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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2015

HIGHLIGHTS

1. Turnover decreased by 29.6%;
2. Loss from operations increased by 294.9%;
3. Net loss attributable to equity shareholders of the Company increased by 237.1%;
4. Basic and diluted loss per share were RMB6.34 cents and RMB6.34 cents respectively.

ANNUAL RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

The board (the "Board") of directors (the "Directors") of China High Precision Automation Group Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (together referred to as the "Group") for the year ended 30 June 2015 (the "Year"), with the comparative figures for the preceding financial year ended 30 June 2014, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2015
(Expressed in Renminbi Yuan)

		Year ended 30 June	
		2015	2014
	Notes	***RMB'000***	*RMB'000*
Turnover	3	**284,270**	403,816
Cost of sales		**(277,599)**	(364,801)
Gross profit		**6,671**	39,015
Other income	5	**9,101**	8,581
Other (loss)/gain	5	**(164)**	152
Distribution costs		**(5,473)**	(5,291)
Administrative expenses		**(66,897)**	(59,448)
Fair value change in investment properties		**(3,094)**	371
Impairment of inventories		**(2,734)**	—
Share of loss of a joint venture		**—**	(81)
Gain on disposal of a joint venture		**—**	850
Loss from operations		**(62,590)**	(15,851)
Finance costs		**—**	—
Loss before taxation	6	**(62,590)**	(15,851)
Income tax	7(a)	**(3,160)**	(3,654)
Loss for the year attributable to equity shareholders of the Company		**(65,750)**	(19,505)
Loss per share *(RMB cents)*	9		
— basic		**(6.34)**	(1.88)
— diluted		**(6.34)**	(1.88)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015
(Expressed in Renminbi Yuan)

	Year ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Loss for the year attributable to equity shareholders of the Company	**(65,750)**	(19,505)
Other comprehensive (expenses)/income for the year		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of financial statements of operations outside the People's Republic of China (excluding Hong Kong)	**(321)**	(697)
Fair value adjustment upon transfer from property, plant and equipment to investment properties	—	2,986
Total comprehensive expenses for the year attributable to equity shareholders of the Company	**(66,071)**	(17,216)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015
(Expressed in Renminbi Yuan)

	Notes	**As at 30 June 2015** *RMB'000*	As at 30 June 2014 *RMB'000*
Non-current assets			
Property, plant and equipment		**572,626**	623,929
Investment properties		**56,154**	59,248
Construction in progress		**—**	—
Interests in leasehold land held for own use under operating leases		**9,183**	9,409
Deposits for the purchase of property, plant and equipment		**278**	1,289
Interest in a joint venture		**—**	—
Deferred tax assets		**2,649**	2,463
		640,890	696,338
Current assets			
Inventories		**50,589**	56,199
Trade and other receivables	10	**128,807**	209,454
Cash and cash equivalents		**1,449,346**	1,400,236
		1,628,742	1,665,889
Current liabilities			
Trade and other payables	11	**70,123**	99,831
Provision for warranties		**1,400**	1,562
		71,523	101,393
Net current assets		**1,557,219**	1,564,496
Total assets less current liabilities		**2,198,109**	2,260,834
Non-current liabilities			
Deferred tax liabilities		**21,378**	18,032
		21,378	18,032
NET ASSETS		**2,176,731**	2,242,802
CAPITAL AND RESERVES			
Share capital	12	**91,360**	91,360
Reserves		**2,085,371**	2,151,442
TOTAL EQUITY		**2,176,731**	2,242,802

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015
(Expressed in Renminbi Yuan)

	Attributable to equity shareholders of the Company								
	Share capital *RMB'000*	Share premium *RMB'000*	Surplus reserve *RMB'000*	Share-based payment reserve *RMB'000*	Other reserve *RMB'000*	Revaluation reserve *RMB'000*	Exchange reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*
Balance at 1 July 2013	91,360	941,077	176,378	88,260	2,982	—	(27,011)	986,972	2,260,018
Changes in equity for the year ended 30 June 2014:									
Loss for the year	—	—	—	—	—	—	—	(19,505)	(19,505)
Other comprehensive income/(expenses)	—	—	—	—	—	2,986	(697)	—	2,289
Total comprehensive income/(expenses)	—	—	—	—	—	2,986	(697)	(19,505)	(17,216)
Appropriation to surplus reserve	—	—	5,412	—	—	—	—	(5,412)	—
Balance at 30 June 2014	91,360	941,077	181,790	88,260	2,982	2,986	(27,708)	962,055	2,242,802

	Attributable to equity shareholders of the Company								
	Share capital ***RMB'000***	**Share premium** ***RMB'000***	**Surplus reserve** ***RMB'000***	**Share-based payment reserve** ***RMB'000***	**Other reserve** ***RMB'000***	**Revaluation reserve** ***RMB'000***	**Exchange reserve** ***RMB'000***	**Retained profits** ***RMB'000***	**Total** ***RMB'000***
Balance at 1 July 2014	**91,360**	**941,077**	**181,790**	**88,260**	**2,982**	**2,986**	**(27,708)**	**962,055**	**2,242,802**
Changes in equity for the year ended 30 June 2015:									
Loss for the year	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(65,750)**	**(65,750)**
Other comprehensive expenses	**—**	**—**	**—**	**—**	**—**	**—**	**(321)**	**—**	**(321)**
Total comprehensive expenses	**—**	**—**	**—**	**—**	**—**	**—**	**(321)**	**(65,750)**	**(66,071)**
Balance at 30 June 2015	**91,360**	**941,077**	**181,790**	**88,260**	**2,982**	**2,986**	**(28,029)**	**896,305**	**2,176,731**

NOTES:

1 BASIS OF PREPARATION

The consolidated results set out in this announcement does not constitute the Group's financial statements for the year ended 30 June 2015 but is extracted from those financial statements.

