

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2026

HIGHLIGHTS

1. Revenue decreased by 17.5%;
2. Profit from operations decreased by 172.4% and turned to a loss of approximately RMB12,729,000;
3. Net profit attributable to owners of the Company decreased by 183.4% and turned to a loss of approximately RMB14,542,000; and
4. Both basic and diluted loss per share were RMB1.40 cents.

ANNUAL RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

The board (the “Board”) of directors (the “Directors”) of China High Precision Automation Group Limited (the “Company”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 30 June 2026 (the “Year”), together with the comparative figures for the preceding financial year ended 30 June 2025, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2026

(Expressed in Renminbi Yuan)

	Notes	2026 RMB'000	2025 RMB'000
Revenue	3	159,669	193,546
Cost of sales and services rendered		<u>(125,490)</u>	<u>(128,077)</u>
Gross profit		34,179	65,469
Other income		11,256	10,136
Other gains, net		1,415	1,203
Distribution expenses		(2,763)	(3,514)
Administrative expenses		(52,534)	(59,052)
Fair value loss on investment properties		(1,310)	(880)
Reversal of write-down on inventories		76	7
Impairment loss on property, plant and equipment		(1,990)	—
(Impairment loss)/reversal of impairment loss on trade and other receivables recognised under expected credit loss (“ECL”) model, net		<u>(1,058)</u>	<u>4,223</u>
(Loss)/profit from operations		(12,729)	17,592
Finance cost	5	<u>(39)</u>	<u>(20)</u>
(Loss)/profit before taxation	6	(12,768)	17,572
Income tax expense	7	<u>(1,774)</u>	<u>(127)</u>
(Loss)/profit for the year attributable to owners of the Company		<u><u>(14,542)</u></u>	<u><u>17,445</u></u>
		RMB cents	RMB cents
(Loss)/earnings per share	9		
— Basic		(1.40)	1.68
— Diluted		<u>(1.40)</u>	<u>1.68</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 30 June 2026

(Expressed in Renminbi Yuan)

	2026 RMB'000	2025 <i>RMB'000</i>
(Loss)/profit for the year	<u>(14,542)</u>	<u>17,445</u>
Other comprehensive (expense)/income, net of tax		
<i>Items that will not be subsequently reclassified to profit or loss:</i>		
Exchange difference arising on translation	(46,033)	(16,908)
Fair value change on financial assets at fair value through other comprehensive income ("FVTOCI")	<u>10,434</u>	<u>253</u>
	<u>(35,599)</u>	<u>(16,655)</u>
<i>Item that may be subsequently reclassified to profit or loss:</i>		
Exchange difference arising on translation of foreign operations	<u>46,241</u>	<u>16,718</u>
Other comprehensive income for the year	<u>10,642</u>	<u>63</u>
Total comprehensive (expense)/income for the year attributable to owners of the Company	<u><u>(3,900)</u></u>	<u><u>17,508</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*As at year ended 30 June 2026**(Expressed in Renminbi Yuan)*

	<i>Notes</i>	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		146,631	166,809
Right-of-use assets		6,372	6,481
Investment properties		25,372	26,682
Financial assets at FVTOCI		51,167	38,892
Deferred tax assets		10,270	11,572
		239,812	250,436
Current assets			
Inventories		17,722	16,530
Trade and other receivables	10	70,512	80,734
Bank balances and cash		1,486,174	1,456,416
		1,574,408	1,553,680
Current liabilities			
Trade and other payables	11	83,624	77,002
Lease liability		442	147
Provision for warranties		552	583
		84,618	77,732
Net current assets		1,489,790	1,475,948
Total assets less current liabilities		1,729,602	1,726,384

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Non-current liabilities		
Lease liability	129	—
Deferred tax liabilities	<u>20,388</u>	<u>18,075</u>
	<u>20,517</u>	<u>18,075</u>
NET ASSETS	<u><u>1,709,085</u></u>	<u><u>1,708,309</u></u>
CAPITAL AND RESERVES		
Share capital	91,360	91,360
Reserves	<u>1,617,725</u>	<u>1,616,949</u>
TOTAL EQUITY	<u><u>1,709,085</u></u>	<u><u>1,708,309</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares were listed on the Main Board of the Stock Exchange. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of the principal business of the Company is Room 703, 7/F, Jubilee Centre, 18 Fenwick Street, Wan Chai, Hong Kong.

