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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)

**TERMINATION OF PRE-EMPTIVE RIGHTS AGREEMENT BETWEEN  
A GROUP OF CONTROLLING SHAREHOLDERS**

The Company has been informed by Fortune Apex Limited (“**Fortune Apex**”) that Messrs. Hu Yueming, Liu Jianguo, Lu Xun, Chen Yongdao, successor of Li Cunzhang, Li Shengqiang, Jin Maoji, Liao Enrong, Yao Jingsheng, Chen Zhenxing, Zhang Xueyong, Xu Yong, Wang Zhengrong and Chen Liguu (acting through Fortune Apex), Mr. Pan Jinhong (acting through Wiaearn Holdings Limited (“**Wiaearn**”)) and Mr. Liu Xuezhong and his wife Ms. Li Yuelan (acting through Luckever Holdings Limited (“**Luckever**”)) (collectively, the “**Parties**”) entered into a termination agreement (“**Termination Agreement**”) on 21 October 2008 pursuant to which the pre-emptive rights agreement (“**Pre-emptive Rights Agreement**”) dated 8 June 2007 entered into among the Parties has been terminated with immediate effect and that neither parties shall have any rights, liabilities, claims or actions against the other parties. Under the Termination Agreement, the Parties also confirm that they do not actively cooperate to obtain or consolidate control (being 30% or more of the voting rights) of the Company through the acquisition by any of them of voting rights of the Company pursuant to any agreement or understanding.

The Pre-emptive Rights Agreement was originally intended to expire on the third anniversary of 4 July 2007, being the date of listing of the Company. Please refer to the section headed “Substantial Shareholders — Relationship with our Controlling Shareholders” of the prospectus of the Company dated 20 June 2007 for a summary of the terms of the Pre-emptive Rights Agreement.

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, 21 October 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 directors are Mr. Zhu Keming and Mr. Zhang Wei; and the independent non-executive directors are Mr. Zhu Junsheng, Mr. Jiang Xihe and Mr. Chen Shimin.*

\* For identification purposes only