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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)

PLACING OF EXISTING SHARES BY SHAREHOLDERS

The Sole Placing Agent



Deutsche Bank AG, Hong Kong Branch

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board announced that it has been informed that on 29 November 2010, (a) Fortune Plus, being a shareholder of the Company, entered into the FP Agreement with the Placing Agent, under which Fortune Plus agreed to place through the Placing Agent 57,000,000 Shares, representing approximately 5.49% of the total issued share capital of the Company, to the FP Placees at a price of HK\$5.60 per FP Placing Shares on a fully underwritten basis, and (b) Mr. Wong, being a shareholder of the Company, entered into the WSH Agreement with the Placing Agent, under which Mr. Wong agreed to place through the Placing Agent 3,000,000 Shares, representing approximately 0.29% of the total issued share capital of the Company, to the WSH Placees at a price of HK\$5.60 per WSH Placing Shares on a fully underwritten basis.

As at the date of the FP Agreement, Fortune Plus held 96,824,704 Shares, representing approximately 9.33% of the total issued share capital of the Company. Upon completion of the FP Placing, Fortune Plus will hold 39,824,704 Shares, representing approximately 3.84% of the total issued share capital of the Company.

As at the date of the WSH Agreement, Mr. Wong held less than 5% of the total issued share capital of the Company.

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A. THE FP AGREEMENT

1. Parties

The parties to the FP Agreement are:

- (1) Fortune Plus; and
- (2) The Placing Agent.

2. Placing

The FP Placing Shares are to be placed on a fully underwritten basis.

3. Number of Shares to be Placed

The FP Placing Shares represent approximately 5.49% of the total issued share capital of the Company.

4. Placing Price

The placing price is HK\$5.60 per FP Placing Share.

5. Lock-up Undertaking

Fortune Plus undertakes to the Placing Agent that it will not, and will procure that none of its Associates or Affiliates or companies controlled by it or any nominee or trustee holding in trust for it will, dispose of any of the Shares or any interests therein in respect of which it is the beneficial owner for a period commencing on the date of the FP Agreement and ending on the date falling upon 90 days after the date of completion of the FP Placing.

6. Rights

The FP Placing Shares will be sold free of any third party rights and the holders of the FP Placing Shares will receive all dividends and distributions declared or distributed at any time on or after the date of completion of the FP Placing, but not including the final dividend proposed by the Board on 13 October 2010.

7. Completion of the Placing

Completion of the FP Placing is currently expected to take place on 2 December 2010, provided that the FP Agreement is not terminated in accordance with its terms.

8. Shareholding structure before and after the Placing

As at the date of the FP Agreement, Fortune Plus held 96,824,704 Shares, representing approximately 9.33% of the total issued share capital of the Company. Upon completion of the FP Placing, Fortune Plus will hold 39,824,704 Shares, representing approximately 3.84% of the total issued share capital of the Company.

B. THE WSH AGREEMENT

1. Parties

The parties to the WSH Agreement are:

- (1) Mr. Wong; and
- (2) The Placing Agent.

2. Placing

The WSH Placing Shares are to be placed on a fully underwritten basis.

3. Number of Shares to be Placed

The WSH Placing Shares represent approximately 0.29% of the total issued share capital of the Company.

4. Placing Price

The placing price is HK\$5.60 per WSH Placing Share.

5. Lock-up Undertaking

Mr. Wong undertakes to the Placing Agent that he will not, and will procure that none of his Associates or Affiliates or companies controlled by him or any nominee or trustee holding in trust for him will, dispose of any of the Shares or any interests therein in respect of which he is the beneficial owner for a period commencing on the date of the WSH Agreement and ending on the date falling upon 45 days after the date of completion of the WSH Placing.

6. Rights

The WSH Placing Shares will be sold free of any third party rights and the holders of the WSH Placing Shares will receive all dividends and distributions declared or distributed at any time on or after the date of completion of the WSH Placing, but not including the final dividend proposed by the Board on 13 October 2010.

7. Completion of the Placing

Completion of the WSH Placing is currently expected to take place on 2 December 2010, provided that the WSH Agreement is not terminated in accordance with its terms.

8. Shareholding structure before and after the Placing

As at the date of the WSH Agreement, Mr. Wong held less than 5% of the total issued share capital of the Company.

C. DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Affiliate”	means in relation to a particular company, any company or other entity which is its holding company or subsidiary, or any subsidiary of its holding company or which directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under the common control with, the company specified
“Associate”	has the meaning ascribed thereto in chapter 1 of the Listing Rules
“Board”	the board of Directors
“Company”	China High Precision Automation Group Limited(中國高精密自動化集團有限公司), a company incorporated in the Cayman Islands with limited liability and whose issued Shares are listed on the Stock Exchange
“Directors”	directors of the Company, whose names are set out at the end of this announcement
“Fortune Plus”	a company incorporated in the British Virgin Islands with limited liability and owned as to 66.6% by Mr. Wong Fun Chung, the chairman of the Company, 10.99% by Mr. Wong, 7.55% by Mr. Ng Hiu King, 7.73% by Investidea Investments Limited and 7.13% by Sea Princess International Investments Limited
“FP Agreement”	the placing agreement dated 29 November 2010 entered into between Fortune Plus and the Placing Agent
“FP Placees”	the purchasers procured by the Placing Agent to purchase any of the FP Placing Shares pursuant to the FP Agreement
“FP Placing”	the placing of the FP Placing Shares by Fortune Plus through the Placing Agent at the FP Placing Price pursuant to the FP Agreement
“FP Placing Price”	HK\$5.60 per FP Placing Share

“FP Placing Shares”	57,000,000 existing Shares beneficially owned by Fortune Plus to be placed by the Placing Agent pursuant to the FP Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the StockExchange
“Mr. Wong”	Mr. Wong Sun Hoi
“Placing Agent”	Deutsche bank AG, Hong Kong Branch
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“WSH Agreement”	the placing agreement dated 29 November 2010 entered into between Mr. Wong and the Placing Agent
“WSH Placees”	the purchasers procured by the Placing Agent to purchase any of the WSH Placing Shares pursuant to the WSH Agreement
“WSH Placing”	the placing of the WSH Placing Shares by Fortune Plus through the Placing Agent at the WSH Placing Price pursuant to the WSH Agreement
“WSH Placing Price”	HK\$5.60 per WSH Placing Share
“WSH Placing Shares”	3,000,000 existing Shares beneficially owned by Mr. Wong to be placed by the Placing Agent pursuant to the WSH Agreement

By order of the Board
China High Precision Automation Group Limited
Cheung Chuen
Company Secretary

Hong Kong, 30 November 2010

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