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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)

DISCLOSEABLE TRANSACTIONS DISPOSAL OF COMPANIES

THE DISPOSALS

On 23 November 2018 (after trading hours), the Purchaser and the respective Vendors entered into the Framework Share Transfer Agreement and 12 Share Transfer Agreements, pursuant to which the respective Vendors agreed to sell, and the Purchaser agreed to purchase, the Equity Interests of the 14 Disposal Companies at the Aggregate Consideration of RMB299,432,441.

Prior to Completion, Nanjing Jingrui, Jiangsu Jingrui, Nanjing Aoneng, Zhongchuan Heavy Machine, Gaochuan Sikai, Nanchuan Laser, Nantong Diesel Engine, Zhenhua Hongsheng, Zhongchuan (Nanjing) and Rugao Hongmao are subsidiaries of the Company. Upon Completion, these 10 Disposal Companies will cease to be subsidiaries of the Company.

LISTING RULES IMPLICATIONS

As the Framework Share Transfer Agreement and Share Transfer Agreements were entered into between the Group and the same Purchaser and form a series of transactions conducted within the past 12-month period, the Disposals are required to be aggregated for the purpose of computing the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. Upon aggregation, as the highest applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Disposals exceeds 5% but is less than 25%, the Disposals constitute a discloseable transaction of the Company and are therefore subject to notification and announcement requirements but are exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board wishes to announce that on 23 November 2018, the Purchaser and the respective Vendors entered into the Framework Share Transfer Agreement and 12 Share Transfer Agreements, pursuant to which the respective Vendors agreed to sell, and the Purchaser agreed to purchase, the Equity Interests of the 14 Disposal Companies at the Aggregate Consideration of RMB299,432,441.

THE FRAMEWORK SHARE TRANSFER AGREEMENT AND SHARE TRANSFER AGREEMENTS

The Framework Share Transfer Agreement sets out the overall directions in relation to the Disposals, and stipulates that the respective Vendors agreed to sell, and the Purchaser agreed to purchase, the Equity Interests of the 14 Disposal Companies in package (instead of on a selective basis), whilst the respective Share Transfer Agreements set out the terms of each Disposals in details.

The principal terms of the 12 Share Transfer Agreements are more or less the same, and they are set out as follows:

Date

23 November 2018

Parties to the respective Share Transfer Agreements

Details of the parties to each of the Share Transfer Agreements are set out below:

Disposal Companies	Vendors	Purchaser
Nanjing Jingrui (and Jiangsu Jingrui)	Vendor A	
Nanjing Aoneng	Vendor B	
Zhongchuan Heavy Machine	Vendor A and Vendor C	
Zhongchuan (Nanjing)	Vendor D	
Nanjing Yijing Optoelectronics (and Inner Mongolia Optoelectronics)	Vendor A	
Nanjing Yijing Energy	Vendor A	The Purchaser
Gaochuan Sikai	Vendor A	
Nanchuan Laser	Vendor A	
Nantong Diesel Engine	Vendor A	
Zhenhua Hongsheng	Vendor A	
Nantong Fulaiwei	Vendor A	
Rugao Hongmao	Vendor A	

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Equity Interests to be disposed of

The Equity Interests to be disposed of in respect of each Disposal Company pursuant to the respective Share Transfer Agreements is set out below:

Disposal Companies	Percentage of Equity Interests to be disposed of
Nanjing Jingrui (and Jiangsu Jingrui)	60.9705% (as to Nanjing Jingrui)
Nanjing Aoneng	90.0003%
Zhongchuan Heavy Machine	90%
Zhongchuan (Nanjing)	0.5% <i>(Note)</i>
Nanjing Yijing Optoelectronics (and Inner Mongolia Optoelectronics)	29.63% (as to Nanjing Yijing Optoelectronics)
Nanjing Yijing Energy	29.63%
Gaochuan Sikai	99.15%
Nanchuan Laser	72%
Nantong Diesel Engine	89.36%
Zhenhua Hongsheng	100%
Nantong Fulaiwei	49.58%
Rugao Hongmao	100%

Note: Zhongchuan (Nanjing) is held as to 0.5% by Vendor D and 99.5% by Zhongchuan Heavy Machine before the Disposal. With the Disposal of 90% of Zhongchuan Heavy Machine, Zhongchuan (Nanjing) will cease to be a subsidiary of the Company after the Disposal.

