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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

**COMPLETION OF ACQUISITION OF
CEC HUADA ELECTRONIC DESIGN CO., LTD.
AND
ISSUE OF CONSIDERATION SHARES**

The Board is pleased to announce that the Acquisition was completed on 9 September 2009 and the Company has allotted and issued an aggregate of 608,000,000 Consideration Shares to China Hua Da, Beijing Shoufa Xinan and the Other Vendors as consideration for the acquisition of the entire equity interests of Hua Da Electronics.

Reference is made to the announcement dated 20 June 2008 of the Company in relation to the acquisition of the entire equity interests of Hua Da Electronics, the announcement dated 31 December 2008 in relation to the delay in completion of the Acquisition and the announcement dated 29 June 2009 in relation to the extension of the long stop date in the China Hua Da Agreement, the Beijing Shoufa Xinan Agreement and the Other Vendors Agreement (together, the “**Announcements**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

COMPLETION OF THE ACQUISITION

The Board is pleased to announce that the Acquisition was completed on 9 September 2009 and the Company has allotted and issued an aggregate of 608,000,000 Consideration Shares as consideration for the acquisition of the entire equity interests of Hua Da Electronics, of which 393,680,000 Consideration Shares have been allotted and issued to China Hua Da as consideration under the China Hua Da Agreement, 45,600,000 Consideration Shares have been allotted and issued to Beijing Shoufa Xinan as consideration under the Beijing Shoufa Xinan Agreement and 168,720,000 Consideration Shares have been allotted and issued to the Other Vendors as consideration under the Other Vendors Agreement. The Consideration Shares represents 35.94% of the enlarged issued share capital of the Company immediately after Completion.

Upon Completion, Hua Da Electronics became a wholly-owned subsidiary of the Company. Hua Da Electronics is primarily engaged in the design, research and development and sales of integrated circuits.

The shareholding structures of the Company immediately before and after the Completion are as follows:

Shareholders	Immediately before Completion		Immediately after Completion	
	No. of Shares	%	No. of Shares	%
China Electronics Corporation (BVI) Holdings Company Limited ("CEC (BVI)") (Note 1)	812,500,000	74.98	812,500,000	48.03
China Hua Da (Note 2)	-	-	393,680,000	23.27
Beijing Shoufa Xinan*	-	-	45,600,000	2.70
Other Vendors				
Ms. Wang Qinsheng*	-	-	55,733,840	3.30
Mr. Liu Weiping*	-	-	32,984,760	1.95
Mr. Dong Haoran (Note 3)	-	-	31,663,120	1.87
Mr. Huang Guoyong*	-	-	13,075,800	0.77
Mr. Sun Xiaonian*	-	-	7,536,160	0.45
Mr. Cheng Jing*	-	-	7,789,240	0.46
Mr. Xiao Gang*	-	-	11,219,880	0.66
Mr. Jiang Shiping*	-	-	8,717,200	0.51
Other public shareholders*	271,060,000	25.02	271,060,000	16.03
Total	<u>1,083,560,000</u>	<u>100.00</u>	<u>1,691,560,000</u>	<u>100.00</u>
Percentage of Public Float		<u>25.02</u>		<u>26.83</u>

* Public shareholders of the Company

Notes:

1. CEC, a state-owned enterprise established under the laws of the PRC, holds the entire issued share capital of CEC (BVI). CEC is the Company's ultimate controlling shareholder.
2. The equity interest of China Hua Da is contributed as to 50% by CEC and as to 50% by SDIC High-Tech Investment Co., Ltd. SDIC High-Tech Investment Co., Ltd. is a wholly-owned subsidiary of The State Development and Investment Corporation, which is a state-owned investment holding company established under the laws of the PRC.
3. Mr. Dong Haoran is the general manager of Hua Da Electronics. Mr. Dong, being the chief executive of Hua Da Electronics, is a connected person of the Company and his shareholding in the Company is not counted towards the public float of the Company.

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

Hong Kong, 9 September 2009

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