

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 to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred 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 other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

A notice convening the extraordinary general meeting of the Company to be held at Units 1902-04, Level 19, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong, on Tuesday, 30 June 2009 at 11:30 a.m. is set out on pages 4 to 5 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the form of proxy attached to the notice of the extraordinary general meeting in accordance with the instructions printed thereon and return the same to the Company's share registrar, Tricor Secretaries Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

8 June 2009

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DEFINITIONS

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

“Board”	the board of Directors
“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)”	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 increase in authorised share capital of the Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	4 June 2009, being the latest practicable date for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

LETTER FROM THE BOARD



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*)
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:

Units 1902-04
Level 19
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Independent Non-executive Directors:

Fung Tze Wa
Kwong Chun Wai, Michael
Li Qiang

8 June 2009

To the Shareholders

Dear Sir/Madam,

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolution to be proposed at the EGM relating to the proposed increase in authorised share capital.

2. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The existing authorised share capital of the Company is HK\$400,000,000 divided into 4,000,000,000 Shares of HK\$0.10 each of which 3,542,030,669 Shares were in issue as at the Latest Practicable Date. The Board proposes to increase the authorised share capital of the Company from HK\$400,000,000 to HK\$600,000,000 by the creation of an additional 2,000,000,000 Shares.

LETTER FROM THE BOARD

The Directors consider that the proposed increase in the authorised share capital of the Company is in the interests of the Company and the Shareholders as a whole as this will facilitate the issue and allotment of new Shares in the future. The Company currently has no immediate plan to issue any part of the proposed authorised but unissued share capital.

3. EGM

The EGM will be held at Units 1902-04, Level 19, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong on Tuesday, 30 June 2009 at 11:30 a.m.. A notice convening the EGM is set out in page 4 to page 5 of this circular. The relevant form of proxy is enclosed.

Whether or not you intend to be present at the EGM, you are requested to complete the form of proxy and return it to the Company's share registrar, Tricor Secretaries Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the EGM. The completion and delivery of a form of proxy will not preclude you from attending and voting at the meeting in person.

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions at the EGM will be taken by poll.

4. RECOMMENDATION

The Board considers that the proposed increase in authorised share capital is in the interests of the Company and its Shareholders as a whole, and recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

Yours faithfully,
For and on behalf of
China Haidian Holdings Limited
Hon Kwok Lung
Chairman

NOTICE OF THE EXTRAORDINARY 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 an Extraordinary General Meeting of China Haidian Holdings Limited (the “**Company**”) will be held at Units 1902-04, Level 19, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong on Tuesday, 30 June 2009 at 11:30 a.m. for the purpose of considering and, if thought fit, passing the following resolution with or without amendments as an Ordinary Resolution of the Company:

“THAT

- (a) the authorised share capital of the Company be increased from HK\$400,000,000 divided into 4,000,000,000 shares to HK\$600,000,000 divided into 6,000,000,000 shares by the creation of an additional 2,000,000,000 shares of HK\$0.10 each; and
- (b) the directors of the Company be and hereby authorised to do all such acts and things and execute all such documents which they consider necessary or expedient to give effect to the increase in the authorised share capital of the Company.”

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

Hong Kong, 8 June 2009

Registered office:

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

Principal place of business:

Units 1902-04
Level 19
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

NOTICE OF THE EXTRAORDINARY 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 Company's share registrar, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting (or adjourned meeting as the case may be).
3. Completion and return of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. Where there are joint holders of any share of the Company, any one of such holders may vote at the meeting either personally or by proxy in respect of such share as if he was solely entitled thereto, but if more than one of such holders be present at the meeting personally or by proxy, then the one of such holders whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share of the Company stands shall for this purpose be deemed joint holders thereof.