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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)**

**CNY650,000,000 8.3% GUARANTEED BONDS DUE 2017 (Bond Stock Code: 85702)  
(the “Bonds”)**

**TENDER OFFER FOR REPURCHASE OF ANY AND ALL OUTSTANDING BONDS**

This announcement is made pursuant to the Inside Information Provisions (as defined under the Listing Rules) under Part XIV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

The Company is making an offer to repurchase for cash any and all outstanding Bonds, subject to the terms and conditions described in the Tender Offer Memorandum. The Tender Offer commences on Thursday, 12 November 2015 and will expire at 5:00 p.m. (Central European Time) on Friday, 27 November 2015, unless extended, re-opened or earlier terminated by the Company in its sole discretion. As at the date of this announcement, the aggregate outstanding principal amount of the Bonds is CNY587,000,000. The Bonds are listed on the Stock Exchange.

The Company has made available today, through the sole tender agent, to the Bondholders the Tender Offer Memorandum setting out, among other things, the terms and conditions of the Tender Offer.

The Tender Offer is part of the Company's balance sheet management activities, and is being made to reduce the Group's outstanding debts and manage the Group's liabilities, and optimize the Group's capital structure.

BNP Paribas is acting as the sole dealer manager and Syntax GIS Ltd. is acting as the sole tender agent in relation to the Tender Offer.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

This announcement is made pursuant to the Inside Information Provisions (as defined under the Listing Rules) under Part XIV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

## **BACKGROUND**

In November 2014, the Company issued an aggregate principal amount of CNY650,000,000 8.3% Bonds which will mature on 19 November 2017 unless previously redeemed, purchased or cancelled pursuant to the terms thereof. Pursuant to Condition 6(e) of the terms and conditions of the Bonds set out in the Offering Circular, the Group may at any time purchase the Bonds in the open market or otherwise at any price.

Reference is made to the announcement of the Company dated 13 November 2014 in relation to the issuance of the Bonds by the Company. As at the date of this announcement, the aggregate outstanding principal amount of the Bonds is CNY587,000,000. The Bonds are listed on the Stock Exchange (Bond Stock Code: 85702).

## **THE TENDER OFFER**

The Company is inviting Bondholders, subject to the terms and conditions described in the Tender Offer Memorandum, to tender their Bonds for repurchase by the Company for cash.

The Tender Offer commences on Thursday, 12 November 2015 and will expire at 5:00 p.m. (Central European Time) on Friday, 27 November 2015, unless extended, re-opened or earlier terminated by the Company in its sole discretion. An announcement will be made by the Company as soon as reasonably practicable after the relevant decision in relation to such extension, re-open or termination is made.

Bondholders whose Bonds are validly tendered by the Expiration Deadline and that are accepted for repurchase by the Company under the Tender Offer will be eligible to receive the Repurchase Price, plus the Accrued Interest on such Bonds, on the Settlement Date.

Bonds to be repurchased by the Company pursuant to the Tender Offer will be cancelled and will not be re-issued or re-sold. Bonds which are not validly tendered and accepted for repurchase pursuant to the Tender Offer will remain outstanding.

Subject to all applicable laws and regulations and as provided in the Tender Offer Memorandum, the Company may, at its sole discretion, extend, re-open, amend, waive any condition of or terminate the Tender Offer at any time. Details of any such extension, re-opening, amendment, waiver or termination will be announced as provided in the Tender Offer Memorandum as soon as reasonably practicable after the relevant decision is made.

The Settlement Date for the Tender Offer is expected to be on or about 8 December 2015 subject to the right of the Company to extend, amend or terminate. The Tender Offer will be funded from the internal resources of the Group.

The Company reserves the right, in its sole and absolute discretion, not to accept any offers under the Tender Offer for any reason.

## **REASONS FOR AND BENEFITS OF THE TENDER OFFER**

The Tender Offer is part of the Company's balance sheet management activities, and is being made to reduce the Group's outstanding debts and manage the Group's liabilities, and optimize the Group's capital structure. The Tender Offer will be funded from the internal resources of the Group.

## **TENDER OFFER MEMORANDUM**

The Company has made available today, through the sole tender agent, to the Bondholders the Tender Offer Memorandum. The Tender Offer Memorandum sets out, among other things, the terms and conditions of the Tender Offer.

Before making a decision in respect of the Tender Offer, Bondholders should carefully consider all information as disclosed in the Tender Offer Memorandum. Bondholders are recommended to seek their own financial and legal advice, including with regard to any tax consequences, from their stockbroker, bank manager, solicitor, tax adviser or other independent financial or legal adviser.

