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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) FRAMEWORK AGREEMENT RELATING TO  
POSSIBLE ACQUISITION OF 51% EQUITY INTERESTS IN  
ADVANCE GLOW HOLDINGS LIMITED; AND**

**(2) DISCLOSEABLE TRANSACTION RELATING TO  
PROVISION OF LOAN**

**FRAMEWORK AGREEMENT**

The following disclosure regarding the Framework Agreement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company is currently in discussion and negotiation with Mr. Fung and Ms. Liang in relation to the Possible Acquisition, being the proposed acquisition of 51% equity interests in the Target. In order to facilitate the continued negotiation by the parties on the Possible Acquisition, the Company, Mr. Fung and Ms. Liang entered into a framework agreement on 31 December 2014 (after trading hours), pursuant to which, among other things, (i) an exclusivity period of three months after the date of the Framework Agreement was granted to the Company; and (ii) the Company, Mr. Fung and Ms. Liang shall enter into the Loan Agreement. Save for provisions relating to exclusivity, confidentiality, expenses, and governing law and jurisdiction, the Framework Agreement is not legally binding on the parties.

## **LOAN AGREEMENT**

On 31 December 2014 (after trading hours), the Company (as lender), Mr. Fung and Ms. Liang (collectively as borrowers) entered into the Loan Agreement, pursuant to which the Company agreed to provide the Loan in the principal amount of HK\$75 million to Mr. Fung and Ms. Liang for on-lending to the Target Group to facilitate the acquisition of the entire equity interest in the PRC Company by the Target Group. The Loan is interest-free and shall be repaid on the date which is three months from the date of the Loan Agreement.

Concurrently upon the signing of the Loan Agreement, (i) the Vendor has executed a deed of share charge over the entire issued share capital of the Target in favour of the Company; and (ii) the Target has executed a deed of share charge over the entire issued share capital of HK Company in favour of the Company, to secure, among other things, the due and punctual performance of Mr. Fung and Ms. Liang of their obligations under the Loan Agreement.

## **GENERAL**

The provision of the Loan under the Loan Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the announcement requirement under the Listing Rules.

In the event that the Formal Agreement materialises, the Possible Acquisition is expected to constitute a very substantial acquisition for the Company under the Listing Rules. Further announcements will be made in respect thereof as and when required by the Listing Rules.

**The Framework Agreement may or may not lead to the entering into of the Formal Agreement and the Possible Acquisition may or may not be consummated. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

## **FRAMEWORK AGREEMENT**

The following disclosure regarding the Framework Agreement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company is currently in discussion and negotiation with Mr. Fung and Ms. Liang in relation to the Possible Acquisition, being the proposed acquisition of 51% equity interests in the Target. In order to facilitate the continued negotiation by the parties on the Possible Acquisition, the Company, Mr. Fung and Ms. Liang entered into a framework agreement on 31 December 2014 (after trading hours). To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Mr. Fung and Ms. Liang are Independent Third Parties.

The key terms of the Framework Agreement are as follows:

### **Exclusivity**

An exclusivity period of three months after the date of the Framework Agreement was granted to the Company, during which Mr. Fung and Ms. Liang have undertaken that Mr. Fung, Ms. Liang, the Vendor, the Target Group and the PRC Company or their respective directors, staff, authorised representatives and agents shall not communicate, negotiate, discuss or enter into any written agreement with any third party in respect of transfer of equity interests in the Target or assets of the Target Group and the PRC Company.

### **Provision of the Loan**

Upon signing of the Framework Agreement, the Company, Mr. Fung and Ms. Liang shall enter into the Loan Agreement, pursuant to which the Company shall provide the Loan in the principal amount of HK\$75 million to Mr. Fung and Ms. Liang. Details of the Loan Agreement are set out in the section headed “Loan Agreement” below.

Save for provisions relating to exclusivity, confidentiality, expenses, and governing law and jurisdiction, the Framework Agreement is not legally binding on the parties.

### **Capital commitment**

It is agreed by the parties to the Framework Agreement that subject to completion of the Possible Acquisition, the Vendor and the Company intend to invest an aggregate amount of HK\$300 million in the HK Company and the PRC Company for redevelopment of the land and properties of the PRC Company. Such redevelopment plan should increase the floor area ratio of the hotel owned by the PRC Company by not less than 4 times of the existing ratio. In the event that the aggregate investment amount exceeds HK\$300 million, the Company shall arrange finance for the excess portion.

## **Conditions precedent**

The Possible Acquisition shall be subject to, among other things,

- (a) the issue of a legal opinion in form and substance satisfactory to the Company, Mr. Fung and Ms. Liang by a firm of practising lawyers in the PRC, engaged by the Company (or its nominee) confirming the following:
  - (i) the due establishment and valid existence of the PRC Company, and Mr. Fung and Ms. Liang having legally and validly transferred to the HK Company the exclusive right on acquisition of the PRC Company;
  - (ii) the PRC Company legally owns its land and property, and having obtained all necessary licences, approvals and permits for engaging in its existing business; and
  - (iii) any other matters as reasonably required by the Company (or its nominee);
- (b) the passing of the resolution by the shareholders of the Company at the special general meeting of the Company to approve the Formal Agreement and the transactions contemplated thereunder;
- (c) there being no material breach of the warranties given by Mr. Fung, Ms. Liang and/or the Vendor prior to completion of the Possible Acquisition; and
- (d) the Company being reasonably satisfied with the results of its due diligence review on the Target Group and the PRC Company.