The Equity Interests represent the entire interests held by the Company in the respective Disposal Companies prior to the respective Disposals.

Consideration

The amount of Consideration for each Disposals is set out below:

Disposal Companies	Consideration (RMB)
Nanjing Jingrui (and Jiangsu Jingrui)	1
Nanjing Aoneng	1
Zhongchuan Heavy Machine	1
Zhongchuan (Nanjing)	1
Nanjing Yijing Optoelectronics (and Inner Mongolia Optoelectronics)	1
Nanjing Yijing Energy	36,792,452
Gaochuan Sikai	19,643,087
Nanchuan Laser	1
Nantong Diesel Engine	111,621,401
Zhenhua Hongsheng	48,872,237
Nantong Fulaiwei	77,683,615
Rugao Hongmao	4,819,643

The Aggregate Consideration amounted to RMB299,432,441. As the Disposal Companies were sold in package instead of on a selective basis, the Consideration was arrived at based on normal commercial terms after arm's length negotiations between the Purchaser and the respective Vendors, after taking into account the total asset values of each Disposal Companies in totality.

Payment Schedule

In respect of Nanjing Yijing Energy, Gaochuan Sikai, Nantong Diesel Engine, Zhenhua Hongsheng, Nantong Fulaiwei and Rugao Hongmao (the "Six Companies"), the respective Consideration is payable by the Purchaser to the respective Vendors by way of cash in the following manner:

- (i) 20% of the Consideration within ten business days upon signing of the respective Share Transfer Agreements (the "**Deposit**");
- (ii) 30% of the Consideration within 45 business days upon signing of the respective Share Transfer Agreements; and

(iii) 50% of the Consideration within 120 business days upon signing of the respective Share Transfer Agreements.

In respect of the rest of the Disposal Companies, the Consideration is payable by the Purchaser to the respective Vendors by way of cash upon signing of the respective Share Transfer Agreements.

Completion

Within 20 business days upon receiving the Deposit in relation to the Disposals of the Six Companies or the full settlement of the Consideration in relation to the rest of the Disposal Companies, both parties to the respective Share Transfer Agreements shall make relevant arrangement in accordance with the applicable laws and regulations to facilitate the Completion, which shall take place upon the registration of the transfer of the Equity Interests with the relevant industrial and commercial authorities in the PRC and the obtainment of the new business license.

Other terms

(i) Undertakings in relation to the accounts payable

The Disposal Companies set out in the following table undertake that within 120 business days from the date of Completion, they shall fully pay the respective Vendors (and/or its related companies) 50% of the outstanding sum as set out below (the “**Repayment Amount**”), which represents the amounts due from the respective Disposal Companies to the respective Vendors (or its related companies) as at 31 October 2018:

Disposal Companies	Repayment Amount (RMB)
Nanjing Jingrui	114,674,704
Nanjing Aoneng	342,095,060
Zhongchuan Heavy Machine	136,654,071
Gaochuan Sikai	74,663,713
Nanchuan Laser	53,887,023
Nantong Diesel Engine	38,670,180
Zhenhua Hongsheng	221,808,335
Total	982,453,086

The remaining 50% shall become payable within one year from the date of the Completion. In the event that the Repayment Amount cannot be repaid within the prescribed time by the respective Disposal Companies after Completion, extension of time may be granted upon agreement by both parties to the respective Share Purchase Agreements. If the respective Vendors is not agreeable to the extension of time, an interest rate of 15% per annum shall accrue on the outstanding Repayment Amount from the date of default.

(ii) Share pledge in relation to the Consideration and/or the Repayment Amount

In respect of Nanjing Jingrui, Nanjing Aoneng, Zhongchuan Heavy Machine, Nanjing Yijing Energy, Gaochuan Sikai, Nanchuan Laser, Nantong Diesel Engine, Zhenhua Hongsheng, Nantong Fulaiwei and Rugao Hongmao, within one business day from the registration of the transfer of the Equity Interests with the relevant industrial and commercial authorities in the PRC, the Purchaser undertakes to pledge the Equity Interests in favor of the respective Vendors (the “**Pledges**”) in order to secure its payment obligations of (a) the Consideration; and/or (b) the Repayment Amount and any interests accrued thereon (if any).

