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Brightex Enterprises Limited

(Incorporated in the British Virgin Islands with limited liability)

Ascendent Automation (Cayman) Limited

(Incorporated in the Cayman Islands with limited liability)



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)

JOINT ANNOUNCEMENT

- (1) PROPOSAL FOR THE PRIVATISATION OF
CHINA AUTOMATION GROUP LIMITED
BY THE JOINT OFFERORS
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE COMPANIES LAW**
- (2) PROPOSED WITHDRAWAL OF LISTING OF
CHINA AUTOMATION GROUP LIMITED**
- (3) RESULTS OF THE COURT MEETING AND THE EGM
AND**
- (4) CLOSURE OF REGISTER OF MEMBERS OF
CHINA AUTOMATION GROUP LIMITED**

Financial Adviser to
The Joint Offerors



SOMERLEY CAPITAL LIMITED

Independent Financial Adviser to
China Automation Group Limited

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RESULTS OF THE COURT MEETING AND THE EGM

On Monday, 23 September 2019, the resolution to approve the Scheme was approved by the Independent Shareholders at the Court Meeting.

On Monday, 23 September 2019, the special resolution to approve and give effect to the Scheme, including the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and (subject to the reduction of capital taking effect) the increase of the issued share capital of the Company to its former amount by issuing to Brightex (in the event the AACL Payment does not occur) or AACL (in the event the AACL Payment occurs) the same number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished, was approved by the Shareholders at the EGM.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of the Scheme Shareholders, the register of members of the Company will be closed from Friday, 18 October 2019 (or such other date as the Shareholders may be notified by an announcement) onwards. During such period, no transfer of Shares will be effected.

INTRODUCTION

Reference is made to the composite scheme document jointly issued by China Automation Group Limited (the “**Company**”), Brightex Enterprises Limited (“**Brightex**”) and Ascendent Automation (Cayman) Limited (“**AACL**”, together with Brightex, the “**Joint Offerors**”) dated 31 August 2019 (the “**Scheme Document**”) in relation to, among other things, the proposal for the privatisation of the Company by the Joint Offerors by way of a scheme of arrangement under Section 86 of the Companies Law and the proposed withdrawal of the listing of the Company. Unless otherwise defined, terms used herein shall have the same meaning as those defined in the Scheme Document.

RESULTS OF THE COURT MEETING

The Court Meeting was held on Monday, 23 September 2019 at Regus Hong Kong Central Plaza, 35th Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong.

In compliance with both Section 86 of the Companies Law and Rule 2.10 of the Takeovers Code, the approval required to be obtained at the Court Meeting in respect of the Scheme would be regarded as obtained if:

- (1) the Scheme is approved (by way of poll) by a majority in number of the holders of the Scheme Shares representing 75% in value of the Scheme Shares held by the holders of the Scheme Shares present and voting either in person or by proxy at the Court Meeting;

- (2) the Scheme is approved (by way of poll) by the Independent Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by Independent Shareholders that are voted either in person or by proxy at the Court Meeting; and
- (3) the number of votes cast (by way of poll) by the Independent Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by all Independent Shareholders.

At the Court Meeting:

