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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)

- (1) RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS**
- (2) RESIGNATION OF CHIEF EXECUTIVE OFFICER**
- (3) RE-DESIGNATION OF DIRECTOR**
- (4) APPOINTMENT OF EXECUTIVE DIRECTOR AND NON-EXECUTIVE DIRECTOR**
- (5) APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS AND**
- (6) CHANGES IN THE COMPOSITION OF BOARD COMMITTEES**

The Board announces that, with effect from 1 December 2016:

- (1) Mr. Chen Shimin (陳世敏) has resigned as an independent non-executive Director, the chairman of the remuneration committee and a member of the audit committee of the Company;
- (2) Mr. Zhu Junsheng (朱俊生) has resigned as an independent non-executive Director, a member of the audit committee and a member of the nomination committee of the Company;
- (3) Mr. Hu Yueming (胡曰明) has resigned as the Chief Executive Officer and has been re-designated from the position of executive Director to non-executive Director;
- (4) Ms. Zheng Qing (鄭青) has been appointed as an executive Director;
- (5) Mr. Yuen Chi Ping (袁志平) has been appointed as a non-executive Director;

- (6) Dr. Chan Yau Ching, Bob (陳友正) has been appointed as an independent non-executive Director and has replaced Mr. Chen Shimin (陳世敏) to serve as the chairman of the remuneration committee and a member of the audit committee of the Company; and
- (7) Mr. Nathan Yu Li has been appointed as an independent non-executive Director and has replaced Mr. Zhu Junsheng (朱俊生) to serve as a member of the audit committee and a member of the nomination committee of the Company.

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The board (the “**Board**”) of directors (the “**Director(s)**”) of China High Speed Transmission Equipment Group Co., Ltd. (the “**Company**”) announces that Mr. Chen Shimin (陳世敏) (“**Mr. Chen**”) and Mr. Zhu Junsheng (朱俊生) (“**Mr. Zhu**”) have tendered their resignation as the independent non-executive Directors with effect from 1 December 2016 due to Mr. Chen’s focus on other commitments, and Mr. Zhu’s age and his focus on other commitments. Following their resignations, Mr. Chen has ceased to be the chairman of the remuneration committee and a member of the audit committee of the Company, and Mr. Zhu has ceased to be a member of the audit committee and a member of the nomination committee of the Company.

RESIGNATION OF CHIEF EXECUTIVE OFFICER

The Board announces that Mr. Hu Yueming (胡曰明) (“**Mr. Hu**”) has tendered his resignation as the chief executive officer of the Company (the “**Chief Executive Officer**”) with effect from 1 December 2016 due to his age, but he will remain as the chairman of the Board.

Mr. Chen, Mr. Zhu and Mr. Hu have confirmed to the Board that they have no disagreement with the Company in any respect and there is no other matter relating to their resignations that needs to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express its sincere gratitude to Mr. Chen and Mr. Zhu for their valuable contribution to the Company during their tenure.

RE-DESIGNATION OF DIRECTOR

The Board further announces that Mr. Hu has been re-designated from the position of executive Director to non-executive Director with effect from 1 December 2016. He will remain as the chairman of the Board, an authorized representative under Rule 3.05 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) of The Stock Exchange of Hong Kong Limited, and the chairman of the nomination committee of the Company.

APPOINTMENT OF EXECUTIVE DIRECTOR AND NON-EXECUTIVE DIRECTOR

The Board is pleased to announce that the Board has appointed Ms. Zheng Qing (鄭青) (“**Ms. Zheng**”) and Mr. Yuen Chi Ping (袁志平) (“**Mr. Yuen**”) as an executive Director and a non-executive Director respectively with effect from 1 December 2016.

Ms. Zheng Qing (鄭青), aged 49, graduated from Nanjing Audit College (南京審計學院) in 1989. She completed the Economic Management courses in Nanjing University (南京大學) in June 1993. She obtained a Bachelor’s (Honours) degree in Applied Accounting from Oxford Brookes University in January 2005, and further obtained a Master degree in Business Administration from the Chinese University of Hong Kong in November 2012. Ms. Zheng has been a member of the Association of Chartered Certified Accountants since April 2002.

