principal amount of HK\$500 million. Under the Convertible Bonds Subscription Agreement, P&R will also be entitled an option, through its wholly-owned subsidiary, to subscribe for the Optional Convertible Bonds in the principal amount of up to HK\$500 million. The option to subscribe for the Optional Convertible Bonds is exercisable at any time during the period from a date falling 7 days after the date of issue of the Convertible Bonds until 90 days prior to the maturity date of the Convertible Bonds (both dates inclusive). The option is exercisable in whole or in part, on one or more occasions, solely at the discretion of the P&R Group by giving a written notice given to the issuer of the Optional Convertible Bonds.

(D) WARNING OF THE RISK OF DEALING IN THE SHARES

The Consolidated Shares are expected to be dealt in on an ex-entitlement basis commencing from Wednesday, 18 June 2014 based on the expected timetable. The Open Offer is conditional upon, inter alia, the fulfilment or waiver of the conditions set out under the paragraph headed “Conditions of the Open Offer” in this joint announcement. The Open Offer may or may not proceed. Any dealing in the Shares and the Consolidated Shares from the date of this joint announcement up to the date on which all the conditions of the Open Offer are fulfilled or waived will accordingly bear the risk that the Open Offer may not become unconditional or the Open Offer may not proceed. Any Shareholders or other persons contemplating dealings in the Shares and the Consolidated Shares are recommended to consult their own professional advisers.

(E) LISTING RULES IMPLICATIONS FOR COSMOPOLITAN

The Share Consolidation is subject to the Shareholders' approval at the EGM and no Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation. Since the Open Offer will increase the issued share capital of Cosmopolitan by more than 50% within the twelve-month period immediately preceding the date of this joint announcement, the Open Offer is conditional on the approval by the Independent Shareholders at the EGM by an ordinary resolution on which the controlling Shareholder and its associates, being subsidiaries of P&R, which held in aggregate approximately 67.5% issued share capital of Cosmopolitan as at the date of this joint announcement, are required to abstain from voting on the resolution in relation to the Open Offer. The issues of the Convertible Bonds and the Optional Convertible Bonds to the P&R Group constitute connected transactions for Cosmopolitan and therefore are subject to the reporting, announcement and independent shareholders approval requirements under Chapter 14A of the Listing Rules. P&R and its associates are required to abstain from voting on the relevant resolution in relation to the issues of the Convertible Bonds and the Optional Convertible Bonds. An independent board committee will be established to advise the Independent Shareholders in respect of the Open Offer and the issues of the Convertible Bonds and the Optional Convertible Bonds. An independent financial adviser will be appointed to advise the independent board committee and the Independent Shareholders in this respect. A circular containing, among other things, details regarding the Share Consolidation, the Open Offer, the issues of the Convertible Bonds and the Optional Convertible Bonds and a notice convening the EGM is expected to be despatched to the Shareholders on or before Friday, 23 May 2014.

Cosmopolitan will send the Open Offer Documents to the Qualifying Shareholders and the prospectus, for information only, to the Excluded Shareholders as soon as practicable if the relevant resolutions are passed at the EGM, and in accordance with the requirements of the Listing Rules, on or before Thursday, 26 June 2014.

(F) LISTING RULES IMPLICATIONS FOR CENTURY CITY, PALIBURG AND REGAL

P&R is a non wholly-owned subsidiary of Century City and Paliburg and is a jointly controlled entity owned as to 50% by Regal. P&R Group (i) will subscribe for the Open Offer Shares and/or the Convertible Preference Shares in respect of their assured entitlement; (ii) may apply for excess Open Offer Shares and/or Convertible Preference Shares not taken up by the Qualifying Shareholders; (iii) will underwrite the Open Offer pursuant to the Underwriting Agreement; (iv) will

subscribe for the Convertible Bonds and may subscribe for the Conversion Shares upon exercise of the conversion rights under the Convertible Bonds; and (v) may subscribe for the Optional Convertible Bonds and may subscribe for the Optional Conversion Shares upon exercise of the conversion rights under the Optional Convertible Bonds. Based on the applicable percentage ratios in respect of the maximum of approximately 7,076.2 million new Consolidated Shares that may be taken up by P&R Group in relation to the Transactions, the Transactions will constitute a very substantial acquisition for Century City (after aggregating the relevant transactions in the last 12 months immediately preceding the date of this joint announcement) and a major transaction for Paliburg under the Listing Rules respectively. Accordingly, Century City and Paliburg are subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. In respect of Regal, as the Paliburg Group and Regal Group shall provide funding, from their respective internal resources (including any distribution from the P&R Group), on an equal basis and on the same terms to the P&R Group, the provision of the financial assistance to the P&R Group by the Regal Group (which is up to approximately HK\$719.9 million and unsecured and has no fixed repayment terms and at an interest rate of 4% per annum) for subscription, excess application and underwriting of the Open Offer Shares and/or Convertible Preference Shares, the subscription of the Convertible Bonds and possible subscription of the Optional Convertible Bonds are exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Based on the applicable percentage ratios in respect of the provision of financial assistance to P&R Group by the Regal Group (after aggregating the relevant transactions in the last 12 months immediately preceding the date of this joint announcement), the provision of financial assistance to the P&R Group by the Regal Group constitutes a major transaction for Regal under Chapter 14 of the Listing Rules. Accordingly, Regal is subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

(A) PROPOSED SHARE CONSOLIDATION AND PROPOSED CHANGE OF BOARD LOT SIZE

Cosmopolitan proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Shares of par value HK\$0.0002 each will be consolidated into one (1) Consolidated Share of par value HK\$0.002. Cosmopolitan also proposes to change the board lot size for trading in the ordinary shares of Cosmopolitan from 20,000 Shares to 10,000 Consolidated Shares upon the Share Consolidation becoming effective.

Effects of the Share Consolidation

As at the date of this joint announcement, the authorised share capital of Cosmopolitan amounts to HK\$250,000,000 divided into 1,250,000,000,000 Shares, of which 21,988,047,615 Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective, on the basis that Cosmopolitan does not allot, issue or repurchase any further Shares prior thereto, the authorised share capital of Cosmopolitan shall remain as HK\$250,000,000 but will be divided into 125,000,000,000 Consolidated Shares, of which 2,198,804,761 Consolidated Shares will be in issue. Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other.

Listing application

Application will be made by Cosmopolitan to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective. All necessary arrangements will be made for the Consolidated Shares to be admitted into the CCASS. The Share Consolidation will be conducted in accordance with the provisions in the Articles of Association.

Dealings of the Consolidated Shares

The Consolidated Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of Cosmopolitan or the interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders will not be entitled.

Conditions of the Share Consolidation

The Share Consolidation is conditional on:

- (i) the passing by the Shareholders of an ordinary resolution to approve the Share Consolidation at the EGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, Cosmopolitan will appoint a securities firm to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares are not guaranteed. If any Shareholder is in doubt about the odd lot trading arrangement, such Shareholder should consult his/her/its own professional advisers. Further details of the odd lot arrangement will be stated in the circular to be despatched to the Shareholders which shall contain, inter alia, details of the Share Consolidation.

Fractional entitlements

Fractional Consolidated Shares, i.e. less than one Consolidated Share, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of Cosmopolitan.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is expected to be at 9:00 a.m. on Tuesday, 17 June 2014, being the business day immediately after the date of the EGM, Shareholders may, on or after 9:00 a.m. on Tuesday, 17 June 2014 until 4:00 p.m. on Thursday, 24 July 2014 (both days inclusive) submit share certificates for existing Shares in yellow colour to Cosmopolitan's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, to exchange, at the expense of Cosmopolitan, for certificates in brown colour for the Consolidated Shares with a new par value of HK\$0.002 each. It is expected that the new share certificates for the Consolidated Shares will be available for collection

within 10 business days after the submission of the existing share certificates to the branch registrar of Cosmopolitan for exchange. Thereafter, certificates for the existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each certificate for the Consolidated Shares issued or each share certificate for the existing Shares submitted for cancellation, whichever the number of certificates involved is higher.

Nevertheless, the existing certificates for the Shares will continue to be good evidence of legal title and may be exchanged for certificates for the Consolidated Shares at any time at the expense of the Shareholders but are not acceptable for trading, settlement and registration purpose after 4:00 p.m. on Tuesday, 22 July 2014, being the last day of operation of the temporary counter for trading in Consolidated Shares in board lots of 2,000 Consolidated Shares.

(B) PROPOSED OPEN OFFER

On 30 April 2014 (after trading hours), Cosmopolitan proposes to make the Open Offer, principal terms of which are set out below.

Issue statistics

Basis of the Open Offer:

- (i) For every one Consolidated Share held on the Record Date, two Open Offer Shares with alternative for the Qualifying Shareholders to elect to receive Convertible Preference Shares in lieu of all or part of their entitlements to Open Offer Shares on a “one-for-one” basis under the Open Offer; and
- (ii) the P&R Group, as the Qualifying Shareholders, will be entitled to elect to receive the Open Offer Shares in respect of all or part of their entitlements and the Convertible Preference Shares on a “one-for-one” basis in respect of the remaining balance (if any) of its entitlements under the Open Offer, provided that Cosmopolitan will continue to comply with the public float requirement under the Listing Rules applicable to Cosmopolitan (i.e. 25%) upon closing of the Open Offer

Subscription Price:	HK\$0.10 per Open Offer Share or per Convertible Preference Share
Number of existing Shares in issue as at the date of this joint announcement:	21,988,047,615 Shares
Number of Consolidated Shares in issue as at the Record Date:	2,198,804,761 Consolidated Shares (assuming that no further Shares and/or Consolidated Shares will be allotted, issued and/or repurchased on or before the Record Date)
Total number of the Open Offer Shares and/or the Convertible Preference Shares to be issued:	An aggregate of approximately 4,397.6 million Open Offer Shares and/or Convertible Preference Shares, based on the number of Shares in issue as at the date of this joint announcement (assuming that no further Shares and/or Consolidated Shares will be allotted, issued and/or repurchased on or before the Record Date)
Number of the Open Offer Shares and/or the Convertible Preference Shares undertaken by the P&R Group to be taken up in respect of their assured entitlements:	An aggregate of approximately 2,969.0 million Open Offer Shares and/or Convertible Preference Shares (provided that Cosmopolitan will continue to comply with the public float requirement under the Listing Rules applicable to Cosmopolitan (i.e. 25%) upon closing of the Open Offer)
Number of the Open Offer Shares and/or the Convertible Preference Shares underwritten by the Underwriter:	An aggregate of approximately 1,428.6 million Open Offer Shares and/or the Convertible Preference Shares (provided that Cosmopolitan will continue to comply with the public float requirement under the Listing Rules applicable to Cosmopolitan (i.e. 25%), being all of the Open Offer Shares and/or the Convertible Preference Shares to be issued under the Open Offer less those undertaken by the P&R Group to be taken up in respect of its Open Offer Entitlement

As at the date of this joint announcement, Cosmopolitan has no securities in issue which carry any rights to subscribe for, purchase or convert into any new Shares and/or Consolidated Shares.