Within 10 business days after the receipt of the Consideration, the Repayment Amount and any interest accrued thereon (if any) by the respective Vendors, the Pledges shall be released.

For each of the Pledges, a separate share pledge agreement is entered into by both parties to the respective Share Transfer Agreements on the date of the Share Transfer Agreements.

The Purchaser and the respective Disposal Companies jointly undertake that when the Pledges are still in effect, if the respective Disposal Companies would like to carry out any external financing activities, the Purchaser should notify the respective Vendors in advance in writing. Any proceeds therefrom must be used to repay any outstanding Repayment Amount and any accrual interests due to the respective Vendors regardless whether such amount has already become due or not.

(iii) Others

In respect of Nanjing Jingrui, Nanjing Aoneng, Zhongchuan Heavy Machine, Gaochuan Sikai, Nanchuan Laser, Nantong Diesel Engine and Zhenhua Hongsheng, the Purchaser is jointly liable to the guaranteed liabilities, including the settlement of the Repayment Amount and accrued interests (if any) of the respective Disposal Companies.

INFORMATION RELATING TO THE GROUP AND THE PURCHASER

The Group is principally engaged in the research, design, development, manufacture and distribution of various types of mechanical transmission equipment for a broad range of applications in wind power generation and industrial use.

The Purchaser is a company incorporated in the PRC with limited liability and is principally engaged in, amongst others, enterprise management and related information consulting services and market information consulting services.

INFORMATION ABOUT THE DISPOSAL COMPANIES

Nanjing Jingrui is a company incorporated in the PRC with limited liability and is principally engaged in, amongst others, the research and development, trading and production of semi-conductor optoelectronic materials.

Jiangsu Jingrui is a company incorporated in the PRC with limited liability and is principally engaged in, amongst others, the research and development, trading and production of semi-conductor optoelectronic materials.

Nanjing Aoneng is a company incorporated in the PRC with limited liability and is principally engaged in, amongst others, designing, manufacturing and sale of boiler, and provision of respective after-sales services.

Zhongchuan Heavy Machine is a company incorporated in the PRC with limited liability and is principally engaged in, amongst others, the manufacturing of Computer Numerical Control (“CNC”) machine tools and research and development of electromechanical products.

Zhongchuan (Nanjing) is a company incorporated in the PRC with limited liability and is principally engaged in, amongst others, the manufacturing of CNC machine tools and research and development of electromechanical products.

Nanjing Yijing Optoelectronics is a company incorporated in the PRC with limited liability and is principally engaged in, amongst others, the research and development, design and production of optoelectronic materials.

Inner Mongolia Optoelectronics is a company incorporated in the PRC with limited liability and is principally engaged in, amongst others, the research and development, design and production of optoelectronic materials.

Nanjing Yijing Energy is a company incorporated in the PRC with limited liability and is principally engaged in, amongst others, the research and development of sapphire crystal rod, wafer, light-emitting diode (“LED”) new materials and optoelectronic materials.

Gaochuan Sikai is a company incorporated in the PRC with limited liability and is principally engaged in, amongst others, the production of CNC system and CNC machine tools.

Nanchuan Laser is a company incorporated in the PRC with limited liability and is principally engaged in, amongst others, the research and development, production and sales of laser equipment.

Nantong Diesel Engine is a company incorporated in the PRC with limited liability and is principally engaged in, amongst others, the production and sales of diesel engine and related parts.

Zhenhua Hongsheng is a company incorporated in the PRC with limited liability and is principally engaged in, amongst others, the production and sales of various forgings.

Nantong Fulaiwei is a company incorporated in the PRC with limited liability and is principally engaged in, amongst others, the production, installation and maintenance of agricultural machineries.

Rugao Hongmao is a company incorporated in the PRC with limited liability and is principally engaged in, amongst others, the recycling of scrap metals, including but not limited to scrap iron, steel and copper.

