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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)

**RMB1,996,300,000 US DOLLAR SETTLED ZERO COUPON
CONVERTIBLE BONDS DUE 2011 (THE “BONDS”)**

**REPURCHASE OF BONDS
AND
CANCELLATION OF REPURCHASED BONDS**

Repurchase of Bonds

China High Speed Transmission Equipment Group Co., Ltd. (the “Company”) would like to announce the following repurchases of the Bonds, particulars of which are set out as follows:

Trading day:	18 November 2008
Amount of Bonds purchased:	RMB150,000,000
Method of purchase:	Trading through over-the-counter market
Price paid:	RMB63,000 per unit (being a face value of RMB100,000)
Total paid:	USD13,840,070.30

Cancellation of Repurchased Bonds

Reference is made to the announcement of the Company dated 10 November 2008 in which it was reported that RMB31,800,000 in face value of Bonds was repurchased by the Company on 31 October 2008, particulars of which are set out below.

Trading day:	31 October 2008
Amount of Bonds purchased:	RMB31,800,000
Method of purchase:	Trading through over-the-counter market
Price paid:	RMB55,000 per unit (being a face value of RMB100,000)
Total paid:	USD2,562,337.02

The Company confirms that all the abovementioned repurchased Bonds with a face value RMB31,800,000 have been duly cancelled with effect from 20 November 2008 in accordance with Condition 8(F) of the Bond Conditions.

This announcement is made on a voluntary basis.

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

Hong Kong, 20 November 2008

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 and Mr. Liao Enrong; the non-executive directors are Mr. Zhu Keming and Mr. Zhang Wei; and the independent non-executive directors are Mr. Zhu Junsheng, Mr. Jiang Xihe and Mr. Chen Shimin.

* For identification purposes only