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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)**

## **APPOINTMENT OF AUDITORS**

Reference is made to the announcement of China High Speed Transmission Equipment Group Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 27 June 2025 (the “**Results Announcement**”), in relation to (i) results of the AGM and (ii) vacancy of auditors of the Company. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Results Announcement.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that, the Company has invited a couple of auditing firms to participate in a competitive selection process for the role of the Company’s auditors and finally three firms have made tender submission before the prescribed deadlines, and after consideration and with the recommendation from the audit committee of the Company (the “**Audit Committee**”), HLB Hodgson Impey Cheng Limited (“**HLB Hodgson**”) has been appointed as the new auditors of the Group with effect from 6 September 2025 to fill the casual vacancy of the auditors of the Company (the “**Auditors**”) and to hold office until the conclusion of the next annual general meeting of the Company (the “**Appointment**”).

The Audit Committee has considered a number of factors in assessing the appointment of HLB Hodgson as the new Auditors, including but not limited to (i) the audit proposal of HLB Hodgson; (ii) its experience, knowledge and technical competence in providing audit work to companies listed on The Stock Exchange of Hong Kong Limited; (iii) its independence from the Group and objectivity; and (iv) its resources and capabilities.

Based on the above, the Audit Committee has concluded that HLB Hodgson is eligible and suitable to act as the Auditors. The Board and the Audit Committee are of the view that the Appointment is in the interests of the Company and shareholders of the Company (the “**Shareholder(s)**”) as a whole.

The Appointment has also been approved by an independent body (the “**Independent Body**”) in accordance with the articles of association of the Company (the “**Articles**”).

Details of the Appointment are set out as follows:

Given that the resolution regarding the re-appointment of Baker Tilly Hong Kong Limited as Auditors was not passed at the AGM, it resulted in a casual vacancy of the Auditors. The Board is of the view that it would not be in the best interests of the Company and the Shareholders as a whole if the Company is left without the Auditors, since there are risks in delaying or interfering with the preparation of the Company's financial statements, and hence, affecting its ability to comply with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and its ability to remain listed without suspension or interruption to the trading of the shares of the Company.

In view of, amongst other things, the above and the legal advice obtained by the Company (in respect of which privilege is maintained and not waived), the Board (including all independent non-executive Directors), considered that:

- (a) it is in the interests of the Company for the Board to fill the casual vacancy of the Auditors, with such appointment to be approved by the Independent Body pursuant to Article 207 of the Articles;
- (b) to fulfil the requirements of Article 207 of the Articles, it is in the interests of the Company for the Board to establish the Independent Body pursuant to Article 166 of the Articles, where the Board is granted the power to establish any committees for managing any of the affairs of the Company and may appoint any persons to be members of such committees; and
- (c) five individuals were appointed as members of the Independent Body. Each of the members of the Independent Body confirmed that they are independent from the Board and the Company. Qualifications of the individuals are set out as follows:
  - a. A university professor in the People's Republic of China ("**China**"), serving as the dean of the college of accounting at his university, the postdoctoral co-supervisor at the Bank of Communications Co., Ltd. Postdoctoral Research Center (交通銀行股份有限公司博士後科研工作站博士後合作導師), a committee member of the investment committee of several government-led funds, who has over ten years of teaching experience in accounting, and has experience in acting as an independent director of listed companies in China. He has served as a member of the inaugural session of management accounting advisory experts (管理會計諮詢專家) of the Ministry of Finance of China. He focuses on research and investment in the fields of artificial intelligence and industry applications;
  - b. A senior university professor in China at the college of accounting at his university and a doctoral supervisor, a State Council Special Allowance Expert (享受國務院政府特殊津貼專家), a member of the council and a committee member of the management accounting professional committee (管理會計專業委員會委員) of the Accounting Society of China (中國會計學會), and a former vice chairman of the Shanghai Cost Research Association (上海市成本研究會), with a primary research focus on management accounting issues of Chinese enterprises and has over 35 years of teaching experience in accounting;

- c. A university professor in China at the accounting department at his university, a doctoral supervisor, a certified public accountant in China, the vice chairman of the division of higher engineering education (高等工科院校分會) of the Accounting Society of China, the vice chairman and an executive member of the council of Shanghai Audit Society (上海市審計學會), the vice chairman of the Shanghai Cost Research Association and is selected as a Distinguished Accounting Expert by the Ministry of Finance of China (財政部會計名家), who has over 19 years of teaching experience in accounting, and has experience in acting as an independent director of listed companies in China and an independent non-executive director of listed companies in the Hong Kong Special Administrative Region of China (“**Hong Kong**”);
- d. A certified public accountant in Hong Kong, a fellow of the Hong Kong Institute of Certified Public Accountants, a fellow of the Institute of Chartered Accountants in England and Wales, a past president of the Society of Chinese Accountants and Auditors, a member of Hong Kong Securities and Investment Institute, currently a member of the Financial Reporting Review Panel of the Accounting and Financial Reporting Council (AFRC), who has over 20 years of experience in audit, taxation and consultancy in government and non-government institutes, and has experience in acting as an independent non-executive director of listed companies in Hong Kong; and
- e. A licensed person under the Securities and Futures Ordinance in Hong Kong, a certified public accountant and a chartered financial analyst both in Hong Kong and the United States, who has over 20 years of experience in corporate finance, and has experience in acting as an independent non-executive director of listed companies in Hong Kong.

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

Hong Kong, 7 September 2025

*As at the date of this announcement, the executive Directors are Mr. Hu Jichun, Mr. Hu Yueming, Mr. Chen Yongdao, Mr. Zhou Zhijin, Ms. Zheng Qing and Mr. Gu Xiaobin; the non-executive Director is Mr. Ye Xingming; and the independent non-executive Directors are Mr. Jiang Xihe, Ms. Jiang Jianhua, Dr. Chan Yau Ching, Bob and Mr. Nathan Yu Li.*

\* *For identification purposes only*