
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 BYE-LAWS; AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at 5/F., Cheung Fai Industrial Building, 131 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on Wednesday, 9 June 2010, at 2:30 p.m. is set out on pages 13 to 18 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.

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.

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DEFINITIONS

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, 9 June 2010 at 2:30 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 and the proposed amendments to the Bye-laws
“associate”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Bye-law(s)”	the bye-laws of the Company
“Company”	China Mandarin Holdings Limited, a company incorporated in Bermuda with limited liability and the 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”	23 April 2010, 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
“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

DEFINITIONS

“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.

LETTER FROM THE BOARD



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:

Ms. Lai Pik Chi, Peggy (*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. Choy Sze Chung, Jojo
Mr. Tsui Pui Hung
Mr. Chan Tung Tak, Alain

*Head office and principal place
of business in Hong Kong:*

5/F, Cheung Fai Industrial Building
131 Wai Yip Street, Kwun Tong
Kowloon
Hong Kong

27 April 2010

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 BYE-LAWS; AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the forthcoming AGM, 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; (ii) the re-election of Directors; and (iii) amendments to the Bye-laws.

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for the proposed grant of the General Mandate and the Repurchase Mandate, the proposed re-election of Directors, the proposed amendments to the Bye-laws and the notice of the AGM.

* *For identification purposes only*

LETTER FROM THE BOARD

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 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 2,613,480,000 Shares in issue. Subject to the passing of the resolutions 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 522,696,000 Shares.

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 261,348,000 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 period within which the next annual general meeting of the Company is required by the Bye-laws,

LETTER FROM THE BOARD

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 the 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, Deputy 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), Ms. Law Kee, Alice and Mr. Tsui Pui Hung shall retire from office by rotation at the AGM. Being eligible, each of Ms. Law Kee, Alice and Mr. Tsui Pui Hung will offer herself/himself for re-election as executive/independent non-executive Director (as the case may be).

At the AGM, ordinary resolutions will be proposed to re-elect each of Ms. Law Kee, Alice and Mr. Tsui Pui Hung as executive/independent non-executive Director (as the case may be).

Particulars relating to each of Ms. Law Kee, Alice and Mr. Tsui Pui Hung are set out in Appendix II to this circular.

AMENDMENTS TO THE BYE-LAWS

The existing Bye-law 127(1) provides that the Company shall have the office of a Deputy Chairman. With a view to saving administrative costs in appointing and maintaining such office, the Directors propose to seek the approval of the Shareholders by way of passing a special resolution to be proposed at the AGM for the proposed amendments to the Bye-laws in relation to the removal of the office of Deputy Chairman.

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The details of the proposed amendments to the relevant Bye-laws are as follows:

(1) Bye-law 87(1)

By deleting the words “Deputy Chairman,” immediately after the words “holding office as Chairman,” in Bye-law 87(1).

(2) Bye-law 118

By deleting the existing Bye-law 118 in its entirety and substituting therewith the following:

“118. The Board may elect a chairman of its meetings and determine the period for which he is to hold such office. If no chairman is elected, or if at any meeting the chairman is not present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.”

(3) Bye-law 127

- (i) By deleting the existing Bye-law 127(1) in its entirety and substituting therewith the following:

“(1). The officers of the Company shall consist of the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Act and, subject to Bye-law 132(4), these Bye laws.”

- (ii) By deleting the existing Bye-law 127(2) in its entirety and substituting therewith the words “intentionally deleted.”

Our legal advisers have confirmed that the proposed amendments do not contravene the requirements of the Listing Rules and the laws of Bermuda.

AGM

A notice convening the AGM to be held at 5/F., Cheung Fai Industrial Building, 131 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on Wednesday, 9 June 2010, at 2:30 p.m. is set out on pages 13 to 18 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; and special resolution will be proposed to approve the amendments to the 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. 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

LETTER FROM THE BOARD

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.

All the resolutions proposed to be approved at the AGM will be taken by poll and an announcement will be made by the Company after the AGM on the results of the AGM.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein 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 and the proposed amendments to the 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 Director's 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
Lai Pik Chi, Peggy
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 2,613,480,000 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 261,348,000 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 of the Company and the Bye-laws 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 2009, 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:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2009		
April	0.185	0.110
May	0.470	0.130
June	0.400	0.250
July	0.410	0.227
August	0.320	0.160
September	0.255	0.165
October	0.248	0.162
November	0.249	0.165
December	0.227	0.186
2010		
January	0.239	0.198
February	0.225	0.201
March	0.280	0.203
April (up to the Latest Practicable Date)	0.285	0.230

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:

Name	Number of Shares	Percentage holding
Cheng Keung Fai	507,500,000	19.42%
Fang Han Song	269,500,000	10.31%

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:

Name	Percentage holding
Cheng Keung Fai	21.58%
Fang Han Song	11.46%

On the basis of the current shareholdings of the above Shareholders, an exercise of the Repurchase Mandate in full will not result in any of the above Shareholders 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:

(1) Ms. Law Kee, Alice (“Ms. Law”)

Ms. Law, aged 43, is an executive Director and the Chief Executive Officer of the Company. Ms. Law holds a Bachelor Degree in Business Administration from University of Management and Technology, USA. She has extensive experience in business development and marketing management. She is a member of The Hong Kong Institute of Directors and a member of The Hong Kong Association for the Advancement of Real Estate and Construction Technology Limited.

