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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)

PROFIT WARNING

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(2)(a) 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).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on its preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 (“**FY2018**”), the profit attributable to the owners of the Company for FY2018 is expected to record a decrease of approximately 50% as compared to that for the corresponding year of 2017. Such decrease in profit attributable to the owners of the Company is mainly attributable to (i) the increase in costs of sales resulting from the increase in prices of raw materials, and (ii) the increase in finance costs resulting from the increase in scale of borrowing and interest rate.

As at the date of this announcement, the Company is still in the process of finalising the Group’s audited consolidated results for FY2018. The information contained in this announcement represents only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for FY2018, 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 FY2018 will be disclosed in the Group’s annual results announcement which is expected to be published by the Company by the end of March 2019.

Shareholders and potential investors are advised to 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, 15 March 2019

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 purpose only