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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2025

HIGHLIGHTS

1. Turnover increased by 39.0%;
2. Loss from operations decreased by 152.9% and turned to a profit of approximately RMB17,592,000;
3. Net loss attributable to owners of the Company decreased by 153.3% and turned to a profit of approximately RMB17,445,000; and
4. Both basic and diluted earnings per share were RMB1.68 cents.

ANNUAL RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

The board (the “Board”) of directors (the “Directors”) of China High Precision Automation Group Limited (the “Company”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 30 June 2025 (the “Year”), together with the comparative figures for the preceding financial year ended 30 June 2024, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2025

(Expressed in Renminbi Yuan)

		2025	2024
	Notes	RMB'000	RMB'000
Revenue	3	193,546	139,203
Cost of sales and services rendered		<u>(128,077)</u>	<u>(104,177)</u>
Gross profit		65,469	35,026
Other income		10,136	3,617
Other gains/(losses), net		1,203	(238)
Distribution expenses		(3,514)	(3,365)
Administrative expenses		(59,052)	(57,815)
Fair value loss on investment properties		(880)	(7,223)
Reversal of write-down on inventories		7	251
Impairment loss on property, plant and equipment		—	(3,200)
Reversal of impairment loss/(impairment loss) on trade and other receivables recognised under expected credit loss (“ECL”) model, net		<u>4,223</u>	<u>(289)</u>
Profit/(loss) from operations		17,592	(33,236)
Finance costs	5	<u>(20)</u>	<u>(32)</u>
Profit/(loss) before taxation	6	17,572	(33,268)
Income tax (expense)/credit	7	<u>(127)</u>	<u>533</u>
Profit/(loss) for the year attributable to owners of the Company		<u><u>17,445</u></u>	<u><u>(32,735)</u></u>
		RMB cents	RMB cents
Earnings/(loss) per share	9		
— Basic		1.68	(3.16)
— Diluted		<u><u>1.68</u></u>	<u><u>(3.16)</u></u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 30 June 2025

(Expressed in Renminbi Yuan)

	2025 RMB'000	2024 RMB'000
Profit/(loss) for the year	<u>17,445</u>	<u>(32,735)</u>
Other comprehensive (expense)/income, net of tax		
<i>Items that will not be subsequently reclassified to profit or loss:</i>		
Exchange difference arising on translation	(16,908)	5,089
Fair value change on financial assets at fair value through other comprehensive income ("FVTOCI")	<u>253</u>	<u>2,742</u>
	<u>(16,655)</u>	<u>7,831</u>
<i>Item that may be subsequently reclassified to profit or loss:</i>		
Exchange difference arising on translation of foreign operations	<u>16,718</u>	<u>(5,000)</u>
Other comprehensive income for the year	<u>63</u>	<u>2,831</u>
Total comprehensive income/(expense) for the year attributable to owners of the Company	<u><u>17,508</u></u>	<u><u>(29,904)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*As at 30 June 2025**(Expressed in Renminbi Yuan)*

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		166,809	188,767
Right-of-use assets		6,481	7,213
Investment properties		26,682	27,562
Financial assets at FVTOCI		38,892	38,595
Deferred tax assets		11,572	11,833
		250,436	273,970
Current assets			
Inventories		16,530	17,566
Trade and other receivables	10	80,734	71,980
Bank balances and cash		1,456,416	1,417,002
		1,553,680	1,506,548
Current liabilities			
Trade and other payables	11	77,002	70,420
Lease liabilities		147	524
Provision for warranties		583	570
		77,732	71,514
Net current assets		1,475,948	1,435,034
Total assets less current liabilities		1,726,384	1,709,004

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current liabilities		
Lease liabilities	—	151
Deferred tax liabilities	<u>18,075</u>	<u>18,165</u>
	<u>18,075</u>	<u>18,316</u>
NET ASSETS	<u><u>1,708,309</u></u>	<u><u>1,690,688</u></u>
CAPITAL AND RESERVES		
Share capital	91,360	91,360
Reserves	<u>1,616,949</u>	<u>1,599,328</u>
TOTAL EQUITY	<u><u>1,708,309</u></u>	<u><u>1,690,688</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of the principal business of the Company is Room 703, 7/F, Jubilee Centre, 18 Fenwick Street, Wan Chai, Hong Kong.

