

MANDATORY UNCONDITIONAL CASH OFFER

by



www.stirlingcoleman.com

STIRLING COLEMAN CAPITAL LIMITED

(Company Registration Number: 200105040N)
(Incorporated in the Republic of Singapore)

for and on behalf of

THB AUTO ELECTRONICS LIMITED

(Company Registration Number: 1909352)
(Incorporated in the British Virgin Islands)

to acquire all the issued and paid-up ordinary shares in the capital of

CHINA AUTO ELECTRONICS GROUP LIMITED

(Company Registration Number: 34300)
(Incorporated in Bermuda)

other than those already owned, controlled or agreed to be acquired by
THB Auto Electronics Limited

DEALINGS DISCLOSURE LEVEL OF ACCEPTANCES OF OFFER

1. INTRODUCTION

Stirling Coleman Capital Limited ("**Stirling Coleman**") refers to the offer document dated 8 November 2016 (the "**Offer Document**") issued by Stirling Coleman, for and on behalf of THB Auto Electronics Limited (the "**Offeror**"), in relation to the mandatory unconditional cash offer (the "**Offer**") for all the issued and paid-up ordinary shares (the "**Shares**") in the capital of China Auto Electronics Group Limited (the "**Company**"), other than those already owned, controlled or agreed to be acquired by the Offeror (the "**Offer Shares**") and the announcement made by Stirling Coleman, for and on behalf of the Offeror, on 24 October 2016 in relation to the Offer (the "**Offer Announcement**").

All capitalised terms used but not defined herein shall have the same meanings given to them in the Offer Document, unless otherwise expressly stated or the context otherwise requires.

There are 1,348,266,667 Shares in issue as at the date of this Announcement. Unless otherwise stated, all references to the total issued Shares shall be to the said 1,348,266,667 Shares.

2. REMINDER TO SHAREHOLDERS

Stirling Coleman, for and on behalf of the Offeror, wishes to remind Shareholders who have not accepted the Offer that the closing date for the Offer is **5.30 p.m. (Singapore time) on 20 December 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.**

Shareholders who have not accepted the Offer may wish to note the following:

- (a) the Offer Price of S\$0.16 per Offer Share is **FINAL**. The Offeror does not intend to revise the Offer Price of S\$0.16 for each Offer Share; and
- (b) the Offeror does **NOT** intend to take any step for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of the total number of issued Shares (excluding any Shares held in treasury) are held in public hands.

3. LEVEL OF ACCEPTANCES OF THE OFFER

Pursuant to Rule 28.1 of the Code, Stirling Coleman wishes to announce, for and on behalf of the Offeror, that as at 5.30 p.m. on the date of this Announcement, the Offeror has received valid acceptances (which have not been withdrawn) amounting to 132,213,218 Shares, representing approximately 9.81 of the total issued Shares.

4. RESULTANT SHAREHOLDINGS

Taking into account the above valid acceptances of the Offer, as at 5.00 p.m. on the date of this Announcement, the breakdown of the number of Shares owned by the Offer and parties acting in concert with it are as follows:

	Number of Shares	Percentage of total issued Shares ⁽¹⁾
Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it as at the date of the Offer Announcement	1,003,666,667 ⁽²⁾	74.44%
Shares acquired by the Offeror and parties acting in concert with it between the date of the Offer Announcement and the day preceding the date of this Announcement (other than pursuant to valid acceptances of the Offer)	51,328,400	3.81%
Shares acquired or agreed to be acquired by the Offeror on 6 December 2016 (other than pursuant to valid acceptances of the Offer)	-	-
Acceptances of the Offer as at 5.00 p.m. on 6 December 2016	132,213,218	9.81%
Total	1,187,208,285	88.05%

Notes:

- (1) Any discrepancies in the percentages listed and the totals thereof are due to rounding.
- (2) All 1,003,666,667 Shares has been transferred to the Offeror as at the date of this Announcement.

Accordingly, as at 5.00 p.m., on the date of this Announcement, the Offeror and parties acting in concert with it, own, control or have agreed to acquire an aggregate of 1,187,208,285 Shares, representing approximately 88.05% of the total issued Shares.

5. RESPONSIBILITY STATEMENT

The directors of the Offeror (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading, and they jointly and severally accept full responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

Issued by
Stirling Coleman Capital Limited
For and on behalf of
THB Auto Electronics Limited

6 December 2016

Any enquiries relating to this Announcement or the Offer should be directed during office hours to:

Stirling Coleman Capital Limited
Yap Yeong Keen
Managing Director, Corporate Finance Advisory
Tel: +65 63275706
Fax: +65 65385700
Address: 4 Shenton Way, #07-03 SGX Centre 2, Singapore 068807