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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Automation Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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中國自動化

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)

**PROPOSALS FOR GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
REFRESHMENT OF SCHEME MANDATE LIMIT
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting of China Automation Group Limited (the “Company”) to be held at Regus Hong Kong Central Plaza, 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on 28 May 2015 at 3:00 p.m. is set out on pages 13 to 16 of this circular. Shareholders are advised to read the notice and to complete and return the accompanying form of proxy for use at the annual general meeting in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude the shareholders from attending and voting in person at the meeting if they so wish.

Hong Kong, 27 April 2015

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Annual General Meeting”	the annual general meeting of the Company to be held at Regus Hong Kong Central Plaza, 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on 28 May 2015 at 3:00 p.m., notice of which is set out on pages 13 to 16 of this circular
“Board”	the board of Directors
“Companies Law”	the Companies Law of the Cayman Islands for the time being in force
“Company”	China Automation Group Limited, a company incorporated in the Cayman Islands with its shares listed on the Stock Exchange
“Directors”	the directors of the Company
“Existing Scheme”	the existing share option scheme adopted by the Company on 16 June 2007
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	21 April 2015, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Repurchase Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to repurchase during the period as set out in the Repurchase Resolution Shares up to a maximum of 10% of the total number of issued Shares at the date of the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution as referred to in resolution no.4 of the notice of Annual General Meeting
“Scheme Mandate Limit”	the maximum number of Shares that may be issued upon the exercise of all options to be granted under the Existing Scheme, which shall not in aggregate exceed 10% of the Shares in issue as at the date of passing of ordinary resolution no.7

DEFINITIONS

“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

LETTER FROM THE CHAIRMAN



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)

Directors:

Executive Directors:

Mr. Xuan Rui Guo (*Chairman*)

Mr. Huang Zhi Yong

Mr. Kuang Jian Ping (*Chief Executive Officer*)

Independent Non-executive Directors:

Mr. Ng Wing Fai

Mr. Sui Yong Bin

Mr. Wang Tai Wen

Company Secretary:

Mr. Chow Chiu Chi

Registered Office:

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal Place of Business in Hong Kong:

Suite 3205B-3206, 32nd Floor

Office Tower, Convention Plaza

No. 1 Harbour Road

Wanchai, Hong Kong

Hong Kong, 27 April 2015

To the Shareholders,

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
REFRESHMENT OF SCHEME MANDATE LIMIT
AND
NOTICE OF ANNUAL GENERAL MEETING**

GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 29 May 2014, a general mandate was given to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the forthcoming Annual General Meeting. It is therefore proposed to seek your approval of an ordinary resolution to be proposed at the forthcoming Annual General Meeting to give a fresh general mandate to the Directors to exercise the powers of the Company to repurchase Shares not exceeding 10% of the total number of issued Shares at the date of the resolution (i.e. not exceeding 102,626,372 Shares based on 1,026,263,729 Shares as at the Latest Practicable Date and assuming that such total number of issued Shares remains the same at the date of passing the resolution).

LETTER FROM THE CHAIRMAN

An explanatory statement as required under the Share Repurchase Rules to provide the requisite information of the Repurchase Proposal is set out in Appendix I hereto.

GENERAL MANDATE TO ISSUE SHARES

It will be proposed at the Annual General Meeting two ordinary resolutions respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the total number of issued Shares at the date of the resolution (i.e. not exceeding 205,252,745 Shares based on 1,026,263,729 issued Shares as at the Latest Practicable Date and assuming that such total number of issued Shares remains the same at the date of passing the resolution) and adding to such general mandate so granted to the Directors any Shares representing the number of the Shares repurchased by the Company after the granting of the general mandate to repurchase Shares pursuant to the Repurchase Resolution.

RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the executive Directors were Mr. Xuan Rui Guo, Mr. Huang Zhi Yong and Mr. Kuang Jian Ping and the independent non-executive Directors were Mr. Wang Tai Wen, Mr. Ng Wing Fai and Mr. Sui Yong-bin.

