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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: 0591)**

**ANNOUNCEMENT PURSUANT TO RULE 13.09(1) OF  
THE LISTING RULES**

This announcement is made on a voluntary basis by the board of directors (the “Board”) of China High Precision Automation Group Limited (the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

An earthquake recorded as 9.0 magnitude struck Japan on Friday, 11 March 2011 (“the Earthquake”). The Board noted the volatility in the trading price of the shares of the Company recently and wishes to state that, except the recent volatility in global stock markets after the Earthquake, the Board is not aware of any reasons for such movement.

Further, the Board wishes to state the following facts:

1. The Company focuses on distributing products in mainland China and the Board is of the view that the Earthquake has no direct impact on the Company’s end user market.
2. The Company procures supply of raw materials from various suppliers, as of the date of this announcement, the Board is aware that less than 1% of the Company’s raw materials are imported directly or indirectly from Japan, the Board is of the view that the Earthquake will not result in any material impact on the Company’s cost structure.
3. As of the date of this announcement, the Company’s phase II and phase III expansion developments are being implemented on schedule. For phase II expansion development, all machineries and equipments directly from Japan have been delivered and over 85% of phase II production capacity has been installed. The Board is of the view that the Earthquake will not result in any material impact on the phase II expansion development schedule. For phase III expansion development, the Company procures supply of machineries and equipments from China, United States of America, Europe and Japan. The Company has placed orders with all suppliers of machineries and equipments, including those situated in Japan, the Board is not aware of any delay of delivery of such machineries and equipments as a result of the Earthquake. As of the date of this announcement, the Board is of the view that the phase III expansion development will be carried out on schedule.

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, 21 March 2011

*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 and Mr. Chan Yuk Hiu, Taylor.*