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange").

The measurement basis used in the preparation of the financial statements is the historical cost basis except for investment properties that are measured at fair values at the end of each reporting period.

2 APPLICATION OF NEW AND REVISED HKFRSs

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010–2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011–2013 Cycle
HK(IFRIC) — Int 21	Levies

Other than as further explained below, the adoption of these new and revised HKFRSs has had no significant financial effect on these financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

The Group applied the amendments to HKFRS 10, HKFRS 12 and HKAS 27 "Investment Entities" for the first time in the current year. The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity, the application of these amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 19 Defined Benefit Plans: Employee Contributions

The amendments to HKAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of services provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The directors of the Company do not anticipate that the application of these amendments to HKAS 19 will have a significant impact on the Group's consolidated financial statements as the Group does not have any defined benefit plans.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The Group applied the amendments to HKAS 32 "Offsetting Financial Assets and Financial Liabilities" for the first time in the current year. The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of these amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group applied the amendments to HKAS 36 "Recoverable Amount Disclosures for Non-Financial Assets" for the first time in the current year. The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash generating unit ("CGU") to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosures required by HKFRS 13 "Fair Value Measurements".

The application of these amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The Group applied the amendments to HKAS 39 "Novation of Derivatives and Continuation of Hedge Accounting" for the first time in the current year. The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

HK (IFRIC) — Int 21 Levies

The Group applied the amendments to HK (IFRIC) — Int 21 for the first time in the current year. HK (IFRIC) — Int 21 addresses the issue of when to recognise a liability to pay a levy imposed by a government. The interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

The HK (IFRIC) — Int 21 has been applied retrospectively. The application of this interpretation has had no material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

3 TURNOVER

The principal activities of the Group are the manufacture and sales of high precision industrial automation instrument and technology products as well as horological instruments.

Turnover represents the sales value of goods sold less returns, discounts, value added taxes and other sales taxes. The amount of each significant category of revenue recognised during the year is as follows:

	2015	2014
	RMB'000	*RMB'000*
Sales of automation instrument and technology products	**220,748**	332,738
Sales of horological instruments	**63,522**	71,078
	284,270	403,816

4 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

Automation instrument and technology products: the manufacture and trading of intelligent display instruments, flow accumulate instruments, pressure transmitters and logging control instruments

Horological instruments: the manufacture and trading of multi-functional all-plastic quartz watch movements

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management, being the chief operating decision maker, monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of deferred tax assets and other corporate assets. Segment liabilities include trade and other payables, provision for warranties and current tax payable attributable to the individual segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment (loss)/profit is "adjusted (loss)/profit from operations". To arrive at reportable segment (loss)/profit, the Group's (loss)/profit from operations is adjusted for items not specifically attributed to individual segments, such as head office or corporate administrative expenses. In addition to receiving segment information concerning adjusted (loss)/profit from operations, management is provided with segment information concerning revenue, additions to non-current segment assets, depreciation and amortisation and allowance for doubtful debt.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 30 June 2015 and 2014 is set out below.

	Automation instrument and technology products		**Horological instruments**		**Total**	
	2015	2014	**2015**	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Reportable segment revenue	**220,748**	332,738	**63,522**	71,078	**284,270**	403,816
Reportable segment (loss)/profit (adjusted (loss)/profit from operations)	**(8,228)**	28,251	**(18,237)**	(12,998)	**(26,465)**	15,253

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2014: Nil).

	Automation instrument and technology products		**Horological instruments**		**Total**	
	At 30 June 2015	At 30 June 2014	**At 30 June 2015**	At 30 June 2014	**At 30 June 2015**	At 30 June 2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Reportable segment assets	**561,791**	703,015	**193,779**	190,045	**755,570**	893,060
Reportable segment liabilities	**11,929**	42,489	**10,428**	13,259	**22,357**	55,748

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	2015	2014
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**284,270**	403,816
Turnover	**284,270**	403,816

	2015	2014
	RMB'000	*RMB'000*
Profit or loss		
Reportable segment (loss)/profit	**(26,465)**	15,253
Unallocated head office and corporate expenses	**(36,125)**	(31,104)
Loss before taxation	**(62,590)**	(15,851)

	2015	2014
	RMB'000	*RMB'000*
Assets		
Reportable segment assets	**755,570**	893,060
Unallocated head office and corporate assets	**1,514,062**	1,469,167
Total assets	**2,269,632**	2,362,227