Ms. Zheng worked at the finance department of Nanjing Light Industry and Crafts Import and Export Company* (南京市輕工工藝品進出口公司) from 1989 to 1992. She worked in Jiangsu Technical Import and Export Corporation* (江蘇省技術進出口公司) from 1992 to 2002.

Ms. Zheng was the financial controller and secretary to the board of directors of Junma Tyre Cord Company Limited from September 2002 to May 2005, where she was mainly responsible for the finance management and reporting, and internal control system. Ms. Zheng was the chief financial officer of Asia Silk Holdings Limited from November 2005 to May 2008, where she was mainly responsible for developing and maintaining the finance management and internal control systems and monitoring the execution of projects of the company and the operation of its subsidiaries.

Ms. Zheng was the chief financial officer and the assistant to the president of Nanjing Goldenhighway International SCM Corporation* (南京金海威國際供應鏈管理股份有限公司) from June 2008 to May 2015, where she was mainly responsible for the managing and monitoring the financial affairs of the group and overseas companies. Since June 2015, Ms. Zheng has been the financial controller of Nanjing office of Fullshare Holdings Limited (stock code: 607), which principally engaged in the business of real estate development, the provision of green building services and investment activities and healthcare products business.

Pursuant to the service agreement entered into by the Company and Ms. Zheng, Ms. Zheng shall be an executive Director for a term of three years commencing on 1 December 2016, unless terminated by not less than two months' notice in writing served by the Company or Ms. Zheng or otherwise pursuant to the terms of the service agreement. Ms. Zheng will be subject to retirement and re-election at the next annual general meeting (“AGM”) of the Company pursuant to the articles of association of the Company. Ms. Zheng will be entitled to a director's fee of HK\$240,000 per annum and she will be entitled to such amount of discretionary bonus which the Company may decide to pay. Such fee is determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions, which shall be reviewed by the remuneration committee of the Company from time to time.

Mr. Yuen Chi Ping (袁志平), aged 37, has been a qualified solicitor in Hong Kong since 2004 and in England and Wales since 2010 and has over 12 years of practicing experience. He has extensive experience in corporate law, China-related public and private mergers and acquisitions, and capital market transactions. Mr. Yuen obtained his Bachelor's degree in Laws in November 2001 from the University of Hong Kong and completed the PCLL programme in June 2002. Afterwards, he undertook his traineeship and worked as a lawyer in various international law firms. He worked as a special counsel in the Shanghai office of Baker & McKenzie from 2011 to 2014, responsible for the firm's securities practice in Shanghai.

Mr. Yuen was appointed as the head of investment and legal departments of Fullshare International Group Limited in May 2014 and subsequently as the chief operating officer of Fullshare Holdings Limited (stock code: 607). Since July 2016, Mr. Yuen has been a non-executive director of Hin Sang Group (International) Holding Co. Ltd. (stock code: 6893), which principally engaged in the business of children's health care, Chinese medicines and traditional Chinese medical related projects. Since September 2016, Mr. Yuen has been an executive director and chief executive officer of Applied Development Holdings Limited (stock code: 519), which principally engaged in the business of property investment, resort and property development and investment holding.

Pursuant to the letter of appointment entered into by the Company and Mr. Yuen, Mr. Yuen shall be a non-executive Director for a term of three years commencing on 1 December 2016, unless terminated by not less than two months' notice in writing served by the Company or Mr. Yuen or otherwise pursuant to the terms of the letter of appointment. Mr. Yuen will be subject to retirement and re-election at the next AGM of the Company pursuant to the articles of association of the Company. Mr. Yuen will be entitled to a director's fee of HK\$240,000 per annum. Such fee is determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions, which shall be reviewed by the remuneration committee of the Company from time to time.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board further announces that the Board has appointed Dr. Chan Yau Ching, Bob (陳友正) (“**Dr. Chan**”) and Mr. Nathan Yu Li (“**Mr. Li**”) as independent non-executive Directors with effect from 1 December 2016. Following their appointments, Dr. Chan would serve as the chairman of the remuneration committee and a member of the audit committee of the Company in place of Mr. Chen, and Mr. Li would serve as a member of the audit committee and a member of the nomination committee of the Company in place of Mr. Zhu.

