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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 SUPPLEMENTAL ANNOUNCEMENT

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).

Reference is made to the Company’s announcement dated 15 September 2020 in relation to profit warning (the “Announcement”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board wishes to further inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 30 June 2020 and information currently available to the Board, it is expected that the Group will record a net loss of approximately RMB86.0 million to RMB90.0 million during the year ended 30 June 2020, as compared to a net loss of approximately RMB47.5 million recorded for the year ended 30 June 2019. As disclosed in the Announcement, such expected increase in loss was mainly attributable to an impairment provision for plant and equipment of a subsidiary in the PRC of approximately RMB38,000,000. The 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.

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, 17 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.