

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. DEALINGS

Pursuant to Rule 12.1 of the Singapore Code on Take-overs and Mergers, Stirling Coleman wishes to announce, for and on behalf of the Offeror, the following acquisition of Shares made by the Offeror:

Date of acquisition	Number of Shares	Price paid per Share (excluding brokerage commission, clearing fees and applicable tax and stamp duties)	Percentage of total issued Shares
15 November 2016	8,164,600	S\$0.16	0.61%

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that as at 5.00 p.m. on the date of this Announcement, the Offeror has received valid acceptances (which have not been withdrawn) amounting to 50,439,299 Shares, representing approximately 3.74% of the total issued Shares.

4. RESULTANT SHAREHOLDINGS

Taking into account the above acquisition and 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, controlled or agreed to be acquired 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	74.44%
Shares acquired or agreed to be 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)	31,412,600	2.33%
Shares acquired or agreed to be acquired by the Offeror on 15 November 2016 (other than pursuant to valid acceptances of the Offer)	8,164,600	0.61%
Acceptances of the Offer as at 5.00 p.m. on 15 November 2016	50,439,299	3.74%
Total	1,093,683,166	81.12%

Note:

(1) Any discrepancies in the percentages listed and the totals thereof are due to rounding.

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 1,093,683,166 Shares, representing approximately 81.12% 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.

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.

The directors of the Offeror jointly and severally accept full responsibility accordingly.

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

15 November 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

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast", "target" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor Stirling Coleman undertakes any obligation to update publicly or revise any forward-looking statements.