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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 SGM HELD ON 3 SEPTEMBER 2010;**
- (2) CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE;**
- (3) OPEN OFFER OF NEW SHARES ON THE BASIS OF SEVEN OFFER  
SHARES FOR EVERY NEW SHARE HELD ON RECORD DATE;**
- (4) GRANT OF THE WHITEWASH WAIVER; 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 3 September 2010;
2. as all the conditions of the Capital Reorganisation have been fulfilled, the Capital Reorganisation will become effective on Monday, 6 September 2010. Upon the Capital Reorganisation becoming effective, the board lot size of the New Shares for trading on the Stock Exchange will be increased to 60,000 New Shares. New share certificates for the New Shares in board lot of 60,000 New Shares will be available for exchange at the Company's branch share registrar in Hong Kong from 6 September 2010 to 5 October 2010 (both dates inclusive);
3. the Whitewash Waiver was granted by the Executive on 23 August 2010, 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, it is expected that the Prospectus Documents will be despatched to the Qualifying Shareholders on 7 September 2010.

Reference is made to the announcement of the Company dated 9 July 2010 (the “**Announcement**”) and the circular of the Company dated 11 August 2010 (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 3 September 2010.

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</b> <i>(note)</i>			
1.	To approve the Capital Reorganisation	1,591,504,347 (98.64%)	21,899,000 (1.36%)
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</b> <i>(note)</i>			
2.	To approve the Open Offer	1,084,004,347 (98.02%)	21,899,000 (1.98%)
3.	To approve the Whitewash Waiver	1,084,004,347 (98.02%)	21,899,000 (1.98%)
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 Shares entitling the holders to attend and vote for or against the Capital Reorganisation Resolution at the SGM was 2,613,480,000 Shares, representing 100% of the total issued share capital of the Company.

The Underwriter and parties acting in concert with him were interested in 507,500,000 Shares, representing approximately 19.42% 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 9 July 2010 (being 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 and those who are involved in or interested in the Open Offer and the Whitewash Waiver and their respective associates were required to abstain from voting on the resolutions approving the Open Offer and the Whitewash Waiver 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 2,105,980,000 Shares as at the date of the SGM, representing approximately 80.58% of the total issued share capital of the Company. The Board confirmed that the Underwriter and parties acting in concert with him and those who are involved in or interested in the Open Offer and the Whitewash Waiver and their respective associates 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 AND CHANGE IN BOARD LOT SIZE**

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 Monday, 6 September 2010. Upon the Capital Reorganisation becoming effective, the board lot size of the New Shares for trading on the Stock Exchange will be increased to 60,000 New Shares.

Shareholders may submit existing certificates for the Shares in board lot of 2,000 Shares to the branch share registrar of the Company in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for exchange from Monday, 6 September 2010 to Tuesday, 5 October 2010 (both dates inclusive), at the expense of the Company for certificates for New Shares in board lot of 60,000 New Shares. Thereafter, 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 share certificate issued for the New Shares. Nevertheless, the existing certificates for the Shares will continue to be good evidence of legal title and will be valid for dealings, trading and settlement purpose and may be exchanged for certificates for the New Shares at any time in accordance with the foregoing.

In order to facilitate the trading of odd lots, the Company has appointed Skyway Securities Investment Limited to stand in the market to match the purchase and sale of odd lots of the New Shares at the relevant market price per New Share for the period from Monday, 6 September 2010 to Monday, 27 September 2010 (both days inclusive). Holders of odd lots of the New Shares who wish to take advantage of this facility either to dispose of their odd lots of the New Shares or to top up to a full board lot may contact Mr. Ho Shu Shun Joseph of Skyway Securities Investment Limited at Room 3302, 33/F., The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong (Tel: 852-2907 2307; Fax: 852-2907 2309) during the aforesaid period. Holders of odd lots of the New Shares should note that the matching of the sale and purchase of odd lots of the New 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):

Shareholder	Immediately before the Capital Reorganisation becoming effective		Immediately after the Capital Reorganisation becoming effective		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 (on the assumption as set out in Note 1)	
	<i>Number of</i>		<i>Number of</i>		<i>Number of</i>		<i>Number of</i>	
	<i>Existing Shares</i>	<i>%</i>	<i>New Shares</i>	<i>%</i>	<i>New Shares</i>	<i>%</i>	<i>New Shares</i>	<i>%</i>
Underwriter and parties acting in concert with him	507,500,000	19.42	507,500,000	19.42	4,060,000,000	19.42	15,680,880,000	75
Public Shareholders	<u>2,105,980,000</u>	<u>80.58</u>	<u>2,105,980,000</u>	<u>80.58</u>	<u>16,847,840,000</u>	<u>80.58</u>	<u>5,226,960,000</u>	<u>25</u>
Total	<u><u>2,613,480,000</u></u>	<u><u>100</u></u>	<u><u>2,613,480,000</u></u>	<u><u>100</u></u>	<u><u>20,907,840,000</u></u>	<u><u>100</u></u>	<u><u>20,907,840,000</u></u>	<u><u>100</u></u>

### Notes:

1. Assuming: (1) no Qualifying Shareholders except the Underwriter take up his assured entitlements of the Offer Shares; and (2) the Underwriter would have to take up his maximum underwriting obligation pursuant to the Underwriting Agreement and with the Sub-underwriting Arrangements being effected.
2. Apart from that discussed in the above chart, as at the date of this announcement, the Underwriter and his concert parties do not hold any convertible securities, warrants or options or did not enter into any outstanding derivative in respect of any relevant securities (as defined in Note 4 to Rule 22 of Takeovers Code) of the Company.

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

The Whitewash Waiver was granted by the Executive on 23 August 2010, 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, it is expected that the Prospectus Documents will be despatched to the Qualifying Shareholders on Tuesday, 7 September 2010. There were no Prohibited Shareholders on the Record Date.

**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 are 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, 21 September 2010. Details of the procedures for acceptance and payment thereof and the expected timetable for the Open Offer are set out in the Prospectus Documents.**

By order of the Board  
**China Mandarin Holdings Limited**  
**Lai Pik Chi Peggy**  
*Chairman*

Hong Kong, 3 September 2010

*As at the date hereof, 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.*

*The Directors jointly and severally accept full responsibility for the accuracy of the 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 statements in this announcement misleading.*

*\* For identification purpose only*