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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)**

**(I) MAJOR TRANSACTIONS –  
PROPOSED RESUMPTION OF THE PRC LAND  
AND  
JOINT ARRANGEMENT**

**(II) DISCLOSURE PURSUANT TO RULE 13.09(1) OF THE LISTING RULES –  
TERMINATION OF TIMBER BUSINESS**

**AND**

**(III) RESUMPTION OF TRADING**

**Financial Adviser to China Haidian Holdings Limited**



**Quam Capital Limited**

### **TERMINATION OF TIMBER BUSINESS**

南山半島大氣污染綜合整治方案 (Nanshan Peninsula Comprehensive Air Pollution Regulatory Program) is the Shenzhen Government's initiative aiming at improving air quality in the 南山半島 (Nanshan Peninsula) area. The PRC Land, currently being occupied by Seti, a wholly-owned subsidiary of the Company, for its production plant, is located within the 南山半島 (Nanshan Peninsula) area. Seti is principally engaged in the manufacture and distribution of timber products. The Shenzhen Government has ordered Seti to cease its operations as part of its execution of the 南山半島大氣污染綜合整治方案 (Nanshan Peninsula Comprehensive Air Pollution Regulatory Program).

Due to, among other things, the increase in raw material prices and intense market competition, Seti has been making losses since it was acquired by the Group in March 2003. In light of the foregoing, the Directors decided that it is in the interests of the Shareholders and the Company to terminate the business of Seti.

The Board's decision to terminate the timber business of Seti constitutes a price-sensitive information of the Company and is subject to the disclosure requirement pursuant to Rule 13.09(1) of the Listing Rules.

### **THE LAND RESUMPTION AGREEMENT**

Due to the implementation of the 南山半島大氣污染綜合整治方案 (Nanshan Peninsula Comprehensive Air Pollution Regulatory Program) by the Shenzhen Government, on 3 December 2007, Seti entered into a conditional agreement with the Shenzhen Government, pursuant to which the Shenzhen Government will resume the PRC Land currently granted to Seti. The Shenzhen Government will retain 50% of area of the PRC Land and will arrange for the remaining 50% area of the PRC Land to be auctioned for sale at the Open Auction. The Shenzhen Government will compensate Seti for the Land Resumption by paying Seti 89.5% of the proceeds from the sale of the Auction PRC Land at the Open Auction.

The PRC Land is currently occupied by Seti for its production plant. According to a valuation carried out by Greater China Appraisal Limited, an independent valuer in Hong Kong, the fair value of the PRC Land, assuming that the Land Resumption process had been completed, was RMB700 million (equivalent to approximately HK\$728 million) as at 20 November 2007, of which the Retained PRC Land has no commercial value.

The Land Resumption constitutes a "major transaction" of the Company under the Listing Rules and is subject to the approval of the Shareholders in respect of the resolution for the Land Resumption Agreement and the transactions contemplated thereunder at the EGM.

### **THE JOINT ARRANGEMENT AGREEMENT**

Pursuant to the Land Resumption Agreement, Seti is required to restore the PRC Land prior to reverting it to the Shenzhen Government. The Land Restoration includes disposal of machineries, materials and inventories; demolition of buildings on the PRC Land; settlement of the borrowings and other payables of Seti; and settlement of severance pay for the employees of Seti. It is estimated that the cost of the Land Restoration amounts to approximately RMB198 million (equivalent to approximately HK\$206 million).

In light of the above circumstance, on 3 December 2007, Seti and Citychamp, a company listed on the SSE, entered into a conditional agreement pursuant to which Citychamp agreed to contribute cash for the Land Restoration. Pursuant to the Joint Arrangement Agreement, Seti's interest in the PRC Land and Citychamp's cash contribution represent 71.27% and 28.73% interests in the Joint Arrangement respectively.

### **GENERAL**

Each of the Land Resumption and the Joint Arrangement constitutes a "major transaction" of the Company under Chapter 14 of the Listing Rules. Both of the transactions are subject to the approval of the Shareholders. The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Land Resumption Agreement, the Joint Arrangement Agreement and the transactions contemplated thereunder. No Shareholder is required to abstain from voting at the EGM.

