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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)

LETTER OF INTENT AND RESUMPTION OF TRADING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board is pleased to announce that on 25 April 2011, Jiuhua entered into the LOI with the Land Resources Bureau for the proposed acquisition of the Proposed Land for future development.

Further announcement in respect of the Proposed Acquisition will be made by the Company as and when appropriate.

Trading in the Shares was suspended with effect from 9:00 a.m. on 26 April 2011 at the request of the Company pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 27 April 2011.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

LETTER OF INTENT

The Board is pleased to announce that on 25 April 2011, Jiuhua, an indirect wholly-owned subsidiary of the Company, entered into the LOI with the Land Resources Bureau for the proposed acquisition of the Proposed Land, which is situated to the north of the Existing Land, for future development.

Pursuant to the LOI, Jiuhua will pay to the Land Resources Bureau an earnest money in the sum of RMB150 million (approximately HK\$178.5 million) within 30 days after the date of signing of the LOI. The earnest money will be applied towards payment of consideration for the acquisition of the land use right in respect of the Proposed Land should Jiuhua successfully obtain the land use right of the Proposed Land through legal processes, or otherwise, the earnest money will be refunded to Jiuhua. The earnest money will bear no interest and no collateral will be obtained from the Land Resources Bureau. The Company intends to finance the earnest money by internal resources and debt financing.

REASONS FOR THE PROPOSED ACQUISITION AND THE LOI

The Group is principally engaged in film production and related business, film processing, rental of property and property development.

As disclosed in the announcement of the Company dated 26 January 2011, the Company successfully completed a very substantial acquisition of the Existing Land. Subject to approval from the local authorities, the Existing Land is intended to be developed into low-density residential units with condominiums and townhouses. A five-star hotel is also planned to be built on the Existing Land. The Proposed Land is of a gross area of approximately 500 mu (approximately 333,000 sq. m) and situated to the north of the Existing Land. The Group intends to acquire the Proposed Land for a future phase of development to the Existing Land. Details of the Existing Land and the proposed development of it are set out in the circular of the Company dated 7 January 2011.

Shareholders and potential investors should note that the LOI is non-legally binding and the Proposed Acquisition will be subject to legal processes. Accordingly, the Proposed Acquisition may or may not proceed. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.04(1)(g) of the Listing Rules, the Proposed Acquisition would be a transaction of revenue nature in the ordinary and usual course of business of the Company, and hence does not constitute a notifiable transaction of the Company and is not subject to the reporting and announcement requirements under the Listing Rules. The Company, however, will keep the Shareholders and potential investors of the Company informed of the latest business development of the Group, and make further announcement in respect of the Proposed Acquisition as and when appropriate. The payment of the earnest money (when paid) under the LOI will constitute an advance to an entity under Rule 13.13 of the Listing Rules.

RESUMPTION OF TRADING

Trading in the Shares was suspended with effect from 9:00 a.m. on 26 April 2011 at the request of the Company pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 27 April 2011.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“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”	directors of the Company
“Existing Land”	the parcel of land under Land Number: 2009GTJH041 and located at 湖南省湘潭市九華示範區黃河路以北、濱江路以西(northern side of Huanghe Road and western side of Binjiang Road, Jiuhua Economic Development Zone, Xiangtan, Hunan Province, the PRC), with a gross area of approximately 325,989 sq. m
“Group”	the Company and its subsidiaries
“Jiuhua”	湖南九華國際新城開發建設有限公司 (Hunan Jiuhua International City Development Construction Company Limited), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Land Resources Bureau”	湘潭市國土資源局 (Land Resources Bureau of Xiangtan City)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LOI”	the non-legally binding letter of intent dated 25 April 2011 and entered into between Jiuhua and the Land Resources Bureau in relation to the Proposed Acquisition
“PRC”	the People’s Republic of China
“Proposed Acquisition”	the proposed acquisition of the Proposed Land

“Proposed Land”	the parcel of land located at 湖南省湘潭市九華示範區濱江路以西、規劃路以北 (northern side of Guihua Road and western side of Binjiang Road, Jiuhua Economic Development Zone, Xiangtan, Hunan Province, the PRC), with a gross area of approximately 500 mu (approximately 330,000 sq. m)
“Share(s)”	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
“HK\$”	Hong Kong Dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“sq. m”	square meters

For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of RMB1 to HK\$1.19. This exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate or at all.

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

Hong Kong, 26 April 2011

As at the date hereof, 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.

* *For identification purpose only*