The Company is an investment holding company. Its subsidiaries are principally engaged in (i) the manufacturing and selling of and provision of consigned processing services on automation instrument and technology products; and (ii) the manufacturing and selling of multi-functional all plastic quartz watch movements which were ceased during the year ended 30 June 2026.

The functional currency of the Company and its subsidiaries in Hong Kong is Hong Kong dollars (“HK\$”), and the functional currency of the Company’s subsidiary in Fujian Province, the People’s Republic of China (the “PRC” or “China”) is Renminbi (“RMB”). The consolidated financial statements of the Group are presented in RMB, rounded to the nearest thousand (RMB’000) as the major subsidiary of the Group is operating in the PRC and the management of the Company controls and monitors the performance and financial position of the Group by using RMB.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standard (“HKFRS”) Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

2 APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied amendments to HKAS 21 “*Lack of Exchangeability*” issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on 1 July 2025 for the preparation of the consolidated financial statements.

The Group has not applied any new or amendments to HKFRS Accounting Standards that is not yet effective for the current accounting period. The application of the amendments to HKAS 21 in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards that have been issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ²
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKAS 28	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures ³
HKFRS 18 and consequential amendments to other HKFRS Accounting Standards	Presentation and Disclosure in Financial Statements ³
HKFRS 19 and subsequent amendments	Subsidiaries without Public Accountability: Disclosures ³
HKFRS 20	Regulatory Assets and Regulatory Liabilities ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective for annual periods beginning on or after 1 January 2029.

Except for the new HKFRS Accounting Standard mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 “*Presentation and Disclosure in Financial Statements*” (“HKFRS 18”), which sets out requirements on presentation and disclosures in the financial statements, will replace HKAS 1 “*Presentation of Financial Statements*” (“HKAS 1”). This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (“MPMs”) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “*Accounting Policies, Changes in Accounting Estimates and Errors*” (the title of which will be changed to “*Basis of Preparation of Financial Statements*” upon effective of HKFRS 18) and HKFRS 7 “*Financial Instruments: Disclosures*”. Minor amendments to HKAS 7 “*Statement of Cash Flows*” and HKAS 33 “*Earnings per Share*” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income. Additional disclosures required for the Group's MPMs will be disclosed in a separate note to the consolidated financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the financial statements of the Group.

3 REVENUE

Disaggregation of the Group's revenue from contracts with customers for the years ended 30 June 2026 and 2025 is as follows:

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Types of goods and services		
Sales of automation instrument and technology products	142,336	181,427
Consigned processing services on automation instrument and technology products	17,326	12,119
Sales of horological instruments	<u>7</u>	<u>—</u>
Total revenue	<u>159,669</u>	<u>193,546</u>

During the years ended 30 June 2026 and 2025, all the revenue from contracts with customers is recognised at a point in time and were mainly arisen in the PRC.

4 SEGMENT REPORTING

During the year ended 30 June 2026, the Group ceased the manufacturing and selling of multi-functional all-plastic quartz watch movements.

In a manner consistent with the way in which information is reported internally to the Group's chief operating decision-makers (the "CODM"), being the executive Directors, for the purposes of resource allocation, monitoring and performance assessment, the reporting operating segments of "Automation instrument and technology products" and "Horological instruments" were combined as a single reporting operating segment, namely "High precision instrument and technology products". Accordingly, the segment information for the year ended 30 June 2025 has been restated to conform with the current year's presentation.

Segment results represent the profit/(loss) of each segment without allocation of bank interest income, fair value loss on investment properties, reversal of provisions for PRC medical insurance and PRC housing provident fund, unallocated impairment loss on property, plant and equipment, unallocated impairment loss on other receivables under ECL model, unallocated finance cost, unallocated head office and corporate income, unallocated head office and corporate expenses and income tax expense. This is the measure reported to the CODM for the purpose of resource allocation, monitoring and performance assessment.

Segment results

	High precision instrument and technology products	
	2026	2025
	RMB'000	RMB'000
		(Restated)
Reportable segment revenue	<u>159,669</u>	<u>193,546</u>
Reportable segment results	<u>(9,057)</u>	<u>21,987</u>

Segment revenue reported above represents revenue generated from external customers.

