
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;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at Room 4101, 41/F, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong on Monday, 16 May 2011, at 3:00 p.m. is set out on pages 13 to 16 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.

* *For identification purposes only*

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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 Monday, 16 May 2011 at 3:00 p.m. to consider and, if thought fit, approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate and the proposed re-election of Directors
“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 issued 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”	4 April 2011, 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
“PRC”	the People’s Republic of China
“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
“RMB”	Renminbi, the lawful currency of the PRC
“%”	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
Mr. Jin Lei

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Independent non-executive Directors:

Mr. Tang Ping Sum
Mr. Tsui Pui Hung
Mr. Chu To, Jonathan

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

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

11 April 2011

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
AND
(3) 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; and (ii) the re-election of Directors.

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 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 2,989,334,723 Shares in issue. Subject to the passing of the resolution 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 597,866,944 Shares. The Directors wish to state that they have no immediate plan to issue any new Shares other than Shares which may fall to be issued upon the conversion of the convertible bond(s) of the Company, under the share option scheme or any scrip dividend scheme which may be approved by the Shareholders.

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 298,933,472 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

LETTER FROM THE BOARD

period within which the next annual general meeting of the Company is required by the Bye-laws, 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 86(2), any Director appointed to fill in a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the next general meeting of the Company and shall then be eligible for re-election.

In accordance with Bye-law 86(2), Mr. Tang Ping Sum, Mr. Chu To, Jonathan and Mr. Jin Lei shall retire from office at the AGM. Being eligible, each of Mr. Tang Ping Sum, Mr. Chu To, Jonathan and Mr. Jin Lei will offer himself for re-election as independent non-executive Director/executive Director (as the case may be).

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, 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. However, any Director appointed pursuant to Bye-law 86(2) shall not be taken into account in determining the number of Directors who are to retire by rotation.

In the forthcoming AGM, Ms. Lai Pik Chi, Peggy shall retire from office by rotation in accordance with Bye-laws 87(1) and 87(2). Ms. Lai Pik Chi, Peggy has notified the Company that she will not offer herself for re-election and accordingly will cease to be Director on conclusion of the AGM.

At the AGM, ordinary resolutions will be proposed to re-elect each of Mr. Jin Lei, Mr. Tang Ping Sum and Mr. Chu To, Jonathan as executive Director/independent non-executive Director (as the case may be).

Particulars relating to each of Mr. Jin Lei, Mr. Tang Ping Sum and Mr. Chu To, Jonathan are set out in Appendix II to this circular.

LETTER FROM THE BOARD

AGM

A notice convening the AGM to be held at Room 4101, 41/F, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong on Monday, 16 May 2011, at 3:00 p.m. is set out on pages 13 to 16 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.

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 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, 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 herein or this circular misleading.

RECOMMENDATION

The Directors consider the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate and the proposed re-election of Directors 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 Directors' 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 2,989,334,723 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 298,933,472 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 2010, 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>
2010		
April	0.450	0.380
May	0.430	0.310
June	0.360	0.340
July	0.400	0.290
August	0.600	0.340
September	0.600	0.360
October	0.560	0.380
November	0.480	0.380
December	0.420	0.360
2011		
January	0.400	0.290
February	0.425	0.300
March	0.480	0.370
April (up to the Latest Practicable Date)	0.500	0.410

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	1,233,436,690	41.26%
Lo Chan Kau	538,499,999	18.01%

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	45.85%
Lo Chan Kau	20.02%

On the basis of the current shareholdings of the above Shareholders, an exercise of the Repurchase Mandate in full would result in Cheng Keung Fai 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) Mr. Jin Lei (“Mr. Jin”)

Mr. Jin, aged 39, was appointed as an executive Director on 8 March 2011. Mr. Jin has over 17 years solid experience in construction work, property development and operation management. Mr. Jin was a civil engineer of 山東淄川建築設計院 (Architectural Design Institute of Shandong Zichuan) from 1993 to 1995. From 1995 to 2001, Mr. Jin was the 主任工程師 (engineer supervisor) of 山東黃淮糧油機械集團 (濟寧機械設計院土木建築室) (Shandong Huanghuai Cereals & Oils Machinery Group Company (Civil Construction House of Jining Machinery Design Institute)). In 2002, Mr. Jin was awarded by the municipal government of Jining City, Shandong Province, the PRC as one of the 百名經濟管理人才 (Top 100 Managerial Talents in Economics). Mr. Jin holds a bachelor degree from 華東交通大學建築工程系 (Department of Architectural Engineering, East China Jiaotong University), major in 工業與民用建築 (Industrial and Residential Architecture). Mr. Jin was also awarded a master degree of business administration by 中國人民大學 (Renmin University of China) in 2005.

Mr. Jin entered into a service contract with the Company on 8 March 2011 for an initial term of one year commencing from 8 March 2011 and the term shall continue thereafter until terminated by either party giving to the other not less than three months’ prior written notice. As at the Latest Practicable Date, he was entitled to a monthly remuneration of RMB35,500.

Mr. Jin does not have, and is not deemed to have, any interests in the Shares within the meaning of Part XV of the SFO and does not have any relationship with any Directors, senior management or substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company. Save for being an executive Director, he did not hold any directorship in the last three years in any 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. Tang Ping Sum (“Mr. Tang”)

Mr. Tang, aged 54, was appointed as an independent non-executive Director on 1 November 2010. Mr. Tang obtained a bachelor degree of commerce from University of Western Australia in December 1981 and a master degree of applied finance from Macquarie University, Australia in April 1992. He is a certified practicing accountant of Australia and was a fellow member of the Hong Kong Institute of Certified Public Accountants until 2007. Mr. Tang has over 11 years’ experiences in the securities industry in Hong Kong.