## **LOAN AGREEMENT**

On 31 December 2014 (after trading hours), the Company (as lender), Mr. Fung and Ms. Liang (collectively as borrowers) entered into the Loan Agreement, pursuant to which the Company agreed to provide the Loan in the principal amount of HK\$75 million to Mr. Fung and Ms. Liang for on-lending to the Target Group to facilitate the acquisition of the entire equity interest in the PRC Company by the Target Group. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Mr. Fung and Ms. Liang are Independent Third Parties.

The principal terms of the Loan Agreement are as follows:

### **Availability period and repayment**

Availability period: within one week from the date of the Loan Agreement

Repayment date: the date which is three months from the date of the Loan Agreement

### **Interest**

The Loan is interest-free.

### **Security**

To secure the Company's interest in the Loan, concurrently upon the signing of the Loan Agreement, (i) the Vendor has executed a deed of share charge over the entire issued share capital of the Target in favour of the Company; and (ii) the Target has executed a deed of share charge over the entire issued share capital of HK Company in favour of the Company, to secure, among other things, the due and punctual performance of Mr. Fung and Ms. Liang of their obligations under the Loan Agreement.

## **BACKGROUND INFORMATION ON THE TARGET GROUP AND THE PRC COMPANY**

In accordance with the information provided to the Company by Mr. Fung and Ms. Liang, the entire issued share capital of HK Company is owned by the Target, which is wholly-owned by the Vendor, which in turn is wholly-owned by Mr. Fung and Ms. Liang in equal share. Mr. Fung, Ms. Liang and the representatives of all the existing shareholders of the PRC Company entered into a framework agreement (the "**PRC Framework Agreement**") dated 23 October 2014 (as supplemented by a supplemental agreement thereto dated 16 November 2014) in relation to the possible acquisition of the entire equity interest in the PRC Company at a consideration of RMB192.6 million from all the existing shareholders of the PRC Company by Mr. Fung and Ms. Liang. According to Mr. Fung and Ms. Liang, as at the date of the Framework Agreement, all the rights and obligations of Mr. Fung and Ms. Liang under the PRC Framework Agreement have been transferred to HK Company.

The PRC Company is an entity established under the laws of the PRC and is principally engaged in property leasing and management. As at the date of the Framework Agreement, the PRC Company owns a parcel of land in Zhuhai, the PRC with a site area of 19,152.69 square metres. The PRC Company also owns a hotel property on the aforesaid land known as Zhuhai Lizhou Holiday Hotel.

## **REASONS FOR THE ENTERING INTO OF THE FRAMEWORK AGREEMENT AND PROVISION OF THE LOAN**

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

As disclosed in the Company's interim report for the six months ended 30 June 2014, the Company shall revisit continuously its business strategy and composition of its hotel chain to cope with market changes and to explore further income streams so to stay ahead of its competitors and to maximise the wealth of its shareholders.

The Directors consider the Possible Acquisition would provide an opportunity for the Company to broaden its revenue stream. As disclosed in the section headed "Background information on the Target Group and the PRC Company", Mr. Fung and Ms. Liang entered the PRC Framework Agreement with the representatives of all the existing shareholders of the PRC Company in relation to the possible acquisition of the entire equity interest in the PRC Company. The Loan, which is funded by the internal resources of the Group, is provided to Mr. Fung and Ms. Liang to facilitate the acquisition of the entire equity interest in the PRC Company. Based on the above, the Directors are of the view that provision of the Loan is in the interests of the Company and its shareholders as a whole, and the terms of the Loan Agreement are fair and reasonable.

## **GENERAL**

The provision of the Loan under the Loan Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the announcement requirement under the Listing Rules.

In the event that the Formal Agreement materialises, the Possible Acquisition is expected to constitute a very substantial acquisition for the Company under the Listing Rules. Further announcements will be made in respect thereof as and when required by the Listing Rules.

**The Framework Agreement may or may not lead to the entering into of the Formal Agreement and the Possible Acquisition may or may not be consummated. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

## DEFINITIONS

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

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“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)
“Director(s)”	director(s) of the Company
“Formal Agreement”	the formal sale and purchase agreement that may be entered into by the Company (or its nominee) with respect to the Possible Acquisition
“Framework Agreement”	the framework agreement dated 31 December 2014 entered into between the Company, Mr. Fung and Ms. Liang with respect to the Possible Acquisition
“Group”	the Company and its subsidiaries
“HK Company”	Golden Zone Investment Limited, a company incorporated in Hong Kong with limited liability, which is wholly-owned by the Target
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	independent third parties who are independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the interest-free loan in the principal amount of HK\$75 million to be provided by the Company to Mr. Fung and Ms. Liang pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 31 December 2014 entered into between the Company, Mr. Fung and Ms. Liang in respect of provision of the Loan
“Mr. Fung”	Mr. Fung Shing, spouse of Ms. Liang
“Ms. Liang”	Ms. Liang Lian Zhen, spouse of Mr. Fung
“Possible Acquisition”	possible acquisition of 51% equity interests in the Target by the Company (or its nominee)
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“PRC Company”	珠海市國際商業貿易有限公司(Zhuhai International Commercial Trading Limited*), an entity established under the laws of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Advance Glow Holdings Limited, a company incorporated in the BVI with limited liability, which is wholly-owned by the Vendor
“Target Group”	the Target and its subsidiaries

\* *for identification purpose only*



“Vendor”	Gold Estate Holdings Limited, a company incorporated in the BVI with limited liability, which is owned as to 50% by Mr. Fung and as to 50% by Ms. Liang as at the date of the Framework Agreement
“HK”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 31 December 2014

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