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COSMOPOLITAN
INTERNATIONAL HOLDINGS LTD

Cosmopolitan International Holdings Limited

四海國際集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 120)

POSITIVE PROFIT ALERT

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the results of the Group for the year ended 31 March 2011 are expected to record a net profit as compared to a net loss for the year ended 31 March 2010. The net profit is mainly attributable to the recognition of a decrease of derivative financial liabilities, in compliance with the currently applicable accounting standards, relating to the Subscription Options for the subscription of additional 2013CB granted by the Group in 2008. As the Company is still in the process of finalizing its audited consolidated financial results for the year ended 31 March 2011, the information contained in this announcement is only based on the preliminary assessment of the unaudited management accounts of the Group and the information currently available.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

This announcement is made by Cosmopolitan International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

In connection with the issue of certain convertible bonds due 2013 (the “2013CB”) in 2008 by Apex Team Limited (the “Issuer”), a wholly-owned subsidiary of the Company, the Issuer granted certain subscription options (the “Subscription

Options”) for the further subscription of additional 2013CB in an aggregate principal amount of up to HK\$200 million by holders of the Subscription Options at the prevailing conversion price of HK\$0.06 per share. Details of the terms of the Subscription Options are set out in the Company’s circular dated 18 January 2008 and the recent interim and annual reports of the Company.

In compliance with the applicable accounting standards adopted by the Group, the Subscription Options are required to be recognized as derivative financial liability and the related gain or loss on changes in fair value of the Subscription Options to be reflected in the consolidated statement of comprehensive income of the Company. As the closing market price of the shares of the Company as at 31 March 2011 was significantly below the closing market price as at 31 March 2010, the independent professional valuer retained by the Group has preliminarily assessed that the fair value of the Subscription Options as at 31 March 2011 is substantially lower than its carrying value as at 31 March 2010. Such decrease of the recognized derivative financial liabilities will be reflected as a gain in the consolidated statement of comprehensive income of the Company and consequently it is expected that the Group will record a net profit for the year ended 31 March 2011 as compared to a loss for the year ended 31 March 2010.

As the Company is still in the process of finalizing its consolidated financial results for the year ended 31 March 2011, the information contained in this announcement is only based on the preliminary assessment of the unaudited management accounts of the Group and the information currently available. Shareholders of the Company and potential investors are advised to read carefully the results announcement of the Company which is expected to be released before the end of June 2011.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Cosmopolitan International Holdings Limited
Cheng Sui Sang
Executive Director

Hong Kong, 3 June 2011

As at the date of this announcement, the Board comprises ten Directors, namely Mr. Bong Shu Yin, Daniel (Chairman) and Mr. Cheng Sui Sang, who are the executive Directors, and Mr. Wang Baoning (Vice-Chairman), Mr. Bong Shu Ying, Francis, Mr. Ng Kwai Kai, Kenneth, Mr. Leung So Po, Kelvin and Mr. Wong Po Man, Kenneth, who are the non-executive Directors, and Mr. Li Ka Fai, David, Mr. Lee Choy Sang and Ms. Ka Kit, who are the independent non-executive Directors.

** For identification purpose only*