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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)

**(1) MAJOR TRANSACTION IN RELATION TO
THE DISPOSAL OF 100% EQUITY INTEREST
IN CEC TECHNOLOGY; AND**

**(2) VERY SUBSTANTIAL ACQUISITION IN
RELATION TO THE SUBSCRIPTION OF
NEW OVU SHARES BY CECH**



**OPTICS VALLEY UNION
HOLDING COMPANY LIMITED**

光谷聯合控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00798)

**(1) MAJOR AND CONNECTED
TRANSACTION IN RELATION TO THE
PROPOSED ACQUISITION OF 100% EQUITY
INTEREST IN CEC TECHNOLOGY;**

**(2) ISSUE OF OVU SHARES UNDER
SPECIFIC MANDATE;**

**(3) PLACING OF NEW OVU SHARES UNDER
SPECIFIC MANDATE;**

**(4) APPLICATION FOR WHITEWASH
WAIVER BY CECH;**

**(5) CONTINUING CONNECTED
TRANSACTIONS; AND**

(6) SPECIAL DEAL

Placing Agent



China Everbright Securities (HK) Limited

Financial adviser to CECH



Financial adviser to OVU



References are made to (i) the respective announcements of CECH and OVU dated 16 October 2015, 13 November 2015 and 23 November 2015 and (ii) the announcement of OVU dated 17 November 2015.

THE EQUITY TRANSFER

On 14 December 2015 (after trading hours), CECH (as vendor) entered into the Equity Interest Transfer Agreement with OVU and HK 3A (an indirect wholly-owned subsidiary of OVU) (as purchasers), pursuant to which CECH has conditionally agreed to sell, and OVU and HK 3A have conditionally agreed to acquire, 100% of the equity interest in CEC Technology for a consideration of RMB699,854,600 (equivalent to approximately HK\$846 million), which shall be satisfied by the allotment and issue of the Consideration Shares, credited as fully paid, at the Consideration Price of HK\$0.8 per Consideration Share.

The Consideration Shares represent (i) approximately 26.5% of the issued share capital of OVU as at the date of this announcement; and (ii) approximately 13.2% of the issued share capital of OVU as enlarged by the allotment and issue of the CECH Subscription Shares, the Consideration Shares and the Placing Shares.

Pursuant to the Equity Interest Transfer Agreement, upon the Equity Transfer Completion, CECH Group will continue to provide financial assistance in favour of CEC Technology Group in the form of the Charge Over Deposits and the Entrusted Loans. As at the date of this announcement, the outstanding amount of the borrowings under the Charge Over Deposits and the Entrusted Loans due from CEC Technology Group to Xiamen Bank and CECH Group amounted to RMB1,095 million (equivalent to approximately HK\$1,325 million). The aggregate outstanding amount of borrowings will be not more than RMB1.2 billion (equivalent to approximately HK\$1.5 billion) upon the Equity Transfer Completion. CECH Group will continue to provide such financial assistance in favour of CEC Technology Group in the form of the Charge Over Deposits and the Entrusted Loans for a period of up to 1 year after the Completion or 31 December 2016 (whichever is earlier) at a maximum amount of RMB1.2 billion (equivalent to approximately HK\$1.5 billion). In consideration of CECH Group continuing to provide the said financial assistance in favour of CEC Technology Group, OVU Group shall (i) pay an interest in respect of the outstanding amount of loans drawn down by CEC Technology Group under the Xiamen Loans and the Entrusted Loans to CECH Group such that the aggregate interest payable by OVU Group to Xiamen Bank and CECH Group would be equal to the amount calculated at the rate of 7% per annum on the outstanding amount of such loans as from the date of the Equity Transfer Completion; and (ii) procure BVI 3A, a wholly-owned subsidiary of OVU, to enter into the Share Charge in favour of CECM.

THE CECH SUBSCRIPTION

On 14 December 2015 (after trading hours), CECH (as subscriber) entered into the CECH Subscription Agreement with OVU (as the issuer), pursuant to which OVU has conditionally agreed to allot and issue, and CECH has conditionally agreed to subscribe in cash, the CECH Subscription Shares, credited as fully paid, at the Subscription Price of HK\$0.8 per CECH Subscription Share.

The CECH Subscription Shares represent (i) approximately 37.3% of the issued share capital of OVU as at the date of this announcement; and (ii) approximately 18.6% of the issued share capital of OVU as enlarged by the allotment and issue of the CECH Subscription Shares, the Consideration Shares and the Placing Shares.

None of CECH nor any party acting in concert with it has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of any voting rights in OVU during the six months prior to the date of the announcement dated 16 October 2015 and up to and including the date of this announcement, and none of them is interested in any issued OVU Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of OVU as at the date of this announcement.

THE PLACING

On 14 December 2015 (after trading hours), OVU (as the issuer) entered into the Placing Agreement with China Everbright, pursuant to which China Everbright has conditionally agreed to place, on a fully underwritten basis, 1,450,000,000 new OVU Shares (failing which China Everbright would subscribe for the untaken Placing Shares), credited as fully paid, to not less than six Places at the Placing Price of HK\$0.8 per Placing Share.

The Placing Shares represent (i) approximately 36.3% of the issued share capital of OVU as at the date of this announcement; and (ii) approximately 18.1% of the issued share capital of OVU as enlarged by the allotment and issue of the CECH Subscription Shares, the Consideration Shares and the Placing Shares.

THE CONTINUING CONNECTED TRANSACTIONS

Upon the Completion, CEC Technology will become an indirect wholly-owned subsidiary of OVU and CECH will become a substantial shareholder of OVU. Accordingly, (i) the arrangements in respect of the Charge Over Deposits and the Entrusted Loans; (ii) the transactions under the Property Management Agreements; and (iii) the transactions under the Lease Agreements will constitute Continuing Connected Transactions of OVU under Chapter 14A of the Listing Rules upon the Completion.

INFORMATION ON CEC TECHNOLOGY GROUP

The principal business activities of CEC Technology Group are the development and management of industrial parks in Hainan, Shaanxi and Guangxi in the PRC, each of which provides a platform for industry players to develop electronic information technology businesses. As at the date of this announcement, CEC Technology is a wholly-owned subsidiary of CECH.

LISTING RULES IMPLICATIONS

Listing Rules implications for CECH

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Equity Interest Transfer Agreement and the transactions contemplated thereunder (including the provision of financial assistance to CEC Technology Group) is more than 25% but less than 75%, the Equity Interest Transfer Agreement and the transactions contemplated thereunder together constitutes a major transaction for CECH under Rule 14.06(3) of the Listing Rules and will accordingly be subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the acquisition of the Consideration Shares and the CECH Subscription Shares by CECH in aggregate exceeds 100%, the acquisition of the Consideration Shares and the CECH Subscription Shares by CECH in aggregate constitutes a very substantial acquisition for CECH under Rule 14.06(5) of the Listing Rules and will accordingly be subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Listing Rules implications for OVU

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Equity Interest Transfer Agreement is more than 25% but less than 100%, the transactions contemplated under the Equity Transfer together constitutes a major transaction for OVU under Rule 14.06(3) of the Listing Rules and will accordingly be subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

In addition, upon the Completion, CECH will be interested in 2,550,000,000 OVU Shares, representing approximately 31.9% of the issued share capital of OVU as enlarged by the allotment and issue of the Consideration Shares, the CECH Subscription Shares and the Placing Shares. CECH will therefore become a controlling shareholder of OVU. Accordingly, the Equity Transfer also constitutes a connected transaction for OVU under Rule 14A.28 of the Listing Rules and will accordingly be subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

SPECIAL DEALS

Reference is made to the announcement of OVU dated 17 November 2015 in respect of the disposal of the Financial Harbour Sale Equity together with the Financial Harbour Sale Debt and the Energy Conservation Technology Park Sale Equity together with the Energy Conservation Technology Park Sale Debt by Wuhan OVU, a subsidiary of OVU, to Hubei S&T. Such disposals constitute special deals under Note 4 of Rule 25 of the Takeovers Code, which requires, among other things, the consent of the Executive. Please refer to the announcement of OVU dated 17 November 2015 and the circular to be issued by OVU for details concerning the OVU Disposals (being special deals under the Takeovers Code).

Since the charge of 375,118 shares of HK3A in favour of CECM, a wholly-owned subsidiary of CECH, pursuant to the terms of the Share Charge is not capable of being extended to all the shareholders of OVU and that CECH will become a shareholder of OVU upon Completion, the transaction contemplated under the Share Charge also constitutes a special deal under Rule 25 of the Takeovers Code, which requires, among other things, the consent of the Executive. OVU will make an application to the Executive for the consent to proceed with the transactions contemplated under the Share Charge. The Executive will normally grant consent to a special deal provided that (i) Gram Capital publicly stating that in its opinion, the terms of the Share Charge are fair and reasonable; and (ii) the approval of the OVU Independent Shareholders voting by way of poll at the OVU EGM.

IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER BY CECH

Immediately after the Completion, CECH will be interested in 2,550,000,000 OVU Shares, representing approximately 63.8% of the issued share capital of OVU as at the date of this announcement and approximately 31.9% of the issued share capital of OVU (as enlarged by the allotment and issue of the Consideration Shares, the CECH Subscription Shares and the Placing Shares and on the assumption that no further OVU Shares will be issued or repurchased prior to the Completion). Under Rule 26.1 of the Takeovers Code, CECH would be obliged to make a mandatory general offer to the OVU shareholders for all the issued OVU Shares and other relevant securities of OVU not already owned or agreed to be acquired by CECH and parties acting in concert with it, unless the Whitewash Waiver is obtained from the Executive. CECH will make an application to the Executive for the Whitewash Waiver in respect of its acquisition of the Consideration Shares and the CECH Subscription Shares. The Whitewash Waiver, if granted, will also be subject to, among other things, the approval by the OVU Independent Shareholders at the OVU EGM by way of poll. **If the Whitewash Waiver is not granted by the Executive or approved by the OVU Independent Shareholders, the Equity Interest Transfer Agreement, the CECH Subscription Agreement and the Placing Agreement will not become unconditional and the Equity Transfer, the CECH Subscription, the Placing and the Share Charge will not proceed.**

CECH SGM

The CECH SGM will be held to consider and, if thought fit, pass the ordinary resolutions to approve (i) the Equity Interest Transfer Agreement and the transactions contemplated thereunder (including the provision of financial assistance to CEC Technology Group) and (ii) the CECH Subscription Agreement and the transactions contemplated thereunder.

The voting in relation to the Equity Transfer and the CECH Subscription at the CECH SGM will be conducted by way of a poll whereby CECH Shareholders who are interested or involved in the Equity Transfer and the transactions contemplated thereunder and the CECH Subscription shall abstain from voting on the relevant ordinary resolutions to be proposed at the CECH SGM.

None of the CECH Shareholders has a material interest in relation to the Equity Transfer and the transactions contemplated thereunder and the CECH Subscription. Accordingly, no CECH Shareholder is required to abstain from voting on the relevant resolution(s).

OVU EGM

The OVU EGM will be held to consider and, if thought fit, pass the ordinary resolution(s) to approve, among other things: (i) the Equity Interest Transfer Agreement and the transactions contemplated thereunder; (ii) the CECH Subscription Agreement and the transactions contemplated thereunder; (iii) the Placing Agreement and the transactions contemplated thereunder; (iv) the Share Charge and the transactions contemplated thereunder; (v) the Specific Mandate; (vi) the Non-exempt Continuing Connected Transactions; and (vii) the Whitewash Waiver.

OVU has established the OVU Code IBC to advise the OVU Independent Shareholders on the terms and conditions of the Equity Transfer, the CECH Subscription, the Placing, the Share Charge, the Specific Mandate and the Whitewash Waiver and to make a recommendation to the OVU Independent Shareholders. The OVU Code IBC shall take into account the advice from Gram Capital, which will make recommendations to the OVU Code IBC and the OVU Independent Shareholders in this regard.

OVU has established the OVU Listing Rules IBC to advise the OVU Independent Shareholders on the Equity Transfer and the Non-exempt Continuing Connected Transactions and to make a recommendation to the OVU Independent Shareholders. The OVU Listing Rules IBC shall take into account the advice from Gram Capital, which will make recommendations to the OVU Listing Rules IBC and the OVU Independent Shareholders in this regard.

The voting in relation to the Equity Transfer, the CECH Subscription, the Placing, the Share Charge, the Specific Mandate, the Non-exempt Continuing Connected Transactions and the Whitewash Waiver at the OVU EGM will be conducted by way of poll at the OVU EGM. Shareholders of OVU who are involved in or interested in the Equity Transfer, the CECH Subscription, the Placing, the Share Charge, the Specific Mandate, the Non-exempt Continuing Connected Transactions and/or the Whitewash Waiver are required to abstain from voting on the relevant ordinary resolution(s) to be proposed at the OVU EGM. As Technology Investment HK, being a wholly-owned subsidiary of Hubei S&T, has a material interest in the OVU Disposals (being special deals under the Takeovers Code), Technology Investment HK and its associates and the parties acting in concert with them will abstain from voting on all the ordinary resolution(s) to be proposed at the OVU EGM. Further, Mr. Huang Liping, Mr. Hu Bin and Ms. Chen Huifen, being executive directors of OVU, will also abstain from voting on all the ordinary resolution(s) to be proposed at the OVU EGM in view of their involvement in the transactions contemplated in this announcement.