Pursuant to article 87 of the articles of association of the Company, Mr. Xuan Rui Guo and Mr. Ng Wing Fai shall retire from office by rotation at the Annual General Meeting and shall be eligible for re-election. Details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II hereto.

REFRESHMENT OF SCHEME MANDATE LIMIT UNDER THE EXISTING SCHEME

The Existing Scheme was approved and adopted on 16 June 2007. The purpose of the Existing Scheme is to provide the Company with a flexible means of giving incentive to rewarding, remunerating, compensating and/or providing benefits to the participants and for such other purposes as the Board may approve from time to time.

Under the Existing Scheme and the applicable Listing Rules, the Board has the right to grant to the eligible participants options to subscribe for up to a maximum of 102,626,372 Shares, representing approximately 10% of the Shares in issue as at 29 May 2013, being the date of the annual general meeting of the Company at which the scheme mandate limit was previously refreshed, and representing approximately 10% of the issued share capital of the Company as at the Latest Practicable Date.

Since the annual general meeting of the Company held on 29 May 2013, the Company has granted share options carrying rights to subscribe for 102,626,000 Shares on 25 July 2014. As such, options carrying rights to subscribe for 372 Shares may be granted under the Existing Scheme. The Directors consider that the Company should refresh the Scheme Mandate Limit in accordance with the Existing Scheme so that the Company will have flexibility to provide incentives to, and recognize the contributions or, the employees of the Company and of its subsidiaries (as defined in the Listing Rules).

LETTER FROM THE CHAIRMAN

On the basis of 1,026,263,729 Shares being in issue as at the Latest Practicable Date, and assuming that no Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company will be entitled to grant further options under the Existing Scheme and other share option schemes of the Company carrying rights to subscribe for up to 102,626,372 Shares.

Since the date of adoption of Existing Scheme and up to the Latest Practicable Date, share options carrying rights to subscribe for 102,626,000 Shares, representing approximately 9.99% of Shares in issue as at the Latest Practicable Date, remained outstanding and yet to be exercised. No share option has been cancelled or lapsed. The options previously granted under the Existing Scheme (including options outstanding, cancelled, lapsed or exercised in accordance with the terms thereof) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. As at the Latest Practicable Date, the Company has not adopted any share option schemes other than the Existing Scheme.

An ordinary resolution will therefore be proposed to the Shareholders at the Annual General Meeting to refresh the Scheme Mandate Limit so as to allow the Directors to grant share options entitling holders thereof to subscribe for up to 10% of the issued share capital of the Company as at the date of passing the relevant resolution at the Annual General Meeting. Details of the refreshment of Scheme Mandate Limit are set out in ordinary resolution no. 7.

The number of Shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Existing Scheme and all other share options schemes of the Company must not, in aggregate, exceed 30% of the issued share capital of the Company from time to time. The Directors consider that the refreshment of the Scheme Mandate Limit is in the interests of the Company and the Shareholders as a whole.

The refreshment of the Scheme Mandate Limit is conditional upon:

1. the passing of an ordinary resolution by the Shareholders at the Annual General Meeting to approve the refreshment of the Scheme Mandate Limit; and
2. the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares (representing a maximum of 10% of the Shares in issue as at the date of passing the ordinary resolution of refreshment of Scheme Mandate Limit at the Annual General Meeting) which may fall to be issued upon the exercise of the options to be granted under the Existing Scheme and any other share option schemes of the Company.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and the permission to deal in the Shares which may be issued upon the exercise of the options to be granted under the aforesaid refreshed limit of the Existing Scheme.

ANNUAL GENERAL MEETING

Set out on pages 13 to 16 of this circular is the notice convening the Annual General Meeting.

LETTER FROM THE CHAIRMAN

For determining the entitlement of Shareholders to attend and vote at the Annual General Meeting, the register of members will be closed from Friday, 22 May 2015 to Thursday, 28 May 2015, both days inclusive. In order to be eligible to attend and vote at the Annual General Meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 21 May 2015.