The Company is an investment holding company. Its subsidiaries are principally engaged in the manufacturing and selling of and provision of consigned processing services on high precision industrial automation instrument and technology products, and manufacturing and selling of multi-functional all plastic quartz watch movements.

The functional currency of the Company and its subsidiaries in Hong Kong is Hong Kong dollars (“HK\$”), and the functional currency of the Company’s subsidiary in Fujian Province, the People’s Republic of China (the “PRC”) is Renminbi (“RMB”). The consolidated financial statements of the Group are presented in RMB, rounded to the nearest thousand as the major subsidiary of the Group is operating in the PRC and the management of the Company controls and monitors the performance and financial position of the Group by using RMB.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standard (“HKFRS”) Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

2 APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on 1 July 2024 for the preparation of the consolidated financial statements.

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current
Amendments to HKAS 1	Non-Current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement

The Group has not applied any new or amendments to HKFRS Accounting Standards that is not yet effective for the current accounting period. The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards that have been issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 “*Presentation and Disclosure in Financial Statements*”, which sets out requirements on presentation and disclosures in the consolidated financial statements, will replace HKAS 1 “*Presentation of Financial Statements*”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the consolidated statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the consolidated financial statements and improve aggregation and disaggregation of information to be disclosed in the consolidated financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 “*Statement of Cash Flows*” and HKAS 33 “*Earnings per Share*” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

3 REVENUE

Disaggregation of the Group's revenue from contracts with customers for the years ended 30 June 2025 and 2024 is as follows:

Types of goods and services	Segments	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Sales of automation instrument and technology products	Automation instrument and technology products	181,427	135,689
Consigned processing services on automation instrument and technology products	Automation instrument and technology products	12,119	3,392
Sales of horological instruments	Horological instruments	—	122
Goods and services		<u>193,546</u>	<u>139,203</u>

During the years ended 30 June 2025 and 2024, all the revenue from contracts with customers is recognised at a point in time and were mainly arisen in the PRC.

4 SEGMENT REPORTING

Segment results represent the profit/(loss) of each segment without allocation of bank interest income, reversal of provisions for PRC medical insurance and PRC housing provident fund, unallocated head office and corporate income, unallocated head office and corporate expenses, fair value loss on investment properties, unallocated impairment loss on property, plant and equipment, unallocated finance costs and income tax (expense)/credit. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

For the year ended 30 June 2025

	Automation instrument and technology products <i>RMB'000</i>	Horological instruments <i>RMB'000</i>	Total <i>RMB'000</i>
Reportable segment revenue	<u>193,546</u>	<u>—</u>	<u>193,546</u>
Reportable segment profit	<u>18,189</u>	<u>3,798</u>	<u>21,987</u>

For the year ended 30 June 2024

	Automation instrument and technology products <i>RMB'000</i>	Horological instruments <i>RMB'000</i>	Total <i>RMB'000</i>
Reportable segment revenue	<u>139,081</u>	<u>122</u>	<u>139,203</u>
Reportable segment loss	<u>(14,009)</u>	<u>(6,023)</u>	<u>(20,032)</u>
Reconciliations of reportable segment revenue, and profit or loss			
		2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue			
Reportable segment revenue		<u>193,546</u>	<u>139,203</u>
Revenue		<u>193,546</u>	<u>139,203</u>
		2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit or loss			
Reportable segment profit/(loss)		21,987	(20,032)
Bank interest income		1,789	2,873
Fair value loss on investment properties		(880)	(7,223)
Reversal of provision for PRC medical insurance		3,053	—
Reversal of provision for PRC housing provident fund		4,438	—
Unallocated impairment loss on property, plant and equipment		—	(219)
Unallocated finance costs		(20)	(32)
Unallocated head office and corporate income		868	764
Unallocated head office and corporate expenses		<u>(13,663)</u>	<u>(9,399)</u>
Profit/(loss) before taxation		17,572	(33,268)
Income tax (expense)/credit		<u>(127)</u>	<u>533</u>
Profit/(loss) for the year		<u>17,445</u>	<u>(32,735)</u>

Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the goods were delivered or the services were rendered.