As at the date of this announcement, save as disclosed above, no other shareholders of OVU will be required to abstain from voting at the OVU EGM to be convened for the purpose of considering and, if thought fit, approving the Equity Transfer, the CECH Subscription, the Placing, the Share Charge, the Specific Mandate, the Non-exempt Continuing Connected Transactions and the Whitewash Waiver.

DESPATCH OF CIRCULAR

A circular containing, amongst other information, (i) details of the Equity Transfer and the transactions contemplated thereunder (including the provision of financial assistance to CEC Technology Group); (ii) details of the CECH Subscription; (iii) details of the application for the Whitewash Waiver; and (iv) a notice of the CECH SGM, will be despatched to the CECH Shareholders on or before 4 January 2016.

A circular containing, amongst other information, (i) details of the Equity Transfer, the CECH Subscription, the Placing and the Share Charge; (ii) details of the application for the Whitewash Waiver; (iii) details of the Specific Mandate; (iv) further details of CEC Technology Group; (v) details of the Non-exempt Continuing Connected Transactions; (vi) letters of advice from the OVU Code IBC and the OVU Listing Rules IBC to the OVU Independent Shareholders; (vii) a letter of advice from Gram Capital to the OVU Code IBC and the OVU Listing Rules IBC and the OVU Independent Shareholders; and (viii) a notice of the OVU EGM, will be despatched to the shareholders of OVU on or before 4 January 2016.

Warning: Shareholders and potential investors of each of CECH and OVU should note that the Equity Transfer, the CECH Subscription and the Placing are subject to the fulfillment of a number of conditions, and accordingly, the transactions contemplated thereunder may or may not proceed. Shareholders and potential investors of each of CECH and OVU should exercise extreme caution when dealing in the CECH Shares and the OVU Shares.

References are made to (i) the respective announcements of CECH and OVU dated 16 October 2015, 13 November 2015 and 23 November 2015 in relation to, among other things, (i) a possible disposal and a possible subscription and (ii) the announcement of OVU dated 17 November 2015 in relation to the OVU Disposals (being special deals under the Takeovers Code). This is an announcement containing, among other matters, principal terms of the Equity Interest Transfer Agreement, the CECH Subscription Agreement and the Placing Agreement.

I. THE EQUITY INTEREST TRANSFER AGREEMENT

On 14 December 2015 (after trading hours), CECH (as vendor) entered into the Equity Interest Transfer Agreement with OVU and HK 3A (an indirect wholly-owned subsidiary of OVU) (as purchasers). Set out below are the principal terms of the Equity Interest Transfer Agreement:

Date: 14 December 2015 (after trading hours)

Vendor: CECH

Purchasers: OVU and HK 3A

To the best of the CECH Directors' knowledge, information and belief having made all reasonable enquiries, OVU, HK 3A and their ultimate beneficial owners are independent third parties of and not connected with CECH and its connected persons.

Assets to be transferred

Pursuant to the Equity Interest Transfer Agreement, CECH has conditionally agreed to sell, and OVU and HK 3A have conditionally agreed to acquire, 100% of the equity interest in CEC Technology. Details of CEC Technology Group are set out in the section headed "Information on CEC Technology Group" below.

As at the date of this announcement, CEC Technology is a wholly-owned subsidiary of CECH. Upon the Equity Transfer Completion, CEC Technology will cease to be a subsidiary of CECH and will become an indirect wholly-owned subsidiary of OVU.

Consideration for the Equity Transfer

Pursuant to the Equity Interest Transfer Agreement, the consideration for the Equity Transfer is RMB699,854,600 (equivalent to approximately HK\$846 million), which shall be satisfied by the allotment and issue of the Consideration Shares, credited as fully paid, at the Consideration Price of HK\$0.8 per Consideration Share.

The Consideration Shares represent (i) approximately 26.5% of the issued share capital of OVU of 4,000,000,000 OVU Shares as at the date of this announcement; and (ii) approximately 13.2% of the issued share capital of OVU as enlarged by the allotment and issue of the Consideration Shares, the CECH Subscription Shares and the Placing Shares.

The Consideration Shares will be issued under the Specific Mandate to be approved by the OVU Independent Shareholders at the OVU EGM. Application will be made by OVU to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consideration Shares.

Basis of determination of consideration

The consideration of the Equity Transfer was agreed between CECH and OVU after arm's length negotiations on normal commercial terms with reference to, among other things, (i) the unaudited consolidated net asset value of CEC Technology Group as at 30 June 2015; (ii) the valuation of the relevant property interests held by CEC Technology Group conducted by an independent qualified valuer; (iii) the current operations of CEC Technology Group; and (iv) the business prospects of CEC Technology Group.

The CECH Directors consider that the consideration and the terms of the Equity Transfer are fair and reasonable and are in the interests of CECH and CECH Shareholders as a whole.

The OVU Directors (excluding the members of the OVU Code IBC and the OVU Listing Rules IBC who will express their views after considering the advice of Gram Capital) consider that the consideration and the terms of the Equity Transfer are fair and reasonable and are in the interests of OVU and its shareholders as a whole.

The Charge Over Deposits, the Entrusted Loans and the Share Charge

On 16 July 2015, CECM, an indirect wholly-owned subsidiary of CECH, has entered into the Charge Over Deposits, pursuant to which CECM has provided security by way of bank deposits in favour of Xiamen Bank for the interest-bearing loans granted to CEC Technology up to a maximum amount of RMB1.0 billion (equivalent to approximately HK\$1.2 billion). As at the date of this announcement, the outstanding amount due from CEC Technology to Xiamen Bank amounted to RMB755 million (equivalent to approximately HK\$914 million).

As at the date of this announcement, CECH has provided the Entrusted Loans in the aggregate principal amount of RMB340 million (equivalent to approximately HK\$411 million) to CEC Technology Group with CEC Finance acting as the lending agent. The Entrusted Loans bear interest at the rate of 7% per annum as at the date of this announcement, and shall be repaid by CEC Technology Group in October and November 2016.

As at the date of this announcement, the aggregate principal amount of the loans from Xiamen Bank to CEC Technology under the Charge Over Deposits and the Entrusted Loans granted to CEC Technology Group amounted to RMB1,095 million (equivalent to approximately HK\$1,325 million). The aggregate outstanding amount of borrowings will be not more than RMB1.2 billion (equivalent to approximately HK\$1.5 billion) upon the Equity Transfer Completion.

Upon the Equity Transfer Completion, CEC Technology will become an indirect wholly-owned subsidiary of OVU and CECH will cease to hold any direct equity interest in CEC Technology. Pursuant to the Equity Interest Transfer Agreement, CECH Group will continue to provide such financial assistance in the form of the Charge Over Deposits and the Entrusted Loans granted to CEC Technology Group for a period of up to 1 year after the Completion or 31 December 2016 (whichever is earlier) at a maximum aggregate amount of RMB1.2 billion (equivalent to approximately HK\$1.5 billion). All the terms of the arrangement of the Charge Over Deposits and the Entrusted Loans will remain the same. Accordingly, the continuance of the Charge Over Deposits and the provision of the Entrusted Loans will constitute provision of financial assistance by CECH Group to CEC Technology Group under Chapter 14 of the Listing Rules.

In consideration of CECH Group continuing to provide the Charge Over Deposits and the Entrusted Loans in favour of CEC Technology Group after the Equity Transfer Completion, OVU Group shall (i) pay an interest in respect of the outstanding amount of loans drawn down by CEC Technology Group from Xiamen Bank under the Charge Over Deposits and the Entrusted Loans to CECH

Group such that the aggregate interest payable by OVU Group to Xiamen Bank and CECH Group would be equal to the amount calculated at the rate of 7% per annum on the outstanding amount of such loans as from the date of the Equity Transfer Completion, and (ii) procure BVI 3A, a wholly-owned subsidiary of OVU, to enter into the Share Charge in favour of CECM, pursuant to which BVI 3A will charge 375,118 shares of HK 3A (representing approximately 31.51% of the issued share capital of HK 3A as at the date of this announcement) in favour of CECM. The interest rate of 7% per annum is determined based on CECH's internal borrowing costs. In addition, in considering the value of the charged HK 3A shares, reference was made to, among other things, the average closing price of OVU Shares over the 20 Business Days immediately preceding the date of the Equity Interest Transfer Agreement with a 40% discount times the number of OVU Shares in issue upon Completion (as enlarged by the allotment and issue of the Consideration Shares, the CECH Subscription Shares and the Placing Shares) times the percentage of the said share capital of HK 3A being charged under the Share Charge, which shall not be less than RMB1.2 billion (equivalent to approximately HK\$1.5 billion). The Share Charge was arrived at after arm's length negotiations between CECH and OVU. As at the date of this announcement, OVU, an investment holding company, indirectly owns all HK 3A shares through BVI 3A and HK 3A in turn holds, both directly and indirectly, the majority of the business and assets of OVU Group. While there is no easily observable market value of the HK 3A shares, given such shareholding structure of OVU Group, the CECH Board is of the view that the value of OVU Shares is an appropriate measurement in considering the value of the HK 3A shares, and the interests of CECH have been sufficiently secured against the financial assistance provided to CEC Technology Group.

Having considered that (i) the Share Charge could not be withdrawn unless such loans are fully repaid; (ii) Xiamen Loans and the Entrusted Loans are interest bearing at the rate of 7% per annum; (iii) the continuance of the Charge Over Deposits and the Entrusted Loans are necessary for CEC Technology Group to maintain its normal operation; and (iv) upon the Equity Transfer Completion, CECH still holds an indirect equity interest in CEC Technology through its equity interest in OVU, the CECH Board considers that the continuance of the Charge Over Deposits and the Entrusted Loans is on normal commercial terms, and is fair and reasonable and in the interests of the CECH Shareholders as a whole.

Conditions precedent to the Equity Transfer Completion

The Equity Transfer Completion is conditional upon, among other things, the following Equity Transfer Conditions:

- (a) CECH having obtained the Whitewash Waiver from the Executive and all conditions incidental to the Whitewash Waiver having been fulfilled;

- (b) the CECH Shareholders having approved (i) the Equity Interest Transfer Agreement and the transactions contemplated thereunder; and (ii) the CECH Subscription Agreement and the transactions contemplated thereunder by way of resolutions at the CECH SGM;
- (c) the necessary approval procedures in the PRC with regard to the Equity Transfer pursuant to the laws and regulations of the PRC having been completed;
- (d) CEC Technology having applied for the industrial and commercial registration for the Equity Transfer and having received the acceptance notification from the relevant department under the State Administration for Industry and Commerce of the PRC;
- (e) the representations and warranties given by OVU and CECH respectively being true, accurate, complete and non-misleading with no material omissions in all aspects on and before the Equity Transfer Completion;
- (f) there having been no material adverse change in CEC Technology Group or OVU Group from 30 June 2015 to the Equity Transfer Completion;
- (g) the OVU Independent Shareholders having approved, among other things, the Equity Interest Transfer Agreement and the transactions contemplated thereunder, the CECH Subscription Agreement and the transactions contemplated thereunder, the Placing Agreement and the transactions contemplated thereunder, the Share Charge and the transactions contemplated thereunder together with the Non-exempt Continuing Connected Transactions at the OVU EGM;
- (h) the OVU Independent Shareholders having approved the Whitewash Waiver;
- (i) OVU having obtained the approval from the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in the Consideration Shares, the CECH Subscription Shares and the Placing Shares;
- (j) OVU having obtained the consent of the Executive in relation to the Share Charge and the transactions contemplated thereunder as a special deal under Rule 25 of the Takeovers Code; and
- (k) all the CECH Subscription Conditions and the Placing Conditions having been satisfied or waived (where applicable).

Neither CECH, OVU nor HK 3A shall have the right to waive the conditions set out in paragraphs (a), (b), (g), (h), (i) and (j) above.

If the Equity Transfer Conditions have not been fulfilled or waived (other than (a), (b), (g), (h), (i) and (j) above) on or before the expiry of six months after the date of the Equity Interest Transfer Agreement (or such later date as the parties may agree in writing), then the Equity Interest Transfer Agreement shall terminate automatically (other than in respect of certain provisions having the effect of surviving the termination). In such event, neither party shall have any claim under the Equity Interest Transfer Agreement of any nature whatsoever against the other party except in respect of any rights and liabilities which have accrued before termination or under certain provisions having the effect of surviving the termination.

Ranking of the Consideration Shares

The Consideration Shares, when allotted and issued, shall rank equally in all respects with the OVU Shares in issue on the date of allotment and issue of the Consideration Shares.

Compensation

CECH shall compensate OVU for actual losses suffered (including but not limited to expenses, depreciations and debts, other than losses caused by normal commercial risks) by OVU or CEC Technology Group after the Equity Transfer Completion if such losses are caused by circumstances pre-existing the Equity Transfer Completion.

Equity Transfer Completion

Each of the Equity Transfer, the CECH Subscription and the Placing is inter-conditional on each other. The Equity Transfer Completion shall take place simultaneously with the CECH Subscription Completion and the Placing Completion on the seventh Business Day after the satisfaction or waiver (where applicable) of all of the Equity Transfer Conditions, the CECH Subscription Conditions and the Placing Conditions or at such other time or date as the parties may agree.

As at the date of this announcement, CEC Technology is a wholly-owned subsidiary of CECH. Upon the Equity Transfer Completion, CEC Technology will cease to be a subsidiary of CECH and will become an indirect wholly-owned subsidiary of HK 3A, a wholly-owned subsidiary of OVU.

