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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 a substantial decrease in profit for the year ended 30 June 2014 as compared to that of the year ended 30 June 2013. Such decrease was mainly due to the decrease in sales as a result of decrease in demand and unit selling price 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 2014 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 on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) 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 a substantial decrease in profit for the year ended 30 June 2014 as compared to that of the year ended 30 June 2013.

Such expected substantial decrease in profit was mainly due to the decrease in sales as a result of decrease in demand and unit selling price 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 strong and healthy.

As the Company is still in the course of preparing and finalising its annual results for the year ended 30 June 2014, 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 2014 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 2014 would be announced in late September 2014.

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, 7 August 2014

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.