

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in CHINA HAIDIAN HOLDINGS LIMITED you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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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)

PROPOSALS FOR GENERAL MANDATES

TO REPURCHASE AND ISSUE SHARES OF THE COMPANY

RE-ELECTION OF DIRECTORS

NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting of China Haidian Holdings Limited ("the Company") to be held at Harbour View Room III & IV, 3rd Floor, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong, on Thursday, the 31st day of May, 2007 at 3:00 p.m. is set out on pages 10 to 13 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the principal place of business of the Company at Suites 2701-2705 & 2715-2716, 27th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting (or adjourned meeting as the case may be).

Hong Kong, 2nd May, 2007

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Annual General Meeting”	the annual general meeting of the Company to be held on Thursday, the 31st day of May, 2007 at 3:00 p.m., notice of which is set out on pages 10 to 13 of this circular
“Articles of Association”	the articles of association of the Company
“Companies Law”	the Companies Law of the Cayman Islands for the time being in force
“Company”	China Haidian Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange
“Directors”	directors of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	27th April, 2007, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to repurchase during the period as set out in the Repurchase Resolution Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution as referred to in resolution no.4 in the notice of the Annual General Meeting
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE CHAIRMAN



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)

Executive Directors:

Hon Kwok Lung (*Chairman*)
Wang Shaolan (*Vice Chairman*)
Shang Jianguang (*Chief Executive Officer*)
Shi Tao
Lam Toi Man

Registered Office:

P.O. Box 309
Ugland House
South Church Street
Grand Cayman
Cayman Islands

Non-executive Director:

Sit Lai Hei

Principal Place of Business:

Suites 2701-2705 & 2715-2716
27th Floor
Two International Finance Centre
8 Finance Street, Central
Hong Kong

Independent Non-executive Directors:

Fung Tze Wa
Kwong Chun Wai, Michael
Li Qiang

Hong Kong, 2nd May, 2007

To the shareholders,

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE AND ISSUE SHARES OF THE COMPANY
RE-ELECTION OF DIRECTORS
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to notify shareholders of the Company the convening of the Annual General Meeting and to provide you with information in connection with the proposals: (i) to grant the general mandates to repurchase shares and to issue new shares of the Company; and (ii) to re-elect Directors.

2. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 25th May, 2006, a general mandate was given by the Company to the Directors to exercise the powers of the Company to repurchase Shares of the Company. Such mandate will lapse at the conclusion of the

LETTER FROM THE CHAIRMAN

forthcoming Annual General Meeting to be held on 31st May, 2007. The Directors will propose the Repurchase Resolution at the Annual General Meeting to give a general mandate to the Directors to exercise all powers of the Company to repurchase on the Stock Exchange up to 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution. An explanatory statement as required under the Share Repurchase Rules to provide the requisite information of the Repurchase Proposal is set out in Appendix I hereto.

3. GENERAL MANDATE TO ISSUE SHARES

There will also be proposed at the Annual General Meeting two ordinary resolutions respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the resolution and adding to such general mandate so granted to the Directors of the Shares repurchased by the Company after the granting of the general mandate to repurchase up to 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution.

4. RE-ELECTION OF DIRECTORS

In accordance with Article 116 of the Articles of Association, Mr. Hon Kwok Lung, Ms. Sit Lai Hei and Mr. Li Qiang will retire by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election. Details of the Directors who are proposed to be re-elected at the Annual General Meeting are set out in Appendix II hereto.

5. ANNUAL GENERAL MEETING

On pages 10 to 13 of this circular, you will find a notice convening the Annual General Meeting which contains, inter alia, the proposed resolution to re-elect directors and the following proposed resolutions:

- an ordinary resolution to grant to the Directors a general mandate to exercise all powers of the Company to repurchase on the Stock Exchange Shares representing up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution;
- an ordinary resolution to grant to the Directors a general mandate to authorise the Directors to issue, allot and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing such resolution; and
- an ordinary resolution to extend the general mandate which will be granted to the Directors to issue, allot and deal with additional Shares by adding to it the number of Shares repurchased under the Repurchase Proposal after the granting of the general mandate.

LETTER FROM THE CHAIRMAN

At the Annual General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is required to be taken under the Listing Rules or unless a poll is (before or on the declaration of the result of the show of hands) demanded (a) by the chairman; or (b) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or (d) by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of all the shares conferring that right.

On a show of hands, every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote, and on a poll every member present in person or by proxy shall have one vote for every fully-paid share of which he is the holder. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

6. ACTION TO BE TAKEN

A form of proxy for use at the Annual General Meeting is enclosed herein. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the principal place of business of the Company at Suites 2701-2705 & 2715-2716, 27th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the Annual General Meeting if they so wish.

7. RECOMMENDATION

The Directors believe that the proposed resolution to re-elect directors, the Repurchase Proposal and the general mandate for Directors to issue new Shares to be put forward at the Annual General Meeting are all in the best interests of the Company and its shareholders. Accordingly, the Directors recommend that all shareholders of the Company should vote in favour of such resolutions to be proposed at the Annual General Meeting.