FINANCIAL EFFECT OF THE EQUITY TRANSFER ON CECH

Following the Equity Transfer Completion, CEC Technology will cease to be a wholly-owned subsidiary of CECH. After taking into account the fair value of the consideration of the Equity Transfer, the net carrying amount of the assets and

liabilities of CEC Technology Group as at 30 June 2015, the related transaction costs and taxes and assuming the fair value of the OVU Shares to be acquired by CECH equal to the closing price of OVU Shares as quoted on the Stock Exchange as at 30 June 2015, it is estimated that a gain of approximately RMB731 million will be recorded. The actual gain on the Equity Transfer, which will be calculated based on the consolidated net assets of CEC Technology Group as at the date of the Equity Transfer Completion, may be different and is subject to determination.

IMPLICATIONS UNDER THE LISTING RULES

Listing Rules implications for CECH

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Equity Interest Transfer Agreement and the transactions contemplated thereunder (including the provision of financial assistance to CEC Technology Group) is more than 25% but less than 75%, the Equity Interest Transfer Agreement and the transactions contemplated thereunder together constitutes a major transaction for CECH under Rule 14.06(3) of the Listing Rules and will accordingly be subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

None of the CECH Directors has any material interest in the Equity Interest Transfer Agreement and the transactions contemplated thereunder (including the provision of financial assistance to CEC Technology Group) and has thus abstained from voting on the relevant resolution at the CECH Board meeting.

Listing Rules implications for OVU

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Equity Interest Transfer Agreement is more than 25% but less than 100%, the transactions contemplated under the Equity Transfer together constitutes a major transaction for OVU under Rule 14.06(3) of the Listing Rules and will accordingly be subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

In addition, upon the Completion, CECH will be interested in 2,550,000,000 OVU Shares, representing approximately 31.9% of the issued share capital of OVU as enlarged by the allotment and issue of the Consideration Shares, the CECH Subscription Shares and the Placing Shares. CECH will therefore become a controlling shareholder of OVU. Accordingly, the Equity Transfer also constitutes a connected transaction for OVU under Rule 14A.28 of the Listing Rules and will accordingly be subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

II. THE CECH SUBSCRIPTION AGREEMENT

Date: 14 December 2015 (after trading hours)

The Parties

Issuer: OVU

Subscriber: CECH

CECH Subscription Shares

CECH and OVU entered into the CECH Subscription Agreement pursuant to which OVU has conditionally agreed to allot and issue, and CECH has conditionally agreed to subscribe in cash, the CECH Subscription Shares, credited as fully paid, at the Subscription Price of HK\$0.8 per CECH Subscription Share.

The CECH Subscription Shares represent (i) approximately 37.3% of the issued share capital of OVU as at the date of this announcement; and (ii) approximately 18.6% of the issued share capital of OVU as enlarged by the allotment and issue of the CECH Subscription Shares, the Consideration Shares and the Placing Shares.

The CECH Subscription Shares will be issued under the Specific Mandate to be approved by the OVU Independent Shareholders at the OVU EGM. Application will be made by OVU to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the CECH Subscription Shares.

The consideration for the CECH Subscription Shares will be funded by the internal resources and/or borrowings of the CECH Group.

Subscription Price

The Subscription Price represents:

- (i) A discount of approximately 15.8% to the closing price of HK\$0.95 per OVU Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) A discount of approximately 13.0% to the average closing price of HK\$0.92 per OVU Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day;
- (iii) A discount of approximately 14.9% to the average closing price of HK\$0.94 per OVU Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;

- (iv) A discount of approximately 16.7% to the average closing price of HK\$0.96 per OVU Share as quoted on the Stock Exchange for the last 20 consecutive trading days up to and including the Last Trading Day;
- (v) A discount of approximately 1.2% to the closing price of HK\$0.81 per OVU Share as quoted on the Stock Exchange on the last trading day before the release of the respective announcements dated 16 October 2015 of CECH and OVU made pursuant to Rule 3.7 of the Takeovers Code; and
- (vi) A premium of approximately 1.3% to the unaudited consolidated net asset value per OVU Share as at 30 June 2015 of approximately HK\$0.79.

The Subscription Price was arrived at after arm's length negotiations between CECH and OVU, with reference to the liquidity and recent trading performance of the OVU Shares, and the financial performance and the business outlook of OVU.

The CECH Directors consider that the Subscription Price and the terms of the CECH Subscription Agreement are fair and reasonable and are in the interests of CECH and CECH Shareholders as a whole.

The OVU Directors (excluding the members of the OVU Code IBC who will form their view after receiving and reviewing the advice of Gram Capital) consider that the Subscription Price and the terms of the CECH Subscription Agreement are fair and reasonable and are in the interests of OVU and its shareholders as a whole.

Conditions precedent to the CECH Subscription Completion

The CECH Subscription Completion is conditional upon, among other things, the following CECH Subscription Conditions:

- (a) the Executive having granted the Whitewash Waiver;
- (b) all conditions incidental to the Whitewash Waiver having been fulfilled;
- (c) the following having been obtained from the OVU Independent Shareholders at the OVU EGM:
 - (i) the approval of the Specific Mandate to allot and issue the CECH Subscription Shares, the Placing Shares and the Consideration Shares pursuant to the requirements under the Listing Rules;
 - (ii) the approval of the CECH Subscription Agreement and the transactions contemplated thereunder;
 - (iii) the approval of the Whitewash Waiver pursuant to the Takeovers Code;
 - (iv) the approval of the transactions contemplated under the Equity Interest Transfer Agreement and the Non-exempt Continuing Connected Transactions; and
 - (v) the approval of the transactions contemplated under the Placing Agreement;
- (d) OVU having obtained the approval from the Stock Exchange for the listing of and permission to deal in the CECH Subscription Shares, the Placing Shares and the Consideration Shares, and the relevant approval not having been revoked prior to the CECH Subscription Completion;
- (e) OVU having obtained all essential and necessary letters of consent and authorization from any governmental or regulatory authority in regards to the execution and completion of the transactions contemplated under the CECH Subscription Agreement, which shall remain in full force and effect pursuant to the provisions of any law or rule in any relevant jurisdiction; and
- (f) all the Equity Transfer Conditions and the Placing Conditions having been satisfied or waived (where applicable).

If the CECH Subscription Conditions have not been fulfilled or waived on or before the expiry of six months after the date of the CECH Subscription Agreement (or such later date as the parties may agree in writing), then the CECH Subscription Agreement shall terminate automatically (other than in respect of

certain provisions having the effect of surviving the termination). In such event, none of the parties shall have any claim under the CECH Subscription Agreement of any nature whatsoever against the other party except in respect of any rights and liabilities which have accrued before termination or under certain provisions having the effect of surviving the termination.

Nomination of directors

Subject to and upon the Completion, CECH shall be entitled to nominate two directors to the OVU Board for so long as CECH holds more than 30% of the issued share capital of OVU.

Pursuant to the CECH Subscription Agreement, the appointment of such directors shall be subject to the articles of association of OVU and the Listing Rules, and that it is also subject to the approval of the nomination committee and the remuneration committee of the OVU Board. In addition, it was expressly set out in the CECH Subscription Agreement that the directors nominated by CECH shall be subject to re-election at the annual general meeting of OVU.

CECH's abovementioned right to nominate directors to the OVU Board is a term of the investment arrived at after arm's length negotiations between OVU and CECH. Further, given that:

- (a) the proposed appointment of the directors is subject to the relevant requirements imposed under the Listing Rules and the Takeover Code (including without limitation those required under Rules 3.08 and 3.09 of the Listing Rules and Rule 26.4 of the Takeovers Code);
- (b) the appointment procedures in respect of the directors nominated by CECH will be in line with the relevant nomination and appointment procedures adopted by OVU; and
- (c) the directors nominated by CECH is subject to the retirement by rotation and re-election at the annual general meeting of OVU and the shareholders of OVU are, pursuant to the articles of association of OVU, entitled to remove any director (including the director nominated by CECH) by way of ordinary resolutions,

OVU considers that the directors nominated by CECH would possess the appropriate experience in the business operated by OVU which is in the interests of OVU and its shareholders as a whole, and that CECH's right to nominate directors does not constitute a special right granted to CECH and all shareholders of OVU are treated fairly and equally.

Further announcement(s) in respect of the change of directors of the OVU Board will be made by OVU should the CECH Subscription proceed to completion.

Ranking of the CECH Subscription Shares

The CECH Subscription Shares, when allotted and issued, shall rank equally in all respects with OVU Shares in issue on the date of allotment and issue of the CECH Subscription Shares.

CECH Subscription Completion

Each of the Equity Transfer, the CECH Subscription and the Placing is inter-conditional on each other. The CECH Subscription Completion shall take place simultaneously with the Equity Transfer Completion and the Placing Completion on the seventh Business Day after the satisfaction or waiver (where applicable) of all the Equity Transfer Conditions, the CECH Subscription Conditions and the Placing Conditions or at such other time or date as the parties may agree.

Upon the Completion, CECH will be interested in approximately 31.9% of the issued share capital of OVU (as enlarged by the allotment and issue of the Consideration Shares, the CECH Subscription Shares and the Placing Shares and on the assumption that no further OVU Shares will be issued or repurchased prior to the Completion). OVU will become an associated company of CECH and the results of OVU will be accounted for under equity method in the financial statements of CECH.

REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER AND THE CECH SUBSCRIPTION FROM CECH'S PERSPECTIVE

The CECH Group is principally engaged in the design and sale of integrated circuit chips, and the development and management of electronic information technology industrial parks.

Since the completion of the acquisition of the electronic information technology industrial park business in June 2014, the CECH Group has put great efforts and investments in the development of industrial parks in different locations in the PRC including Haikou, Xi'an and Beihai. As at 30 June 2015, the construction of Meilun Tertiary Time Tropical Style Commercial Street, which intended to be held for rental purpose, in Plot E of Hainan Resort Software Community was substantially completed. Constructions of a number of commercial, office and residential development projects in various locations are also scheduled for completion in the second half of 2015 and in 2016 by phases. For the six months ended 30 June 2015, CECH recorded a segment profit of HK\$5.3 million, representing an improvement when comparing with a segment loss of HK\$10.7 million in the corresponding period of last year.

CECH believes that the electronic information technology industrial park market in the PRC is still at its initial development stage. With various favorable policies such as “Policies regarding the support for the development of the State’s information technology bases and industrial parks” promulgated by the PRC government that are being rolled out to support the industry, the CECH Directors takes a positive view on the development of the electronic information technology industrial parks in the PRC and it is anticipated that the electronic information technology industrial parks will see considerable growth with the continuous efforts and investments to be placed in this business sector.

Upon Completion, CECH will be the single largest shareholder and the controlling shareholder of OVU holding approximately 31.9% of shareholding at OVU. Pursuant to the CECH Subscription Agreement, CECH will be entitled to nominate 2 directors to the OVU Board. Accordingly, the Equity Transfer and the CECH Subscription will enable CECH to continue investing in the electronic information technology industrial parks through having significant influences over the management and operations of OVU Group.

OVU is a leading multi-theme business parks developer which is engaging in the development and operation of large-scale business parks with distinctive industry themes. As at the date of this announcement, the business parks of OVU Group cover different locations in the PRC including Wuhan, Qingdao, Ezhou, Huangshi, Shenyang and Hefei. The CECH Directors consider that the Equity Transfer and the CECH Subscription represents further investment by CECH in the electronic information technology industrial parks sector through OVU upon Completion and expansion of the investment scope of CECH to new geographical areas in the PRC. The CECH Directors also believe that the investment by the CECH in OVU will create opportunities for enhanced cooperation between CECH Group and OVU Group in the PRC industrial park sector.

OVU Group has been in the property development business in the PRC for over a decade. With the long established history of OVU Group and the strong background of CECH in the industry as well as the support from CEC, the CECH Directors believe that OVU Group will have more competitive advantages in its business development, in particular in the sourcing and securing of new industrial park projects in different locations in the PRC upon Completion. Moreover, with the combined industry expertise of the experienced senior management from both OVU Group and CECH Group, the CECH Directors believe the Equity Transfer and the CECH Subscription will create synergy on the operation of OVU Group upon Completion.

Given the above, the CECH Directors are of the view that the terms of the Equity Interest Transfer Agreement and the CECH Subscription Agreement are fair and reasonable and are in the interests of CECH and CECH Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER AND THE CECH SUBSCRIPTION FROM OVU'S PERSPECTIVE

OVU Group is currently principally engaged in the development and operation of large-scale business parks with distinctive industry themes located in eight cities in Hubei, Shandong and other provinces in the PRC; whereas the principal business activities of CEC Technology Group are the development and management of industrial parks in the PRC including Hainan, Shaanxi and Guangxi Provinces each of which provides a platform for industry players to develop electronic information technology businesses.

The OVU Directors (excluding the members of the OVU Code IBC and the OVU Listing Rules IBC who will form their view after receiving and reviewing the advice of Gram Capital) consider that the acquisition of CEC Technology Group would enable OVU to expand its business into new geographical areas of Hainan, Shaanxi and Guangxi Provinces in the PRC. Further, the size of the industrial parks being developed by CEC Technology Group are comparable to those developed by OVU Group and hence, the Equity Transfer is expected to strengthen and consolidate OVU Group's portfolio, thereby enhancing OVU's position as a leading large-scale business parks developer. In addition, insofar as OVU is aware, certain phases of the industrial parks developed by the CEC Technology Group are expected to be completed for sale in 2016. The OVU Directors (excluding the members of the OVU Code IBC and the OVU Listing Rules IBC who will form their view after receiving and reviewing the advice of Gram Capital) consider that with the gradual completion of the relevant construction of such industrial parks, CEC Technology Group would be able to contribute to the future growth of OVU Group.

