



2016 年度業績發佈會 Annual Results Announcement

April 3, 2017



中國高速傳動設備集團有限公司
China High Speed Transmission Equipment Group Co Ltd

Forward-Looking Statements

The presentation is prepared by China High Speed Transmission Equipment Co., Ltd (the “Company”) and is solely for the purpose of corporate communication and general reference only. The presentation is not intended as an offer to sell, or to solicit an offer to buy or to form any basis of investment decision for any class of securities of the Company in any jurisdiction. All such information should not be used or relied on without professional advice. The presentation is a brief summary in nature and do not purport to be a complete description of the Company, its business, its current or historical operating results or its future business prospects.

This presentation contains forward-looking statements which are subject to market risks and uncertainties. This forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Among other things, CHSTE's expectations with respect the wind gear box and other related businesses above contain forward-looking statement. Such statements involve certain risks and uncertainties that could differ materially from what we have discussed today to those in the forward-looking statements. Further information regarding these and other risks has been filed with the Hong Kong Stock Exchange. In addition, any projections about CHSTE's future performance represent management's estimates as of today September 1, 2014. China High Speed Transmission Equipment Co. Ltd does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under an applicable law.



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**2016 Interim Results Review
and Analysis**

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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

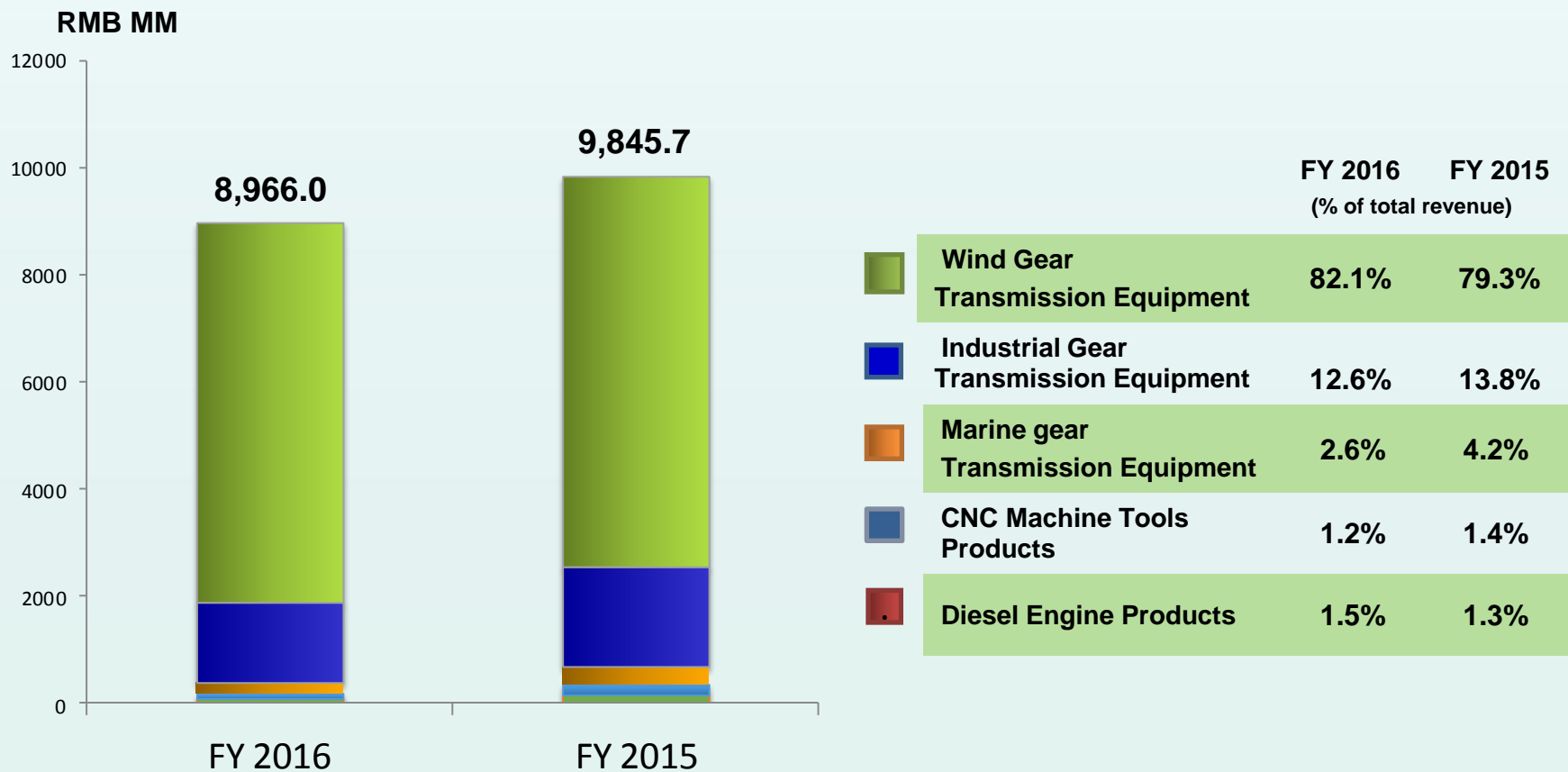
Financial Highlights

RMB MM	FY 2016	FY 2015	变幅
Sales Revenue	8,966.0	9,845.7	-8.9%
Gross Profit	2,987.4	3,198.0	-6.5%
EBITDA	2,501.1	2,658.7	-5.9%
EBIT	1,863.1	1,990.5	-6.4%
Net Profit Attributable to Equity Holders	1,109.0	1,033.1	7.3%
Gross Profit Margin	33.3%	32.5%	0.8ppt
EBITDA Margin	27.9%	27.0%	0.9ppt
EBIT Margin	20.8%	20.2%	0.6ppt
Net Profit Margin	12.4%	10.5%	1.9ppt
Earning per Share-Basic (RMB)	0.678	0.632	7.3%
Proposed final dividend per share (HKD)	0.23	0.23	-



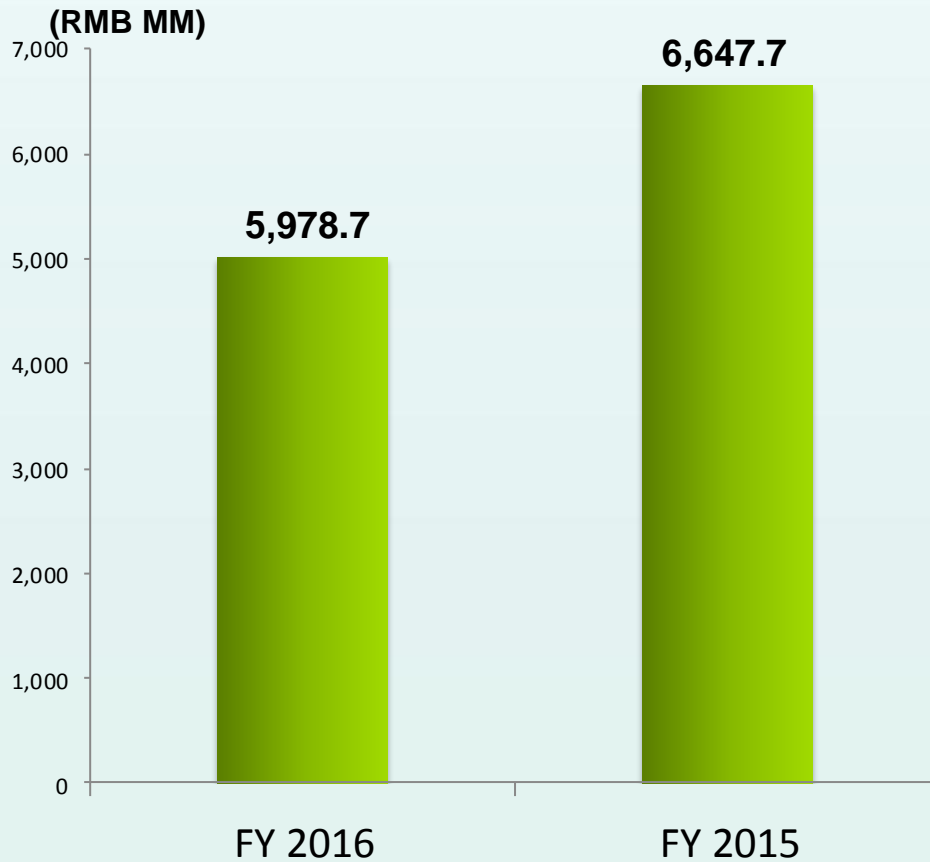
Analysis of Sales Revenue

Revenue Breakdown by Business Segment



Cost Analysis

Cost of Goods Sold



- Cost of Goods Sold Including :
Bearing, Steel plates, Cast iron,
Forged steel, Subcontracting &
processing fee, Manufacturing fee,
labor cost and Power fee etc.



