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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licenced 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, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licenced securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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) SHARE CONSOLIDATION;  
(2) CHANGE IN BOARD LOT SIZE;  
AND  
(3) NOTICE OF SPECIAL GENERAL MEETING**

**Financial Adviser to the Company**



**Grand Vinco Capital Limited**

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

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A notice convening the SGM to be held at Room 4101, 41/F, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong on Friday, 24 December 2010 at 10:00 a.m. or any adjournment(s) thereof is set out on pages 9 to 10 of this circular. A form of proxy for use at the SGM is also enclosed.

Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to 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 as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

8 December 2010

\* For identification purpose only

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:*

“Board”	the board of Directors
“business day”	any day (not being a Saturday, Sunday and public or statutory holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	7 December 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“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

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## EXPECTED TIMETABLE

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*The expected timetable for the Share Consolidation and change in board lot size is as follows:*

**2010**

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 6,000  
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

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**EXPECTED TIMETABLE**

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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

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LETTER FROM THE BOARD

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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)

*Executive Directors:*

Ms. Lai Pik Chi, Peggy  
Ms. Law Kee, Alice  
Mr. Hui Wai Lee, Willy

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Independent non-executive Directors:*

Mr. Tsui Pui Hung  
Mr. Chan Tung Tak, Alain  
Mr. Tang Ping Sum

*Principal place of business in  
Hong Kong:*

Room 4101, 41/F  
The Lee Gardens  
33 Hysan Avenue  
Causeway Bay  
Hong Kong

8 December 2010

*To the Shareholders*

Dear Sir or Madam,

**(1) SHARE CONSOLIDATION;  
(2) CHANGE IN BOARD LOT SIZE;  
AND  
(3) NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

On 1 December 2010, the Board announced that the Company proposed to seek Shareholders' approval at the SGM to approve the Share Consolidation.

The purpose of this circular is to provide you with the information relating to (i) the Share Consolidation; and (ii) change in board lot size; and to give you the notice of SGM.

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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### **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 Latest Practicable Date, 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.

As at the Latest Practicable Date, the Company had no outstanding convertible securities or options in issue or other similar rights which confer any rights to convert into or subscribe for the Shares.

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.

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## LETTER FROM THE BOARD

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### **Listing application**

An application has been made by the Company to the Listing Division of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and the permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Shares are not listed or dealt in on any stock exchange other than the Stock Exchange. The Directors do not intend to apply for listing of, or permission to deal in, the Consolidated Shares on any stock exchange other than the Stock Exchange.

### **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**

As as the Latest Practicable Date, 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\$0.038 per Share as at the Latest Practicable Date, the value of each board lot of 6,000 Consolidated Shares will be HK\$2,280.



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## LETTER FROM THE BOARD

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### **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, the Company has appointed Skyway Securities Investment Limited as an agent 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.

Shareholders who wish to take advantage of this facility should contact Mr. Ho Shu Shun Joseph of Skyway Securities Investment Limited at telephone number 852-29072307 during office hours. Shareholders should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Please refer to the section headed “Expected timetable” on pages 2 to 3 of this circular for the period during which the Company will provide matching service for the sale and purchase of odd lots of the Consolidated Shares.

### **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.

The new share certificates will be issued in orange colour to distinguish from the existing share certificates, which are in pink colour.

### **SGM**

The notice convening the SGM is set out on pages 9 to 10 of this circular. At the SGM ordinary resolution will be proposed to approve the Share Consolidation. A form of proxy for use at the SGM is also enclosed with this circular. To be valid, the enclosed form of proxy, together with any power of attorney or other authority under which it is signed must be completed in accordance with the instructions printed thereon and delivered to the principal place of business of the Company in Hong Kong at Room 4101, 41/F, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting. The completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjourned meeting in person if you so wish.

No Shareholder has any material interest in the Share Consolidation. Therefore no Shareholder is required to abstain from voting at the SGM in respect of the resolution to approve the same.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors consider that the Share Consolidation is in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the relevant ordinary resolution at the SGM.

### DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong at Room 4101, 41/F, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong during normal business hours up to and including the date of the SGM:

- (a) the memorandum of association and the bye-laws of the Company;
- (b) the annual reports of the Company for the two years ended 31 December 2008 and 31 December 2009 respectively;
- (c) the unaudited interim report of the Company for the six months ended 30 June 2010;
- (d) the circular of the Company dated 12 January 2010 in respect of a major disposal and a connected transaction;
- (e) the circular of the Company dated 27 April 2010 in respect of grant of general mandate to issue and repurchase Shares, proposed re-election of Directors and amendments to the bye-laws; and
- (f) the circular of the Company dated 11 August 2010 in respect of, among other things, capital reorganisation, open offer and application for a whitewash waiver.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular misleading.

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

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## NOTICE OF THE SGM

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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 SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “**Meeting**”) 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 on Friday, 24 December 2010 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution of the Company:

#### ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the granting by the Listing Division of The Stock Exchange of Hong Kong Limited of the listing of, and permission to deal in, the Consolidated Shares (as defined below) in issue and to be issued upon the Share Consolidation (as defined below) becoming effective:

- (a) every ten existing issued and unissued shares of par value HK\$0.01 each in the share capital of the Company be consolidated into one share of par value HK\$0.10 (the “**Consolidated Share**”) each in the share capital of the Company (the “**Share Consolidation**”) with effect from the business day immediately following the date on which this resolution is passed, such Consolidated Shares shall rank pari passu in all respects with each other, and any fractional entitlements be aggregated to the then issued Consolidated Shares resulting from the Share Consolidation and the sale in the form of Consolidated Shares for the benefit of the Company in such manner and on such terms as the directors of the Company (the “**Directors**”) may think fit be and are hereby approved; and
- (b) the Directors be and are hereby authorised to do all such acts and things and execute all such documents, including under the seal of the Company, where applicable, as they consider necessary or expedient to implement and give effect to the Share Consolidation.”

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

Hong Kong, 8 December 2010

\* For identification purpose only

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## NOTICE OF THE SGM

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*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*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.