At the Annual General Meeting, resolutions will be proposed to the Shareholders in respect of ordinary business to be considered at the Annual General Meeting, including re-election of Directors, Repurchase Proposal and the general mandate for Directors to issue new Shares and special business to be considered at the Annual General Meeting, being the ordinary resolutions proposed to approve the extension of the general mandate to issue new Shares and refreshment of Scheme Mandate Limit.

ACTION TO BE TAKEN

A form of proxy for use at the Annual General Meeting is enclosed herewith. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company's principal place of business in Hong Kong at Suite 3205B-3206, 32nd Floor, Office Tower, Convention Plaza, No.1 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of a form of proxy will not prevent you from attending and voting in person at the Annual General Meeting if you so wish.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the shareholders at the general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the meeting will therefore demand a poll for every resolution put to the vote at the Annual General Meeting pursuant to article 66 of the articles of association of the Company and the Company will announce results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

LETTER FROM THE CHAIRMAN

RECOMMENDATION

The Directors believe that the Repurchase Proposal, proposed general mandate for Directors to issue new Shares, proposed extension of the general mandate to issue new Shares, refreshment of Scheme Mandate Limit and proposed re-election of retiring Directors are all in the best interest of the Company and its Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of all resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
China Automation Group Limited
Xuan Rui Guo
Chairman

This appendix serves as an explanatory statement, as required by the Share Repurchase Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the total number of issued Shares as at the date of the Repurchase Resolution.

I. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,026,263,729 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares will be issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Proposal to repurchase a maximum of 102,626,372 Shares representing not more than 10% of the total number of issued Shares as at the Latest Practicable Date.

2. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the Companies Law. The Companies Law provides that the amount to be repaid in connection with a share repurchase may be paid from the profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the repurchase or out of capital, if the Company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited financial statements contained in the annual report for the year ended 31 December 2014 in the event that the Repurchase Proposal was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Proposal to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The table below is a summary of the monthly highest and lowest prices in each of the previous twelve months before the Latest Practicable Date:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2014	1.50	1.24
May 2014	1.40	1.26
June 2014	1.48	1.29
July 2014	1.64	1.41
August 2014	1.72	1.47
September 2014	1.68	1.50
October 2014	1.59	1.40
November 2014	1.52	1.38
December 2014	1.41	0.98
January 2015	1.31	0.90
February 2015	0.99	0.86
March 2015	1.05	0.88
April 2015 (up to and including the Latest Practicable Date)	1.60	0.90

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Resolution and in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Proposal if such is approved by the Shareholders.

No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the Shareholders.

6. TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Proposal, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a shareholder or group of shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Xuan Rui Guo and his associates were interested in 458,933,541 Shares (representing approximately 44.72% of the total issued share capital of the Company as at the Latest Practicable Date). In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Proposal, then (if the present shareholding remains the same) the attributable interests of Mr. Xuan and his associates would be increased to approximately 49.69% of the issued share capital of the Company and an obligation to make a general offer may arise. In such an event, the Directors will take all steps necessary to comply with the Listing Rules and Takeovers Code. Save as mentioned above, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of an exercise of the Repurchase Proposal. Save as mentioned above, the Directors have no intention to repurchase any Shares to the extent that it will trigger the obligations under the Takeovers Code to make a mandatory offer.

In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Proposal, the number of Shares held by the public will not fall below 25%.