A circular containing, among other things, details of the Land Resumption Agreement and the Joint Arrangement Agreement; and the notice of the EGM will be despatched to the Shareholders as soon as practicable.

### **SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES**

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 4 December 2007 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 7 December 2007.

### **TERMINATION OF TIMBER BUSINESS**

南山半島大氣污染綜合整治方案 (Nanshan Peninsula Comprehensive Air Pollution Regulatory Program) is the Shenzhen Government's initiative aiming at improving air quality in the 南山半島 (Nanshan Peninsula) area. The PRC Land, currently being occupied by Seti, a wholly-owned subsidiary of the Company, for its production plant, is located within the 南山半島 (Nanshan Peninsula) area. Seti is principally engaged in the manufacture and distribution of timber products.

In August 2006, the Company noted the Shenzhen Government's intention to order Seti to cease its operations as part of its execution of the 南山半島大氣污染綜合整治方案 (Nanshan Peninsula Comprehensive Air Pollution Regulatory Program).

Due to, among other things, the increase in raw material prices and intense market competition, Seti has been making losses since it was acquired by the Group in March 2003. In light of the foregoing, the Directors decided that it is in the interests of the Shareholders and the Company to terminate the business of Seti.

The Board's decision to terminate the business of Seti constitutes a price-sensitive information of the Company and is subject to the disclosure requirement pursuant to Rule 13.09(1) of the Listing Rules.

### **Information of Seti**

The following table sets out certain financial information of the timber business segment and the Group as a whole for the two years ended 31 December 2005, 31 December 2006 and the six months ended 30 June 2007:

	<b>For the six months ended 30 June 2007</b>	<b>For the year ended 31 December 2006</b>	<b>For the year ended 31 December 2005</b>
	<i>HK\$'000</i> <i>(Unaudited)</i>	<i>HK\$'000</i> <i>(Audited)</i>	<i>HK\$'000</i> <i>(Audited)</i>
<b>Timber business</b>			
Segment Revenue	45,185	103,984	174,010
Segment Loss	3,897	31,056	37,578
<b>Group</b>			
Turnover	313,047	717,711	619,836
Profit/(loss) attributable to equity holders	392,571	22,347	(43,275)

The segment net asset value of the timber business of the Group was HK\$9,114,000 as at 31 December 2006.

Seti is not a major subsidiary of the Group since it only accounted for approximately 14.5% of the total turnover of the Group for the financial year ended 31 December 2006. The Group will benefit from terminating the Seti business by the expected improvements in its profits as a result of discontinuing a loss making business. The Group's remaining principal activities after the termination of the business of Seti would be manufacture and sale of watches and clocks; property investment; and manufacture and sale of enamelled copper wires in the PRC.

## **THE LAND RESUMPTION AGREEMENT**

### **Date**

3 December 2007

### **Parties involved**

- (a) The Shenzhen Government; and
- (b) Seti.

The Shenzhen Government is the district government of the Nanshan District of the Shenzhen Municipal of the Guangdong Province of the PRC. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Shenzhen Government is a third party independent of and not connected with the Company or its connected persons.

### **Subject matter**

Pursuant to the Land Resumption Agreement, the Shenzhen Government will resume the PRC Land currently leased to Seti, a wholly-owned subsidiary of the Company. The Shenzhen Government will retain 50% of area of the PRC Land and will arrange for the remaining 50% area of the PRC Land to be auctioned for sale at the Open Auction.