Dr. Chan Yau Ching, Bob (陳友正), aged 54, is a holder of a Doctorate degree in Finance. Dr. Chan graduated from the Chinese University of Hong Kong and obtained a Bachelor's degree in Business Administration in 1984. He further obtained a Master degree in Business Administration from the University of Wisconsin-Madison, the United States of America (“**US**”) in 1986, and a Doctorate degree in Finance from Purdue University, US in 1994. Dr. Chan is a member of the Chartered Financial Analyst Institution and the Hong Kong Society of Financial Analysts. Since April 2009, Dr. Chan has been a licenced representative/responsible officer engaging in type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”).

Dr. Chan was appointed as an executive director and the chief strategic officer of Celestial Asia Securities Holdings Limited (stock code: 1049) from August 2002 to February 2005, and later as the investment director from November 2005 to July 2010, where he was mainly responsible for strategic investment projects and asset management.

Dr. Chan was appointed as a managing director of Pricerite Group Limited (stock code: 996, currently known as Carnival Group International Holdings Limited) from November 2003 to November 2004, which primarily engaged in the retail of furniture and household products. During 2005 to 2007, Dr. Chan was appointed as the chief financial officer of Moli Group Limited* (摩力集團有限公司), Shanghai, the PRC (a wholly-owned subsidiary of Celestial Asia Securities Holdings Limited), which was a developer, operator and distributor of online games, where he was mainly responsible for building accounting, finance and control procedures and policies and in charge of the human resources. Dr. Chan was later appointed as the chief executive officer of Moli Group Limited from July 2010 to October 2012, where he was mainly responsible for the re-focusing of the company's business covering online and mobile entertainment.

Dr. Chan was appointed as the deputy chief executive officer and an executive director of Celestial Asia Securities Holdings Limited from November 2012 to July 2013, and later as the director of investments and corporate development from August to November 2013, where he was mainly responsible for the overall business development and the design and development of algorithm trading strategies respectively.

Since January 2002, Dr. Chan has been appointed as an independent non-executive director of Lee's Pharmaceutical Holdings Limited (stock code: 950), which principally engaged in the research, development, manufacturing and distribution of biopharmaceutical drugs in China.

Since March 2014, Dr. Chan has been appointed as a managing director of KBR Capital Limited, where he is mainly responsible for asset management, advising on capital market transactions and investment management. Dr. Chan is currently a managing director and a responsible officer of KBR Fund Management Limited, which, as at the date of this announcement, a licenced corporation carrying out type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO.

Pursuant to the letter of appointment entered into by the Company and Dr. Chan, Dr. Chan shall be an independent non-executive Director for a term of three years commencing on 1 December 2016, unless terminated by not less than two months' notice in writing served by the Company or Dr. Chan or otherwise pursuant to the terms of the letter of appointment. Dr. Chan will be subject to retirement and re-election at the next AGM of the Company pursuant to the articles of association of the Company. Dr. Chan will be entitled to a director's fee of HK\$240,000 per annum. Such fee is determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions, which shall be reviewed by the remuneration committee of the Company from time to time.

Mr. Nathan Yu Li, aged 45, is a holder of a Master degree in Business Administration. Mr. Li graduated from Zhejiang University and obtained a Bachelor's degree in Science in May 1993. He obtained a Master degree in Science from Boston University in May 1995, and further obtained a Master degree in Business Administration from Babson College in May 2009.

Mr. Li was a motion controls engineer from August 1995 to August 1997 and a senior software engineer from August 1997 to May 2001 at Brooks Automation Inc., which was based in Chelmsford, Massachusetts, US, where he was principally responsible for performing technical support for robotics application to meet customer needs and leading the software team to design software platforms for semiconductor manufacturing, respectively.

