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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

As the second Open Auction is scheduled for 26 November 2008, the Land Resumption Agreement cannot be completed on or before 10 November 2008. The Land Resumption Agreement is expected to be completed on or before 3 August 2009. This constitutes a material delay in completion of the Land Resumption Agreement under Rule 14.36 of the Listing Rules.

Reference is made to the announcement dated 6 December 2007 and the circular (the “Circular”) dated 27 December 2007 issued by the Company in relation to, among other things, details of the Land Resumption Agreement and the Joint Arrangement Agreement. Terms used herein shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Pursuant to the Land Resumption Agreement, the Shenzhen Government shall pay Seti 89.5% of the consideration from the sale of the Auction PRC Land at the Open Auction as compensation for the Land Resumption.

No bid was made at the Open Auction first held on 6 June 2008. As the second Open Auction is scheduled for 26 November 2008, the Land Resumption Agreement cannot be completed within 300 days from the date of the Land Resumption Agreement became unconditional, being 10 November 2008. The Joint Arrangement Agreement in respect of the Land Restoration has also not yet completed.

The consideration for the Auction PRC Land shall be paid in three instalments to the Shenzhen Government: (i) 30% of the consideration shall be paid within five business days from the date of the second Open Auction; (ii) 30% of the consideration shall be paid within 180 days from the date of the second Open Auction; and (iii) the remaining 40% of the consideration shall be paid within five business days from the date of signing of the land use right transfer agreement. The Shenzhen Government shall pay Seti the compensation for the Land Resumption after the receipt of the consideration. Furthermore, the Land Restoration is required to be completed within 200 days from the date of the second Open

Auction. As such, the Land Resumption Agreement is expected to be completed within 250 days from the date of the second Open Auction, being 3 August 2009. This constitutes a material delay in completion of the Land Resumption Agreement under Rule 14.36 of the Listing Rules. The Company will make a further announcement if the Land Resumption Agreement is not completed on or before 3 August 2009.

It was disclosed that the compensation for the Land Resumption would be applied for the expansion and development of the Group's watch and enamelled copper wire businesses. However, the Group has not yet committed to any material capital expenditure for the development of the businesses. As such, the Directors believe that the material delay in completion of the Land Resumption Agreement does not have any material impact on the Group's operational and financial positions.

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

Hong Kong, 10 November 2008

As at the date of this announcement, the Board comprises Mr. Hon Kwok Lung, Mr. Wang Shaolan, Mr. Shang Jianguang, 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.