Following the Equity Transfer and the CECH Subscription, CECH will become a controlling shareholder of OVU. The OVU Directors (in respect of the Equity Transfer, excluding the members of the OVU Code IBC and the OVU Listing Rules IBC, and, in respect of the CECH Subscription, excluding the OVU Code IBC, who will form their respective views after receiving and reviewing the advice of Gram Capital) consider that the Equity Transfer and the CECH Subscription will not only allow OVU to expand its shareholder base, but also represent a good opportunity for OVU to explore and pursue cooperation with CECH, in particular in respect of the development and operation of business parks, which will be beneficial to the development and expansion of OVU Group's business.

Further, the net proceeds from the CECH Subscription are estimated to amount to approximately HK\$1,184 million. OVU intends to use as to approximately 76% of the net proceeds for the development of the business of CEC Technology, approximately 14% for the business development of OVU Group and the balance of approximately 10% as general working capital of OVU Group. The OVU

Directors (excluding the members of the OVU Code IBC who will form their view after receiving and reviewing the advice of Gram Capital) consider that the CECH Subscription would strengthen OVU Group's cash position without incurring additional interest burden and is therefore an effective manner to raise additional capital for OVU Group.

In view of the above, the OVU Directors (excluding the members of the OVU Code IBC and the OVU Listing Rules IBC (as the case may be) who will form their view after receiving and reviewing the advice of Gram Capital) consider that the terms and conditions of the Equity Interest Transfer Agreement and the CECH Subscription Agreement are on normal commercial terms or better, and are fair and reasonable and are in the interests of OVU and its shareholders as a whole.

FUND RAISING ACTIVITIES OF OVU IN THE LAST 12 MONTHS

OVU had not carried out any equity fund raising activities during the 12 months immediately preceding the date of this announcement.

IMPLICATIONS UNDER THE LISTING RULES

Listing Rules implications for CECH

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the acquisition of the Consideration Shares and the CECH Subscription Shares by CECH in aggregate exceeds 100%, the acquisition of the Consideration Shares and the CECH Subscription Shares by CECH in aggregate constitutes a very substantial acquisition for CECH under Rule 14.06(5) of the Listing Rules and will accordingly be subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

None of the CECH Directors has any material interest in the Equity Transfer and the CECH Subscription and has thus abstained from voting on the relevant resolutions at the CECH Board meeting.

III. THE PLACING AGREEMENT

Date: 14 December 2015 (after trading hours)

The Parties

Issuer: OVU

Placing agent: China Everbright

To the best of the OVU Directors' knowledge, information and belief having made all reasonable enquiries, China Everbright and its ultimate beneficial owners are independent third parties of OVU and its connected persons.

Placees

It is expected that there shall not be less than six Placees. Such Placees shall be independent of and not connected with nor acting in concert with any of the directors, chief executive or substantial shareholders of each of OVU or its subsidiaries, or CECH or its subsidiaries, or their respective associates or the parties acting in concert with them. It is expected that none of the Placees will become a substantial shareholder of OVU immediately after completion of the Placing.

Number of Placing Shares

China Everbright has conditionally agreed to place, on a fully underwritten basis, a total of 1,450,000,000 Placing Shares (failing which China Everbright would subscribe for the untaken Placing Shares) to not less than six Placees at the Placing Price.

The Placing Shares represent (i) approximately 36.3% of the issued share capital of OVU as at the date of this announcement; and (ii) approximately 18.1% of the issued share capital of OVU as enlarged by the allotment and issue of the CECH Subscription Shares, the Consideration Shares and the Placing Shares.

The Placing Shares will be issued under Specific Mandate to be approved by the OVU Independent Shareholders at the OVU EGM. Application will be made by OVU to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Placing Price

The Placing Price represents:

- (i) a discount of approximately 15.8% to the closing price of HK\$0.95 per OVU Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 13.0% to the average closing price of HK\$0.92 per OVU Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 14.9% to the average closing price of HK\$0.94 per OVU Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 16.7% to the average closing price of HK\$0.96 per OVU Share as quoted on the Stock Exchange for the last 20 consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 1.3% to the unaudited consolidated net asset value per OVU Share of approximately HK\$0.79 as at 30 June 2015.

The Placing Price has been negotiated and arrived at on an arm's length basis with reference to the liquidity and recent trading performance of the OVU Shares, and the financial performance and the business outlook of OVU. The OVU Directors (excluding the members of the OVU Code IBC who will form their view after receiving and reviewing the advice of Gram Capital) consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and are in the interests of OVU and its shareholders as a whole.

Placing commission

China Everbright will receive a placing commission of 1% of the aggregate Placing Price for the Placing Shares successfully placed or subscribed by China Everbright on behalf of OVU pursuant to the terms of the Placing Agreement. Such placing commission was arrived at after arm's length negotiations between OVU and China Everbright under normal commercial terms and with reference to the prevailing market condition.

Conditions precedent of the Placing

Completion of the Placing is conditional upon, among other things, the following Placing Conditions:

- (a) OVU having obtained all necessary approvals from its independent shareholders at the OVU EGM in respect of the Placing in accordance with the Listing Rules requirements;
- (b) the Listing Committee of the Stock Exchange having granted an approval for the listing of, and permission to deal in, all the Placing Shares; and
- (c) the conditions precedent (excluding any conditions precedent therein requiring the Placing Agreement to be unconditional) of the Equity Interest Transfer Agreement and the CECH Subscription Agreement having been fulfilled (or waived pursuant to the terms therein).

None of the above Placing Conditions can be waived.

If the Placing Conditions have not been fulfilled on or before the expiring of six months after the date of the Placing Agreement (or such later date as the parties may agree in writing), then the Placing Agreement shall terminate automatically (other than in respect of certain provisions having the effect of surviving termination). In such event, none of the parties shall have any claim under the Placing Agreement of any nature whatsoever against the other party except in respect of any rights and liabilities which have accrued before termination or under certain provisions having the effect of surviving the termination.

Completion of the Placing

Each of the Equity Transfer, the CECH Subscription and the Placing is inter-conditional on each other. The Placing Completion shall take place simultaneously with the Equity Transfer Completion and the CECH Subscription Completion on the seventh Business Day after the satisfaction or waiver of all of the Equity Transfer Conditions, the CECH Subscription Conditions and the Placing Conditions or at such other time or date as the parties may agree.

Ranking of the Placing Shares

The Placing Shares, when allotted and issued, shall rank equally in all respects with the OVU Shares in issue on the date of such allotment and issue.

REASONS FOR AND BENEFITS OF THE PLACING

The net proceeds from the Placing are estimated to amount to approximately HK\$1,148 million. OVU intends to use as to approximately 90% of the net proceeds for the future development of the group's business and the balance of approximately 10% as general working capital of OVU Group. The OVU Directors (excluding the members of the OVU Code IBC who will form their view after receiving and reviewing the advice of Gram Capital) consider that the Placing would strengthen OVU Group's cash position without incurring additional interest burden and is therefore an effective manner to raise additional capital for OVU Group. The Placing will also provide an opportunity for OVU to broaden its shareholder base.

In light of the above, the OVU Directors (excluding the members of the OVU Code IBC who will form their view after receiving and reviewing the advice of Gram Capital) are of the opinion that the terms of the Placing Agreement, including but not limited to the Placing Price, are fair and reasonable and in the interests of OVU and its shareholders as a whole.

IV. CONTINUING CONNECTED TRANSACTIONS

A. The Charge Over Deposits and the Entrusted Loans

Reference is made to the section headed "I. The Equity Interest Transfer Agreement — The Charge Over Deposits, the Entrusted Loans and the Share Charge" in this announcement.

Upon the Completion, CEC Technology will become an indirect wholly-owned subsidiary of OVU and CECH will become a substantial shareholder of OVU. Accordingly, the arrangements in respect of the Charge Over Deposits and the Entrusted Loans will constitute continuing connected transactions of OVU under Chapter 14A of the Listing Rules upon the Completion.

The terms of the Charge Over Deposits and the Entrusted Loans, being arrangements in existence prior to the entering into of the Equity Interest Transfer Agreement and the CECH Subscription Agreement, will remain the same following the Completion. In particular, following the Completion, the rates of the interest and handling fees payable by the relevant members of the CEC Technology Group pursuant to the arrangements under the Charge Over Deposits and the Entrusted Loans will remain the same.

The principal terms of the Charge Over Deposits and the Entrusted Loans are as follow:

(a) *Charge Over Deposits*

Date: 16 July 2015

Parties: (a) CECM (as chargor)
(b) Xiamen Bank (as chargee)

Other terms:

Charged assets

The deposits placed by CECM in Xiamen Bank shall be in the amount of not less than 103.1% to the amount of drawdown. Hence the maximum amount of deposits shall be not less than RMB1.031 billion (equivalent to approximately HK\$1.248 billion).

Secured obligations

The principal (the maximum aggregate outstanding amount being RMB1.0 billion (equivalent to approximately HK\$1.2 billion)) and interest of the Xiamen Loans, penalty, compensation, escrow fees (if any) under the Xiamen Loan Agreement, and all fees incurred by Xiamen Bank in enforcing the Charge Over Deposits.

(b) *Entrusted Loan Agreements*

(i) *Entrusted loan agreement of CEC Beihai in respect of an outstanding principal amount of RMB90 million (equivalent to approximately HK\$109 million)*

Date: 29 October 2015 (as supplemented by a confirmation letter dated 27 November 2015)

Parties: (1) CECH (as lender)
(2) CEC Finance (as lending agent); and
(3) CEC Beihai (as borrower), a wholly-owned subsidiary of CEC Technology

Amount of the entrusted loan

The original principal amount of the entrusted loan provided by CECH to CEC Beihai through CEC Finance was RMB100 million (equivalent to approximately HK\$121 million).

As at the date of this announcement, the outstanding amount due by CEC Beihai to CECH under this Entrusted Loan Agreement amounted to RMB90 million (equivalent to approximately HK\$109 million).

Term

The term for the entrusted loan commenced on 29 October 2015 and will end on 29 October 2016.

Interest rate

As confirmed by the confirmation letter mentioned above, the interest rate shall be at the fixed rate of 7% per annum. The accrued interest shall be settled quarterly during the term of the entrusted loan. Such interest rate was determined after arm's length negotiations between the parties.

Handling fee

The handling fee payable to CEC Finance for arranging the entrusted loan under this Entrusted Loan Agreement is calculated at 0.1% of the aggregate outstanding principal amount of the entrusted loan. Such handling fee was determined by reference to other similar transactions in the market. CEC Beihai shall pay the handling fee to CEC Finance on a quarterly basis during the term of the entrusted loan.

- (ii) *Entrusted loan agreement of CEC Beihai in respect of an outstanding principal amount of RMB110 million (equivalent to approximately HK\$133 million)*

Date: 10 November 2015 (as supplemented by a confirmation letter dated 27 November 2015)

Parties: (1) CECH (as lender)
(2) CEC Finance (as lending agent); and
(3) CEC Beihai (as borrower), a wholly-owned subsidiary of CEC Technology

Amount of the Entrusted Loan

The aggregate principal amount of the entrusted loan provided by CECH to CEC Beihai through CEC Finance is RMB110 million (equivalent to approximately HK\$133 million).

As at the date of this announcement, the outstanding amount due by CEC Beihai to CECH under this Entrusted Loan Agreement amounted to RMB110 million (equivalent to approximately HK\$133 million).

Term

The term for the entrusted loan commenced on 10 November 2015 and will end on 10 November 2016.

Interest rate

As confirmed by the confirmation letter mentioned above, the interest rate shall be at the fixed rate of 7% per annum. The accrued interest shall be settled quarterly during the term of the entrusted loan. Such interest rate was determined after arm's length negotiations between the parties and by reference to other similar transactions in the market.

Handling fee

The handling fee payable to CEC Finance for arranging the entrusted loan under this Entrusted Loan Agreement is calculated at 0.1% of the aggregate outstanding principal amount of the entrusted loan. Such handling fee was determined by reference to other similar transactions in the market. CEC Beihai shall pay the handling fee to CEC Finance on a quarterly basis during the term of the entrusted loan.

- (iii) *Entrusted loan agreement of CEC Xi'an in respect of an outstanding principal amount of RMB140 million (equivalent to approximately HK\$169 million)*

Date: 10 November 2015 (as supplemented by a confirmation letter dated 27 November 2015)

Parties: (1) CECH (as lender)
(2) CEC Finance (as lending agent); and
(3) CEC Xi'an (as borrower), a 73.91% owned subsidiary of CEC Technology

Amount of the entrusted loan

The aggregate principal amount of the entrusted loan provided by CECH to CEC Xi'an through CEC Finance is RMB140 million (equivalent to approximately HK\$169 million).

As at the date of this announcement, the outstanding amount due by CEC Xi'an to CECH amounted to RMB140 million (equivalent to approximately HK\$169 million).

Term

The term for the entrusted loan commenced on 10 November 2015 and will end on 10 November 2016.

Interest rate

As confirmed by the confirmation letter mentioned above, the interest rate shall be at the fixed rate of 7% per annum. The accrued interest shall be settled quarterly during the term of the entrusted loan. Such interest rate was determined after arm's length negotiations between the parties and by reference to other similar transactions in the market.

Handling fee

The handling fee payable to CEC Finance for arranging the entrusted loan under this Entrusted Loan Agreement is calculated at 0.1% of the aggregate outstanding principal amount of the entrusted loan. Such handling fee was determined by reference to other similar transactions in the market. CEC Xi'an shall pay the handling fee to CEC Finance on a quarterly basis during the term of the entrusted loan.

