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CHINA AUTOMATION GROUP LIMITED

中國自動化集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 569)

ANNOUNCEMENT PURSUANT TO RULE 13.09(1) OF THE LISTING RULES ESTABLISHMENT OF A JOINT VENTURE COMPANY

The Board is pleased to announce that on 10 December 2009, the Group entered into the Agreement with ABB (China) for the establishment of a joint venture company, namely ABB Microunion, in the PRC.

ABB Microunion will be principally engaged in the research and development, design, manufacture, sale and import/export of (i) traction converters and auxiliary converters and spare parts (ii) traction motors and spare parts; and the provision of technical and after-sales services.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 10 December 2009, the Group entered into the Agreement with ABB (China) for the establishment of a joint venture company, namely ABB Microunion, in the PRC.

THE AGREEMENT

Date:

10 December 2009

Parties:

1. Beijing Jiaoda Microunion
2. ABB (China)

“ABB Microunion”	廣州ABB微聯牽引設備有限公司 (ABB Microunion Traction Equipment Limited*), a joint venture company to be established by Beijing Jiaoda Microunion and ABB (China) pursuant to the Agreement
“ABBZH	ABB Asea Brown Boveri Ltd. (ABB阿西亞•布朗•勃法瑞公司*), a corporation duly organized and existing under the laws of Switzerland
“Agreement”	the agreement dated 10 December 2009 entered into between Beijing Jiaoda Microunion and ABB (China) in relation to the establishment of ABB Microunion
“Beijing Jiaoda Microunion”	北京交大微聯科技有限公司 (Beijing Jiaoda Microunion Technology Co., Ltd.*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Group
“Board”	the board of Directors
“Company”	China Automation Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America

For the purpose of this announcement, translation of US\$ into HK\$ has been calculated by using an exchange rate of US\$1.00 = HK\$7.8.

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

Hong Kong, 10 December 2009

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Xuan Rui Guo, Mr. Huang Zhi Yong and Mr. Kuang Jian Ping; and three independent non-executive Directors, namely Mr. Tang Min, Mr. Wang Tai Wen and Mr. Ng Wing Fai.

* *For identification purpose only*