Reconciliations of reportable segment revenue, results and profit or loss

	2026	2025
	RMB'000	RMB'000
Revenue		
Reportable segment revenue	<u>159,669</u>	<u>193,546</u>
Revenue	<u>159,669</u>	<u>193,546</u>
	2026	2025
	RMB'000	RMB'000
Results		
Reportable segment results	(9,057)	21,987
Bank interest income	735	1,789
Fair value loss on investment properties	(1,310)	(880)
Reversal of provision for PRC medical insurance	3,953	3,053
Reversal of provision for PRC housing provident fund	4,510	4,438
Unallocated impairment loss on property, plant and equipment	(145)	—
Unallocated impairment loss on other receivables under ECL model	(6)	—
Unallocated finance cost	(39)	(20)
Unallocated head office and corporate income	2,027	868
Unallocated head office and corporate expenses	<u>(13,436)</u>	<u>(13,663)</u>
(Loss)/profit before taxation	(12,768)	17,572
Income tax expense	<u>(1,774)</u>	<u>(127)</u>
(Loss)/profit for the year	<u>(14,542)</u>	<u>17,445</u>

Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the goods were delivered or the services were rendered.

	Revenues from external customers	
	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
The PRC, excluding Hong Kong	159,402	193,467
Others	267	79
	<u>159,669</u>	<u>193,546</u>

5 FINANCE COST

Interest expense on financial liabilities not at fair value through profit or loss:

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Interest on lease liability	<u>39</u>	<u>20</u>

6 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation has been arrived at after charging/(crediting):

	2026 RMB'000	2025 RMB'000
Depreciation of property, plant and equipment	18,980	23,560
Depreciation of right-of-use assets	987	727
Research and development costs recognised as expense	6,457	6,293
Auditor's remuneration		
— Audit services	1,943	2,010
— Non-audit services	27	28
Lease payments not included in the measurement of lease liabilities	21	11
Cost of sales and services rendered	125,490	128,077
Gross rental income from investment properties	(976)	(411)
Less:		
Direct operating expenses incurred for investment properties that generated rental income during the year	—	—
	(976)	(411)
Reversal of write-down on inventories	(76)	(7)
Impairment loss/(reversal of impairment loss) recognised under ECL model, net on:		
— trade receivables	1,054	(4,359)
— other receivables and deposits paid	4	136
	<u>1,058</u>	<u>(4,223)</u>

7 INCOME TAX EXPENSE

Income tax expense in the consolidated statement of profit or loss represents:

	2026 RMB'000	2025 RMB'000
Current tax — the PRC		
Provision for the year	—	—
Deferred tax	1,774	127
	<u>1,774</u>	<u>127</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision for taxation in Hong Kong has been made for both years as the Group does not have assessable profits in Hong Kong.

Pursuant to rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

Pursuant to the income tax rules and regulations of the PRC, a recognised Advanced and New Technology Enterprise (“ANTE”) that meets the conditions according to the Notice on Issuance of the Administrative Measures governing the Recognition of Advanced and New Technology Enterprises issued on 14 April 2008 is entitled to a reduced income tax rate of 15%. Fujian Wide Plus Precision Instrument Co., Ltd. (“Fujian Wide Plus”), an indirect wholly-owned subsidiary of the Company, was recognised as an ANTE as approved by the relevant authorities. No provision for taxation in the PRC had been made for the year ended 30 June 2026 as Fujian Wide Plus sustained a tax loss, while the assessable profit of Fujian Wide Plus for the year ended 30 June 2025 was absorbed by the accumulated tax losses.

From 1 January 2008, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business in the PRC but whose relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding tax at the rate of 10% (unless reduced by treaty) on various types of passive income such as dividends derived from sources within the PRC. As Fujian Wide Plus is directly and wholly held by a Hong Kong incorporated subsidiary, a rate of 5% is applicable to the calculation of this withholding tax under the double tax arrangement between Hong Kong and the PRC. Deferred tax liabilities have been recognised for undistributed retained profits of Fujian Wide Plus earned since 1 January 2008 till 30 June 2009 to the extent that the profits are likely to be distributed in the foreseeable future.

8 DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company for the years ended 30 June 2026 and 2025, nor has any dividend been proposed since the end of the reporting period.

