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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)

**DESPATCH OF CIRCULAR
RELATING TO
AMENDMENT AND RESTATEMENT
TO THE EQUITY SWAP AND
POSSIBLE OFF-MARKET REPURCHASE OF SHARES**

Independent financial adviser to the independent board committee



SOMERLEY LIMITED

The circular in connection with the amendment and restatement to the Equity Swap and the possible off-market repurchase of shares has been despatched to the shareholders on 24 December 2009 and the EGM for the purpose of approving the amendment and restatement to the Equity Swap and the possible off-market repurchase of shares will be held on 15 January 2010.

Reference is made to the announcement of the Company dated 27 November 2009 (the “**Announcement**”) regarding the extension of time in the despatch of the circular in connection with the amendment and restatement to the Equity Swap and the possible off-market repurchase of shares (the “**Circular**”) to no later than 24 December 2009 to the Shareholders. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Announcement.

Despatch of Circular

The Circular, containing amongst other things, details of the amended and restated Equity Swap, a letter of advice from Somerley Limited as the independent financial adviser (“**Independent Financial Adviser**”) to the independent board committee of the Company (the “**Independent Board Committee**”) and the independent shareholders, a letter containing the recommendations and advice of the Independent Board Committee to the independent shareholders in respect of the amendment and restatement to the Equity Swap and the possible off-market repurchase of shares, a notice of EGM together with a proxy form for purposes of the EGM has been despatched to the shareholders on 24 December 2009.

Shareholders are advised to read the Circular in detail, including the advice of the Independent Financial Adviser to the Independent Board Committee and the independent shareholders and the recommendations of the Independent Board Committee in respect of the amendment and restatement to the Equity Swap and the possible off-market repurchase of shares before the EGM.

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

Hong Kong, 24 December 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.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

** For identification purposes only*