Subscription Price

The Subscription Price is HK\$0.10 per Open Offer Share or per Convertible Preference Share, which is payable in full on application. The Subscription Price represents:

- (i) a discount of approximately 83.6% to the closing price of HK\$0.610 per Share (after adjusted for the Share Consolidation) as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 83.7% to the average closing price of the Shares of HK\$0.612 per Share (after adjusted for the Share Consolidation) as quoted on the Stock Exchange over the last five trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 83.9% to the average closing price of the Shares of HK\$0.622 per Share (after adjusted for the Share Consolidation) as quoted on the Stock Exchange over the last ten trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 63.0% to the theoretical ex-entitlement price of HK\$0.270 per Share (after adjusted for the Share Consolidation) based on the closing price per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (v) a discount of approximately 82.3% to the audited consolidated net assets of Cosmopolitan attributable to the Shareholders as at 31 December 2013 of approximately HK\$0.566 per Share (after adjusted for the Share Consolidation) in issue as at the date of this joint announcement.

The Subscription Price was determined by the Board and was agreed and accepted by the Underwriter. Cosmopolitan is of the view that the Open Offer will provide the Group with additional funding to further strengthen the financial position of the Group and the terms of the Open Offer are fair and reasonable and in the interest of Cosmopolitan.

Summary of the principal terms of the Convertible Preference Shares

Key terms of the Convertible Preference Shares are set out in the table below.

Subscription Price:	HK\$0.10 per Convertible Preference Share
Par value:	HK\$0.002 each
Conversion period:	Any time after issue subject to the minimum conversion requirement set forth below, provided that a holder may not exercise his/her/its conversion right to the extent that it would result in Cosmopolitan failing to comply with the public float requirement under the Listing Rules applicable to Cosmopolitan (i.e. 25%).
Conversion ratio:	Each Convertible Preference Share shall be convertible into one Converted Share, subject to adjustment upon the occurrence of consolidation or subdivision of the Consolidated Shares.
Minimum conversion requirement:	A holder may not exercise his conversion right unless the number of Convertible Preference Shares to be converted in connection with such exercise equals or is greater than 10,000, subject to adjustment upon the occurrence of consolidation or subdivision of the Consolidated Shares. In case where the number of all the Convertible Preference Shares held by a holder is less than 10,000, he may exercise his conversion right in respect of all such Convertible Preference Shares.
Dividends and distributions:	Each Convertible Preference Share shall confer on the holder thereof the right to receive dividends and other distributions <i>pari passu</i> with holders of Consolidated Share on the basis of the number of Converted Share into which each Convertible Preference Share may be converted and on an as-if converted basis.
Voting:	A holder of Convertible Preference Shares shall have the right to receive notice of and attend but have no right to vote at a general meeting (except on a resolution for winding-up of Cosmopolitan).

Listing: The Convertible Preference Shares will not be listed on the Stock Exchange or any other stock exchange. No application will be made for the listing of the Convertible Preference Shares on the Stock Exchange or any other stock exchange.

Transferability: The Convertible Preference Shares may be transferred without any restriction.

**Ranking of the
Converted Shares:** Upon conversion of the Convertible Preference Shares, the Converted Shares will be issued as fully paid and will rank pari passu in all respects of the Consolidated Shares in issue as at the date of conversion. Cosmopolitan will apply for the listing of, and permission to deal in, the Converted Shares on the Stock Exchange.

On distribution of assets on liquidation or winding-up of Cosmopolitan, the assets of Cosmopolitan available for distribution to the holders of Convertible Preference Share and Consolidated Shares shall be applied as follows:

- (a) firstly, in paying to the holder of each Convertible Preference Share an amount per Convertible Preference Share equal to aggregate nominal value of the number of Consolidated Shares into which an Convertible Preference Share is then convertible; and
- (b) secondly, in paying to the holder of each Consolidated Share an amount per Consolidated Share equal to the nominal value thereof; and
- (c) the balance of such assets shall be distributed to the holders of Convertible Preference Shares and Consolidated Shares pari passu by reference to the nominal value thereof, provided that for this purpose the nominal value of an Convertible Preference Share shall be deemed to be the aggregate nominal value of the number of Consolidated Shares into which an Convertible Preference Share is then convertible.

Redemption:	The Convertible Preference Shares are non-redeemable by Cosmopolitan or the holders thereof.
Takeover:	If any person (the “ Offeror ”) makes an offer for Consolidated Shares and by virtue of acceptances of such offer becomes entitled to acquire compulsorily the Consolidated Shares offered for but in respect of which no acceptance of the offer has been received, Cosmopolitan may, at any time after the Offeror gives notice of exercise of such rights of compulsory acquisition, require that all outstanding Convertible Preference Shares be converted into Converted Shares at the then applicable conversion ratio.
Scheme of arrangement:	Where, pursuant to a scheme of arrangement, a person (together with parties acting in concert with such person) becomes the holder of all of the Consolidated Shares then in issue, Cosmopolitan may at any time thereafter require that all outstanding Convertible Preference Shares be converted into the Converted Shares at the then applicable conversion ratio on the basis that the public float requirements under the Listing Rules be complied with unless otherwise waived by the Stock Exchange.
Rights to participate in rights issue or open offer of Shares:	<p>If and whenever Cosmopolitan makes any offers by way of rights and/or issue by way of bonus of:</p> <ul style="list-style-type: none"> - Shares, - securities carrying rights to subscribe for, convert or exchange into Shares or voting rights, - other shares or rights carrying the right to acquire same voting rights, or - debt securities (the “Offered Securities”) <p>to all the Shareholders, the same rights and/or bonus issues shall be offered and/or issued to holders of Convertible Preference Shares at the same time and on the same terms as the Offered Securities are offered and/or issued to the Shareholders.</p>

The Qualifying Shareholders

The Open Offer Documents will only be registered in Hong Kong. Cosmopolitan will send the Open Offer Documents to the Qualifying Shareholders only. The prospectus of the Open Offer will be sent to the Excluded Shareholders for information purposes only.

To qualify for the Open Offer, a Shareholder must be registered as a member of Cosmopolitan on the Record Date. Based on the current tentative timetable, all transfer of Consolidated Shares must be lodged with the branch registrar of Cosmopolitan by no later than 4:30 p.m. on Thursday, 19 June 2014.

The Qualifying Shareholders may apply for any number of Open Offer Shares and/or Convertible Preference Shares up to their maximum entitlements which are equal to the number of Open Offer Entitlements as shown on their Application Forms. The Open Offer Entitlements to the Open Offer Shares and/or Convertible Preference Shares under the Open Offer are neither transferable nor capable of renunciation. The Application Form is not a negotiable document and cannot be traded. There will not be any trading of nil-paid entitlements to the Open Offer Shares and/or Convertible Preference Shares.

The Qualifying Shareholders who do not take up the Open Offer Shares and/or Convertible Preference Shares to which they are entitled should note that their shareholdings in Cosmopolitan will be diluted.

Overseas Shareholders

Cosmopolitan will make enquiry in accordance with Rule 13.36(2) of the Listing Rules regarding the legal restrictions (if any) under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges for making the Open Offer to any Overseas Shareholders. Should any Overseas Shareholders be excluded from the Open Offer after enquiry, Cosmopolitan will set out the relevant details including, among other things, such overseas territories involved and an explanation for the exclusion in the prospectus of the Open Offer. It is the present intention of Cosmopolitan to make the Open Offer to all Shareholders registered on the Record Date unless there are legal or other restrictions, impracticality or difficulties to do so. Further details regarding the Excluded Shareholders will be set out in the prospectus of the Open Offer.

Any entitlements of the Excluded Shareholders pursuant to the Open Offer will be made available for excess applications by the Qualifying Shareholders as more detailed below.

Application for excess Open Offer Shares and/or Convertible Preference Shares

Under the Open Offer, the Qualifying Shareholders may apply for the entitlements of the Excluded Shareholders and any Open Offer Shares and/or Convertible Preference Shares not taken up by the Qualifying Shareholders. Applications can be made by completing excess application forms and lodging the same with separate remittances for the excess Open Offer Shares and/or Convertible Preference Shares being applied for.

The Directors will allocate the excess Open Offer Shares and/or Convertible Preference Shares at their discretion, but on a fair and equitable basis to the Qualifying Shareholders who have applied for excess Open Offer Shares and/or Convertible Preference Shares on the following principles:

- (1) preference will be given to applications for less than a board lot of Open Offer Shares and/or Convertible Preference Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with the intention to abuse this mechanism;
- (2) subject to availability of excess Open Offer Shares and/or Convertible Preference Shares after allocation under principle (1) above, any remaining excess Open Offer Shares and/or Convertible Preference Shares will be allocated to applicants in proportion to the respective shareholdings of the applicants in Cosmopolitan as at the Record Date; and
- (3) subject to availability of excess Open Offer Shares and/or Convertible Preference Shares after allocation under principles (1) and (2) above, any further remaining excess Open Offer Shares and/or Convertible Preference Shares will be allocated to applicants in proportion to the number of excess Open Offer Shares and/or Convertible Preference Shares being applied for under each application.

Following the closing of the Open Offer period, the Directors will review the excess application forms submitted by the Qualifying Shareholders to screen out applications made with the intention to abuse such mechanism if required.

