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CHINA HIGH PRECISION AUTOMATION GROUP LIMITED

中國高精密自動化集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 591)

PROFIT WARNING

This announcement is made pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a substantial decrease in profit for the six months ended 31 December 2013 as compared to that of the six months ended 31 December 2012. Such decrease was mainly due to the decrease in sales as a result of decrease in demand of industrial automation instrument and technology products.

Information contained in this announcement is only based on a preliminary assessment made by the Board on information currently available to it, including the unaudited consolidated management accounts of the Group for the six months ended 31 December 2013 which have not yet been reviewed or audited by the Company’s auditors.

Trading in the shares of the Company on the Stock Exchange remains suspended. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China High Precision Automation Group Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a substantial decrease in profit for the six months ended 31 December 2013 as compared to that of the six months ended 31 December 2012.

Such expected substantial decrease in profit was mainly due to the decrease in sales as a result of decrease in demand of industrial automation instrument and technology products.

Despite the above situation, the Board considers that the overall financial position and business operation of the Group remain strong and healthy.

As the Company is still in the course of preparing and finalising its interim results for the six months ended 31 December 2013, the information contained in this announcement is only based on a preliminary assessment made by the Board on the information currently available to it, including the unaudited consolidated management accounts of the Group for the six months ended 31 December 2013 which have not yet been reviewed or audited by the Company's auditors. It is scheduled that the unaudited interim results of the Group for the six months ended 31 December 2013 would be announced in late February 2014.

Trading in the shares of the Company on the Stock Exchange remains suspended. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 24 January 2014

As at the date of this announcement, the executive directors of the Company are Mr. Wong Fun Chung, Mr. Zou Chong, Mr. Su Fang Zhong and Mr. Cheung Chuen, and the independent non-executive directors of the Company are Ms. Ji Qin Zhi, Dr. Hu Guo Qing and Mr. Chan Yuk Hiu, Taylor.