The Company refers to its announcements dated 10 February 2012 and 18 June 2012 (collectively “Announcements”) in relation to the proposed acquisition of an aggregate of 53,631 ordinary shares in the capital of Neftech Pte. Ltd. (“Neftech”), representing approximately 25% of the issued and paid-up share capital of Neftech from the Group Sellers (“Proposed Acquisition”).

Unless otherwise defined herein, all terms and references used herein shall bear the same meanings ascribed to them in the Announcements.

The Board of Directors wishes to announce that following the approval of the Shareholders of the Company, which was obtained at the extraordinary general meeting of the Company held on 20 July 2012 (as announced by the Company on 20 July 2012), the Company has today allotted and issued the Consideration Shares being 1,224,997,588 CAC Shares at an issue price of S$0.039 per Consideration Share, to the Group Sellers in accordance with the terms of the Sale Agreement and that the Proposed Acquisition has been completed in accordance with the terms of the Sale Agreement.

The Consideration Shares represent approximately 29.3% of the enlarged issued and paid-up capital of the Company following the completion of the Proposed Acquisition. Following the allotment and issue of the Consideration Shares, the number of issued CAC Shares in the Company is increased to 4,179,538,945.

Following the completion of the Proposed Acquisition, the Company’s shareholding in Neftech will increase from 23.9% to 48.9% of the issued and paid-up share capital of Neftech.

The Exchange’s in-principle approval for the listing and quotation of the Consideration Shares is not to be taken as an indication of the merits of the Proposed Acquisition, the Consideration Shares, the Company and/or its subsidiaries.

The Consideration Shares will be listed and quoted on the Main Board of the SGX-ST with effect from 9.00 a.m. on 30 July 2012.

By Order of the Board

Low Seow Chye
Independent Director
China Auto Corporation Ltd
27 July 2012