

CHINA HIGH PRECISION AUTOMATION GROUP LIMITED

(the “Company”)

BOARD DIVERSITY POLICY

A. CONSTITUTION

The Board Diversity Policy (the “**Policy**”) was adopted with effect from 1 September 2013 pursuant to a resolution passed on 30 August 2013 by the board of directors of the Company.

B. SCOPE OF APPLICATION

The Policy applies to the board (“**Board**”) of directors (“**Directors**”) of the Company and aims to set out the approach to achieve diversity on Board. The Policy does not apply to diversity in relation to employees of the Company and its subsidiaries.

C. PRINCIPLES

The Company aims at promoting and practising equality of opportunity amongst all of its Directors, including both executive and non-executive roles and adopts this policy with the objective to recognise the benefits and importance of diversity at the Board, the key decision making body in the Company, to enhance the quality of its performance.

“Board Diversity” shall be achieved through consideration of a number of factors and measureable objectives, including, but not limited to:

- (i) gender;
- (ii) age;
- (iii) cultural background;
- (iv) educational background; and
- (v) professional experience, skills and knowledge.

D. POLICY STATEMENT

The nomination committee of the Company (the “**Nomination Committee**”) reviews and assesses the composition of the Board and makes recommendations to the Board on appointment of new directors of the Company. The Nomination Committee also oversees the conduct of the annual review of the effectiveness of the Board. In carrying out these responsibilities, the Nomination Committee will give adequate consideration to this Policy.

In reviewing and assessing the composition of the Board, the Nomination Committee will consider the benefits of all aspects of diversity, including without limitation, those described in section C above, in order to maintain an appropriate range and balance of talents, skills, experience and background on the Board.

Appointments shall be based on merit, and candidates will be measured against objective criteria, with due regard for the benefits of diversity on the Board.

E. EFFECTIVENESS MONITORING

The Nomination Committee will discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

F. DISCLOSURE OF POLICY

A summary of this Policy together with the measurable objectives set for implementing this Policy, and the progress made towards achieving those objectives shall be disclosed in the corporate governance report of the Company.

G. ORIENTATION AND TRAINING

Education on the value needed to achieve board diversity shall be incorporated throughout the process, including: training for board members and orientation programs for new board members.

H. REVIEW OF THE POLICY

The Nomination Committee will review the Policy annually, which will include an assessment of the effectiveness of the Policy. The Nomination Committee will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

**Note: If there is any inconsistency between the English and Chinese versions of this document, the English version shall prevail.*

30 August 2013