	2015	2014
	RMB'000	*RMB'000*
Liabilities		
Reportable segment liabilities	**22,357**	55,748
Unallocated head office and corporate liabilities	**70,544**	63,677
Total liabilities	**92,901**	119,425

(c) Other segment information

	Automation instrument and technology products		Horological instruments	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Depreciation and amortisation	**32,411**	40,017	**18,192**	8,784
Additions to non-current segment assets during the year	**2,191**	59,645	**324**	12,802
Allowance for doubtful debt	**—**	—	**342**	341

(d) Geographical segments

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, investment properties, interests in leasehold land held for own use under operating leases and deposits for the purchase of property, plant and equipment ("specified non-current assets"). The geographical location of customers is based on the location at which the goods were delivered. The geographical location of the specified non-current assets is based on the physical location of the asset.

	Revenue from external customers		Specified non-current assets	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Hong Kong	**10,536**	9,854	**268**	502
PRC (excluding Hong Kong)	**273,734**	393,962	**637,973**	693,373
	284,270	403,816	**638,241**	693,875

(e) **Information about major customers**

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2015	2014
	RMB'000	*RMB'000*
Customer A	**52,620**	61,575

5 OTHER INCOME AND OTHER (LOSS)/GAIN

	2015	2014
	RMB'000	*RMB'000*
Other income		
Bank interest income	**4,980**	4,948
Government grants *(Note)*	**864**	1,152
Rental income	**2,899**	1,553
Reversal of provision for warranties	**162**	697
Sundry income	**196**	231
	9,101	8,581
Other (loss)/gain		
Loss on disposal of property, plant and equipment	**(359)**	—
Net foreign exchange income	**195**	152
	(164)	152

Note:

Government grants represent incentives and subsidies granted to the PRC subsidiary by the local authorities. The government grants were unconditional.

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

	2015	2014
	RMB'000	*RMB'000*
(a) Staff costs		
Contributions to defined contribution retirement plans	**1,997**	2,020
Salaries, wages and other benefits	**41,730**	45,643
	43,727	47,663

Pursuant to the relevant labour rules and regulations in the PRC, the PRC subsidiary participates in a defined contribution retirement benefit scheme (the "Defined Contribution Scheme") organised by the PRC municipal government authority in the Fujian province whereby the Group is required to make a contribution at the rate of 18% of the eligible employees' salaries to the Defined Contribution Scheme. The Group has accrued for the required pension fund contributions, which are remitted to the social security office in the Fujian province when the contributions become due. The social security office in the Fujian province is responsible for making the benefit payments to the retired employees covered under the Defined Contribution Scheme.

The Group maintains a mandatory provident fund scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The Group's and employee's contributions to the MPF Scheme are based on 5% of the employees' relevant income (up to a cap of monthly relevant income of HK$30,000) and in accordance with the requirements of the Mandatory Provident Fund Schemes Ordinance and related regulations.

The Group has no other material obligation for the payment of pension benefits associated with the two schemes beyond the annual contributions described above.

	2015	2014
	RMB'000	*RMB'000*
(b) Other items		
Depreciation	**52,720**	51,253
Amortisation	**226**	226
Research and development costs	**24,945**	19,168
Reversal of provision for warranties	**(162)**	(697)
Auditors' remuneration	**1,700**	1,700
Operating lease charges in respect of properties	**2,126**	1,737
Cost of inventories sold*	**277,599**	364,801

* Cost of inventories sold includes RMB78,027,000 (2014: RMB79,673,000) relating to staff costs, depreciation and amortisation expenses, amounts of which are also included in the respective total amounts disclosed separately above or in note 6(a) for each of these types of expenses.

7 INCOME TAX

(a) Income tax in the consolidated statement of profit or loss represents:

	2015	2014
	RMB'000	*RMB'000*
Current tax — PRC Income Tax		
Current year	**—**	3,502
Deferred tax		
Current year	**3,160**	152
	3,160	3,654

(i) Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

(ii) No provision has been made for Hong Kong Profits Tax as the Group does not have assessable profits subject to Hong Kong Profits Tax during the year.

No provision for taxation in the PRC has been made as the Group sustained a tax loss for the current year.

(iii) Pursuant to the income tax rules and regulations of the PRC, a recognised Advanced and New Technology Enterprise ("ANTE") that meets the conditions according to the *Notice on Issuance of the Administrative Measures governing the Recognition of Advanced and New Technology Enterprises* issued on 14 April 2008 is entitled to a reduced income tax rate of 15%. Fujian Wide Plus Precision Instruments Co., Ltd. ("Fujian Wide Plus") was recognised as an ANTE as approved by the relevant authorities.

From 1 January 2008, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business in the PRC but whose relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding tax at the rate of 10% (unless reduced by treaty) on various types of passive income such as dividends derived from sources within the PRC. As Fujian Wide Plus is directly and wholly held by a Hong Kong incorporated subsidiary, a rate of 5% is applicable to the calculation of this withholding tax under the double tax arrangement between Hong Kong and the PRC. Deferred tax liabilities have been recognised for undistributed retained profits of Fujian Wide Plus earned since 1 January 2008 till 30 June 2009 to the extent that the profits are likely to be distributed in the foreseeable future.

