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WEICHAI

濰柴動力股份有限公司

WEICHAI POWER CO., LTD.

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2338)

ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS

REVISION OF EXISTING CAPS

SUMMARY

In respect of certain Weichai Continuing Connected Transaction and MAT Continuing Connected Transactions, the Company proposes to revise their respective Existing Caps for the three years ending 31 December 2010. The Board announces that on 13 August 2009 the Group has entered into the Agreements in respect of the said Continuing Connected Transactions for the purposes of, inter alia, revising their respective Existing Caps, as more particularly described herein.

I. INTRODUCTION

Reference is made to the 2008 Announcement and 2008 Circular of the Company in respect of certain continuing connected transactions of the Company where, inter alia, the New Caps for the Weichai Continuing Connected Transactions and MAT Continuing Connected Transactions were set for the three years ending 31 December 2010. Terms and expressions defined in the 2008 Announcement shall have the same meanings when used herein unless the context requires otherwise.

For certain Weichai Continuing Connected Transaction and MAT Continuing Connected Transactions, the Company proposes to revise their respective Existing Caps. The Group entered into the Agreements to, inter alia, revise the Existing Caps for such Weichai Continuing Connected Transaction and MAT Continuing Connected Transactions.

A summary of the relevant Weichai Continuing Connected Transaction and MAT Continuing Connected Transactions, the Agreements, the Existing Caps of such Weichai Continuing Connected Transaction and MAT Continuing Connected Transactions and the actual transaction amounts of such Weichai Continuing Connected Transaction and MAT Continuing Connected Transactions for the relevant period is set out below.

The New Caps for the relevant Weichai Continuing Connected Transaction and MAT Continuing Connected Transactions for the three years ending 31 December 2011 are based on the internal estimates of the Company, which are in turn determined by reference to the historical performance and the operating conditions of the Group. The bases of the New Caps are more particularly set out in this announcement.

II. CONTINUING CONNECTED TRANSACTIONS

A. Weichai Continuing Connected Transaction

The relevant Weichai Continuing Connected Transaction is as follows:

Name of connected person	Name of Group Company	Connected person's relationship with the Group	Nature of the connected transaction with the Group
Weichai Heavy Machinery	The Company	Held as to 30.59% by Weichai Holdings	Sale of diesel engines and related products by the Company to Weichai Heavy Machinery

Connected person and details of relevant Weichai Continuing Connected Transaction	2009	New Caps	
		2010	2011
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>

Weichai Heavy Machinery

Sale of diesel engines and related products by the Company to Weichai Heavy Machinery	260,000,000	312,000,000	375,000,000
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The Company is principally engaged in the research and development, manufacturing and sale of high-speed heavy-duty diesel engines and engine parts.

Weichai Heavy Machinery is engaged in the manufacture and sale of medium-speed diesel engines and diesel engine parts and components, power generators and related products, and construction machinery and the provision of repair processing services for machinery parts. Weichai Heavy Machinery is a subsidiary of Weichai Holdings (a substantial shareholder of the Company and a Promoter under the PRC laws), and accordingly, it is an associate of Weichai Holdings and a connected person of the Company.

As a result of the Weichai Holdings Juli Restructuring, certain original Weichai Continuing Connected Transactions between Weichai Holdings (and its associates) and the Company (as the case may be) were transferred to Weichai Heavy Machinery .

Sale of diesel engines and related products by the Company to Weichai Heavy Machinery

Agreement: Supplemental agreement to the framework agreement dated 17 November 2003 (as supplemented by supplemented agreements dated 15 September 2004, 12 November 2006, 9 June 2007 and 27 November 2008, respectively)

Date: 13 August 2009

Parties: 1. The Company
2. Weichai Heavy Machinery

Term: 1 January 2009 to 31 December 2011

Other terms and details:

Pursuant to the original framework agreement dated 17 November 2003 between the Company and Weichai Holdings (as supplemented by supplemental agreements dated 15 September 2004, 12 November 2006, 9 June 2007 and 27 November 2008, respectively), the Company has agreed to sell to Weichai Holdings, at market prices and settled on a monthly basis, WD615 Engines for each of the three years ending 31 December 2009. The WD615 Engines are one of the components of the power generators manufactured by Weichai Holdings.

In connection with the Weichai Holdings Juli Restructuring (as more particularly set out in the 2008 Circular), the Company, Weichai Holdings and Weichai Heavy Machinery entered in the supplemental framework agreement on 9 June 2007, pursuant to which the rights and obligations of Weichai Holdings under the original framework agreement were assumed by Weichai Heavy Machinery. Accordingly, the sale of diesel engines under the original framework agreement became Weichai Continuing Connected Transactions between the Company and Weichai Heavy Machinery.

