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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)

(1) PLACING OF NEW SHARES UNDER GENERAL MANDATE

AND

(2) RESUMPTION OF TRADING

Placing Agent



結好證券有限公司
GET NICE SECURITIES LIMITED

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 26 May 2015, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, a maximum of 131,535,174 Placing Shares at a price of HK\$0.80 per Placing Share to not less than six Placees who and whose ultimate beneficial owners will be independent third parties not connected with the Company and its connected persons.

A maximum of 131,535,174 Placing Shares under the Placing represent (i) 20% of the existing issued share capital of the Company of 657,675,872 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company of 789,211,046 Shares as enlarged by the Placing, assuming no further change in the share capital structure of the Company prior to the Completion.

The Placing Price of HK\$0.80 represents (i) a discount of approximately 13.0% to the closing price of HK\$0.92 per Share as quoted on the Stock Exchange on 22 May 2015 (being the last trading date immediately prior to the halt in trading of the Shares pending the issue of this announcement); and (ii) a premium of approximately 1.5% to the average closing price of approximately HK\$0.788 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 22 May 2015.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was halted at the request of the Company with effect from 10:45 a.m. on 26 May 2015 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares from 9:00 a.m. on 27 May 2015 following the publication of this announcement.

THE PLACING AGREEMENT

Date

26 May 2015

Issuer

The Company

Placing Agent

Get Nice Securities Limited, the Placing Agent, has conditionally agreed to place a maximum of 131,535,174 Placing Shares on a best effort basis and will receive a placing commission of 2.5% on the gross proceeds of the actual number of Placing Shares being placed. The Directors are of the view that the placing commission of 2.5% is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are independent third parties not connected with the Company and its connected persons.

Placees

The Placing Agent will place the Placing Shares, on a best effort basis, at the price of HK\$0.80 per Placing Share to not less than six Placees who and whose ultimate beneficial owners are independent third parties not connected with the Company and its connected persons. It is expected that none of the Placees will become a substantial Shareholder (as defined in the Listing Rules) of the Company immediately after the Completion.

Number of Placing Shares

A maximum of 131,535,174 Placing Shares under the Placing represent (i) 20% of the existing issued share capital of the Company of 657,675,872 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company of 789,211,046 Shares as enlarged by the Placing, assuming no further change in the share capital structure of the Company prior to the Completion.

Placing Price

The Placing Price of HK\$0.80 per Placing Share represents (i) a discount of approximately 13.0% to the closing price of HK\$0.92 per Share as quoted on the Stock Exchange on 22 May 2015 (being the last trading date immediately prior to the halt in trading of the Shares pending the issue of this announcement); and (ii) a premium of approximately 1.5% to the average closing price of approximately HK\$0.788 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 22 May 2015.

The net placing price under the Placing is approximately HK\$0.78 per Placing Share.

The Directors consider that the Placing Price, which was agreed after arm's length negotiations between the Company and the Placing Agent with reference to current market price of the Shares, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

General Mandate

The Placing Shares will be issued under the General Mandate to allot, issue and deal with new Shares granted to the Directors by a resolution of the Shareholders passed at the AGM subject to the limit of up to 20% of the issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorized to issue up to 131,535,174 new Shares. As at the date of this announcement, no new Shares have been issued under the General Mandate.

Conditions of the Placing

Completion of the Placing by the Placing Agent of the Placing Shares under the Placing Agreement is conditional upon:

- (i) the approval by the Board of the Placing Agreement and the transactions contemplated thereunder and/or all other consents and acts required under the Listing Rules having been obtained and completed;
- (ii) the Listing Committee of the Stock Exchange having granted listing of, and permission to deal in, the Placing Shares, and such listing and permission not having been subsequently revoked; and
- (iii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding force majeure event.

If the foregoing condition is not fulfilled on or before 10 June 2015 (or such later date as may be agreed by the Company and the Placing Agent), the Placing Agreement shall terminate and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses (save for any prior breach of the Placing Agreement).

Application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the Placing Shares.