(b) Reconciliation between income tax expense and loss before taxation at applicable tax rates:

	2015	2014
	RMB'000	*RMB'000*
Loss before taxation	**(62,590)**	(15,851)
Notional tax on loss before taxation, calculated at the rates applicable in the tax jurisdiction concerned	**(15,463)**	(2,966)
Tax concessions	**—**	(2,334)
Tax effect of non-taxable revenue	**(1,895)**	(144)
Tax effect of non-deductible expenses	**5,733**	8,632
Tax effect of temporary differences	**3,160**	152
Tax effect of estimated tax losses not recognised	**11,625**	314
Actual income tax expense	**3,160**	3,654

8 DIVIDENDS

Dividends payable to equity shareholders of the Company attributable to the year:

	2015	2014
	RMB'000	*RMB'000*
No dividend proposed after the end of the reporting period (2014: Nil)	**—**	—

9 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of RMB65,750,000 (2014: RMB19,505,000) and the number of 1,037,500,000 ordinary shares (2014: 1,037,500,000 ordinary shares) in issue during the year.

(b) Diluted loss per share

The calculation of diluted loss per share is based on the loss attributable to equity shareholders of the Company of RMB65,750,000 (2014: RMB19,505,000) and the weighted average number of ordinary shares in issue adjusted for the potential dilutive effect caused by the share options assuming they were exercised during the year. For the years ended 30 June 2015 and 30 June 2014, the share options had no dilutive effect as the average market price of ordinary shares during the years did not exceed the exercise price of the options.

	2015	2014
	'000	*'000*
Weighted average number of ordinary shares (basic)	**1,037,500**	1,037,500
Effect of deemed issue of shares under the Company's share option scheme	**—**	—
Weighted average number of ordinary shares (diluted)	**1,037,500**	1,037,500

10 TRADE AND OTHER RECEIVABLES

	The Group	
	2015	2014
	RMB'000	*RMB'000*
Trade receivables	**127,287**	208,300
Less: Allowance for doubtful debts *(note 10(b))*	**(342)**	(341)
	126,945	207,959
Other prepayments, deposits and receivables	**1,862**	1,495
	128,807	209,454

The following is an analysis of trade receivables by age, presented based on the invoice date, which approximates the respective revenue recognition dates.

	2015 *RMB'000*	2014 *RMB'000*
0–60 days	**42,587**	76,804
61–120 days	**44,857**	74,164
121–180 days	**39,501**	56,991
	126,945	207,959

All of the trade and other receivables are expected to be recovered or recognised as an expense within one year. The Group generally grants credit periods of 120 days to 180 days from the date of billing to its customers.

(a) Ageing analysis

An ageing analysis of trade receivables (net of allowance for doubtful debts) at the end of the reporting periods is as follows:

	The Group	
	2015 ***RMB'000***	2014 *RMB'000*
Neither past due nor impaired (current)	**126,945**	207,959
Less than 1 month past due	**—**	—
1 to 3 months past due	**—**	—
Amount past due	**—**	—
	126,945	207,959

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

(b) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

	2015 ***RMB'000***	2014 *RMB'000*
At 1 July 2014/2013	**341**	352
Exchange difference	**1**	(11)
At 30 June 2015/2014	**342**	341

The individually impaired receivables related to customers and other third parties that were in financial difficulties and management assessed that only a portion of the receivables are expected to be recovered. Consequently, specific allowances for doubtful debts of RMB342,000 (2014: RMB341,000) were recognised. The Group does not hold any collateral over these balances.

	2015	2014
	RMB'000	*RMB'000*
Age of impaired trade receivables overdue by		
0–60 days	**—**	—
61–120 days	**—**	—
Over 120 days	**342**	341
Total	**342**	341

11 TRADE AND OTHER PAYABLES

	The Group		**The Company**	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Trade payables	**20,958**	54,186	**—**	—
Other payables and accruals	**49,165**	45,645	**1,700**	1,700
	70,123	99,831	**1,700**	1,700

Included in trade and other payables are trade payables with the following ageing analysis at the end of the reporting periods. The credit periods granted by various suppliers are generally 120 days.

	The Group	
	2015	2014
	RMB'000	*RMB'000*
Due within 1 month or on demand	**12,299**	470
Due after 1 month but within 3 months	**8,292**	24,720
Due after 3 months but within 6 months	**87**	28,996
Over 6 months	**280**	—
	20,958	54,186

All of the trade and other payables are expected to be settled within one year.

