



DORSETT HOSPITALITY INTERNATIONAL LIMITED
(stock code: 2266) ANNOUNCES INTERIM RESULTS

The Board of Directors of Dorsett Hospitality International Limited announces the unaudited condensed consolidated results for the six months ended 30 September 2013 as follows:

FINANCIAL HIGHLIGHTS

- Revenue reached HK\$1,088.9 million for the first six months, up 96.4% year on year. The growth was predominantly attributable to the sales of apartments in Singapore and 6.5% increase on revenue generated by the hotel operation in line with the increase in rooms count.
- Revenue per available room ("RevPAR") declined 9.7% to HK\$561 driven mainly by a combination of lower RevPAR of newly opened hotels and renovation of the Group's flagship hotels in Hong Kong, namely Cosmopolitan Hotel Hong Kong and Lan Kwai Fong Hotel @ Kau U Fong.
- On a LFL₍₁₎ basis, revenue per available rooms declined by 4.1% to HK\$589 largely due to 3.0% drop of average room rate and a marginal drop of 1% point on occupancy rate.
- Gross profit came in at HK\$456.3 million, up 44.0% compared with the same period of the last financial year, driven by the contribution from the sales of apartments in Singapore.
- Net profit declined 39.5% to HK\$330.2 million. The decline was mainly due to higher base in the corresponding period of last year as a result of the gains of HK\$445.1

million recognized from the disposal of a subsidiary, which include the completion of the sale of Dorsett Regency Hong Kong to China Construction Bank.

- Earnings per share was HK16.5 cents, 39.5% lower than that of the same period of the last financial year.

(1) Like for like basis, excluding results from hotels which did not fully operate during the periods under review for both current and last financial years. The hotels being excluded comprise of Dorsett Regency Hotel, Hong Kong, Dorsett Kwun Tong, Hong Kong, Dorsett Grand Chengdu and Dorsett Singapore.

The Board has declared an interim dividend of HK2 cents per share for the six months ended 30 September 2013. The register of members of the Company will be closed from 16 December 2013 to 18 December 2013.

In reviewing the Group's performance, Miss Winnie Chiu, the President and Executive Director of Dorsett Hospitality International Limited, said, "The profile, traveling behavior and traveling destination of the Chinese travelers have been changing and will continue to evolve. We are now seeing increasingly more free independent travelers from the PRC and although traditionally majority of the travelling were to Hong Kong and Macau, Chinese travelers are beginning to travel to further destinations including Japan, South Korea and South East Asia and with the relaxation of tourist visa application in recent times, we are now witnessing significant growth of Chinese visitors to Europe. In this respect, the Group's Chinese Wallet strategy and our network of hotels are well positioned to capitalize on this booming trend."

"Whilst global economic environment is expected to remain challenging for the immediate future, the Group will strive to counteract the negative impacts through efficient cross selling for its network of hotels and adjusting the mixed of its guest profiles. The Group remains optimistic in the global travel industry and fully committed to our Chinese Wallet strategy."

She added, “As at the end of September 2013, the Group operates and manages 5,131 rooms of which 4,894 rooms are owned and 237 rooms are managed. With the current developing pipelines and the signing of 4 managed hotels in Malaysia, the Group’s hotel room inventories will exceed 8,600 by the end of FY2017. These new hotels are expected to generate significantly larger cash flow stream for the Group. However, as these new hotels take time to ramp up and stabilize in term of operations, the overall RevPAR may be adversely impacted in the short term.”

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