9 (LOSS)/EARNINGS PER SHARE

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
(Loss)/earnings:		
(Loss)/earnings for the year attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share	<u>(14,542)</u>	<u>17,445</u>

	2026 '000	2025 '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	1,037,500	1,037,500
Effect of dilutive potential ordinary shares		
— Share options granted under the Company's share option scheme (<i>notes i, ii</i>)	<u>N/A</u>	<u>N/A</u>
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	<u>1,037,500</u>	<u>1,037,500</u>

Notes:

- i) For the year ended 30 June 2026, the computation of diluted loss per share did not assume the exercise of share options, as it would result in an anti-dilutive effect on the basic loss per share.
- ii) For the year ended 30 June 2025, the computation of diluted earning per share did not assume the exercise of share options because the share options were out-of-money and therefore had an anti-dilutive effect.

10 TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables from contracts with customers, net of allowance for impairment losses of approximately RMB3,372,000 (2025: RMB2,318,000), of approximately RMB67,313,000 (2025: RMB77,695,000) and an aged analysis based on invoice date at the end of the reporting period, is as follows:

	2026 RMB'000	2025 RMB'000
0–60 days	25,840	31,130
61–120 days	23,292	24,755
121–180 days	<u>18,181</u>	<u>21,810</u>
	<u>67,313</u>	<u>77,695</u>

The Group generally grants credit periods ranging from 120 days to 180 days from the date of billing to its customers. No interest or collateral is charged on the trade receivables.

11 TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of approximately RMB26,080,000 (2025: RMB19,452,000) and an aged analysis based on the invoice date at the end of the reporting period is as follows:

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
0–30 days	13,943	9,299
31–90 days	11,397	9,273
91–180 days	241	220
Over 180 days	499	660
	26,080	19,452

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET AND BUSINESS REVIEW

As of 30 June 2026, the principal business of the Group continues to be the research and development, manufacture and sales of automation instruments. Under the impact of the macroeconomic landscape, the insufficient effective demand from downstream customers in the PRC and the continuously intensifying industry market competition have brought considerable pressure on the Group's market expansion.

During the Year, despite facing the impact of complex unfavourable factors, the Group actively responded to changes in the external environment, consolidated and deepened its footprint in its primary market, and proactively expanded into new quality areas. Leveraging its manufacturing advantages of "small-batch, multi-type, customized production", the Group rapidly responded to the custom needs of customers in various industries including chemical, petroleum and natural gas, metallurgy, electric power and new energy. The Group vigorously advanced the domestic substitution by its core products in downstream fields, thus maintaining a sustained and stable positive development trend.

SEGMENT INFORMATION

During the Year, the Group ceased the manufacture and sales of multi-functional all-plastic quartz watch movements. Therefore, in a manner consistent with the way in which information is reported internally to the Group's chief operating decision-maker for the purposes of resource allocation, monitoring and performance assessment, the reporting operating segments of "Automation instrument and technology products" and "Horological instruments" were combined as a single reporting operating segment as "High precision instrument and technology products".

High precision instrument and technology products

During the Year, revenue from the sales and consigned processing services on high precision instrument and technology products amounted to approximately RMB159,669,000 (2025: approximately RMB193,546,000), representing 100.0% (2025: approximately 100.0%) of the Group's total revenue. The Group continued to focus on production and expansion of high precision instrument and technology products, and to manage its inventory levels and its distribution network. This segment recorded reportable segment loss of approximately RMB9,057,000 during the Year, as compared to a reportable segment profit of approximately RMB21,987,000 during the year ended 30 June 2025 (the "Last Year").

MANUFACTURING FACILITIES

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 PRC, covering a total site area of approximately 47,665 square meters.

The Group had no material expansion plan during the Year. In light of the instability of the global market, the Directors will proceed with the future developments cautiously.

PROSPECTS

The industrial automation control system device manufacturing industry is positively correlated with the macroeconomy. At the current stage, the overall industry is under period-specific pressure due to the prevailing structural contradictions in the domestic industries. However, such field serves as a key technological pillar for advancing national technological progress, safeguarding national security, and promoting industrial upgrading. It has increasingly received policy support and encouragement from the State, with its development and market boundaries continuing to expand. During the Year, the PRC successively introduced multiple policies to support the transformation and upgrading of the domestic manufacturing industry and to encourage the development and innovation of the instrument industry, notably enhancing the instrument industry's strategic position.