As set out in the section headed "I. The Equity Interest Transfer Agreement — The Charge Over Deposits, the Entrusted Loans and the Share Charge" in this announcement, BVI 3A shall enter into the Share Charge upon the Equity Transfer Completion in respect of the Entrusted Loans and the Charge Over Deposits.

As mentioned above, the total outstanding amount of the borrowings under the Charge Over Deposits and the Entrusted Loans due by CEC Technology Group to Xiamen Bank and CECH Group will be not more than RMB1.2 billion (equivalent to approximately HK\$1.5 billion) upon the Equity Transfer Completion. According to the Equity Interest Transfer Agreement, CECH Group will continue to provide the said financial assistance in the form of the Charge Over Deposits and the Entrusted Loans granted to CEC Technology Group for a period of up to 1 year after the Completion or 31 December 2016 (whichever is earlier) at a maximum amount of RMB1.2 billion (equivalent to approximately HK\$1.5 billion).

In consideration of CECH Group continuing to provide the said financial assistance in favour of CEC Technology Group after the Equity Transfer Completion, as at the date of the Equity Transfer Completion, OVU Group shall (i) pay an interest in respect of the outstanding loan amount drawn down by CEC Technology Group from Xiamen Bank under the Charge Cover Deposits and the Entrusted Loans to CECH Group such that the aggregate interest payable by OVU Group to Xiamen Bank and the CECH Group would be equal to the amount calculated at the rate of 7% per annum on the outstanding amount of such loans as from the date of the Equity Transfer Completion, and (ii) procure BVI 3A, a wholly-owned subsidiary of OVU, to enter into the Share Charge in favour of CECM, pursuant to which BVI 3A will charge 375,118 shares of HK 3A (representing approximately 31.51% of the issued share capital of HK 3A as at the date of this announcement) in favour of CECM. The interest rate of 7% per annum is determined based on CECH's internal borrowing costs. In addition, in considering the value of the charged HK 3A shares, reference is made to, among other things, the average closing price of OVU Shares for the 20 Business Days immediately preceding the date of the Equity Interest Transfer Agreement with a 40% discount times the number of OVU Share in issue upon Completion (as enlarged by the allotment and issue of the Consideration Shares, the CECH Subscription Shares and the Placing Shares) times the percentage of the said share capital of HK 3A being charged under the Share Charge, which shall be not less than RMB1.2 billion (equivalent to approximately HK\$1.5 billion). Accordingly, RMB1.2 billion (equivalent to approximately HK\$1.5 billion) has been set as the annual cap for the continuing connected transactions year ending 31 December 2016.

As the New Cap for the above Continuing Connected Transactions for the year ending 31 December 2016 exceeds the 5% Threshold, they constitute non-exempt Continuing Connected Transactions of OVU under Chapter 14A of the Listing Rules and will be subject to the reporting, announcement and annual review requirements of Chapter 14A of the Listing Rules, and the approval of the OVU Independent Shareholders. No shareholder of OVU will be required to abstain

from voting at the shareholders' meeting in relation to the resolution to be proposed in respect of such New Cap and the said Continuing Connected Transactions.

B. The Property Management Agreements

As at the date of this announcement, the CEC Technology Group has entered into certain Property Management Agreements with CEC Rida pursuant to which CEC Rida has provided property management services to the CEC Technology Group. As at the date of this announcement, CEC Rida is a subsidiary of CEC.

Upon the Completion, CEC Technology and its subsidiaries will become subsidiaries of OVU and CECH will become a substantial shareholder of OVU. Accordingly, CEC Rida will become a connected person of OVU and the transactions contemplated under the Property Management Agreements will constitute continuing connected transactions of OVU under Chapter 14A of the Listing Rules upon Completion.

The principal terms of the Property Management Agreements are as follows:

(a) *Property management agreement of CEC Beihai in respect of the Beihai Industrial Park*

Date: 1 February 2013

Parties: (1) CEC Beihai, a wholly-owned subsidiary of CEC Technology
(2) CEC Rida (as service provider)

Subject matter

CEC Rida agreed to provide property management services in respect of the public areas in the CEC Beihai Industrial Park and the areas in the CEC Beihai Industrial Park retained by CEC Beihai for its own use.

The scope of services provided under the Property Management Agreement includes but is not limited to:

- (1) day to day maintenance and management of the designated areas of the CEC Beihai Industrial Park;
- (2) maintenance and management of common facilities in the designated areas of the CEC Beihai Industrial Park; and

- (3) other ancillary services to the enterprises (and their respective employees) situated in the CEC Beihai Industrial Park.

Term

The term of this Property Management Agreement commenced on 1 February 2013 and will end on 31 December 2016.

Consideration and terms of payment

CEC Beihai shall pay CEC Rida a service fee in the sum of RMB 2.3 million (equivalent to approximately HK\$2.8 million) per annum. Such fee shall be settled quarterly in arrears during the term of the Property Management Agreement.

The service fee payable under the Property Management Agreement was determined after arm's length negotiations between CEC Beihai and CEC Rida.

The service fees paid by CEC Beihai to CEC Rida for the provision of property management services under this Property Management Agreement were RMB2,294,000 (equivalent to approximately HK\$2,776,000) and RMB2,300,000 (equivalent to approximately HK\$2,783,000) for the two years ended 31 December 2014 and RMB522,000 (equivalent to approximately HK\$632,000) for the six months ended 30 June 2015.

(b) *Property management agreement of CEC Xi'an in respect of the Xi'an Industrial Park*

Date: 30 December 2014

Parties: (1) CEC Xi'an, a 73.91% owned subsidiary of CEC Technology
(2) CEC Rida (as service provider)

Subject matter

CEC Rida agreed to provide property management services in respect of the public areas in the CEC Xi'an Industrial Park.

The scope of services provided under the Property Management Agreement includes but is not limited to:

- (1) day to day maintenance and management of the designated areas of the CEC Xi'an Industrial Park;
- (2) maintenance and management of common facilities in the designated areas of the CEC Xi'an Industrial Park; and
- (3) other ancillary services to the enterprises situated in the CEC Xi'an Industrial Park.

Term

The term of this Property Management Agreement commenced on 31 December 2014 and will end on 31 December 2017.

Consideration and terms of payment

CEC Xi'an shall pay CEC Rida a service fee calculated based on (i) a monthly property service fee of RMB3.25 per square meters (equivalent to HK\$3.93 per square meters) in respect of the relevant public areas in the CEC Xi'an Industrial Park, (ii) a monthly management fee of RMB1.5 per square meters (equivalent to HK\$1.8 per square meters) in respect of properties managed by CEC Rida which have not been leased or sold, and (iii) the policies imposed by the relevant governmental authorities of the Shaanxi Province in respect of the properties that have already been transferred.

The consideration under this Property Management Agreement was determined after arm's length negotiations between CEC Xi'an and CEC Rida.

The OVU Directors (including the independent non-executive directors) are of the view that the pricing mechanism of the service fees payable under the Property Management Agreements is fair and reasonable, on normal commercial terms, and in the interests of OVU and its shareholders as a whole.

Pursuant to the Property Management Agreements, the annual service fees on an aggregate basis for the two years ending 31 December 2017 shall be RMB5,499,000 (equivalent to approximately HK\$6,654,000) and RMB4,117,000 (equivalent to approximately HK\$4,982,000), respectively, and accordingly, RMB5,500,000 (equivalent to approximately HK\$6,655,000) and RMB4,200,000 (equivalent to approximately HK\$5,082,000) have been set as the proposed aggregated New Caps for the said Lease Agreements.

The table below summaries the aggregated New Caps for the Lease Agreements as set out in this sub-section B for the three years ending 31 December 2017:

	Year ended 31 December 2016 <i>RMB</i>	Year ended 31 December 2017 <i>RMB</i>
New Caps	5,500,000	4,200,000

As the New Caps for the Property Management Agreements (on an aggregate basis) are higher than 0.1% Threshold but do not exceed the 5% Threshold, they constitute exempt continuing connected transactions of OVU under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and annual review requirements of Chapter 14A of the Listing Rules, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

C. Lease Agreements

As at the date of this announcement, CEC Technology Group has entered into the Lease Agreements with CECH and Guanjie. Upon the Completion, CEC Technology and its subsidiaries will become subsidiaries of OVU Group and CECH will become a substantial shareholder of OVU, and Guanjie (being a subsidiary of CEC) will become a connected person of OVU. Accordingly, the said lease agreements will constitute continuing connected transactions of OVU upon Completion.

The principal terms of the said lease agreements are as follows:

(a) *Factory lease Agreement* (廠房租賃合同)

Date: 19 December 2014

Parties: (1) CEC Beihai (as landlord)
(2) Guanjie (as tenant)

Term: From 1 January 2012 to 31 December 2021

Premises: Factory Nos. 2 and 3, China Electronics Beihai Industrial Park, Guangxi, Beihai City, China (中國廣西北海市中國電子北海產業園內2#3#號標準廠房)

Area: 47,536.64 m²

Rental: RMB5/m² per month (the annual rental being RMB2,852,198), settled on a quarterly basis

Usage: Factory for the production of LCD monitors, television, computers etc.

Other terms:

CEC Beihai shall provide a rent free period for the premises from 1 January 2012 to 31 December 2016.

(b) Venue lease agreement (場地租賃合同)

Date: 19 December 2014

Parties: (1) CEC Beihai (as landlord)
(2) Guanjie (as tenant)

Term: From 1 January 2012 to 31 December 2021

Premises: Northern area, 2nd Floor, Zonghe Building, Sushe District, China Electronics Beihai Industrial Park, Beihai City, Guangxi (中國廣西北海市中國電子北海產業園宿舍區綜合樓二層北側區域)

Area: 1,980 m²

Rental: RMB5/m² per month (the annual rental being RMB118,800), settled on a quarterly basis

Usage: Canteen for employees

Other terms:

CEC Beihai shall provide a rent free period for the premises from 1 January 2012 to 31 December 2014.

(c) *Dormitory lease agreement* (宿舍租賃合同)

Date: 19 December 2014

Parties: (1) CEC Beihai
(2) Guanjie

Term: From 1 January 2012 to 31 December 2021

Premises: 185 dormitory rooms of Building No. 1, Sushe District, China Electronics Beihai Industrial Park, Beihai City, Guangxi (中國廣西北海市中國電子北海產業園宿舍區一號樓185間宿舍)

Area: 185 dormitory rooms (with an area of 35 m² per room)

Rental: RMB120 for each dormitory room per month (the aggregate annual rental being RMB266,400), settled on a quarterly basis

Usage: Dormitory for employees

Other terms:

CEC Beihai shall provide a rent free period for the premises from 1 January 2012 to 31 December 2014.

(d) *Property lease agreement* (房屋租賃合同)

Date:	22 May 2015
Parties:	(1) CEC Technology (as landlord) (2) CECH (as tenant)
Term:	From 25 May 2015 to 24 May 2016
Premises:	Rooms 1711, 1712, 15/F, China Electronics Information Building, No. 6 Zhongguancun South Street, Haidian District, Beijing, China* (中國北京市海澱區中關村南大街6號中電信息大廈15層1711、1712室)
Area:	50 m ²
Rental:	RMB5.5/m ² (equivalent to approximately HK\$6.7/m ²) per day (the annual rental being RMB100,375) (equivalent to approximately HK\$121,454), settled on a quarterly basis
Usage:	Office premises

The rentals under the Lease Agreements have been determined with reference to the prevailing market rental on premises of comparable in location, area and permitted uses, or confirmed by independent valuer as to the fairness and reasonableness of the rental payable (when necessary). The said rentals shall be payable in cash.

The OVU Directors (including the independent non-executive directors) are of the view that the pricing mechanism of the rentals payable under the Lease Agreements is fair and reasonable, on normal commercial terms, and in the interests of OVU and its shareholders as a whole.

Pursuant to the Lease Agreements, the annual rentals on an aggregate basis for the three years ending 31 December 2018 shall be RMB3,337,773 (equivalent to approximately HK\$4,038,705), RMB3,237,398 (equivalent to approximately HK\$3,917,252) and RMB3,237,398 (equivalent to approximately HK\$3,917,252), respectively, and accordingly, RMB3,400,000 (equivalent to approximately HK\$4,114,000), RMB3,300,000 (equivalent to approximately HK\$3,993,000) and RMB3,300,000 (equivalent to approximately HK\$3,993,000) have been set as the proposed aggregated New Caps for the said Lease Agreements.

The table below summaries the aggregated New Caps for the Lease Agreements as set out in this sub-section C for the three years ending 31 December 2018:

	Year ended 31 December 2016 <i>RMB</i>	Year ended 31 December 2017 <i>RMB</i>	Year ended 31 December 2018 <i>RMB</i>
New Caps	3,400,000	3,300,000	3,300,000

As the New Caps for the Lease Agreements (on an aggregate basis) are higher than 0.1% Threshold but do not exceed the 5% Threshold, they constitute exempt continuing connected transactions of OVU under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and annual review requirements of Chapter 14A of the Listing Rules, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

Prior to the Completion, CEC Technology Group has conducted the Continuing Connected Transactions with the associates of CECH and OVU shall take up such Continuing Connected Transactions after the Completion. Hence, the OVU Directors (excluding the members of the OVU Listing Rules IBC in respect of the Non-exempt Continuing Connected Transactions), consider it to be beneficial to OVU to continue to conduct the Continuing Connected Transactions in order to ensure and maximise operating efficiency and stability of the operations of the CEC Technology Group. Further, the OVU Directors (excluding the members of the OVU Listing Rules IBC in respect of the Non-exempt Continuing Connected Transactions) consider that the interest rate of 7% per annum in respect of the Entrusted Loans are below the prevailing interest rate for loans of a similar nature.

