

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**中國自動化集團有限公司**

**China Automation Group Limited**

(HK stock code 0569)

(Incorporated in the Cayman Islands with limited liability)

## **GRANT OF SHARE OPTIONS**

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”, each a “**Director**”) of China Automation Group Limited (the “**Company**”) hereby announces that on 25 July 2014, the Board resolved to grant 102,626,000 share options (the “**Share Options**”, each a “**Share Option**”) to selected grantees (the “**Grantees**”), subject to their acceptance, to subscribe for a total of 102,626,000 ordinary shares of HK\$0.01 each in the capital of the Company (the “**Shares**”, each a “**Share**”), under the share option scheme adopted by the Company on 16 June 2007 (the “**Share Option Scheme**”).

Details of the grant of Share Options are as follows:

Date of Grant	:	25 July 2014 (the “ <b>Date of Grant</b> ”)
Exercise price of Share Options granted	:	HK\$1.6 (the “ <b>Exercise Price</b> ”), which represents the highest of (i) the closing price per Share of HK\$1.6 on the date of grant of the Share Options, i.e. 25 July 2014; (ii) the average closing price of HK\$1.56 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant; and (iii) the nominal value of the Share, being HK\$0.01
Number of Share Options granted	:	102,626,000 Share Options (each Share Option shall entitle the holder thereof to subscribe for one Share)
Closing price of each Share on the Date of Grant	:	HK\$1.6
Validity period of the Share Options	:	From the Date of Grant up to 24 July 2018
Exercise period of the Share Options	:	None of the Share Options will be exercisable during the period commencing from the Date of Grant to 24 July 2015.

The Share Options will be exercisable in the following manner:

- (i) up to one third of the Share Options will become exercisable commencing on 25 July 2015;

- (ii) up to one third of the Share Options will become exercisable commencing on 25 July 2016;
- (iii) up to one third of the Share Options will become exercisable commencing on 25 July 2017;

provided that the relevant performance targets are achieved, and the closing price of the Share on the trading day immediately preceding the date of exercise is HK\$2.4 (which represents 150% of the Exercise Price) or above.

Any of the Share Options not exercised on or before 24 July 2018 will automatically lapse and will not be exercisable.

Among the 102,626,000 Share Options above, 13,540,000 Share Options were granted (subject to acceptance) to the Directors as follows:

<b>Name of Director</b>	<b>Position</b>	<b>Number of Share Options granted</b>
Mr. Xuan Rui Guo	Executive Director and Chairman	4,380,000
Mr. Kuang Jian Ping	Executive Director and Chief Executive Officer	4,380,000
Mr. Huang Zhi Yong	Executive Director	4,380,000
Mr. Wang Tai Wen	Independent Non-Executive Director	200,000
Mr. Ng Wing Fai	Independent Non-Executive Director	200,000

The above grant of Share Options has been approved by the independent non-executive Directors (save that each of the independent non-executive Directors has abstained from approving the resolution relating to the grant of Share Options to himself) and is not subject to approval by shareholders of the Company under Rule 17.04(1) of the Listing Rules.

Save as disclosed above, none of the Grantees is a Director, chief executive or substantial shareholder of the Company, or an associate (as defined under the Listing Rules) of any of them.

By Order of the Board  
**China Automation Group Limited**  
**Xuan Rui Guo**  
*Chairman*

Hong Kong, 25 July 2014

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Xuan Rui Guo (Chairman), Mr. Kuang Jian Ping (Chief Executive Officer) and Mr. Huang Zhi Yong; and three independent non-executive Directors, namely Mr. Wang Tai Wen, Mr. Sui Yong Bin and Mr. Ng Wing Fai.*