- (1) a total number of 94 holders of the Scheme Shares (representing approximately 87.04% of the total number of holders of the Scheme Shares who attended and voted either in person or by proxy at the Court Meeting) holding 123,972,551 Scheme Shares (representing approximately 99.68% in value of the Scheme Shares held by the holders of the Scheme Shares who were present and voting either in person or by proxy at the Court Meeting) voted in favour of the resolution to approve the Scheme, and a total number of 14 holders of the Scheme Shares (representing approximately 12.96% of the total number of holders of the Scheme Shares who attended and voted either in person or by proxy at the Court Meeting) holding 404,157 Scheme Shares (representing approximately 0.32% in value of the Scheme Shares held by the holders of the Scheme Shares who were present and voting either in person or by proxy at the Court Meeting) voted against the resolution to approve the Scheme. For the avoidance of doubt, the numbers of holders of the Scheme Shares include the number of the CCASS Participants who instructed HKSCC Nominees Limited to vote on the Scheme, but exclude HKSCC Nominees Limited itself as a holder of Scheme Shares as explained in the note below;
- (2) Independent Shareholders holding 123,972,551 Scheme Shares (representing approximately 99.68% of the votes attaching to the Scheme Shares held by the Independent Shareholders who attended and voted either in person or by proxy at the Court Meeting) voted in favour of the resolution to approve the Scheme, and Independent Shareholders holding 404,157 Scheme Shares (representing approximately 0.32% of the votes attaching to the Scheme Shares held by the Independent Shareholders who attended and voted either in person or by proxy at the Court Meeting) voted against the resolution to approve the Scheme; and
- (3) Independent Shareholders holding 123,972,551 Scheme Shares (representing approximately 47.48% of the votes attaching to all the Scheme Shares held by all the Independent Shareholders) voted in favour of the resolution to approve the Scheme, and Independent Shareholders holding 404,157 Scheme Shares (representing approximately 0.15% of the votes attaching to all the Scheme Shares held by all the Independent Shareholders) voted against the resolution to approve the Scheme.

Note: For the purpose of calculating the “majority in number”, HKSCC Nominees Limited was treated as a multi-headed Shareholder of the Company. In this regard and in accordance with the direction from the Grand Court, HKSCC Nominees Limited was permitted to vote both for and against the Scheme in accordance with instructions received by it from the CCASS Participants. Each such CCASS Participant who instructed HKSCC Nominees Limited to vote in favour of the Scheme was counted for the

“majority in number” as a single Shareholder voting in favour of the Scheme, and, if applicable, each such CCASS Participant who instructed HKSCC Nominees Limited to vote against the Scheme was counted for the “majority in number” as a single Shareholder voting against the Scheme. HKSCC Nominees Limited itself, as opposed to the instructing CCASS Participants, was not counted as a Shareholder for the purpose of the calculation of the “majority in number”. A total number of 16 CCASS Participants representing 88,115,000 Scheme Shares have instructed HKSCC Nominees Limited to vote in favour of the resolution to approve the Scheme and a total number of 3 CCASS Participants representing 376,000 Scheme Shares have instructed HKSCC Nominees Limited to vote against the resolution to approve the Scheme at the Court Meeting.

Accordingly, the resolution proposed at the Court Meeting to approve the Scheme was duly passed in accordance with the requirements of both Section 86 of the Companies Law and Rule 2.10 of the Takeovers Code.

As at the date of the Court Meeting: (1) the total number of Shares in issue was 1,026,263,729 Shares; (2) the total number of Scheme Shares was 261,332,433 Shares, representing approximately 25.46% of the total number of issued Shares; and (3) the total number of Shares entitled to be voted at the Court Meeting (i.e. the total number of Scheme Shares held by all the Independent Shareholders) was 261,082,433 Shares, representing approximately 25.44% of the total number of issued Shares.

As at the date of the Court Meeting, the Joint Offerors and the Joint Offeror Concert Parties held or beneficially owned 765,181,296 Shares, representing approximately 74.56% of the total number of issued Shares. All such Shares (except those owned by the Ascendent Employee) did not form part of the Scheme Shares and were not voted at the Court Meeting. The 250,000 Shares owned by the Ascendent Employee were part of the Scheme Shares but were not voted at the Court Meeting as the Ascendent Employee is a Joint Offeror Concert Party.

There were no Shares entitling the holders thereof to attend where such holders were required to abstain from voting in favour of the Scheme pursuant to Rule 13.40 of the Listing Rules. No Shareholder was required under the Listing Rules to abstain from voting in respect of the Scheme at the Court Meeting nor did any person state any intention in the Scheme Document to vote against or to abstain from voting in respect of the Scheme at the Court Meeting.

