

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this 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 announcement.



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)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF PROPERTY IN JIUJIANG, JIANGXI, PRC**

The Board is pleased to announce that on 6 August 2013, the Bidder successfully bid for the Property located in Jiujiang, Jiangxi, PRC at the Consideration through an auction sanctioned by Jiujiang Law Court (九江市中級人民法院) and held by the Auction Company. The Bidder has entered into the Transaction Confirmation with the Auction Company in relation to the Acquisition.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 6 August 2013, the Bidder, a wholly-owned subsidiary of the Company, successfully bid for the Property through an auction held by the Auction Company and entered into the Transaction Confirmation with the Auction Company in relation to the Acquisition.

FURTHER INFORMATION ON THE PROPERTY

The Property is located at Wenquan Town, Xingzi County, Jiangxi Province, PRC (中國江西省星子縣溫泉鎮). The land area is approximately 42,868 square metres, of which approximately 39,534 square metres is the hotel area and approximately 3,334 square metres is staff dormitory. The term of land use right of the Property will expire on 14 March 2044 and the Property is for commercial and residential purposes.

The Bidder has purchased the Property as part of an auction held by the Auction Company entrusted by Jiujiang Law Court (九江市中級人民法院). The Directors confirm that, based on their best knowledge and belief, the Auction Company is an independent third party. The Directors also confirm that, based on their best knowledge and belief, the connected persons (as defined under the Listing Rules) of the Company do not have any interest in the Property so purchased.

As at the date of this announcement, there is no subsisting tenancy, licence, occupation or management agreement or arrangement in respect of the Property or any part thereof.

SUMMARY OF TERMS OF THE TRANSACTION CONFIRMATION

The key terms of the Transaction Confirmation are as follows:-

- Date of confirmation: 6 August 2013
- Auction Company: 九江市平正拍賣有限公司 Jiujiang City Pingzheng Auction Co., Ltd. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Auction Company and its ultimate beneficial owner(s) are third parties, independent of the Company and connected persons (as defined under the Listing Rules) of the Company.
- Bidder: Dorsett Hospitality International Services Limited, a wholly-owned subsidiary of the Company.
- Property description: Buildings, structures, operation equipment and facilities, land use right and other rights in connection with the operations of Xingzi County Tiandi Hot Spring Holiday Inn (星子縣天地溫泉假日酒店經營範圍內的房屋建築物、構築物、經營設備設施、土地使用權及其他權利)

Consideration: RMB176.0 million (equivalent to approximately HK\$223.0 million), which was arrived at after a competitive bidding process, and has been determined by the Group to be fair and reasonable after taking into account the property market conditions in Jiangxi and the business potential of the Property.

Payment: RMB20.0 million (equivalent to approximately HK\$25.0 million) has been paid as deposit prior to the auction and the outstanding amount of the Consideration (i.e. RMB156.0 million (equivalent to approximately HK\$198.0 million) and the agreed amount of commission of approximately RMB1.0 million shall be paid in full within 60 days from the date of auction subject to the completion of the transfer of land use right and property title to the Bidder free of encumbrances.

The Acquisition will be funded partly through internal resources of the Company and partly by bank borrowing.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Bidder entered into the Transaction Confirmation after it had won in a bidding process for the right to acquire the Property. The Property was previously a hotel which was closed down in March 2013 and has no operations as at the date of this announcement. The Company intends to conduct minor refurbishment and re-open the 297-guestroom hotel, which will be branded as an additional member to the Group's Dorsett series of hotels after obtaining the formal hotel licence.

The Property is located in the southern side of Lushan mountain, Xingzi County, the northern part of Jiangxi Province, PRC.

Xingzi County is renowned for leisure and cultural tourism. Since 1976, it has been designated by the PRC Government as "Scenic and Historic Interest Area". In July 2013, it is named "The Best County for Cultural Tourism" by the China National Tourism Administration. Xingzi County's abundant mineral resources contribute to the famous outdoor and indoor hot springs.

The Property is surrounded by scenic areas including the Xiufeng scenic area (7 kms from the Property) and the Poyang Lake scenic area (15 kms from the Property). The Property is 25 kms from the Jiujiang Lushan Airport and Lushan Railway Station, 36 kms from Jiujiang (the river port and city in Jiangxi Province), 120 kms from Nanchang (the capital of Jiangxi Province), and 200 kms from Wuhan (the capital of Hubei Province). The Property is accessible by highways, including the China National Highway No. 105 connecting Beijing and Guangzhou and the Changjiu Expressway connecting Nanchang and Jiujiang.

The Directors are of the view that the Acquisition is in line with the Group's strategy to expand its network in PRC and thereby creating synergies for its operation to capitalise on the growing demand for hotel services arising from the booming local and outbound tourism market in PRC. In the opinion of the Directors, the Acquisition represents an attractive investment opportunity when compared with similar opportunities currently available in the market.

The Directors are of view that the terms of acquisition including the Consideration are in normal commercial terms by making reference to the similar properties of the market, and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

GENERAL

The Company is an investment holding company. The principal activities of the Group are hotel operation and management, property investment, property development and property trading.

Based on publicly available information, the Auction Company is a company engaged in various types of auction (other than relics).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceed 5% but are less than 25% for the Company, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following terms have the same meanings as set out below:-

“Acquisition”	acquisition of the Property by the Bidder pursuant to the terms of the Transaction Confirmation;
“Auction Company”	九江市平正拍賣有限公司 Jiujiang City Pingzheng Auction Co., Ltd.;
“Board”	the board of Directors;
“Bidder”	Dorsett Hospitality International Services Limited, a wholly-owned subsidiary of the Company;
“Company”	Dorsett Hospitality International Limited, a company incorporated in the Cayman Islands, and the shares of which are listed on the Main Board of the Stock Exchange;
“Consideration”	RMB176.0 million (equivalent to approximately HK\$223.0 million);
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China
“Property”	Buildings, structures, operation equipment and facilities, land use right and other rights in connection with the operations of Xingzi County Tiandi Hot Spring Holiday Inn (星子縣天地溫泉假日酒店經營範圍內的房屋建築物、構築物、經營設備設施、土地使用權及其他權利) located at the Wenquan Town, Xingzi County, Jiangxi Province, PRC (中國江西省星子縣溫泉鎮);
“RMB”	Renminbi, the lawful currency of PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the same meaning ascribed to it under the Listing Rules;

“Transaction
Confirmation”

a transaction confirmation letter entered into between the Bidder and the Auction Company dated 6 August 2013 in relation to the Acquisition.

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

Hong Kong, 6 August 2013

The exchange rate adopted in this announcement for illustration purpose only is RMB1 = HK\$1.2663. Such conversion should not be construed as a representation that the currency could actually be converted into HK\$ at that rate or at all.

As at the date of this announcement, the executive Directors are Ms. CHIU, Wing Kwan Winnie and Mr. LAI, Wai Keung. The non-executive Directors are Tan Sri Dato' CHIU, David, Mr. HOONG, Cheong Thard and Mr. CHAN, Chi Hing. The independent non-executive Directors are Mr. SHEK, Lai Him Abraham, G.B.S., J.P., 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 English text and Chinese text, the English text shall prevail.