FINANCIAL INFORMATION OF THE DISPOSAL COMPANIES

1) Nanjing Jingrui (consolidated with Jiangsu Jingrui)	For the financial year ended 31 December	
	2017 (RMB'000)	2016 (RMB'000)
Profit/ (Loss) before taxation	(111,818)	(42,462)
Profit/ (Loss) after taxation	(111,818)	(42,462)
	As at 30 June 2018	
		(RMB'000)
Net asset/ (liability) value		(36,043)

	For the financial year ended 31 December	
	2017	2016
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
2) Nanjing Aoneng		
Profit/ (Loss) before taxation	(53,111)	(56,396)
Profit/ (Loss) after taxation	(53,111)	(56,396)
	As at 30 June 2018	
		<i>(RMB'000)</i>
Net asset/ (liability) value		(272,049)
	For the financial year ended 31 December	
	2017	2016
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
3) Zhongchuan Heavy Machine		
Profit/ (Loss) before taxation	(211,898)	(44,329)
Profit/ (Loss) after taxation	(211,898)	(44,329)
	As at 30 June 2018	
		<i>(RMB'000)</i>
Net asset/ (liability) value		(81,005)
	For the financial year ended 31 December	
	2017	2016
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
4) Zhongchuan (Nanjing)		
Profit/ (Loss) before taxation	(12)	(1,126)
Profit/ (Loss) after taxation	(12)	(1,126)
	As at 30 June 2018	
		<i>(RMB'000)</i>
Net asset/ (liability) value		2,121

5) Nanjing Yijing Optoelectronics (consolidated with Inner Mogolia Optoelectronics)	For the financial year ended 31 December	
	2017	2016
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Profit/ (Loss) before taxation	(44,654)	(43,944)
Profit/ (Loss) after taxation	(44,654)	(43,944)
	As at 30 June 2018	
	<i>(RMB'000)</i>	
Net asset/ (liability) value		(140,269)
6) Nanjing Yijing Energy	For the financial year ended 31 December	
	2017	2016
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Profit/ (Loss) before taxation	(275)	(4,090)
Profit/ (Loss) after taxation	(275)	(4,090)
	As at 30 June 2018	
	<i>(RMB'000)</i>	
Net asset/ (liability) value		124,180
7) Gaochuan Sikai	For the financial year ended 31 December	
	2017	2016
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Profit/ (Loss) before taxation	122	(1,105)
Profit/ (Loss) after taxation	122	(1,105)
	As at 30 June 2018	
	<i>(RMB'000)</i>	
Net asset/ (liability) value		20,806

8) Nanchuan Laser	For the financial year ended 31 December	
	2017	2016
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Profit/ (Loss) before taxation	(5,199)	(8,907)
Profit/ (Loss) after taxation	(5,199)	(8,907)
	As at 30 June 2018	
		<i>(RMB'000)</i>
Net asset/ (liability) value		(10,436)
9) Nantong Diesel Engine	For the financial year ended 31 December	
	2017	2016
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Profit/ (Loss) before taxation	(116,871)	(47,907)
Profit/ (Loss) after taxation	(117,000)	(48,171)
	As at 30 June 2018	
		<i>(RMB'000)</i>
Net asset/ (liability) value		91,123
10) Zhenhua Hongsheng	For the financial year ended 31 December	
	2017	2016
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Profit/ (Loss) before taxation	(36,269)	(16,331)
Profit/ (Loss) after taxation	(36,269)	(16,331)
	As at 30 June 2018	
		<i>(RMB'000)</i>
Net asset/ (liability) value		55,181

11) Nantong Fulaiwei	For the financial year ended 31 December	
	2017 (RMB'000)	2016 (RMB'000)
Profit/ (Loss) before taxation	(9,347)	1,075
Profit/ (Loss) after taxation	(9,347)	1,075
	As at 30 June 2018 (RMB'000)	
Net asset/ (liability) value		123,175

12) Rugao Hongmao	For the financial year ended 31 December	
	2017 (RMB'000)	2016 (RMB'000)
Profit/ (Loss) before taxation	29	34
Profit/ (Loss) after taxation	29	34
	As at 30 June 2018 (RMB'000)	
Net asset/ (liability) value		4,874

FINANCIAL EFFECT OF THE DISPOSALS

Based on the unaudited financial statements of the Disposal Companies as at 30 June 2018, the Group is expected to record a gain of approximately RMB438,628,000 (before taxation and subject to audit) from the Disposals, which is calculated with reference to the Aggregate Consideration and the aggregate carrying value of the interests in the Disposal Companies owned by the Company in the sum of approximately negative RMB139,196,000 as at 30 June 2018.

