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ROSEDALE HOTEL GROUP LIMITED CHINA STRATEGIC HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Incorporated in Hong Kong with limited liability)

PLACING OF EXISTING SHARES OF ROSEDALE HOTEL GROUP LIMITED BY CHINA STRATEGIC HOLDINGS LIMITED

The number of shares in Rosedale Hotel Group held in public hands is below the minimum prescribed percentage laid down in rule 8.08 of the Listing Rules. China Strategic Holdings will continue to take active steps to place its interested shares in Rosedale Hotel Group with the objective of meeting the requirements of rule 8.08 of the Listing Rules by on or around 2nd June, 2003. The failure to restore the public float of Rosedale Hotel Group to at least 25% by 2nd April, 2003 constituted a breach of rule 8.08 of the Listing Rules. The Stock Exchange reserves the right to take action against Rosedale Hotel Group and, or, its directors in respect of this breach of the Listing Rules.

Shareholders of Rosedale Hotel Group and investors are advised to exercise caution when dealing in the shares of Rosedale Hotel Group.

Reference is made to the joint announcements dated 26th July, 2002, 7th November, 2002, 3rd December, 2002, 31st December, 2002, 30th January, 2003 and 28th February, 2003 in relation to, among other things, the extensive group reorganisation of China Strategic Holdings Limited. Upon completion of the group reorganisation on 2nd December, 2002, the number of shares in Rosedale Hotel Group Limited held in public hands was 514,202,675 shares, representing approximately 18.5% of the issued share capital of Rosedale Hotel Group, and below the minimum prescribed percentage laid down in rule 8.08 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Rosedale Hotel Group and China Strategic Holdings had undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in Rosedale Hotel Group by 2nd January, 2003. China Strategic Holdings expects to reduce its shareholdings in Rosedale Hotel Group from 893,216,620 shares, representing approximately 32.2% of the issued share capital of Rosedale Hotel Group to approximately 713,216,620 shares, representing approximately 25.7% of the issued share capital of Rosedale Hotel Group. The decrease of approximately 180,000,000 shares or 6.5% of the issued share capital of Rosedale Hotel Group will be placed to independent third parties, the effect of which will increase the shares in Rosedale Hotel Group held in public hands to 25%.

Applications have been made by Rosedale Hotel Group to the Stock Exchange for waivers from strict compliance with rule 8.08 of the Listing Rules from 2nd January, 2003 until 2nd April, 2003. However, due to the inactive market atmosphere and the persistently poor

economic conditions exacerbated by the outbreak of war in Iraq and the spread of atypical pneumonia in Asia, and internationally, the placing of existing shares in Rosedale Hotel Group by China Strategic Holdings has not been completed. China Strategic Holdings will continue to take active steps to place its interested shares in Rosedale Hotel Group with the objective of meeting the requirements of rule 8.08 of the Listing Rules by on or around 2nd June, 2003. A further announcement will be made upon the completion of the placing, or on or around 2nd June, 2003 whichever is sooner. The failure to restore the public float of Rosedale Hotel Group to at least 25% by 2nd April, 2003 constituted a breach of rule 8.08 of the Listing Rules. The Stock Exchange reserves the right to take action against Rosedale Hotel Group and, or, its directors in respect of this breach of the Listing Rules.

The Stock Exchange has stated it will closely monitor trading in the shares of Rosedale Hotel Group. If the Stock Exchange believes that a false market exists or may exist in the shares in Rosedale Hotel Group or there are insufficient shares in Rosedale Hotel Group in public hands to maintain an orderly market, it will give consideration to exercising its discretion to suspend trading in the shares of Rosedale Hotel Group. Shareholders of Rosedale Hotel Group and investors are advised to exercise caution when dealing in the shares of Rosedale Hotel Group.

By Order of the Board	By Order of the Board
ROSEDALE HOTEL GROUP LIMITED	CHINA STRATEGIC HOLDINGS LIMITED
Chan Kwok Hung	Chan Ling, Eva
<i>Chairman</i>	<i>Executive director</i>

Hong Kong, 4th April, 2003

Please also refer to the published version of this announcement in The Standard.