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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)**

**ANNOUNCEMENT  
DISPOSAL OF SHARES BY THE LARGEST SHAREHOLDER**

This announcement is made by China High Speed Transmission Equipment Group Co., Ltd. (the “Company”) pursuant to Rule 13.09 of the Listing Rules.

The Company has been informed by Fortune Apex Limited (“Fortune Apex”), the single largest shareholder of the Company, that on 12 May 2009 Fortune Apex has agreed to dispose of its 65,000,000 shares in the Company (representing approximately 5.22 % of total issued share capital of the Company) (the “Disposal”). This is the first time Fortune Apex has disposed of shares in the Company since the listing of the Company. Following the Disposal, Fortune Apex still owns 268,474,024 shares in the Company (representing approximately 21.56% of total issued share capital of the Company).

The Company has been informed by Fortune Apex that it remains confident of the future prospects of the Company and it undertakes not to further sell any shares held by it in the Company for a period of 12 months from the date of the Disposal. The management of the Company is also confident of the Company’s future prospects and will continue striving to create better value for the shareholders of the Company.

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

Hong Kong, 12 May 2009

*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 director is Mr. Zhang Wei; and the independent non-executive directors are Mr. Zhu Junsheng, Mr. Jiang Xihe and Mr. Chen Shimin.*

\* *For identification purposes only*