Prior to Completion, Nanjing Jingrui, Jiangsu Jingrui, Nanjing Aoneng, Zhongchuan Heavy Machine, Gaochuan Sikai, Nanchuan Laser, Nantong Diesel Engine, Zhenhua Hongsheng, Zhongchuan (Nanjing) and Rugao Hongmao are subsidiaries of the Company. Upon Completion, these 10 Disposal Companies will cease to be subsidiaries of the Company and the results and assets and liabilities of each of these companies will no longer be consolidated into the consolidated financial statements of the Group.

Proceeds of the Disposals are intended for general working capital purposes of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The businesses of the Disposal Companies are non-core businesses of the Group and most of them are loss-making. The Disposals represent a continuation of the Group's strategy to strip loss-making businesses, focus on its core businesses and increase its overall performance and prospects. The Directors are of the view that the Disposals will enhance the cash position and working capital of the Group, and thus allow the Group to restructure its strategic business position and focus on pursuing the development of its core businesses.

The terms of the Framework Share Transfer Agreement and the Share Transfer Agreements were negotiated by the parties on an arm's length basis. Accordingly, the Directors consider that the terms of the Framework Share Transfer Agreement, the Share Transfer Agreements and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the Framework Share Transfer Agreement and Share Transfer Agreements were entered into between the Group and the same Purchaser and form a series of transactions conducted within the past 12-month period, the Disposals are required to be aggregated for the purpose of computing the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. Upon aggregation, as the highest applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Disposals exceeds 5% but is less than 25%, the Disposals constitute a discloseable transaction of the Company and are therefore subject to notification and announcement requirements but are exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Aggregate Consideration”	the aggregate Consideration for the Disposals, being the total amount of RMB299,432,441 payable by the Purchaser to the Vendors
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“Board”	the board of Directors
“Company”	China High Speed Transmission Equipment Group Co., Ltd., a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange
“Completion”	completion of the Disposals
“connected persons”	has the meaning as defined under the Listing Rules
“Consideration”	the consideration for each of the Disposals as further set out in the section headed “THE FRAMEWORK SHARE TRANSFER AGREEMENT AND SHARE TRANSFER AGREEMENTS - Consideration”
“Director(s)”	the director(s) of the Company
“Disposal(s)”	the disposal(s) of the Disposal Compan(ies) pursuant to the Share Transfer Agreement(s)
“Disposal Company(ies)”	the 14 companies to be disposed of by the respective Vendors pursuant to 12 Share Transfer Agreements, namely Nanjing Jingrui, Jiangsu Jingrui, Zhongchuan Heavy Machine, Nanjing Yijing Energy, Gaochuan Sikai, Nantong Diesel Engine, Zhenhua Hongsheng, Nantong Fulaiwei, Rugao Hongmao, Nanjing Aoneng, Zhongchuan (Nanjing), Nanjing Yijing Optoelectronics, Inner Mongolia Optoelectronics and Nanchuan Laser
“Equity Interests”	the equity interests of each Disposal Companies to be disposed of pursuant to the respective Share Transfer Agreements as further set out in the section headed “THE FRAMEWORK SHARE TRANSFER AGREEMENT AND SHARE TRANSFER AGREEMENTS — Equity Interests to be disposed of”
“Framework Share Transfer Agreement”	the framework agreement dated 23 November 2018 entered into between the Purchaser and Vendor C in relation to the Disposals