By Order of the Board
China Haidian Holdings Limited
HON KWOK LUNG
Chairman

This appendix serves as an explanatory statement, as required by the Share Repurchase Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,792,030,669 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Resolution to repurchase a maximum of 179,203,066 Shares (representing 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution).

2. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the Companies Law. The Companies Law provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of shares made for the purposes of the repurchase or in the manner provided for in section 37(5) of the Companies Law. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Company's shares are repurchased or in the manner provided for in section 37(5) of the Companies Law.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31st December, 2006 in the event that the power to repurchase Shares pursuant to the Repurchase Proposal is to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the power to repurchase Shares pursuant to the Repurchase Proposal to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date are as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2006	0.320	0.234
May 2006	0.255	0.214
June 2006	0.230	0.200
July 2006	0.290	0.200
August 2006	0.244	0.207
September 2006	0.250	0.224
October 2006	0.260	0.228
November 2006	0.270	0.237
December 2006	0.265	0.226
January 2007	0.445	0.222
February 2007	0.455	0.360
March 2007	0.600	0.360
April 2007 (up to Latest Practicable Date)	0.690	0.490

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Resolution and in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge and belief and having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Resolution if such is approved by the shareholders of the Company.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the shareholders of the Company.

6. TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Proposal, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a shareholder or group of shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the register maintained by the Company pursuant to section 336 of Part XV of the Securities and Futures Ordinance shows the following interests in Shares being 5% or more of the issued share capital of the Company:

	No. of Shares	Percentage of existing issued capital	Percentage of issued capital if Repurchase Proposal is exercised in full
Sincere View International Limited	648,081,515	36.16%	40.18%
Hon Kwok Lung	648,081,515	36.16%	40.18%
Lam Suk Ying	648,081,515	36.16%	40.18%

Note: Mr. Hon Kwok Lung holds 50% and his wife, Ms. Lam Suk Ying holds 20% interests in Sincere View International Limited ("Sincere View") which is the controlling shareholder of the Company holding 648,081,515 shares of the Company.

Mr. Hon Kwok Lung and Ms. Lam Suk Ying are deemed to have an interest in the same parcel of shares of 648,081,515 held by Sincere View.

Based on the above shareholding and in the event the Directors exercised in full the power to repurchase Shares pursuant to the Repurchase Proposal, an obligation to make a general offer to shareholders under Rules 26 and 32 of the Takeovers Code may arise. The Directors have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Proposal to such extent as would result in takeover obligations. In the event that the Repurchase Proposal is exercised in full, the number of Shares held by the public would not fall below 25%.

7. SHARES REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Share (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

APPENDIX II DETAILS (INCLUDING BIOGRAPHIES) OF DIRECTORS OFFERING THEMSELVES FOR RE-ELECTION
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Mr. Hon Kwok Lung

Mr. Hon, aged 52, has been appointed as the Chairman of the board of directors of the Company since 8th April, 2004. Mr. Hon is the Chairman of the board of directors of Citychamp Dartong Co., Ltd. ("Citychamp Dartong"), the shares of which are listed on the Shanghai Stock Exchange in the PRC. Citychamp Dartong and its subsidiaries are principally engaged in manufacturing and sale of enamelled copper wire, high and low voltage cables and oxygen-free copper rod and property development in the PRC. Mr. Hon has extensive business experience in the PRC. Mr. Hon is a member of China Overseas Chinese Committee; Standing Committee of Jinlin Overseas Chinese Committee; Chinese People's Political Consultative Conference ("CPPCC"), Beijing; CPPCC, Hai Dian District Committee of Beijing; and CPPCC, Fu Zhou Committee.

Mr. Hon has entered into a service agreement with the Company for an initial term of two years commencing from 1st July, 2004 and is subject to termination by either party by giving not less than two months' written notice. The service agreement will continue for successive terms of one year unless terminated by not less than two months' written notice served by either party to the other. Under the service agreement, Mr. Hon is entitled to a monthly salary of HK\$130,000 payable on a 13-month basis and discretionary bonus for each completed year of service to be determined by the Board with reference to the remuneration benchmark in the industry and the prevailing market conditions. Mr. Hon is the father-in-law of Ms. Sit Lai Hei, a Non-executive Director of the Company. In addition, Mr. Hon is the brother-in-law of Mr. Lam Toi Man, an Executive Director of the Company. Mr. Hon holds 50% and his wife, Ms. Lam Suk Ying ("Mrs. Hon") holds 20% interest in Sincere View International Limited ("Sincere View") which is the controlling shareholder of the Company, 648,081,515 shares of the Company held by Sincere View, and both are the directors of Sincere View. Mr. Hon and Mrs. Hon are deemed to have an interest in the same parcel of shares of 648,081,515 held by Sincere View. Save as disclosed herein, Mr. Hon does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company and does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. Hon neither have any positions held with the Company and other members of the Company's group nor have other directorships held in listed public companies in the last three years and other major appointments and qualifications. Pursuant to the section 13.51(2) of the Listing Rules, there are no other matters with respect to the above that need to be brought to the attention of the shareholders of the Company.

