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中國高速傳動設備集團有限公司*
China High Speed Transmission Equipment Group Co., Ltd.

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 658)

**RESIGNATION OF EXECUTIVE DIRECTOR
AND
LITIGATION INVOLVING A SUBSIDIARY OF THE COMPANY**

RESIGNATION OF EXECUTIVE DIRECTOR

The board (“**Board**”) of directors (“**Director(s)**”) of China High Speed Transmission Equipment Group Co., Ltd. (the “**Company**”) announces that Mr. Gou Jianhui (“**Mr. Gou**”) has tendered his resignation as executive Director due to other work-related reason, which has been accepted and approved by the Board, with effect from 16 January 2018.

Save as disclosed in the paragraph below, the Board is not aware of any disagreement between Mr. Gou and the Board or any matters that need to be brought to the attention of holders of securities of the Company. The Board also considers that the resignation of Mr. Gou from his directorship with the Company does not have an adverse impact on the operations of the Group.

LITIGATION INVOLVING A SUBSIDIARY OF THE COMPANY

Mr. Gou brought legal proceeding against Nanjing High Accurate Drive Equipment Manufacturing Group Co., Ltd.* (南京高精傳動設備製造集團有限公司) (“**Nanjing High Accurate Drive**”), a wholly-owned subsidiary of the Company, and Mr. Hu Yueming (“**Mr. Hu**”), the chairman of the Board, in relation to payment of his incentives during his term of service as a senior management in Nanjing High Accurate Drive. The Group was recently being informed that a judgment order (the “**Judgment**”) from Nanjing Intermediate People’s Court (江蘇省南京市中級人民法院) was entered into against Nanjing High Accurate Drive for payment in a sum of approximately RMB65 million plus interests and legal costs, but the claim against Mr. Hu was rejected.

The Group was advised by its PRC legal advisers that Nanjing High Accurate Drive had legal ground to make appeal against the Judgment and is actively preparing for defending Nanjing High Accurate Drive and the Group's interest. The Company will make further announcement(s) to keep its shareholders and investors informed of any significant development of the legal proceeding as and when appropriate and required under the Rules Governing the Listing of Securities on the Stock Exchange.

By Order of the Board
**China High Speed Transmission
Equipment Group Co., Ltd.**
HU YUEMING
Chairman

Hong Kong, 16 January 2018

As at the date of this announcement, the executive Directors are Mr. Chen Yongdao, Mr. Wang Zhengbing, Mr. Zhou Zhijin, Mr. Hu Jichun and Ms. Zheng Qing; the non-executive Directors are Mr. Hu Yueming and Mr. Yuen Chi Ping; and the independent non-executive Directors are Dr. Chan Yau Ching, Bob, Ms. Jiang Jianhua, Mr. Jiang Xihe and Mr. Nathan Yu Li.

** for identification purposes only*