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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) RESULTS OF THE SPECIAL GENERAL MEETING HELD ON 23 MAY 2012;  
(2) CAPITAL REORGANISATION;  
(3) GRANT OF THE WHITEWASH WAIVER;  
(4) OPEN OFFER; AND  
(5) DESPATCH OF THE PROSPECTUS DOCUMENTS**

The Board is pleased to announce that:

1. all the ordinary and special resolutions in respect of the Capital Reorganisation, the Open Offer, the Whitewash Waiver and the respective transactions contemplated thereunder were duly passed by the Shareholders or the Independent Shareholders (as the case may be) by way of poll at the SGM held on 23 May 2012;
2. as all the conditions of the Capital Reorganisation have been fulfilled, the Capital Reorganisation will become effective on Thursday, 24 May 2012. New share certificates for the Adjusted Shares in board lot of 6,000 Adjusted Shares will be available for exchange at the Company's branch share registrar in Hong Kong from 24 May 2012 to 29 June 2012 (both dates inclusive);
3. the Whitewash Waiver was granted by the Executive on 22 May 2012, subject to the fulfillment of the conditions set out therein and the continued compliance by the Underwriter and his concert parties with the Takeovers Code. Accordingly, no mandatory general offer will be required to be made by the Underwriter and parties acting in concert with him for all the Shares not already owned or agreed to be acquired by them; and
4. the Company will proceed with the Open Offer in accordance with the expected timetable as set out in the Circular. Subject to, amongst other things, the registration of the Prospectus Documents with the Registrar of Companies in Hong Kong and the filing of the Prospectus Documents with the Registrar of Companies in Bermuda, it is expected that the Prospectus Documents will be despatched to the Qualifying Shareholders on 4 June 2012.

\* For identification purpose only

Reference is made to the announcement of the Company dated 22 February 2012 (the “**Announcement**”) and 13 April 2012 and the circular of the Company dated 30 April 2012 (the “**Circular**”) in relation to, amongst other things, the Capital Reorganisation, the Open Offer and the Whitewash Waiver. Unless defined otherwise, capitalised terms used in this announcement shall have the same meanings as defined in the Circular.

## (1) RESULTS OF THE SGM

The Board is pleased to announce that all ordinary and special resolutions in respect of the Capital Reorganisation, the Open Offer, the Whitewash Waiver and the respective transactions contemplated thereunder were duly passed by the Shareholders or the Independent Shareholders (as the case may be) by way of poll at the SGM held on 23 May 2012.

At the SGM, voting in respect of (i) the special resolution as regards the Capital Reorganisation (the “**Capital Reorganisation Resolution**”); (ii) the ordinary resolution as regards the Open Offer (the “**Open Offer Resolution**”); and (iii) the ordinary resolution as regards the Whitewash Waiver (the “**Whitewash Waiver Resolution**”) were conducted by way of poll.

Tricor Standard Limited, the branch share registrar and transfer office of the Company in Hong Kong, was appointed as the scrutineer for the purpose of the vote-taking at the SGM.

Set out below were the poll results of the resolutions:

Resolutions	Number of Shares (percentage of total number of Shares voted)	
	For	Against
<b>Special resolution set forth in the notice of the SGM (note)</b>		
1. To approve the Capital Reorganisation	2,304,810,927 (99.99%)	160,000 (0.01%)
As more than 75% of the votes were cast in favour of the above resolution, the Capital Reorganisation Resolution was duly passed as special resolution.		
<b>Ordinary resolutions set forth in the notice of the SGM (note)</b>		
2. To approve the Open Offer	2,304,810,927 (99.99%)	160,000 (0.01%)
3. To approve the Whitewash Waiver	2,304,810,927 (99.99%)	160,000 (0.01%)
As more than 50% of the votes were cast in favour of the above resolutions, the Open Offer Resolution and the Whitewash Waiver Resolution were duly passed by the Independent Shareholders as ordinary resolutions.		