	Revenues from external customers	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PRC, excluding Hong Kong	193,467	138,776
Others	<u>79</u>	<u>427</u>
	<u>193,546</u>	<u>139,203</u>

5 FINANCE COSTS

Interest expense on financial liabilities not at fair value through profit or loss:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on lease liabilities	<u>20</u>	<u>32</u>

6 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation has been arrived at after charging/(crediting):

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other items		
Depreciation of property, plant and equipment	23,560	22,701
Depreciation of right-of-use assets	727	744
Research and development costs recognised as expense	6,293	7,878
Auditor's remuneration		
— Audit services	2,010	2,002
— Non-audit services	28	28
Lease payments not included in the measurement of lease liabilities	11	116
Cost of sales and services rendered	128,077	104,177
Gross rental income from investment properties	(411)	(3)
Less:		
Direct operating expenses incurred for investment properties that generated rental income during the year	—	—
	(411)	(3)
Reversal of write-down on inventories	(7)	(251)
(Reversal of impairment loss)/impairment loss recognised under ECL model, net on:		
— trade receivables	(4,359)	289
— other receivables and deposits paid	136	—
	<u>(4,223)</u>	<u>289</u>

7 INCOME TAX EXPENSE/(CREDIT)

Income tax expense/(credit) in the consolidated statement of profit or loss represents:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax — the PRC	—	—
Provision for the year	127	(533)
Deferred tax	<u>127</u>	<u>(533)</u>
	<u>127</u>	<u>(533)</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision for taxation in Hong Kong has been made for both years as the Group does not have assessable profits in Hong Kong.

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

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 was recognised as an ANTE as approved by the relevant authorities. No provision for taxation in the PRC has been made for the year ended 30 June 2025 as the assessable profit of Fujian Wide Plus was absorbed by the tax losses while Fujian Wide Plus sustained a tax loss for the year ended 30 June 2024.

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.

8 DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company for the years ended 30 June 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

9 EARNINGS/(LOSS) PER SHARE

	2025 RMB'000	2024 RMB'000
Earnings/(loss):		
Earnings/(loss) for the year attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	<u>17,445</u>	<u>(32,735)</u>
	2025 '000	2024 '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	1,037,500	1,037,500
Effect of dilutive potential ordinary shares — Share options granted under the Company's share option scheme (<i>notes i & ii</i>)	<u>N/A</u>	<u>N/A</u>
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	<u>1,037,500</u>	<u>1,037,500</u>

Notes:

- i) For the year ended 30 June 2025, the computation of diluted earnings per share did not assume the exercise of share options because the share options were out-of-money and therefore have an anti-dilutive effect.
- ii) For the year ended 30 June 2024, there was no dilutive potential ordinary share outstanding.

10 TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables from contracts with customers, net of allowance for impairment losses of approximately RMB2,318,000 (2024: RMB6,677,000), of approximately RMB77,695,000 (2024: RMB69,486,000) and an aged analysis based on invoice date at the end of the reporting period, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0–60 days	31,130	28,619
61–120 days	24,755	23,689
121–180 days	21,810	17,178
	<hr/>	<hr/>
	77,695	69,486
	<hr/>	<hr/>

The Group generally grants credit periods ranging from 120 days to 180 days from the date of billing to its customers. No interest or collateral is charged on the trade receivables.

11 TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of approximately RMB19,452,000 (2024: RMB14,735,000) and an aged analysis based on the invoice date at the end of the reporting period is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0–30 days	9,299	7,785
31–90 days	9,273	6,241
91–180 days	220	110
Over 180 days	660	599
	<hr/>	<hr/>
	19,452	14,735
	<hr/>	<hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET AND BUSINESS REVIEW

As of 30 June 2025, the principal business of the Group continues to be the research and development, manufacture and sales of automation instruments. Under the impact of the macroeconomic trends, certain downstream markets of the Group were facing a certain adjustment cycle. The gradually keen market competition has brought pressure on the Group's market expansion. Notwithstanding that, the Group continued to focus on the production and expansion of high precision industrial automation instrument and technology products, and to manage its inventory levels and its distribution network. During the Year, the Company recorded a profit attributable to owners of the Company for the Year of approximately RMB17,445,000, as compared to a loss attributable to the owners of the Company of approximately RMB32,735,000 for the year ended 30 June 2024, which is primarily due to the increase in sales of automation instrument and technology products as well as the consigned processing services on automation instrument and technology products.