“Gaochuan Sikai”	Nanjing Gaochuan Sikai CNC Equipment Manufacturing Co., Ltd.* (南京高傳四開數控裝備製造有限公司), a company incorporated in the PRC with limited liability and is held as to 99.15% by Vendor A before the Disposal
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Inner Mongolia Optoelectronics”	Inner Mongolia Jingjing Optoelectronics Technology Co., Ltd.* (內蒙古京晶光電科技有限公司), a company incorporated in the PRC with limited liability and is held as to 100% by Nanjing Yijing Optoelectronics as at the date of this announcement
“Jiangsu Jingrui”	Jiangsu Jingrui Semi-conductor Co., Ltd.* (江蘇晶瑞半導體有限公司), a company incorporated in the PRC with limited liability and is held as to 100% by Nanjing Jingrui as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanchuan Laser”	Nanjing Nanchuan Laser Equipment Co., Ltd.* (南京南傳激光設備有限公司), a company incorporated in the PRC with limited liability and is held as to 72% by Vendor A before the Disposal
“Nanjing Aoneng”	Nanjing Aoneng Boiler Co., Ltd.* (南京奧能鍋爐有限公司), a company incorporated in the PRC with limited liability and is held as to 90.0003% by Vendor B before the Disposal
“Nanjing Jingrui”	Nanjing Jingrui Semi-conductor Co., Ltd.* (南京晶瑞半導體有限公司), a company incorporated in the PRC with limited liability and is held as to 60.9705% by Vendor A before the Disposal
“Nanjing Yijing Energy”	Nanjing Yijing Energy Co., Ltd.* (南京伊晶能源有限公司), a company incorporated in the PRC with limited liability and is held as to 29.63% by Vendor A before the Disposal

“Nanjing Yijing Optoelectronics”	Nanjing Yijing Optoelectronics Technology Co., Ltd.* (南京依晶光電科技有限公司), a company incorporated in the PRC with limited liability and is held as to 29.63% by Vendor A before the Disposal
“Nantong Diesel Engine”	Nantong Diesel Engine Co., Ltd.* (南通柴油機股份有限公司), a company incorporated in the PRC with limited liability and is held as to 89.36% by Vendor A before the Disposal
“Nantong Fulaiwei”	Nantong Fulaiwei Agricultural Equipment Co., Ltd.* (南通富來威農業裝備有限公司), a company incorporated in the PRC with limited liability and is held as to 49.58% by Vendor A before the Disposal
“percentage ratio(s)”	has the meaning ascribed thereto under Rule 14.04(9) of the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	Ningbo Gaoguang Enterprise Management Co., Ltd.* (寧波高光企業管理有限公司), a company incorporated in the PRC with limited liability, a third party independent of the Company and its connected persons
“RMB”	Renminbi, the lawful currency of the PRC
“Rugao Hongmao”	Rugao City Hongmao Scrap Metal Recycling Co., Ltd.* (如皋市宏茂廢舊金屬回收有限公司), a company incorporated in the PRC with limited liability and is held as to 100% by the Vendor A before the Disposal
“Share(s)”	ordinary share(s) of the Company
“Share Transfer Agreement(s)”	the agreement(s) dated 23 November 2018 entered into between the Purchaser and the respective Vendors in relation to the Disposal(s)
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as defined under the Listing Rules
“Vendors”	collectively, Vendor A, Vendor B, Vendor C and Vendor D
“Vendor A”	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), a company incorporated in the PRC with limited liability and is a direct wholly-owned subsidiary of Vendor C and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Vendor B”	Global Power Asia Limited (環球動力亞洲有限公司), a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of Vendor C and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Vendor C”	China Transmission Holdings Limited (中傳控股有限公司), a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Vendor D”	Nanjing Gaojing Gear Group Co., Ltd.* (南京高精齒輪集團有限公司), a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Zhenhua Hongsheng”	Nantong City Zhenhua Hongsheng Heavy Forging Co., Ltd.* (南通市振華宏晟重型鍛壓有限公司), a company incorporated in the PRC with limited liability and is held as to 100% by Vendor A before the Disposal
“Zhongchuan Heavy Machine”	Zhongchuan Heavy Machine Tool Co., Ltd.* (中傳重型機床有限公司), a company incorporated in the PRC with limited liability and is held as to 9% by Vendor A and 81% by Vendor C before the Disposal

“Zhongchuan
(Nanjing)”

Zhongchuan Heavy Machine Tool Nanjing Co., Ltd.*
(中傳重型機床南京有限公司), a company incorporated
in the PRC with limited liability and is held as to 0.5%
by Vendor D and 99.5% by Zhongchuan Heavy Machine
before the Disposal

“%”

per cent

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

Hong Kong, 25 November 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*