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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 29 April 2013 (after trading hours), the Vendor entered into the Disposal Agreement with the Purchasers in relation to the Disposal, being the disposal of the entire issued share capital and interests of the Target (being the Sale Interests) at the Consideration, being HK\$52,000,000 (equivalent to MOP53,560,000).

The Target holds a lease contract for the operation of the Hotel in Macau. The Hotel has not yet been in operation, pending the grant of a hotel licence by the relevant governmental authority.

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 and subject to the notification and announcement requirements under the Listing Rules.

Reference is made to the announcements of the Company dated (i) 24 October 2012 in relation to the memorandum of understanding and (ii) 25 January 2013 in relation to the supplemental memorandum of understanding, both regarding the possible disposal of the Target.

The Board is pleased to announce that on 29 April 2013 (after trading hours), the Vendor, a subsidiary of the Company, entered into the Disposal Agreement with the Purchasers in relation to the Disposal at the Consideration, being HK\$52,000,000 (equivalent to MOP53,560,000). Set out below is the principal terms of the Disposal Agreement:

THE DISPOSAL AGREEMENT

Date

29 April 2013 (after trading hours)

Parties

Vendor : Enjoy Media Holdings Limited, a subsidiary of the Company

Purchaser : the Purchasers, being:

(i) Kong Wa;

(ii) Tong Hon Va; and

(iii) Cheong Soi Un

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

Assets disposed of and Consideration

Set out below is the Sale Interests acquired by and the amount of Consideration payable by each of the Purchasers:

	The amount of registered capital comprising the Sale Interests	Percentage holding	Consideration
Kong Wa	MOP59,000	59%	HK\$30,680,000 (equivalent to MOP31,600,400)
Tong Hon Va	MOP30,000	30%	HK\$15,600,000 (equivalent to MOP16,068,000)
Cheong Soi Un	MOP11,000	11%	HK\$5,720,000 (equivalent to MOP5,891,600)

The Sale Interests represent the entire issued share capital and interests of the Target.

The Consideration is HK\$52,000,000 (equivalent to MOP53,560,000) which shall be payable as follows:

- (a) as to HK\$15,600,000 (equivalent to approximately MOP16,068,000) which was paid by Kong Wa, one of the Purchasers, to the Vendor as earnest money and part payment of the Consideration pursuant to the memorandum of understanding and supplemental memorandum of understanding as set out in the announcements of the Company dated 24 October 2012 and 25 January 2013, such amount has automatically become deemed payment of equivalent amount of the Consideration upon the signing of the Disposal Agreement by the Purchasers (as to HK\$9,204,000 (equivalent to MOP9,480,120) deemed to be paid by Kong Wa, as to HK\$4,680,000 (equivalent to MOP4,820,400) deemed to be paid by Tong Hon Va, and as to HK\$1,716,000 (equivalent to MOP1,767,480) deemed to be paid by Cheong Soi Un);
- (b) as to HK\$18,200,000 (equivalent to MOP18,746,000), by the Purchasers (as to HK\$10,738,000 (equivalent to MOP11,060,140) by Kong Wa, as to HK\$5,460,000 (equivalent to MOP5,623,800) by Tong Hon Va and as to HK\$2,002,000 (equivalent to MOP2,062,060) by Cheong Soi Un) to the Vendor upon signing of the Disposal Agreement as part payment of the Consideration; and

- (c) as to the remaining balance of HK\$18,200,000 (equivalent to MOP18,746,000), by the Purchasers (as to HK\$10,738,000 (equivalent to MOP11,060,140) by Kong Wa, as to HK\$5,460,000 (equivalent to MOP5,623,800) by Tong Hon Va and as to HK\$2,002,000 (equivalent to MOP2,062,060) by Cheong Soi Un) to the Vendor on or before 31 July 2013.

As at the date of this announcement, the amount set out in paragraph (b) above has been paid by the Purchasers.