During the Year, despite facing the impact of complex and severe unfavorable factors, the Group actively leveraged its advantages of comprehensive product lines and leading product quality under various driving factors such as China's active promotion of new industrialization, development of new quality productive forces and the creation of autonomous and controllable industrial chains. The Group vigorously advances the domestic substitution of its core products in downstream fields through various ways including direct replacement with existing products and modified replacement, thus maintaining a continuous and stable positive development trend.

SEGMENT INFORMATION

The Group has the following two business segments:

Automation instrument and technology products

During the Year, revenue from the sales and consigned processing services on high precision industrial automation instrument and technology products amounted to approximately RMB193,546,000 (2024: approximately RMB139,081,000), representing 100.0% (2024: approximately 99.9%) of the Group's total revenue. 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. This segment recorded reportable segment profit of approximately RMB18,189,000, as compared to a loss of approximately RMB14,009,000 in 2024.

There was a segment profit for the Year that is mainly due to the increase in sales of automation instrument and technology products as well as the consigned processing services on automation instrument and technology products.

Horological instruments

No sales of horological instrument (2024: approximately RMB122,000, representing approximately 0.1% of the Group's total revenue) was recognised during the Year. This segment recorded reportable segment profit of approximately RMB3,798,000, as compared to a loss of approximately RMB6,023,000 in 2024.

There was a segment profit for the Year that is mainly due to a recognition of reversal of impairment allowance for trade receivables of approximately RMB3,795,000 (2024: Nil).

MANUFACTURING FACILITIES

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.

The Group had no material expansion plan during the Year. In light of the instability of the global market, the Directors will proceed with the future developments cautiously.

PROSPECTS

The industrial automation control system device manufacturing industry is positively correlated with the macroeconomy. The cyclical fluctuations of the macroeconomy and downstream industries with strong cyclical cycles will correspondingly affect our industry. The industrial automation control system device manufacturing industry has a diverse variety of products with broad application fields. During the Year, although there was insufficient effective demand in petroleum, chemical and coal industries etc., demand in other industries including those of non-ferrous metals, electrical power, nuclear and equipment manufacturing etc. remained robust. This is conducive to the acceleration of advancement towards high-end, intelligent and green development of the downstream industries supporting national energy security, as well as the steady progression on the transformation and upgrading of traditional industries. In the long run, industry demand for instrumentation will continue to grow with broad development prospects.

The Group is a leading enterprise in the domestic industrial automation control system device manufacturing industry. In the future, as China deepens the implementation of its industrial foundation reengineering projects and breakthrough engineering projects on major technological equipment, the demand for domesticized mid-to-high-end instrumentation in major projects and key areas of downstream industries will continue to rise. and the Group is well-positioned to benefit from capital expenditure of the downstream sectors, which is expected to drive a sustainable growth in this evolving industrial landscape.

FINANCIAL REVIEW

Revenue

Revenue of the Group amounted to approximately RMB193,546,000 for the Year (2024: approximately RMB139,203,000), representing an increase of about 39.0% as compared to that of last year. The increase is mainly due to the increase in sales of automation instrument and technology products and horological instruments as well as the consigned processing services on automation instrument and technology products. Although the Group's revenue is showing signs of recovery, sluggish economic growth continues to present diverse challenges for industrial automation instruments.

Gross profit and profit/(loss) from operations

During the Year, the Group's gross profit and profit from operations amounted to approximately RMB65,469,000 (2024: approximately RMB35,026,000) and approximately RMB17,592,000 (2024: a loss of approximately RMB33,236,000) respectively. The increase in gross profit is mainly due to the increase in sales of industrial automation instrument products as well as the consigned processing services on automation instrument and technology products. The profit from operations included a reversal of impairment loss recognised under ECL model for trade receivables of approximately RMB4,359,000 (2024: impairment loss of approximately RMB289,000).

The segment of automation instrument and technology products recorded a gross profit of approximately RMB65,469,000 for the Year, as compared to that of approximately RMB35,003,000 in 2024. The increase is mainly due to the increase in sales of industrial automation instrument products as well as the consigned processing services on automation instrument and technology products.

The segment of horological instruments recorded neither sales nor gross profit for the Year, as compared to that of gross profit of approximately RMB23,000 in 2024.

Accordingly, during the Year, the Group recorded a profit from operations.

