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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)**

#### UPDATE ON PROFIT WARNING

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

The Board wishes to inform the shareholders of the Company and potential investors that during the course of the preparation of the annual results of the Group for the year ended 30 June 2014, it has come to the Company's attention that certain accounting adjustments, including principally adjustments to (i) depreciation charges on certain property, plant and equipments and (ii) recognition of research and development cost, may be necessary in order to comply with the relevant accounting standards. As such, the Board currently expects that the Group may record a loss for the year ended 30 June 2014 as compared to a profit for the year ended 30 June 2013.

**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).

Reference is made to the profit warning announcement of the Company dated 7 August 2014 (the “**Profit Warning Announcement**”). Capitalised terms used herein shall have the same meanings as defined in the Profit Warning Announcement, unless otherwise specified.

In the Profit Warning Announcement, the Company stated that the Group was expected to record a substantial decrease in profit for the year ended 30 June 2014 as compared to that of the year ended 30 June 2013. The Company's expectations contained in the Profit Warning Announcement were based on a preliminary assessment made by the Board on information then available to it, including the unaudited consolidated management accounts of the Group for the year ended 30 June 2014 which have not been reviewed or audited by the Company's auditors.

During the course of the preparation of the annual results of the Group for the year ended 30 June 2014, it has come to the Company's attention that certain accounting adjustments, including principally adjustments to (i) depreciation charges on certain property, plant and equipments and (ii) recognition of research and development cost, may be necessary in order to comply with the relevant accounting standards. As such, the Board currently expects that the Group may record a loss for the year ended 30 June 2014 as compared to a profit for the year ended 30 June 2013.

The information contained in this announcement is only based on the preliminary assessment by the Board on the latest information currently available to it and is not based on any figures or information which has been reviewed or audited by the Company's auditors. It should be noted that the Company has yet to finalize the annual results of the Group for the year ended 30 June 2014. Detailed financial information of the Group for the year ended 30 June 2014 will be disclosed in the annual results announcement, which is scheduled to be announced in late September 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, 10 September 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.*