The Consideration was determined after arm's length negotiations between the Purchasers and the Vendor, after taking into account (i) the age of the hotel property; (ii) the average room rates and average occupancy rates of the Macau hotel sector; and (iii) the rating of the Hotel. The Directors consider that the terms and conditions of Disposal Agreement (including the Consideration) are fair and reasonable, and the Disposal is in the best interest of the Company and its Shareholders as a whole.

Condition precedent

Completion is not subject to any condition precedent.

Completion

Completion has taken place immediately upon signing of the Disposal Agreement.

INFORMATION ON THE TARGET

The Target was incorporated in Macau on 21 October 2005. Its principal activity involves the holding of a lease contract for the operation of the Hotel in Macau. The Hotel is a three-star hotel located at Zona de Aterros do Porto Exterior No. S/N, Quarteirão 9, Lote "B2", Macau, which has not yet been in operation, pending the grant of a hotel licence by the relevant governmental authority.

FINANCIAL INFORMATION OF THE TARGET

Set out below is the unaudited financial information of the Target for each of the two years ended 31 December 2012 and for the three months ended 31 March 2013, which were prepared in accordance with Hong Kong Financial Reporting Standards:

	For the year ended 31 December 2011 (HK\$'000) unaudited	For the year ended 31 December 2012 (HK\$'000) unaudited	For the three months ended 31 March 2013 (HK\$'000) unaudited
Net asset value	60,057	60,821	58,321
Net profit/(loss) before taxation	517	474	121
Net profit/(loss) after taxation	517	474	121

FINANCIAL EFFECT OF THE DISPOSAL

Based on (i) the Consideration of HK\$52,000,000; and (ii) the unaudited net asset value of the Target as at 31 March 2013 of approximately HK\$58,321,000, it is estimated that the loss on the Disposal shall be approximately HK\$6,321,000. The Company intends to use the sale proceeds for its hotel operating business and as general working capital of the Group.

REASONS FOR THE DISPOSAL

The Group is principally engaged in hotel operation and trading of securities.

The Target was acquired by the Group a few years ago to enable the Group to enter into the budget hotel market in Macau. As at the date of this announcement, the hotel licence, responsible to be obtained by the landlord of the Hotel, has not yet been issued by the relevant governmental authority. Since the hotel property has been erected for a number of years, further substantial resources shall have to be allocated to maintain the Hotel at a reasonable operating standard. Furthermore the Group has no control as to the timing of the issuance of the hotel licence, the Disposal provides the Group an exit opportunity and to focus its resources on other core business. The Directors consider that the terms and conditions of Disposal Agreement (including the Consideration) are fair and reasonable, and the Disposal is in the best interest of the Company and its Shareholders as a whole. Upon Completion, the Target will cease to be subsidiary of the Company.

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 and is subject to the notification and announcement requirements under 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
“Consideration”	the consideration for the Disposal, being HK\$52,000,000 (equivalent to approximately MOP53,560,000)
“Directors”	the directors of the Company

“Disposal”	the disposal of the Sale Interests pursuant to the Disposal Agreement
“Disposal Agreement”	the agreement dated 29 April 2013 entered into between the Vendor and the Purchasers in relation to the Disposal
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hotel”	東煌酒店 Oriental Dynasty Hotel, a three-star hotel in Macau
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Purchasers”	Kong Wa, Tong Hon Va and Cheong Soi Un
“Sale Interests”	the entire registered capital, in the amount of MOP100,000 (equivalent to approximately HK\$97,087.38), and interests in the Target
“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
“Target”	Square Inn Hotel Management Limited (方圓四季酒店管理有限公司), a limited company incorporated in Macau

“Vendor”	Enjoy Media Holdings Limited, a subsidiary of the Company
“MOP”	Macau Pataca, the lawful currency of Macau
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

For the purpose of this announcement, the conversion rate between HK\$ and MOP is set at HK\$1.00 = MOP1.03.

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

Hong Kong, 29 April 2013

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