### **The Open Auction**

Pursuant to the Land Resumption Agreement, Seti will revert the Auction PRC Land to the Shenzhen Government to arrange for the Open Auction at the 深圳市土地房產交易中心 (Shenzhen Land and Real Estate Exchange Centre), upon fulfillment of the following by the Shenzhen Government:

- (a) obtaining the approval from 深圳市規劃局 (Shenzhen Bureau of Town Planning) for the change of land use from industrial and warehouse uses to residential, hotel and office uses;
- (b) obtaining the approvals from 深圳市規劃局 (Shenzhen Bureau of Town Planning) and 深圳市國土資源和房產管理局 (Shenzhen Municipal Bureau of Land Resources and Housing Management) for the following land use ratios of the Auction PRC Land:
  - (i) 50% of area, equivalent to approximately 25,394 sq. m., to be used for residential development with plot ratio not less than 3.6 times, representing a gross floor area of approximately 91,419 sq. m.; and

- (ii) the remaining 50% of area to be used for hotel, office and commercial developments with plot ratio not less than 4.5 times, representing a gross floor area of approximately 114,273 sq. m.; and
- (c) obtaining the consent from 深圳市國土資源和房產管理局 (Shenzhen Municipal Bureau of Land Resources and Housing Management) to resume the lease term of the Auction PRC Land from the date of the land use right grant contract pursuant to the Open Auction.

The Open Auction is expected to be completed within 60 days from the date the Land Resumption Agreement becomes unconditional.

Seti has the right to bid at the Open Auction and the Shenzhen Government has waived its requirement for Seti to deposit an auction escrow fee in the event that Seti decides to participate at the Open Auction. Seti currently has no intention to participate at the Open Auction. In the event that Seti decides to participate at the Open Auction, the Company will ensure compliance with the relevant requirements of the Listing Rules in due course.

### **The Land Restoration**

Pursuant to the Land Resumption Agreement, Seti is required to fulfill certain obligations in respect of the Land Restoration, including cessation of all operations on the PRC Land; disposal of machineries, materials and inventories; demolition of buildings on the PRC Land; settlement of related borrowings and other payables of Seti; and settlement of severance pay for the employees of Seti.

It is estimated that the cost for the Land Restoration amounts to approximately RMB198 million (equivalent to approximately HK\$206 million). Details of the funding of the Land Restoration is set out in the section headed “The Joint Arrangement Agreement” below.

### **The Compensation**

The Compensation that Seti will receive from the Shenzhen Government for the Land Resumption amounts to 89.5% of the proceeds from the Open Auction of the Auction PRC Land. The Shenzhen Government will assume the remaining 10.5% of the proceeds from the Open Auction for funding the development of the Retained PRC Land. The Compensation is expected to be paid by the Shenzhen Government to Seti within 60 days after the Shenzhen Government received the proceeds from the sale of the PRC Land at the Open Auction.

The Shenzhen Government has not indicated the reserve price of the Auction PRC Land at the Open Auction.

### **Use of the Compensation**

Seti intends to apply its share of the Compensation for (i) financing any costs of the Land Restoration exceeding the contribution by Citychamp pursuant to the Joint Arrangement Agreement; and (ii) the remaining amount for the Group’s general working capital.

## **Condition precedent**

The Land Resumption Agreement is conditional on the approval by the Shareholders in respect of the resolution for the Land Resumption Agreement and the transactions contemplated thereunder at the EGM including, but not limited to, reverting the PRC Land to the Shenzhen Government and the receipt of the Compensation.

## **Completion**

The Land Resumption is expected to be completed within 300 days from the date the Land Resumption Agreement becomes unconditional.

## **Impact of the Land Resumption on the Group**

Upon completion of the Land Resumption, Seti will cease to own the land use right of the PRC Land. The gain expected to accrue to Seti as a result of the Land Resumption would be the difference between Seti's share of the Compensation less any costs of the Land Restoration that is funded by the Group's internal resources and the unaudited net asset value of the PRC Land of approximately HK\$43.2 million as at 31 October 2007. The net asset value of the Group would increase by the gain on the Land Resumption according to Hong Kong accounting standards upon completion of the Land Resumption.

## **JOINT ARRANGEMENT AGREEMENT**

### **Date**

3 December 2007

### **Parties involved**

- (a) Citychamp; and
- (b) Seti.

Citychamp is a company listed on the SSE. The Citychamp Group is principally engaged in property investment, and manufacture and sale of enamelled copper wires.

The Company is interested in approximately 16.4% of the issued share capital of Citychamp.