Pursuant to this latest supplemental agreement, the Company has agreed to sell and Weichai Heavy Machinery has agreed to purchase diesel engines and related products at market prices and settled on a monthly basis. This latest supplemental agreement will extend the framework agreement for a term ending 31 December 2011, upon the expiry of which the parties may renew the term for another three years on a mutually agreed basis. The Company will comply with the relevant requirements under the Listing Rules (as applicable) upon the said renewal. Save as aforesaid and the revisions of the Existing Caps below, all other terms of the framework agreement remain unchanged.

The table below summarises the Existing Caps for the three years ending 31 December 2010 for the Weichai Continuing Connected Transaction set out in this subsection:

	2008	2009	2010
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Existing Cap	70,000,000	91,000,000	120,000,000

The table below summarises the actual transaction amounts involved for two years ended 31 December 2008 (audited) and the four months ended 30 April 2009 (unaudited) for the Weichai Continuing Connected Transaction set out in this sub-section:

	Year ended		Four months
	31 December		ended
	2007	2008	30 April
	<i>RMB</i>	<i>RMB</i>	<i>2009</i>
			<i>RMB</i>
Actual Transaction Amount	25,179,000	66,499,000	67,113,000
	<i>(note)</i>		

Note: This represents the actual transaction amounts between Weichai Holdings and the Company (up to the completion of the Weichai Holdings Juli Restructuring) in the amount of approximately RMB7,799,000 and between Weichai Heavy Machinery and the Company (since the completion of the Weichai Holdings Juli Restructuring) in the amount of approximately RMB17,380,000.

As WD615 Engines are one of the components of the power generators manufactured by Weichai Heavy Machinery, any increase in demand for Weichai Heavy Machinery's power generators will in turn drive the sales of WD615 Engines by the Company to Weichai Heavy Machinery.

The PRC has maintained a strong economic growth in recent years. Despite the slowdown of economic growth in 2008, the Company estimates that the demand for power generators in the PRC will remain steady for the three years ending 31 December 2011.

Since 2009, in addition to the WD615 Engines which the Company has been selling to Weichai Heavy Machinery, the Company also sold diesel engines used in vessels to Weichai Heavy Machinery for its onward sale to the third party customers pursuant to the Group's policy of centralisation of the sale and development of the key products in the Company leading to the more efficient management of the sale of the Group's various products.

The Company is a leading manufacturer of diesel engines in the PRC and this evidences the quality and competitiveness of the Company's diesel engines generally. With the proximity between the Company's production facilities and those of Weichai Heavy Machinery, and in view of the high quality and the competitiveness of the Company's engines, the Company believes that Weichai Heavy Machinery will continue to purchase the Company's diesel engines for the manufacture of power generators. In addition, increase in

demand for the vessels sold by Weichai Heavy Machinery will also in turn lead to an increase in the sales of the vessel engines by the Company to Weichai Heavy Machinery.

The Company estimates that the sale of its said diesel engines and related products to Weichai Heavy Machinery for the three years ending 31 December 2011 will not exceed RMB260,000,000, RMB312,000,000 and RMB375,000,000, respectively, and such amounts have accordingly been set as the proposed New Caps for this Weichai Continuing Connected Transaction. These estimates have also taken into account a stable increase in the average unit prices of WD615 Engines and engines used in vessels by reference to the estimated salary growth rate and an increase in the sales of the said diesel engines by the Company to Weichai Heavy Machinery by 20% per year for the three years ending 31 December 2010.

The table below summarises the New Caps for the Weichai Continuing Connected Transaction set out in this sub-section for the three years ending 31 December 2011:

	2009	2010	2011
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
New Cap	260,000,000	312,000,000	375,000,000

As stated in the 2008 Circular, for the purposes of ascertaining whether a Continuing Connected Transaction would exceed the 2.5% Threshold, the said Weichai Continuing Connected Transaction has been aggregated with the following transactions and they exceed the 2.5% Threshold and are subject to the approval of the Independent Shareholders:

- (i) sale of diesel engines, diesel engine parts and components, materials and related products and provision of processing services by the Company and Weichai Resources (as the case may be) to Weichai Holdings (and its associates) (as the case may be) (as set out under heading A.1.(d) in the 2008 Circular); and
- (ii) sale of semi-finished diesel engine parts and related products by the Company to Weichai Deutz (as set out under heading A.4.(a) in the 2008 Circular).

The Company confirms that the Existing Caps for each of the Weichai Continuing Connected Transactions set out in paragraphs (i) and (ii) above shall remain unchanged.

As the New Caps for this Weichai Continuing Connected Transaction for the three years ending 31 December 2011 do not exceed the 2.5% Threshold, they constitute Exempt Continuing Connected Transactions of the Company under Chapter 14A of the Listing Rules and will be subject to the reporting requirements set out in Rules 14A.45 and 14A.46 and the annual review requirements of Rules 14A.37 and 14A.38.

Since this Weichai Continuing Connected Transaction for the three years ending 31 December 2011 is an Exempt Continuing Connected Transaction and the New Caps are not subject to the approval of the Independent Shareholders, this Supplemental Agreement is unconditional.

