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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 (the “Stock Exchange”).

Reference is made to the announcements of the Company dated 22 August 2012, 20 February 2013, 15 September 2017, 1 August 2018 and 19 June 2019 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. 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 in recent years. The decrease 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. The recent COVID-19 pandemic has also worsened the global economy which further lowered the demand of the Group’s products. Nevertheless, the Board still considers that the overall financial position of the Group is healthy and its business operations remain stable.

II. Update

As disclosed in the announcement dated 19 June 2019, the Company received a letter from the Stock Exchange (the “Letter”) on 13 June 2019, in which the Stock Exchange stated, among other things, that subsequent to its consultation with the SFC, the Stock Exchange will, until further notice, withhold exercising its right to delist the Company under Rule 6.01A(2)(b)(ii) of the Listing Rules should trading in the Company’s securities remain suspended on 31 July 2019.

Under Rule 6.01A of the Listing Rules, the Stock Exchange can exercise its right at a later stage when the Stock Exchange considers appropriate. The Letter stated that if the Stock Exchange is not satisfied that the Company has taken and is taking all reasonable steps to procure a resumption of trading, the Stock Exchange is likely to proceed to delist the Company without further delay.

The Company had made a resumption application under section 9 of the Securities and Futures (Stock Market Listing) Rules in order to address the regulator with the aim of resuming trading in the shares of the Company. Up to the date of this announcement, save as disclosed, there is no material update in relation to the Suspension. The Company will continue to comply with the relevant Listing Rules, and will make further announcements as and when appropriate. It is expected that the Company will publish an updated quarterly announcement by the end of January 2021.

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 2020

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.