

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited 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 however arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.



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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors of the Company that the profit attributable to the owners of the Company for FY2017 is expected to record a decrease of approximately 60% as compared to that for the corresponding year of 2016.

The information contained in this announcement represents only a preliminary assessment by the Board based on the information currently available to the Company and the unaudited consolidated financial information of the Group for FY2017, which have not been confirmed or reviewed by the audit committee of the Board, and have not been audited by the Company's auditors. Details of the consolidated financial information for FY2017 will be disclosed in the Group's annual results announcement which is expected to be published by the Company by the end of March 2018.

Shareholders and potential investors of the Company should note that the Profit Warning Statement has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Profit Warning Statement in assessing the merits and demerits of the Proposed Offer (as defined in the Rule 3.7 Announcement). Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

This announcement is made by China High Speed Transmission Equipment Group Co., Ltd. (the “**Company**”, together with its subsidiaries shall be referred to as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on its preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2017 (“**FY2017**”), the profit attributable to the owners of the Company for FY2017 is expected to record a decrease of approximately 60% as compared to that for the corresponding year of 2016 (the “**Profit Warning Statement**”). Such decrease in profit attributable to the owners of the Company is mainly attributable to (i) the fact that the wind power industry is in a state of callback, resulting in the decrease in sales, in terms of both the price and the quantity, of wind gear transmission equipment of the Group during FY2017 and (ii) the impairment losses on property, plant and equipment, inventories, receivables and prepayments for the non wind power businesses after assessment of the market conditions of the non wind power businesses of the Group.

As at the date of this announcement, the Company is still in the process of finalising the Group’s audited consolidated results for FY2017. The information contained in this announcement represents only a preliminary assessment by the Board based on the information currently available to the Company and the unaudited consolidated financial information of the Group for FY2017, which have not been confirmed or reviewed by the audit committee of the Board, and have not been audited by the Company’s auditors. Details of the consolidated financial information for FY2017 will be disclosed in the Group’s annual results announcement which is expected to be published by the Company by the end of March 2018.

Reference is made to the announcement jointly issued by Fullshare Holdings Limited (stock code: 607) and the Company dated 18 January 2018 (the “**Rule 3.7 Announcement**”) in relation to, among other things, the Proposed Offer (as defined in the Rule 3.7 Announcement). The Profit Warning Statement constitutes a profit forecast under Rule 10 of The Code on Takeovers and Mergers of Hong Kong (the “**Takeovers Code**”) issued by the Securities and Futures Commission and should be reported on in accordance with Rule 10.4 of the Takeovers Code.

In view of the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in

the Listing Rules), the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in the said Rule 10.4 of the Takeovers Code.

Under Rule 10.4 of the Takeovers Code, if the Profit Warning Statement is published first in an announcement, it must be repeated in full, together with the reports from the Company's financial advisers and auditors or accountants on the said profit forecast, in the next document to be sent to the Shareholders. The Profit Warning Statement will be reported on by the Company's financial adviser and auditors or accountants as soon as possible in compliance with the Takeovers Code and such reports will be contained in the next document to be issued by the Company to the Shareholders (the "**Shareholders' Document**"). However, if the annual results for FY2017 which fall within the ambit of Rule 10.9 of the Takeovers Code have been published by the time of release of the next Shareholders' Document and the relevant results together with the notes to the financial statements are included in the next Shareholders' Document, the requirements to report on the Profit Warning Statement under Rule 10.4 of the Takeovers Code will no longer apply.

WARNING:

Shareholders and potential investors of the Company should note that the Profit Warning Statement has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Profit Warning Statement in assessing the merits and demerits of the Proposed Offer (as defined in the Rule 3.7 Announcement). Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 12 March 2018

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

All directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

** For identification purposes only*