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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)

QUARTERLY UPDATE ON RECENT DEVELOPMENT OF SUSPENSION

This announcement is made by China High Precision Automation Group Limited (“Company”) pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcements of the Company dated 22 August 2012, 20 February 2013 and 15 September 2017 in relation to the suspension of trading of the Share (the “Announcements”). Unless otherwise stated, capitalized terms used in this announcement shall bear the same meanings as defined in the Announcements.

I. New Rules for delisting and its applications

Amendments to the delisting framework under the Listing Rules took effect on 1 August 2018 (the “Effective Date”). Pursuant to the amendments, as the Company’s shares have been suspended from trading for more than 12 months as at the Effective Date, under Rule 6.01A(2)(b)(ii) of the Listing Rules, the Stock Exchange may cancel the Company’s listing if trading in the Company’s shares has remained suspended for 12 continuous months from the Effective Date. In case the Company fails to resume trading in its shares by 31 July 2019, the Listing Department of the Stock Exchange will recommend that the Listing Committee proceed with the cancellation of the Company’s listing. This is subject to the Stock Exchange’s right to impose a shorter specific remedial period under Rule 6.10 of the Listing Rules where appropriate.

II. Business Operations

The Group has large-scale production facilities 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) and 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. As at the date hereof, both production facilities are under normal operation.

The sales of the Group have been decreasing till the first half of 2018, it is mainly due to the adverse effect of the sluggish global economy and macroeconomic condition and policies of the PRC which cause delay in commencement of large-scale projects in the PRC (particularly those in the petroleum and petrochemical industries) and persistent decrease in demand and unit selling price of its products in the past few years. Nevertheless, the Board still considers that the overall financial position of the Group is healthy and its business operations remain stable.

III. Update

Up to the date of this announcement, there is no material update in relation to the Suspension. The Company is taking necessary steps to address the issues arisen from time to time from the regulator with the aim of resuming trading in the shares of the Company. The Company will continue to comply with the relevant Listing Rules and will make further announcements when appropriate. It is also expected that the Company will publish an updated quarterly announcement by the end of January 2019.

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, 30 October 2018

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.