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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)

(Stock Code: 85940)

**ANNOUNCEMENT PURSUANT TO RULE 3.7 OF
THE TAKEOVERS CODE,
RULE 13.09 OF THE LISTING RULES AND
INSIDE INFORMATION PROVISIONS
UNDER PART XIVA OF THE SECURITIES AND
FUTURES ORDINANCE
AND
RESUMPTION OF TRADING**

This announcement is made by China Electronics Corporation Holdings Company Limited (the “**Company**”) pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”) and Rule 13.09(2) (a) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

POSSIBLE DISPOSAL AND SUBSCRIPTION

The board of directors of the Company (the “**Board**”) announces that it is currently in discussions with an independent third party (the “**Buyer**”) on a possible disposal (the “**Possible Disposal**”) by the Company of a wholly-owned subsidiary to the Buyer. The consideration for the Possible Disposal is intended to be satisfied by the issue of new shares of the Buyer. In addition, the Company may subscribe for new shares of the Buyer in cash (the “**Possible Subscription**”). If the Possible Disposal and the Possible Subscription are proceeded with and eventually consummated, they may result in the Company owning a controlling interest in the Buyer.

* *For identification purpose only*

FURTHER INFORMATION

As at the date of this announcement, the relevant securities of the Company in issue are (i) 2,029,872,000 ordinary shares of HK\$0.01 each (Stock Code: 00085) (the “**Shares**”) and (ii) CNY2,750,000,000 4.7% bonds due 2017 (Stock Code: 85940) (the “**Bonds**”). Save as aforesaid, the Company has no other outstanding relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the relevant potential transaction will be made until any announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and/or the Takeovers Code (as the case may be).

The associates (having the meaning ascribed thereto under the Takeovers Code, including persons holding 5% or more of a class of relevant securities of the Company) of the Company are hereby reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares and the Bonds was halted on the Stock Exchange with effect from 9:00 a.m. on Thursday, 15 October 2015 pending the release of this announcement. The Company has applied for the resumption of trading of the Shares and the Bonds with effect from 9:00 a.m. on Monday, 19 October 2015.

Shareholders and potential investors of the Company are advised that the parties are currently still in discussions in respect of the Possible Disposal and the Possible Subscription and no binding agreement has been entered into by the parties. Accordingly, there is no assurance that any transaction mentioned in this announcement will materialise or ultimately be consummated. Shareholders and potential investors of the Company are urged to exercise extreme caution when dealing in the securities of the Company.

By order of the Board
China Electronics Corporation Holdings Company Limited
Rui Xiaowu
Chairman

Hong Kong, 16 October 2015

As at the date of this announcement, the Board comprises two Non-executive Directors, namely Mr. Rui Xiaowu (Chairman) and Mr. Dong Haoran, two Executive Directors, namely Mr. Liu Hongzhou (Vice Chairman) and Mr. Xie Qinghua (Managing Director), and three Independent Non-executive Directors, namely Mr. Chan Kay Cheung, Mr. Qiu Hongsheng and Mr. Chow Chan Lum.

All directors of the Company jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.