12 SHARE CAPITAL

Authorised and issued share capital

There was no movements of the authorised share capital of the Company during the years ended 30 June 2014 and 2015:

	Par value	**Number of shares**	**Nominal value of ordinary shares**	
	HK$	*'000*	*HK$'000*	*RMB'000*
Authorised:				
At 1 July 2013, 30 June 2014 and 30 June 2015	0.1	10,000,000	1,000,000	880,500

There was no movement in the Company's issued share capital during the years ended 30 June 2014 and 2015:

	Par value	Number of shares	Nominal value of ordinary shares	
	HK$	*'000*	*HK$'000*	*RMB'000*
Issued and fully paid:				
At 1 July 2013, 30 June 2014 and 30 June 2015	0.1	1,037,500	103,750	91,360

Note:

As at 30 June 2015 and 30 June 2014, the holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

13 EQUITY-SETTLED SHARE-BASED PAYMENTS

Pursuant to the shareholder's written resolution passed on 28 October 2009, the Company has adopted a share option scheme (the "Scheme") whereby the directors of the Company are authorised, at their discretion, to invite any directors and employees of the Group, to take up options to subscribe for the shares of the Company. The Scheme will remain in force for a period of 10 years from the effective date of such scheme and will expire on 13 November 2019.

Under the Scheme, the directors may at their discretion to grant options to (i) any employee of any member of the Group or any entity in which any member of the Group holds any equity interest (the "Invested Entity"); (ii) any executive and non-executive directors of any member of the Group or any Invested Entity; (iii) any supplier and customer of any member of the Group or any Invested Entity; (iv) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (v) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued or proposed to be issued by any member of the Group or any Invested Entity; or (vi) any adviser or consultant of any member of the Group or any Invested Entity to subscribe for the shares of the Company.

The maximum number of shares in respect to which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company on the date of adopting the Scheme. The limit may be refreshed at any time provided that the new limit must not be in aggregate exceed 10% of the issued share capital of the Company as at the date of the shareholders' approval in general meeting. However, the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other scheme of the Company must not in aggregate exceed 30% of the shares in issue from time to time.

As at 30 June 2015, the number of shares available for issue under the Scheme was 103,750,000, representing 10% of the issued shares of the Company.

The maximum number of shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing Rules. A nominal consideration of HK$1 is payable on acceptance of the grant of an option.

Options may be exercised at any time from the date of grant of the option to the 10th anniversary of the date of grant as may be determined by the directors. The exercise price is determined by the directors, and will not be less than the highest of (i) the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options; (ii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options; or (iii) the nominal value of a share.

Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares. No share options were granted to the Company's directors and employees during the years ended 30 June 2015 and 30 June 2014.

(a) The terms and conditions of the grants are as follows:

Date of grant		Number of options granted	Vesting conditions	Contractual life of options
Options granted to directors:				
18 March 2011	Lot 1	4,920,000	0.5 month after the date of grant	5 years
18 March 2011	Lot 2	4,920,000	12.5 months after the date of grant	5 years
18 March 2011	Lot 3	6,560,000	24.5 months after the date of grant	5 years
Options granted to employees:				
18 March 2011	Lot 1	6,780,000	0.5 month after the date of grant	5 years
18 March 2011	Lot 2	6,780,000	12.5 months after the date of grant	5 years
18 March 2011	Lot 3	9,040,000	24.5 months after the date of grant	5 years
		39,000,000		

(b) The share options outstanding at the end of the reporting period have a weighted average remaining contractual life of 0.71 year (2014: 1.71 years).

(c) The number and weighted average exercise price of share options are as follows:

	Weighted average exercise price	Number of options *'000*
Outstanding at 1 July 2013, 30 June 2014 and 30 June 2015	HK$5.6	39,000

(d) **Fair value of share options and assumptions**

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a Black-Scholes-Merton Option Pricing Model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the Black-Scholes-Merton Option Pricing Model.

Fair value of share options and assumptions

	Lot 1	Lot 2	Lot 3
Fair value at measurement date *(HK$)*	1.73789	1.88545	2.01633
Share price *(HK$)*	5.5	5.5	5.5
Exercise price *(HK$)*	5.6	5.6	5.6
Expected volatility	53.67%	53.67%	53.67%
Expected option life	2.5 years	3 years	3.5 years
Expected dividends	0.95%	0.95%	0.95%
Risk-free rate	0.77%	0.95%	1.14%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the grants of the share options.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET AND BUSINESS REVIEW

During the year ended 30 June 2015, while China continued to be subject to the notable pressure of economic downturn with declining market demands, national policies rendered strong support to the economy against short-term volatility. A range of macro-economic regulatory and reform measures adopted by the government have helped to sustain stability in the China economy, and full-year economic growth within the targeted range has been achieved. According to the National Bureau of Statistics of China, the growth in gross domestic product (GDP) for the first half of 2015 was 7%. The sectors of electricity, steel, petrochemical and construction materials were caught in a precarious situation highlighted by overcapacity and the reduction of new projects or conversion project, while the real economy continued to show a declining trend.

While economic weakness of China persists, the ongoing structural adjustment and overcapacity in secondary industries remain serious, these have directly resulted in the continuous decline in contributions of secondary industries to China's GDP. As most of our downstream customers are engaged in manufacturing, their new investments have been significantly affected. In particular, the slowdown in investments in the petrochemical sector has created considerable difficulties for the Company's marketing and sales and resulted in decreasing overall sales, a trend which is expected to continue in the short term.