Ms. Law has entered into a service contract with the Company for an initial term of one year commencing from 16 October 2007 and shall continue thereafter until terminated by either party giving to the other not less than three months’ prior written notice. She is subject to retirement by rotation and/or re-election at general meetings in accordance with the Bye-laws. As at the Latest Practicable Date, Ms. Law was entitled to a monthly remuneration of HK\$40,000 (including any sum receivable as director’s fee or other remuneration from any member of the Group) which was determined with reference to her duties and responsibilities with the Company. She is also entitled to (i) a discretionary bonuses to be determined by the Board by reference to the net profit of the Company provided that the aggregate amount of discretionary bonuses payable in each financial year to all executive Directors shall not exceed 5% of the net profit of the Company of the relevant financial year; and (ii) a year end bonus equivalent to one month’s basic remuneration upon each completed year of service. Her emoluments for the year ended 31 December 2009 were HK\$500,000.

Ms. Law does not have, and is not deemed to have, any interests in shares of the Company within the meaning of Part XV of the SFO. Ms. Law does not have any relationship with any Directors, senior management or substantial or controlling Shareholders (as defined in the Listing Rules) of the Company. Save for being an executive Director, she did not hold any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas nor any position within the Group.

(2) Mr. Tsui Pui Hung (“Mr. Tsui”)

Mr. Tsui, aged 35, is a practicing solicitor of High Court of Hong Kong and an independent non-executive director of B.A.L. Holdings Limited (Stock Code: 8079). 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 University of Hong Kong and a Diploma in Translation from the Chinese University of Hong Kong. Mr. Tsui has years of management experience and is familiar with internal control issues and regulatory rules of listed company.

Pursuant to his appointment letter, Mr. Tsui is appointed for a term of one year and shall continue thereafter until terminated by either party in writing. Mr. Tsui is subject to retirement by rotation and re-election at general meetings in accordance with the Bye-laws. Mr. Tsui's remuneration is fixed at HK\$120,000 per annum, which is commensurate with his duties and responsibilities as an independent non-executive Director and the prevailing market situation. Mr. Tsui is not entitled to any bonus payment.

Mr. Tsui does not have any interests in shares of the Company within the meaning of Part XV of the SFO. Mr. Tsui does not have any relationship with other Directors, senior management or substantial or controlling Shareholders (as defined in the Listing Rules) of the Company. Save as disclosed above, Mr. Tsui did not hold any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas nor any position within the Group

There is no information relating to Ms. Law 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 Ms. Law and Mr. Tsui that needs to be brought to the attention of the Shareholders.

NOTICE OF AGM



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 5/F., Cheung Fai Industrial Building, 131 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on Wednesday, 9 June 2010, at 2:30 p.m. for the following purposes:

ORDINARY RESOLUTIONS

1. to receive and adopt the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 December 2009;
2.
 - (a) to re-elect Ms. Law Kee, Alice as executive Director;
 - (b) to re-elect Mr. Tsui Pui Hung as independent non-executive Director;
 - (c) to authorise the board of Directors to fix the Directors’ remuneration;
3. to re-appoint Ernst & Young as the auditors of the Company and to authorise the board of Directors to fix their remuneration;

and, as special business, consider and, if thought fit, pass the following resolutions as ordinary resolutions:

* *For identification purposes only*

NOTICE OF AGM

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;
- (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 existing share option scheme of the Company; 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 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

NOTICE OF AGM

- (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 laws of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**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;

NOTICE OF AGM

- (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 laws of Bermuda to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
6. “**THAT** the Directors be and they 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.”

SPECIAL RESOLUTION

7. “**THAT** the Bye-laws of the Company be amended as follows:

(1) Bye-law 87(1)

By deleting the words “Deputy Chairman,” immediately after the words “holding office as Chairman,” in Bye-law 87(1).

(2) Bye-law 118

By deleting the existing Bye-law 118 in its entirety and substituting therewith the following:

“118. The Board may elect a chairman of its meetings and determine the period for which he is to hold such office. If no chairman is elected, or if at any meeting the chairman is not present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.”

NOTICE OF AGM

(3) Bye-law 127

- (i) By deleting the existing Bye-law 127(1) in its entirety and substituting therewith the following:

“(1). The officers of the Company shall consist of the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Act and, subject to Bye-law 132(4), these Bye-laws.”

- (ii) By deleting the existing Bye-law 127(2) in its entirety and substituting therewith the words “intentionally deleted.”

By order of the board of directors of
China Mandarin Holdings Limited
Lai Pik Chi, Peggy
Chairman

Hong Kong, 27 April 2010

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head office and principal place of
business in Hong Kong:*
5/F, Cheung Fai Industrial Building
131 Wai Yip Street, Kwun Tong
Kowloon
Hong Kong

NOTICE OF AGM

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 instrument appointing a 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 a general mandate to authorise the allotment and issue of shares of the Company under the Listing Rules. The Directors have no immediate plans to issue any new shares of the Company other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by 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 of the Company. 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 this circular.
5. As at the date of this notice, the Board comprises six Directors. The executive Directors are Ms. Lai Pik Chi, Peggy (Chairman), Ms. Law Kee, Alice (Chief Executive Officer) and Mr. Hui Wai Lee, Willy; and the independent non-executive Directors are Mr. Choy Sze Chung, Jojo, Mr. Tsui Pui Hung and Mr. Chan Tung Tak, Alain.