Share certificates for the fully paid Open Offer Shares and/or Convertible Preference Shares and refund cheques

Subject to the fulfillment of the conditions of the Open Offer as set out in the paragraph headed “Conditions of the Open Offer” below, every Qualifying Shareholder who takes up his/her/its entitlement under the Open Offer and/or applies for excess Open Offer Shares and/or Convertible Preference Shares will receive share certificate(s) for all fully-paid Open Offer Shares and/or Convertible Preference Shares and, if applicable, a refund cheque in respect of a wholly or partially unsuccessful excess application which are expected to be posted on or before Tuesday, 22 July 2014 by ordinary post at their own risks.

Status and rights of the Open Offer Shares and the Converted Shares

The Open Offer Shares and the Converted Shares, when allotted and fully paid, will rank *pari passu* with the then existing Consolidated Shares in all respects. Holders of the Open Offer Shares and the Converted Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the allotment of the Open Offer Shares and the Converted Shares respectively.

The aggregate number of approximately 4,397.6 million Open Offer Shares and/or the Converted Shares to be issued would represent (i) two times of the issued share capital of Cosmopolitan as at the date of this joint announcement (after adjustment for the Share Consolidation); (ii) approximately 66.7% of the issued share capital of Cosmopolitan as enlarged by the issues of the Open Offer Shares and/or the Converted Shares; (iii) 54.8% of the issued share capital of Cosmopolitan as enlarged by the issues of the Open Offer Shares and/or the Converted Shares and the maximum number of the Conversion Shares (assuming no adjustment to initial CB Conversion Price); and (iv) 47.4% of the issued share capital of Cosmopolitan as enlarged by the issues of the Open Offer Shares and/or the Converted Shares, the maximum number of the Conversion Shares (assuming no adjustment to initial CB Conversion Price) and the maximum number of the Optional Conversion Shares (assuming no adjustment to initial Optional CB Conversion Price). The Open Offer Shares and/or the Converted Shares to be issued have the aggregate nominal value of approximately HK\$8.8 million.

Application for listing

Cosmopolitan will apply to the Stock Exchange for the listing of, and permission to deal in, the Open Offer Shares and the Converted Shares on the Stock Exchange. Dealings in the Open Offer Shares and the Converted Shares on the Stock Exchange will be subject to the payment of the applicable stamp duty, the Stock Exchange trading fee, the transaction levy payable to the Securities and Futures Commission, or any other applicable fees and charges in Hong Kong.

No application will be made for the listing of, and permission to deal in, any of the Convertible Preference Shares on the Stock Exchange or any other stock exchange.

Conditions of the Open Offer

Closing of the Open Offer is conditional upon, among other things:

- (i) the passing of the necessary resolutions by the shareholders of Cosmopolitan (other than those who are required to abstain from voting by law, the Listing Rules, the Stock Exchange and/or the Articles of Association) at the EGM in accordance with the Articles of Association and the Listing Rules for approving, among other things:
 - (a) the Share Consolidation;
 - (b) the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder, including the issue and allotment of the Open Offer Shares, the Convertible Preference Shares and, upon conversion of any of the Convertible Preference Shares, the Converted Shares; and
 - (c) any amendments to the Articles of Association to create and permit the issue of the Convertible Preference Shares under the terms of the Open Offer;
- (ii) the passing of the necessary resolutions by the shareholders of Century City (other than those who are required to abstain from voting by law, the Listing Rules, the Stock Exchange and/or its bye-laws) or, where permitted under the Listing Rules, the obtaining of the written shareholders' approval from a closely allied group of shareholders of Century City holding more than 50% of the issued shares of Century City, for approving P&R Group's participation in the Open Offer, the Underwriter's entering into of the Underwriting Agreement and the relevant transactions contemplated thereunder (including subscription, excess application and underwriting of any Open Offer Shares and/or Convertible Preference Shares and the possible subscription of the Converted Shares upon exercise of the conversion rights under the Convertible Preference Shares);

- (iii) the passing of the necessary resolutions by the shareholders of Paliburg (other than those who are required to abstain from voting by law, the Listing Rules, the Stock Exchange and/or its bye-laws) or, where permitted under the Listing Rules, the obtaining of the written shareholders' approval from a closely allied group of shareholders of Paliburg holding more than 50% of the issued shares of Paliburg, for approving P&R Group's participation in the Open Offer, the Underwriter's entering into of the Underwriting Agreement and the relevant transactions contemplated thereunder (including subscription, excess application and underwriting of any Open Offer Shares and/or Convertible Preference Shares and the possible subscription of the Converted Shares upon exercise of the conversion rights under the Convertible Preference Shares);
- (iv) the passing of the necessary resolutions by the shareholders of Regal (other than those who are required to abstain from voting by law, the Listing Rules, the Stock Exchange and/or the bye-laws of Regal) for approving the provision of financial assistance to the P&R Group for the P&R Group's participation in the Open Offer and the Underwriter's entering into of the Underwriting Agreement and the relevant transactions contemplated thereunder (including subscription, excess application and underwriting of any Open Offer Shares and/or Convertible Preference Shares);
- (v) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having revoked, listing of and permission to deal in all of the Open Offer Shares and the Converted Shares;
- (vi) the registration of the Open Offer Documents by the Registrar of Companies in Hong Kong in compliance with the Companies Ordinance by no later than the Open Offer Prospectus Posting Date;
- (vii) the posting of the Open Offer Documents to the Qualifying Shareholders on the Open Offer Prospectus Posting Date;
- (viii) compliance of the terms of the Irrevocable Undertakings by 4:00 p.m. on the Latest Application Date;
- (ix) the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms thereof; and
- (x) all necessary consents being granted by third parties (including governmental or official authorities) and no statute, regulation or decision which would prohibit, restrict or materially delay the Share Consolidation, the completion of the Underwriting Agreement, the Open Offer and transactions contemplated thereunder having been proposed, enacted or taken by any governmental or official authority.

In the event that any of the above conditions is not fulfilled on or before 30 June 2014 (or such other date as may be agreed by the parties), the Open Offer will lapse and the Open Offer will not proceed.

(C) IRREVOCABLE UNDERTAKING

P&R, through its wholly-owned subsidiaries, owns in aggregate approximately 14,845,167,190 Shares, representing approximately 67.5% of the issued share capital of Cosmopolitan as at the date of this joint announcement. P&R, on behalf of the aforesaid subsidiaries, has irrevocably undertaken in favour of Cosmopolitan and the Underwriter that they will apply for and take up in full their respective Open Offer Entitlements under the Open Offer for 2,969,033,438 Open Offer Shares and/or the Convertible Preference Shares to which they are entitled under the Open Offer.

(D) UNDERWRITING ARRANGEMENT

On 30 April 2014 (after trading hours), Cosmopolitan entered into the Underwriting Agreement with the Underwriter.

The Underwriting Agreement

Date	30 April 2014
Parties	(1) Cosmopolitan; and (2) P&R Strategic Limited, as the Underwriter
Number of the Open Offer Shares and/or the Convertible Preference Shares underwritten	Approximately 1,428.6 million Open Offer Shares and/or the Convertible Preference Shares (provided that Cosmopolitan will continue to comply with the public float requirement under the Listing Rules applicable to Cosmopolitan (i.e. 25%) upon closing of the Open Offer), being all of the Open Offer Shares and/or the Convertible Preference Shares to be issued under the Open Offer less those undertaken by the P&R Group to be taken up in respect of their respective Open Offer Entitlement pursuant to the Irrevocable Undertaking
Subscription price of underwritten Open Offer Shares and/or the Convertible Preference Shares	HK\$0.10 per Open Offer Share or per Convertible Preference Share

Underwriting Nil
commission

The Directors (excluding the independent non-executive Directors whose views, after considering the opinion from an independent financial adviser, will be set out in the circular to be despatched to the Shareholders) are of the view that the Underwriting Agreement has been entered into on normal commercial terms and fair and reasonable to Cosmopolitan and its Shareholders.

Termination of the Underwriting Agreement

The Underwriter reserves the right to terminate the Underwriting Agreement if any of the events below occurs prior to the Latest Time for Termination:

- (a) the Underwriter shall become aware of the fact that, or shall, in its reasonable opinion, believe that, any of the warranties contained in the Underwriting Agreement was untrue, inaccurate, misleading or breached, and in each case the same represents or is likely to represent (in the reasonable opinion of the Underwriter) a material and adverse change of the Group as a whole or is otherwise likely to have a material and adverse effect on the Open Offer;
- (b) Cosmopolitan commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement; or
- (c) (i) any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic, currency, epidemic or other nature (whether or not sui generis with any of the foregoing or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict);
- (iii) any change in local, national or international equity securities or currency markets (including but without limitation, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise);

- (iv) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;
- (v) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere which shall or may materially and adversely affect the Group or a material proportion of the shareholders in their capacity as such;
- (vi) any suspension in the trading of the Shares on the Stock Exchange for a continuous period of 5 business days;
- (vii) any change occurs in the circumstances of Cosmopolitan or any member of the Group,

which event or events is or are in the reasonable opinion of the Underwriter

- (1) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole;
- (2) likely to have a material adverse effect on the success of the Open Offer or the level of applications for the Open Offer submitted; or
- (3) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Open Offer,

then, and in such case, the Underwriter has the right, exercisable at its sole and absolute discretion, to terminate the Underwriting Agreement by notice in writing to Cosmopolitan not later than the Latest Time for Termination.

Upon the giving of notice of termination, all obligations of the Underwriter under the Underwriting Agreement shall cease. Neither the Underwriter nor Cosmopolitan shall have any claim against the other party in respect of the Underwriting Agreement, except that the costs and expenses incurred prior to the termination of the Underwriting Agreement remain payable by Cosmopolitan pursuant to the Underwriting Agreement.

If the Underwriting Agreement is terminated by the Underwriter on or before the Latest Time for Termination or does not become unconditional, the Open Offer will not proceed.

Information on the Underwriter

The Underwriter is a company incorporated in the British Virgin Islands on 2 July 2013 and its principal business is investment holding. Presently, the Underwriter owns 507,770 Shares. It is not in the ordinary and usual course of business for the Underwriter to underwrite the issue of securities.

