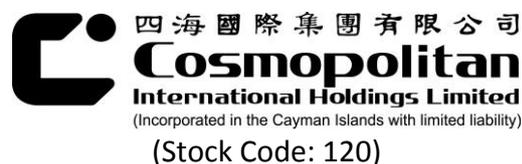


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**EXERCISE OF OPTION TO SUBSCRIBE FOR
CONVERTIBLE BONDS IN COSMOPOLITAN
AND
SETTLEMENT OF OUTSTANDING CONSIDERATIONS**

Reference is made to (i) the joint announcements dated 4 August 2016, 25 August 2016 and 14 September 2016 issued by Century City, Paliburg, Regal and Cosmopolitan; (ii) the circulars dated 23 September 2016 issued by Regal and Cosmopolitan respectively, and the circulars dated 7 October 2016 issued by Century City and Paliburg respectively (collectively, the “**Circulars**”); and (iii) the poll results announcements dated 11 October 2016 issued by Regal and Cosmopolitan respectively. Capitalised terms used herein shall have the same meanings as those defined in the Circulars, unless stated otherwise.

As set out in the Circulars, P&R Holdings has irrevocably undertaken in favour of Cosmopolitan that subject to the satisfaction of all the conditions precedent to the Facilities Agreement, P&R Holdings shall: (i) exercise the Option to subscribe for the Optional CB with a principal amount of not less than HK\$330 million on the date on which the first advance of the Loan Facilities is made; and (ii) exercise the Option to subscribe for the remaining Optional CB with a principal amount of up to HK\$170 million by the end of 2016. All conditions precedent to the Facilities Agreement have been satisfied.

On 12 October 2016, the entire amount of the Loan Facilities was drawn down by the Cosmopolitan Group and, on the same date, P&R Holdings exercised the Option to subscribe for the Optional CB with a principal amount of HK\$330 million.

The entire amount drawn down under the Loan Facilities and the proceeds from the aforesaid partial exercise of the Option were utilised to fully settle the Regal Payable (after the Profit Distribution) and the P&R Payable, respectively.

Further information in relation to the Optional CB and the Loan Facilities were set out in the Circulars. Cosmopolitan makes this joint announcement pursuant to Rule 14A.61(1) of the Listing Rules.

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

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

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

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

Hong Kong, 12 October 2016

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. Kenneth NG Kwai Kai

Non-executive director:

Mr. Francis BONG Shu Ying

Independent non-executive directors:

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