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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 27 March 2007, 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 March 2007 to 28 July 2007. As such, there will 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, 1 November 2006 and the 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 will 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 Supplemental Agreements were executed in late evening on 27 March 2007, one day earlier than the original long stop date of 28 March 2007. Therefore, the earliest date to announce the details of the Supplemental Agreements falls on 28 March 2007.

Save for the necessary approval from 北京市商務局 (the Commerce Department of Beijing), all the other conditions to the S&P Agreements had been duly fulfilled on the date of entering into the Supplemental Agreements.

On 27 March 2007, the Purchasers and the Vendors entered into the Supplemental Agreements extending the long stop date of the S&P Agreements from 28 March 2007 to 28 July 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 32 months from the date of signing of the original S&P Agreement, being 28 July 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 July 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 July 2007. Pursuant to the Amended S&P Agreements, no interest will be accrued on the consideration.

The Acquisition was classified as a “major transaction” of the Company under the Listing Rules at the time of entering into the original sale and purchase agreements.

Upon completion of the Acquisition, the Group will have a 21% interest in the issued share capital of Beijing Haidian. The interest will be accounted for as an investment in an associate and accordingly, the results of Beijing Haidian will not be consolidated in the Group’s accounts. In addition, the size of the investment is not significant compares with the asset base of the Group. Total consideration for the Acquisition of approximately RMB133.6 million is equivalent to around 8% of the total assets of the Group as at 30 June 2006 based on the latest interim report of the Group. In view of the

foregoing, the Directors believe that the material delay in completion of the Acquisition does not have any material adverse impact to the Group.

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.

Beijing Haidian has certain land development projects that are classified as 一級開發項目 (first stage land development projects) which are projects that involves in, among other things, demolition of buildings, connection of public utilities and construction of community facilities. The Directors understand that the PRC regulatory authorities prefer purchasers of companies that involve in 一級開發項目 (first stage land development projects) to be the PRC companies instead of foreign companies. The delay in obtaining an approval from 北京市商務局 (the Commerce Department of Beijing) is attributed to the fact that both the Company and Jing Guan are foreign companies. As such, it is difficult to estimate the time required to obtain the approval at this stage. Given the prime location and lucrative prospect of the development projects held by Beijing Haidian, the Directors believe that it is in the interests of the Company and its shareholders to extend the long stop date of the S&P Agreements. The Company will make a further announcement if the Acquisition is not completed on or before 28 July 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"> <li>(a) the Company, as the purchaser, and Beijing Haikai, as the vendor;</li> <li>(b) the Company, as the purchaser, and Commercial Facility, as the vendor; and</li> </ul>

(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, 26 June 2006 and 28 October 2006, and “S&P Agreement” means any of the original sale and purchase agreements as amended by the relevant aforesaid supplemental agreements

“Stock Exchange”

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“Supplemental Agreements”

three supplementary agreements dated 27 March 2007 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, 28 March 2007