Fujian Fengrong, the single largest shareholder of Citychamp, is interested in approximately 26.8% of the issued share capital of Citychamp as at the date of this announcement. Fujian Fengrong is owned as to approximately 68.5% and 31.5% by Ms. Sit and Ms. Lu respectively. Ms. Sit is a non-executive Director and hence a connected person of the Company. In addition, both of Ms. Sit and Ms. Lu are daughters-in-law of Mr. Hon Kwok Lung. Mr. Hon Kwok Lung, an executive Director, and his wife collectively own 100% equity interests in Sincere View International Limited, the controlling Shareholder. Hence, Ms. Lu is also a connected person of the Company. Save as aforesaid, to the Directors' best knowledge, no connected person of the Company has any interest in Citychamp. Ms. Sit and Ms. Lu do not have any interest in the Company.

Fujian Fengrong is interested in less than 30% of the issued share capital of Citychamp. In addition, under the PRC law, Ms. Sit and Ms. Lu do not, by virtue of their approximately 26.8% interests in Citychamp, have control over the board of directors of Citychamp and its subsidiaries and thus Ms. Sit and Ms. Lu are not able to appoint the directors of Citychamp without the support of other shareholders of Citychamp. Therefore, Citychamp is not a connected person of the Company under the Listing Rules. Ms. Sit is a director of Citychamp while Ms. Lu does not hold any position in Citychamp.

Fuzhou Dartong, a jointly-controlled entity of the Company, is owned as to 51% by Citychamp and 49% by the Company with the voting power equally shared between the two shareholders. Jiangsu Dartong, an associate of the Company, is owned as to 41.25%, 33.75% and 25% by Citychamp, Qingjiang and the Company respectively. To the best knowledge of the Directors, information and belief, having made all reasonable enquiries, Qingjiang and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Save as Ms. Lu and Ms. Sit, to the best knowledge of the Directors, information and belief, having made all reasonable enquiries, Citychamp and its other ultimate beneficial owners are third parties independent of and not connected with the Company or its connected persons.

### **Subject matter**

Pursuant to the Joint Arrangement Agreement, Seti and Citychamp have agreed to cooperate in the Land Restoration as set out in the Land Resumption Agreement.

#### *Citychamp*

Citychamp agreed to contribute RMB180 million cash (equivalent to approximately HK\$187 million) for the Land Restoration.

The estimated costs of the Land Restoration is approximately RMB198 million (equivalent to approximately HK\$206 million). Any costs of the Land Restoration exceeding the cash contribution by Citychamp to the Joint Arrangement will be funded by the Group's internal resources.

#### *Seti*

Based on a valuation carried out by Greater China Appraisal Limited, an independent valuer in Hong Kong, the fair value of the PRC Land, assuming that the Land Resumption process had been completed, was approximately RMB700 million (equivalent to approximately HK\$728 million) as at 20 November 2007, of which the Retained PRC Land has no commercial value. Seti and Citychamp agreed that the consideration of the PRC Land was to be RMB446.5 million (equivalent to approximately HK\$464.6 million), being the appraised value of the PRC Land less (i) 10.5% of the appraised value payable to the Shenzhen Government pursuant to the Land Resumption Agreement; and (ii) the cost of the Land Restoration contributed by Citychamp which amounts to RMB180 million (equivalent to approximately HK\$187 million).

#### *Interests in the Joint Arrangement*

Based on the agreed value of the PRC Land owned by Seti of HK\$464.6 million and the cash contribution of HK\$187 million by Citychamp, the respective interest of Seti and Citychamp in the Joint Arrangement is 71.27% and 28.73%.

In the event that a third party succeeds in its bid for the Auction PRC Land at the Open Auction, Seti and Citychamp will liquidate the Joint Arrangement and share the net proceeds in proportion of their respective interests in the Joint Arrangement.

