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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)

DISCLOSURE PURSUANT TO RULE 14.36 OF THE LISTING RULES

Financial Adviser to China Haidian Holdings Limited



Quam Capital Limited

On 28 October 2006, the parties to the S&P Agreements entered into supplemental agreements in relation to, among other things, the extension of the long stop date of the S&P Agreements from 28 October 2006 to 28 March 2007. As such, there would be a material delay in the completion of the S&P Agreements in accordance with the requirements of Rule 14.36 of the Listing Rules.

References are made to the announcements dated 3 December 2004, 1 March 2005, 10 April 2006, 26 June 2006 and circular dated 25 April 2005 issued by the Company in relation to the acquisition of an aggregate of a 21% interest in Beijing Haidian by the Company and Jing Guan, a wholly-owned subsidiary of the Company, from Beijing Haikai and Commercial Facility. The Company wishes to announce

that there would be a material delay in the completion of the S&P Agreements in accordance with the requirements of Rule 14.36 of the Listing Rules.

The long stop date of the S&P Agreements was 28 October 2006. Completion of the S&P Agreements was conditional on, among other things, the obtaining of the necessary approval from 北京市商務局 (the Commerce Department of Beijing). On the date of entering into the Supplemental Agreements, all the other conditions to the S&P Agreements had been duly fulfilled.

On 28 October 2006, the Purchasers and the Vendors entered into the Supplemental Agreements extending the long stop date of the S&P Agreements to 28 March 2007 and replacing the relevant terms stipulated in the S&P Agreements with the following:–

- (a) if the Purchaser and the Vendor do not receive the approval from 北京市商務局 (the Commerce Department of Beijing) within 28 months from the date of signing of the original S&P Agreement, being 28 March 2007, the Amended S&P Agreement shall cease to have any effect and the Vendor shall immediately refund the full consideration paid by the Purchaser; and
- (b) in the event that any of the other two sets of the Amended S&P Agreements fail to take effect on or before 28 March 2007, the Purchaser shall have the right to terminate the Acquisition and demand the full refund of the consideration received by the Vendor.

In view of the above, the Purchasers will have the right to terminate the Amended S&P Agreements and receive the full refund of the consideration of RMB40,068,000 (equivalent to approximately HK\$37.8 million) in aggregate from the Vendors if the Amended S&P Agreements are not completed on or before 28 March 2007. Pursuant to the Amended S&P Agreements, no interest will be accrued on the consideration.

As mentioned in the Company's announcement dated 26 June 2006, an application for the approval of the transfer of shareholding interests of Beijing Haidian was submitted to 北京市商務局 (the Commerce Department of Beijing) on 21 June 2006. The approval by 北京市商務局 (the Commerce Department of Beijing) is generally expected to be granted within one month after submission of the application. The

Directors believe that the delay in obtaining the approval is mainly due to the recent austerity measures imposed by the PRC government to control the property market. As a result, 北京市商務局 (the Commerce Department of Beijing) is more cautious in approving transactions relating to property development business and leads to the delay in granting the approval to transfer the shareholding interests of Beijing Haidian, which is principally engaged in the property development business. The Company will make a further announcement if the Acquisition is not completed on or before 28 March 2007.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisition”	acquisition of an aggregate of a 21% interest in Beijing Haidian by the Purchasers from the Vendors
“Amended S&P Agreement(s)”	the S&P Agreement(s) as amended by the Supplemental Agreement(s)
“Beijing Haidian”	北京海澱科技園建設股份有限公司 (Beijing Haidian Science Park Development Co., Ltd.), a company established in the PRC
“Beijing Haikai”	北京海開房地產集團公司 (Beijing Haikai Real Estate Group Company), a company established in the PRC
“Board”	board of Directors
“Commercial Facility”	北京市海澱區商業設施建設經營公司 (Commercial Facility Construction and Managing Company of Haidian District of Beijing), a company established in the PRC
“Company”	China Haidian Holdings Limited 中國海澱集團有限公司, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange

“Director(s)”	director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jing Guan”	北京京冠房地產開發有限公司 (Beijing Jing Guan Property Development Company Limited), a company established in the PRC and a wholly-owned subsidiary of the Company
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchasers”	the Company and Jing Guan, and “Purchaser” means either the Company or Jing Guan
“RMB”	Renminbi, the lawful currency of the PRC
“S&P Agreements”	three original sale and purchase agreements dated 29 November 2004 entered into between the following parties: <ul style="list-style-type: none"> (a) the Company, as the purchaser, and Beijing Haikai, as the vendor; (b) the Company, as the purchaser, and Commercial Facility, as the vendor; and (c) Jiang Guan, as the purchaser, and Commercial Facility, as the vendor, in relation to the Acquisition as supplemented by respective supplemental agreements dated 1 December 2004, 28 February 2005, 25 June 2005 and 26 June 2006, and

	“S&P Agreement” means any of the original sale and purchase agreements as amended by the relevant aforesaid supplemental agreements
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreements”	three supplementary agreements dated 28 October 2006 between the parties to each of the S&P Agreements
“Vendors”	Beijing Haikai and Commercial Facility, and “Vendor” means either Beijing Haikai or Commercial Facility
“%”	per cent

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, 1 November 2006