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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)

Financial Adviser to the Company



Grand Vinco Capital Limited

*(A wholly-owned subsidiary of Vinco Financial Group Limited)*

### **SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE**

The Board proposes that every ten (10) issued and unissued Shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.10 each in the share capital of the Company.

It is proposed that following the Share Consolidation, the Consolidated Shares will be traded in board lots of 6,000 Consolidated Shares. Based on the closing price of HK\$0.04 per Share as at 1 December 2010, the value of each board lot of 6,000 Consolidated Shares will be HK\$2,400.

The SGM will be convened to obtain the Shareholders' approval of the Share Consolidation. A circular containing, among other things, further details of the Share Consolidation and the change in board lot size together with a notice of the SGM, will be despatched to the Shareholders as soon as practicable in compliance with the Listing Rules.

## **PROPOSED SHARE CONSOLIDATION**

The Board proposes that every ten (10) issued and unissued Shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.10 each in the share capital of the Company.

### **Effects of the Share Consolidation**

As at the date of this announcement, the authorised share capital of the Company is HK\$1,000,000,000 divided into 100,000,000,000 Shares of HK\$0.01 each, of which 20,907,840,000 Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and on the basis that there being no other changes in the share capital structure of the Company prior thereto, the authorised share capital of the Company shall become HK\$1,000,000,000 divided into 10,000,000,000 Consolidated Shares of HK\$0.10 each, of which 2,090,784,000 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other in accordance with the bye-laws of the Company.

Other than the expenses, including professional fees and printing charges, to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or result in any change in the rights of the Shareholders, save for any fractional Consolidated Shares to which the Shareholders may be entitled.

### **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the SGM; and
- (ii) the Listing Division of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

### **Listing application**

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

## **Reason for the Share Consolidation**

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. In view of the recent trading price of the Shares and for compliance with the Listing Rules, the Board proposes to implement the Share Consolidation. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares. The Directors consider that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

## **CHANGE IN BOARD LOT SIZE**

Currently, the Shares are traded on the Stock Exchange in board lot size of 60,000 Shares. The Board proposes to change the board lot size for trading in the Shares from 60,000 Shares to 6,000 Consolidated Shares upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.04 per Share as at 1 December 2010, the value of each board lot of 6,000 Consolidated Shares, will be HK\$2,400.

## **Odd lot arrangements and fractional Consolidated Shares**

Fractional Consolidated Shares will be disregarded and not issued to the Shareholders, but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, a designated broker will be appointed by the Company to provide a matching service, on a “best effort” basis, to those Shareholders who wish to acquire or dispose of their holding of odd lots of the Consolidated Shares. Details of such arrangement will be set out in the circular in relation to, among other things, the Share Consolidation to be despatched to the Shareholders as soon as practicable.

## Exchange of share certificates

Should the Share Consolidation become effective, Shareholders may, during the period from Tuesday, 28 December 2010 to Wednesday, 2 February 2011 (both days inclusive), submit existing certificates for the Shares to the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for exchange, at the expense of the Company, for new certificates for the Consolidated Shares. Thereafter, the existing certificates for the 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 Consolidated Shares. The existing certificates for the Shares will cease to be valid for delivery, trading and settlement purpose but will continue to be good evidence of legal title and may be exchanged for certificates for the Consolidated Shares at any time at the expense of the Shareholders.

## EXPECTED TIMETABLE

The expected time table for the proposed Share Consolidation and the change in board lot size is as follows:

**2010**

Despatch date of circular . . . . . on or before Wednesday, 8 December

Latest time for lodging

forms of proxy for the SGM. . . . . 10:00 a.m. on Wednesday, 22 December

SGM . . . . . 10:00 a.m. on Friday, 24 December

Announcement of results of SGM . . . . . Friday, 24 December

Effective date of the Share Consolidation . . . . . Tuesday, 28 December

Dealing in the Consolidated

Shares commences . . . . . 9:30 a.m. on Tuesday, 28 December

Original counter for trading in

existing Shares in board lots of

60,000 Shares closes. . . . . 9:30 a.m. on Tuesday, 28 December

Temporary counter for trading in the

Consolidated Shares in board lots of 6,000

Consolidated Shares (in the form

of existing share certificates) opens . . . . . 9:30 a.m. on Tuesday, 28 December

First day of free exchange of existing  
share certificates for new share certificates for  
the Consolidated Shares . . . . . Tuesday, 28 December

**2011**

Original counter for trading in the  
Consolidated Shares in board lots of 60,000  
Consolidated Shares (in the form of new  
share certificates) re-opens . . . . . 9:30 a.m. on Tuesday, 11 January

Designated broker starts to stand  
in the market to provide matching services for  
odd lots of the Consolidated Shares . . . . . 9:30 a.m. on Tuesday, 11 January

Parallel trading in Consolidated Shares  
(in the form of new share certificates and  
existing share certificates) commences . . . . . 9:30 a.m. on Tuesday, 11 January

Designated broker ceases to stand  
in the market to provide matching services for  
odd lots of the Consolidated Shares . . . . . 4:00 p.m. on Monday, 31 January

Temporary counter for trading in  
Consolidated Shares in board lots of 6,000  
Consolidated Shares (in the form of existing  
share certificates) ends . . . . . 4:00 p.m. on Monday, 31 January

Parallel trading in Consolidated Shares  
(in the form of new share certificates and  
existing share certificates) ends . . . . . 4:00 p.m. on Monday, 31 January

Last day of free exchange of existing  
share certificates for new share certificates for  
the Consolidated Shares . . . . . Wednesday, 2 February

## **SGM**

The SGM will be convened to obtain the Shareholders' approval of the Share Consolidation. A circular containing, among other things, further details on the Share Consolidation and the change in board lot size together with a notice of the SGM, will be despatched to the Shareholders as soon as practicable in compliance with the Listing Rules.

## DEFINITIONS

“Board”	the board of Directors
“Company”	China Mandarin Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company after the Share Consolidation becoming effective
“Directors”	the directors of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve, among other things, the Share Consolidation
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Consolidation”	the proposed consolidation of every ten (10) Shares into one (1) Consolidated Share
“Shareholder(s)”	the holder(s) of the Share(s) or the Consolidated Share(s), as the context requires
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 1 December 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. Tsui Pui Hung, Mr. Chan Tung Tak, Alain and Mr. Tang Ping Sum.*

\* *For identification purposes only*