Tricor Investor Services Limited, the branch share registrar of the Company, acted as the scrutineer for the vote-taking at the Court Meeting.

RESULTS OF THE EGM

The EGM was held after the conclusion of the Court Meeting on Monday, 23 September 2019 at Regus Hong Kong Central Plaza, 35th Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong for the purpose of considering, and if thought fit, passing the special resolution set out in the notice of EGM dated 31 August 2019.

At the EGM, in respect of the special resolution proposed to approve and give effect to the Scheme, including the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue to Brightex (in the event the AACL Payment does not occur) or AACL (in the event the AACL Payment occurs) the same number of new Shares as is equal to the

number of Scheme Shares cancelled and extinguished (the “**Special Resolution**”), a total of 889,197,813 Shares (representing approximately 86.64% of the total number of issued Shares) were voted, in person or by proxy, on a poll, of which:

- (i) 888,793,803 Shares (representing approximately 99.95% of the Shares voted in respect of the Special Resolution) were voted in favour of the Special Resolution; and
- (ii) 404,010 Shares (representing approximately 0.05% of the Shares voted in respect of the Special Resolution) were voted against the Special Resolution;

Accordingly, the Special Resolution was approved (by way of poll) by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting either in person or by proxy at the EGM.

As at the date of the EGM, the total number of Shares in issue was 1,026,263,729 Shares and all Shareholders were entitled to attend and vote at the EGM. There were no Shares entitling the holders thereof to attend where such holders were required to abstain from voting in favour of the Special Resolution at the EGM pursuant to Rule 13.40 of the Listing Rules. No Shareholder was required under the Listing Rules to abstain from voting on the Special Resolution at the EGM nor did any person state any intention in the Scheme Document to vote against or to abstain from voting on the Special Resolution at the EGM.

Tricor Investor Services Limited, the branch share registrar of the Company, acted as the scrutineer for the vote-taking at the EGM.

CURRENT STATUS OF THE CONDITIONS OF THE PROPOSAL

As at the date of this joint announcement, the Proposal remains, and the Scheme will become effective and binding on the Company and all Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of the Conditions. As at the date of this joint announcement, Conditions (1), (2) and (5) have been satisfied. None of the other Conditions have been fulfilled or waived. With respect to Condition (6), based on the facts and circumstances as at the date of this joint announcement, the Joint Offerors and the Company are not aware of any such actions, proceedings or suits. With respect to Conditions (7) and (8), as at the date of this joint announcement, the Company is not aware of any such event or circumstance. Subject to such Conditions being fulfilled or waived (as applicable), the Scheme is expected to become effective on Thursday, 24 October 2019 (Cayman Islands time).

PROPOSED WITHDRAWAL OF THE LISTING OF THE SHARES

Subject to the Scheme becoming effective, the withdrawal of the listing of the Shares on the Stock Exchange is expected to take place with effect from 4:00 p.m. on Monday, 28 October 2019.

Further announcement(s) will be made after the Scheme has become effective and that the withdrawal of listing of the Shares on the Stock Exchange will take effect.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of the Scheme Shareholders, the register of members of the Company will be closed from Friday, 18 October 2019 (or such other date as Shareholders may be notified by an announcement) onwards. During such period, no transfer of Shares will be effected.

In order to qualify for entitlements under the Scheme, holders of the Scheme Shares should ensure that the transfer of Shares to them are lodged with the Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration in their names or in the names of their nominees before 4:30 p.m. (Hong Kong time) on Thursday, 17 October 2019.

