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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”)**

CANCELLATION OF REPURCHASED BONDS

Reference is made to the announcements of China High Speed Transmission Equipment Group Co., Ltd. (the “**Company**”) dated 18 November 2008, 20 November 2008 and 26 November 2008 respectively in which an aggregate of RMB427,400,000 in face value of Bonds were repurchased by the Company through over-the-counter market, particulars of which are set out below.

Trading day	Amount of Bonds purchased	Price paid	Total paid	Date of cancellation
13 November 2008	RMB122,000,000	RMB63,000 per unit (being a face value of RMB100,000)	USD11,254,118.16	24 November 2008
13 November 2008	RMB5,000,000	RMB62,000 per unit (being a face value of RMB100,000)	USD453,913.17	24 November 2008
18 November 2008	RMB150,000,000	RMB63,000 per unit (being a face value of RMB100,000)	USD13,840,070.30	24 November 2008
20 November 2008	RMB29,100,000	RMB62,000 per unit (being a face value of RMB100,000)	USD2,641,310.55	26 November 2008
21 November 2008	RMB101,000,000	RMB63,000 per unit (being a face value of RMB100,000)	USD9,313,933.57	26 November 2008
21 November 2008	RMB20,300,000	RMB62,000 per unit (being a face value of RMB100,000)	USD1,842,285.90	27 November 2008

The Company confirms that all the abovementioned repurchased Bonds with an aggregate of RMB427,400,000 in face value have been duly cancelled 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, 3 December 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 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*