In view of intricate market conditions, the Group will leverage on the cutting edge of its research and development team to continue with the research and development of two new items, namely, high precision silicon pressure transducers and high-end valves, and their accessories, with a view to ongoing upgrades and improvements in product technologies. On this basis, the Company will also seek to enlarge the scope of applications of its products and develop new product lines, further expand the scale of its operations and sustain its sound customer service regime, in a bid to develop a positive cycle with services driving product upgrades and vice versa, which will in turn enhance customers' demand for and dependence on our products and services.

SEGMENT INFORMATION

The Group has the following two business segments:

Automation instrument and technology products

During the Year, sales of high precision industrial automation instrument and technology products amounted to approximately RMB220,748,000 (2014: approximately RMB332,738,000), representing approximately 77.7% (2014: approximately 82.4%) of the Group's total turnover. The Group continued to focus on production and expansion of high precision industrial automation instrument and technology products, and to manage its inventory levels and its distribution network. Reportable segment loss of this business segment was approximately RMB8,228,000 for the Year while there was a reportable segment profit of approximately RMB28,251,000 in 2014.

Horological instruments

Sales of horological instruments were approximately RMB63,522,000 (2014: approximately RMB71,078,000), which accounts for approximately 22.3% (2014: approximately 17.6%) of the Group's total turnover during the Year. This segment recorded reportable segment loss of approximately RMB18,237,000, as compared to a reportable segment loss of approximately RMB12,998,000 in 2014.

MANUFACTURING FACILITIES

The Group has large-scale production facilities and is expanding its production capacity to enhance its competitive strength.

As the utilization rate of the existing manufacturing facility (1st phase development) of the Group located at Lot No. 15, Kuaian Road, Mawei Science and Technology Park, Fuzhou (福州馬尾科技園區快安大道15號地) has reached its maximum since 2008, the Group is in the process of expanding and upgrading its production capacity in two phases (i.e. 2nd and 3rd phase developments). Both developments are located at Long Men Village, Kuaian Technology Park, Fuzhou Economic and Technological Development Zone (福州經濟技術開發區快安科技園龍門村) in the People's Republic of China (the "PRC"), covering a total site area of approximately 47,665 square meters.

The 2nd phase development is solely for the expansion of the Group's production capacity of its existing products. The factory on site commenced production in 2010 and reached its full-scale production capacity in June 2011; accordingly, the Group's production capacity of its existing products has been doubled as scheduled.

The 3rd phase development is solely for actuators, one of the Group's new products. The construction was completed in 2012, and is expected to reach its full-scale production capacity in 2017. In light of the instability of the global market, the Directors will proceed with the future developments cautiously.

PROSPECTS

As a foundational, strategic industry of the nation, the automation control systems and devices manufacturing sector is not only charged with the important mission of supporting the sustainable development of the national economy, industrial upgrades and national economic security, but is also an important means for procuring industrial modernization and informatization, energy conservation, environmental protection, industrial upgrades and evolution in the model of economic development. Under the new normal economy, there are opportunities as well as challenges for developments in the industry. On the one hand, the slowdown in macro-economic growth and structural adjustments in industrial sectors, postponement or cutting of new projects will put the market under pressure. On the other hand, technological upgrades driven by such structural adjustments, smart manufacturing guided by the integration of industrialisation and informatization, energy conservation and discharge reduction catalysed by environmental protection, as well as the emphatic development of high-end equipment manufacturing industry, have increased the ratio of domestic production of such equipment and driven the transformation from production-oriented to service-oriented manufacturing, and given rise to immense market potential and strong driving force for the development of industrial automation and its related sectors.

In recent years, national policies and measures in connection with rejuvenating the equipment manufacturing industry and with energy conservation and discharge reduction have been promulgated. These include the "Action Plan for Accelerating the Development of the Industries for Transducers and Intelligent Instruments" (加快推進感測器及智慧化儀器儀錶產業發展行動計劃) promulgated by Ministry of Industry and Information Technology of the PRC, Ministry of Science and Technology of the PRC, Ministry of Finance of the PRC and Standardization Administration of the PRC (the "Action Plan"). According to the Action Plan, China intends to achieve transformation of the industrial landscape and substantial improvements in its innovation ability in about 15 years' time, upon which the demands from key industries and the national defense sector should basically be met by domestic production, the manufacturing of transducers and intelligent instruments involving the security of national defense and key industries or otherwise required by key engineering projects should be manufactured and controlled on a domestic and autonomous basis, and high-end products and services should account for market shares of over 50% by 2025. These policies have set out higher requirements for innovative research and development of relevant equipment and the domestic manufacturing ratio for these products.

The Company operates in a technology-intensive industry covering a wide range of technologies, such as those relating to high precision mechanics, electronics, computers, software, communications and semi-conductor processing, and has greater competitive strengths relative to its peers in the industry, and a team of high-calibre professional staff in technology development with extensive experience in product development and manufacturing. Given the aforesaid, the Company is also unwaveringly committed to being guided by the market demand and technological advancement of the industry, placing emphasis on the research and development of new products and technologies. The Company will seek continuous progress in terms of products, management and services and strive to gain the first-mover advantage through efforts to enhance product technologies, improve product quality, strengthen marketing, expand downstream sectors and perfect its service regime. In view of the above, the Group's management remains optimistic about the prospects of the Company's development.

