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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China Mandarin Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**CHINA MANDARIN HOLDINGS LIMITED**

**中國東方實業集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 00009)

- (1) PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES;**  
**(2) PROPOSED RE-ELECTION OF DIRECTORS;**  
**(3) PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS AND  
PROPOSED ADOPTION OF THE NEW BYE-LAWS;**  
**AND**  
**(4) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held at Room 4101, 41/F, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong on Wednesday, 30 May 2012, at 3:00 p.m. is set out on pages 17 to 24 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at [www.hkex.com.hk](http://www.hkex.com.hk).

Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

24 April 2012

\* *For identification purposes only*

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> . . . . .	1
<b>Letter from the Board</b> . . . . .	3
Introduction . . . . .	3
General Mandate and Repurchase Mandate . . . . .	4
Re-election of Directors . . . . .	5
Proposed amendments to the Existing Bye-laws . . . . .	5
Proposed adoption of the New Bye-laws . . . . .	5
Voting at the AGM . . . . .	6
AGM . . . . .	6
Responsibility statement . . . . .	7
Recommendation . . . . .	7
General . . . . .	7
<b>Appendix I – Explanatory statement</b> . . . . .	8
<b>Appendix II – Details of Directors proposed to be re-elected at the AGM</b> . . . . .	11
<b>Appendix III – Proposed amendments to the Existing Bye-laws and Proposed adoption of the New Bye-Laws</b> . . . . .	13
<b>Notice of AGM</b> . . . . .	17

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held on Wednesday, 30 May 2012 at 3:00 p.m. to consider and, if thought fit, approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate, the proposed re-election of Directors, the proposed amendments to the Existing Bye-laws and the proposed adoption of the New Bye-laws
“associate”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Bye-law(s)” or “Existing Bye-laws”	the existing bye-laws of the Company as amended from time to time
“Company”	China Mandarin Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the issued share capital of the Company as at the date of granting of the General Mandate
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	18 April 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Bye-laws”	the new bye-laws of the Company incorporating the proposed amendments to the Existing Bye-laws proposed to be adopted by the Company at the AGM

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## DEFINITIONS

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“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company as at the date of granting of the Repurchase Mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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LETTER FROM THE BOARD

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**CHINA MANDARIN HOLDINGS LIMITED**

**中國東方實業集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 00009)

*Executive Directors:*

Mr. Jin Lei (*Chairman*)

Ms. Law Kee, Alice (*Chief Executive Officer*)

Mr. Hui Wai Lee, Willy

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

*Independent non-executive Directors:*

Mr. Tang Ping Sum

Mr. Tsui Pui Hung

Mr. Chu To, Jonathan

*Head office and principal place*

*of business in Hong Kong:*

Room 4101, 41/F

The Lee Gardens

33 Hysan Avenue

Causeway Bay

Hong Kong

24 April 2012

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES;  
(2) PROPOSED RE-ELECTION OF DIRECTORS;  
(3) PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS AND  
PROPOSED ADOPTION OF THE NEW BYE-LAWS;  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

At the forthcoming AGM, ordinary resolutions will be proposed to seek the Shareholders' approval for, among other things, (i) the granting of the General Mandate and the Repurchase Mandate to the Directors; and (ii) the re-election of Directors and special resolutions will be proposed to amend the Existing Bye-laws and adopt the New Bye-laws. The purpose of this circular is to provide you with information relating to the above resolutions.

\* *For identification purposes only*

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## LETTER FROM THE BOARD

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### **GENERAL MANDATE AND REPURCHASE MANDATE**

At the AGM, the Directors propose to seek the approval of the Shareholders to grant to the Directors the General Mandate and the Repurchase Mandate.

#### **General Mandate**

At the AGM, an ordinary resolution will be proposed such that the Directors be given an unconditional general mandate (i.e. the General Mandate) to allot, issue and deal with unissued Shares or underlying shares of the Company (other than by way of rights or pursuant to a share option scheme for employees of the Company or Directors and/or any of its subsidiaries (if applicable) or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividend on Shares in accordance with the Bye-laws) or make or grant offers, agreements, options and warrants which might require the exercise of such power, of an aggregate nominal amount of up to 20% of the issued Shares as at the date of granting the General Mandate.

