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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)

**UPDATE ON PLACING OF NEW SHARES
UNDER GENERAL MANDATE
AND
CLARIFICATION ANNOUNCEMENT**

Placing Agent



BRIDGE PARTNERS

BRIDGE PARTNERS CAPITAL LIMITED

Reference is made to the announcement of the China High Speed Transmission Equipment Group Co., Ltd. (the “**Company**”) dated 6 December 2013 in connection with the placing of new shares under a general mandate (the “**Announcement**”).

Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement. The Company wishes to set out the following updates regarding the Placing for Shareholders information.

UPDATE ON PLACING OF NEW SHARES UNDER GENERAL MANDATE

We are informed by the Placing Agent that on 9 December 2013, the Placing Agent has entered into a Placing Letter with Glorious Time Holdings Limited (“**Glorious Time**”), a company incorporated in the British Virgin Islands, whose ultimate beneficial owner is Mr. Ji Chang Qun, pursuant to which Glorious Time agreed to subscribe for 255,962,000 new Shares (“**Placed Shares**”) at the Placing Price. To the best of the Directors’ knowledge, information and belief, Glorious Time and its ultimate beneficial owner are Independent Third Parties.

Placed Shares

The Placed Shares represents (i) approximately 18.78% of the existing issued share capital of the Company of 1,362,743,556 Shares as at the date of this announcement; and (ii) approximately 15.56% of the then issued share capital of the Company of 1,635,291,556 Shares as enlarged by the issue of the 272,548,000 new Shares under the Placing. As such, Glorious Time will become a substantial Shareholder (as defined in the Listing Rules) immediately after completion of the Placing.

Conditions and Completion of the Placing

The Placing is conditional upon:

1. the Listing Committee of the Stock Exchange granting the listing or and permission to deal in the Placing Shares under the Placing; and
2. all necessary consents and approvals required to be obtained (if any) by the Company in respect of the Placing Agreement and the transactions contemplated thereby, including but not limited to the Placing, having been obtained.

Completion of the Placing shall take place on the third Business Day following the day on which all the conditions precedents are fulfilled or at such other place as the parties may mutually agree.

CLARIFICATION

The Board would also like to clarify that the Completion of the Placing is expected to be on or before 19 December 2013 but in any event no later than 20 December 2013.

Shareholders and potential investors should note that completion of the Placing is subject to the fulfilment of the conditions precedents under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

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

9 December 2013

As at the date of this announcement, the board of directors of the Company comprises seven executive directors, namely Mr. Hu Yueming, Mr. Chen Yongdao, Mr. Lu Xun, Mr. Li Shengqiang, Mr. Liu Jianguo, Mr. Liao Enrong and Mr. Jin Maoji, and four independent non-executive directors, namely Mr. Jiang Xihe, Mr. Zhu Junsheng, Mr. Chen Shimin, and Ms. Jiang Jianhua.