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CHINA HAIDIAN HOLDINGS LIMITED

中國海澱集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 256)

DELAY IN DESPATCH OF CIRCULAR

Financial Adviser to China Haidian Holdings Limited



Quam Capital Limited

Pursuant to Rules 14.38 and 14.48 of the Listing Rules, the Company is required to despatch the Circular to the Shareholders within 21 days after publication of the Announcement, which is on or before 18 August 2006.

As additional time is required to prepare certain financial information, the Company has applied for a waiver from the Stock Exchange from strict compliance with Rules 14.38 and 14.48 of the Listing Rules and for an extension of deadline for the despatch of the Circular to on or before 30 August 2006.

Reference is made to the announcement of the Company dated 27 July 2006 (the "Announcement") in relation to, among other things, the Asset Transaction. Unless the context otherwise requires, terms used herein shall have the same meanings as defined in the Announcement.

Pursuant to Rules 14.38 and 14.48 of the Listing Rules, the Company is required to despatch a circular in relation to the Asset Transaction (the "Circular") to the Shareholders within 21 days after publication of the Announcement, which is on or before 18 August 2006.

Due to the substantial scale of operation of the Citychamp Group and the existing audited financial statements of the Citychamp Group are prepared under the PRC accounting standards, additional time is required to prepare the accountants' report of the Citychamp Group under Hong Kong accounting standards and the pro forma financial information of the Group after Completion. Therefore, the despatch of the Circular will be delayed.

The Company has applied for a waiver from the Stock Exchange from strict compliance with Rules 14.38 and 14.48 of the Listing Rules and for an extension of deadline for the despatch of the Circular to on or before 30 August 2006.

As at the date of this announcement, the Board comprises Mr. Hon Kwok Lung, Mr. Wang Shaolan, Mr. Shang Jian Guang, Mr. Shi Tao and Mr. Lam Toi Man as the executive Directors, Ms. Sit Lai Hei as the non-executive Director, and Mr. Fung Tze Wa, Dr. Kwong Chun Wai, Michael and Mr. Li Qiang as the independent non-executive Directors.

By order of the board of
China Haidian Holdings Limited
Hon Kwok Lung
Chairman

Hong Kong, 17 August 2006