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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
RELATING TO
ACQUISITION OF 5.05% EQUITY INTEREST IN
APEX QUALITY GROUP LIMITED**

On 13 January 2012, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor which is an Independent Third Party. Pursuant to the Agreement, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares at a total cash consideration of HK\$62,000,000.

As at the date of this announcement, the Company is interested in approximately 83.1% equity interest in Apex Quality and the Sale Shares represent approximately 5.05% of the issued share capital of Apex Quality. Upon Completion, the Company's equity interest in Apex Quality will increase to approximately 88.2% and Apex Quality will remain as an indirect non wholly-owned subsidiary of the Company.

As the applicable percentage ratios (as defined in the Listing Rules) of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

THE AGREEMENT

Date:

13 January 2012

Parties:

- (i) Purchaser: Easy Vision Holdings Limited; and
- (ii) Vendor: Carry Worldwide Limited

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendor is engaged in investment holding and save for being a shareholder of Apex Quality holding 16,079,000 shares in Apex Quality (representing approximately 5.8% of its issued share capital) prior to the Acquisition, each of the Vendor and its ultimate beneficial owner is an Independent Third Party. The Group has not involved in any previous transaction with the Vendor in the previous 12 months which would otherwise require aggregation with the Acquisition pursuant to Rule 14.22 of the Listing Rules.

Assets to be acquired

The Sale Shares, being 14,000,000 ordinary shares of US\$0.02 each in the capital of Apex Quality beneficially and legally owned by the Vendor, represent approximately 5.05% of the issued share capital of Apex Quality as at the date of this announcement.

The Sale Shares shall be acquired free from all liens, charges and encumbrances and together with all rights attaching thereto including all dividends and distributions declared, made or paid on or after the date of completion of the Acquisition.

Consideration

The total consideration for the Sale Shares is HK\$62,000,000 which shall be settled in cash upon Completion. The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser having taken into account the financial position of the Apex Quality Group, the appreciation in the value of the hotel properties owned by the Apex Quality Group and the future prospects of the hotel business of the Apex Quality Group in the PRC.

The cash consideration will be funded by internal resources of the Group.

Completion

The Acquisition is unconditional and shall take place on or before the fifth business day next following the date of the Agreement.

As at the date of this announcement, Fast Choice Investments Limited, a wholly-owned subsidiary of the Purchaser and an indirect wholly-owned subsidiary of the Company is the legal and beneficial owner of 230,652,527 Shares, representing approximately 83.1% of the issued share capital of Apex Quality. Upon Completion, the Company's equity interest in Apex Quality will increase from approximately 83.1% to approximately 88.2% and Apex Quality will remain as an indirect non wholly-owned subsidiary of the Company.

INFORMATION ON THE APEX QUALITY GROUP

Apex Quality is a limited company incorporated in the BVI on 23 April 2003. It is an investment holding company with its subsidiaries principally engaged in the business of hotel management and hotel operation in Hong Kong and in the PRC.

The table below sets out the consolidated financial information of the Apex Quality Group which was prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended	
	31 December	
	2010	2009
	(audited)	
	<i>HK\$'000</i>	
Turnover	267,979	240,481
(Loss)/profit before taxation	(85,057)	171,014
(Loss)/profit after taxation	(80,947)	174,096

As at 30 September 2011, Apex Quality Group recorded an unaudited equity attributable to owners of Apex Quality of approximately HK\$881.8 million.

REASONS FOR THE ACQUISITION

The Company is an investment holding company and its subsidiaries are principally engaged in the business of hotel and leisure services and trading of securities.

As stated in the interim report for the six months ended 30 June 2011, the Group is cautiously optimistic about the prospects of its business by focusing continuously on the strong PRC market and that the Group shall concentrate to procure and to operate quality leased-and-operated hotels in the PRC. Seeing that the demand for four-star rated business hotel accommodation in the PRC is promising in the foreseeable future and as the Apex Quality Group has established a long track record of hotel operation in the PRC, the Acquisition is in line with the Group's business strategy to focus its resources on expanding its hotel and leisure business. Accordingly, the Directors consider that the Acquisition would further consolidate the Group's interest in Apex Quality and enhance the Group's position in the hospitality industry in the PRC. The Directors also consider that the potential value of the hotel properties of the Apex Quality Group in the PRC could be benefited from the revitalizing property market condition and the Acquisition could further increase the Group's interest in such potential benefits.

The Directors are of the opinion that the terms of the Agreement are fair and reasonable and the Acquisition is on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

GENERAL

As the applicable percentage ratios (as defined in the Listing Rules) of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings as set out below:–

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the terms of the Agreement
“Agreement”	the conditional sale and purchase agreement dated 13 January 2012 entered into between the Purchaser and the Vendor in respect of the Acquisition
“Apex Quality”	Apex Quality Group Limited, a company incorporated in the BVI with limited liability and is beneficially owned as to approximately 83.1% by the Company as at the date of this announcement
“Apex Quality Group”	Apex Quality and its subsidiaries
“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands

“Company”	Rosedale Hotel Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1189)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement
“Consideration”	the consideration of HK\$62,000,000 for the Acquisition
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) who is/are independent of and not connected with the Company and any of the directors, chief executive, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates
“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, Macau and Taiwan
“Purchaser”	Easy Vision Holdings Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Sale Shares”	14,000,000 ordinary shares of US\$0.02 each in the capital of Apex Quality, representing approximately 5.05% of the issued share capital of Apex Quality

“Shareholder(s)”	holder(s) of the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Carry Worldwide Limited, a company incorporated in the BVI with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America

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

Hong Kong, 13 January 2012

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