

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this announcement.



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 the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the profit of the Group is expected to record a significant decrease for the year ended 31 December 2011 as compared to that for the previous year.

The information contained in this announcement is only based on the Company's preliminary review of the consolidated management accounts of the Group, which have not been reviewed nor audited by the Company's auditors.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

The board of directors (the "Board") of the Company wishes to inform the shareholders of the Company and potential investors that, based on the Company's preliminary review of the consolidated management accounts of the Group for the year ended 31 December 2011, which have not yet been reviewed nor audited by the Company's auditors, the profit of the Group is expected to record a significant decrease as compared to that for the previous year.

Such significant decrease in profit is mainly attributable to (1) the decrease in revenue resulting from postponement of the delivery of wind gearbox products requested by certain customers being wind power generators; and (2) the increase in the finance costs as a result of the significant increase in the aggregate amount of the bank borrowings and the continuous rise of the bank borrowing interest rate in 2011.

Despite the above, the Board considers that the overall financial position and business operation of the Group remain strength and healthy.

The Company is still in the process of finalizing the Group's audited consolidated annual results for the year ended 31 December 2011. The information contained in this announcement is only the preliminary assessment according to the management accounts of the Group, which have not been reviewed nor audited by the Company's auditors. Financial information and other details of the Group will be disclosed in the announcement of annual results of the Group for the year ended 31 December 2011 which is expected to be announced in March 2012.

Shareholders of the Company and potential investors should 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, 2 February 2012

As at the date of this announcement, the executive directors of the Company are Mr. Hu Yueming, Mr. Chen Yongdao, Mr. Lu Xun, Mr. Li Shengqiang, Mr. Liu Jianguo, Mr. Liao Enrong and Mr. Jin Maoji; and the independent non-executive directors are Mr. Zhu Junsheng, Mr. Jiang Xihe and Mr. Chen Shimin.

** For identification purposes only*