(E) PROPOSED ISSUE OF THE CONVERTIBLE BONDS AND POSSIBLE ISSUE OF THE OPTIONAL CONVERTIBLE BONDS

On 30 April 2014 (after trading hours), Cosmopolitan entered into the Convertible Bonds Subscription Agreement with P&R, pursuant to which P&R will procure its wholly owned subsidiary to subscribe for the Convertible Bonds. Under the Convertible Bonds Subscription Agreement, P&R will also be entitled to an option to subscribe, through its wholly-owned subsidiary, for the Optional Convertible Bonds in the principal amount of up to HK\$500 million. The option to subscribe for Optional Convertible Bonds is exercisable at any time during the period from the date falling 7 days after the date of issue of the Convertible Bonds until 90 days prior to the maturity date of the Convertible Bonds (both dates inclusive). The option is exercisable in whole or in part, on one or more occasions, solely at the discretion of the P&R Group by giving a written notice given to the issuer of the Optional Convertible Bonds.

Summaries of the principal terms of the Convertible Bonds and the Optional Convertible Bonds are set out below.

For the Convertible Bonds:

- Principal amount: HK\$500 million
- Issuer: A wholly-owned subsidiary of Cosmopolitan principally engaged in financing activities.
- CB Conversion Price: The initial CB Conversion Price (subject to adjustments as set out in the paragraph “Adjustments to the Conversion Prices” below) shall be HK\$0.35 per Conversion Share, which represents:
- (i) a premium of approximately 250.0% over the Subscription Price;
 - (ii) a discount of approximately 42.6% to the closing price of HK\$0.610 per Share (after adjusted for the Share Consolidation) as quoted on the Stock Exchange on the Last Trading Day;
 - (iii) a discount of approximately 42.8% to the average closing price of the Shares of HK\$0.612 per Share (after adjusted for the Share Consolidation) as quoted on the Stock Exchange over the last five trading days up to and including the Last Trading Day;

- (iv) a discount of approximately 43.7% to the average closing price of the Shares of HK\$0.622 per Share (after adjusted for the Share Consolidation) as quoted on the Stock Exchange over the last ten trading days up to and including the Last Trading Day;
- (v) a discount of approximately 38.2% to the audited consolidated net assets of Cosmopolitan attributable to the Shareholders as at 31 December 2013 of approximately HK\$0.566 per Share (after adjusted for the Share Consolidation) in issue as at the date of this joint announcement; and
- (vi) a premium of approximately 29.6% over the theoretical ex-entitlement price of HK\$0.270 per Share (after adjusted for Share Consolidation) based on the closing price per Share as quoted on the Stock Exchange on the Last Trading Day.

The initial CB Conversion Price was determined by the Board and was agreed and accepted by P&R. Based on the initial CB Conversion Price, the Convertible Bonds are convertible into a maximum of approximately 1,428.6 million Conversion Shares.

Interest rate: The Convertible Bonds bears 2.5% per annum coupon rate, payable semi-annually

Maturity date: Being the end of third year from date of the issue of the Convertible Bonds. On the maturity date, all of the remaining outstanding Convertible Bonds will be redeemed by the issuer of the Convertible Bonds at 100% of the outstanding principal amount of the Convertible Bonds together with any interest accrued thereon.

Form: The Convertible Bonds will be issued in registered form.

For the Optional Convertible Bonds:

Maximum principal amount:	HK\$500 million
Issuer:	A wholly-owned subsidiary of Cosmopolitan principally engaged in financing activities.
Optional CB Conversion Price:	<p>The initial Optional CB Conversion Price (subject to adjustments as set out in the paragraph “Adjustments to the Conversion Prices” below) shall be HK\$0.40 per Conversion Share, which represents:</p> <ul style="list-style-type: none">(i) a premium of approximately 300.0% over the Subscription Price;(ii) a discount of approximately 34.4% to the closing price of HK\$0.610 per Share (after adjusted for the Share Consolidation) as quoted on the Stock Exchange on the Last Trading Day;(iii) a discount of approximately 34.6% to the average closing price of the Shares of HK\$0.612 per Share (after adjusted for the Share Consolidation) as quoted on the Stock Exchange over the last five trading days up to and including the Last Trading Day;(iv) a discount of approximately 35.7% to the average closing price of the Shares of HK\$0.622 per Share (after adjusted for the Share Consolidation) as quoted on the Stock Exchange over the last ten trading days up to and including the Last Trading Day;(v) a discount of approximately 29.3% to the audited consolidated net assets of Cosmopolitan attributable to the Shareholders as at 31 December 2013 of approximately HK\$0.566 per Share (after adjusted for the Share Consolidation) in issue as at the date of this joint announcement; and

(vi) a premium of approximately 48.1% over the theoretical ex-entitlement price of HK\$0.270 per Share (after adjusted for Share Consolidation) based on the closing price per Share as quoted on the Stock Exchange on the Last Trading Day

The initial Optional CB Conversion Price was determined by the Board and was agreed and accepted by P&R. Based on the initial Optional CB Conversion Price, the Optional Convertible Bonds are convertible into a maximum of 1,250.0 million Optional Conversion Shares.

Interest rate: The Optional Convertible Bonds bears 3.5% per annum coupon rate, payable semi-annually

Maturity date: Being the end of third year from the date of the issue of the Convertible Bonds. On the maturity date, all of the remaining outstanding Optional Convertible Bonds will be redeemed by the issuer of the Optional Convertible Bonds at 100% of the outstanding principal amount of the Optional Convertible Bonds together with any interest accrued thereon.

Form: The Optional Convertible Bonds will be issued in registered form.

For both the Convertible Bonds and the Optional Convertible Bonds:

Conversion: The holder of the Convertible Bonds and the Optional Convertible Bonds can convert the outstanding Convertible Bonds into Conversion Shares and the outstanding Optional Convertible Bonds into the Optional Conversion Shares at any time from the 7th day after the date of issue of the Convertible Bonds and the Optional Convertible Bonds until a date falling 7th day prior to the maturity date at the then prevailing Conversion Price respectively, provided that a holder may not exercise his conversion right to the extent that it would result in Cosmopolitan failing to comply with the public float requirement under the Listing Rules applicable to Cosmopolitan (i.e. 25%).

Fractions of the Conversion Shares and the Optional Conversion Shares will not be issued on conversion and no cash adjustment will be made in respect thereof.

There are no restrictions on any subsequent dealings in the Conversion Shares and the Optional Conversion Shares.

Adjustments to the
Conversion Prices:

The initial Conversion Prices will be subject to adjustments for share consolidations, share subdivisions, re-classification of share into other securities (upon which the Conversion Prices will be adjusted proportionately such that their holders would receive the number of Shares and/or such other securities which they would have been entitled to had they been converted before the re-classification), capitalisation issues, capital distributions, rights issues, and certain other dilutive events, including issue of new Consolidated Shares at a subscription price below the then prevailing market price of the Consolidated Shares and issue of convertible securities with conversion prices below the then prevailing market price of the Consolidated Shares.

Voting:

The holders of the Convertible Bonds and the Optional Convertible Bonds shall not be entitled to receive notices of, attend or vote at any general meetings of Cosmopolitan or any meetings of any class of Cosmopolitan's shares, by reason only of it being a holder of the Convertible Bonds and the Optional Convertible Bonds respectively.

Listing:

The Convertible Bonds and the Optional Convertible Bonds will not be listed on the Stock Exchange or any other stock exchange. No application will be made for the listing of the Convertible Bonds and the Optional Convertible Bonds on the Stock Exchange or any other stock exchange. No application will be made for the admissibility, deposit, clearance or settlement of the Convertible Bonds and the Optional Convertible Bonds in CCASS. No transfer, clearing or settlement services

will be provided by HKSCC in respect of the Convertible Bonds and the Optional Convertible Bonds. An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Conversion Shares and the Optional Conversion Shares to be issued upon the exercise of the conversion rights attached to the Convertible Bonds and the Optional Convertible Bonds respectively.

Transferability:

The Convertible Bonds and the Optional Convertible Bonds are transferable to other parties except that the transfer shall not result in Cosmopolitan being obliged to comply with the obligations prescribed under the Companies Ordinance in relation to issue of prospectus or initial public offering of securities.

Security:

The Convertible Bonds and the Optional Convertible Bonds will not be secured by any collateral but guaranteed by Cosmopolitan.

Ranking of the
Conversion Shares
and the Optional
Conversion Shares:

The Conversion Shares and the Optional Conversion Shares shall be duly and validly issued, fully paid and registered, and free from encumbrances and all such Conversion Shares and the Optional Conversion Shares shall rank *pari passu* in all respects with the fully paid Consolidated Shares in issue on the relevant date of conversion of the Conversion Shares and the Optional Conversion Shares on Cosmopolitan's register of members (after issue of the Conversion Shares and the Optional Conversion Shares upon conversion of the Convertible Bonds and the Optional Convertible Bonds respectively) respectively and shall accordingly entitle the holders thereof to participate in full in all dividends or other distributions the record date for which falls on a date on or after the relevant conversion date.

Number of the Conversion Shares and the Optional Conversion Shares

The maximum number of approximately 1,428.6 million Conversion Shares upon full conversion of the Convertible Bonds at the initial Conversion Price would represent (i) approximately 65.0% of the issued share capital of Cosmopolitan (after adjustment for the Share Consolidation) as at the date of this joint announcement; (ii) approximately 21.7% of the issued share capital of Cosmopolitan as enlarged by the issues of the Open Offer Shares and/or the Converted Shares; (iii) approximately 17.8% of the issued share capital of Cosmopolitan as enlarged by the issues of the Open Offer Shares and/or the Converted Shares and the maximum number of the Conversion Shares (assuming no adjustment to initial CB Conversion Price); and (iv) approximately 15.4% of the issued share capital of Cosmopolitan as enlarged by the issues of the Open Offer Shares and/or the Converted Shares, the maximum number of the Conversion Shares (assuming no adjustment to initial CB Conversion Price) and the maximum number of the Optional Conversion Shares (assuming no adjustment to initial Optional CB Conversion Price). The maximum number of the Conversion Shares to be issued has the aggregate nominal value of approximately HK\$2.9 million.