7. SHARE REPURCHASES MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out as follows:

Mr. Xuan Rui Guo (“Mr. Xuan”)

Mr. Xuan (宣瑞國), aged 47, the Group’s founder, Executive Director and Chairman of the Board, is mainly responsible for the overall strategic, financial planning and long-term development. He is also a member of remuneration committee and nomination committee of the Company and a director of a number of subsidiaries of the Company. Mr. Xuan is also one of the winners of the Ernst & Young Entrepreneur of The Year 2009 China. Mr. Xuan graduated from the Renmin University of China (中國人民大學) with a bachelor’s degree in international politics. He has extensive experience in management, administration and business development in different industries including industrial automation, biotechnology, telecommunication and trading in the PRC. He was the general manager of Boda Telecommunication and Electronics Company Ltd. in Yunnan, China, manager of Beijing Invention Biology Company Ltd. and the general manager of Beijing Consen Automation Control Co., Ltd. Mr. Xuan is a director and shareholder of Consen Investments Holdings Inc. (“Consen Investments”), a substantial Shareholder, and holds 50% interests in Consen Investments. Consen Investments held 93.80% interests in Consen Group Holdings Inc., another substantial Shareholder, which legally and beneficially owned 457,933,541 Shares as at the Latest Practicable Date.

Mr. Xuan has not held any directorship in any listed public companies in the last three years and, save as disclosed above, he does not hold any position in any members of the Group.

As at the Latest Practicable Date, Mr. Xuan had personal and corporate interest in total of 458,933,541 Shares and had personal interest in share options to subscribe for 3,100,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, Mr. Xuan does not have any relationship with any Directors, senior management of the Company or substantial or controlling Shareholders.

Mr. Xuan has entered into a service agreement with the Company in relation to his appointment as an executive Director for a term of three years commencing from 12 July 2013 to 11 July 2016. His term of service is subject to retirement by rotation and re-election at general meeting of the Company according to the articles of association of the Company. Mr. Xuan is entitled to terminate the directorship by giving to the Company not less than three months’ notice in writing.

According to the service agreement, Mr. Xuan is entitled to an annual salary of RMB1,553,000. In addition, Mr. Xuan is entitled to a management bonus by reference to the audited consolidated net profits of the Group after taxation and minority interests but before extraordinary items (the “Net Profits”) as the Board may, in its absolute discretion, approve provided that the aggregate amount of the management bonuses payable to Mr. Xuan in respect of any financial year of the Group shall not exceed 5% of the Net Profits for the relevant financial year. His emolument is determined base on his senior position in the Company, his level of responsibilities and the remuneration policy of the Group. Mr. Xuan is entitled to a total emolument of RMB2,994,000 for the year ended 31 December 2014.

Save as disclosed herein, Mr. Xuan is not aware of any other matters that need to be brought to the attention of the Shareholders in connection with his re-election as a Director. There is no information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Ng Wing Fai (“Mr. Ng”)

Mr. Ng (吳榮輝), aged 56, is an Independent Non-executive Director. He is also the chairman of audit committee of the Company and a member of remuneration committee and nomination committee of the Company. Mr. Ng joined the Group in June 2007. He has over 15 years’ experience in audit, taxation and consultancy in government and non-government institutes. Mr. Ng holds a bachelor’s degree of arts in accountancy and a master’s degree of arts in international accounting from City University of Hong Kong. He also holds a postgraduate diploma in British and Hong Kong law from The Manchester Metropolitan University. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, an associate member of the Institute of Chartered Accountants in England and Wales, a council member of the Society of Chinese Accountants & Auditors, and a member of the Hong Kong Securities Institute.

Save as disclosed above, Mr. Ng has not held any directorship in any listed public companies in the last three years and he does not have any relationship with any Directors, senior management of the Company or substantial or controlling Shareholders. Mr. Ng does not hold any position in any members of the Group.

As at the Latest Practicable Date, Mr. Ng had personal interest in share options to subscribe for 200,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Mr. Ng has entered into a service agreement with the Company in relation to his appointment as an independent non-executive Director for a term of two years commencing from 16 June 2013 to 15 June 2015. The appointment is subject to retirement by rotation and re-election at general meeting of the Company according to the articles of association of the Company. Mr. Ng is entitled to terminate the directorship by giving to the Company not less than three months’ notice in writing.

Mr. Ng will be entitled to a director’s fee of HK\$240,000 per annum. The remuneration package of Mr. Ng was authorized by Shareholders in general meeting and recommended by the remuneration committee of the Company and determined by the Board with reference to a number of factors, including among others, the performance, seniority and contribution to the Company.

