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CHINA HIGH PRECISION AUTOMATION GROUP LIMITED

中國高精密自動化集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 591)

PROFIT WARNING

This announcement is made pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record an increase in loss for the year ended 30 June 2020 as compared to that of the year ended 30 June 2019. Such expected increase was mainly attributable to an impairment provision for plant and equipment of a subsidiary in the People's Republic of China (the "PRC") of approximately RMB38,000,000. Such provision was mainly due to the decrease in sales as a result of (i) continuing delay in the commencement of large-scale projects in the PRC (particularly those in the petroleum and petrochemical industries) amid the COVID-19 outbreak; and (ii) persistent decrease in market demand of both industrial automation instrument and technology products and horological instruments.

Information contained in this announcement is only based on a preliminary assessment made by the Board on information currently available to it, including the unaudited consolidated management accounts of the Group for the year ended 30 June 2020 which have not yet been reviewed or audited by the Company's auditors.

Trading in the shares of the Company on the Stock Exchange remains suspended. 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 High Precision Automation Group Limited (the “Company”) and its subsidiaries (collectively the “Group”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Inside Information Provisions (as defined under the Listing Rules).

The board of directors (the “Board”) of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record an increase in loss for the year ended 30 June 2020 as compared to that of the year ended 30 June 2019.

Such expected increase in loss was mainly attributable to an impairment provision for plant and equipment of a subsidiary in the PRC. Such provision was mainly due to the decrease in sales as a result of (i) continuing delay in the commencement of large-scale projects in the PRC (particularly those in the petroleum and petrochemical industries) amid the COVID-19 outbreak; and (ii) persistent decrease in market demand of both industrial automation instrument and technology products and horological instruments.

Despite the above situation, the Board considers that the overall financial position and business operation of the Group remain stable and healthy.

As the Company is still in the course of preparing and finalising its annual results for the year ended 30 June 2020, the information contained in this announcement is only based on a preliminary assessment made by the Board on the information currently available to it, including the unaudited consolidated management accounts of the Group for the year ended 30 June 2020 which have not yet been reviewed or audited by the Company’s auditors. It is scheduled that the annual results of the Group for the year ended 30 June 2020 would be announced in late September 2020.

Trading in the shares of the Company on the Stock Exchange remains suspended. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China High Precision Automation Group Limited
Wong Fun Chung
Chairman

Hong Kong, 15 September 2020

As at the date of this announcement, the executive directors of the Company are Mr. Wong Fun Chung, Mr. Zou Chong, Mr. Su Fang Zhong and Mr. Cheung Chuen, and the independent non-executive directors of the Company are Ms. Ji Qin Zhi, Dr. Hu Guo Qing and Mr. Chan Yuk Hiu, Taylor.