

**CHINA AUTO ELECTRONICS GROUP LIMITED**  
(Incorporated in Bermuda)

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**RESPONSE TO SGX'S QUERIES ON THE HALF YEAR RESULTS  
FOR FINANCIAL PERIOD ENDED 30 JUNE 2016**

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In response to queries from Singapore Exchange Securities Trading Limited (the "SGX-ST") in their email on 24 August 2016, the Board of Directors of the Company wishes to provide the information as set out below:

**Queries**

1. We note that page 12 provides for the use of proceeds from the convertible bonds. The disclosure stated that an amount of RMB 9,086,779 was utilised for general working capital. In this regard, please provide a breakdown with specific details on how the proceeds for general working capital have been applied.

**Company's Responses**

RMB 9,086,779 was utilized for general working capital by Tianhai Electric North America Inc. (TENA), one of the subsidiaries in the group for its daily working capital requirement.

**Queries**

2. Please disclose a confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Listing Rule 720(1).

**Company's Responses**

The company confirms that the undertakings under Listing Rule 720 (1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

By Order of the Board  
Zhang Jing Tang  
Executive Chairman

25 August 2016