Balance Sheet Summary

RMB MM	FY 2016	FY 2015
Non-current Assets	8,914	7,981
Current Assets	17,382	17,311
Inventories	2,312	2,075
Account Receivables	3,679	3,689
Bill Receivable	3,286	3,248
Cash and Deposits	5,485	6,281
Others	2,620	2,018
Total	26,296	25,292
Capital & Reserves	11,240	9,975
Non Current Liabilities	1,560	2,102
Loans	1,228	1,948
Others	332	154
Current Liabilities	13,496	13,215
Account Payables	1,906	1,630
Notes Payable	4,665	3,143
Loans	5,274	5,618
Others	1,651	2,824

PY 2016

- The net asset per share is approx. RMB 6.9.
- *
■ Gearing ratio is approx. 57.3 %.
- Average turnover day of account receivable and inventory are 276 days and 132 days respectively.
- Cash and Deposits (including pledged and structured deposits) is approx. RMB5.49 billion.
- Good relationship with both domestic and offshore banks.

* Gearing ratio: Total liabilities / Total assets



Business Review

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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

Strong Client Portfolio for Wind Gear Transmission Equipment

Domestic Customers



Overseas Customers



The Group maintains a strong client portfolio, with clients including major wind turbine manufacturers in the PRC, and renowned international wind turbine manufacturers .

Industrial Gear Transmission Equipment

*Enhance market competitiveness through changes in production mode
and sales strategies*

- The Group focused on the development of energy-saving and environmentally-friendly products and Formulated strategies to facilitate sales growth by standardizing and modularizing its products
- Provide and sell parts and components of relevant products to its customers
- During the period under review, in respect of transmission equipment for high-speed rails, metro lines, urban train and tram segments, the Group received orders of metro gear boxes continuously from metro lines of various cities in China and secured more orders of metro gear boxes from metro lines in Sydney.
- The Group has obtained International Railway Industry Standard (IRIS) certificate for its rail transportation products, which has laid a solid foundation for the Group's rail transportation products to expand into high-end international railway markets.
- Successfully developed two types of gear boxes for train segments, and received the initial orders and three types of gear boxes for 160km/h urban train, one of which has been awarded domestic bulk orders.





Development Strategies

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中國高速傳動設備集團有限公司
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Development Strategies

Focus on Gear Transmission Equipment



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Development Strategies

Wind Gear Transmission Equipment

As a world's leading manufacturer of wind power transmission equipment, the Group aligned with the national wind power development strategy to provide customers with high quality wind gear transmission equipment, actively promote research and development of wind power transmission equipment and optimize the production technical process to strengthen the development of wind power equipment business. Meanwhile, the Group also established good cooperation with renowned domestic and international wind turbine manufacturers, including GE Renewable Energy, Nordex, Senvion, Unison, Suzlon, Inbox Wind, Guodian United, Guangdong Mingyang, Windey, Shanghai Electric, Envision Energy, Dongfang Electric and Goldwind. The Group's high quality products and good services are widely recognized and trusted by domestic and overseas customers. Through relentless efforts of our wholly-owned subsidiaries in the US, Germany, Singapore and Canada and abiding by our sustainable development strategy, the Group strives for closer interactions and conservations with customers abroad. Recently, a wholly-owned subsidiary has been newly established in India to capture opportunities in emerging markets and further extend our diversified services to clients around the globe.

Industrial Gear Transmission Equipment

Industrial gear market is closely linked with the PRC economy development. Facing uncertainties in global economy and excess production capacity in the PRC's equipment industry, the Group adjusted our development strategy in the business of traditional industry gear transmission equipment. Both the production model and sales strategy were changed to enhance market competitiveness. In addition, a fast feedback mechanism was set up to handle deliveries to clients, optimizing an integrated operation system which incorporates sales, research and development and production functions.



Q & A

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Thank you !

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