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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)

DISCLOSEABLE TRANSACTION

On 13 October 2010, the Vendor, executed the Bought and Sold Notes, Instrument of Transfer and Deed of Assignment to effect the sale and transfer of the Sale Shares, representing 20% of the issued share capital of Winner World, and assignment of the Sale Loan, to the Purchaser, an independent third party, at a total consideration of HK\$26,435,676.58.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and publication requirements.

THE DISPOSAL

On 13 October 2010, the Vendor and the Purchaser executed the Bought and Sold Notes, Instrument of Transfer and Deed of Assignment to effect the sale and transfer of the Sale Shares and assignment of the Sale Loan by the Vendor to the Purchaser. Details of the Disposal are set out as follows:

Vendor: Fast Choice Investments Limited, an indirect wholly-owned subsidiary of the Company

Purchaser: New World Development Company Limited

The Purchaser is an investment holding company which held 80% equity interest in Winner World immediately prior to the execution of the Bought and Sold Notes and Instrument of Transfer. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for the co-ownership in Winner World, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Assets to be disposed of

- (i) the Sale Shares, representing 20% of the issued share capital of Winner World; and
- (ii) the Sale Loan, representing the entire amount of shareholders' loan due from Winner World to the Vendor as at the date of the Deed of Assignment.

Consideration

The total consideration of the Disposal is HK\$26,435,676.58, of which HK\$24,032,417.65 represents the consideration for the Sale Loan and HK\$2,403,258.93 represents the consideration for the Sale Shares. The total consideration has been paid in cash by the Purchaser to the Vendor upon execution of the Bought and Sold Notes, Instrument of Transfer and Deed of Assignment.

The consideration was determined after arm's length negotiations between the parties, having taken account the face value of the Sale Loan and the unaudited net asset value of Winner World attributable to the Sale Shares as at 30 June 2010. Given that the consideration of the Sale Loan equals to the Sale Loan's face value and the consideration of the Sale Shares represents a premium of approximately 458% over the unaudited net asset value of Winner World attributable to the Sale Shares of HK\$432,302 as at 30 June 2010, the Directors consider that the consideration of the Disposal is fair and reasonable.

Completion

The Disposal was completed on 13 October 2010 upon execution of the Bought and Sold Notes, Instrument of Transfer and Deed of Assignment.

INFORMATION ON WINNER WORLD

Winner World is an investment holding company incorporated in the British Virgin Islands with limited liability. Save for the 50% interests in a development project of resorts and villa in Phuket, Thailand, Winner World has not conducted any significant business since its incorporation. Before Completion, Winner World was owned as to 20% by the Vendor and 80% by the Purchaser.

The following summarizes the unaudited financial information of Winner World for the years ended 30 June 2009 and 30 June 2010, prepared in accordance with the generally accepted accounting principles in Hong Kong:

	For the year ended 30 June 2010 (HK\$'000)	For the year ended 30 June 2009 (HK\$'000)
Net profit/(loss) before taxation and extraordinary items	1,141	(1,680)
Net profit/(loss) after taxation and extraordinary items	1,141	(1,680)
Net assets	2,162	1,021

REASONS FOR THE DISPOSAL

The Group is principally engaged in the provision of hotel and leisure services and trading of securities.

The Directors considered that the Disposal provides an opportunity for the Group to realise its 10% effective interest in the Phuket project at a gain to the Group. Furthermore, the Directors considered that the Disposal would provide additional cash for working capital of the Group and allow the Group to better allocate its resources and focus on the fast growing hotel and leisure business in Greater China. Given the above mentioned potential benefits to be brought by the Disposal to the Group, the Directors are of the view that the terms of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The Directors expect that the net proceeds from the Disposal of approximately HK\$26.23 million (after deducting all relevant fees and expenses) will be used for general working capital of the Group and/or further investment if suitable opportunities are identified in the future.

FINANCIAL EFFECTS OF THE DISPOSAL

The Directors estimated that a gain of approximately HK\$2.20 million, representing the difference between the total consideration of the Disposal (after deducting the estimated transaction costs) and the carrying value of Winner World in the Group's accounts, would be recognized by the Group from the Disposal.

GENERAL

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and publication requirements.

DEFINITIONS

In this announcement, the following expressions shall have the meanings stated below unless the context otherwise requires:-

“Board”	the board of Directors
“Bought and Sold Notes”	the bought and sold notes dated 13 October 2010 executed by the Vendor and the Purchaser in respect of the sale of the Sale Shares
“Company”	Rosedale Hotel Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Deed of Assignment”	the deed of assignment dated 13 October 2010 executed by the Vendor, the Purchaser and Winner World in respect of the assignment of the Sale Loan by the Vendor to the Purchaser
“Director(s)”	director(s) of the Company
“Disposal”	the sale and transfer of the Sale Shares and assignment of the Sale Loan by the Vendor to the Purchaser pursuant to the Bought and Sold Notes, Instrument of Transfer and Deed of Assignment
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China

“Instrument of Transfer”	the instrument of transfer dated 13 October 2010 executed by the Vendor and the Purchaser in respect of the transfer of the Sale Shares from the Vendor to the Purchaser
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	New World Development Company Limited
“Sale Loan”	HK\$24,032,417.65, being the entire amount of the shareholder’s loan due from Winner World to the Vendor as at the date of the Deed of Assignment
“Sale Shares”	two ordinary shares of US\$1.00 each in the issued share capital of Winner World
“Shareholder(s)”	the holder(s) of the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Fast Choice Investments Limited, an indirect wholly-owned subsidiary of the Company
“Winner World”	Winner World Group Limited

By Order of the Board
Rosedale Hotel Holdings Limited
Cheung Hon Kit
Chairman

Hong Kong, 13 October 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