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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO. The Board wishes to inform the shareholders of the Company and potential investors that it is anticipated that the profit to be recorded by the Company for the year ended 31 December 2014 will decrease significantly as compared with the profit recorded by the Company for the year ended 31 December 2013. The information contained in this announcement is only based on the unaudited management accounts and preliminary estimation of the Group, which have not been audited or reviewed by the Company's auditors.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Automation Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”). The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that based on the unaudited management accounts and preliminary estimation of the Group, it is anticipated that the profit to be recorded by the Company for the year ended 31 December 2014 will decrease significantly as compared with the profit recorded by the Company for the year ended 31 December 2013.

Based on the analysis of the available information, the deterioration in the Group's results was mainly attributable to: (i) the decline in turnover to be recorded for the year ended 31 December 2014 as compared with the turnover recorded for the year ended 31 December

2013 as a result of the economic slowdown in China as well as the drop in global oil price in 2014 leading to the sluggish petrochemical and coal chemical industry environment and this weak economic sentiment has been leading to the cautious views adopted by the petrochemical companies regarding the downstream demand and such petrochemical companies were generally reluctant to expand; (ii) foreign exchange loss incurred by the Group resulting from the devaluation of RMB during the year ended 31 December 2014; and (iii) the increase in the allowance for bad and doubtful debts against those accounts receivables aged over two years and its recoverability is uncertain.

The Company has yet to finalize the annual results of the Group for the year ended 31 December 2014. The information contained in this announcement is only based on the unaudited management accounts and preliminary estimation of the Group, which have not been audited or reviewed by the Company's auditors. Further details of the financial information of the Group will be disclosed as and when the annual results of the Group for the year ended 31 December 2014 are released.

Shareholders of the Company and potential investors should exercise with caution when dealing in the shares of the Company.

By order of the Board
China Automation Group Limited
XUAN Rui-guo
Chairman

Hong Kong, 29 January, 2015

As at the date of this announcement, the Board comprises three executive directors, being Mr. XUAN Rui-guo (Chairman), Mr. HUANG Zhi-yong and Mr. KUANG Jian-ping and three independent non-executive directors being Mr. WANG Tai-wen, Mr. SUI Yong-bin and Mr. NG Wing-fai.