In addition, a separate ordinary resolution will further be proposed for extending the General Mandate authorising the Directors to allot, issue and deal with Shares to the extent of the Shares repurchased pursuant to the Repurchase Mandate. Details on the Repurchase Mandate are further elaborated below.

As at the Latest Practicable Date, the Company had an aggregate of 3,433,183,998 Shares in issue. Subject to the passing of the resolution for the approval of the General Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the General Mandate to allot, issue and deal with a maximum of 686,636,799 Shares. The Directors wish to state that they have no immediate plan to issue any new Shares other than Shares which may fall to be issued upon the conversion of the convertible bond(s) of the Company, under the share option scheme or any scrip dividend scheme which may be approved by the Shareholders.

#### **Repurchase Mandate**

At the AGM, an ordinary resolution will also be proposed such that the Directors be given an unconditional general mandate to repurchase Shares (i.e. the Repurchase Mandate) on the Stock Exchange of an aggregate amount of up to 10% of the issued Shares as at the date of granting of the Repurchase Mandate.

Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 343,318,399 Shares.

The General Mandate (including the extended General Mandate) and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the resolutions for the approval of the General Mandate (including the extended General Mandate) and the Repurchase Mandate up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the

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## **LETTER FROM THE BOARD**

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period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act 1981 of Bermuda (as amended) or any applicable laws of Bermuda to be held; or (iii) the revocation or variation of the General Mandate (including the extended General Mandate) or the Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

### **RE-ELECTION OF DIRECTORS**

According to Bye-laws 87(1) and 87(2), at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not greater than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specified term or holding office as chairman, managing director or other office) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

In accordance with Bye-laws 87(1) and 87(2), Mr. Hui Wai Lee, Willy and Mr. Tsui Pui Hung shall retire from office by rotation at the AGM. Being eligible, each of Mr. Hui Wai Lee, Willy and Mr. Tsui Pui Hung will offer himself for re-election as executive Director/independent non-executive Director (as the case maybe).

At the AGM, ordinary resolutions will be proposed to re-elect each of Mr. Hui Wai Lee, Willy and Mr. Tsui Pui Hung as executive Director/independent non-executive Director (as the case may be).

Particulars relating to each of Mr. Hui Wai Lee, Willy and Mr. Tsui Pui Hung are set out in Appendix II to this circular.

### **AMENDMENT TO THE EXISTING BYE-LAWS**

In order to align certain provisions of the Existing Bye-laws with the relevant requirements of the Listing Rules (including those which have become effective on January 1, 2012), the Board proposed that the Existing Bye-laws be amended such that (i) it is provided that all votes of Shareholders at a general meeting of the Company must be taken by way of poll, except that the chairman may allow a resolution relating purely to procedural or administrative matters to be voted on by a show of hands and that the Company shall be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Stock Exchange; (ii) it is expressly provided that each person authorised by a corporate shareholder which is a clearing house (or its corporate nominee(s)) will be deemed to have been duly authorised without further evidence of the facts and that the rights and powers on behalf of the clearing house or its nominee(s) that such person is entitled to exercise shall be in respect of the number and class of Shares specified in the relevant authorisation and shall include the right to vote individually on a show of hands; and (iii) the exemption by which a Director is allowed to vote on any resolution of the Board approving any contract which concerns any other company in which the Director or his associate(s) is/are interested only as an officer or executive or a shareholder (other than a company in which the Director and/or his associate(s) is/are beneficially interested in 5% or more of the issued shares of such company) is removed.

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## LETTER FROM THE BOARD

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A special resolution will be proposed at the AGM for the proposed amendments to the Existing Bye-laws, details of which are set out in Appendix III to this circular.

