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## MANDATORY UNCONDITIONAL CASH OFFER MADE BY THB AUTO ELECTRONICS LIMITED

### – CLOSE OF OFFER AND SUSPENSION OF TRADING

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#### 1. INTRODUCTION

Reference is made to the mandatory unconditional cash offer (“**Offer**”) made by Stirling Coleman, for and on behalf of THB Auto Electronics Limited (the “**Offeror**”), 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.

*All capitalised terms used and not defined herein shall have the same meanings ascribed to them in the circular dated 22 November 2016 despatched by the Company to Shareholders in relation to the Offer.*

#### 2. CLOSE OF OFFER

As stated in the announcement dated 20 December 2016 made by Stirling Coleman, for and on behalf of the Offeror (the “**Close of Offer Announcement**”):

- (a) the Offer has closed at 5.30 p.m. (Singapore time) on 20 December 2016 (the “**Closing Date**”). **Accordingly, the Offer is no longer open for acceptance and any acceptances received thereafter will be rejected;** and
- (b) as at 5.30 p.m. (Singapore time) on the Closing Date, the Offeror and parties acting in concert with it, own, control or have agreed to acquire an aggregate of 1,269,830,785 Shares, representing approximately 94.18% of the total issued Shares.

#### 3. SUSPENSION OF TRADING

As stated in the announcement dated 12 December 2016 made by the Company (the “**Free Float Announcement**”), as at 5.00 p.m. (Singapore time) on 12 December 2016, the percentage of the total number of Shares which are held in public hands has fallen below 10% and, accordingly, the Company no longer meets the free float requirement prescribed by Rule 723 of the Listing Manual of the SGX-ST. The Company has further announced in the Free Float Announcement that as the Company no longer meets the free float requirement, the SGX-ST would suspend trading of the Shares on the close of the Offer.

As the Offer has closed at 5.30 p.m. (Singapore time) on 20 December 2016, the Company will accordingly request that the SGX-ST suspend the trading of the Shares with effect from 9.00 a.m. on 21 December 2016.

#### **4. LISTING STATUS**

As stated by the Offeror in the Offer Document, the Offeror does not intend to preserve the listing status of the Company and 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.

The Company will be seeking confirmation from the SGX-ST that it has no objections to the delisting of the Shares from the SGX-ST, and will announce the outcome of the same in due course.

#### **5. COMPULSORY ACQUISITION**

As stated in the Close of Offer Announcement, the Offeror has received valid acceptances of the Offer and/or acquired such number of Offer Shares from the Offer Announcement Date otherwise than through valid acceptances of the Offer in respect of not less than 90% of the total number of issued Shares (other than those already held as at the date of the Offer by the Offeror, its subsidiaries and their respective nominees, and excluding any Shares held by the Company as treasury shares).

Accordingly, pursuant to Section 102 of the Bermuda Companies Act, the Offeror is entitled to and will in due course exercise its right of compulsory acquisition.

As the Offeror will be proceeding to compulsorily acquire the Shares of the dissenting Shareholders, the dissenting Shareholders need not take any action in relation to their rights under Section 102 set out above. Dissenting Shareholders who are in any doubt as to their position are advised to seek their own independent legal advice.

#### **6. RESPONSIBILITY STATEMENT**

The directors of the Company (including any who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this announcement (excluding those relating to the Offeror and parties acting in concert with it) are fair and accurate, and that no material facts have been omitted from this announcement, the omission of which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, announcements made by or on behalf of the Offeror), the sole responsibility of the directors of the Company has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this announcement in its proper form and context.

#### **BY ORDER OF THE BOARD**

Zhang Jingtang  
Executive Chairman

20 December 2016