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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 SGM

NOTICE IS HEREBY GIVEN THAT a special general meeting (the “**SGM**”) 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 at 10:30 a.m. on Wednesday, 23 May 2012 for the following purpose of considering and, if thought fit, passing with or without amendments, the following special and ordinary resolutions:

SPECIAL RESOLUTION

1. “**THAT**, conditional upon (a) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and the permission to deal in, the Adjusted Shares (as defined below) in issue; (b) the compliance with the relevant legal procedures and requirements under the Companies Act 1981 of Bermuda to effect the Capital Reorganisation (as defined below); and (c) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation (as defined below):
 - (i) every 10 ordinary shares of the Company of HK\$0.10 each (“**Existing Share**”) be consolidated into 1 consolidated share (“**Consolidated Share**”) of HK\$1.00 each (the “**Share Consolidation**”);
 - (ii) immediately following the Share Consolidation, (a) all fractional entitlements remaining following aggregation of fractional entitlements following the Share Consolidation be cancelled; (b) the paid-up capital of each Consolidated Share of the Company be reduced from HK\$1.00 to HK\$0.01 each by cancelling capital paid-up capital to the extent of HK\$0.99 on each Consolidated Share by way of a reduction of capital (the “**Capital Reduction**”) so that each issued Consolidated Share of HK\$1.00 each in the capital of the Company

* For identification purpose only

shall be treated as one fully paid-up share (“**Adjusted Share**”) of HK\$0.01 each in the share capital of the Company on each such share shall be treated as satisfied and that the amount of issued capital thereby cancelled be made available for issue of new shares of the Company;

- (iii) the credit arising from the Capital Reduction will be credited to the contributed surplus account of the Company, where such credit arising from the Capital Reduction may be utilised in any manner permitted by the laws of Bermuda, the Bye-laws and all applicable law;
- (iv) immediately following the Capital Reduction, each authorised but unissued Consolidated Share of HK\$1.00 each be sub-divided into 100 Adjusted Shares of HK\$0.01 each (the “**Share Subdivision**”);
- (v) all of the Adjusted Shares resulting from the Share Consolidation, Capital Reduction and Share Subdivision shall rank *pari passu* in all respects and have the rights and privileges and be subject to the restrictions contained in the Company’s articles of association; and
- (vi) the directors of the Company be and are hereby authorised generally to do all things they may consider appropriate and desirable to effect and implement the Share Consolidation, Capital Reduction, Share Subdivision and application of credit arising from the Capital Reduction (together, the “**Capital Reorganisation**”).”

ORDINARY RESOLUTIONS

- 2. “**THAT**, subject to the passing of the resolutions numbered 1 and 3 and conditional upon fulfillment of the conditions of the Underwriting Agreement (as defined below):
 - (i) the allotment and issue by way of open offer (the “**Open Offer**”) of 343,318,399 Adjusted Shares of HK\$0.01 each in the share capital of the Company (the “**Offer Shares**”) to the shareholders of the Company (the “**Shareholders**”) whose names appear on the register of members of the Company on the date by reference to which entitlement under the Open Offer will be determined (excluding those Shareholders (the “**Excluded Shareholders**”) with registered addresses outside Hong Kong whom the Directors consider it necessary or expedient to exclude after making the relevant enquiries regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange in the place where those overseas Shareholders reside) on the basis of one (1) Offer Share for every Adjusted Share then held at the subscription price of HK\$0.538 per Offer Share and otherwise pursuant to and subject to the terms and conditions set out in the underwriting agreement dated 14 February 2012 (the “**Underwriting Agreement**”) entered into between the Company and Mr. Cheng Keung Fai (the “**Underwriter**”) be and is hereby approved;

- (ii) the Underwriting Agreement and the transactions contemplated thereunder (including but not limited to the arrangement for the taking up of the unsubscribed Offer Shares, if any, by the Underwriter) be and is hereby approved, confirmed and ratified;
 - (iii) the absence of arrangements for application for the Offer Shares by the Shareholders in excess of their entitlements under the Open Offer be and is hereby approved, confirmed and ratified; and
 - (iv) any Director be and is hereby authorised to sign and execute such documents and do all such acts and things incidental to the Open Offer or as he/she considers necessary, desirable or expedient in connection with the implementation of or giving effect to the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder.”
3. “**THAT** subject to the passing of the resolution numbered 2, the waiver (the “**Whitewash Waiver**”) from the Executive Director (including his delegates) of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong pursuant to Note 1 on dispensation from Rule 26.1 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”) in respect of the Underwriter’s obligation to make a mandatory general offer under Rule 26.1 of the Takeovers Code for all the securities of the Company not already owned or agreed to be acquired by the Underwriter and parties acting in concert with him as a result of the transaction contemplated under the Underwriting Agreement be and is hereby approved and that any Director be and is hereby authorised to do all things and acts and sign all documents which he/she considers desirable or expedient to implement and/or give effect to any matters relating to or in connection with the Whitewash Waiver.”

By order of the Board
Jin Lei
Chairman

Hong Kong, 30 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 SGM is entitled to appoint one or more proxy 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 SGM 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. A form of proxy for use at the SGM is enclosed herewith. Whether or not you intend to attend the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he so wish.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
4. In the case of joint holders of shares, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders are present at the SGM personally or by proxy, then one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
5. All the resolutions are to be voted by way of poll.

As at the date of this hereof, 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.