



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

The Company has commenced preliminary discussions with CEC and certain other potential sellers in relation to the acquisition of a company engaging in integrated circuits related business. No indication can be given by the Company of the timing of the acquisition, and the transaction may or may not proceed.

In the meantime, investors are advised to exercise caution in dealing in the securities of the Company.

China Electronics Corporation Holdings Company Limited (“**the Company**”) announces that, with an aim to diversifying the Company’s business and creating better value to the shareholders of the Company, the Company has commenced preliminary discussions with its ultimate controlling shareholder, China Electronics Corporation (“**CEC**”) and certain other potential sellers in relation to the acquisition of a company engaging in integrated circuits related business. No indication can be given by the Company of the timing of the acquisition, and the transaction may or may not proceed. Any acquisition transaction is likely to constitute a notifiable transaction and a connected transaction under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and would be subject to conditions, including the receipt of all necessary approvals from the relevant regulatory authorities and the approval of the independent shareholders of the Company.

Further announcements will be made by the Company when the terms of the acquisition are determined.

In the meantime, investors are advised to exercise caution in dealing in the securities of the Company.

By Order of the Board

Xiong Qunli

Chairman

Hong Kong, 25 April 2008

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

** For identification purposes only*