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CHINA HIGH PRECISION AUTOMATION GROUP LTD: TRADING IN THE SHARES OF THIS COMPANY HAS BEEN SUSPENDED FOR THE PAST DECADE !

Is There One Rule For Most; Other Rules For Others ?

Trading in the shares of China High Precision Automation Group Ltd (中國高精密自動化集團有限公司) (Code: 591, Main Board, The Stock Exchange of Hongkong Ltd) has been suspended since August 22, 2012, and, by all appearances, today, Management is not in any great hurry *‘in order to address the regulator with the aim of resuming trading in the shares of the Company.’*

Parts of the above statement has been copied from an announcement, penned by Mr Wong Fun Chung (黃訓松), the Chairman of the Board of Directors of China High Precision Automation Group Ltd, dated Friday, April 29, 2022.

In that Announcement, published and disseminated in the **Hongkong Special Administrative Region (HKSAR)** of the **People’s Republic of China (PRC)**, headlined **‘QUARTERLY UPDATE ON RECENT DEVELOPMENT OF SUSPENSION’**, Chairman Wong Fun Chung broke down the six paragraphs of the announcement into two separate parts as follows:

‘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 ongoing COVID-19 pandemic has also worsened the global economy which further lowered the demand of the Group's products. Nevertheless, as the number of COVID-19 cases was comparatively low in Fujian for the past few months despite the recent wave of COVID-19 cases in the PRC, 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 (of Hongkong Ltd) (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 July 2022.

'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.'

On or about August 22, 2012, Chairman Wong Fun Chung informed the shareholders of the Company of the following intelligence in exactly three paragraphs:

'SUSPENSION OF TRADING

'At the request of China High Precision Automation Group Limited (the "Company"), trading in the shares of the Company on The Stock Exchange of Hong Kong Limited has been suspended with effect from 9: 00 a.m. on Wednesday, 22 August 2012 pending the release of an announcement in respect of certain price sensitive information.

*‘The board of directors (the “**Board**”) of (the) Company also noted that the Securities and Futures Commission (the “**SFC**”) has directed The Stock Exchange of Hong Kong Limited (the “**Exchange**”) to suspend dealings in the shares of the Company from 9:00 a.m. on 22 August 2012. Reference may be made to the Exchange Notice issued by the Exchange on 22 August 2012 9:23 a.m.*

‘The Company is in the process of seeking professional advice and shall make a price-sensitive information announcement on or before the resumption of dealings in the shares of the Company.’

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