Ms. Sit Lai Hei

Ms. Sit, aged 30, has been appointed as a Non-executive Director of the Company since 18th November, 2004. She was graduated in Fuzhou University, PRC taking marketing as her major and is a qualified assistant engineer in Mainland China. She is currently appointed as a director of Fuzhou Jing Xie Real Estate Co., Ltd. (福州景協房地產有限公司), Fujian Zhong Xing Investment Co., Ltd., Fujian Fengrong Investment Co., Ltd. (福建豐榕投資有限公司), Fuzhou Developing Area Lian Tong Electrical Co., Ltd. (福州開發區聯通電子有限公司) and Wuhan Xing Cheng Real Estate Co., Ltd. (武漢興城房地產有限公司).

APPENDIX II DETAILS (INCLUDING BIOGRAPHIES) OF DIRECTORS OFFERING THEMSELVES FOR RE-ELECTION
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There is no service agreement entered into between Ms. Sit and the Company. Ms. Sit was appointed for the period from 18th November, 2006 to 17th November, 2007 at the board meeting of the Company held on 25th August, 2006. Ms. Sit will receive a director's fee of HK\$100,000 per annum which is determined by reference to the estimated time to be spent by her on the Company's matters. Ms. Sit is the daughter-in-law of Mr. Hon Kwok Lung, Chairman of the board of the Company. Mr. Hon holds 50% and his wife., Ms. Lam Suk Ying ("Mrs. Hon") holds 20% interest in Sincere View International Limited ("Sincere View") which is the controlling shareholder of the Company, 648,081,515 shares of the Company held by Sincere View, and both are the directors of Sincere View. Mr. Hon and Mrs. Hon are deemed to have an interest in the same parcel of shares of 648,081,515 held by Sincere View. In addition, Ms. Sit's husband is a nephew of Mr. Lam Toi Man ("Mr. Lam"), an executive director of the Company. Mr. Lam is the brother-in-law of Mr. Hon. Save as disclosed herein, Ms. Sit does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company and does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Ms. Sit neither have any positions held with the Company and other members of the Company's group nor have other directorships held in listed public companies in the last three years and other major appointments and qualifications. Pursuant to the section 13.51(2) of the Listing Rules, there are no other matters with respect to the above that need to be brought to the attention of the shareholders of the Company.

Mr. Li Qiang

Mr. Li, aged 41, has been appointed as an Independent Non-executive Director and a member of the audit committee of the Company since 18th November, 2004. He holds a PhD of Economics degree and a Master of Science degree. Since March 2004, he is a senior consultant of Insurance Fund Management Regulatory Department of China Insurance Regulatory Commission. Mr. Li has over 13 years of experience in the Mainland China financial market - banking, securities and fund management.

There is no service agreement entered into between Mr. Li and the Company. Mr. Li was appointed for the period from 18th November, 2006 to 17th November, 2007 at the board meeting of the Company held on 25th August, 2006. Mr. Li will receive a director's fee of HK\$100,000 per annum which is determined by reference to the estimated time to be spent by him on the Company's matters. Mr. Li does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company and does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. Li neither have any positions held with the Company and other members of the Company's group nor have other directorships held in listed public companies in the last three years and other major appointments and qualifications. Pursuant to the section 13.51(2) of the Listing Rules, there are no other matters with respect to the above that need to be brought to the attention of the shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at Harbour View Room III & IV, 3rd Floor, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong, on Thursday, the 31st day of May, 2007 at 3:00 p.m. for the following purposes:

1. To receive and consider the financial statements and the reports of the directors and auditors for the year ended 31st December, 2006.
2. To re-elect directors and to authorize the directors to fix the remuneration of directors.
3. To re-appoint auditors and to authorize the directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which the Directors of the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution; and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; and
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”
- 5. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

 - (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as defined below); (ii) an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time; or (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for grant or issue of shares or rights to acquire shares in the capital of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares of the Company open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

6. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** subject to the passing of Resolutions No.4 and No.5 set out in the notice convening this meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to Resolution No.5 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No.4 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said Resolution.”

By Order of the Board
China Haidian Holdings Limited
FONG CHI WAH
Company Secretary

Hong Kong, 2nd May, 2007

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of such member. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be deposited at the principal place of business of the Company at Suites 2701-2705 & 2715-2716, 27th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting (or adjourned meeting as the case may be).
3. The register of members will be closed from Monday, 28th May, 2007 to Thursday, 31st May, 2007, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attendance of the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrars, Secretaries Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on Friday, 25th May, 2007.
4. A circular containing the information regarding, inter alia, the directors proposed to be re-elected, the general mandates to repurchase shares and to issue shares of the Company will be sent to members of the Company.