FINANCIAL REVIEW

Turnover

Turnover of the Group amounted to approximately RMB284,270,000 for the Year (2014: approximately RMB403,816,000), representing a decrease of about 29.6% as compared to that of last year. The decrease is mainly due to the adverse effect of the sluggish global economy which causes delay in commencement of large-scale projects in China (particularly those in the petroleum and petrochemical industries) and as a result of persistent decrease in demand of both industrial automation instrument and technology products and horological instruments.

Gross profit and loss from operations

During the Year, the Group's gross profit and loss from operations amounted to approximately RMB6,671,000 (2014: approximately RMB39,015,000) and approximately RMB62,590,000 (2014: approximately RMB15,851,000) respectively. The increase in loss from operations is in line with the decrease in turnover and is also attributed to a loss of approximately RMB3,094,000 in fair value change of investment properties.

The segment gross profit margin of automation instrument and technology products segment decreased from 14.3% for 2014 to 7.7% for the Year. It was mainly due to the persistent decrease in demand for the products in this segment.

The segment of horological instruments suffered a gross loss of approximately RMB10,268,000 for the Year (2014: approximately RMB8,693,000). It was because the sales for this segment has still not yet reached the break-even point so as to absorb all fixed costs even though the average unit selling price has increased from RMB1.24 for 2014 to RMB1.45 for the Year. The Group adjusts its selling prices from time to time, if necessary, to maintain its market share in the intensely price competitive market.

Accordingly, during the Year, the Group suffered a loss from operations.

Net loss

The loss attributable to equity shareholders of the Company for the Year was approximately RMB65,750,000, as compared to that of approximately RMB19,505,000 in 2014. It was mainly attributable to the factors as mentioned above.

Loss per share

The basic and diluted loss per share for the Year were RMB6.34 cents (2014: RMB1.88 cents) and RMB6.34 cents (2014: RMB1.88 cents) respectively.

Capital Structure, Liquidity and Financial Resources

During the Year, the Group's working capital requirement was principally financed by its internal resources.

As at 30 June 2015, the Group had cash and cash equivalents, net current assets and total assets less current liabilities of approximately RMB1,449,346,000 (30 June 2014: approximately RMB1,400,236,000), approximately RMB1,557,219,000 (30 June 2014: approximately RMB1,564,496,000) and approximately RMB2,198,109,000 (30 June 2014: approximately RMB2,260,834,000) respectively.

Borrowings

As at 30 June 2015, the Group had no bank borrowings (30 June 2014: Nil).

Equity

Total equity attributable to equity shareholders of the Company as at 30 June 2015 decreased by approximately RMB66,071,000 to approximately RMB2,176,731,000 (30 June 2014: approximately RMB2,242,802,000).

Gearing ratio

The gearing ratio (calculated as the ratio of total liabilities divided by total equity) of the Group as at 30 June 2015 was approximately 0.04 (30 June 2014: approximately 0.05).

USE OF PROCEEDS FROM THE PLACING AND THE PUBLIC OFFER

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange") with a total of 287,500,000 offer shares (including shares issued as a result of the exercise of the over-allotment option), and the net proceeds from the placing and the public offer of approximately HK$1,043,000,000 (the "Net Proceeds") will mainly be utilized as follows:

1. Approximately HK$711 million will be used for establishment of production facilities for new products of the Group;

2. Approximately HK$129 million will be used for research and development efforts;

3. Approximately HK$81 million will be used for network development and sales support services;

4. Approximately HK$18 million will be used for the Group's information system development; and

5. Approximately HK$104 million will be used for general working capital.

Up to 30 June 2015, the Group has utilized the Net Proceeds as follows:

1. Approximately HK$652 million were used for establishment of production facilities for new products of the Group;

2. Approximately HK$117 million were used for research and development efforts;

3. Approximately HK$42 million were used for network development and sales support services; and

4. Approximately HK$3 million were used for the Group's information system development.

The remaining balance of the Net Proceeds has been placed in the short-term deposits with financial institutions.

SHARE CAPITAL

Details of changes in the Company's share capital during the Year were set out in note 12 to the consolidated results of the Group as contained in this announcement.

SIGNIFICANT INVESTMENTS

The Group had no significant investment held during the Year.

ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no material acquisition or disposal of subsidiaries or associated companies by the Group during the Year.

EMPLOYEES AND SHARE OPTION SCHEME

As at 30 June 2015, the Group employed a total of 844 employees (30 June 2014: 1,110). It is the Group's policy to review its employees' pay levels and performance bonus system regularly to ensure the competitiveness of the Group's remuneration policy within the relevant industry. During the Year, the employment cost (excluding Directors' emoluments) amounted to approximately RMB43,727,000 (2014: approximately RMB47,663,000).

In order to provide incentives to the staff, Directors and consultants of the Group, share options would be granted to staff, Directors and consultants under the Company's share option scheme (the "Scheme") adopted on 28 October 2009. As at 30 June 2015, 39,000,000 share options were outstanding under the Scheme. No option has been granted, exercised, cancelled or lapsed during the Year. Details of share options are set out in note 13 to the consolidated results of the Group as contained in this announcement.

