

CHINA AUTO ELECTRONICS GROUP LIMITED

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

(Bermuda Company Registration Number 34300)



THE BONDS ISSUE – DESPATCH OF CIRCULAR AND NOTICE OF SGM

Reference is made to the announcements released by China Auto Electronics Group Limited (the “**Company**”) on 14 August 2015 and 30 September 2015 in relation to the proposed issue of S\$60 million in aggregate principal amount of unsecured convertible bonds due 2018 (the “**Bonds Issue**”).

All capitalised terms used and not defined herein shall have the same meanings given to them in the said announcement released on 14 August 2015.

The Company wishes to announce that a circular to Shareholders setting out further information on the proposed Bonds Issue has been despatched to Shareholders today (the “**Circular**”), together with the Notice of Special General Meeting (“**SGM**”) in respect of the resolutions proposed to be passed in connection with the proposed Bonds Issue.

An electronic copy of the Circular is available on the SGX-ST website at www.sgx.com.

Shareholders who do not receive the Circular within one (1) calendar week from the date of this announcement should contact the Share Registrar of the Company, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building Singapore 048544.

The Company will make further announcements as and when there are material updates on the foregoing.

BY ORDER OF THE BOARD

ZHANG JINGTANG

Executive Chairman

19 October 2015