The maximum number of 1,250.0 million Optional Conversion Shares upon full conversion of the Optional Convertible Bonds at the initial Optional Conversion Price would represent (i) approximately 56.8% of the issued share capital of Cosmopolitan (after adjustment for the Share Consolidation) as at the date of this joint announcement; (ii) approximately 18.9% of the issued share capital of Cosmopolitan as enlarged by the issues of the Open Offer Shares and/or the Converted Shares; (iii) approximately 15.6% of the issued share capital of Cosmopolitan as enlarged by the issues of the Open Offer Shares and/or the Converted Shares and the maximum number of the Conversion Shares (assuming no adjustment to initial CB Conversion Price); and (iv) approximately 13.5% of the issued share capital of Cosmopolitan as enlarged by the issues of the Open Offer Shares and/or the Converted Shares, the maximum number of the Conversion Shares (assuming no adjustment to initial CB Conversion Price) and the maximum number of the Optional Conversion Shares (assuming no adjustment to initial Optional CB Conversion Price). The maximum number of the Optional Conversion Shares to be issued has the aggregate nominal value of HK\$2.5 million.

Application for listing

No application will be made for the listing of, and permission to deal in, any of the Convertible Bonds and the Optional Convertible Bonds on the Stock Exchange or any other stock exchange. Cosmopolitan will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares and the Optional Conversion Shares on the Stock Exchange.

Conditions of the issue of the Convertible Bonds and the possible issue of the Optional Convertible Bonds

Completion of the Convertible Bonds Subscription Agreement is conditional upon, among other things:

- (i) the passing of the necessary resolutions by the independent shareholders of Cosmopolitan (other than those who are required to abstain from voting by law, the Listing Rules, the Stock Exchange and/or the Articles of Association) at the EGM in accordance with the Articles of Association and the Listing Rules for approving, among other things, the giving of the guarantee in respect of the Convertible Bonds and the Optional Convertible Bonds, the issue of the Convertible Bonds and the possible issue of the Optional Convertible Bonds, the possible issue of the Conversion Shares and the Optional Conversion Shares upon exercise of the conversion rights under the Convertible Bonds and the Optional Convertible Bonds respectively;
- (ii) the passing of the necessary resolutions by the shareholders of Century City (other than those who are required to abstain from voting by law, the Listing Rules, the Stock Exchange and/or the bye-laws of Century City) at a shareholders' meeting or, where permitted under the Listing Rules, the obtaining of the written shareholders' approval from a closely allied group of shareholders of Century City holding more than 50% of the issued shares of Century City, for approving the Convertible Bonds Subscription Agreement and the relevant transactions contemplated thereunder, including without limitation the subscription of the Convertible Bonds and the possible subscription of the Optional Convertible Bonds, the possible subscription of the Conversion Shares and the Optional Conversion Shares upon exercise of the conversion rights of the Convertible Bonds and the Optional Convertible Bonds respectively;
- (iii) the passing of the necessary resolutions by the shareholders of Paliburg (other than those who are required to abstain from voting by law, the Listing Rules, the Stock Exchange and/or the bye-laws of Paliburg) at a shareholders' meeting or, where permitted under the Listing Rules, the obtaining of the written shareholders' approval from a closely allied group of shareholders of Paliburg holding more than 50% of the issued shares of Paliburg, for approving the Convertible Bonds Subscription Agreement and the relevant transactions contemplated thereunder, including without limitation the subscription of the Convertible Bonds and the possible subscription of the Optional Convertible Bonds, the possible subscription of the Conversion Shares and the Optional Conversion Shares upon exercise of the conversion rights under the Convertible Bonds and the Optional Convertible Bonds respectively;

- (iv) the passing of the necessary resolutions by the shareholders of Regal (other than those who are required to abstain from voting by law, the Listing Rules, the Stock Exchange and/or the bye-laws of Regal) for approving the provision of financial assistance to the P&R Group in relation to the Convertible Bonds Subscription Agreement and the transactions contemplated thereunder including without limitation the subscription of the Convertible Bonds and the possible subscription of the Optional Convertible Bonds;
- (v) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having revoked, listing of and permission to deal in the Conversion Shares and the Optional Conversion Shares; and
- (vi) closing of the Open Offer.

In the event that any of the above conditions is not fulfilled on or before 31 July 2014 (or such other date as may be agreed by the parties), the Convertible Bonds Subscription Agreement will cease and terminate.

(F) WARNING OF THE RISK OF DEALING IN THE SHARES

The Consolidated Shares are expected to be dealt in on an ex-entitlement basis commencing from Wednesday, 18 June 2014 based on the expected timetable.

The Open Offer is conditional upon, inter alia, the fulfilment or waiver of the conditions set out under the paragraph headed “Conditions of the Open Offer” in this joint announcement. The Open Offer may or may not proceed.

Any dealing in the Shares and the Consolidated Shares from the date of this joint announcement up to the date on which all the conditions of the Open Offer are fulfilled or waived will accordingly bear the risk that the Open Offer may not become unconditional or the Open Offer may not proceed. Any Shareholders or other persons contemplating dealings in the Shares and the Consolidated Shares are recommended to consult their own professional advisers.

(G) REASONS FOR THE SHARE CONSOLIDATION, THE CHANGE OF BOARD LOT SIZE, THE OPEN OFFER, THE ISSUE OF THE CONVERTIBLE BONDS AND THE POSSIBLE ISSUE OF THE OPTIONAL CONVERTIBLE BONDS AND USE OF PROCEEDS

The Group is principally engaged in property investment and development in the PRC, securities investment and other investments. The Group is presently undertaking three major property development projects in the PRC, including the Chengdu Project, the Tianjin Project, the Xinjiang Project and is also working on and the new Tongzhou Project and the new Wuxi Project (as defined below).

The Chengdu Project

Located in Chengdu City, Sichuan Province, the PRC, this property development project is 100% owned by Cosmopolitan through its wholly-owned subsidiary (the “**Chengdu Project**”) which involves 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 first stage of the development, which includes a hotel with 306 hotel rooms and extensive facilities and three residential towers with about 340 apartment units with car parking spaces and ancillary commercial accommodation, is expected to be completed in 2015. Presale of the residential units in the three residential towers included in the first stage is anticipated to be launched in the fourth quarter of 2014.

The Tianjin Project

Located in Tianjin, the PRC, this property development project (the “**Tianjin Project**”) entails a development site with a total site area of about 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. The site formation and foundation works for the project have already commenced and the entire development is anticipated to be completed in stages before end of 2016.

The Xinjiang Project

Cosmopolitan, through its wholly-owned subsidiary, is engaged in a re-forestation and land grant project (the “**Xinjiang 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. The Group has re-forested an aggregate area of about 4,300 mu within the project site and in accordance with the relevant government policies of Urumqi City, a parcel of land with an area of about 1,843 mu (equivalent to approximately 1,228,700 square metres) within the project site will be available for commercial development after the requisite inspection, land grant listing and tender procedures are completed. The inspection and measurement of the reforested area by the relevant government authorities are already in progress. It is hoped that the final procedures leading to the land grant listing and tender of the development land would be concluded within 2014. Should the Group successfully secure the development land and depending on the permitted land use, the Group preliminarily plans to develop in stages on the land a large scale mixed use complex comprising residential, hotel, recreational and commercial properties. Cosmopolitan has recently applied for increase of US\$10 million in the registered capital of the wholly-owned subsidiary engaged in the Xinjiang Project and has obtained the approval from the relevant government authorities.

The Tongzhou Project

Cosmopolitan, through its wholly-owned subsidiary, has entered into an agreement to subscribe for 82.5% equity interest in a company which is involved in a property development project located in Tongzhou District, Beijing, the PRC (the “**Tongzhou Project**”). The principal purpose of the project is to develop buildings for the purposes of housing resettlement under PRC government policies. The total site area planned to be developed under the project is approximately 181,000 square metres and the planned above-ground construction area is approximately 412,000 square metres. The Group’s investment in the Tongzhou Project is expected to generate returns on satisfactory terms, which will have support from the PRC government. Moreover, the undertaking of the project is also expected to strengthen the Group’s experience in the management of primary land development projects and foster its relationship with the PRC government authorities in furtherance of its future strategic business development in the PRC. Cosmopolitan has recently applied for increase of approximately RMB200 million in the registered capital of the wholly-owned subsidiary.

The Wuxi Project

With a view to expanding the Group’s property portfolio and business coverage in the PRC, the Group entered into on 31 October 2013 a Co-operation Agreement for Business and Investment Encouragement with Wuxi Huishan District People’s Government and Wuxi Metro Xizhang Area Commission for a parcel of land of about 937 mu (equivalent to approximately 624,270 square metres) located in Huishan District, Wuxi City, Jiangsu Province, the PRC. (the “**Wuxi Project**”). The Co-operation Agreement for the Wuxi Project is subject to certain terms to be agreed by the parties within six months of the date of the agreement. As at the date of this joint announcement, the Group has not reached agreement in respect of certain terms with Wuxi Huishan District People’s Government and Wuxi Metro Xizhang Area Commission. The Group intends to seek extension of such period to finalise and agree on such terms pursuant to the Co-operation Agreement.

P&R considers that the current business structure, property portfolio and focus of the Group have good prospects. Therefore each of Century City, Paliburg and Regal considers the additional investment in the Group, through the Open Offer, the possible subscriptions of the Conversion Shares and the Optional Conversion Shares (and the provision of funding therefor), allows them to indirectly gain further exposure to the property development market in the PRC.

Following a series of strategic acquisitions to enhance its asset base, profitability and growth prospects, the Directors consider that the Share Consolidation will consolidate value of the Shares and Share price to a level that would more reasonably

reflect the increased scale of the business. The adjusted Share price of Cosmopolitan upon the Share Consolidation becoming effective would also be more comparable with companies of similar size and market capitalisation, which in turn may attract more potential investors and expand the shareholder base of Cosmopolitan. Accordingly, the Directors are of the view that the Share Consolidation is in the interests of Cosmopolitan and the Shareholders as a whole. Save for the necessary professional expenses and printing charges for the implementation of the Share Consolidation and change in board lot size, the implementation of the Share Consolidation and change in board lot size will not materially alter the underlying assets, business operation, management or financial position of Cosmopolitan and the interests and rights of the Shareholders.

The total gross proceeds of the issue of the Open Offer Shares and/or the Convertible Preference Shares from the Open Offer will be approximately HK\$439.8 million. The net proceeds of the issue of the Open Offer Shares and/or the Convertible Preference Shares from the Open Offer (after deducting expenses) are estimated to be approximately HK\$436.3 million (representing a net price of approximately HK\$0.099 per Open Offer Share and/or per Convertible Preference Share). The net proceeds of the issue of the Open Offer Shares and/or the Convertible Preference Shares from the Open Offer are intended to be applied in the following manners, as and when the net proceeds are available: (i) as to approximately HK\$80 million for applying toward the increase of the registered capital for the wholly-owned subsidiary of Cosmopolitan involved in the Xinjiang Project; (ii) as to approximately HK\$250 million for applying toward the increase of the registered capital for the wholly-owned subsidiary of Cosmopolitan involved in the Tongzhou Project; and (iii) as to the remainder of the net proceeds for general working capital. Details of the Xinjiang Project and the Tongzhou Project were set out above.

