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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)**

# **VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DEEMED DISPOSAL OF INTEREST IN ROSEDALE BEIJING AND RESUMPTION OF TRADING**

## **THE CAPITAL INCREASE AGREEMENT**

On 31 May 2013, DS Eastin, the Investor, Rosedale Beijing and the Company entered into the Capital Increase Agreement, pursuant to which the Investor has conditionally agreed to procure its subsidiary, the PRC Investor, to make a capital contribution of US\$68.8 million (representing approximately HK\$533.9 million) in cash to the registered capital of Rosedale Beijing, and the Company, as guarantor, has agreed to guarantee the performance of the obligations of DS Eastin under the Capital Increase Agreement and the transactions thereunder.

As at the date of this announcement, the Company holds approximately 88.2% equity interest in DS Eastin, which in turn holds the entire paid-up capital of Rosedale Beijing. Rosedale Beijing is a wholly foreign-owned enterprise established in the PRC with registered and paid-up capital of US\$17.2 million (representing approximately HK\$133.5 million). Upon Completion, Rosedale Beijing will become a sino-foreign joint venture entity with registered capital of US\$86.0 million (representing approximately HK\$667.4 million) held as to 80% by the PRC Investor and as to 20% by DS Eastin. As a result, the Company's equity interest in Rosedale Beijing will be reduced from approximately 88.2% to approximately 17.6% and Rosedale Beijing will cease to be a subsidiary of the Company.

The Capital Increase Agreement further provides that the Investor shall pay DS Eastin the Compensated Amount within six months after the Completion Date in consideration of DS Eastin waiving its pre-emption rights to make the capital contribution.

## **LISTING RULES IMPLICATIONS**

The Capital Injection constitutes a deemed disposal of the Group's equity interest in Rosedale Beijing under Rule 14.29 of the Listing Rules and the Deemed Disposal constitutes a very substantial disposal for the Company under the Listing Rules. The Capital Increase Agreement and the transactions contemplated thereunder are therefore subject to the reporting, announcement and shareholders' approval requirement under the Listing Rules. SGM will be convened by the Company to consider and, if thought fit, approve the Capital Increase Agreement and the transactions contemplated thereunder.

## **GENERAL**

A circular containing details of the Capital Increase Agreement, the financial information of Rosedale Beijing and the Remaining Group, the valuation report on the Property, a notice convening the SGM and other information required under the Listing Rules will be despatched to the Shareholders on or before 24 July 2013 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

## **RESUMPTION OF TRADING**

Trading of Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:00 a.m. on Friday, 31 May 2013 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading of Shares with effect from 9:00 a.m. on Thursday, 6 June 2013.

On 31 May 2013, DS Eastin, the Investor, Rosedale Beijing and the Company entered into the Capital Increase Agreement, pursuant to which the Investor has conditionally agreed to procure its subsidiary, the PRC Investor, to make a capital contribution of US\$68.8 million (representing approximately HK\$533.9 million) in cash to the registered capital of Rosedale Beijing, and the Company, as guarantor, has agreed to guarantee the performance of the obligations of DS Eastin under the Capital Increase Agreement and the transactions thereunder. Set out below are the principal terms of the Capital Increase Agreement.

## **THE CAPITAL INCREASE AGREEMENT**

### **Date:**

31 May 2013

### **Parties:**

- (i) DS Eastin, which is beneficially owned as to approximately 88.2% by the Company as at the date of this announcement;
- (ii) the Investor;
- (iii) Rosedale Beijing, a wholly-owned subsidiary of DS Eastin; and
- (iv) the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Investor and its ultimate beneficial owner(s) are Independent Third Parties. The Investor is principally engaged in investment holding.