In the event that Seti participates in the Open Auction and succeeds in its bid for the Auction PRC Land, Seti and Citychamp will form a joint venture and inject their respective capital in the Joint Arrangement into the joint venture. It is intended that Seti will own 30% interest in the joint venture and Citychamp will own 70% interest in the joint venture. The registered capital and the investment amount of the joint venture will be determined by Seti and Citychamp in due course based on the auction price of the Auction PRC Land. The joint venture will be principally engaged in the future development of the Auction PRC Land. Pursuant to the Land Resumption Agreement, the Auction PRC Land will be used for residential, hotel and office developments. Should the abovementioned joint venture be formed, the Directors will ensure compliance with the Listing Rules and further announcement will be made as and when necessary in this regard.

### **Conditions precedent**

The Joint Arrangement Agreement is conditional upon:

- (a) the approval of the shareholders of Citychamp of the Joint Arrangement Agreement and the transactions contemplated thereunder; and
- (b) the approval of the Shareholders of the Joint Arrangement Agreement and the transactions contemplated thereunder at the EGM including, but not limited to, the contribution of cash by Citychamp and the share of the Compensation.

### **INFORMATION OF THE PRC LAND**

The PRC Land is located at 深圳市南山區月亮灣大道93號 (93 Yueliangwan Main Road, Nanshan District, Shenzhen, Guangdong Province, the PRC) with a total area of 101,576.7 sq. m.. The PRC Land is dedicated for industrial and warehouse uses with a lease term expiring on 22 December 2018. The PRC Land is currently occupied by Seti for its production plant. According to a valuation carried out by Greater China Appraisal Limited, an independent valuer in Hong Kong, the fair value of the PRC Land, assuming that the Land Resumption process had been completed, was RMB700 million (equivalent to approximately HK\$728 million) as at 20 November 2007, of which the Retained PRC Land has no commercial value. The unaudited net asset value of the PRC Land was approximately HK\$43.2 million as at 31 October 2007.

### **REASONS FOR AND BENEFITS OF TERMINATION OF THE TIMBER BUSINESS, THE LAND RESUMPTION AND THE JOINT ARRANGEMENT**

Seti is principally engaged in the manufacture and distribution of timber products. The Shenzhen Government has ordered Seti to cease its operations as part of its execution of the 南山半島大氣污染綜合整治方案 (Nanshan Peninsula Comprehensive Air Pollution Regulatory Program). Due to, among other things, the increase in raw material prices and intense market competition, Seti has been making losses since it was acquired by the Group in March 2003. In light of the foregoing, the Directors decided that it is in the interests of the Company and the Shareholders to terminate the business of Seti.



Given the Shenzhen Government's decision to resume the PRC Land, Seti has entered into the Land Resumption Agreement with the Shenzhen Government to set out the arrangement of the Land Resumption, including the terms of the Compensation. The terms of the Land Resumption Agreement were reached after arm's length negotiation between Seti and the Shenzhen Government. The Compensation will be determined by a bidding process at the Open Auction. As such, the Directors consider that the terms of the Land Resumption Agreement, including the terms of the Compensation, are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Pursuant to the Land Resumption Agreement, Seti is required to restore the PRC Land prior to reverting it to the Shenzhen Government. The Citychamp Group has a proven track record and management expertise in land development, including restoration of land, in the PRC. The Joint Arrangement allows the Group to benefit from the Citychamp Group's expertise in land development and to obtain funding for the Land Restoration. Therefore, the Directors consider that the Joint Arrangement is in the interests of the Group and the Shareholders as a whole. The Directors also consider that the terms of the Joint Arrangement Agreement are on normal commercial terms; and fair and reasonable.

## **GENERAL**

The Group is principally engaged in the manufacture and sale of watches and clocks; property investment; manufacture and distribution of timber products; and manufacture and sale of enamelled copper wires in the PRC.

Each of the Land Resumption and the Joint Arrangement constitutes a "major transaction" of the Company under Chapter 14 of the Listing Rules. Both of the transactions are subject to the approval of the Shareholders. The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Land Resumption Agreement, the Joint Arrangement Agreement and the transactions contemplated thereunder. No Shareholder is required to abstain from voting at the EGM.

