



PRESS RELEASE

For Immediate Release

Dorsett Hospitality International Limited (HKEx Stock Code: 2266) Announces Six Month's Profit Interim Divided HK4 Cents

26 November 2012 - Dorsett Hospitality International Limited (HKEx Stock Code: 2266, "the Group") financial highlights for the 6 months ended 30 September 2012.

- Revenue reached HK\$554.4 million for the first six months, up 11.1% as compared to the same period of the last financial year.
- Overall revenue per available room ("RevPAR") of the Group's owned hotels rose 4.9% to HK\$621 while the overall average room rate ("ARR") increased 5.8% to HK\$768.
- Gross profit was reported at HK\$316.9 million, up 9.5% as compared with the same period of the last financial year.
- During the period, the Group recorded a gain of HK\$445.1 million on disposal of a property holding subsidiary.
- Profit for the first six months increased by 479.8% to HK\$545.9 million from HK\$94.2 million. Excluding the gain on disposal of a subsidiary, profit for the period was HK\$100.8 million, up 7.1% as compared with the same period of the last financial year.
- Earnings per share was HK27.29 cents, 479.8% higher than that of the same period of last financial year

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Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立之有限公司
HKEx Stock Code 香港交易所股份代號: 2266

- Net operating profit for the period reached HK\$246.5 million, showing a 10.9% year-on year improvement. Net operating margin was 44.5% as compared to 44.6% for the same period of the last financial year.
- Dividend per share is recommended to be HK 4 cents (1H 2012: HK2 cents)

Significant Events

During the first half of FY2013, the Group has completed the following significant transactions:

- 1) In April 2012, the Group completed the acquisition of the Big Orange industrial building located in Kwai Chung, Hong Kong from an independent third party at a consideration of HK\$210.0 million. The property is conveniently located at the densely populated Kwai Chung district and well served by public transportation. The Group intends to convert the property into a 420-guestroom hotel, which will be branded as an additional member to the Group's three-star Silka series of hotels, namely "Silka Tsuen Wan, Hong Kong".
- 2) As part of the Group's capital redeployment strategy, in September 2012, the Group completed the disposal of Hong Kong (SAR) Hotel Limited ("HKSAR Hotel") holding Dorsett Regency Hotel, Hong Kong which is located in Kennedy Town, Hong Kong for an aggregate consideration of HK\$800.0 million, out of which, a sum of HK\$15.0 million has been retained in escrow pending the obtaining of certain approval for internal alteration to the Dorsett Regency HK, which may be recognized as a gain if such approval is obtained or forfeited by the purchaser if such approval is not obtained before 28 March 2013. The disposal resulted in a gain of approximately HK\$445.1 million for the period. The Dorsett Regency HK is currently being managed by the Group under a management contract for a term of about six months from the date of completion of the disposal.
- 3) Aligning with the Group's "Chinese Wallet" strategy, 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 approximately £14.1 million (equivalent to approximately HK\$178.4 million) in October

2012. The Group intends to redevelop the property into a hotel which to be named as “The Matrix”.

Prospect

In reviewing the business future of the Group, Ms. Winnie Chiu, the President and Executive Director of the Group said “Whilst global economic environment is expected to remain challenging during the rest of FY2013, the Group will strive to counteract the negative impacts by implementing the rebranding strategies. The change of the Company’s name to “Dorsett Hospitality International Limited” is an important milestone to strengthen our position in the hospitality industry and leverage on the already established Dorsett brand name. The new three brands of our hotel portfolio, namely “d. Collection”, “Dorsett Hotels & Resorts” and “Silka Hotels” enable the Group to cater for different market segments, accord it with greater business leverage and the ability to grow further organically.”

Ms. Chiu continued “To better position the Group for long-term growth, the Group has actively expanded its portfolio of operating hotels. During the first half of FY2013, in August 2012, Dorsett Kwun Tong (361 rooms) opened while Dorsett Grand Chengdu (556 rooms) was put on trial. Adjusting for the disposal of Dorsett Regency Hotel, Hong Kong (209 rooms) in September 2012, the Group recorded a net increase in room inventory of 708 rooms. The Group is scheduled to further grow its hotel room numbers to exceed 7,000 in the upcoming years. These new hotels are expected to generate significantly larger cash flow stream for the Group. However, as these new hotels take times to ramp up and stabilize in term of operations, the overall group wide average per room benchmarks, including ARR, OCC and RevPAR, may be adversely impacted in the short term”

“The Group’s recent acquisition of The Matrix in Aldgate, London will allow the Group to have greater economies of scale in terms of its operation in London. Together with Dorsett London, in Shepherd’s Bush, the Group will have two hotels in London and can benefit more fully from the growing demand of hotels arising from increasing international trade volume and, hence, business travelers. The Group will continue to capture the continually growing Asia travel market by pursuing its “Chinese Wallet” strategy.” She added.

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About Dorsett Hospitality International Limited

Dorsett Hospitality International (HKEx Stock Code: 2266) formerly known as Kosmopolito Hotels International is a spin-off from Far East Consortium Limited. The group currently owns and manages 18 hotels in Mainland China, Hong Kong and Malaysia; with 7 more opening within the next two years in Mainland China, Hong Kong, Singapore and United Kingdom under three brands of different tiers ranging from up-scale to midscale and value-led.

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