Mr. Tang joined Hantec Investment Holdings Limited (stock code: 111, now known as Cinda International Holdings Limited), a company listed on the Stock Exchange, in January 1998. He was appointed as its executive director in May 2000 until October 2006. He was then the head of China division of Taifook Securities Group from January 2007 to September 2008, responsible for developing its securities businesses in China. Mr. Tang is currently the responsible officer of Grand Partners Asset Management Limited (“Grand Partners”) and is mainly responsible for monitoring the risk control of Grand Partners.

From March 2003 to December 2006, Mr. Tang was an independent non-executive director of Cosmopolitan International Holdings Limited (stock code: 120), a company listed on the Stock Exchange. He was an independent non-executive director of Sino Resources Group Limited (stock code: 223), a company listed on the Stock Exchange, from 30 April 2009 to 31 December 2010; and a non-executive director of Univision Engineering Limited (AIM code: UVEL), a company listed on the Alternative Investment Market of the London Stock Exchange, since December 2005. Save for being a Director and as disclosed, he did not hold any directorship in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas nor within the Group.

Mr. Tang does not have, and is not deemed to have, any interests in the Shares within the meaning of Part XV of the SFO and does not have any relationships with any Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company.

Pursuant to his appointment letter, Mr. Tang is appointed for an initial term of one year commencing from 1 November 2010 to 31 October 2011 (both dates inclusive), which term is renewable for successive term of one year. Either Mr. Tang or the Company may terminate such appointment by giving at least one month’s notice in writing to the other. Mr. Tang shall be subject to retirement by rotation and re-election in accordance with the Bye-laws. He is entitled to director’s emoluments of HK\$8,000 per month which is determined by the Board with reference to his duties and responsibilities in the Company.

(3) Mr. Chu To, Jonathan (“Mr. Chu”)

Mr. CHU, aged 46, was appointed as a non-executive Director on 1 March 2011. Mr. Chu obtained a bachelor degree of science from University of Toronto, Canada in 1986. He has over 20 years of experience in the finance sector and has extensive experience particularly in private equity (including pre-IPO investments) and fund management. Mr. Chu is currently the deputy managing director and responsible officer of China Everbright Securities (HK) Limited and China Everbright Forex & Futures (HK) Limited. In addition, Mr. Chu is the founder and chairman of P. T. Metalli Resources, an Indonesia company which engages in mining and processing of lead, zinc and copper ores. Save for being a Director, Mr. Chu did not hold any directorship in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas nor within the Group.

Mr. Chu does not have, and is not deemed to have, any interests in the Shares within the meaning of Part XV of the SFO and does not have any relationships with any Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company.

Pursuant to his appointment letter, Mr. Chu is appointed for an initial term of one year commencing from 1 March 2011 to 29 February 2012 (both dates inclusive), which term is renewable for successive term of one year. Either Mr. Chu or the Company may terminate such appointment by giving at least one month's notice in writing to the other. Mr. Chu shall be subject to retirement by rotation and re-election in accordance with the Bye-laws. He is entitled to director's emoluments of HK\$8,000 per month which is determined by the Board with reference to his duties and responsibilities with the Company.

There is no information relating to Mr. Jin, Mr. Tang and Mr. Chu 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 Mr. Jin, Mr. Tang and Mr. Chu 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 Room 4101, 41/F, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong on Monday, 16 May 2011 at 3:00 p.m., to transact the following ordinary businesses:

1. to receive and consider the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 December 2010;
2.
 - (a) to re-elect Mr. Jin Lei as executive Director;
 - (b) to re-elect Mr. Tang Ping Sum as independent non-executive Director;
 - (c) to re-elect Mr. Chu To, Jonathan as independent non-executive Director; and
 - (d) to authorise the board of Directors to fix the Directors’ remuneration;
3. to re-appoint Messrs. Ernst & Young as the auditors of the Company and to authorise the board of Directors to fix their remuneration;

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

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;

* For identification purpose only

NOTICE OF AGM

- (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 (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

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

NOTICE OF AGM

“**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;
- (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 law of Bermuda to be held; and
 - (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution.”

NOTICE OF AGM

6. “**THAT** the Directors be and 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.”

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

Hong Kong, 11 April 2011

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head office and 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 annual general meeting convened by the above notice 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 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 notorially 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.
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 the Company of a general mandate to authorise the allotment and issue of shares of the Company under the Listing Rules. The Directors wish to state that they have no immediate plan to issue any new shares of the Company other than Shares which may fall to be issued upon the conversion of the convertible bond(s) of the Company, under the share option scheme of the Company or any scrip dividend scheme which may be approved by the 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. 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 the Company’s circular dated 11 April 2011.
5. As at the date of this notice, the Board comprises seven Directors. The executive Directors are Ms. Lai Pik Chi, Peggy (Chairman), Ms. Law Kee, Alice (Chief Executive Officer), Mr. Hui Wai Lee, Willy and Mr. Jin Lei; and the independent non-executive Directors are Mr. Tsui Pui Hung, Mr. Tang Ping Sum and Mr. Chu To, Jonathan.