The OVU Directors (excluding the members of the OVU Listing Rules IBC in respect of the Non-exempt Continuing Connected Transactions) considers that the Continuing Connected Transactions had been subject to arm's length negotiation between the CEC Technology Group and the relevant parties, and had been entered into by the CEC Technology Group in the ordinary and usual course of business and either (i) on normal commercial terms or better, or (ii) on terms no less favourable to OVU Group than those available to or from (as appropriate) independent third parties.

The OVU Directors (excluding the members of the OVU Listing Rules IBC in respect of the Non-exempt Continuing Connected Transactions) are of the view that the Continuing Connected Transactions, and the relevant proposed New Caps, are fair and reasonable and in the interests of OVU and its shareholders as a whole.

VIEW OF INDEPENDENT FINANCIAL ADVISER

Since the term of each of the Long-term Property Management Agreement and Long-term Lease Agreements is longer than three years, pursuant to Rule 14A.52 of the Listing Rules, OVU must appoint an independent financial adviser to explain why each of the Long-term Property Management Agreement and Long-term Lease Agreements requires a longer period and to confirm that it is normal business practice for the agreements of this type to be of such duration. For this purpose, OVU has engaged Gram Capital as the OVU Independent Financial Adviser.

The Long-term Property Management Agreement

With reference to the Long-term Property Management Agreement as set out under sub-section headed “B. The Property Management Agreements” above, CEC Rida agreed to provide property management services in respect of the public areas in the CEC Beihai Industrial Park and the areas in the CEC Beihai Industrial Park retained by CEC Beihai for its own use.

As advised by the OVU Directors, CEC Rida is engaged in property management in the PRC and has received various recognitions in the field. It is familiar in the operation of CEC Beihai Industrial Park through its previous services.

In assessing the reasons for the duration of the Long-term Property Management Agreement to be longer than three years, Gram Capital has considered, the following factors:

- (i) CEC Beihai will enjoy a stable property management service from CEC Rida according to the Long-term Property Management Agreement;
- (ii) CEC Rida is engaged in property management in the PRC and has received various recognitions in the field. It is familiar in the operation of CEC Beihai Industrial Park through its previous services; and
- (iii) management of CEC Technology are satisfied with the property management service provided by CEC Rida in the past.

In considering whether it is normal business practice for agreements of similar nature with the Long-term Property Management Agreements to have term of such duration, Gram Capital has identified continuing connected transactions entered into by companies listed on the Stock Exchange involving the provision of property management service, with duration of more than three years. In addition, Gram Capital has also reviewed property management agreements which are similar in nature with the Long-term Property Management Agreements, entered into between the subsidiary of OVU and independent third parties (the “**Property Comparable Agreements**”). The terms of the Property Comparable Agreements are over three years.

Taking into account of the above, Gram Capital confirms that the duration of the Long-term Property Management Agreement, which is longer than three years is required and it is normal business practice for the Long-term Property Management Agreement to be of such duration.

The Long-term Lease Agreements

With reference to the Long-term Lease Agreements as set out under sub-section headed “C. Lease Agreements” above, CEC Beihai (as landlord) will lease properties to Guanjie for factory use, canteen use and dormitory use.

In assessing the reasons for the duration of the Long-term Lease Agreements to be longer than three years, Gram Capital has considered, the following factors:

- (i) CEC Technology Group will receive a stable rental fee from Guanjie according to the Long-term Lease Agreements;
- (ii) the substantial initial set up cost and declaration cost of a factory, canteen, dormitory, which provides Guanjie incentives to secure a lease with a longer term to avoid frequent relocation; and
- (iii) the Long-term Lease Agreements can provide stability to the operation of Guanjie under the leased properties.

In considering whether it is normal business practice for agreements of similar nature with the Long-term Lease Agreements to have a term of such duration, Gram Capital has identified continuing connected transactions entered into by companies listed on the Stock Exchange involving the leasing of properties, with duration of more than three years. In addition, Gram Capital has also reviewed lease agreements which are similar in nature with the Long-term Lease Agreements, entered into between the subsidiary of OVU and independent third parties (the “**Lease Comparable Agreements**”). The terms of the Lease Comparable Agreements are over three years.

Taking into account of the above, Gram Capital confirms that the duration of each of the Long-term Lease Agreements, which is longer than three years is required and it is normal business practice for the Long-term Lease Agreements to be of such duration.

V. IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER

Immediately after the Completion, CECH will be interested in 2,550,000,000 OVU Shares, representing approximately 63.8% of the issued share capital of OVU as at the date of this announcement and approximately 31.9% of the issued share capital of OVU (as enlarged by the allotment and issue of the Consideration Shares, the CECH Subscription Shares and the Placing Shares and on the assumption that no further OVU Shares will be issued or repurchased prior to the Completion). Under Rule 26.1 of the Takeovers Code, CECH would be obliged to make a mandatory general offer to the OVU shareholders for all the issued OVU Shares and other relevant securities of OVU not already owned or agreed to be acquired by CECH and parties acting in concert with it, unless the Whitewash Waiver is obtained from the Executive. CECH will make an application to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of its acquisition of the Consideration Shares and the CECH Subscription Shares.

Accordingly, the Whitewash Waiver, if granted by the Executive, will be subject to, among other things, the approval by the OVU Independent Shareholders at the OVU EGM by way of poll. **If the Whitewash Waiver is not granted by the Executive or approved by the OVU Independent Shareholders, the Equity Interest Transfer Agreement, the CECH Subscription Agreement and the Placing Agreement will not become unconditional and the Equity Transfer, the CECH Subscription, the Placing and the Share Charge will not proceed.**

As at the date of this announcement, save for the Equity Transfer and the CECH Subscription:

- (i) CECH and parties acting in concert with it do not hold, control or have direction over any OVU Shares, outstanding options, warrants, or any securities that are convertible into OVU Shares or any derivatives in respect of securities in OVU, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in OVU;

- (ii) CECH and parties acting in concert with it have not secured any irrevocable commitment from any OVU Independent Shareholders to vote in favour of or against the resolutions approving the transactions contemplated under the Equity Transfer, the CECH Subscription, the Placing, the Share Charge and/or the Whitewash Waiver;
- (iii) CECH and parties acting in concert with it have not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in OVU;
- (iv) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of OVU or CECH, which might be material to the Equity Transfer, the CECH Subscription, the Placing, the Share Charge and/or the Whitewash Waiver; and
- (v) there is no agreement or arrangement to which CECH or any party acting in concert with it is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Equity Transfer, the CECH Subscription, the Placing, the Share Charge and/or the Whitewash Waiver.

Except for the entering into of the Equity Interest Transfer Agreement and the CECH Subscription Agreement, none of CECH and parties acting in concert with it has acquired any voting rights in OVU or has dealt in any OVU Shares, outstanding options, derivatives, warrants or other securities convertible or exchangeable into OVU Shares, during the six months prior to the date of the announcement dated 16 October 2015 pursuant to Rule 3.7 of the Takeovers Code and up to and including the date of this announcement. CECH and parties acting in concert with it will not acquire or dispose of any voting rights of OVU after the date of this announcement and until the Completion.

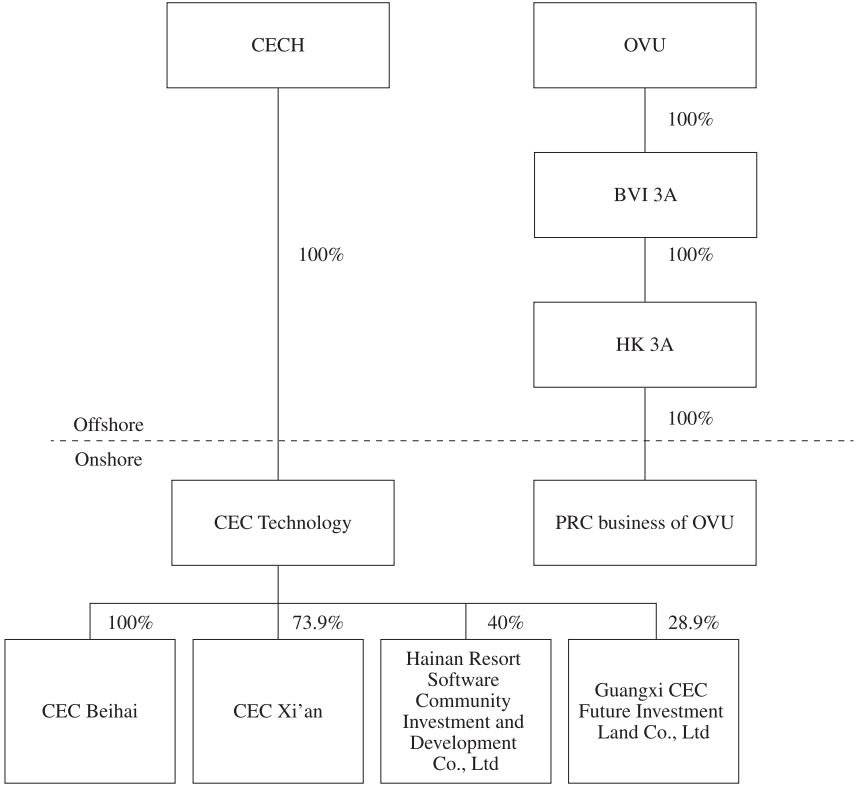
SPECIAL DEALS

Reference is made to the announcement of OVU dated 17 November 2015 in respect of the disposal of the Financial Harbour Sale Equity together with the Financial Harbour Sale Debt and the Energy Conservation Technology Park Sale Equity together with the Energy Conservation Technology Park Sale Debt by Wuhan OVU, a subsidiary of OVU, to Hubei S&T. Such disposals constitute special deals under Note 4 of Rule 25 of the Takeovers Code (the “**OVU Disposals**”), which requires, among other things, the consent of the Executive. Please refer to the announcement of OVU dated 17 November 2015 and the circular to be issued by OVU for details concerning the OVU Disposals (being special deals under the Takeovers Code).

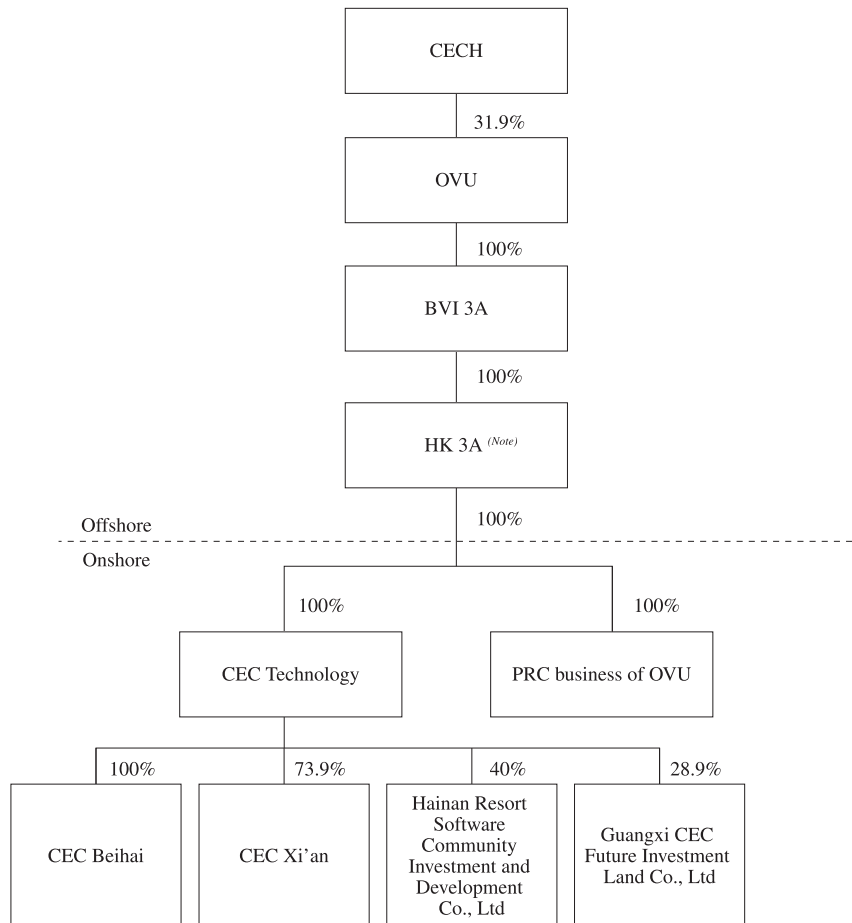
Since the charge of 375,118 shares of HK3A in favour of CECM, a wholly-owned subsidiary of CECH, pursuant to the terms of the Share Charge is not capable of being extended to all the shareholders of OVU and that CECH will become a shareholder of OVU upon Completion, the transaction contemplated under the Share Charge also constitutes a special deal under Rule 25 of the Takeovers Code, which requires, amongst other things, the consent of the Executive. OVU will make an application to the Executive for the consent to proceed with the transactions contemplated under the Share Charge. The Executive will normally grant consent to a special deal provided that (i) Gram Capital publicly stating that in its opinion, the terms of the Share Charge are fair and reasonable; and (ii) the approval of the OVU Independent Shareholders voting by way of poll at the OVU EGM.