The gross proceeds of the issue of the Convertible Bonds will be HK\$500 million, which are intended to be applied by the Group towards (i) repayment in full of HK\$200 million outstanding facility to the Paliburg Group and (ii) partial settlement of HK\$300 million consideration payable to the P&R Group.

The gross proceeds of the possible issue of the Optional Convertible Bonds will be up to HK\$500 million, which are intended to be applied by the Group for general working capital.

The Directors have considered alternative means for the Group to raise funds other than the Open Offer, including but not limited to, debt financing, placing of new shares and rights issue. However, taking into consideration that (i) debt financing or bank loan would result in additional interest burden to the Group; (ii) placing of new shares would only be available to certain places who were not necessarily the

existing Shareholders and would dilute their shareholdings in Cosmopolitan; and (iii) although rights issue was similar to the Open Offer except that it enabled the Shareholders to trade in nil-paid rights, trading arrangement needed to be set up with the share registrar at the expense of Cosmopolitan and extra administrative work from Cosmopolitan would be involved, Cosmopolitan is of the view that the Open Offer is fair and reasonable and in the interests of Cosmopolitan and the Shareholders as a whole.

The Open Offer is on a fully underwritten basis, which removes to a certain degree the completion risk associated with a fund raising exercise. Cosmopolitan has considered the possibility of engaging third party underwriter(s) in respect of the Open Offer. Having considered (i) the size of the fund raising and the extended timetable to accommodate, the Shareholders' approval for the Open Offer would have made it difficult, in the current market conditions, to secure the third party underwriter for the Open Offer; and (ii) no underwriting commission will be charged by the Underwriter in respect of the Open Offer, the Board considers that the entering into of the Underwriting Agreement with the Underwriter is in the interests of Cosmopolitan and its shareholders as a whole.

The Board considers that the financial position of the Group will be improved with the support of the funding to be raised under the Open Offer, the issue of the Convertible Bonds and the possible issue of the Optional Convertible Bonds. The Directors (excluding the independent non-executive Directors whose views, after considering the opinion from an independent financial adviser, will be set out in the circular to be despatched to the Shareholders) consider that the Open Offer is in the interests of both Cosmopolitan and its Shareholders as a whole as it provides an equitable means for the Shareholders to participate in the future development of Cosmopolitan and the opportunity to maintain their respective pro-rata shareholding interests in Cosmopolitan. They also consider that the issue of the Convertible Bonds and the granting of an option to P&R Group in respect of the possible issue of the Optional Convertible Bonds are in the interests of both Cosmopolitan and its Shareholders as a whole.

The Century City Group and the Paliburg Group are principally engaged in property investment and development, construction and building related businesses, securities and other investments. The Regal Group's significant investments and principal business activities mainly comprise hotel ownership (undertaken through Regal Real Estate Investment Trust), hotel operation and management business, asset management of Regal Real Estate Investment Trust, property development and investment and other investment businesses. The P&R Group is principally engaged in the development of real estate projects for sale and/or leasing and the undertaking of related investment and financing activities including the acquisition or making of

any investments (directly or indirectly) in the securities of or interests in, or extending loans to, any private, public or listed corporations or undertakings that have interests in real estate projects or other financing activities where the underlying assets or security comprise real estate properties.

Paliburg, a listed subsidiary of Century City, and Regal, a listed subsidiary of both Century City and Paliburg, will fund the subscription of the Open Offer Shares and/or Convertible Preference Shares and the subscription of the Convertible Bonds and the possible subscription of the Optional Convertible Bonds by their respective internal resources.

The directors of each of Century City and Paliburg (including their respective independent non-executive directors) consider that the terms of the subscription of the Open Offer Shares and/or the Convertible Preference Shares under the Open Offer and the Convertible Bonds Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of Century City and Paliburg and their respective shareholders as a whole. The directors of Regal (including the independent non-executive directors) consider that the terms of the financial assistance in respect of P&R Group’s subscription of the Open Offer Shares and/or the Convertible Preference Shares under the Open Offer and subscription of the Convertible Bonds and possible subscription of the Optional Convertible Bonds are fair and reasonable and in the interests of Regal and its shareholders as a whole.

(H) EXPECTED TIMETABLE FOR THE SHARE CONSOLIDATION, THE CHANGE OF BOARD LOT SIZE AND THE OPEN OFFER

The expected timetable for the Share Consolidation, the change of board lot size and the Open Offer is set out below:

Event	2014
Expected date of despatch of the circular of Cosmopolitan and the notice of the EGM.....	Friday, 23 May
Latest time for lodging proxy form for the EGM.....	11:00 a.m. on Saturday, 14 June
Expected date and time of the EGM	11:00 a.m. on Monday, 16 June
Announcement of results of the EGM	Monday, 16 June
Expected effective date for the Share Consolidation	Tuesday, 17 June

Commencement of dealings in the Consolidated Shares	9:00 a.m. on Tuesday, 17 June
Original counter for trading in existing Shares in board lots of 20,000 Shares (in the form of existing share certificates) temporarily closes.....	9:00 a.m. on Tuesday, 17 June
Temporary counter for trading in Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Tuesday, 17 June
First day for the free exchange of existing certificates of the Shares into new share certificates of Consolidated Share	9:00 a.m. on Tuesday, 17 June
Last day of dealings in Consolidated Shares on a cum-entitlement basis	Tuesday, 17 June
First day of dealings in Consolidated Shares on an ex-entitlement basis	Wednesday, 18 June
Latest time for lodging transfers of Consolidated Shares to qualify for the Open Offer	4:30 p.m. on Thursday, 19 June
Register of members closes (both dates inclusive).....	Friday, 20 June to Monday, 23 June
Record Date	Monday, 23 June
Register of members re-opens	Tuesday, 24 June
Despatch of the Open Offer Documents	Thursday, 26 June
Designated broker starts to stand in the market to provide matching services for odd lots of Consolidated Shares	9:00 a.m. on Wednesday, 2 July

Original counter for trading in Consolidated Shares
in new board lots of 10,000 Consolidated
Shares (in the form of new
share certificates) re-opens 9:00 a.m. on Wednesday, 2 July

Parallel trading in Consolidated Shares
(in the form of both existing share
certificates and new share
certificates) commences 9:00 a.m. on Wednesday, 2 July

Latest time for acceptance of and payment for the
Open Offer Shares and/or the Convertible
Preference Shares and excess application
for the Open Offer Shares and/or
the Convertible Preference Shares 4:00 p.m. on Friday, 11 July

Latest Time for Termination of the Open Offer 4:00 p.m. on Monday, 14 July

Announcement of results of the Open Offer to be
published on Cosmopolitan's website
(www.cosmoholdings.com) and
the Stock Exchange's website (www.hkex.com.hk) Friday, 18 July

Certificates for fully-paid Open Offer Shares and/or
Convertible Preference Shares expected
to be despatched on or before Tuesday, 22 July

Despatch of refund cheques in respect of wholly or partially
unsuccessful excess applications on or before Tuesday, 22 July

Temporary counter for trading in Consolidated Shares
in board lots of 2,000 Consolidated Shares
(in the form of existing certificates) closes 4:00 p.m. on Tuesday, 22 July

Parallel trading in the Consolidated Shares
(represented by both existing share certificates
and new share certificates) ends 4:00 p.m. on Tuesday, 22 July

Designated broker ceases to stand in the market
to provide matching services for odd lots
of Consolidated Shares..... 4:00 p.m. on Tuesday, 22 July

Dealings in fully-paid Open Offer Shares

expected to commence on 9:00 a.m. on Wednesday, 23 July

Last day for free exchange of existing share

certificates for new share certificate Thursday, 24 July

Note: All times refer to Hong Kong local time in this joint announcement.

The above timetable is indicative only and may be varied by agreement between Cosmopolitan and the Underwriter. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

(I) CHANGE IN SHAREHOLDING STRUCTURE

(a) *Assuming ALL Shareholders taking up their pro-rata Open Offer Shares entitlements*

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, set out below are the shareholding structure of Cosmopolitan as at the date of this joint announcement and as a result of sequential completions of each of the following events: (i) the Share Consolidation; (ii) the Open Offer (assuming all Shareholders will take up their pro-rata Open Offer Shares entitlements); (iii) upon conversion of the Convertible Bonds in full; and (iv) upon conversion of the Optional Convertible Bonds (assuming P&R Group has subscribed for the Optional Convertible Bonds in full).

	As at the date of this joint announcement		(i) Upon the Share Consolidation becoming effective		(ii) Upon closing of the Open Offer		(iii) Upon conversion of the Convertible Bonds in full		(iv) Upon conversion of the Optional Convertible Bonds (assuming P&R Group has subscribed for the Optional Convertible Bonds in full) (<i>Note</i>)	
	No. of Shares (in million)	%	No. of Consolidated Shares (in million)	%	No. of Consolidated Shares (in million)	%	No. of Consolidated Shares (in million)	%	No. of Consolidated Shares (in million)	%
P&R Group	14,845.2	67.5%	1,484.5	67.5%	4,453.5	67.5%	5,882.1	73.3%	7,132.1	76.9%
Directors	12.1	0.1%	1.2	0.1%	3.6	0.1%	3.6	0.0%	3.6	0.0%
Public shareholders	<u>7,130.7</u>	<u>32.4%</u>	<u>713.1</u>	<u>32.4%</u>	<u>2,139.3</u>	<u>32.4%</u>	<u>2,139.3</u>	<u>26.7%</u>	<u>2,139.3</u>	<u>23.1%</u>
Total	<u>21,988.0</u>	<u>100.0%</u>	<u>2,198.8</u>	<u>100.0%</u>	<u>6,596.4</u>	<u>100.0%</u>	<u>8,025.0</u>	<u>100.0%</u>	<u>9,275.0</u>	<u>100.0%</u>

Note: The shareholding structure is for illustration purpose only as the exercises of the conversion rights attaching to the Convertible Bonds and the Optional Convertible Bonds are subject to Cosmopolitan meeting the minimum public float requirement under Rule 8.08 of the Listing Rules (i.e. 25%).

