



MANDATORY UNCONDITIONAL CASH OFFER MADE BY THB AUTO ELECTRONICS LIMITED

– EXTENSION OF TIME TO COMPLY WITH RULE 705(2) OF THE LISTING MANUAL OF THE SGX-ST IN RESPECT OF THE 3Q2016 FINANCIAL STATEMENTS

1. INTRODUCTION

The Board of Directors (the “**Board**”) of China Auto Electronics Group Limited (the “**Company**”) refers to the Company’s announcements dated 24 October 2016 and 8 November 2016 (collectively, the “**Announcements**”), and the announcements dated 24 October 2016 and 8 November 2016 made by Stirling Coleman Capital Limited (“**SCCL**”), 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 the Company, other than those already owned, controlled or agreed to be acquired by the Offeror (the “**Offer Shares**”).

Unless expressly defined herein, capitalised terms used in the announcement shall have the definitions ascribed to them in the Announcements.

Pursuant to Rule 705(2) of the listing manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), an issuer must announce the financial statements for each of the first three quarters of its financial year immediately after the figures are available, but in any event not later than 45 days after the quarter end. In the case of the Company, as the third quarter of its financial year ends on 30 September 2016 (“**3Q2016**”), the Company has to announce the 3Q2016 financial statements by 14 November 2016 (the “**3Q2016 Results**”).

In view of the above, an application had been made by the Company to the SGX-ST on 2 November 2016 to seek an extension of time in relation to Rule 705(2) of the Listing Manual to announce its 3Q2016 Results (the “**Extension Application**”). The outcome of the Extension Application is set out in paragraph 3 below.

2. REASONS FOR APPLICATION FOR EXTENSION OF TIME TO COMPLY WITH RULE 705(2) OF THE LISTING MANUAL

The Extension Application is sought in the context of the Offer.

For the duration of the Offer, the Company’s resources would be heavily stretched and committed towards compliance of its obligations under *inter alia* the Singapore Code of Takeovers and Mergers (the “**Code**”) in relation to the Offer, including in particular the preparation and despatch of the Offeree Circular within the timeline mandated by the Code. Accordingly, the Company anticipates it would require more time to prepare and finalise its 3Q2016 Results for announcement.

Further, pursuant to Rule 25.6(c) of the Code, any unaudited statements of interim results published by an offeree company during an offer period where the offer has not been publicly recommended the offer must be reported on by the auditor or reporting accountant and financial adviser in accordance with the requirements of the Code. In the event that the Company releases the 3Q2016 Results by 14 November 2016, it would fall within the Offer period (which had commenced on 24 October 2016) and be subject to such reporting requirement. However, it is unlikely that the IFA and auditors of the Company would have sufficient time to complete their reports on the 3Q2016 Results for the purposes of Rule 25.6(c) of the Code.

Taking the above into account, and so as not to be in violation of the said requirement under the Code, the Company had accordingly submitted the Extension Application to the SGX-ST.

3. THE SGX-ST'S RESPONSE ON THE EXTENSION APPLICATION

On 14 November 2016, the SGX-ST advised that it agreed to grant the Company a two-week extension of time up to 25 November 2016 to announce its 3Q2016 Results in compliance with Rule 705(2) of the Listing Manual, subject to the following conditions:

- (a) the Company announcing the period of extension granted, the reasons for seeking the extension of time and the conditions as required under Listing Rule 107;
- (b) submission of a written confirmation from the Company that the extension of time does not contravene any laws and regulations governing the Company and constitutional documents of the Company; and
- (c) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company.

The Company considers the condition described in sub-paragraph 3(a) above to be complied with by the making of this announcement and the disclosure of the reasons for the Extension Application. The Company had submitted the written confirmations to the SGX-ST as required under sub-paragraphs 3(b) and 3(c) above.

4. 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

14 November 2016