## **Capital Injection:**

As at the date of this announcement, the registered capital of Rosedale Beijing is US\$17.2 million (representing approximately HK\$133.5 million) and has been fully paid up by DS Eastin. Pursuant to the Capital Increase Agreement, the Investor has conditionally agreed to procure its subsidiary, the PRC Investor, to make a capital contribution of US\$68.8 million (representing approximately HK\$533.9 million) in cash (which will be payable in RMB at the applicable exchange rate as at the time of making of the capital contribution) to the increased registered capital of Rosedale Beijing in the following manner:

- (a) a deposit in the amount of RMB160.0 million (representing approximately US\$25.9 million) (“**Deposit**”) shall be paid by the PRC Investor to the escrow agent within three Business Days after the signing of the Capital Increase Agreement and the Deposit shall be released for paying up part of the capital contribution on the Completion Date; and
- (b) the remaining balance of approximately RMB265.3 million (representing approximately US\$42.9 million) for the Capital Injection shall be paid by the PRC Investor on the Completion Date.

The amount of the Capital Injection was determined after arm’s length negotiations between parties to the Capital Increase Agreement with reference to the amount of the DS Eastin Loan, the amount of the BEA China Loan and initial capital requirement for the Extension. As at the date of this announcement, the PRC Investor has paid the Deposit to the escrow agent. Upon Completion, Rosedale Beijing will have an increased registered capital of US\$86.0 million (representing approximately HK\$667.4 million) and its equity interest will be owned as to 80% by the PRC Investor and as to 20% by DS Eastin. As agreed by the parties to the Capital Increase Agreement, Rosedale Beijing shall first apply the amount of the Capital Injection for repayment of the DS Eastin Loan, the BEA China Loan and outstanding amount due to DS Eastin’s Related Parties as shown in the Completion Accounts.

## **Conditions:**

Completion is conditional upon fulfillment or, as the case may be, waiver of the following conditions:

- (a) the warranties given by DS Eastin in the Capital Increase Agreement remaining true and accurate in all material respects and not misleading;

- (b) BEA Hong Kong and BEA China issuing document to DS Eastin and Rosedale Beijing respectively confirming without any conditions that (i) it would release the relevant charges over the entire equity interest in and the account receivables of Rosedale Beijing and the Property upon the receipt of repayment of not more than RMB240.0 million (representing approximately HK\$302.4 million) or its Hong Kong dollars equivalent; and (ii) it agrees to the Capital Injection;
- (c) Rosedale Beijing having obtained the approval for Capital Injection from the relevant governmental and/or official authorities; and
- (d) the passing of the ordinary resolution by the Shareholders (other than those who are required to abstain from voting under the Listing Rules) at a special general meeting of the Company approving the Capital Increase Agreement and the transactions contemplated thereunder.

The Investor has absolute discretion to waive condition (a) above whilst condition (b) can only be waived by mutual agreement between DS Eastin and the Investor.

If the conditions above are not satisfied or waived (except conditions (c) and (d) which are incapable of being waived) on or before the 120th day after the date of the Capital Increase Agreement (or such other date as DS Eastin and the Investor may agree in writing), the Capital Increase Agreement shall lapse and there shall be no further liability on the parties (save in respect of any antecedent breach). In addition, the Deposit (together with interest accrued thereon) shall be returned to the PRC Investor.

### **Completion:**

Completion shall take place on the third Business Day following the fulfillment or waiver (as the case may be) of the conditions precedent (b) to (d) above and the condition precedent (a) remaining fulfilled (unless waived by the Investor). Upon Completion, Rosedale Beijing will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the financial statements of the Group.

In the event that (i) the PRC Investor fails to pay the balance of the Capital Injection and/or execute the Share Pledge and/or the ancillary documents on the Completion Date and/or (ii) the Investor and/or the PRC Investor is/are in material breach of its obligations under the Capital Increase Agreement which is not remedied within 14 days of written notice from DS Eastin, DS Eastin shall be entitled by written notice to the Investor to terminate the Capital Increase Agreement whereupon DS Eastin shall be entitled to forfeit 50% of the Deposit (together with interest accrued thereon) as agreed damages and the remaining 50% of the Deposit (together with interest accrued thereon) shall be returned to the PRC Investor. On the other hand, in the event that (i) DS Eastin is in material breach of the warranties it gave under Capital Increase Agreement and/or (ii) it is in material breach of its obligations under the Capital Increase Agreement which is not remedied within 14 days of written notice from the Investor, the Investor shall be entitled by written notice to DS Eastin to terminate the Capital Increase Agreement whereupon DS Eastin shall return the Deposit (together with interest accrued thereon) to the PRC Investor and compensate a sum of RMB80.0 million (representing approximately HK\$100.8 million) to the Investor as agreed damages. In each case, the party not in default shall not make any further claim of any nature against the defaulting party.