VI. SHAREHOLDING STRUCTURE OF CEC TECHNOLOGY GROUP

The following is the simplified shareholding structure chart of CEC Technology Group as at the date of this announcement:



The following is the simplified shareholding structure chart of CEC Technology Group immediately after the Completion:



Note: Upon the Equity Transfer Completion, approximately 31.51% of the issued share capital of HK 3A will be charged in favour of CECM pursuant to the Share Charge.

VII. INFORMATION ON CEC TECHNOLOGY GROUP

CEC Technology Group was acquired by CECH from CEC in June 2014 at a consideration of RMB600 million. As at the date of this announcement, CEC Technology is wholly-owned by CECH. The principal business activities of CEC Technology Group are the development and management of industrial parks in the PRC which provides a platform for industry players to develop electronic information technology businesses. The major electronic information technology industrial parks operation of CEC Technology Group comprises:

1. Hainan Resort Software Community (海南生態軟件園) (“**Hainan RSC**”), which is wholly-owned, developed and managed by Hainan Resort Software Community Investment and Development Co., Ltd* (海南生態軟件園投資發展有限公司), an associate company of CEC Technology. Hainan RSC is situated in Hainan, with a planned total site area of 3,000 mu, of which approximately 1,790 mu of land had already been acquired, and application will be made to the government for the purchase of the remaining approximately 1,210 mu. The park targets at enterprises engaging in software research, software outsourcing and information technology training, as well as call centres and internet media.
2. CEC Xi’an Industrial Park (中國電子西安產業園) (“**Xi’an Industrial Park**”), which is wholly-owned, developed and managed by CEC Xi’an, a subsidiary of CEC Technology. Xi’an Industrial Park is situated in Xi’an and occupies a site area of 470 mu, of which 202 mu of land has already been acquired, and application for the purchase of the rest from the government is in progress. The park targets at enterprises engaging in producer and consumer information services industries such as cloud computing services, integrated circuit design, software research and development, information services, information security and electronic commerce.
3. CEC Beihai Industrial Park (中國電子北海產業園) (“**Beihai Industrial Park**”), which is wholly-owned, developed and managed by CEC Beihai, a subsidiary of CEC Technology. Beihai Industrial Park is situated in Beihai, Guangxi. The park targets at manufacturers of computers and computer storage, as well as enterprises engaging in software research and services, and the production of key parts of LCD monitors and A/D power.

Based on the financial information of CEC Technology Group prepared in accordance with International Financial Reporting Standards, the unaudited consolidated net assets of CEC Technology Group was RMB177,206,000 (equivalent to approximately HK\$214,419,000) as at 30 June 2015. Set out below

are the unaudited consolidated financial information of CEC Technology Group for each of the two financial years ended 31 December 2013 and 31 December 2014 and for the six months ended 30 June 2015, respectively:

	For the year ended 31 December 2013 <i>RMB'000</i>	For the year ended 31 December 2014 <i>RMB'000</i>	For the six months ended 30 June 2015 <i>RMB'000</i>
Profit/(loss) before taxation	77,762	(12,159)	24,696
Profit/(loss) after taxation	53,182	(15,184)	21,778

Pursuant to Rule 14.58(6) and (7) of the Listing Rules, CECH and OVU are required to disclose the above financial information relating to CEC Technology Group in this announcement. Pursuant to Rule 10 of the Takeovers Code, the above unaudited financial information relating to CEC Technology Group constitutes a profit forecast and should be reported on by OVU's financial adviser and reporting accountants (the "Reports") in accordance with Note 1(c) to Rules 10.1 and 10.2 of the Takeovers Code. However, due to the time constraints to include the Reports in this announcement as additional time is required for the preparation of the Reports by OVU's financial adviser and reporting accountants, the above financial information relating to CEC Technology Group has not been reported on in accordance with Rule 10 of the Takeovers Code. An accountant's report of CEC Technology Group prepared under International Financial Reporting Standards, which will be in full compliance with the requirements of the Takeovers Code, will be included in the next document to be issued by OVU to its shareholders. Shareholders and potential investors of OVU should note that there may be differences between the financial information relating to CEC Technology Group as presented in this announcement and the financial information to be presented in the circular to be issued by OVU to its shareholders.

OVU would like to draw to the attention of its shareholders and potential investors that the above unaudited financial information in relation to CEC Technology Group does not meet the standard required by Rule 10 of the Takeovers Code and is subject to the review/audit by the reporting accountants of OVU and therefore is subject to change. Shareholders and potential investors of OVU should exercise caution in placing reliance on the above information in assessing the merits and demerits of the Equity Transfer, the CECH Subscription, the Placing, the Share Charge, the Specific

Mandate, the Non-exempt Continuing Connected Transactions, the Whitewash Waiver and other transactions disclosed in this announcement and/or when dealing in the OVU Shares.

VIII. INFORMATION ON CECH

CECH is an investment holding company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange. The principal activities of CECH Group are the design and sale of integrated circuit chips, and the development and management of electronic information technology industrial parks.

IX. INFORMATION ON OVU

OVU is engaged primarily in the development and operation of large-scale business parks with distinctive industry themes located in Hubei and Shandong provinces, the PRC.

Set out below are the consolidated financial information of OVU Group for the two financial years ended 31 December 2013 and 31 December 2014 and for the six months ended 30 June 2015, respectively:

	For the year ended 31 December 2013 <i>RMB'000</i> (audited)	For the year ended 31 December 2014 <i>RMB'000</i> (audited)	For the six months ended 30 June 2015 <i>RMB'000</i> (unaudited)
Net profit before taxation	593,781	632,018	200,702
Net profit after taxation	338,554	420,318	122,288

X. CHANGES TO THE SHAREHOLDING IN OVU AS A RESULT OF THE ISSUE OF THE CONSIDERATION SHARES, THE CECH SUBSCRIPTION SHARES AND THE PLACING SHARES

Shareholders	As at the date of this announcement		Upon the Completion	
	Number of shares	Approximate percentage	Number of shares	Approximate percentage
Substantial shareholders				
Hubei Science & Technology Investment Group Co., Ltd (Note 1)	479,910,000	12.0	479,910,000	6.0
CECH and parties acting in concert with it	—	0.0	2,550,000,000	31.9
Directors				
Huang Liping (Note 2)	2,079,460,089	52.0	2,079,460,089	26.0
Hu Bin (Note 2)	70,320,000	1.7	70,320,000	0.9
Chen Huifen (Note 2)	10,950,000	0.3	10,950,000	0.1
Public shareholders				
The Places	—	0.0	1,450,000,000	18.1
Other public shareholders	<u>1,359,359,911</u>	<u>34.0</u>	<u>1,359,359,911</u>	<u>17.0</u>
Sub-total of the public shareholders	<u>1,359,359,911</u>	<u>34.0</u>	<u>2,809,359,911</u>	<u>35.1</u>
Total	<u><u>4,000,000,000</u></u>	<u><u>100.0</u></u>	<u><u>8,000,000,000</u></u>	<u><u>100.0</u></u>

Notes:

1. As Technology Investment HK, being a wholly-owned subsidiary of Hubei S&T, has a material interest in the OVU Disposals (being special deals under the Takeovers Code), Technology Investment HK is not an OVU Independent Shareholder and it will abstain from voting on all the ordinary resolution(s) to be proposed at the OVU EGM.
2. As Mr. Huang Liping, Mr. Hu Bin and Ms. Chen Huifen, being executive directors of OVU, were involved in the transactions contemplated in this announcement, they will abstain from voting on all the ordinary resolution(s) to be proposed at the OVU EGM.

XI. GENERAL INFORMATION

CECH SGM

The CECH SGM will be held to consider and, if thought fit, pass the ordinary resolutions to approve (i) the Equity Interest Transfer Agreement and the transactions contemplated thereunder (including the provision of financial assistance to CEC Technology Group) and (ii) the CECH Subscription Agreement and the transactions contemplated thereunder. The voting in relation to the Equity Transfer and the CECH Subscription at the CECH SGM will be conducted by way of a poll whereby CECH Shareholders who are interested or involved in the Equity Transfer and the transaction contemplated thereunder and the CECH Subscription shall abstain from voting on the relevant ordinary resolutions to be proposed at the CECH SGM.

To the best of the CECH Directors' knowledge, information and belief, having made all reasonable enquiries, none of the CECH Shareholders has a material interest in relation to the Equity Transfer and the transactions contemplated thereunder and the CECH Subscription. Accordingly, no CECH Shareholder is required to abstain from voting in the relevant resolution(s).

OVU Code IBC

OVU has established the OVU Code IBC comprising Mr. Zhang Jie, Mr. Qi Min, Mr. Leung Man Kit and Ms. Zhang Shuqin pursuant to the requirement of the Takeovers Code to advise the OVU Independent Shareholders on the terms and conditions of the Equity Transfer, the CECH Subscription, the Placing, the Specific Mandate and the Whitewash Waiver and to make a recommendation to the OVU Independent Shareholders. Mr. Lu Jun and Ms. Shu Chunping, being officers of Hubei S&T, are excluded from the OVU Code IBC as Hubei S&T has a material interest in the OVU Disposals (being special deals under the Takeovers Code). The OVU Code IBC shall take into account the advice from Gram Capital, which will make recommendations to the OVU Code IBC and the OVU Independent Shareholders in this regard.

OVU Listing Rules IBC

OVU has established the OVU Listing Rules IBC comprising Mr. Qi Min, Mr. Leung Man Kit and Ms. Zhang Shuqin pursuant to the requirement of the Listing Rule to advise the OVU Independent Shareholders on the Equity Transfer and the Non-exempt Continuing Connected Transactions and to make a recommendation to the OVU Independent Shareholders. The OVU Listing Rules IBC shall take into account the advice from Gram Capital, which will make recommendations to the OVU Listing Rules IBC and the OVU Independent Shareholders in this regard.

OVU EGM

The OVU EGM will be held to consider and, if thought fit, pass the ordinary resolution(s) to approve, among other things: (i) the Equity Interest Transfer Agreement and the transactions contemplated thereunder; (ii) the CECH Subscription Agreement and the transactions contemplated thereunder; (iii) the Placing Agreement and the transactions contemplated thereunder; (iv) the Share Charge and the transactions contemplated thereunder; (v) the Specific Mandate; (vi) the Non-Exempt Continuing Connected Transactions; and (vii) the Whitewash Waiver.

The voting in relation to the Equity Transfer, the CECH Subscription, the Placing, the Specific Mandate, the Continuing Connected Transactions and the Whitewash Waiver at the OVU EGM will be conducted by way of poll at the OVU EGM. Shareholders of OVU who are involved in or interested in the Equity Transfer, the CECH Subscription, the Placing, the Specific Mandate, the Non-exempt Continuing Connected Transactions and/or the Whitewash Waiver are required to abstain from voting on the relevant ordinary resolution(s) to be proposed at the OVU EGM. As Technology Investment HK, being a wholly-owned subsidiary of Hubei S&T, has a material interest in the OVU Disposals (being special deals under the Takeovers Code), Technology Investment HK and its associates will abstain from voting on all the ordinary resolution(s) to be proposed at the OVU EGM. Further, Mr. Huang Liping, Mr. Hu Bin and Ms. Chen Huifen, being executive directors of OVU, will also abstain from voting on all the ordinary resolution(s) to be proposed at the OVU EGM in view of their involvement in the transactions contemplated in this announcement.

As at the date of this announcement, save as disclosed above, no other shareholders of OVU will be required to abstain from voting at the OVU EGM to be convened for the purpose of considering and, if thought fit, approving the Equity Transfer, the CECH Subscription, the Placing, Share Charge, the Specific Mandate, the Non-exempt Continuing Connected Transactions and the Whitewash Waiver.

Despatch of circulars

A circular containing, amongst other information, (i) details of the Equity Transfer and the transactions contemplated thereunder (including the provision of financial assistance to CEC Technology Group); (ii) details of the CECH Subscription; (iii) details of the application for the Whitewash Waiver; and (iv) a notice of the CECH SGM, will be despatched to CECH Shareholders on or before 4 January 2016.

A circular containing, amongst other information, (i) details of the Equity Transfer, the CECH Subscription, the Placing and the Share Charge; (ii) details of the application for the Whitewash Waiver; (iii) details of the Specific Mandate; (iv) further details of CEC Technology Group; (v) details of the Non-exempt Continuing Connected Transactions; (vi) letters of advice from the OVU Code IBC and the OVU Listing Rules IBC to the OVU Independent Shareholders; (vii) a letter of advice from Gram Capital to the OVU Code IBC and the OVU Listing Rules IBC and the OVU Independent Shareholders; and (viii) a notice of the OVU EGM, will be despatched to the OVU shareholders on or before 4 January 2016.

Warning: Shareholders and potential investors of each of CECH and OVU should note that the Equity Transfer, the CECH Subscription and the Placing are subject to the fulfillment of a number of conditions, and accordingly, the transactions contemplated thereunder may or may not proceed. Shareholders and potential investors of each of CECH and OVU should exercise extreme caution when dealing in the CECH Shares and the OVU Shares.