A circular containing, among other things, details of the Land Resumption Agreement and the Joint Arrangement Agreement; and the notice of the EGM will be despatched to the Shareholders as soon as practicable.

## **SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES**

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 4 December 2007 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 7 December 2007.

## **DEFINITIONS**

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

"associates"	has the meaning ascribed thereto in the Listing Rules
"Auction PRC Land"	50% of area of the PRC Land to be auctioned for sale at the Open Auction

“Board”	the board of Directors
“Citychamp”	冠城大通股份有限公司 (Citychamp Dartong Company Limited), the shares of which are listed on the SSE in the PRC
“Citychamp Group”	Citychamp and its subsidiaries
“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
“Compensation”	compensation to be paid to Seti by the Shenzhen Government in respect of the Land Resumption
“connected person”	has the meaning ascribed thereto in the Listing Rules and the word “connected” shall be construed accordingly
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, to approve the Land Resumption Agreement, the Joint Arrangement Agreement and the transactions contemplated thereunder
“Fujian Fengrong”	福建豐榕投資有限公司 (Fujian Fengrong Investment Company Limited) (previously known as 福州盈榕投資有限公司 (Fuzhou Yingrong Investment Company Limited)) is a company established in the PRC and owned as to approximately 68.5% and 31.5% by Ms. Sit and Ms. Lu respectively
“Fuzhou Dartong”	福州大通機電有限公司 (Fuzhou Dartong M&E Co., Ltd.), a sino-foreign equity joint venture established in the PRC and is owned as to 51% by Citychamp and 49% by the Company with the voting power equally shared between the two shareholders
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Jiangsu Dartong”	江蘇大通電機有限公司 (Jiangsu Dartong M&E Co. Ltd.), a sino-foreign equity joint venture established in the PRC and is owned as to 41.25%, 33.75% and 25% by Citychamp, Qingjiang and the Company respectively
“Joint Arrangement”	the arrangement to cooperate in the Land Restoration between Seti and Citychamp pursuant to the Joint Arrangement Agreement

“Joint Arrangement Agreement”	the conditional agreement dated 3 December 2007 entered into between Seti and Citychamp in relation to the Joint Arrangement
“Land Restoration”	restoration of the PRC Land pursuant to the Land Resumption Agreement
“Land Resumption”	resumption of the PRC Land by the Shenzhen Government pursuant to the Land Resumption Agreement
“Land Resumption Agreement”	the conditional agreement dated 3 December 2007 entered into between Seti and the Shenzhen Government in relation to the Land Resumption
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Lu”	陸曉珺 (Lu Xiaojun), a shareholder of Fujian Fengrong
“Ms. Sit”	薛黎曦 (Sit Lai Hei), a shareholder of Fujian Fengrong and a non-executive Director
“Open Auction”	the auction of the Auction PRC Land at the 深圳市土地房產交易中心 (Shenzhen Land and Real Estate Exchange Centre)
“PRC”	The People’s Republic of China
“PRC Land”	a land parcel located at 深圳市南山區月亮灣大道93號 (93 Yueliangwan Main Road, Nanshan District, Shenzhen, Guangdong Province, the PRC) with an area of 101,576.7 sq. m.
“Qingjiang”	江蘇清江電機股份有限公司 (Jiangsu Qingjiang Electrical Holdings Company Limited), a company established in the PRC
“Retained PRC Land”	50% of area of the PRC Land to be reverted to the Shenzhen Government
“RMB”	Renminbi, the lawful currency of the PRC, and the exchange rate for RMB into HK\$ for the purpose of this announcement is RMB1.00 = HK\$1.04
“Seti”	Seti Timber Industry (Shenzhen) Co., Ltd. 森帝木業 (深圳) 有限公司, a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Shenzhen Government”	深圳市南山區人民政府 (People’s Government of the Nanshan District of the Shenzhen Municipal)
“SSE”	The Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq. m.”	square metre(s)
“%”	per cent

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

By Order of the Board  
**China Haidian Holdings Limited**  
**Hon Kwok Lung**  
*Chairman*

Hong Kong, 6 December 2007