### **PROPOSED ADOPTION OF THE NEW BYE-LAWS**

The Board also proposes to adopt the New Bye-laws incorporating the relevant amendments to be approved at the AGM and amendments made pursuant to resolution passed by Shareholders at previous general meetings which shall replace the Existing Bye-laws subject to the approval by the Shareholders in the form of special resolution at the AGM.

A copy of the New Bye-laws proposed to be adopted at the AGM is available for inspection at the head office and principal place of business of the Company in Hong Kong at Room 4101, 41/F, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong and the offices of the Company's Hong Kong branch registrar, Tricor Standard Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, from the date of this circular up to and including the date of the AGM, both days inclusive, and will be posted on websites of the Stock Exchange and the Company after the special resolutions are passed by the Shareholders.

Shareholders are advised that the New Bye-laws are available in English and Chinese. The Chinese translation of which is for reference only. In case of any inconsistency, the English version shall prevail.

### **VOTING AT THE AGM**

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the AGM must be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### **AGM**

A notice convening the AGM to be held at Room 4101, 41/F, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong on Wednesday, 30 May 2012, at 3:00 p.m. is set out on pages 17 to 24 of this circular. Ordinary resolutions will be proposed at the AGM to approve, among other things, the granting of the General Mandate (including the extended General Mandate) and the Repurchase Mandate and the re-election of Directors. Special resolutions will be proposed to approve the amendments to the Existing Bye-laws and the proposed adoption of the New Bye-laws.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published at the website of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk). Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.



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## LETTER FROM THE BOARD

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### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### RECOMMENDATION

The Directors consider the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate, the proposed re-election of Directors, the proposed amendments to the Existing Bye-laws and the adoption of the New Bye-laws are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

### GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

Yours faithfully  
For and on behalf of the Board of  
**China Mandarin Holdings Limited**  
**Jin Lei**  
*Chairman*

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

### **1. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES**

The Listing Rules prohibit the Company from knowingly purchasing its securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling to the Company his/her/its securities of the Company.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,433,183,998 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 343,318,399 fully paid Shares, representing 10% of the issued share capital of the Company as at the date of passing of the resolution.

### **3. REASONS FOR THE REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

### **4. FUNDING OF REPURCHASES**

Repurchases would be funded entirely from the Company’s available cash flow or working capital facilities which will be funded legally available under the Bermuda law and the memorandum of association and the bye-laws of the Company and for such purpose.

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with those as at 31 December 2011, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

## 5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months immediately prior to the Latest Practicable Date were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2011</b>		
April	0.500	0.375
May	0.390	0.325
June	0.345	0.270
July	0.300	0.255
August	0.280	0.193
September	0.212	0.112
October	0.170	0.100
November	0.178	0.150
December	0.168	0.118
<b>2012</b>		
January	0.129	0.112
February	0.143	0.082
March	0.092	0.070
April (up to the Latest Practicable Date)	0.080	0.062

## 6. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the AGM.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of Bermuda.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders are interested in more than 10% of the Shares then in issue:

<b>Name</b>	<b>Number of Shares</b>	<b>Percentage holding</b>
Mr. Cheng Keung Fai	1,233,436,690	35.93%
Mr. Lo Chan Kau	796,414,635	23.20%

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the total interests of the above Shareholders in the Shares would be increased to:

<b>Name</b>	<b>Percentage holding</b>
Mr. Cheng Keung Fai	39.92%
Mr. Lo Chan Kau	25.78%

On the basis of the current shareholdings of the above Shareholders, an exercise of the Repurchase Mandate in full would result in Mr. Cheng Keung Fai becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the Directors have no intention to exercise any of the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of any of the above Shareholders, or any other persons to make a general offer under the Takeovers Code or the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

## **7. SHARES REPURCHASE MADE BY THE COMPANY**

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the previous six months immediately prior to the date of the Latest Practicable Date.

Detail of the Directors who will retire from office at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

**Mr. HUI Wai Lee, Willy**, aged 51, was appointed as an executive Director in April 2009. He has extensive experience in designing and manufacturing of European-style jewelry.

