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Rosedale Hotel Holdings Limited
珀麗酒店控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1189)

**CLOSE OF THE REPURCHASE OFFER
AND
LEVEL OF ACCEPTANCE**

Reference is made to the Announcements of the Company dated 23 June 2010 and 5 July 2010 in relation to the Repurchase Offer.

The acceptance period of the Repurchase Offer ended at 4:00 p.m. on 5 August 2010. Up to the latest time for acceptance of the Repurchase Offer, valid acceptances in respect of the Notes in an aggregate principal amount of HK\$329,200,000 (representing approximately 51.44% of the aggregate principal amount of all Notes outstanding) were received, in respect of which the Company will (subject to the fulfilment of certain conditions precedent to the Repurchase Offer) (i) pay an aggregate of HK\$230,736,352 as the Offer Consideration Money; and (ii) allot and issue an aggregate of 111,666,000 Offer Consideration Shares to the accepting Noteholders.

As stated in the Announcements, a circular containing, among other things, further details of the Repurchase Offer, the level of acceptance of the Repurchase Offer, the recommendation of the Independent Board Committee, the letter of advice of the independent financial adviser and a notice convening the SGM will be despatched to the Shareholders on or before 16 August 2010.

Shareholders and potential investors should note that completion of the Repurchase Offer is subject to the fulfilment of certain conditions precedent as set out in the Announcements. As the Repurchase Offer may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in Shares.

Reference is made to the announcements of the Company dated 23 June 2010 and 5 July 2010 (the “**Announcements**”) in relation to the Repurchase Offer. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

BACKGROUND

Terms of the Repurchase Offer

On 23 June 2010, the Company announced that it proposed to make the Repurchase Offer (subject to the fulfilment of the conditions precedent as described below) to repurchase the Notes and the offer letter dated 30 June 2010 (as varied by the notice of extension dated 5 July 2010) in relation to the Repurchase Offer was sent by the Company to each of the Noteholders. The Repurchase Offer will be made on the following basis:

For each HK\$600 of the outstanding principal amount of the Notes, in respect of which a Noteholder accepts the Repurchase Offer that Noteholder may choose to receive:

Option 1: Offer Consideration Money in the amount of HK\$528, which is equivalent to 88% of the outstanding principal amount of the Notes

Option 2: 1,000 Offer Consideration Shares credited as fully paid at HK\$0.6 per Share, subject to adjustment if the total number of Offer Consideration Shares that accepting Noteholders elected to receive in consideration for all or some of their Notes exceed 200,000,000 Shares in aggregate

Conditions precedent to the Repurchase Offer

The Repurchase Offer (and the Company’s obligation to pay the Offer Consideration Money and/or issue the Offer Consideration Shares as a result of the acceptance of the Repurchase Offer by the Noteholders) is conditional upon:

- (i) the Shareholders (other than those required under the Listing Rules to abstain from voting) approving the Repurchase Offer and the transactions contemplated therein, and the issue of the Offer Consideration Shares pursuant to the terms of the Repurchase Offer; and
- (ii) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Offer Consideration Shares.

If the above conditions precedent are not satisfied on or before 31 October 2010, the Repurchase Offer will lapse. As at the date of this announcement, none of the conditions above has been fulfilled.

CLOSE OF THE REPURCHASE OFFER AND LEVEL OF ACCEPTANCE

The acceptance period of the Repurchase Offer ended at 4:00 p.m. on 5 August 2010. Up to the latest time for acceptance of the Repurchase Offer, valid acceptances in respect of the Notes in an aggregate principal amount of HK\$329,200,000 (representing approximately 51.44% of the aggregate principal amount of all Notes outstanding) were received, of which HK\$262,200,400 was elected for accepting Offer Consideration Money and HK\$66,999,600 was elected for accepting Offer Consideration Shares. According to the terms of the Repurchase Offer, the Company will (subject to the fulfilment of certain conditions precedent to the Repurchase Offer) (i) pay an aggregate of HK\$230,736,352 as the Offer Consideration Money; and (ii) allot and issue an aggregate of 111,666,000 Offer Consideration Shares to the accepting Noteholders. Details of the acceptance of the Repurchase Offer by the Noteholders are set out in the following table:

	Total outstanding principal amount of the Notes (HK\$)	Principal amount of the Notes elected for Option 1 (HK\$)	Principal amount of the Notes elected for Option 2 (HK\$)	Offer Consideration Money payable to the Noteholders (HK\$)	Number of Offer Consideration Shares to be allotted and issued (Shares)
Noteholders					
AWL	114,200,000	114,200,000	–	100,496,000	–
CEL	63,000,000	–	–	–	–
Other Noteholders (other than AWL and CEL)	462,800,000	148,000,400	66,999,600	130,240,352	111,666,000
Total	640,000,000	262,200,400	66,999,600	230,736,352	111,666,000

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structure of the Company (i) as at the date of this announcement; and (ii) upon completion of the Repurchase Offer assuming there is no other changes in shareholding structure of the Company since the date of this announcement.

	As at the date of this announcement		Upon completion of the Repurchase Offer	
	<i>Shares</i>	<i>Approximate %</i>	<i>Shares</i>	<i>Approximate %</i>
AWL (<i>Note 1</i>)	104,076,000	19.06	104,076,000	15.82
CEL and its subsidiaries (<i>Note 2</i>)	58,510,424	10.72	58,510,424	8.90
Mr. Kwok Ka Lap, Alva (<i>Note 3</i>)	7,500	0.00	7,500	0.00
Gentle Hunter Limited (<i>Note 4</i>)	–	–	111,666,000	16.98
Public Shareholders				
Other Noteholders (other than AWL, CEL and Gentle Hunter Limited) (<i>Note 5</i>)	29,575,500	5.42	29,575,500	4.50
Other public Shareholders	353,840,448	64.80	353,840,448	53.80
<i>Subtotal of public Shareholders</i>	<u>383,415,948</u>	<u>70.22</u>	<u>383,415,948</u>	<u>58.30</u>
Total	<u>546,009,872</u>	<u>100.00</u>	<u>657,675,872</u>	<u>100.00</u>

Notes:

1. AWL is a wholly-owned subsidiary of ITC.
2. Million Good Limited, Cosmos Regent Ltd. and Cyber Generation Limited hold 5,334,870 Shares, 43,325,554 Shares and 9,600,000 Shares respectively and are wholly-owned subsidiaries of CEL, which also holds 250,000 Shares.
3. Mr. Kwok Ka Lap, Alva is an independent non-executive Director.

4. Based on the acceptance form received by the Company, Gentle Hunter Limited is the beneficial owner of Notes in principal amount of HK\$67,000,000 registered in the name of Taifook Securities Nominees Limited. Upon the completion of the Repurchase Offer, Gentle Hunter Limited will become a substantial Shareholder as a result of accepting 111,666,000 Offer Consideration Shares as consideration for the Repurchase Offer.
5. The shareholding of the other Noteholders (other than AWL, CEL and Gentle Hunter Limited) is based on the respective acceptance forms received by the Company.
6. Any Noteholder elects to receive Offer Consideration Shares is required under the terms of the Repurchase Offer to warrant that the issue of such Offer Consideration Shares to which it is entitled pursuant to the terms of the Repurchase Offer will not result in it and parties acting in concert with it being required to make a mandatory general offer to the Shares under the Takeovers Code.

GENERAL

As stated in the Announcements, a circular containing, among other things, further details of the Repurchase Offer, the level of acceptance of the Repurchase Offer, the recommendation of the Independent Board Committee, the letter of advice of the independent financial adviser and a notice convening the SGM will be despatched to the Shareholders on or before 16 August 2010.

Shareholders and potential investors should note that completion of the Repurchase Offer is subject to the fulfilment of certain conditions precedent as set out in the Announcements. As the Repurchase Offer may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in Shares.

By Order of the Board
Rosedale Hotel Holdings Limited
Chan Ling, Eva
Managing Director

Hong Kong, 5 August 2010

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Cheung Hon Kit (*Chairman*)
Ms. Chan Ling, Eva (*Managing Director*)
Dr. Yap, Allan
Mr. Chan Pak Cheung, Natalis

Independent non-executive Directors:

Mr. Kwok Ka Lap, Alva
Mr. Poon Kwok Hing, Albert
Mr. Sin Chi Fai