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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)

**ISSUE OF FIRST TRANCHE OF DOMESTIC MEDIUM TERM
NOTES IN THE PRC BY NANJING HIGH ACCURATE DRIVE
EQUIPMENT MANUFACTURING GROUP CO., LTD.*,
A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY**

This announcement is issued by the board of directors (the “Board”) of China High Speed Transmission Equipment Group Co., Ltd. (the “Company”) on a voluntary basis.

ISSUE OF FIRST TRANCHE OF DOMESTIC MEDIUM TERM NOTES

The Board is pleased to announce that Nanjing High Accurate Drive Equipment Manufacturing Group Co., Ltd.* (南京高精傳動設備製造集團有限公司) (“Nanjing High Accurate Drive”), a wholly-owned subsidiary of the Company incorporated in the People’s Republic of China (the “PRC”) has obtained approval from National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會), a self-regulation organisation supervising issuance of corporate bonds/ notes amongst the banks in the PRC to issue medium term notes of an aggregate principal amount up to RMB 1,600 million to domestic institutional investors in the PRC.

On 21 May 2013, Nanjing High Accurate Drive has completed the issue of the first tranche of the domestic medium term notes in the PRC with an aggregate principal amount of RMB500 million. The first tranche of the medium term notes bears a fixed interest rate of 6.2% per annum and has a term of 5 years.

Nanjing High Accurate Drive plans to use the funds raised for repayment of bank loans and as its working capital.

UNAUDITED KEY CONSOLIDATED FINANCIAL FIGURES OF NANJING HIGH ACCURATE DRIVE FOR THE FIRST THREE MONTHS OF 2013

Pursuant to applicable laws and regulations in the PRC, the unaudited consolidated financial information of Nanjing High Accurate Drive for the three months ended 31 March 2013 prepared in accordance with the PRC Generally Accepted Accounting Principles (“Nanjing High Accurate Drive’s Unaudited Consolidated Financial Information”) together with other information of Nanjing High Accurate Drive are published on the websites of China Bond (<http://www.chinabond.com.cn>) and/ or China Foreign Exchange Trade System (<http://www.chinamoney.com.cn>).

Whilst Nanjing High Accurate Drive is the principal operating subsidiary of the Company, the Nanjing High Accurate Drive’s Unaudited Consolidated Financial Information does not include certain loss making subsidiaries of the Group and does not reflect the full picture of the operation status of the Group.

In addition, the Nanjing High Accurate Drive’s Unaudited Consolidated Financial Information and its summary published in the relevant websites in the PRC are prepared in accordance with the PRC Generally Accepted Accounting Principles, which may require adjustment during the course of auditing.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company and should not rely solely on such information.

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

Hong Kong, 23 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*