*Note: The full text of the resolutions is set out in the notice of the SGM.*

As at the date of the SGM, the total number of issued Shares in the Company was 3,433,183,998 Shares. To the best of the Directors' knowledge, information and belief, no Shareholders have material interests in the Capital Reorganisation and accordingly no Shareholders are required to abstain from voting on the Capital Reorganisation Resolution at the SGM. The total number of Shares entitling the Shareholders to attend and vote for or against the Capital Reorganisation Resolution at the SGM was 3,433,183,998 Shares, representing 100% of the total issued share capital of the Company.

The Underwriter and parties acting in concert with him were interested in 1,233,436,690 Shares, representing approximately 35.93% of the total issued share capital of the Company. None of the Underwriter and parties acting in concert with him had dealt in the securities of the Company from 22 August 2011 (being the date 6 months preceding the date of the Announcement) up to and including the date of the SGM. As stated in the Circular, the Underwriter and parties acting in concert with him were required to abstain from voting on the Open Offer Resolution and the Whitewash Waiver Resolution at the SGM. Accordingly, the total number of Shares entitling the Independent Shareholders to attend the SGM and vote for or against each of the Open Offer Resolution and the Whitewash Waiver Resolution were 2,199,747,308 Shares as at the date of the SGM, representing approximately 64.07% of the total issued share capital of the Company. The Board confirmed that the Underwriter and parties acting in concert with him had so abstained from voting on each of the Open Offer Resolution and the Whitewash Waiver Resolution at the SGM.

None of the Shareholders was entitled to attend and vote only against any of the resolutions at the SGM.

## **(2) CAPITAL REORGANISATION**

The Board is pleased to announce that as all the conditions of the Capital Reorganisation have been fulfilled, the Capital Reorganisation will become effective on Thursday, 24 May 2012.

Shareholders may submit their existing certificates for the Existing Shares in board lot of 6,000 Existing Shares to the Registrar for exchange from Thursday, 24 May 2012 to Friday, 29 June 2012 (both dates inclusive), at the expense of the Company for certificates for the Adjusted Shares in board lot of 6,000 Adjusted Shares. Thereafter, the existing pink certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.5 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each new yellow share certificate issued for the Adjusted Shares. Nevertheless, the existing pink certificates for the Existing Shares will continue to be good evidence of legal title and be valid for dealings, trading and settlement purpose after parallel trading ended on Wednesday, 27 June 2012 and may be exchanged for new yellow certificates for the Adjusted Shares at any time in accordance with the foregoing.

To facilitate the trading of odd lots (if any) of the Adjusted Shares arising from the Capital Reorganisation, the Company has appointed Orient Securities Limited as the agent to arrange for matching services regarding the sale and purchase of odd lots of Adjusted Shares on a best efforts basis, during the period from Thursday, 7 June 2012 to Wednesday, 27 June 2012 (both dates inclusive). Shareholders who wish to take advantage of this facility should contact Mr. Wong Kwan Ho at telephone number (852) 2123-2215 or by fax at (852) 2180-9288 during the period. Shareholders should note that the matching of the sale and purchase of odd lots of Adjusted Shares is not guaranteed.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The following is the shareholding structure of the Company immediately before and after completion of the Capital Reorganisation and the Open Offer (assuming no further Shares will be issued or repurchased after the date of this announcement):

