



For Immediate Release

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Dorsett Hospitality International Limited (HKSE stock code: 2266) announced 7% Increase in full-Year Net Profit and Proposed Final Dividend of HK 8 cents per share.

18 June 2013 - The Board of Directors of Dorsett Hospitality International Limited today announced the audited consolidated results of the Company and its subsidiaries ("the Group") for the financial year ended 31 March 2013.

HIGHLIGHTS OF THE FINAL RESULTS

- Revenue for the Year grew to HK\$1,152.9 million, up 5.2% from last year, primarily driven by continued revenue growth in Hong Kong and the People's Republic of China other than Hong Kong ("the PRC").
- During the Year, the Group recorded a gain of HK\$458.4 million on disposal of a property holding subsidiary.
- Profit for the Year increased by 7.0% to HK\$647.5 million from HK\$605.1 million last year.

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- Hotel revaluation surplus as at 31 March 2013 of HK\$9,459.3 million was not reflected in the Group's consolidated financial statements. This compared to HK\$7,749.9 million revaluation surplus at the end of the last financial year. The significant increase in revaluation surplus is predominantly attributable to the appreciation of hotel properties in Hong Kong and Singapore.
- Adjusting for hotel revaluation surplus, net assets attributable to shareholders per share increased by 18.6% to HK\$6.62 as at 31 March 2013.
- The Board proposes a final dividend of HK 8 cents per share (the "Proposed Final Dividend"), together with the interim dividend of HK4 cents per share, bringing the total dividend payout for the Year to HK 12 cents per share. This represents 36.8% of total distributable profit, which compared with 39.7% last year. Shareholders of the Company have an option to receive cash in lieu of the new shares of the Company for the Proposed Final Dividend.

The Group has completed the following significant transactions during the Year:

In April 2012, the Group acquired the Big Orange industrial building located at Kwai Chung, Hong Kong from an independent third party at a consideration of HK\$210.0 million. The Group intends to convert the property into a 420-guestroom hotel, which will be branded as an additional member to the Group's value-led Silka series of hotels, namely "Silka Tsuen Wan, Hong Kong".

In September 2012, the Group completed the disposal of Hong Kong (SAR) Hotel Limited (“HKSAR Hotel”) holding Dorsett Regency Hotel, Hong Kong (“Dorsett Regency HK”) which is located in Kennedy Town, Hong Kong for an aggregate consideration of approximately HK\$801.5 million. The disposal resulted in a gain of approximately HK\$458.4 million. The Dorsett Regency HK is currently being managed by the Group under a management contract.

Pursuing the “Chinese Wallet” strategy, the Group continued to expand its hotel portfolio in selected strategic regions in UK with the acquisition of a property which is currently an office building situated above the Aldgate underground station on London underground’s Circle Line and Metropolitan Line for a consideration of approximately £ 14.1 million (equivalent to approximately HK\$178.4 million) in October 2012. The Group intends to redevelop the property into a hotel, to be named “Dorsett City, London”.

As at the end of the current financial year, the Group was operating 17 hotels representing 4,894 rooms across Hong Kong, the PRC, Malaysia and Singapore.

Whilst the Group continues to pursue the “Chinese Wallet” strategy, it is also important to focus on market segments in other continents with growth potential as well. On 9 April 2013, the Group entered into an affiliation agreement with Diamond Resorts International Limited (“Diamond Resorts”), which is one of the world’s largest vacation ownership companies with more than 300 vacation destinations in 33 countries. Through this affiliation, the Group will be able to tap into the customer base of Diamond Resorts.

Ms Winnie Chiu, President and Executive Director of Dorsett Hospitality International Limited, said, “To capture the Chinese outbound tourism boom, the Group will continue with its “Chinese Wallet” strategy to further drive growth. With the opening of Dorsett Kwun Tong, Hong Kong (361 rooms), Dorsett Grand Chengdu (556 rooms) and Dorsett Singapore (285 rooms), the Group is well positioned to benefit from these key regions. The Group’s total room inventory will exceed 7,300 rooms in the upcoming years with the completion of six additional hotel properties. The expansion of our hotel portfolio will likely drives further growth in operational as well as recurring cash flow stream. The Group will continue to seek new opportunities to increase shareholder value”

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