Profit/(loss) attributable to owners of the Company

The profit attributable to owners of the Company (the "Shareholders") for the Year was approximately RMB17,445,000, as compared to a loss of approximately RMB32,735,000 in 2024. It was mainly attributable to the factors as mentioned above.

Earnings/(loss) per share

Both the basic and diluted earnings per share for the Year were RMB1.68 cents (2024: both basic and diluted loss per share were RMB3.16 cents).

Capital structure, liquidity and financial resources

The Group has adopted a prudent financial management approach towards its funding and treasury policies and obligations. The Group had maintained a healthy liquidity position throughout the Year. To manage liquidity risks, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements from time to time.

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

As at 30 June 2025, the Group had cash and cash equivalents, net current assets and total assets less current liabilities of approximately RMB1,456,416,000 (2024: approximately RMB1,417,002,000), approximately RMB1,475,948,000 (2024: approximately RMB1,435,034,000) and approximately RMB1,726,384,000 (2024: approximately RMB1,709,004,000), respectively.

For the last few years, the Group has continued to face challenges amidst the sluggish global economy which has brought greater pressure on the Group's market expansion and business development as a result of the delay in the commencement of large-scale projects in the PRC. Accordingly, the Directors have exercised extra caution and prudence in the Group's cash management. In response to these unforeseen and uncontrollable factors as mentioned above, the Group implemented a strategic approach in prioritizing cash preservation and operational stability. The Group has placed majority of its cash at banks to support the development of its principal operating subsidiary, Fujian Wide Plus Precision Instruments Co, Ltd., which is beneficial to the Group and shareholder as a whole, while monitoring the market conditions to decide on when and how to best utilize its capital.

Borrowings

As at 30 June 2025, the Group had no bank borrowings (2024: Nil).

Equity

Total equity attributable to owners of the Company as at 30 June 2025 increased by approximately RMB17,621,000 to approximately RMB1,708,309,000 (2024: approximately RMB1,690,688,000).

Gearing ratio

The gearing ratio (calculated as the ratio of total liabilities divided by total equity) of the Group as at 30 June 2025 was approximately 0.06 (2024: approximately 0.05).

USE OF PROCEEDS FROM THE LISTING

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 13 November 2009 (the "Listing"), and the net proceeds from the Listing amounted to approximately HK\$1,043,000,000. The following table sets forth the status of the updated intended utilisation of net proceeds in accordance with the announcement dated 17 February 2025 (the "Announcement"), utilised net proceeds up to 30 June 2024, utilised net proceeds from 1 July 2024 to 30 June 2025 and unutilised net proceeds as of 30 June 2025:

	Updated intended utilisation of net proceeds as disclosed in the Announcement <i>HK\$ million</i>	Utilised net proceeds up to 30 June 2024 <i>HK\$ million</i>	Net proceeds utilised for the year ended 30 June 2025 <i>HK\$ million</i>	Net proceeds unutilised as of 30 June 2025 <i>HK\$ million</i>	Expected timeline for utilising the unutilised net proceeds
Establishment of production facilities for new products	652	652	—	—	N/A
Research and development efforts	238	207	7	24	By end of 2030
Network development and sales support services	45	45	—	—	N/A
Information system development	4	4	—	—	N/A
General working capital	<u>104</u>	<u>104</u>	<u>—</u>	<u>—</u>	N/A
Total	<u><u>1,043</u></u>	<u><u>1,012</u></u>	<u><u>7</u></u>	<u><u>24</u></u>	

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

SIGNIFICANT INVESTMENTS

The Group had no significant investment held during the Year.

ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There was no material acquisition or disposal of subsidiaries, associated and joint ventures by the Group during the Year.

EMPLOYEES

As at 30 June 2025, the Group employed a total of 448 employees (2024: 436). 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 package within the relevant industry. During the Year, the staff cost (excluding Directors' emoluments) amounted to approximately RMB40,070,000 (2024: approximately RMB38,340,000). In recognition of the contributions of our Directors and employees and to incentivise them to further promote our development, our Company adopted a share option scheme (the "Scheme") on 13 February 2025. On 20 June 2025, a total of 33,474,000 share options were granted to certain eligible participants under the Scheme. No option has been vested, exercised, cancelled or lapsed during the Year.