Shareholders	Immediately before Capital Reorganisation and as at the date of this announcement		Immediately after Capital Reorganisation		Immediately after completion of the Open Offer (assuming all the Qualifying Shareholders take up their assured entitlement of Offer Shares)		Immediately after completion of the Open Offer (assuming no Qualifying Shareholders except the Underwriter take up their assured entitlement of Offer Shares and all the Offer Shares are taken up by the Underwriter) (Note)	
	Number of Existing Shares	%	Number of Adjusted Shares	%	Number of Adjusted Shares	%	Number of Adjusted Shares	%
<b>Substantial Shareholders</b>								
Mr. Cheng and parties acting in concert with him	1,233,436,690	35.93%	123,343,669	35.93%	246,687,338	35.93%	466,662,068	67.96%
Mr. Lo Chan Kau	796,414,635	23.19%	79,641,463	23.19%	159,282,926	23.19%	79,641,463	11.60%
<b>Sub-total</b>	<u>2,029,851,325</u>	<u>59.12%</u>	<u>202,985,132</u>	<u>59.12%</u>	<u>405,970,264</u>	<u>59.12%</u>	<u>546,303,531</u>	<u>79.56%</u>
<b>Public Shareholders</b>								
Other public Shareholders	<u>1,403,332,673</u>	<u>40.88%</u>	<u>140,333,267</u>	<u>40.88%</u>	<u>280,666,534</u>	<u>40.88%</u>	<u>140,333,267</u>	<u>20.44%</u>
<b>Total</b>	<u><u>3,433,183,998</u></u>	<u><u>100.00%</u></u>	<u><u>343,318,399</u></u>	<u><u>100.00%</u></u>	<u><u>686,636,798</u></u>	<u><u>100.00%</u></u>	<u><u>686,636,798</u></u>	<u><u>100.00%</u></u>

*Note:*

In view of the Underwriter's undertaking to procure subscribers who are Independent Third Parties to subscribe or procure placees to place down the Adjusted Shares, this scenario is for illustration purpose only and would not happen if the public float will become less than 25%.

As at the date of this announcement, the Convertible Bond is held by Mr. Lu Dewei who is an Independent Third Party and is independent of the Underwriter. The Convertible Bond has an outstanding principal amount of HK\$52,000,000, which is convertible into 150,724,637 Existing Shares at the existing conversion price of HK\$0.345 per Existing Share. Mr. Lu has undertaken to the Company that the Convertible Bond will not be converted into Shares prior to the completion of the Open Offer. As at the date of this announcement, save for the Convertible Bond, the Company has no outstanding convertible securities, options or warrants in issue which would otherwise confer any right to subscribe for, convert or exchange into Shares.

### **(3) GRANT OF THE WHITEWASH WAIVER**

The Whitewash Waiver was granted by the Executive on 22 May 2012, subject to the fulfillment of the conditions set out therein and the continued compliance by the Underwriter and his concert parties with the Takeovers Code. Accordingly, no mandatory general offer under Rule 26 of the Takeovers Code will be required to be made by the Underwriter and parties acting in concert with him for all the Shares not already owned or agreed to be acquired by them as a result of the transactions contemplated under the Underwriting Agreement.

### **(4) DESPATCH OF THE PROSPECTUS DOCUMENTS**

The Company will proceed with the Open Offer in accordance with the expected timetable as set out in the Circular. Subject to, amongst other things, the registration of the Prospectus Documents with the Registrar of Companies in Hong Kong and the filing of the Prospectus Documents with the Registrar of Companies in Bermuda, it is expected that the Prospectus Documents will be despatched to the Qualifying Shareholders on Monday, 4 June 2012.

**The Open Offer is conditional, inter alia, upon the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms of the Underwriting Agreement. Details of the circumstances under which the Underwriter may terminate the Underwriting Agreement will be set out in the Prospectus Documents. Accordingly, the Open Offer may or may not proceed. The Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their positions, they should consult their own professional advisers.**

**Qualifying Shareholders should take note that the latest time for acceptance and payment in respect of the Offer Shares is 4:00 p.m. on Tuesday, 19 June 2012. Details of the procedures for acceptance and payment thereof and the expected timetable for the Open Offer will be set out in the Prospectus Documents.**

By order of the Board  
**JIN LEI**  
*Chairman*

Hong Kong, 23 May 2012

*As at the date of this announcement, 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.*

*The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*