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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)

VOLUNTARY ANNOUNCEMENT

This announcement is made by China High Speed Transmission Equipment Group Co., Ltd. (the “**Company**”) on a voluntary basis.

The Board announces that 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 wholly-owned subsidiary of the Company, has during the year of 2010 made a financial investment of RMB67.5 million in Riyue Heavy Industry Co., Ltd. (“**Riyue**”), a company incorporated in the People’s Republic of China and primarily engaged in, among other things, manufacturing and sale of heavy duty equipment castings. Riyue commenced trading of its A shares on the Shanghai Stock Exchange on 28 December 2016. As at the date of this announcement, Nanjing High Accurate Drive owns 4.23% interests in Riyue and is subject to a one-year lock up from the listing date of Riyue. The closing price as at the date of the announcement is RMB34.42 and the market value of Nanjing High Accurate Drive’s shareholding in Riyue is approximately RMB583,827,000.

Shareholders and potential investors of the Company should note that price of shares of Riyue is subject to, among other things, market conditions and may increase or decrease from time to time and there is no guarantee that the market value of Nanjing High Accurate Drive’s investment in Riyue after the expiry of the lock-up period will be higher than our investment cost. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 28 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.