The Group is a leading enterprise in the domestic industrial automation control system device manufacturing industry. The Group has long adhered to its innovation-driven development strategy, with the technical performance of its leading products at the frontier in China, and some reaching internationally advanced levels. In the future, as China deepens the implementation of its industrial foundation reengineering projects and breakthrough engineering projects on major technological equipment, the demand for domesticised mid-to-high-end instrumentation in major projects and key areas of downstream industries will continue to rise, and the Group is expected to benefit from the capital expenditure of its downstream sectors.

FINANCIAL REVIEW

Revenue

Revenue of the Group amounted to approximately RMB159,669,000 for the Year (2025: approximately RMB193,546,000), representing a decrease of about 17.5% as compared to that of the Last Year. The decrease is mainly due to the decrease in sales of high precision automation instrument and technology products to the petroleum and petrochemical industries in light of project delay, partially offset by the slight increase in revenue from the consigned processing services on automation instrument and technology product. Amidst global economic uncertainty, the Group is adversely affected by sluggish economic growth which continues to present diverse challenges for high precision automation instrument and technology products.

Gross profit

During the Year, the Group's gross profit amounted to approximately RMB34,179,000 (2025: approximately RMB65,469,000). The decrease in gross profit is mainly due to the decrease in sales of high precision automation instrument and technology products.

(Loss)/profit from operations

The Group recognised an impairment loss on property, plant and equipment of approximately RMB1,990,000 (2025: Nil) during the Year, determined with reference to the recoverable amount of the relevant cash-generating unit ("CGU") containing these property, plant and equipment. The recoverable amount was based on the value in use of the relevant CGU, which was assessed by an independent qualified professional valuer. The recognition of such impairment loss was due to the unexpected decrease in market demand of high precision instrument and technology products to the petroleum and petrochemical industries.

Such decrease in market trend led to a reduction in purchase orders and exerted downward pressure on average selling prices of the Group's products which negatively impact the expected gross profit and the projected future cash flow arising from the relevant CGU, resulting in its recoverable amount falling below its carrying amount.

Accordingly, the Group recorded a loss from operations of approximately RMB12,729,000 (2025: a profit of approximately RMB17,592,000) during the Year.

(Loss)/profit attributable to owners of the Company

The loss attributable to owners of the Company (the "Shareholders") for the Year was approximately RMB14,542,000, as compared to a profit of approximately RMB17,445,000 for the Last Year. It was mainly attributable to the factors mentioned above.

(Loss)/earning per share

Both the basic and diluted loss per share for the Year were RMB1.40 cents (2025: both basic and diluted earnings per share were RMB1.68 cents).

Capital structure, liquidity and financial resources

The Group has adopted a prudent financial management approach towards its funding and treasury policies and obligations. The Group had maintained a healthy liquidity position throughout the Year. To manage liquidity risks, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements from time to time.

During the Year, the Group's working capital requirement was principally financed by its internal resources.

As at 30 June 2026, the Group had cash and cash equivalents, net current assets and total assets less current liabilities of approximately RMB1,486,174,000 (2025: approximately RMB1,456,416,000), approximately RMB1,489,790,000 (2025: approximately RMB1,475,948,000) and approximately RMB1,729,602,000 (2025: approximately RMB1,726,384,000), respectively.

For the last few years, the Group has continued to face challenges amidst the sluggish global economy which has brought greater pressure on the Group's market expansion and business development as a result of the delay in the commencement of large-scale projects in the PRC. Accordingly, the Directors have exercised extra caution and prudence in the Group's cash management. In response to these unforeseen and uncontrollable factors as mentioned above, the Group implemented a strategic approach in prioritizing cash preservation and operational stability. The Group has placed majority of its cash at banks to support the development of its principal operating subsidiary, Fujian Wide Plus, which the Board considers to be beneficial to the Group and shareholders as a whole, while monitoring the market conditions to decide on when and how to best utilize its capital.

Borrowings

As at 30 June 2026, the Group had no bank borrowings (2025: Nil).

Equity

Total equity attributable to owners of the Company as at 30 June 2026 increased by approximately RMB776,000 to approximately RMB1,709,085,000 (2025: approximately RMB1,708,309,000).