EXPECTED TIMETABLE

	Hong Kong Time
Expected latest time for trading in the Shares on the Stock Exchange	4:00 p.m. on Thursday, 10 October 2019
Latest time for lodging transfers of Shares in order to qualify for entitlements under the Scheme	4:30 p.m. on Thursday, 17 October 2019
Register of members of the Company closed for determining entitlements to qualify under the Scheme ^(Note 1)	From Friday, 18 October 2019 onwards
Grand Court hearing of the petitions to sanction the Scheme and to confirm the capital reduction	Tuesday, 22 October 2019 (Cayman Islands time)
Announcement of the results of the Grand Court hearing of the petitions to sanction the Scheme and to confirm the capital reduction, the expected Effective Date and the expected date of withdrawal of listing of Shares on the Stock Exchange	Thursday, 24 October 2019
Record Date	Thursday, 24 October 2019
Effective Date ^(Note 2)	Thursday, 24 October 2019 (Cayman Islands time)
Announcement of the Effective Date and the withdrawal of the listing of the Shares on the Stock Exchange	Friday, 25 October 2019
Withdrawal of the listing of Shares on the Stock Exchange becomes effective ^(Note 3)	4:00 p.m. on Monday, 28 October 2019

Latest time to despatch cheques for cash payment under the
Scheme ^(Note 4)

on or before Monday, 4
November 2019

Notes:

1. *The register of members of the Company will be closed as from such time and on such date for the purpose of determining Scheme Shareholders who are qualified for entitlements under the Scheme.*
2. *The Scheme shall become effective upon all the Conditions set out in the paragraph headed “3. Conditions of the Proposal and the Scheme” in Part VII. – Explanatory Memorandum of the Scheme Document having been fulfilled or (to the extent permitted) waived (as the case may be).*
3. *If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn at 4:00 p.m. on Monday, 28 October 2019.*
4. *Cheques for cash payment under the Scheme will be despatched by ordinary post within seven (7) business days (as defined under the Takeovers Code) from the Effective Date.*

GENERAL

Immediately before 3 May 2019 (the commencement date of the Offer Period) and as at the date of this joint announcement, the total number of issued Shares held or beneficially owned by the Joint Offerors and the Joint Offeror Concert Parties was 765,181,296 Shares, representing approximately 74.56% of the total number of issued Shares immediately before 3 May 2019 and as at the date of this joint announcement.

Neither the Joint Offerors nor the Joint Offeror Concert Parties had acquired or agreed to acquire any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares during the Offer Period.

As at the date of this joint announcement, neither the Joint Offerors nor the Joint Offeror Concert Parties had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

WARNINGS

Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme are subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

The Joint Offerors and the Company hereby remind their respective associates of the dealing restrictions under the Takeovers Code and to disclose their permitted dealings, if any, in any securities of the Company.

By Order of the sole director of
Brightex Enterprises Limited
Xuan Rui Guo
Sole Director

By Order of the sole director of
Ascendent Automation (Cayman) Limited
Meng Liang
Sole Director

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

Hong Kong, 23 September 2019

As of the date of this joint announcement, the sole director of Brightex is Mr. Xuan. The sole director of Brightex accepts full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to AACL and the Group), and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement has been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement (other than those relating to AACL and the Group) the omission of which would make any statement in this joint announcement misleading.

As of the date of this joint announcement, the sole director of AACL is Meng Liang, who is also the sole director of Ascendent Capital Partners II GP Limited (which is the general partner of the general partner of the limited partnership which wholly-owns AACL). Mr. Meng Liang accepts full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to Brightex, Mr. Xuan and the Group), and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement has been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement (other than those relating to Brightex, Mr. Xuan and the Group) the omission of which would make any statement in this joint announcement misleading.

As of the date of this joint announcement, the board of directors of the Company comprises Mr. Xuan and Mr. Wang Chuensheng as executive Directors; and Mr. Wang Tai Wen, Mr. Zhang Xin Zhi and Mr. Ng Wing Fai as independent non-executive Directors. The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to Brightex, AACL and their respective concert parties (excluding the Group)) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Joint Offerors and their concert parties (excluding the Group)) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement (other than those relating to Brightex, AACL and their respective concert parties (excluding the Group)) the omission of which would make any statement in this joint announcement misleading.