

FOR IMMEDIATE RELEASE

Dorsett Hospitality International announces the completion of the sale of Dorsett Regency Hong Kong and the acquisition of the group's second hotel in London

2 October 2012 – Hong Kong Dorsett Hospitality International is pleased to announce the **completion of the sales of Dorsett Regency Hong Kong and will continue to manage the hotel** and **its latest acquisition of The Matrix in London.**

Located at Davis Street in Kennedy Town, Hong Kong; the Dorsett Regency Hong Kong commenced operations in 2011 with 209 rooms and was disposed at HK\$800 million on 28 September 2012.

The group expects to record a gain from the disposal of Dorsett Regency Hong Kong of approximately HK\$450 million after off-setting the hotel book cost.

“The disposal enables Dorsett Hospitality International to realize the value which we have created having developed and operated the Dorsett Regency Hong Kong since its inception.” said Winnie Chiu, President and Executive Director of Dorsett Hospitality International.

“Upon completion of the sale, the group will continue to manage the hotel for the new owner. Indeed, this is a demonstration of confidence by the new owner towards our group's ability not only in managing our hotels that meet the expectation of our guests, and the professionalism of our team in the way they operate, but also our group's strong focus and drive in ensuring profitability for our shareholders,” added Winnie Chiu.

The group will utilize the proceeds from the sale for future investment opportunities in Hong Kong and/or overseas such as the acquisition of The Matrix in London.

Located at 9 Aldgate High Street, London, The Matrix is an existing office building situated immediately east of the junction of Fenchurch Street and Leadenhall Street in the heart of the insurance and shipping district of the City of London; and above the Aldgate tube station. Dorsett Hospitality International will re-develop The Matrix into a 9-storey hotel by adding 3 additional floors to the existing structure. Upon completion of the redevelopment, the hotel is expected to have approximately 260 guestrooms and this will be Dorsett

Hospitality International's second hotel in London. "We estimated that the total cost of conversion of the Property into a hotel and costs associated with the Property acquisition will amount to approximately £21,946,179. Together with the above purchase cost of £14,050,000, the total cost of development would represent a cost of approximately £135,763 per guestroom (HKD1,730,827)," revealed Winnie Chiu.

"We consider the United Kingdom as one of the most popular destinations to tourists and business travellers around the world. Major European countries including the United Kingdom are attracting an unprecedented number of Chinese tourists. In alignment with our development and 'Chinese wallet' strategy, we had entered the UK hotel market with the successful acquisition of Dorsett London located at Shepherd's Bush in August last year. We are eagerly looking forward to the opening of this 322-room hotel which is scheduled to be operational in 2014. With the addition of the group's latest acquisition of The Matrix, Dorsett Hospitality International will reinforce its presence in the UK market and position with a total combined room inventory of close to 600," said Winnie Chiu, President and Executive Director of Dorsett Hospitality International.

"We have again proven our success in delivering value enhancement of assets, by disposing Dorsett Regency Hong Kong at HKD 3.8mil per key, and reinvesting part of the funds into The Matrix, London at approximately HKD 1.7mil per key. The group is confident that once again its shareholders will enjoy a good return of investment when the property is fully converted into a hotel and begins operation in approximately 2.5 years time. The group is looking at a projected room rate of between £127 to £147 and an occupancy rate of 75% to 82%, whilst branching out to regions with higher growth prospects," added Winnie Chiu.

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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 six more opening within the next two in Mainland China, Hong Kong, Singapore and United Kingdom under three brands of different tiers ranging from up-scale to mid-scale and value-led.

www.dorsett.com

For media enquiries, kindly contact:

Dorsett Hospitality International

Kattie Hoo • Director of Marketing and Communications

T: +603 2693 2690 • M: +6012 2011 340 • kattie.hoo@dorsett.com
Christopher Tan • Communications Manager
T: +603 2693 2690 • M: +6016 2011 343 • christopher.tan@dorsett.com