

CHINA AUTO ELECTRONICS GROUP LIMITED

(Incorporated in Bermuda with limited liability on 8 October 2003)

(Bermuda Company Registration Number 34300)



THB

China Auto Electronics Group Limited

BONDS ISSUE – ISSUANCE OF CONVERSION SHARES

Reference is made to the announcement released by China Auto Electronics Group Limited (the “**Company**”) on 24 October 2016 in relation to conversion notices received by the Company for the conversion of S\$60 million unsecured convertible bonds due 2018. All capitalised terms used and not defined herein shall have the same meanings given to them in the said announcement dated 24 October 2016.

The Board wishes to announce that the Company had allotted and issued an aggregate of 666,666,667 Conversion Shares to the Bondholders. The Company will make further announcements as and when there are material updates to the above.

BY ORDER OF THE BOARD

Zhang Jingtang
Executive Chairman

31 October 2016