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DORSETT

HOSPITALITY INTERNATIONAL

帝盛酒店集團

Dorsett Hospitality International Limited

帝盛酒店集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Website : <http://www.dorsett.com>

(Stock Code: 2266)

Voluntary Disclosure

Unaudited Operational Update for the Second Quarter ended 30 September 2012

The Board of Directors (the “Board”) of Dorsett Hospitality International Limited (the “Company”) is pleased to announce the unaudited operational update of the Company and its subsidiaries (the “Group”) for the second quarter ended 30 September 2012 in respect of the financial year ending 31 March 2013 as follows:

Owned and Managed Hotels Operational Highlights						
For the second quarter ended						
Region	RevPAR		Occupancy		Average Room Rate	
	(HK\$)		(%)		(HK\$)	
	30.09.2012	y-o-y%	30.09.2012	y-o-y%	30.09.2012	y-o-y%
Owned						
Hong Kong*	871	5%	92%	-4%	944	10%
Malaysia	331	-10%	64%	-11%	516	0%
China	368	44%	70%	52%	523	-6%
Total	620	4%	80%	-1%	777	6%
Managed						
Hong Kong	1,666	31%	87%	16%	1,914	12%
	1,666	31%	87%	16%	1,914	12%
Group Wide	634	5%	80%	-1%	794	6%

<u>Region</u>	For the six months ended					
	RevPAR		Occupancy		Average Room Rate	
	(HK\$)		(%)		(HK\$)	
	30.09.2012	y-o-y%	30.09.2012	y-o-y%	30.09.2012	y-o-y%
<u>Owned</u>						
Hong Kong*	876	8%	93%	-2%	941	10%
Malaysia	337	-9%	66%	-10%	507	0%
China	393	34%	72%	44%	547	-7%
Total	<u>621</u>	<u>5%</u>	<u>81%</u>	<u>-1%</u>	<u>768</u>	<u>6%</u>
<u>Managed</u>						
Hong Kong**	1,251	30%	82%	46%	1,530	-12%
	<u>1,251</u>	<u>30%</u>	<u>82%</u>	<u>46%</u>	<u>1,530</u>	<u>-12%</u>
Group Wide	<u>637</u>	<u>7%</u>	<u>81%</u>	<u>0%</u>	<u>788</u>	<u>7%</u>
* Includes Dorsett Regency Hotel, Hong Kong which opened in June 2011 and disposed in September 2012.						
** Includes two months result of Central Park Hotel which the Group began and ended the management contract in December 2011 and May 2012 respectively.						

The Group achieved a steady growth for the second quarter ended 30 September 2012. Overall revenue per available room (“RevPAR”) grew by 5% year-on-year, primarily driven by a steady rate increase in Hong Kong and encouraging growth in contribution from the Mainland China.

Despite the decrease of 4% in the occupancy (“OCC”) partly caused by the ramp up of Dorsett Kwun Tong which opened in August 2012, the owned hotels in Hong Kong attained 10% growth in the average room rate (“ARR”) over the same period of last financial year reaching HK\$944. Hong Kong region recorded 5% year-on-year growth in RevPAR which accounts for 52% of the Group’s total owned room inventory for the quarter. The Mercer, a third party hotel managed by the Group under a hotel management agreement achieved a significant increase of 31% in RevPAR for the quarter. Its OCC and ARR increased by 16% and 12% respectively as compared to the same period of last financial year.

For the second quarter ended 30 September 2012, the momentum of revenue growth in China region continued from the previous quarter. Dorsett Regency Wuhan achieved a significant increase in RevPAR of 96% over the same period of last financial year which was primarily attributed to a significant increase in OCC of 35% point for the quarter. Yue Shanghai Hotel also posted 35% year-on-year growth in RevPAR for the quarter as a result of continued marketing efforts in promoting brand awareness. Both Dorsett Regency Wuhan and Yue Shanghai Hotel increased ARR for the quarter. However, with the increase in room inventory from Dorsett Grand Chengdu which was soft opened in August 2012, the overall ARR for China region during the quarter decreased slightly. ARR of Dorsett Grand Chengdu during the soft open period was comparably lower than the ARR recorded in Yue Shanghai Hotel. Notwithstanding that, the overall RevPAR for China region achieved a remarkable increase of 44% over the same period of last financial year.

In Malaysia, as a result of fewer international events held as opposed to last year, and a reduction in service of national carriers and budgeted airlines, there was a decrease in leisure travelers. This affected the performance of the Malaysian hotels. Although our five hotels were able to maintain the overall ARR compared to the same period of last financial year, OCC exhibited a year-on-year decrease of 11% resulting in overall decrease of 10% in RevPAR for the quarter.

As part of the Group's capital redeployment strategy, on 28 September 2012, the Group completed the disposal of Hong Kong (SAR) Hotel Limited holding Dorsett Regency Hotel, Hong Kong which is located in Kennedy Town, Hong Kong for an aggregate consideration of HK\$800,000,000. The disposal resulted in a gain of approximately HK\$450,000,000. Details in relation to the disposal of Hong Kong (SAR) Hotel Limited were disclosed in the announcement published by the Company dated 25 May 2012 and 28 September 2012.

Noting that Asians, in particular the Chinese are making more outbound trips and to farther destinations, the Group continued to expand its hotel portfolio in selected strategic regions in the United Kingdom with the acquisition of a property which is currently an office building situated adjacent to Aldgate underground station on London underground's Circle Line and Metropolitan Line for a consideration of £14,050,000 (equivalent to approximately HK\$178,435,000) on 26 October 2012. The Group intends to redevelop the Property into a hotel. Details in relation to the acquisition of the property were disclosed in the announcement published by the Company dated 29 September 2012.

The Company maintains a cautiously optimistic outlook of the industry, the operational performance of its hotels and the Company's performance in the midst of lingering global economic instability and holds firm to its belief that such times of uncertainty can also present opportunities.

The Board wishes to remind investors and/or shareholders of the Company that the above operational update for the second quarter ended 30 September 2012 are based on the Group's internal records and unaudited management accounts which have not been reviewed or audited by auditors. Differences may arise between such data and the information disclosed in subsequent audited financial statements. Investors and/or shareholders of the Company are cautioned not to unduly rely on such data and are advised to exercise caution when dealing in the shares of the Company.

This announcement is a voluntary information disclosure.

By Order of the Board
Dorsett Hospitality International Limited
CHIU, Wing Kwan Winnie
President and Executive Director

Hong Kong, 29 October 2012

As at the date of this announcement, the executive directors of the Company are Ms. CHIU, Wing Kwan Winnie and Mr. LAI, Wai Keung. The non-executive directors of the Company are Tan Sri Dato' CHIU, David, Mr. HOONG, Cheong Thard and Mr. CHAN, Chi Hing. The independent non-executive directors of the Company are Mr. SHEK, Lai Him Abraham, Mr. TO, Peter, Dr. LIU, Ngai Wing and Mr. ANGELINI, Giovanni.

This announcement was originally prepared in English and was subsequently translated into Chinese. In the event of any inconsistency between the two texts, the English text of this announcement shall prevail over the Chinese text.