Mr. Li was a principal software engineer from June 2001 to December 2002, an engineering programme manager from December 2002 to December 2004 and a senior technical marketing manager from December 2004 to March 2006 at Axsun Technologies LLC based in Billerica, Massachusetts, US, which principally engaged in the business of designing and manufacturing of miniaturised optical micro-instruments for telecommunication, industrial process control and pharmaceutical manufacturing industries.

Mr. Li was a director of sales and marketing at Copley Controls Corporation from March 2006 to June 2008, which was acquired by Analogic Corporation in 2008. Mr. Li was a director of business development at Analogic Corporation based in Peabody, Massachusetts, US from June 2008 to August 2010, which principally engaged in the business of offering high-tech products in medical diagnostic imaging, advanced motion control and aviation security.

Mr. Li was the vice president of business development from August 2010 to August 2011 at Nanjing Fullshare Dazu Technology Company Limited* (南京豐盛大族科技股份有限公司) based in Nanjing, PRC, where he was mainly responsible for designing the business plan and growth strategy for the healthcare sector of the company's group. In August 2011, Mr. Li founded Across Globe Works LLC which was based in Lexington, Massachusetts, US and principally engaged in assisting companies with unique technology in the US to access the international markets. Mr. Li held position as the president of Across Globe Works LLC from August 2011 to October 2012.

In October 2012, Mr. Li co-founded and has since then been the general manager of Bowing Medical Technologies LLC based in Belmont, Massachusetts, US, where Mr. Li is mainly responsible for designing the business plan, performing cost analysis and budget planning.

Pursuant to the letter of appointment entered into by the Company and Mr. Li, Mr. Li shall be an independent non-executive Director for a term of three years commencing on 1 December 2016, unless terminated by not less than two months' notice in writing served by the Company or Mr. Li or otherwise pursuant to the terms of the letter of appointment. Mr. Li will be subject to retirement and re-election at the next AGM of the Company pursuant to the articles of association of the Company. Mr. Li will be entitled to a director's fee of HK\$240,000 per annum. Such fee is determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions, which shall be reviewed by the remuneration committee of the Company from time to time.

Dr. Chan and Mr. Li have confirmed their independence for the purpose of Rule 3.13 of the Listing Rules.

Save as disclosed in this announcement, each of Ms. Zheng, Mr. Yuen, Dr. Chan and Mr. Li (i) does not have, and/or is not deemed to have any interests or short positions in the shares or underlying shares or debentures in the Company within the meaning of Part XV of the SFO; (ii) did not hold any directorship in other listed companies in Hong Kong or overseas in the past three years; (iii) does not hold any other positions within the Company and its subsidiaries; (iv) does not have any relationship with any Directors, senior management, or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; and (v) does not have any other major appointments or professional qualifications.

Save as disclosed in this announcement, there is no further information to be disclosed by the Company pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to the appointments of Ms. Zheng, Mr. Yuen, Dr. Chan and Mr. Li that need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express its welcome to Ms. Zheng, Mr. Yuen, Dr. Chan and Mr. Li for taking up the appointments.

CHANGES IN THE COMPOSITION OF BOARD COMMITTEES

The Board further announces that following the above changes in Directors, with effect from 1 December 2016, the audit committee, remuneration committee and nomination committee of the Company shall comprise members as set out below:

Audit committee	:	Mr. Jiang Xihe (<i>chairman</i>) Dr. Chan Yau Ching, Bob Mr. Nathan Yu Li
Remuneration committee	:	Dr. Chan Yau Ching, Bob (<i>chairman</i>) Mr. Jiang Xihe Mr. Chen Yongdao
Nomination committee	:	Mr. Hu Yueming (<i>chairman</i>) Mr. Jiang Xihe Mr. Nathan Yu Li

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

Hong Kong, 1 December 2016

As at the date of this announcement, the executive directors of the Company are Mr. Chen Yongdao, Mr. Gou Jianhui, Mr. Wang Zhengbing, Mr. Zhou Zhijin, Mr. Hu Jichun and Ms. 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 the Company are Dr. Chan Yau Ching, Bob, Ms. Jiang Jianhua, Mr. Jiang Xihe, and Mr. Nathan Yu Li.

** For identification purposes only*