Termination and force majeure events

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 9:00 a.m. on the date of completion of the Placing Agreement, if in the absolute opinion of the Placing Agent the success of the Placing would be materially and adversely affected by the following force majeure events:

- (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial position or prospects of the Group as a whole; or
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict,

or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or

- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

If, at or prior to 9:00 a.m. on the date of completion of the Placing Agreement,

- (i) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (ii) the trading of the Shares on the Stock Exchange has been suspended for more than ten consecutive trading days save for the purposes of clearing of the announcement relating to the Placing Agreement or any announcements or circulars relating to the Placing; or
- (iii) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing;

the Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

Completion of the Placing

Completion of the Placing shall take place within three Business Days after the Placing Agreement has become unconditional (or such later date as may be agreed between the Company and the Placing Agent).

Shareholders and potential investors should note that the Placing is subject to conditions under the Placing Agreement to be fulfilled. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

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

The maximum gross proceeds from the Placing will be approximately HK\$105.2 million. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fee and other related costs and expenses incurred in the Placing) will be approximately HK\$102.5 million which will be used for general working capital of the Group.

The Directors are of the view that the Placing will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Placing will strengthen the financial position of the Group. Accordingly, they consider that the Placing is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES DURING THE PAST 12 MONTHS

The Company has not conducted any fund raising exercises in the past twelve months immediately before the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company immediately upon completion of the Placing are set out below for illustration purposes:

Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Asia Will Limited (“AWL”) (Note 2)	148,506,000	22.58	148,506,000	18.82
China Enterprises Limited (“CEL”) and certain of its subsidiaries (Note 3)	48,660,424	7.40	48,660,424	6.16
Public Shareholders:				
Placees	–	–	131,535,174	16.67
Others	460,509,448	70.02	460,509,448	58.35
Total	657,675,872	100.00	789,211,046	100.00

Notes:

- (1) Assuming no other issue of new Shares and no repurchase of existing Shares before completion of the Placing, and the Placing Agent has placed the maximum number of the Placing Shares, being 131,535,174 new Shares, to not less than six independent Placees. It is expected that none of the Placees will become a substantial Shareholder (as defined in the Listing Rules) of the Company immediately after the Completion.
- (2) AWL is a wholly-owned subsidiary of Leaptop Investments Limited which is in turn a wholly-owned subsidiary of Hanny Investment Group Limited. Hanny Investment Group Limited is a wholly-owned subsidiary of Hanny Magnetics (B.V.I) Limited which is in turn wholly-owned by Hanny Holdings Limited.
- (3) Million Good Limited and Cosmos Regent Ltd. are wholly-owned subsidiaries of CEL and they are interested in 5,334,870 Shares and 43,325,554 Shares respectively. CEL is therefore deemed to be interested in the Shares held by Million Good Limited and Cosmos Regent Ltd..

RESUMPTION OF TRADING

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GENERAL

The Placing is not subject to Shareholders' approval as the Placing Shares will be issued under the existing General Mandate.

Pursuant to the termination provision in the Placing Agreement, the Placing Agent has the right in certain circumstances, in the discretion of the Placing Agent, to terminate the Placing Agreement prior to the condition precedent in the Placing Agreement being fulfilled. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“AGM”	the annual general meeting of the Company held on 30 May 2014 at which (among others) a resolution for the grant of the General Mandate to the Directors was duly passed by the Shareholders
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong
“Company”	Rosedale Hotel Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Completion”	completion of the Placing in accordance with the terms and condition as set out in the Placing Agreement
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with new Shares up to 20% of the issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual(s), corporations(s) and/or institutional or other professional investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of a maximum of 131,535,174 new Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Get Nice Securities Limited, a licensed corporation within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	a conditional placing agreement dated 26 May 2015 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.80 per Placing Share
“Placing Shares”	a maximum of 131,535,174 new Shares to be placed under the Placing
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board of
Rosedale Hotel Holdings Limited
Dr. Yap, Allan
Chairman

Hong Kong, 26 May 2015

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

Executive Directors:

Dr. Yap, Allan (*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