Mr. Hui is currently a director of Supreme Jewellery Company. Mr. Hui did not hold any directorship in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas nor within the Group.

Mr. Hui does not have, and is not deemed to have, any interests in the Shares within the meaning of Part XV of the SFO and does not have any relationships with any Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company.

Mr. Hui entered into a service contract with the Company on 6 April 2009 with a monthly remuneration of HK\$13,000 for an initial term of one year commencing from 6 April 2009 and the term shall continue thereafter until terminated by either party giving to the other not less than three months' prior written notice. As at the Latest Practicable Date, Mr. Hui was entitled to a monthly remuneration of HK\$13,000 with a fixed year-end bonus of HK\$13,000 pursuant to the service contract, performance-based discretionary bonus and a provident fund of 7.5% of his annual remuneration for the benefit of his mandatory provident fund account. Mr. Hui shall be subject to retirement by rotation and re-election in accordance with the Bye-laws.

**Mr. TSUI Pui Hung**, aged 37, was appointed as an independent non-executive Director in September 2009.

Mr. Tsui holds the degrees of a Master in Laws from University of London, a Bachelor of Laws (with Honours) from Manchester Metropolitan University, a Bachelor of Science (with Honours) from The Chinese University of Hong Kong, a Postgraduate Certificate in Laws from The University of Hong Kong and a Diploma in Translation from The Chinese University of Hong Kong. He is a practicing solicitor of the High Court of Hong Kong and an independent non-executive director of Unlimited Creativity Holdings Limited (Stock Code: 8079). Mr. Tsui has years of management experience and is familiar with internal control issues and regulatory rules of listed company.

Save as disclosed above, Mr. Tsui did not hold any directorship in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas nor within the Group.

Mr. Tsui does not have, and is not deemed to have, any interests in the Shares within the meaning of Part XV of the SFO and does not have any relationships with any Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company.

Mr. Tsui entered into an appointment letter with the Company on 7 September 2009 for an initial term of one-year commencing from 10 September 2009 and renewable automatically for successive term of one year. Either Mr. Tsui or the Company may terminate such appointment by giving at least one month's notice in writing to the other. Pursuant to his letter of appointment, Mr. Tsui's remuneration is fixed at HK\$10,000 per month, which commensurate with his duties and responsibilities as the independent non-executive Director and the prevailing market situation. Mr. Tsui shall be subject to retirement by rotation and re-election in accordance with the Bye-laws.

There is no information relating to Mr. Hui and Mr. Tsui that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there is no other matter relating to Mr. Hui and Mr. Tsui that needs to be brought to the attention of the Shareholders.

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS AND PROPOSED ADOPTION OF THE NEW BYE-LAWS

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This appendix provides details of the proposed amendments to the Existing Bye-laws, which are proposed to be incorporated into the New Bye-laws.

- (1) By deleting references to the name “Mandarin Entertainment (Holdings) Limited” wherever it appears in the Bye-laws and substituting therefor the name “China Mandarin Holdings Limited”;

- (2) Bye-law 1

By inserting the following new definition of “substantial shareholder” immediately after the definition of “Statues” in Bye-law 1:

““substantial shareholder” shall mean a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the rules of the Designated Stock Exchange from time to time) of the voting power at any general meeting of the Company.”

- (3) Bye-law 3

By deleting the existing Bye-law 3(3) in its entirety and substituting therefor the following:

“(3) Subject to compliance with the rules and regulations of the Designated Stock Exchange and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.”

- (4) Bye-law 6

By inserting the words “, save for the use of share premium as expressly permitted by the Act,” immediately after the words “issued share capital” in the second line of Bye-law 6.

- (5) Bye-law 44

By deleting the existing Bye-law 44 in its entirety and substituting therefor the following:

“44. The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon on every business day by members of the public without charge at the Office or such other place at which the Register is kept in accordance with the Act. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in

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**APPENDIX III      PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS  
AND PROPOSED ADOPTION OF THE NEW BYE-LAWS**

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an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.”

