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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 26 September 2011, the Vendor entered into the Disposal Agreement with the Purchaser in relation to the Disposal, being the disposal of the entire issued share capital of Gold Richly (being the Sale Share). The Consideration is RMB45,000,000 (equivalent to approximately HK\$55,059,000), of which RMB5,000,000 is payable by the Purchaser as part payment of the Consideration to the Vendor upon signing of the Disposal Agreement and the balance of RMB40,000,000 shall be payable to the Vendor on the Completion Date.

Gold Richly is an investment holding company which is directly interested in the entire equity interest of the WFOE. As at the date of this announcement, the WFOE is holder of the Property.

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

THE DISPOSAL AGREEMENT

Date

26 September 2011

Parties

Vendor : Sino Express Travel Limited, a subsidiary of the Company, the issued share capital of which is beneficially owned as to 66.42% by the Company

Purchaser : Dai Guan Qiang[#] (戴觀強), a PRC resident

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is a third party independent of the Group and independent of its connected persons (as defined in the Listing Rules) of the Group.

Assets disposed of

Pursuant to the Disposal Agreement, the Company has agreed to sell to the Purchaser the Sale Share, representing the entire issued share capital of Gold Richly.

Consideration

The Consideration is RMB45,000,000 (equivalent to approximately HK\$55,059,000), of which RMB5,000,000 is payable by the Purchaser as part payment of the Consideration to the Vendor upon signing of the Disposal Agreement and the balance of RMB40,000,000 shall be payable to the Vendor on the Completion Date.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor, after taking into account (i) the unaudited consolidated net liabilities of the Gold Richly Group as at 30 June 2011 of approximately HK\$5,180,000 and (ii) the carrying value of the Property in the amount of approximately HK\$45,000,000 as at 30 June 2011. The Directors consider the terms of the Disposal are fair and reasonable and are on normal commercial terms and it is in the interests of the Company and the Shareholders as a whole.

Condition precedent

Completion is not subject to any condition precedent.

Completion

Completion shall take place on such date as the Purchaser and the Vendor may agree in writing, but in any event shall not be later than 31 October 2011. Upon Completion, the Gold Richly Group will cease to be subsidiaries of the Company.

INFORMATION ON GOLD RICHLY

Gold Richly was incorporated in Hong Kong on 12 February 2007. It is an investment holding company and its principal investment is its holding of the entire equity interests of the WFOE. The WFOE was established in the PRC on 20 April 2004, which directly owns the Property. The Property comprises a resort hotel development with three blocks of one to two-storey buildings erected on two parcels of land having a total site area of approximately 50,901 square metres located at Zhapo Village, Hailing Island, Yangjiang City, Guangdong Province, the PRC (陽江市閘坡鎮).

FINANCIAL INFORMATION OF THE GOLD RICHLY GROUP

Set out below is the consolidated financial information of the Gold Richly Group for each of the two years ended 31 December 2010 and the six months ended 30 June 2011 which was prepared in accordance with Hong Kong Financial Reporting Standards:

	For the year ended 31 December 2009 (HK\$'000) unaudited	For the year ended 31 December 2010 (HK\$'000) unaudited	For the six months ended 30 June 2011 (HK\$'000) unaudited
Net asset (liabilities)	4,207	(4,309)	(5,180)
Loss before taxation	2,884	9,841	601
Loss after taxation	2,884	9,841	601

As at the date of the Disposal Agreement, there was outstanding shareholder's loan owing by Gold Richly to Vendor in the amount of approximately HK\$48,000,000, which shall be waived by the Vendor prior to Completion.

FINANCIAL EFFECT OF THE DISPOSAL

Based on (i) the Consideration of RMB45,000,000; (ii) the above unaudited consolidated net liabilities of the Gold Richly Group of HK\$5,180,000 as at 30 June 2011; (iii) waiver of shareholder's loan of approximately HK\$48,000,000; and (iv) estimated expenses in relation to the Disposal of approximately HK\$1,500,000, it is estimated that the gain on the Disposal shall be approximately HK\$10,700,000. The Company intends to use the sale proceeds as general working capital of the Group and for the operation of its hotel and leisure business.

REASONS FOR THE DISPOSAL

The Group is principally engaged in hotel and leisure services as well as trading of securities.

Considering the continuous loss of the Gold Richly Group and the sluggish tourism of Hailing Island, the Board believes that it is beneficial for the Company to dispose of the Property to realise the gain. The Board also believes that the Disposal would enable the Group to enhance its working capital position and to further improve its liquidity. The Directors consider that the terms and conditions of the Disposal Agreement are fair and reasonable, and the Disposal is in the best interest of the Company and its Shareholders as a whole.

GENERAL

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Rosedale Hotel Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange

“Completion”	completion of the Disposal
“Completion Date”	a date as the Purchaser and the Vendor may agree in writing, which shall not be later than 31 October 2011
“Consideration”	the consideration for the Disposal, being RMB45,000,000
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Share pursuant to the Disposal Agreement
“Disposal Agreement”	the agreement dated 26 September 2011 entered into between the Vendor and the Purchaser in relation to the Disposal
“Gold Richly”	Gold Richly Limited (金富利有限公司), a limited company incorporated in Hong Kong
“Gold Richly Group”	Gold Richly and the WFOE
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Property”	the property situated in Zhapo Village, Hailing Island, Yangjiang City, Guangdong Province, the PRC (陽江市閘坡鎮) of a total gross floor area of approximately 50,901 square metres
“Purchaser”	Dai Guan Qiang, a PRC resident

“Sale Share”	the one share in the issued share capital in Gold Richly, representing its entire issued share capital
“Shares”	share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Sino Express Travel Limited, a subsidiary of the Company, the issued share capital of which is beneficially owned as to 66.42% by the Company
“WFOE”	陽江市東方銀灘歡樂廣場服務有限公司, a wholly foreign owned enterprise established in the PRC, the entire equity interest of which is owned by Gold Richly
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

Conversion of RMB into HK\$ is based on the exchange rate of RMB0.8173 = HK\$1.00.

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

Hong Kong, 26 September 2011

For identification purposes only

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

Executive Directors:

Mr. Cheung Hon Kit (*Chairman*)

Ms. Chan Ling, Eva (*Managing Director*)

Mr. Chan Pak Cheung, Natalis

Independent Non-executive Directors:

Mr. Kwok Ka Lap, Alva

Mr. Poon Kwok Hing, Albert

Mr. Sin Chi Fai