XIII. DEFINITIONS

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

“0.1% Threshold”	the thresholds referred to in Rule 14A.33(3)(a) of the Listing Rules
“5% Threshold”	the thresholds referred to in Rule 14A.34 of the Listing Rules
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“BVI 3A”	AAA Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of OVU
“Business Day”	means a day (other than a Saturday, Sunday and Public Holiday) on which licensed banks are open for business in Hong Kong
“CEC”	China Electronics Corporation Limited* (中國電子信息產業集團有限公司), a state-owned enterprise established under the laws of the PRC and the ultimate controlling shareholder of CECH
“CEC Beihai”	China Electronics Beihai Industrial Park Development Co., Ltd* (中國電子北海產業園發展有限公司), a company established under the laws of the PRC and a wholly-owned subsidiary of CEC Technology
“CEC Finance”	China Electronics Financial Co., Ltd* (中國電子財務有限責任公司), a company established under the laws of the PRC and a 42% directly-owned subsidiary of CEC
“CEC Rida”	CEC Rida Property Management Co., Ltd* (北京中電瑞達物業有限公司), a company established under the laws of the PRC and an indirectly wholly-owned subsidiary of CEC

“CEC Technology”	China Electronics Technology Development Co., Ltd* (中國電子科技開發有限公司), a company established under the laws of the PRC and a directly wholly-owned subsidiary of CECH as at the date of this announcement
“CEC Technology Group”	CEC Technology and its subsidiaries
“CEC Xi’an”	China Electronics Xi’an Industrial Park Development Co., Ltd* (中國電子西安產業園發展有限公司), a company established under the laws of the PRC and a 73.91% directly-owned subsidiary of CEC Technology, which as at the date of this announcement, none of the shareholders of OVU holds any equity interest therein
“CECH”	China Electronics Corporation Holdings Company Limited (中國電子集團控股有限公司*), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability
“CECH Board”	the board of CECH Directors
“CECH Bonds”	RMB2,750,000,000 4.7% bonds due 2017 of CECH
“CECH Directors”	the directors of CECH
“CECH Group”	CECH and its subsidiaries
“CECH SGM”	the special general meeting of CECH to be held to approve the Equity Transfer and the CECH Subscription
“CECH Shareholders”	holders of CECH Shares
“CECH Shares”	shares of HK\$0.01 each in the share capital of CECH
“CECH Subscription”	the subscription for the CECH Subscription Shares by CECH pursuant to the terms of the CECH Subscription Agreement

“CECH Subscription Agreement”	the subscription agreement dated 14 December 2015 and entered into between OVU and CECH in respect of the CECH Subscription
“CECH Subscription Completion”	the completion of CECH Subscription
“CECH Subscription Conditions”	the conditions precedent of the CECH Subscription
“CECH Subscription Share(s)”	1,491,469,917 new OVU Shares to be subscribed for by CECH under the CECH Subscription
“CECM”	China Electronics Corporation Management Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CECH
“Charge Over Deposits”	the charge over deposits dated 16 July 2015 entered into by CECM in favour of Xiamen Bank in respect of the liabilities and obligations of CEC Technology in respect of the loans granted to it from Xiamen Bank from time to time
“China Everbright” or “Placing Agent”	China Everbright Securities (HK) Limited, a registered institution licensed by the SFC to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Completion”	together, the Equity Transfer Completion, the CECH Subscription Completion and the Placing Completion
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration Price”	HK\$0.8 per Consideration Share
“Consideration Share(s)”	1,058,530,083 new OVU Shares to be issued by OVU to CECH upon the Equity Transfer Completion

“Continuing Connected Transaction(s)”	the continuing connected transaction(s) of OVU within the meaning of the Listing Rules as set out in the section headed “The Continuing Connected Transactions” in this announcement
“Energy Conservation Technology Park Co”	Wuhan Optics Valley Energy Conservation Technology Park Co., Ltd.* (武漢光谷節能科技園有限公司), a limited liability company incorporated in the PRC and a 70% owned subsidiary of Wuhan OVU
“Energy Conservation Technology Park Sale Debt”	the loan owed by Energy Conservation Technology Park Co to Wuhan OVU
“Energy Conservation Technology Park Sale Equity”	the equity interest of Energy Conservation Technology Park Co held by Wuhan OVU, representing 70% of the entire equity interest in Energy Conservation Technology Park Co
“Entrusted Loans”	the entrusted loans in an aggregate outstanding principal amount of RMB340 million (equivalent to approximately HK\$411 million) provided by CECH to CEC Technology Group through CEC Finance as the lending agent as at the date of this announcement
“Entrusted Loan Agreements”	the entrusted loan agreements entered into between CEC Finance and CEC Technology Group in relation to the Entrusted Loan(s)
“Equity Interest Transfer Agreement”	the equity interest transfer agreement dated 14 December 2015 entered into between CECH, OVU and HK 3A in respect of the Equity Transfer
“Equity Transfer”	the transfer of 100% of the equity interest in CEC Technology from CECH to HK 3A pursuant to the terms of the Equity Interest Transfer Agreement
“Equity Transfer Completion”	the completion of the Equity Transfer
“Equity Transfer Conditions”	the conditions precedent of the Equity Transfer

“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Financial Harbour Co”	Wuhan Financial Harbour Development Co., Ltd.* (武漢金融港開發有限公司), a limited liability company incorporated in the PRC and a 70% owned subsidiary of Wuhan OVU
“Financial Harbour Sale Debt”	the loan owed by Financial Harbour Co to Wuhan OVU
“Financial Harbour Sale Equity”	the equity interest of Financial Harbour Co held by Wuhan OVU, representing 70% of the equity interest in Financial Harbour Co
“Guanjie”	Guanjie Xianshi Keji (Beihai) Company Limited* (冠捷顯示科技(北海)有限公司), a company established under the laws of the PRC and a 37.05% indirectly-owned subsidiary of CEC, which as at the date of this announcement, none of the shareholders of OVU holds any equity interest therein
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HK 3A”	AAA Finance & Investment Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of OVU
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hubei S&T”	Hubei Science & Technology Investment Group Co., Ltd.* (湖北省科技投資集團有限公司), a limited liability company incorporated in the PRC
“Last Trading Day”	14 December 2015, being the last day on which the OVU Shares were traded on the Stock Exchange prior to the release of this announcement

“Lease Agreements”	the lease agreements as more particularly set out under the section headed “IV. Continuing Connected Transactions — C. Lease Agreements” in this announcement
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long-term Lease Agreement”	(i) factory lease agreement dated 19 December 2014; (iii) venue lease agreement dated 19 December 2014; and (iv) dormitory lease agreement dated 19 December 2014
“Long-term Property Management Agreement”	property management agreement of CEC Beihai in respect of the Beihai Industrial Park
“New Caps”	the new caps for the Continuing Connected Transactions set out under the section headed “IV. Continuing Connected Transactions” in this announcement
“Non-exempt Continuing Connected Transactions”	being the non-exempt Continuing Connected Transactions under the section headed “IV. Continuing Connected Transactions — A. The Charge Over Deposits and the Entrusted Loans”
“OVU”	Optics Valley Union Holding Company Limited (光谷聯合控股有限公司), a company incorporated in the Cayman Islands with limited liability
“OVU Board”	the board of OVU Directors

“OVU Code IBC”	an independent committee of the board of directors of OVU (comprising Mr. Zhang Jie, Mr. Qi Min, Mr. Leung Man Kit and Ms. Zhang Shuqin) constituted, in compliance with the Takeovers Code, to approve the appointment of Gram Capital and to give a recommendation to the OVU Independent Shareholders in connection with the Equity Transfer, the CECH Subscription, the Placing, the Share Charge, the Specific Mandate and the Whitewash Waiver and, in particular, as to whether the aforesaid transactions are fair and reasonable and as to voting
“OVU Directors”	the directors of OVU
“OVU Disposals”	has the meaning as ascribed to it under the under the section headed “V. Implications under the Takeovers Code and application of Whitewash Waiver — Special deals”
“OVU EGM”	the extraordinary general meeting of OVU to be held to approve, among other things, the Equity Transfer, the CECH Subscription, the Placing, the Specific Mandate, the Non-exempt Continuing Connected Transactions and the Whitewash Waiver
“OVU Group”	OVU and its subsidiaries

“OVU Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Cap.571 of Hong Kong Laws) and the independent financial adviser to advise (i) the OVU Code IBC, the OVU Listing Rules IBC and the OVU Independent Shareholders in connection with the Equity Transfer, the CECH Subscription, the Placing, the transactions contemplated under the Share Charge, the Specific Mandate, the Non-exempt Continuing Connected Transactions and the Whitewash Waiver and, in particular, as to whether the aforesaid transactions are fair and reasonable and as to voting; and (ii) OVU in connection with the Long-term Property Management Agreement and the Long-term Lease Agreements
“OVU Independent Shareholders”	shareholders of OVU other than those (and their respective associates and the parties acting in concert with them) who are involved or interested in the Equity Transfer, the CECH Subscription, the Placing and the Share Charge together with the transactions contemplated thereunder, the grant of the Specific Mandate, the Non-exempt Continuing Connected Transactions, the Whitewash Waiver and/or the OVU Disposals (being special deals under the takeovers Code)
“OVU Listing Rules IBC”	an independent committee of the board of directors of OVU (Mr. Qi Min, Mr. Leung Man Kit and Ms. Zhang Shuqin) constituted, in compliance with the Listing Rules, to give a recommendation to the OVU Independent Shareholders in respect of the Equity Transfer and the Non-exempt Continuing Connected Transactions
“OVU Shares”	ordinary shares of HK\$0.10 each in the share capital of OVU

“Placees”	any individuals, corporate, institutional investors or other investors, whom China Everbright has procured to subscribe for any of the Placing Shares
“Placing”	the placing of 1,450,000,000 new OVU Shares, on a fully underwritten basis, pursuant to the terms of the Placing Agreement
“Placing Agreement”	the placing agreement dated 14 December 2015 and entered into between OVU and China Everbright
“Placing Completion”	the completion of the Placing
“Placing Conditions”	the conditions precedent of the Placing
“Placing Price”	HK\$0.8 per Placing Share
“Placing Share(s)”	1,450,000,000 new OVU Shares to be issued by OVU pursuant to the terms of the Placing Agreement
“PRC”	the People’s Republic of China
“Property Management Agreements”	the property managements agreements as more particularly set out under the section headed “IV. Continuing Connected Transactions — B. Lease Agreements” in this announcement
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFC”	The Securities and Futures Commission of Hong Kong
“Share Charge”	a deed of share charge to be entered into by BVI 3A in favour of CECM upon the Equity Transfer Completion pursuant to which OVU shall charge 375,118 shares of HK 3A, representing approximately 31.51% of the issued share capital of HK 3A to CECM in respect of the Charge Over Deposits and the Entrusted Loans, the transactions contemplated thereunder will constitute a special deal for OVU under Rule 25 of the Takeovers Code

“Specific Mandate”	a specific mandate to allot, issue or otherwise deal in additional OVU Shares to be sought from the OVU Independent Shareholders at the OVU EGM to satisfy the allotment and issue of the Consideration Shares upon the Equity Transfer Completion, the CECH Subscription Shares upon the CECH Subscription Completion and the Placing Shares upon the Placing Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.8 per CECH Subscription Share
“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC
“Technology Investment HK”	Hubei Science & Technology Investment Group (Hong Kong) Company Limited (湖北省科技投資集團(香港)有限公司), a limited liability company incorporated in Hong Kong on 11 July 2013. It is a wholly-owned subsidiary of Hubei S&T and a substantial shareholder of OVU and the purchaser in respect of the OVU Disposals
“Whitewash Waiver”	a waiver from the Executive pursuant to Note 1 on Dispensations to Rule 26 of the Takeovers Code in respect of the obligation of CECH to make a mandatory general offer for all of the OVU Shares not already owned or agreed to be acquired by CECH or parties acting in concert with it which would, if the Equity Transfer Completion and the CECH Subscription proceed, otherwise arise as a result of the allotment and issue of the Consideration Shares upon the Equity Transfer Completion and the CECH Subscription Shares upon the CECH Subscription Completion to CECH
“Wuhan OVU”	Wuhan Optics Valley Union Group Company Limited* (武漢光谷聯合集團有限公司, formerly known as 武漢光谷聯合股份有限公司), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of OVU

“Xiamen Bank”	Xiamen International Bank Co., Ltd.
“Xiamen Loans”	loans in credit limit under the Xiamen Loan Agreement
“Xiamen Loan Agreement”	the facility agreement (綜合授信額度合同) dated 1 January 2015 entered into between Xiamen Bank and CEC Technology (as supplemented on 25 September 2015)
“%”	per cent.

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

By Order of the Board
**Optics Valley Union Holding
Company Limited**
Huang Liping
Chairman

Hong Kong, 14 December 2015

For the purpose of this announcement, translations of Renminbi into Hong Kong dollars or vice versa have been calculated by using an exchange rate of RMB1.00 equal to HK\$1.21. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.

As at the date of this announcement, the CECH Board comprises two non-executive directors, namely Mr. Rui Xiaowu (chairman of CECH) and Mr. Dong Haoran, two executive directors, namely Mr. Liu Hongzhou (vice chairman of CECH) and Mr. Xie Qinghua (managing director of CECH), and three independent non-executive directors, namely Mr. Chan Kay Cheung, Mr. Qiu Hongsheng and Mr. Chow Chan Lum.

As at the date of this announcement, the OVU Directors are Mr. HUANG Liping, Mr. HU Bin, and Ms. CHEN Huiifen as executive Directors; Mr. LU Jun, Ms. SHU Chunping and Mr. ZHANG Jie as non-executive Directors; Mr. QI Min, Mr. LEUNG Man Kit and Ms. ZHANG Shuqin as independent non-executive Directors.

All the CECH Directors jointly and severally accept full responsibility for the 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 statements in this announcement misleading.

All the OVU Directors jointly and severally accept full responsibility for the 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 statements in this announcement misleading.

** For identification purposes only*