The Investor has the right, before the issue of the relevant government approval for the Capital Injection, to terminate the Capital Increase Agreement if it is ascertained that the total development area of the Land (總建設用地規模) as finally affirmed by the relevant government authorities is less than 14,000 square meters. If the Investor exercises such right of termination, the Deposit (together with interest accrued thereon) shall be returned to the PRC Investor and none of the parties under the Capital Increase Agreement shall have any further liabilities thereunder.

### **Compensation:**

Pursuant to the Capital Increase Agreement, DS Eastin has agreed to waive its pre-emption rights to make the capital contribution to Rosedale Beijing and in consideration of the same the Investor has agreed to pay DS Eastin the amount of compensation (the “**Compensated Amount**”) determined in accordance with the following formula within six months after the Completion Date:

Compensated Amount	=	RMB800 million less
		(i) total amount paid by Beijing Rosedale to settle the DS Eastin Loan in full;
		(ii) total amount paid by Beijing Rosedale to settle the BEA China Loan in full; and
		(iii) 20% of the Residual Capital

Based on the information and exchange rates as at the date of the Capital Increase Agreement, the Compensated Amount is estimated to be approximately RMB530.2 million (representing approximately HK\$668.1 million). The obligation of the Investor to pay the Compensated Amount is to be secured by the Share Pledge by the PRC Investor over 50% of the equity interest in Rosedale Beijing. Prior to the approval and due registration of the Share Pledge by the relevant official authorities, the Investor has agreed to procure the PRC Investor to nominate only two directors to Rosedale Beijing with the other three directors remaining nominees of DS Eastin.

The Compensated Amount was determined after arm's length negotiations between the parties to the Capital Increase Agreement and with reference to (i) the preliminary valuation of the Property as at 31 May 2013 by an independent property valuer; and (ii) the prospect of the hotel industry in Beijing, the PRC.

If the Net Current Assets of Rosedale Beijing as shown in the Completion Accounts is a positive amount, the Investor shall pay to DS Eastin a sum equal to 80% of such amount and if the Net Current Assets as shown in the Completion Accounts is a negative amount, DS Eastin shall pay to the Investor a sum equal to 80% of such amount, each within seven Business Days after receipt of the Completion Accounts.

#### **Capital Commitment:**

It is agreed that after the Completion Date any premium payable to the government authorities for the Extension shall first be paid out from the Residual Capital and any shortfall shall be borne by between the PRC Investor and DS Eastin in accordance with their shareholding percentage in Rosedale Beijing provided that the maximum amount payable by DS Eastin shall not exceed RMB30.0 million (representing approximately HK\$37.8 million).

#### **Shareholders' Agreement:**

In conjunction with the Capital Injection, the PRC Investor and DS Eastin shall enter into the Shareholders' Agreement and adopt a new set of articles of association for Beijing Rosedale within three Business Days after the fulfillment of the conditions (b) and (d) as mentioned under the paragraph headed "Conditions" above.

The Shareholders' Agreement regulates the rights and obligations as between the PRC Investor and DS Eastin in respect of certain matters pertaining to the ownership, operation, management and governance of Rosedale Beijing. The major provisions of the Shareholders' Agreement are set out below:

**1. Pre-emptive right**

If (i) DS Eastin proposes to transfer 50% or more of its equity interest in Rosedale Beijing to a third party or (ii) the PRC Investor proposes to transfer 50% or more of its equity interest in Rosedale Beijing to a third party, the other shareholder shall have the right to purchase the said equity interest on the same terms and conditions.

