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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)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of China High Precision Automation Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), hereby announces that on 20 June 2025 (the “**Date of Grant**”), 33,474,000 share options (the “**Share Option(s)**”) to subscribe for ordinary shares of HK\$0.10 each in the share capital of the Company (the “**Share(s)**”) were granted to eligible participants (the “**Grantees**”), subject to acceptance of the Grantees, pursuant to the Company’s share option scheme adopted on 13 February 2025 (the “**Share Option Scheme**”). The Share Options represent, upon full exercise, approximately 3.23% of the total number of issued Shares as at the date of this announcement.

The details of the Share Options granted are set out below:

Date of Grant:	20 June 2025
Number of Share Options granted:	33,474,000 Share Options (each Share Option shall entitle the Grantee to subscribe for one Share)

Exercise price of Share Options granted:	HK\$0.255 per Share, representing the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant, being HK\$0.255 per share; (ii) the average closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange for the five business days immediately preceding the Date of Grant, being HK\$0.2414 per Share; and (iii) the nominal value of the Shares.
Market price of the Shares on the Date of Grant:	HK\$0.255 per Share
Exercise period of the Share Options:	The Share Options shall be valid for 5 years from the Date of Grant unless pursuant to the terms of the Share Option Scheme and may be exercisable in whole or in part from the date of vesting.
Vesting period of the Share Options:	The Share Options granted shall be vested after the first anniversary of the Date of Grant. The Board and the remuneration committee of the Board (the “Remuneration Committee”) are of the view that a vesting period of 12 months is appropriate, considering that the grant of Share Options serve as recognition of the Grantees' past contribution to the Group and as incentives for the Grantees to continuously contribute to the operation, development and long-term growth of the Group which align with the purpose of the Share Option Scheme.
Performance targets:	The Share Options shall not be subject to any performance target. The purpose of the Share Option Scheme is to enable the Company to grant Share Options to eligible participants as incentives or rewards to recognize and acknowledge their contributions or potential contributions to the Group.

Having considered that (i) the Share Options to be granted will give the Grantees an opportunity to have a personal stake in the Company, which will help motivate the Grantees in improving their performance and efficiency; (ii) the number of Share Options to be granted is based on, among other things, the work performance, past contribution to the Group and potential of the Grantees; and (iii) the value of the Share Options is subject to the market price of the Shares, which in turn depends on the business performance of the Group, to which the Grantees would directly contribute, and the Grantees will benefit more from the Share Options if the price of the Shares increases, the Remuneration Committee considered that notwithstanding the absence of the performance targets, the grant of the Share Options aligns with the purpose of the Share Option Scheme.

Clawback mechanism:

The Share Options granted to a Grantee shall automatically lapse and be cancelled forthwith and/or subject to clawback if any of the following events shall occur during an exercise period of the Share Options: (i) the Grantee is involved in serious misconduct; (ii) a material misstatement in the Company's financial statements; or (iii) the Grantee ceases to be an employee or director by reason of termination of his/her employment or directorship on the grounds that he/she has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangements or composition with his/her creditors generally, or has been convicted of any criminal offence involving his/her integrity or honesty, or any other grounds on which the relevant member of the Group would be entitled to terminate the Grantee's employment or directorship pursuant to any applicable laws.

Financial assistance:

There is no arrangement for the Group to provide any financial assistance to any of the Grantees to facilitate the purchase of Shares under the Share Option Scheme.

Among the total of 33,474,000 Share Options granted, (i) 18,174,000 Share Options were granted to the following Directors (one of whom is also the substantial shareholder of the Company) and an associate (as defined under the Listing Rules) of a Director and substantial shareholder; and (ii) 15,300,000 Share Options were granted to 23 employees of the Group, the details of which are set out as follows:

Category and name of Grantees	Position held with the Group	Number of Share Options granted
<i>Substantial Shareholder</i>		
Mr. Wong Fun Chung	Executive Director, chairman of the Board and chief executive officer	1,037,000
<i>Directors</i>		
Mr. Zou Chong	Executive Director	6,000,000
Mr. Su Fang Zhong	Executive Director	6,000,000
Mr. Cheung Chuen	Executive Director and company secretary	3,000,000
Ms. Ji Qin Zhi	Independent non-executive Director	300,000
Dr. Hu Guo Qing	Independent non-executive Director	300,000
Mr. Chan Yuk Hiu, Taylor	Independent non-executive Director	300,000
Dr. Huang Shizhen	Independent non-executive Director	200,000
<i>Associate of a Director and substantial shareholder</i>		
Mr. Wong Shek	Manager of Wide Plus High Precision Automation Limited (a wholly-owned subsidiary of the Company)	1,037,000
<i>Other employees</i>		<u>15,300,000</u>
Total:		<u><u>33,474,000</u></u>

All of the Grantees are employee participants under Rule 17.03A(1)(a) of the Listing Rules. The grant of Share Options to the above Directors, chief executive, substantial shareholder of the Company and their respective associates has been approved by the independent non-executive Directors (excluding the independent non-executive Directors on their respective grant of Share Options to themselves) pursuant to Rule 17.04(1) of the Listing Rules.

The grant of Share Options would not result in the shares issued and to be issued in respect of all options granted to any substantial shareholder of the Company or independent non-executive Director in the 12-month period up to and including the date of such grant representing in aggregate an amount exceeding the 0.1% limit for the purpose of Rule 17.04(3) of the Listing Rules.

Save as disclosed above, none of the Grantees is (i) a Director, chief executive or substantial shareholder of the Company or an associate (as defined under the Listing Rules) of any of them; (ii) a participant whose Share Options granted and to be granted exceed the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or a service provider (as defined under the Listing Rules) of the Company, as at the date of this announcement. None of the grant of the Share Options will be subject to approval by the shareholders of the Company.

The number of Shares available for grant in the future under the Share Option Scheme upon the grant of the Share Options is 70,276,000.

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

Hong Kong, 20 June 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.