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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)

**PUBLICATION OF MAJOR FINANCIAL FIGURES OF
NANJING HIGH ACCURATE DRIVE EQUIPMENT MANUFACTURING
GROUP CO., LTD.* (A WHOLLY-OWNED SUBSIDIARY
OF THE COMPANY) FOR THE FULL YEAR OF 2017 AND
THE FIRST THREE MONTHS OF 2018**

This announcement is issued by the board (the “**Board**”) of directors (the “**Directors**”) of China High Speed Transmission Equipment Group Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) and is published pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**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).

This is not an announcement of the financial results of the Company but an announcement to provide shareholders (the “**Shareholders**”) and the potential investors of the Company with certain financial figures of 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 principal wholly-owned subsidiary of the Company incorporated in the People’s Republic of China (the “**PRC**”), which is principally engaged in research, design, development, manufacture and distribution of various types of mechanical transmission equipments for a broad range of applications in wind power generation and industrial use, and which contribute the majority of the Group’s revenue for the full year ended 31 December 2017 and the three months ended 31 March 2018.

NANJING HIGH ACCURATE DRIVE'S MAJOR FINANCIAL INFORMATION

References are made to the announcements of the Company dated 23 May 2013 and 30 April 2014 regarding the issue of the domestic medium term notes by Nanjing High Accurate Drive (the “**Medium Term Notes**”) with an aggregate principal amount of RMB500 million to domestic institutional investors in the PRC.

The audited major financial figures for the full year ended 31 December 2017 and the unaudited major financial figures for the three months ended 31 March 2018 (the “**Unaudited First Quarter Financial Information**”) of Nanjing High Accurate Drive prepared in accordance with the PRC Generally Accepted Accounting Principles (collectively, the “**Nanjing High Accurate Drive’s Major Financial Information**”) are required to be published pursuant to the relevant laws and regulations in the PRC in connection with the Medium Term Notes and have been published on the websites of Shanghai Clearing House (<http://www.shclearing.com>) and/or China Foreign Exchange Trade System (<http://www.chinamoney.com.cn>).

Summary of Nanjing High Accurate Drive’s Major Financial Information

In order to provide convenience to Shareholders and potential investors of the Company, the Board would like to provide an extract (from the disclosures made in the abovementioned websites) of certain Nanjing High Accurate Drive’s Major Financial Information as set out below:

	As at 31 December 2017 <i>RMB</i> <i>Audited</i>	As at 31 March 2018 <i>RMB</i> <i>Unaudited</i>
Total assets	28,775,887,843.10	30,292,171,353.93
Total liabilities	17,129,850,509.93	18,955,098,448.99
Total owner’s equity	11,646,037,333.17	11,337,072,904.94
	For the year ended 31 December 2017 <i>RMB</i> <i>Audited</i>	For the three months ended 31 March 2018 <i>RMB</i> <i>Unaudited</i>
Revenue	8,007,593,405.43	939,423,191.67
Net profit/(loss) attributable to owners of the parent company	645,134,851.81	(250,959,852.14)

The above is a summary only. For details, please refer to the abovementioned websites.

Whilst Nanjing High Accurate Drive is a principal operating subsidiary of the Group, the Nanjing High Accurate Drive's Major Financial Information does not include the financial information of all companies of the Group and hence, does not reflect the full picture of the operation status of the Group.

In addition, the Nanjing High Accurate Drive's Major Financial Information and its summary published on the relevant websites in the PRC are prepared in accordance with the PRC Generally Accepted Accounting Principles, which may require adjustment during the course of the Company's auditing.

IMPLICATION UNDER RULE 10 OF THE TAKEOVERS CODE

References are also made to the joint announcements issued by Fullshare Holdings Limited (stock code: 607) and the Company dated (i) 18 January 2018 and 14 February 2018 in relation to, among other things, the Proposed Offer and the Possible Disposal; (ii) 15 March 2018 in relation to, among other things, the possible change of transaction structure from a possible conditional voluntary partial cash offer for the issued shares of the Company to a possible sale and purchase of Five Seasons' direct shareholding interests in the Company that would represent more than 50% but not exceeding 73.91% of the issued shares of the Company (the "**Possible Transaction**"). If the Possible Transaction materialises and is completed, it will result in a change in control of the Company and a mandatory general offer, in cash, for the issued shares of the Company to be made under Rule 26.1 of the Takeovers Code by the Potential Offeror (the "**Possible Mandatory Offer**"); (iii) 16 April 2018 in relation to the Possible Transaction and the Possible Mandatory Offer; and (iv) 25 April 2018 in relation to the Earnest Money Agreement and the Supplemental MOU (collectively, the "**Joint Announcements**"). Capitalised terms used herein shall have the same meanings as those defined in the Joint Announcements unless specified otherwise.

The Unaudited First Quarter Financial Information constitutes a profit forecast under Rule 10 of the Takeovers Code and would need to be reported on by the Company's financial advisers and auditors or accountants in accordance with Rule 10.4 of the Takeovers Code, and such report must be included in the next document to be sent to the Shareholders under Rule 10.4 and Practice Note 2 of the Takeovers Code.

In view of the requirements of timely disclosures of the Unaudited First Quarter Financial Information under the applicable laws and regulations in the PRC and 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. The Company would like to draw the attention of the Shareholders and potential investors of the Company that the Unaudited First Quarter Financial Information 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 exercise caution in placing reliance on the Unaudited First Quarter Financial Information when assessing the merits and demerits of the Possible Mandatory Offer contemplated under the Joint Announcements and when dealing in the securities of the Company.

Under Rule 10.4 of the Takeovers Code, the Unaudited First Quarter Financial Information 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 Group's unaudited interim results for the six months ended 30 June 2018 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 Unaudited First Quarter Financial Information under Rule 10.4 of the Takeovers Code will no longer apply.

WARNING:

Shareholders and potential investors of the Company should note that the Unaudited First Quarter Financial Information 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 Unaudited First Quarter Financial Information in assessing the merits and demerits of the Possible Mandatory Offer contemplated under the Joint Announcements and when dealing in the securities of the Company. 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, 27 April 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.

All Directors 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*