**2. Appointment of directors**

The board of directors of Rosedale Beijing shall comprise five directors, of which the PRC Investor shall be entitled to nominate four and DS Eastin shall be entitled to nominate one.

**3. Matters requiring unanimous shareholders' approval**

Certain material matters shall require the approval of both shareholders before implementation. Such matters include amendment of constitutional documents, its termination or liquidation, the creation of encumbrances against assets other than for obtaining loans from financial institutions for its working capital, the giving of guarantees and indemnities for the benefit of third parties, acquisition of real estate assets, disposal of real estate assets exceeding 20% of the total floor areas owned (singly or in aggregate in one year), borrowing from or lending to shareholders.

**INFORMATION ON ROSEDALE BEIJING**

As at the date of this announcement, the Company holds approximately 88.2% equity interest in DS Eastin, which in turn holds the entire paid-up capital of Rosedale Beijing. Rosedale Beijing is a wholly foreign-owned enterprise established in the PRC with registered and paid-up capital of US\$17.2 million (representing approximately HK\$133.5 million). Upon Completion, Rosedale Beijing will become a sino-foreign joint venture entity with registered capital of US\$86.0 million (representing approximately HK\$667.4 million).



Rosedale Beijing is principally engaged in hotel ownership and operation and its principal asset is the ownership of the Property. The Property is located at No.8, Jiang Tai Road West, Chao Yang District, Beijing, the PRC and currently known as Rosedale Hotel & Suites. It has a gross floor area of approximately 37,173 square meters with 462 guestrooms and a shopping arcade. Based on the preliminary assessment of Asset Appraisal Limited, an independent property valuer, the market value of the Property as at 31 May 2013 is estimated to be approximately HK\$1,190.7 million.

According to the unaudited financial information of Rosedale Beijing, which was prepared under the generally accepted accounting principles in the PRC, Rosedale Beijing recorded an unaudited net assets position of approximately RMB34.4 million (representing approximately HK\$43.3 million), excluding the outstanding shareholder's loan of approximately RMB263.2 million (representing approximately HK\$331.6 million) as at 30 April 2013. Set out below is the audited financial information on Rosedale Beijing prepared under the generally accepted accounting principles in the PRC:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2011</b>	<b>2012</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	75,028	82,360
Net Loss before taxation	3,780	1,581
Net Loss after taxation	3,780	1,581

## **FINANCIAL EFFECT OF THE CAPITAL INJECTION**

Upon Completion, the Company's equity interest in Rosedale Beijing will be reduced from approximately 88.2% to approximately 17.6% and Rosedale Beijing will cease to be a subsidiary of the Company. Accordingly, the financial results of Rosedale Beijing will no longer be consolidated into the financial statements of the Group. Subject to the review by the Company's auditors, the Group expects to recognise a gain on the Deemed Disposal of approximately HK\$537.7 million attributable to the owners of the Company which is calculated based on (i) the net Compensated Amount of approximately HK\$663.0 million (after netting off the estimated direct expenses in relation to the Deemed Disposal); (ii) the net asset value of Rosedale Beijing on the Company's accounts of approximately HK\$350.3

million as at 30 April 2013; (iii) the net asset value of Rosedale Beijing on the Company's accounts of approximately HK\$177.2 million as at 30 April 2013 assuming Completion had been taken place; (iv) the non-controlling interests of the Company of approximately HK\$72.6 million; and (v) the realisation of reserves upon the Deemed Disposal of approximately HK\$120.4 million. Shareholders should note that the actual gain or loss from the Deemed Disposal to be recorded by the Company will depend on the financial position of Rosedale Beijing as at Completion.

