



CHINA ELECTRONICS CORPORATION HOLDINGS COMPANY LIMITED

中國電子集團控股有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 00085)

**ANNOUNCEMENT
REGARDING ACQUISITION OF
CEC HUADA ELECTRONIC DESIGN CO., LTD.**

The Board hereby announces that as certain conditions precedent of the Acquisition, including the obtaining of all necessary approvals from government and relevant regulatory authorities in respect of the Acquisition, are yet to be fulfilled, it is expected that Completion will not take place by the fourth quarter of 2008.

Reference is made to the announcement dated 20 June 2008 (the “**Announcement**”) and the circular dated 30 June 2008 (the “**Circular**”) of the Company in relation to the acquisition of the entire equity interests of Hua Da Electronics. Capitalised terms used in this announcement shall have the same meanings as those defined in the Circular unless the context requires otherwise.

As set out in the Announcement, completion of the Acquisition is conditional upon the fulfilment or waiver of certain conditions precedent, including all necessary approvals from government and relevant regulatory authorities in respect of the Acquisition having been obtained, on or before 30 June 2009. Completion of the Acquisition shall take place on the tenth Business Day after all of the conditions precedent have been fulfilled or waived, or on such other date as agreed between the parties.

The Acquisition was approved by the Independent Shareholders at the SGM held on 21 July 2008. It was stated in the interim report of the Company for the six months ended 30 June 2008 that the Acquisition was expected to be completed by the fourth quarter of 2008.

As at the date hereof, certain conditions precedent of the Acquisition, including the obtaining of all necessary approvals from government and relevant regulatory authorities in respect of the Acquisition, are yet to be fulfilled. Accordingly, it is expected that completion of the Acquisition will not take place by the fourth quarter of 2008. The government and relevant regulatory authorities are in the course of approving the Acquisition and the Company is not aware of any matters that will lead to such approval not being granted.

Further announcement will be made by the Company in respect of any further development in relation to the completion of the Acquisition.

By order of the Board of
China Electronics Corporation Holdings Company Limited
Fan Qingwu
Managing Director

Hong Kong, 31 December 2008

As at the date of this announcement, the Board comprises two Non-executive Directors, namely Xiong Qunli (Chairman) and Tong Baoan (Vice Chairman), two Executive Directors, namely Fan Qingwu (Managing Director) and Hua Longxing, and three Independent Non-executive Directors, namely Chan Kay Cheung, Wong Po Yan and Yin Yongli.

* *For identification purpose only*