## **FURTHER ANNOUNCEMENTS**

The Company envisages a further announcement will be made as soon as possible after Expiration Deadline stating the final result of the Tender Offer including the total consideration which will be paid by the Company for the Bonds repurchased by it pursuant to the Tender Offer and (if any) the aggregate principal amount of Bonds and will remain outstanding following completion of the Tender Offer.

The Company may from time to time issue further announcements to inform the shareholders of the Company, the Bondholders and potential investors in respect of the progress of the Tender Offer as and when necessary pursuant to the Listing Rules and other relevant rules and regulations.

## **SOLE DEALER MANAGER AND SOLE TENDER AGENT**

In connection with the Tender Offer, the Company has appointed BNP Paribas as the sole dealer manager and Syntax GIS Ltd. as the sole tender agent.

Questions and requests for assistance in connection with the Tender Offer shall be directed to BNP Paribas at [dl.dcmo\\_na@asia.bnpparibas.com](mailto:dl.dcmo_na@asia.bnpparibas.com) or +852 2108 5117 (Hong Kong) or +65 6210 3321 (Singapore). Requests by Bondholders for copies of the Tender Offer Memorandum and its related documents shall be directed to Mr. Camilo Vargas of Syntax GIS Ltd. at [china@syntax-gis.com](mailto:china@syntax-gis.com) or +44 203 709 4187/4186/4188. The Tender Offer Memorandum and its related documents can also be downloaded from [www.syntax-gis.com/chste](http://www.syntax-gis.com/chste).

None of the Company, its Directors, BNP Paribas or Syntax GIS Ltd. makes any recommendation as to whether the Bondholders should tender their Bonds in response to the Tender Offer.

## **GENERAL**

**This announcement is for information only and is not an offer to sell or the solicitation of an offer to buy securities and neither this announcement nor anything herein forms the basis for any contract or commitment whatsoever. An offer may only be made pursuant to the terms of the Tender Offer Memorandum.**

**The Tender Offer is not being made to, and any offers to tender Bonds pursuant to the Tender Offer will not be accepted from, or on behalf of, holders of the Bonds in any jurisdiction in which the making of such Tender Offer would not be in compliance with the laws or regulations of such jurisdiction. In particular, persons located or resident in the United States, its territories and possessions, any state of the United States or the District of Columbia (the United States) may**

**not participate in the Tender Offer. Restrictions on participation in the Tender Offer also apply in the United Kingdom, European Economic Area, Australia, South Africa, Italy, Belgium, France, Singapore, Hong Kong, The PRC and the Cayman Islands and may apply in other jurisdictions.**

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Accrued Interest”	accrued and unpaid interest in respect of the relevant Bonds from (and including) the most recent interest payment date applicable to such Bonds to (but excluding) the Settlement Date
“BNP Paribas”	BNP Paribas
“Board”	board of Directors
“Bonds”	the CNY 650,000,000 8.3% Bonds due 2017 issued by the Company with the bond stock code 85702 and listed on the Stock Exchange
“Bondholder”	a holder of the Bonds
“CNY”	Renminbi, the lawful currency of the PRC
“Company”	China High Speed Transmission Equipment Group Co., Ltd. (中國高速傳動設備集團有限公司)*, a company incorporated in Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Expiration Deadline”	5:00 p.m. (Central European Time) on Friday, 27 November 2015 (subject to the right of the Company to extend, re-open and/or terminate the Tender Offer)
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Offering Circular”	the offering circular of the Company dated 12 November 2014 in relation to the listing of the Bonds on the Stock Exchange

“PRC”	the People’s Republic of China and, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchased Price”	in respect of each CNY10,000 in principal amount of the Bonds validly tendered and accepted for repurchase by the Company under the Tender Offer, an amount equal to CNY9,975
“Securities Act”	the United States Securities Act of 1933, as amended
“Settlement Date”	on or about 8 December 2015 (subject to the right of the Company, in its sole discretion, to extend or amend such date)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Syntax GIS Ltd.”	Syntax GIS Ltd., acting through its London branch
“Tender Offer”	the invitation by the Company to the Bondholders to tender the Bonds for purchase by the Company for cash upon the terms and conditions set forth in the Tender Offer Memorandum
“Tender Offer Memorandum”	a tender offer memorandum dated 12 November 2015 made available to the Bondholders in connection with the Tender Offer
“United States”	the United States of America
“%”	per cent

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

Hong Kong, 12 November 2015

*As at the date of this announcement, the executive directors of the Company are Mr. Hu Yueming, Mr. Chen Yongdao, Mr. Liao Enrong, Mr. Gou Jianhui, Mr. Wang Zhengbing, Mr. Zhou Zhijin and Mr. Hu Jichun; and the independent non-executive directors are Mr. Jiang Xihe, Mr. Zhu Junsheng, Mr. Chen Shimin and Ms. Jiang Jianhua.*

*\* For identification purposes only*