## **PROPOSED USE OF PROCEEDS**

The net proceeds from the Deemed Disposal is estimated to be approximately HK\$663.0 million, assuming there being no change in the amount of the DS Eastin Loan and the BEA China Loan from the date of the Capital Increase Agreement to the Completion Date. The Company intends to apply such net proceeds as to (i) approximately HK\$300.0 million to reduce the loan and other borrowings of the Company; (ii) approximately HK\$300.0 million for other investment opportunities; and (iii) the remaining balance of approximately HK\$63.0 million as general working capital of the Group on its hotel operation business. As at the date of this announcement, the Company has identified some potential investment targets, but no formal or legally binding agreement has been entered into by the Company with any party. Further announcement(s) will be made by the Company in accordance with the requirements of the Listing Rules as and when appropriate.

## **REASONS FOR THE ENTERING INTO THE CAPITAL INCREASE AGREEMENT**

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

As stated in the annual report of the Company for the year ended 31 December 2012, the Group has obtained an approval by the Beijing Municipal Commission of Urban Planning for the Extension and had a preliminary plan to increase its gross floor area by 25,000 square meters with the addition of approximately 250 guestrooms, a swimming pool and other ancillary facilities at the standard of a 5-star rated hotel. The management of the Company estimates that a substantial amount of capital would be required for the Extension. In view of the difficulty and relatively high cost in obtaining further capital from banks and/or other financial institutions, the Capital Injection would be an efficient and cost-effective way to obtain additional capital for financing the plan of the Extension.

Taking into account the Company's gearing ratio of 54.3% (measured as total borrowings to equity attributable to owners of the Company) as at 31 December 2012, the financing cost as well as the significant capital requirement for the extension of the Property, the Company has waived its pre-emption rights to make the capital contribution to Rosedale Beijing. Upon Completion, the Company will still hold approximately 17.6% equity interest in Rosedale Beijing (through the holding of approximately 88.2% equity interest in DS Eastin, which in turn will hold 20% equity interest in Rosedale Beijing), and thus it will continue to benefit from the future growth and success of Rosedale Beijing.

The Directors consider that the entering into of the Capital Increase Agreement would allow the Group to generate a satisfactory return on its investment in the Property and the proceeds receivable, including the Compensated Amount, would provide the necessary financial resources for the Group to repay its borrowings when they fall due, capture sizeable investment opportunities and implement its expansion strategy in its hotel and leisure business and for its business operation.

Having considered the above, the Directors are of the view that the terms of the Capital Increase Agreement, including the Compensated Amount, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The Capital Injection constitutes a deemed disposal of the Group's equity interest in Rosedale Beijing under Rule 14.29 of the Listing Rules and the Deemed Disposal constitutes a very substantial disposal for the Company under the Listing Rules. The Capital Increase Agreement and the transactions contemplated thereunder are therefore subject to the reporting, announcement and shareholders' approval requirement under the Listing Rules. SGM will be convened by the Company to consider and, if thought fit, approve the Capital Increase Agreement and the transactions contemplated thereunder.

## **GENERAL**

A circular containing details of the Capital Increase Agreement, the financial information of Rosedale Beijing and the Remaining Group, the valuation report on the Property, a notice convening the SGM and other information required under the Listing Rules will be despatched to the Shareholders on or before 24 July 2013 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

**As the Capital Injection is conditional upon fulfillment of certain conditions, the Capital Injection may or may not proceed. Shareholders and potential investors are advised to exercise caution in dealing in the Shares.**

## **RESUMPTION OF TRADING**

Trading of Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:00 a.m. on Friday, 31 May 2013 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading of Shares with effect from 9:00 a.m. on Thursday, 6 June 2013.

