

CHINA AUTO ELECTRONICS GROUP LIMITED
 (Incorporated in Bermuda)

RESPONSE TO SGX'S QUERIES ON HALF YEAR RESULTS ENDED 30 JUNE 2014

With reference to the announcement of the “*Results for the half year financial period ended 30 June 2014*” released on 14 August 2014 (the “**Results Announcement**”), the Company Board of Directors wishes to provide the information in response to the following query raised by the Singapore Exchange Limited (“**SGX**”) on 20 August 2014, as set out below:

SGX's query:

Please provide details on the key components of “General and administrative expenses” amounting to approximately RMB 56,095,000, as stated on page 1 of the half year financial results ended 30 June 2014.

The key components of the General and Administrative expenses for the financial period ended 30 June 2014 are as follows:

	1H2014	1H2013	Variance	
	RMB'000	RMB'000	RMB'000	%
Staff costs	27,427	23,276	4,151	18%
Office expenses	22,089	20,433	1,656	8%
Depreciation and Amortisation expenses	3,961	3,916	45	1%
Legal and professional fees	1,592	1,514	78	5%
Loss on disposal and Impairment of assets	1,026	4,796	(3,770)	-79%
	<u>56,095</u>	<u>53,935</u>	<u>2,160</u>	<u>4%</u>

The increase in staff costs and office expenses was in line with the increase sales activities during the financial period under review.

By order of the Board

Company Secretary
 Cheong How Onn

21 August 2014

中文翻译

有关公司于2014年8月14日所发布的业绩公告（“业绩公告”），公司董事会就新交所于2014年8月20日邮件里所提出的提问，在此提供以下信息：

新交所问题：

请提供截止 2014 年 6 月 30 日一般与行政费用 5600 万元里的主要费用有些什么。

截止 2014 年 6 月 30 日的一般与行政管理费用明细，如下：

	1H2014	1H2013	Variance	
	RMB'000	RMB'000	RMB'000	%
员工薪金等费用	27,427	23,276	4,151	18%
行政办公费用	22,089	20,433	1,656	8%
折旧与摊销费用	3,961	3,916	45	1%
律师与其它专业人士费用	1,592	1,514	78	5%
资产减值损益	1,026	4,796	(3,770)	-79%
	<u>56,095</u>	<u>53,935</u>	<u>2,160</u>	<u>4%</u>

在本季度中，员工薪金等费用与行政办公费用的增加是因销售业务增加而引起的。

董事会授权，

公司秘书
张厚安

20 August 2014