(b) Assuming NO Shareholders (other than P&R Group) taking up their pro-rata Open Offer Shares entitlements

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, set out below are the shareholding structure of Cosmopolitan as at the date of this joint announcement and as a result of sequential completions of each of the following events: (i) the Share Consolidation; (ii) the Open Offer (assuming no Shareholders will take up their pro-rata Open Offer entitlements other than P&R Group, but subject to Cosmopolitan meeting the minimum public float requirement under the Listing Rules (i.e. 25%) and the P&R Group will take up the convertible Preference Shares for the remaining balances under the Open Offer; (iii) upon conversion of the Convertible Bonds in full; (iv) upon conversion of the Optional Convertible Bonds (assuming P&R Group has subscribed for the Optional Convertible Bonds in full); and (v) upon the conversion of the Convertible Preference Shares in full.

	As at the date of this joint announcement				(i) Upon the Share Consolidation becoming effective				(ii) Upon closing of the Open Offer			
	No. of Shares (in million)		No. of Convertible Preference Shares (in million)		No. of Consolidated Shares (in million)		No. of Convertible Preference Shares (in million)		No. of Consolidated Shares (in million)		No. of Convertible Preference Shares (in million)	
		%		%		%		%		%		%
P&R Group	14,845.2	67.5%	—	—	1,484.5	67.5%	—	—	2,138.1	75.0%	3,744.0	100.0%
Directors	12.1	0.1%	—	—	1.2	0.1%	—	—	1.2	0.0%	—	—
Public shareholders	7,130.7	32.4%	—	—	713.1	32.4%	—	—	713.1	25.0%	—	—
Total	21,988.0	100.0%	—	—	2,198.8	100.0%	—	—	2,852.4	100.0%	3,744.0	100.0%

	(iii) Upon conversion of the Convertible Bonds in full (Note)				(iv) Upon conversion of the Optional Convertible Bonds (assuming P&R Group has subscribed for the Optional Convertible Bonds in full) (Note)				(v) Upon conversion of the Convertible Preference Shares in full (Note)			
	No. of Consolidated Shares (in million)		No. of Convertible Preference Shares (in million)		No. of Consolidated Shares (in million)		No. of Convertible Preference Shares (in million)		No. of Consolidated Shares (in million)		No. of Convertible Preference Shares (in million)	
		%		%		%		%		%		%
P&R Group	3,566.7	83.3%	3,744.0	100.0%	4,816.7	87.1%	3,744.0	100.0%	8,560.7	92.3%	—	—
Directors	1.2	0.0%	—	—	1.2	0.0%	—	—	1.2	0.0%	—	—
Public shareholders	713.1	16.7%	—	—	713.1	12.9%	—	—	713.1	7.7%	—	—
Total	4,281.0	100.0%	3,744.0	100.0%	5,531.0	100.0%	3,744.0	100.0%	9,275.0	100.0%	—	—

Note: The shareholding structures are for illustration purposes only as the exercises of the conversion rights attaching to the Convertible Bonds, the Optional Convertible Bonds and the Convertible Preference Shares are subject to Cosmopolitan meeting the minimum public float requirement under Rule 8.08 of the Listing Rules (i.e. 25%).

(J) INFORMATION ON COSMOPOLITAN

The audited consolidated net assets of Cosmopolitan attributable to the Shareholders as at 31 December 2013 were approximately HK\$1,244.8 million. Cosmopolitan recorded consolidated net loss before tax and consolidated net loss after tax of approximately HK\$88.7 million and approximately HK\$88.2 million respectively for the nine months ended 31 December 2013 and consolidated net profit before tax and consolidated net profit after tax of approximately HK\$52.8 million and approximately HK\$52.8 million respectively for the year ended 31 March 2013.

In July 2013, the Group issued the convertible bonds in the principal amount of HK\$100 million to each of the Paliburg Group and the Regal Group. Save for the issues of such convertible bonds, no other fund raising exercise was conducted by Cosmopolitan by way of issue of equity securities in the past 12 months immediately preceding the date of this joint announcement.

(K) CLOSURE OF REGISTER OF MEMBERS OF COSMOPOLITAN

It is expected that the register of members of Cosmopolitan will be closed from Friday, 20 June 2014 to Monday, 23 June 2014 (both dates inclusive) to determine the entitlements of the Shareholders in the Open Offer.

(L) LISTING RULES IMPLICATIONS FOR COSMOPOLITAN

The Share Consolidation is subject to the Shareholders' approval at the EGM and no Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation. Since the Open Offer will increase the issued share capital of Cosmopolitan by more than 50% within the twelve-month period immediately preceding the date of this joint announcement, the Open Offer is conditional on the approval by the Independent Shareholders at the EGM by an ordinary resolution on which the controlling Shareholder and its associates, being subsidiaries of P&R, which held in aggregate approximately 67.5% issued share capital of Cosmopolitan as at the date of this joint announcement, are required to abstain from voting on the resolution in relation to the Open Offer. The issues of the Convertible Bonds and the Optional Convertible Bonds to the P&R Group constitute connected transactions for Cosmopolitan and therefore are subject to the reporting, announcement and independent shareholders approval requirements under Chapter 14A of the Listing Rules. P&R and its associates are required to abstain from voting on the relevant

resolution in relation to the issues of the Convertible Bonds and the Optional Convertible Bonds. An independent board committee will be established to advise the Independent Shareholders in respect of the Open Offer and the issues of the Convertible Bonds and the Optional Convertible Bonds. An independent financial adviser will be appointed to advise the independent board committee and the Independent Shareholders in this respect. A circular containing, among other things, details regarding the Share Consolidation, the Open Offer, the issues of the Convertible Bonds and the Optional Convertible Bonds and a notice convening the EGM is expected to be despatched to the Shareholders on or before Friday, 23 May 2014.

Cosmopolitan will send the Open Offer Documents to the Qualifying Shareholders and the prospectus, for information only, to the Excluded Shareholders as soon as practicable if the relevant resolutions are passed at the EGM, and in accordance with the requirements of the Listing Rules, on or before Thursday, 26 June 2014.

(M) LISTING RULES IMPLICATIONS FOR CENTURY CITY, PALIBURG AND REGAL

P&R is a non wholly-owned subsidiary of Century City and Paliburg and is a jointly controlled entity owned as to 50% by Regal. P&R Group (i) will subscribe for the Open Offer Shares and/or the Convertible Preference Shares in respect of their assured entitlement; (ii) may apply for excess Open Offer Shares and/or Convertible Preference Shares not taken up by the Qualifying Shareholders; (iii) will underwrite the Open Offer pursuant to the Underwriting Agreement; (iv) will subscribe for the Convertible Bonds and may subscribe for the Conversion Shares upon exercise of the conversion rights under the Convertible Bonds; and (v) may subscribe for the Optional Convertible Bonds and may subscribe for the Optional Conversion Shares upon exercise of the conversion rights under the Optional Convertible Bonds. Based on the applicable percentage ratios in respect of the maximum of approximately 7,076.2 million new Consolidated Shares that may be taken up by P&R Group in relation to the Transactions, the Transactions will constitute a very substantial acquisition for Century City (after aggregating the relevant transactions in the last 12 months immediately preceding the date of this joint announcement) and a major transaction for Paliburg under the Listing Rules respectively. Accordingly, Century City and Paliburg are subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. In respect of Regal, as the Paliburg Group and Regal Group shall provide funding, from their respective internal resources (including any distribution from the P&R Group), on an equal basis and on the same terms to the P&R Group, the provision of the financial assistance to the P&R Group by the Regal Group (which is up to approximately HK\$719.9 million and unsecured and has no fixed repayment terms and at an interest rate of 4% per annum)

for subscription, excess application and underwriting of the Open Offer Shares and/or Convertible Preference Shares, the subscription of the Convertible Bonds and possible subscription of the Optional Convertible Bonds are exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Based on the applicable percentage ratios in respect of the provision of financial assistance to P&R Group by the Regal Group (after aggregating the relevant transactions in the last 12 months immediately preceding the date of this joint announcement), the provision of financial assistance to the P&R Group by the Regal Group constitutes a major transaction for Regal under Chapter 14 of the Listing Rules. Accordingly, Regal is subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Century City will convene a shareholders' meeting for the purpose of approving the Transactions. Century City expects to despatch a circular to its shareholders as soon as practicable and by no later than Friday, 23 May 2014. No shareholder of Century City will be required to abstain from voting at the shareholders' meeting for the purpose of approving the Transactions.

Paliburg intends to seek a written shareholders' approval for the Transactions in accordance with Rule 14.44 of the Listing Rules by a closely allied group of shareholders of Paliburg who in aggregate hold approximately 74.48% of the issued share capital of Paliburg as at the date of this joint announcement. The closely allied group of shareholders of Paliburg comprises Mr. Lo Yuk Sui himself, who personally owns approximately 8.08% of the issued share capital of Paliburg as at the date of this joint announcement, and companies wholly or majority owned and controlled by Mr. Lo Yuk Sui consisting of (i) Select Wise Holdings Limited, which owns approximately 1.46% of the issued share capital of Paliburg, (ii) Splendid All Holdings Limited, which owns approximately 2.73% of the issued share capital of Paliburg, (iii) Almighty International Limited, which owns approximately 31.08% of the issued share capital of Paliburg, (iv) Century City Holdings Limited, which owns approximately 2.73% of the issued share capital of Paliburg, (v) Cleverview Investments Limited, which owns approximately 16.22% of the issued share capital of Paliburg, (vi) Gold Concorde Holdings Limited, which owns approximately 2.61% of the issued share capital of Paliburg, (vii) Meylink Limited, which owns approximately 4.36% of the issued share capital of Paliburg, (viii) Smartaccord Limited, which owns approximately 0.75% of the issued share capital of Paliburg, and (ix) Splendour Corporation, which owns approximately 4.46% of the issued share capital of Paliburg as at the date of this joint announcement. Accordingly, it is expected that no shareholders' meeting of Paliburg will be convened for the purpose of approving the Transactions. Paliburg expects to despatch the circular to its shareholders for information purposes as soon as practicable and by no later than Friday, 23 May 2014.

