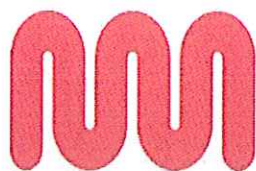


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China Automation Group Limited

中國自動化集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 569)

PROFIT WARNING REGARDING 2012 ANNUAL RESULTS

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules. 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 ending 31 December 2012 will decrease when compared with the profit recorded by the Company for the year ended 31 December 2011. 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**”). The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that based on the preliminary estimation of the Company's management, the profit to be recorded by the Company for the year ending 31 December 2012

will decrease when compared with the profit recorded by the Company for the year ended 31 December 2011.

Based on the analysis of the information currently available to the Group, the deterioration in the Group's results was mainly due to (i) the majority of the signaling system projects in relation to national railways awarded to the Group having either been suspended, slowed down or delayed due to slow resumption of national railway industries following the train accident in Wenzhou, Zhejiang Province on 23 July 2011; and (ii) significant provision for doubtful debts mainly in respect of the long aged account receivables due from the customers related to the railway industry in the People's Republic of China.

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. As the period covered by the year ending 31 December 2012 has not yet ended, the results of the Group for 2012 are not yet available. Further details of the financial information of the Group will be disclosed as and when the annual results of the Group for the year ending 31 December 2012 are released.

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

By Order of the Board

China Automation Group Limited

Xuan Rui Guo

Chairman

26 November, 2012

As at the date of this announcement,, the executive Directors of the Company are Mr. Xuan Rui Guo, Mr. Kuang Jian Ping, Mr. Huang Zhi Yong, and the independent non-executive Directors are Mr. Wang Tai Wen, Mr .Sui Yong Bin, and Mr. Ng Wing Fai.