(6) Bye-law 46

By inserting the following words immediately after the words “all or any of his shares or” in the first line of existing Bye-law 46:

“in any manner permitted by and in accordance with the rules of the Designated Stock Exchange or”

(7) Bye-law 51

By deleting the existing Bye-law 51 in its entirety and substituting therefor the following:

“51. The registration of transfers of shares or of any class of shares may, after notice has been given by advertisement in any newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.”

(8) Bye-law 66

By deleting the existing Bye-law 66 in its entirety and substituting therefor the following:

“66. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person



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**APPENDIX III      PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS  
AND PROPOSED ADOPTION OF THE NEW BYE-LAWS**

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(or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Bye-law, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views.

- (2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:
- (a) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
  - (b) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
  - (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the Member.”

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**APPENDIX III      PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS  
AND PROPOSED ADOPTION OF THE NEW BYE-LAWS**

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(9) Bye-law 67

By inserting the following sentence at the beginning of the existing Bye-law 67:

“Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution.”

(10) Bye-law 103

- (i) By inserting the word “or” at the end of existing Bye-law 103(1)(iv);
- (ii) By deleting the existing Bye-law 103(1)(v) in its entirety;
- (iii) By re-numbering the existing Bye-law 103(1)(vi) as Bye-law 103(1)(v); and
- (iv) By deleting the existing Bye-laws 103(2) and 103(3) in their entirety and re-numbering the existing Bye-law 103(4) as Bye-law 103(2).

(11) Bye-law 122

By inserting the following sentence at the end of Bye-law 122:

“Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.”

(12) Bye-law 138

By deleting the words “the aggregate of its liabilities and its issued share capital and share premium accounts” at the end of Bye-law 138 and substituting therefor the words “its liabilities”.

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## NOTICE OF AGM

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# CHINA MANDARIN HOLDINGS LIMITED

中國東方實業集團有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00009)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an annual general meeting of China Mandarin Holdings Limited (the “**Company**”) will be held at Room 4101, 41/F, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong on Wednesday, 30 May 2012 at 3:00 p.m., to transact the following businesses:

1. to receive and consider the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 December 2011;
2. (a) to re-elect Mr. Hui Wai Lee, Willy as executive Director;  
(b) to re-elect Mr. Tsui Pui Hung as independent non-executive Director; and  
(c) to authorise the board of Directors to fix the Directors’ remuneration;
3. to re-appoint Messrs. PricewaterhouseCoopers as the auditors of the Company and to authorise the board of Directors to fix their remuneration.

As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions (with or without modification) :

#### ORDINARY RESOLUTION

4. “**THAT:**
  - (a) subject to paragraph (c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares of the Company (the “**Shares**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

\* For identification purposes only

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## NOTICE OF AGM

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- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company (if applicable); or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
  - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
  - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders (the “**Shareholders**”) of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of resolution no. 5),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended) (the “**Companies Act**”) or any other applicable law of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution;

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## NOTICE OF AGM

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“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. “**THAT:**
- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Act and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
  - (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
  - (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act or any other applicable law of Bermuda to be held; and
    - (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution.”
6. “**THAT** the Directors be and are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 4 above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

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## NOTICE OF AGM

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### SPECIAL RESOLUTIONS

To consider and, if thought fit, pass the following resolutions as special resolutions (with or without modification) :

7. **“THAT** the following bye-laws of the Company (**“Bye-laws”**) be and are hereby amended in the manner as described below :

(1) By deleting references to the name “Mandarin Entertainment (Holdings) Limited” wherever it appears in the Bye-laws and substituting therefor the name “China Mandarin Holdings Limited”;

(2) Bye-law 1

By inserting the following new definition of “substantial shareholder” immediately after the definition of “Statues” in Bye-law 1:

““substantial shareholder” shall mean a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the rules of the Designated Stock Exchange from time to time) of the voting power at any general meeting of the Company.”

(3) Bye-law 3

By deleting the existing Bye-law 3(3) in its entirety and substituting therefor the following:

“(3) Subject to compliance with the rules and regulations of the Designated Stock Exchange and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.”

