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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)

**DISCLOSEABLE TRANSACTION
RELATING TO
DISPOSAL OF H SHARES IN
GUODIAN TECHNOLOGY &
ENVIRONMENT GROUP CORPORATION LIMITED**

Reference is made to two announcements dated 5 December and 30 December 2011 of the Company in relation to the subscription for 144,100,000 H Shares in Guodian Tech. The Board is pleased to announce that from 22 February 2013 to 16 May 2013, the Company disposed on the Stock Exchange an aggregate of 83,189,000 H Shares (representing approximately 1.37% of its total issued share capital, including both its H Shares and domestic share) for an aggregate gross sale proceeds of HK\$228,789,266.

As the applicable percentage ratio as defined in Chapter 14 of the Listing Rules for the Disposals on an aggregated basis is higher than 5% but less than 25%, the Disposals constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and accordingly, is subject to disclosure requirement set out in the Listing Rules.

Investors and shareholders are advised by the Board to exercise caution when dealing in the shares of the Company.

THE DISPOSALS

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As the Disposals were made through the Stock Exchange, the Company is not aware of the identities of the purchasers of the Disposed Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the purchasers of the Disposed Shares and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

The aggregate gross sale proceeds of the Disposals are HK\$228,789,266 and are receivable in cash on settlement. The aggregate gross sale proceeds receivable by the Company represent the market price of the Disposed Shares at the time of sale.

After the Disposals, the Company still retains 60,911,000 H Shares (representing approximately 1.00% of the total issued share capital of Guodian Tech, including both its H Shares and domestic shares, as at the date of this announcement). It is possible that the Company will continue to dispose of the remaining H Shares when the Company considers appropriate.

GENERAL INFORMATION OF GUODIAN TECH

Guodian Tech was established on May 24, 1993 and operated under the name of Longyuan Power Environmental Protection Technology Development Company (龍源電力環保技術開發公司). On May 16, 2011, Guodian Tech was converted into a joint stock company under the name of Guodian Technology & Environment Group Corporation Limited (國電科技環保集團股份有限公司). Guodian Tech was listed on the Stock Exchange on 30 December 2011.

Guodian Tech is one of the largest environmental protection and energy conservation solutions services provider for coal-fired power plants operating in the PRC; and a renewable energy equipment manufacturer and service provider, with a leading position in the PRC's wind turbine generator manufacturing industry.

According to Guodian Tech's results announcement published on 28 March 2013, Guodian Tech's net asset value amounted to approximately RMB12,141 million as at 31 December 2012; and its profits before taxation for 2011 and 2012 were approximately RMB 1,272 million and approximately RMB 1,264 million respectively; and its profits after taxation for 2011 and 2012 were RMB approximately 1,164 million and approximately RMB 1,034 million respectively, under the IFRS.

REASONS FOR THE DISPOSALS

The Disposals provide the Group with a good opportunity to realise its investment in Guodian Tech at prevailing market price. Subject to final audit, the Group is expected to recognise a gain of approximately HK\$48,931,416 as a result of the Disposals, which is calculated on the basis of the difference between the investment cost and the average disposal price of the Disposed Shares. The proceeds from the Disposals will be used as general working capital of the Group, which will further enhance and strengthen the financial position and cash flow of the Group.

The Directors (including the independent non-executive Directors) consider that the Disposals were fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

GENERAL

The Group is principally engaged in research, design, development, manufacture and distribution of a broad range of mechanical transmission equipment that are used in a wide range of industrial applications.

As the applicable percentage ratio as defined in Chapter 14 of the Listing Rules for the Disposals on an aggregated basis is higher than 5% but less than 25%, the Disposals constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and accordingly, is subject to disclosure requirement set out in the Listing Rules.

Investors and shareholders are advised by the Board to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, unless otherwise indicated in the context, the following expressions have the meaning set out below:

“Board”	the board of Directors
“Company”	China High Speed Transmission Equipment Group Co., Ltd., an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Disposals”	a series of disposals of the Disposed Shares carried out by the Company on the Stock Exchange between 22 February and 16 May 2013;
“Disposed Shares”	an aggregate of 83,189,000 H Shares;
“Group”	the Company and its subsidiaries
“Guodian Tech”	Guodian Technology & Environment Group Corporation Limited (國電科技環保集團股份有限公司), a joint stock limited company incorporated in the People’s Republic of China with limited liability
“H Shares”	the overseas foreign invested ordinary shares in the share capital of Guodian Tech having a nominal value of RMB1.00 each and listed on the Stock Exchange;
“IFRS”	International Financial Reporting Standards
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, but for the purpose of this announcement, excludes Hong Kong, Macau SAR and Taiwan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK Dollars” or “HK\$”	Hong Kong dollar(s), the lawful currency of the Hong Kong

“RMB” Renminbi, the lawful currency of the PRC

“%” per cent

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

Hong Kong, 20 May 2013

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, Mr. Chen Shimin and Ms. Jiang Jianhua.

* *For identification purposes only*