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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)**

## **PROPOSED ISSUE OF CNY DENOMINATED GUARANTEED BONDS**

The Company proposes to conduct an international offering of the Bonds to professional investors only. The Bonds will only be offered and sold in an institutional offering outside the United States in reliance on Regulation S under the Securities Act.

The completion of the Bonds Issue is subject to, among other things, market conditions and investor demand. BNP Paribas, CCB International and ANZ are the Joint Lead Managers. If the Bonds are issued, the Company intends to use the majority of the net proceeds of the proposed Bonds Issue to repay certain existing debt. The remaining proceeds will be used by the Group for general working capital.

Pricing of the Bonds, including the aggregate principal amount, the offer price and the interest rate, will be determined through a book building exercise to be coordinated by the Joint Lead Managers.

As at the date of this announcement, the terms and conditions of the Bonds are still being determined and will likely include guarantees to be provided by the Subsidiary Guarantors. Upon finalizing the terms and conditions of the Bonds, it is expected that the Company, the Subsidiary Guarantors and the Joint Lead Managers will enter into the Subscription Agreement.

The Company will seek a listing of the Bonds on the Stock Exchange. A confirmation of eligibility for listing of the Bonds has been received from the Stock Exchange. A listing of the Bonds on the Stock Exchange is not to be taken as an indication of the merits of the Company or the Bonds.

**As no binding agreement in relation to the proposed Bonds Issue has been entered into as at the date of this announcement, the proposed Bonds Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the proposed Bonds Issue will be made by the Company should the Subscription Agreement be signed.**

Further announcement(s) in respect of the proposed Bonds Issue will be made by the Company as and when appropriate.

## **THE PROPOSED BONDS ISSUE**

The Company proposes to conduct an international offering of the Bonds to professional investors only. The Bonds will only be offered and sold in an institutional offering outside the United States in reliance on Regulation S under the Securities Act.

The completion of the Bonds Issue is subject to, among other things, market conditions and investor demand. BNP Paribas, CCB International and ANZ are the Joint Lead Managers.

Pricing of the Bonds, including the aggregate principal amount, the offer price and the interest rate, will be determined through a book building exercise to be coordinated by the Joint Lead Managers.

As at the date of this announcement, the terms and conditions of the Bonds are still being determined and will likely include guarantees to be provided by the Subsidiary Guarantors. Upon finalizing the terms and conditions of the Bonds, it is expected that the Company, the Subsidiary Guarantors and the Joint Lead Managers will enter into the Subscription Agreement.

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States. The Bonds will be offered and sold only outside of the United States in offshore transactions in reliance on Regulation S. None of the Bonds will be offered to the public in Hong Kong, the United States or any other jurisdiction and none of the Bonds will be placed to any connected person (as defined in the Listing Rules) of the Company.

The Company will seek a listing of the Bonds on the Stock Exchange. A confirmation of eligibility for listing of the Bonds has been received from the Stock Exchange. A listing of the Bonds on the Stock Exchange is not to be taken as an indication of the merits of the Company or the Bonds.

### **Use of proceeds**

The majority of the net proceeds of the proposed Bonds Issue after deducting the underwriting commission and other estimated expenses are proposed to be used to repay certain existing debt. The remaining proceeds will be used by the Group for general working capital.

**As no binding agreement in relation to the proposed Bonds Issue has been entered into as at the date of this announcement, the proposed Bonds Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the proposed Bonds Issue will be made by the Company should the Subscription Agreement be signed.**

Further announcement(s) in respect of the proposed Bonds Issue will be made by the Company as and when appropriate.

### **DEFINITIONS**

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

“ANZ”	Australia and New Zealand Banking Group Limited
“BNP Paribas”	BNP Paribas, acting through its Hong Kong branch
“Board”	board of Directors
“Bonds”	the new CNY denominated guaranteed bonds proposed to be issued by the Company
“Bonds Issue”	the issue of the Bonds by the Company
“CCB International”	CCB International Capital Limited
“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
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Joint Lead Managers”	BNP Paribas, CCB International and ANZ
“Listing Rules”	Rules Governing the Listing of Securities 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
“Securities Act”	the United States Securities Act of 1933, as amended
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the agreement proposed to be entered into between the Company, the Subsidiary Guarantors and the Joint Lead Managers in relation to the Bonds Issue
“Subsidiary Guarantors”	certain non-PRC subsidiaries of the Company that on the issue date of the Bonds will provide guarantees to secure the Company’s obligations under the Bonds
“United States”	the United States of America

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

Hong Kong, 7 November 2014

*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, Mr. Chen Shimin and Ms. Jiang Jianhua.*

\* For identification purposes only