Regal will convene a special general meeting for the purpose of considering and approving the financial assistance to the P&R Group in respect of the P&R Group's participation in the Transactions. As the Paliburg Group has 50% equity interests in P&R, Mr. Lo Yuk Sui, Century City, Paliburg and their respective associates, in aggregate holding, and entitled to exercise control over the voting rights in respect of 564,466,161 shares of Regal (representing approximately 60.5% of the issued shares of Regal) as at the date of this joint announcement, will abstain from voting at the special general meeting for the purpose of considering and approving the financial assistance to the P&R Group in respect of the P&R Group's participation in the Transactions. A circular containing further details of the Transactions and a notice convening the special general meeting of Regal are expected to be despatched to the shareholders of Regal as soon as practicable and by no later than Friday, 23 May 2014.

Century City and Paliburg will not be required to re-comply with the requirements under Chapter 14 of the Listing Rules if and when any of the Optional Convertible Bonds, the Converted Shares, the Conversion Shares, the Optional Conversion Shares are subscribed for by the P&R Group unless there are any material changes to their terms other than adjustment in accordance with the terms of the Convertible Preference Shares, the Convertible Bonds and the Optional Convertible Bonds respectively. Regal will not be required to re-comply with the requirements under Chapter 14 of the Listing Rules in relation to the provision of financial assistance to the P&R Group if and when any of the Optional Convertible Bonds is subscribed for by the P&R Group.

(N) DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this joint announcement:

“Application Forms”	the application forms which will accompany the prospectus for the Open Offer to be issued to the Qualifying Shareholders for use in connection with the Open Offer
“Articles of Association”	the articles of association of Cosmopolitan
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CB Conversion Price”	the price at which each Conversion Share will be issued upon conversion of the relevant Convertible Bonds

“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Century City”	Century City International Holdings Limited, a company incorporated in Bermuda, the ordinary shares of which are listed on the Stock Exchange
“Century City Group”	Century City and its subsidiaries and, for the purpose of this joint announcement, excluding the Paliburg Group
“Companies Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Consolidated Share(s)”	the share(s) of HK\$0.002 each in the share capital of Cosmopolitan upon the Share Consolidation becoming effective
“Conversion Prices”	the CB Conversion Price and the Optional CB Conversion Price
“Conversion Shares”	the new Consolidated Shares to be issued upon exercise of the conversion rights under the Convertible Bonds
“Converted Shares”	the new Consolidated Shares to be issued upon exercise of the conversion rights under the Convertible Preference Shares
“Convertible Bonds”	the convertible bonds of Cosmopolitan with a principal amount of HK\$500 million to be issued pursuant to the Convertible Bonds Subscription Agreement
“Convertible Bonds Subscription Agreement”	the subscription agreement dated 30 April 2014 entered into between Cosmopolitan and P&R in respect of the subscription of the Convertible Bonds
“Convertible Preference Shares”	the convertible preference shares of Cosmopolitan, principal terms of which are set out in the paragraph headed “Summary of the principal terms of the Convertible Preference Shares” in this joint announcement, to be issued under the Open Offer

“Cosmopolitan”	Cosmopolitan International Holdings Limited, a company incorporated in the Cayman Islands, the ordinary shares of which are listed on the Stock Exchange
“Directors”	the directors of Cosmopolitan
“EGM”	the extraordinary general meeting of Cosmopolitan to be held to consider and, if thought fit, approve the Share Consolidation, the Open Offer, the issue of the Convertible Bonds and the possible issue of the Optional Convertible Bonds
“Excluded Shareholder(s)”	those Overseas Shareholder(s) with registered address(es) in the territory(ies) where, based on Cosmopolitan’s enquiry, there may be legal restrictions (under the laws of the relevant place(s) and the requirements of the relevant regulatory bodies or stock exchanges), other restrictions, impracticality or difficulties for Cosmopolitan’s making the Open Offer to such Overseas Shareholder(s)
“Group”	Cosmopolitan and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	the Shareholders other than P&R and its associates
“Irrevocable Undertaking”	the irrevocable undertaking dated 30 April 2014 given by P&R, on behalf of certain of its wholly-owned subsidiaries, in favour of Cosmopolitan and the Underwriter as set out in the section headed “Irrevocable Undertaking” in this joint announcement
“Last Trading Day”	30 April 2014, being the last whole trading day which was immediately prior to the release of this joint announcement

“Latest Application Date”	the close of business at 4:00 pm on Friday, 11 July 2014, by which time the Application Forms together with the payment must be received by the branch registrar of Cosmopolitan to participate in the Open Offer
“Latest Time for Termination”	4:00 p.m. on the business day after the Latest Application Date
“Listing Committee”	has the meaning ascribed thereto in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Open Offer”	the invitation to the Qualifying Shareholders to subscribe for the Open Offer Shares and/or the Convertible Preference Shares at the Subscription Price on the terms and subject to the conditions set out or referred to in the Open Offer Documents, material terms of which are set out in this joint announcement
“Open Offer Documents”	the prospectus in relation to the Open Offer and the Application Forms
“Open Offer Entitlement”	an entitlement to subscribe for Open Offer Shares and/or Convertible Preference Shares allocated to a Qualifying Shareholder pursuant to the Open Offer, as summarised in this joint announcement
“Open Offer Prospectus Posting Date”	the date on which the Open Offer Documents shall be issued and despatched to the Shareholders, being Thursday, 26 June 2014 (or such other date as Cosmopolitan and the Underwriter may agree in writing)
“Open Offer Share(s)”	new Consolidated Share(s) to be issued and allotted under the Open Offer
“Optional CB Conversion Price”	the price at which each Optional Conversion Share will be issued upon conversion of the relevant Optional Convertible Bonds
“Optional Conversion Shares”	the new Consolidated Shares to be issued upon exercise of the conversion rights under the Optional Convertible Bonds

“Optional Convertible Bonds”	the convertible bonds of Cosmopolitan with a principal amount of up to HK\$500 million to be issued pursuant to the Convertible Bonds Subscription Agreement
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear on the register of members of Cosmopolitan at the close of business on the Record Date and whose address(es) as shown on such register are in place(s) outside Hong Kong or at that time who are otherwise known by Cosmopolitan to be resident(s) outside Hong Kong
“Paliburg”	Paliburg Holdings Limited, a company incorporated in Bermuda, the ordinary shares of which are listed on the Stock Exchange
“Paliburg Group”	Paliburg and its subsidiaries and, for the purpose of this joint announcement, excluding the Regal Group and the P&R Group
“P&R”	P&R Holdings Limited, a company owned as to 50% by Paliburg Group and 50% by Regal Group
“P&R Group”	P&R and its subsidiaries and, for the purpose of this joint announcement, excluding the Group
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Qualifying Shareholders”	the Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of Cosmopolitan at the close of business on the Record Date
“Record Date”	Monday, 23 June 2014 or such other date as Cosmopolitan may determine for the determination of entitlements of the Shareholders under the Open Offer
“Regal”	Regal Hotels International Holdings Limited, a company incorporated in Bermuda, the ordinary shares of which are listed on the Stock Exchange
“Regal Group”	Regal and its subsidiaries

“Share(s)”	ordinary share(s) of HK\$0.0002 each in the share capital of Cosmopolitan
“Share Consolidation”	the share consolidation on the basis of every ten (10) issued and unissued Shares of par value HK\$0.0002 each into one (1) Consolidated Share of par value HK\$0.002
“Shareholder(s)”	the holder(s) of the Share(s) or the Consolidated Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.10 per Open Offer Share or per Convertible Preference Share
“Transactions”	the transactions contemplated under the Open Offer, the Underwriting Agreement and the Convertible Bonds Subscription Agreement
“Underwriter”	P&R Strategic Limited, a wholly-owned subsidiary of P&R
“Underwriting Agreement”	the underwriting agreement dated 30 April 2014 entered into between Cosmopolitan and the Underwriter in respect of the Open Offer
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“%”	per cent.

By order of the board of directors of
**Century City International
Holdings Limited**
Eliza Lam Sau Fun
Secretary

By order of the board of directors of
Paliburg Holdings Limited
Eliza Lam Sau Fun
Secretary

By order of the board of directors of
**Regal Hotels International
Holdings Limited**
Eliza Lam Sau Fun
Secretary

By order of the board of directors of
**Cosmopolitan International
Holdings Limited**
Eliza Lam Sau Fun
Secretary

Hong Kong, 30 April 2014

As at the date of this joint announcement, the board of directors of Century City comprises the following members:

Executive directors:

Mr. LO Yuk Sui
(Chairman and Chief Executive Officer)
Mr. Jimmy LO Chun To
(Vice Chairman)
Miss LO Po Man
(Vice Chairman)
Mr. Kenneth NG Kwai Kai
(Chief Operating Officer)
Mr. Donald FAN Tung
Mr. Kelvin LEUNG So Po

Independent non-executive directors:

Mr. Anthony CHUANG
Mr. NG Siu Chan
Mr. WONG Chi Keung

As at the date of this joint announcement, the board of directors of Paliburg 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)
Mr. Donald FAN Tung
(Chief Operating Officer)
Miss LO Po Man
Mr. Kenneth NG Kwai Kai
Mr. Kenneth WONG Po Man

Independent non-executive directors:

Mr. Bowen Joseph LEUNG Po Wing, GBS, JP
Mr. NG Siu Chan
Hon. Abraham SHEK Lai Him, GBS, JP
Mr. WONG Chi Keung

As at the date of this joint announcement, the board of directors of Regal comprises the following members:

Executive directors:

Mr. LO Yuk Sui
(Chairman and Chief Executive Officer)
Miss LO Po Man
(Vice Chairman and Managing Director)
Ms. Belinda YEUNG Bik Yiu
(Chief Operating Officer)
Mr. Donald FAN Tung
Mr. Jimmy LO Chun To
Mr. Kenneth NG Kwai Kai
Mr. Allen WAN Tze Wai

Non-executive director:

Dr. Francis CHOI Chee Ming, GBS, JP
(Vice Chairman)

Independent non-executive directors:

Ms. Alice KAN Lai Kuen
Professor Japhet Sebastian LAW
Mr. NG Siu Chan
Mr. WONG Chi Keung

As at the date of this joint announcement, the board of directors of Cosmopolitan 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. CHENG Sui Sang
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