## **DEFINITION**

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

“BEA China”	Beijing branch of The Bank of East Asia (China) Limited
“BEA China Loan”	the amount due by Rosedale Beijing to BEA China
“BEA Hong Kong”	The Bank of East Asia, Limited
“BEA Hong Kong Loan”	the amount due by DS Eastin to BEA Hong Kong
“Board”	the board of Directors
“Business Day(s)”	day(s) (excluding Saturday, Sunday or other statutory holidays) on which banks in Hong Kong and the PRC are open for general business
“Capital Increase Agreement”	the conditional capital increase agreement dated 31 May 2013 entered into between DS Eastin, the Investor, Rosedale Beijing and the Company in relation to, amongst other things, the Capital Injection

“Capital Injection”	the proposed capital contribution by the PRC Investor in the amount of US\$68.8 million (representing approximately HK\$533.9 million) to the registered capital of Rosedale Beijing pursuant to the Capital Increase Agreement
“Company”	Rosedale Hotel Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1189)
“Completion”	the payment of the balance of the Capital Injection and the execution of the Share Pledge and ancillary documents by the PRC Investor on the Completion Date in accordance with terms and conditions of the Capital Increase Agreement
“Completion Date”	the date on which the PRC Investor is required to pay up the remaining balance of the Capital Injection, being the third Business Day after the fulfillment or waiver, as the case may be, of the conditions precedent (b) to (d) in the paragraph headed “Conditions” of this announcement (subject to condition (a) remaining fulfilled or waived)
“Completion Accounts”	the audited financial statements of Rosedale Beijing for the period from 1 January 2013 to the Completion Date in accordance with the generally accepted accounting principles in the PRC
“Deemed Disposal”	the deemed disposal of the Company’s interest in Rosedale Beijing as a result of the Capital Injection
“Director(s)”	director(s) of the Company
“DS Eastin”	DS Eastin Limited, a company incorporated in Hong Kong with limited liability and is beneficially owned as to approximately 88.2% by the Company as at the date of this announcement

“DS Eastin Loan”	the shareholder’s loans owing by Rosedale Beijing to DS Eastin, which have been registered as foreign debt and interest accrued thereon
“Extension”	the extension of the Property as approved by the Beijing Municipal Commission of Urban Planning in January 2013, including but not limited to the addition of guestrooms, a swimming pool and other ancillary facilities
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	parties which are independent of and not connected with the Company and its connected persons (as defined under the Listing Rules)
“Investor”	China Private Ventures Ltd., a company incorporated in the British Virgin Islands with limited liability
“Land”	the land use rights at No. 8, Jiang Tai Road West, Chao Yang District, Beijing, the PRC under land title certificate (京朝國用(2011出)第00112號)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Current Assets”	the current assets less total liabilities (excluding the DS Eastin Loan and the BEA China Loan) of Rosedale Beijing on the Completion Date
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan

“PRC Investor”	北京浩洋房地產開發有限公司 (Beijing Haoyang Real Estate Development Limited*), a company incorporated in the PRC with limited liability and is a subsidiary of the Investor
“Property”	the Land and the buildings thereon now known as Rosedale Hotel & Suites, Beijing
“Related Parties”	holding company, subsidiary or fellow subsidiary
“Remaining Group”	the Group excluding Rosedale Beijing
“Residual Capital”	the residual capital from the Capital Injection after the final settlement of the DS Eastin Loan, the BEA China Loan and the amounts due to the Related Parties of DS Eastin
“Rosedale Beijing”	Rosedale Hotel Beijing Co., Ltd., a wholly foreign-owned enterprise established in the PRC, which is a wholly-owned subsidiary of DS Eastin
“SGM”	the special general meeting to be convened and held by the Company for the Shareholders to consider and, if thought fit, approve the Capital Increase Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Share Pledge”	the share pledge of 50% of the equity interest in Rosedale Beijing to be executed by the PRC Investor on the Completion Date as security for the payment of the Compensated Amount
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders’ Agreement”	the joint venture agreement to be entered into between the PRC Investor and DS Eastin

\* For identification purpose only

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of United States of America
“%”	per cent.

*For illustration purpose only, sums in US\$, HK\$ and RMB in this announcement are translated at the exchange rates of US\$1 = HK\$7.76, RMB1 = HK\$1.26 and US\$1 = RMB6.18 respectively. No representation is made that any amount in the respective currencies could have been converted at that rate or any other rates.*

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

Hong Kong, 5 June 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