CHARGE ON ASSETS

As at 30 June 2015, the Group did not have any charges on its assets.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND EXPECTED SOURCES OF FUNDING

Apart from the expansion of manufacturing facilities as described in page 20 of this announcement, the Group had no future plans for material investments or capital assets as at 30 June 2015.

The Group will continue to monitor the industry closely and review its business expansion plans regularly, so as to take necessary measures in the Group's best interests.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group has foreign currency risk as certain financial assets and liabilities are denominated in foreign currencies primarily in United States dollars and Hong Kong dollars. The Group noted that there was a devaluation of the Renminbi Yuan against foreign currency after the end of the Year. However the devaluation does not have material effect on the Group's result of operations. The Group did not use any financial instruments to hedge its exposure to currency risk during the Year and will continue to closely monitor such risk exposures from time to time.

CAPITAL COMMITMENT

As at 30 June 2015, the Group had capital expenditure contracted for but not provided in the financial statements and capital expenditure authorized but not contracted for capital commitments in the financial statements amounted to approximately RMB753,000 (30 June 2014: approximately RMB1,413,000) and approximately RMB56,864,000 (30 June 2014: approximately RMB57,958,000) respectively.

CONTINGENT LIABILITIES

As at 30 June 2015, the Group did not have any material contingent liabilities.

DIVIDENDS

The Board does not recommend the payment of any final dividend for the year ended 30 June 2015 (2014: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

CORPORATE GOVERNANCE

The Company has complied with most of the code provisions stipulated in the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the Year, except for the deviation from the Code Provision A.2.1 of the Code as described below.

Code Provision A.2.1

Code Provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Wong Fun Chung is the Chairman and the Chief Executive Officer of the Company. Such deviation from Code Provision A.2.1 is deemed appropriate as it is considered to be more efficient to have one single person as the Chairman of the Company as well as to discharge the executive functions of a chief executive officer, and this provides the Group with strong and consistent leadership in the development and execution of long term business strategies. The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises highly experienced individuals. There are three independent non-executive Directors on the Board. All of them possess adequate independence and therefore the Board considers the Company has achieved balance and provided sufficient protection of its interests.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as the required standard for securities transactions by Directors.

Having made specific enquiries of all Directors, all Directors confirmed to the Company that they have complied with the Model Code during the Year.

REMUNERATION COMMITTEE

The remuneration committee of the Company, currently comprising three independent non-executive Directors, namely Dr. Hu Guo Qing, Ms. Ji Qin Zhi and Mr. Chan Yuk Hiu, Taylor, is primarily responsible for, inter alia, making recommendations to the Board on the remuneration packages of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration.

NOMINATION COMMITTEE

The Group established a nomination committee (the "Nomination Committee") since 2008 with written terms of reference which are in compliance with the Code. The primary duties of the Nomination Committee are, inter alia, to review the structure, size, composition and diversity of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, to make recommendations to the Board on appointment or re-appointment of Directors and succession planning for the Directors, and to review the board diversity policy of the Company as appropriate. The Nomination Committee comprises three independent non-executive Directors, namely, Dr. Hu Guo Qing, Ms. Ji Qin Zhi and Mr. Chan Yuk Hiu, Taylor. Mr. Chan Yuk Hiu, Taylor is the Chairman of the Nomination Committee.

AUDIT COMMITTEE

The Group established its audit committee (the "Audit Committee") since 2008 with written terms of reference in compliance with the Code. The primary duties of the Audit Committee are, inter alia, to assist the Board in providing an independent view of the effectiveness of the Group's financial reporting system, internal control and risk management system, to review and monitor the audit process, to review the Company's financial information, and to perform other duties and responsibilities as assigned by the Board. The Audit Committee currently comprises three independent non-executive Directors, namely, Dr. Hu Guo Qing, Ms. Ji Qin Zhi and Mr. Chan Yuk Hiu, Taylor (Chairman). The Audit Committee has reviewed the annual results of the Group for the year ended 30 June 2015.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The notice of the forthcoming annual general meeting of the Company ("AGM") will be published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.chpag.net.

The register of members of the Company will be closed for the purpose of ascertaining the right of shareholders of the Company to attend and vote at the AGM from Monday, 23 November 2015 to Friday, 27 November 2015, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending and voting at the AGM, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 20 November 2015.

PUBLICATION OF THE ANNUAL RESULTS AND THE ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the Company's website at www.chpag.net.

The consolidated annual financial results of the Group for the year ended 30 June 2015 have been reviewed by the Audit Committee and are extracted from the consolidated annual financial statements for the year ended 30 June 2015 to be included in the 2015 Annual Report of the Company.

The 2015 Annual Report of the Company will be dispatched to the shareholders of the Company and published on the Company's website at www.chpag.net and the Stock Exchange's website at www.hkexnews.hk in due course.

SUSPENSION OF TRADING

Trading in the shares of the Company has been suspended since 9:00 a.m. on 22 August 2012, and will remain suspended until further notice.

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

Hong Kong, 29 September 2015

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.