(4) Bye-law 6

By inserting the words “, save for the use of share premium as expressly permitted by the Act,” immediately after the words “issued share capital” in the second line of Bye-law 6.

(5) Bye-law 44

By deleting the existing Bye-law 44 in its entirety and substituting therefor the following:

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## NOTICE OF AGM

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“44. The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon on every business day by members of the public without charge at the Office or such other place at which the Register is kept in accordance with the Act. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.”

(6) Bye-law 46

By inserting the following words immediately after the words “all or any of his shares or” in the first line of existing Bye-law 46:

“in any manner permitted by and in accordance with the rules of the Designated Stock Exchange or”

(7) Bye-law 51

By deleting the existing Bye-law 51 in its entirety and substituting therefor the following:

“51. The registration of transfers of shares or of any class of shares may, after notice has been given by advertisement in any newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.”

(8) Bye-law 66

By deleting the existing Bye-law 66 in its entirety and substituting therefor the following:

“66. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited

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## NOTICE OF AGM

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as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Bye-law, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views.

- (2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:
- (d) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
  - (e) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
  - (f) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the Member.”



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## NOTICE OF AGM

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(9) Bye-law 67

By inserting the following sentence at the beginning of the existing Bye-law 67:

“Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution.”

(10) Bye-law 103

- (i) By inserting the word “or” at the end of existing Bye-law 103(1)(iv);
- (ii) By deleting the existing Bye-law 103(1)(v) in its entirety;
- (iii) By re-numbering the existing Bye-law 103(1)(vi) as Bye-law 103(1)(v);  
and
- (iv) By deleting the existing Bye-laws 103(2) and 103(3) in their entirety and re-numbering the existing Bye-law 103(4) as Bye-law 103(2).

(11) Bye-law 122

By inserting the following sentence at the end of Bye-law 122:

“Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.”

(12) Bye-law 138

By deleting the words “the aggregate of its liabilities and its issued share capital and share premium accounts” at the end of Bye-law 138 and substituting therefor the words “its liabilities”.

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## NOTICE OF AGM

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8. “**THAT** the bye-laws of the Company in the form of the document marked “X” and produced to this meeting and for the purpose of identification signed by the chairman of this meeting, which consolidates all of the proposed amendments referred to in Resolution 7 above and all previous amendments made pursuant to resolutions passed by the Shareholders at general meetings be approved and adopted as the new bye-laws of the Company in substitution for and to the exclusion of the existing bye-laws of the Company with immediate effect.”

By Order of the Board  
**China Mandarin Holdings Limited**  
**Jin Lei**  
*Chairman*

Hong Kong, 24 April 2012

*Registered office:*  
Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Head office and principal place of  
business in Hong Kong:*  
Room 4101, 41/F  
The Lee Gardens  
33 Hysan Avenue  
Causeway Bay  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or, if he is a holder of more than one share, more proxies to attend and, subject to the provisions of the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the offices of the Hong Kong branch share registrar of the Company, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the annual general meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he/she/it so wish and in such event, the form of proxy shall be deemed to be revoked.
3. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the Shareholders for the grant to the directors of the Company of a general mandate to authorise the allotment and issue of shares of the Company under the Listing Rules. The Directors wish to state that they have no immediate plan to issue any new shares of the Company other than Shares which may fall to be issued upon the conversion of the convertible bond(s) of the Company, under the share option scheme of the Company or any scrip dividend scheme which may be approved by the Shareholders.
4. In relation to proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the Shareholders. An explanatory statement containing the information necessary to enable the Shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to the Company’s circular dated 24 April 2012.
5. As at the date of this notice, the Board comprises six Directors. The executive Directors are Mr. Jin Lei (Chairman), Ms. Law Kee, Alice (Chief executive officer), and Mr. Hui Wai Lee, Willy; and the independent non-executive Directors are Mr. Tsui Pui Hung, Mr. Tang Ping Sum and Mr. Chu To, Jonathan.