Save as disclosed herein, Mr. Ng is not aware of any other matters that need to be brought to the attention of the Shareholders in connection with his re-election as a Director. There is no information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



中國自動化

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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Regus Hong Kong Central Plaza, 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Thursday, 28 May 2015 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited consolidated Financial Statements and the Directors' Report and Independent Auditor's Report for the year ended 31 December 2014.
2. (a) To re-elect Mr. Xuan Rui Guo as an Executive Director of the Company;
- (b) To re-elect Mr. Ng Wing Fai as an Independent Non-executive Director of the Company; and
- (c) To authorise the Board of Directors to fix the remuneration of all Directors of the Company.
3. To re-appoint Auditor and authorise the Board of Directors to fix the remuneration of Auditor.
4. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.01 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares of the Company which the Directors of the Company are authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing this Resolution provided that if any subsequent consolidation or subdivision of shares of the Company is effected, the maximum number of shares of the Company that may be repurchased pursuant to the approval in paragraph (a) above as a percentage of

NOTICE OF ANNUAL GENERAL MEETING

the total number of issued shares of the Company immediately before and after such consolidation or subdivision shall be the same and such maximum number of shares of the Company shall be adjusted accordingly; and

- (c) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.”
5. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company; (iii) an issue of shares upon the exercise of the subscription or conversion rights under the terms of any warrants or any securities of the Company which are convertible into shares of the Company; or (iv) an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time, shall not exceed 20% of the total number of issued shares of the Company as at the date of passing this Resolution provided that if any subsequent consolidation or subdivision of shares of the Company is effected, the maximum number of shares of the Company that may be issued pursuant to the approval in paragraph (a) above as a

NOTICE OF ANNUAL GENERAL MEETING

percentage of the total number of issued shares of the Company immediately before and after such consolidation or subdivision shall be the same and such maximum number of shares of the Company shall be adjusted accordingly; and

(d) for the purposes of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

6. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT** subject to the passing of the Resolution nos.4 and 5 set out in the notice convening this meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares of the Company pursuant to Resolution no.5 set out in the notice convening this meeting be and is hereby extended by the addition thereto of the number of the issued shares of the Company repurchased by the Company under the authority granted pursuant to Resolution no.4 set out in the notice convening this meeting.”

7. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT** the existing scheme mandate limit in respect of the granting of share options to subscribe for shares of the Company under the share option scheme adopted by the Company on 16 June 2007 (the “Share Option Scheme”) be refreshed and renewed provided that the total number of shares which may be allotted and issued pursuant to the grant or exercise of the share options under the Share Option Scheme (excluding share options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme and other share option schemes of the Company) shall not exceed 10% of the shares of the Company in issue

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as at the date of passing of this Resolution (the “Refreshed Limit”), and subject to The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of and permission to deal in such number of shares to be issued pursuant to the exercise of the share options granted under the Refreshed Limit and compliance with the relevant Rules Governing the Listing of Securities on the Stock Exchange, the Directors of the Company be and are hereby authorised to grant share options under the Share Option Scheme up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with the shares pursuant to the exercise of such share options.”

By Order of the Board
China Automation Group Limited
CHOW Chiu Chi
Company Secretary

Hong Kong, 27 April 2015

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be lodged with the Company’s principal place of business in Hong Kong at Suite 3205B-3206, 32nd Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members will be closed from Friday, 22 May 2015 to Thursday, 28 May 2015, both days inclusive. In order to be eligible to attend and vote at the Annual General Meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 21 May 2015.
4. With regard to item no.2 in this notice, details of the retiring Directors are set out in appendix II to the circular to shareholders dated 27 April 2015.

As at the date of this notice, the Executive Directors are Mr. Xuan Rui Guo, Mr. Huang Zhi Yong and Mr. Kuang Jian Ping; and the Independent Non-Executive Directors are Mr. Wang Tai Wen, Mr. Ng Wing Fai and Mr. Sui Yong-bin.