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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)

TERMINATION OF MAJOR TRANSACTION

Reference is made to the announcements (the “**Announcements**”) of Rosedale Hotel Holdings Limited (the “**Company**”) dated 29 December 2017, 22 January 2018, 15 February 2018, 9 March 2018, 28 March 2018 and 27 April 2018 in relation to the acquisition of the entire registered capital of the Target, delay in despatch of the Circular and the Arbitration Applications. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless otherwise stated.

In order to avoid litigation risks and expenses, and to focus on the future development of the Group’s business, the Company entered into a settlement agreement (the “**Settlement Agreement**”) with the Vendors, the Target, Mr. HZ Kuang and Mr. ZG Kuang (collectively as the “**Counterparties**”) on 27 September 2018 (after trading hours of the Stock Exchange), to terminate the Agreement with immediate effect and to fully and finally settle the disputes arising out of the alleged breach of the Agreement. Major terms of the Settlement Agreement are as follows:

1. the Company and the Counterparties have agreed to terminate the Agreement with immediate effect from the date of the Settlement Agreement. The Vendors shall refund to the Company all the consideration paid by the Company within three months from the date of the Settlement Agreement. Thereafter, each party shall not claim against each other under the Agreement;
2. the Company and the Counterparties shall have withdrawn the Arbitration Applications. Each of the Company and the Counterparties shall bear its own costs and expenses (including legal fees and arbitration fees) incurred in connection with the Arbitration Applications; and
3. the Company shall withdraw any application of seizure and lock against the Counterparties’ assets in connection with the Acquisition.

The Board considers that the termination of the Agreement and entering into of the Settlement Agreement do not have any material adverse effect on the existing operation, business and financial position of the Group as a whole.

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

Hong Kong, 27 September 2018

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