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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)

COMPLETION OF TOP-UP PLACING AND TOP-UP SUBSCRIPTION

Placing Agent

**Goldman
Sachs**

Goldman Sachs (Asia) L.L.C.

* *For identification purpose only*

The Board is pleased to announce that all conditions set out in the Top-up Placing and the Top-up Subscription Agreement have been fulfilled and the Top-up Placing were completed on 14 September 2010 and the Top-up Subscription Shares have been allotted and issued to the Vendor on 21 September 2010, respectively. An aggregate of 130,000,000 Top-up Placing Shares have been successfully placed to not fewer than six placees, who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules), at the Top-up Placing Price of HK\$17.38 per Top-up Placing Share and an aggregate of 130,000,000 Top-up Subscription Shares, representing approximately 9.45% of the enlarged issued share capital of the Company immediately after the issue of such Top-up Subscription Shares, have been issued and allotted to the Vendor at a Top-up Subscription Price of HK\$17.38 per Top-up Subscription Share.

Reference is made to the announcement of the Company dated 10 September 2010 (the “**Announcement**”) in relation to, among other things, the Top-up Placing and the Top-up Subscription. Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement unless otherwise stated.

The Board is pleased to announce that all conditions set out in the Top-up Placing and the Top-up Subscription Agreement have been fulfilled and the Top-up Placing were completed on 14 September 2010 and the Top-up Subscription Shares have been allotted and issued to the Vendor on 21 September 2010, respectively. An aggregate of 130,000,000 Top-up Placing Shares have been successfully placed to not fewer than six placees, who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules), at the Top-up Placing Price of HK\$17.38 per Top-up Placing Share and an aggregate of 130,000,000 Top-up Subscription Shares, representing approximately 9.45% of the enlarged issued share capital of the Company immediately after the issue of such Top-up Subscription Shares, have been issued and allotted to the Vendor at a Top-up Subscription Price of HK\$17.38 per Top-up Subscription Share.

The net proceeds from the Top-up Subscription amount to approximately HK\$2,223 million.

The Company has been informed by the Vendor that the Placing of the existing 57,000,000 Placing Shares were completed on 14 September 2010.

The table below sets out the shareholding structure of the Company before and after the Top-up Placing, the Top-up Subscription and the Placing:

| | Immediately before the Top-up Placing, the Top-up Subscription and the Placing | | Immediately after the Top-up Placing, the Top-up Subscription and the Placing | |
|---|---|-----------------------|--|-----------------------|
| | <i>Approximate</i> | | <i>Approximate</i> | |
| | <i>Shares</i> | <i>%</i> | <i>Shares</i> | <i>%</i> |
| The Vendor (<i>Note 1</i>) | 268,474,024 | 21.56% | 211,474,024 | 15.38% |
| Placees | — | — | 187,000,000 | 13.60% |
| Other Shareholders (<i>Note 2</i>) | <u>976,597,039</u> | <u>78.44%</u> | <u>976,597,039</u> | <u>71.02%</u> |
| Total | <u>1,245,071,063</u> | <u>100.00%</u> | <u>1,375,071,063</u> | <u>100.00%</u> |

Notes

1. The shareholders of Fortune Apex being the Vendor are Messrs. Hu Yueming, Liu Jianguo, Lu Xun, Chen Yongdao, Li Cunzhang (passed away on 10 August 2007), Li Shengqiang, Liao Enrong, Jin Maoji, Yao Jingsheng, Chen Zhenxing, Zhang Xueyong, Xu Yong, Wang Zhengrong and Chen Ligu. Neither Fortune Apex Limited nor any of its shareholders hold any Bonds nor any other securities of the Company, nor any options, derivatives or other arrangements to purchase or sell securities of the Company.
2. The above table assumes no Shares are issued pursuant to the employee share option scheme of the Company or exercise of the conversion right attaching to the Bonds between the date of this announcement and completion of the transaction (both days inclusive). As at the date of this announcement, there were (i) outstanding options issued pursuant to the share option scheme of the Company which entitle the holders thereof to receive 12,000,000 Shares upon full exercise of such options and (ii) outstanding Bonds which entitle the holders thereof to receive 75,315,897 Shares upon full exercise of the conversion rights attaching to the Bonds.

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

Hong Kong, 21 September 2010

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