The emolument policy of the Group and the basis of determining the directors' emolument are set out in the section headed "Remuneration Committee" on page 23.

CHARGE ON ASSETS

As at 30 June 2025, the Group did not have any charges on its assets (2024: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND EXPECTED SOURCES OF FUNDING

The Group had no future plans for material investments or capital assets as at 30 June 2025.

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 does not expect any appreciation or depreciation of the Renminbi against foreign currency which might materially affect 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 2025, the Group had no capital expenditure contracted for but not provided in the consolidated financial statements (2024: Nil).

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any material contingent liabilities (2024: Nil).

DIVIDENDS

The Board does not recommend the payment of any final dividend for the Year (2024: 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.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed herein, there are no important events affecting the Group which have occurred since the end of the Year and up to the date of this announcement.

CORPORATE GOVERNANCE

The Company has complied with most of the code provisions stipulated in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules during the Year, except for the deviation from the Code Provision C.2.1 and D1.2 of the CG Code as described below.

Code provision C.2.1

Code provision C.2.1 of the CG Code 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 C.2.1 of the CG Code 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 four 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.

Code provision D.1.2

According to Code provision D.1.2 of the CG Code, the management shall provide all members of the Board with monthly updates on the Company's performance, position and prospects. During the Year, instead of monthly updates, the management has provided to the Board half-yearly updates containing consolidated financial statements with summaries of key events and outlook of the Group for the pertaining period for review and discussion in the Board meetings concerned. In addition, the management will provide to the Board with updates in a timely manner if there are material events affecting the performance, position and prospects of the Company. Accordingly, it is considered that the purpose of providing regular updates on the Company's performance, position and prospects can be achieved.

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 C3 to the Listing Rules (the "Model Code") as the required standard for securities transactions by Directors.

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

REMUNERATION COMMITTEE

The Group established its remuneration committee (the “Remuneration Committee”) since 2008 with written terms of reference in compliance with the CG Code. The primary duties of the Remuneration Committee are, inter alia, to make 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. The remuneration of Directors is determined by the Board, upon recommendation of the Remuneration Committee with reference to the Directors’ qualifications, experience, duties, responsibilities and performance and results of the Group. The Remuneration Committee comprises all four independent non-executive Directors, namely, Dr. Hu Guo Qing, Ms. Ji Qin Zhi, Mr. Chan Yuk Hiu, Taylor and Dr. Huang Shizhen. Mr. Chan Yuk Hiu, Taylor is the chairman of the Remuneration Committee.

NOMINATION COMMITTEE

The Group established the Nomination Committee since 2008 with written terms of reference in compliance with the CG 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 four independent non-executive Directors, namely, Dr. Hu Guo Qing, Ms. Ji Qin Zhi, Mr. Chan Yuk Hiu, Taylor and Dr. Huang Shizhen. 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 CG 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 systems as well as the internal audit function, to review and monitor the audit process, to review the Group’s financial information, and to perform other duties and responsibilities as assigned by the Board. The Audit Committee currently comprises four independent non-executive Directors, namely, Dr. Hu Guo Qing, Ms. Ji Qin Zhi, Mr. Chan Yuk Hiu, Taylor and Dr. Huang Shizhen. Mr. Chan Yuk Hiu, Taylor is the chairman of the Audit Committee. The Audit Committee has reviewed the annual results of the Group for the year ended 30 June 2025.

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.cn.

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, 8 December 2025 to Thursday, 11 December 2025, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 5 December 2025. The record date for determining the entitlement to attend and vote at the AGM will be Thursday, 11 December 2025.

SCOPE OF WORK OF CROWE (HK) CPA LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 30 June 2025 as set out in the preliminary announcement have been agreed by the Group’s auditors, Crowe (HK) CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Crowe (HK) CPA Limited on the preliminary announcement.

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.cn.

The annual consolidated financial results of the Group for the Year have been reviewed by the Audit Committee and are extracted from the annual consolidated financial statements for the Year to be included in the 2025 annual report of the Company.

The 2025 annual report of the Company will be dispatched to the shareholders of the Company and published on the Company's website at www.chpag.cn and the Stock Exchange's website at www.hkexnews.hk in due course.

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

Hong Kong, 30 September 2025

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, Mr. Chan Yuk Hiu, Taylor and Dr. Huang Shizhen.