Gearing ratio

The gearing ratio (calculated as the ratio of total liabilities divided by total equity) of the Group as at 30 June 2026 was approximately 0.06 (2025: approximately 0.06).

USE OF PROCEEDS FROM THE PLACING AND THE PUBLIC OFFER

The Company's shares were listed on the Main Board of the Stock Exchange on 13 November 2009 (the "Listing"), and the net proceeds from the Listing amounted to approximately HK\$1,043,000,000. The following table sets forth the status of the updated intended utilisation of net proceeds in accordance with the announcement of the Company dated 17 February 2025 (the "Announcement"), utilised net proceeds up to 30 June 2025, utilised net proceeds from 1 July 2025 to 30 June 2026 and unutilised net proceeds as of 30 June 2026:

	Updated intended utilisation of net proceeds as disclosed in the Announcement <i>HK\$ million</i>	Net proceeds utilised up to 30 June 2025 <i>HK\$ million</i>	Net proceeds utilised for the year ended 30 June 2026 <i>HK\$ million</i>	Net proceeds unutilised as of 30 June 2026 <i>HK\$ million</i>	Expected timeline for utilising the unutilised net proceeds
Establishment of production facilities for new products	652	(652)	—	—	N/A
Research and development efforts	238	(214)	(7)	17	By end of 2030
Network development and sales support services	45	(45)	—	—	N/A
Information system development	4	(4)	—	—	N/A
General working capital	104	(104)	—	—	N/A
Total	<u>1,043</u>	<u>(1,019)</u>	<u>(7)</u>	<u>17</u>	

The unutilised net proceeds has been placed in the short-term deposits with financial institutions.

SIGNIFICANT INVESTMENTS

The Group had no significant investment held during the Year (2025: Nil).

ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group during the Year (2025: Nil).

EMPLOYEES

As at 30 June 2026, the Group employed a total of 455 employees (2025: 448). It is the Group's policy to review its employees' pay levels and performance bonus system regularly to ensure the competitiveness of the Group's remuneration package within the relevant industry. During the Year, staff cost (excluding Directors' emoluments) amounted to approximately RMB42,427,000 (2025: approximately RMB40,070,000). In recognition of the contributions of our Directors and employees and to incentivise them to further promote our development, our Company adopted a share option scheme (the "Scheme") on 13 February 2025. On 20 June 2025, a total of 33,474,000 share options were granted to certain eligible participants under the Scheme. No share option has been granted, exercised, cancelled or lapsed during the Year.

The emolument policy of the Group and the basis of determining the Directors' emolument are set out in the section headed "Remuneration Committee" on page 23 of this announcement.

CHARGE ON ASSETS

As at 30 June 2026, the Group did not have any charges on its assets (2025: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND EXPECTED SOURCES OF FUNDING

The Group had no future plans for material investments or capital assets as at 30 June 2026 (2025: Nil).

The Group will continue to monitor the industry closely and review its business expansion plans regularly, so as to take necessary measures in the Group's best interests.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group has foreign currency risk as certain financial assets and liabilities are denominated in foreign currencies primarily in United States dollars and Hong Kong dollars. The Group does not expect any appreciation or depreciation of the Renminbi against foreign currency which might materially affect the Group's result of operations. The Group did not use any financial instruments to hedge its exposure to currency risk during the Year and will continue to closely monitor such risk exposures from time to time.

CAPITAL COMMITMENT

As at 30 June 2026, the Group had no capital expenditure contracted for but not provided in the consolidated financial statements (2025: Nil).

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any material contingent liabilities (2025: Nil).

DIVIDENDS

The Board does not recommend the payment of any final dividend for the Year (2025: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed herein, there are no important events affecting the Group which have occurred since the end of the Year and up to the date of this announcement.

CORPORATE GOVERNANCE

The Company has complied with most of the code provisions stipulated in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules during the Year, except for the deviation from the Code Provision C.2.1 and D.1.2 of the CG Code as described below.

