

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.



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)

REDEMPTION OF CONVERTIBLE BONDS

On 16 May 2011, the Company redeemed an aggregate principal amount of RMB1,147,000,000, being all the outstanding principal amount of the Bonds, for US\$192,935,793, being an amount equal to the US Dollar equivalent of the principal amount of the Bonds in RMB multiplied by 109.3443%.

Reference is made to the announcements of the Company dated 24 April 2008, 14 May 2008, 30 October 2008, 5 May 2009, 18 June 2009 and 18 June 2010. Unless otherwise defined, terms used herein shall have the same meanings as those defined in the announcement of the Company dated 24 April 2008.

On 16 May 2011, the Company redeemed an aggregate principal amount of RMB1,147,000,000, being all the outstanding principal amount of the Bonds, for US\$192,935,793, being an amount equal to the US Dollar equivalent of the principal amount of the Bonds in RMB multiplied by 109.3443%.

The Company's source of funding for redemption includes its internal fund and substantial part of the proceeds raised from a syndicated loan in the second quarter of 2011. The syndicated loan comprises a term loan facility of US\$16.5 million (which bears an interest rate equivalent to LIBOR plus 2.05%) and HK\$1,050 million (which bears an interest rate equivalent to HIBOR plus 2.05%). The terms of both tranches are three years.

The Bonds were issued on 14 May 2008 and matured on the Maturity Date in accordance with the terms and conditions thereof. Upon redemption, the Bonds will be cancelled forthwith.

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

Hong Kong, 16 May 2011

As at the date of this notice, the board of Directors comprises ten Directors, of which Mr. Hu Yueming, Mr. Chen Yongdao, Mr. Lu Xun, Mr. Li Shengqiang, Mr. Liu Jianguo, Mr. Liao Enrong and Mr. Jin Maoji are Executive Directors, Mr. Zhu Junsheng, Mr. Jiang Xihe and Mr. Chen Shimin are Independent Non-Executive Directors.

* *For identification purposes only*