

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 howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information only and is not an offer to sell or the solicitation of an offer to sell securities and neither this announcement nor anything herein forms the basis for any contract or commitment whatsoever. This announcement is not and does not form a part of an offer of or solicitation to sell in the United States. Neither this announcement nor any copy hereof may be taken into or distributed in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state of the United States or any other jurisdiction. Unless they are registered, the securities may be offered only in transactions that are exempt from registration under the Securities Act or the securities laws of any other jurisdiction. This offering is made solely in offshore transactions in compliance with Regulation S under the Securities Act. No public offering of the securities will be made in the United States or in any other jurisdiction where such an offering is restricted or prohibited.



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 codes: 658)

**POTENTIAL OCCURRENCE OF THE RELEVANT EVENT IN
RELATION TO CNY 650,000,000 8.30 PER CENT. GUARANTEED
BONDS DUE 2017 (Bond Stock Code: 85702)**

Reference is made to the announcements of China High Speed Transmission Equipment Group Co., Ltd. (the “**Company**”) dated 13 November 2014 and 19 November 2014 in relation to the issue of the CNY650,000,000 8.30 per cent. guaranteed bonds due 2017 (the “**Bonds**”).

As disclosed in the joint announcement made by the Company and Fullshare Holdings Limited on 19 September 2016 and the composite documents dispatched by them jointly on 31 October 2016 (collectively, the “**Offer Documents**”), Five Seasons XVI Limited, a direct wholly-owned subsidiary of Fullshare Holdings Limited, made a voluntary conditional share exchange offer to acquire all of the issued shares in the share capital of the Company (the “**Offer**”). For further details, please refer to the Offer Documents.

Pursuant to clause 6 of the terms and conditions of the Bonds, a “Relevant Event” occurs if there is a “Change of Control” of the Company and “Control” is defined as inter alia the acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of the Company or the right to appoint or remove the majority of the members of the board of the Company. The Company would like to announce that such Relevant Event may occur upon closing of the Offer. In such circumstance, the holders of the Bonds (the “**Bondholder(s)**”) will have the right, at such Bondholder’s option, to require the Company to redeem all, but not some only, of such Bondholder’s Bonds on the fourteenth day (the “**Bond Settlement Date**”) after the expiry of 30 days following the occurrence of a Change of Control at 101 per cent. of their principal amount together with accrued interest up to the Bond Settlement Date in accordance with the terms and conditions of the Bonds.

As at the date of this announcement, the aggregate outstanding principal amount of the Bonds is RMB264,630,000.

The Company will make further announcement(s) to update the shareholders and potential investors of the Company and Bondholders of the occurrence of the Relevant Event when appropriate.

Shareholders and potential investors of the Company and Bondholders should be aware that the Offer is subject to the satisfaction or waiver (where applicable) of the conditions of the Offer and therefore the Offer may or may not become unconditional. Accordingly, the Relevant Event may or may not occur. Shareholders and potential investors of the Company and Bondholders should therefore exercise caution when dealing in the shares of the Company and exercising other rights in respect of any of them. Bondholders who are in any doubt as to the action to be taken should consult their stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

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

Hong Kong, 31 October 2016

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