Code provision C.2.1

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Wong Fun Chung is the Chairman and the Chief Executive Officer of the Company. Such deviation from Code provision C.2.1 of the CG Code is deemed appropriate as it is considered to be more efficient to have one single person as the chairman of the Company as well as to discharge the executive functions of a chief executive officer, and this provides the Group with strong and consistent leadership in the development and execution of long term business strategies. The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises highly experienced individuals. There are four independent non-executive Directors on the Board. All of them possess adequate independence and therefore the Board considers the Company has achieved balance and provided sufficient protection of its interests.

Code provision D.1.2

According to Code provision D.1.2 of the CG Code, the management shall provide all members of the Board with monthly updates on the Group's performance, position and prospects. During the Year, instead of monthly updates, the management has provided to the Board half-yearly updates containing consolidated financial statements with summaries of key events and outlook of the Group for the pertaining period for review and discussion in the Board meetings concerned. In addition, the management will provide to the Board with updates in a timely manner if there are material events affecting the performance, position and prospects of the Group. Accordingly, it is considered that the purpose of providing regular updates on the Group's performance, position and prospects can be achieved.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code") as the required standard for securities transactions by Directors.

Having made specific enquiries of all Directors, all Directors confirmed to the Company that they have complied with the Model Code during the Year.

REMUNERATION COMMITTEE

The Group established its remuneration committee (the “Remuneration Committee”) since 2008 with written terms of reference in compliance with the CG Code. The primary duties of the Remuneration Committee are, inter alia, to make recommendations to the Board on the remuneration packages of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration. The remuneration of Directors is determined by the Board, upon recommendation of the Remuneration Committee with reference to the Directors’ qualifications, experience, duties, responsibilities and performance and results of the Group. The Remuneration Committee comprises all four independent non-executive Directors, namely, Dr. Hu Guo Qing, Ms. Ji Qin Zhi, Mr. Chan Yuk Hiu, Taylor and Dr. Huang Shizhen. Mr. Chan Yuk Hiu, Taylor is the chairman of the Remuneration Committee.

NOMINATION COMMITTEE

The Group established its nomination committee (the “Nomination Committee”) since 2008 with written terms of reference in compliance with the CG Code. The primary duties of the Nomination Committee are, inter alia, to review the structure, size, composition and diversity of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy, to make recommendations to the Board on appointment or re-appointment of Directors and succession planning for the Directors, and to review the board diversity policy of the Company as appropriate. The Nomination Committee comprises four independent non-executive Directors, namely, Dr. Hu Guo Qing, Ms. Ji Qin Zhi, Mr. Chan Yuk Hiu, Taylor and Dr. Huang Shizhen. Mr. Chan Yuk Hiu, Taylor is the chairman of the Nomination Committee.

AUDIT COMMITTEE

The Group established its audit committee (the “Audit Committee”) since 2008 with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are, inter alia, to assist the Board in providing an independent view of the effectiveness of the Group’s financial reporting system, internal control and risk management systems as well as the internal audit function, to review and monitor the audit process, to review the Group’s financial information, and to perform other duties and responsibilities as assigned by the Board. The Audit Committee currently comprises four independent non-executive Directors, namely, Dr. Hu Guo Qing, Ms. Ji Qin Zhi, Mr. Chan Yuk Hiu, Taylor and Dr. Huang Shizhen. Mr. Chan Yuk Hiu, Taylor is the chairman of the Audit Committee. The Audit Committee has reviewed the annual results of the Group for the Year.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The notice of the forthcoming annual general meeting of the Company (“AGM”) will be published on the Stock Exchange’s website at www.hkexnews.hk and the Company’s website at www.chpag.cn.

The register of members of the Company will be closed for the purpose of ascertaining the right of shareholders of the Company to attend and vote at the AGM from Tuesday, 1 December 2026 to Friday, 4 December 2026, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending and voting at the AGM, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 30 November 2026.

SCOPE OF WORK OF CROWE (HK) CPA LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group’s auditors, Crowe (HK) CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the Year. The work performed by Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Crowe (HK) CPA Limited on the preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS AND THE ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the Company's website at www.chpag.cn.

The annual consolidated financial results of the Group for the Year have been reviewed by the Audit Committee and are extracted from the annual consolidated financial statements for the Year to be included in the 2026 annual report of the Company.

The 2026 annual report of the Company will be dispatched to the shareholders of the Company and published on the Company's website at www.chpag.cn and the Stock Exchange's website at www.hkexnews.hk in due course.

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

Hong Kong, 30 September 2026

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.