B. MAT Continuing Connected Transaction

The relevant MAT Continuing Connected Transactions include the following:

Name of connected person	Name of Group Company	Connected person's relationship with the Group	Nature of the connected transaction with the Group
Mr. Wang's associates (note 1)	Weichai MAT (note 2)	Director of Weichai MAT	<ol style="list-style-type: none"> 1. Sale of automotive parts and components and related products by Weichai MAT to Mr. Wang's associates 2. Purchase of automotive parts and components and related products by Weichai MAT from Mr. Wang's associates

Notes:

1. *As more particularly described in the section headed "II.B. MAT Continuing Connected Transactions" in this announcement.*
2. *Weichai MAT is a wholly-owned subsidiary of the Company as at the date hereof.*

Connected person and details of relevant MAT Continuing Connected Transactions	2009 <i>RMB</i>	New Caps	
		2010 <i>RMB</i>	2011 <i>RMB</i>

Mr. Wang's associates

1. Sale of automotive parts and components and related products by Weichai MAT to Mr. Wang's associates	170,000,000	204,000,000	245,000,000
2. Purchase of automotive parts and components and related products by Weichai MAT from Mr. Wang's associates	45,000,000	54,000,000	65,000,000

Weichai MAT became a 75% owned subsidiary of the Company at the completion of the acquisition by the Company of TAGC on 23 April 2007. In January 2009, as disclosed in the announcement of the Company dated 17 January 2009, the Company purchased the then remaining 25% equity interest in Weichai MAT from Mr. Wang, and Weichai MAT sold 100% equity interest in its wholly-owned subsidiary, Meneta, to Mr. Wang, after which Weichai MAT became a wholly-owned subsidiary of the Company and Meneta, MAST, Meneta India and Meneta A/S ceased to be subsidiaries of Weichai MAT and the Group companies.

Weichai MAT is engaged in the import and sale of automotive brakes, brake pads and rotors. Mr. Wang is a director of Weichai MAT and, accordingly, a connected person of the Company.

GRI is 92.15% owned by Weichai MAT Holdings, which is wholly-owned by Mr. Wang. Accordingly, GRI is an associate of Mr. Wang and is a connected person of the Company. GRI is principally engaged in the engineering and design of industrial machined castings and automotive brake products.

Shenyang Honbase is an indirect wholly-owned subsidiary of Mr. Wang. Accordingly, Shenyang Honbase is an associate of Mr. Wang and is a connected person of the Company. Shenyang Honbase is principally engaged in the manufacture of industrial and automotive brake machined castings.

Shinning Gold is wholly-owned by Mr. Wang. Accordingly, Shinning Gold is an associate of Mr. Wang and is a connected person of the Company. Shinning Gold is principally engaged in the manufacture of automotive brake rotors and pump parts.

Laizhou Hongyuan Bench Vise is wholly-owned by Pexca International Ltd, which is 67% owned by First Enterprises LLC, which in turn is 50% owned by Mr. Wang. Accordingly, Laizhou Hongyuan Bench Vise is an associate of Mr. Wang and is a connected person of the Company. Laizhou Hongyuan Bench Vise is principal engaged in manufacture of automotive brake drums, hubs, vises and power transmission hardware.

1. *Sale of automotive parts and components and related products by Weichai MAT to Mr. Wang's associates*

Agreement: Automotive parts and components sale agreement

Date: 13 August 2009

Parties: 1. Weichai MAT; and
2. GRI

Term: 1 January 2009 to 31 December 2011

Other terms and details:

Pursuant to the automotive parts and components sale agreement dated 27 November 2008 between Weichai MAT (and its subsidiaries) and Mr. Wang's associates, for a period of three years with effect from 1 January 2008, *inter alia*, Weichai MAT has agreed to sell automotive parts and components and related products, in particular, automotive brake rotors for specific private brand customers in the United States, to GRI at market prices, settled by the parties one to three months after delivery.

Pursuant to this Agreement, Weichai MAT has agreed to sell and GRI has agreed to purchase the automotive parts and components set out above and related products on the same terms, for a term ending 31 December 2011, upon expiry of which Weichai MAT shall have an option to renew the agreement for a term of three years. The Company will comply with the relevant requirements under the Listing Rules (as applicable) upon the said renewal.

The table below summarises the Existing Caps for the three years ending 31 December 2010 for the said MAT Continuing Connected Transaction:

	2008	2009	2010
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Existing Cap	115,000,000	125,000,000	130,000,000

The table below summarises the actual transaction amounts involved for the period from the completion of the Merger to 31 December 2007 (audited), the year ended 31 December 2008 (audited) and the four months ended 30 April 2009 (unaudited) for the MAT Continuing Connected Transaction set out in this sub-section:

	From	Year ended	Four months
	23 April 2007 to	31 December	ended
	31 December	31 December	30 April
	2007	2008	2009
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Actual Transaction Amount	60,554,370 <i>(note 1)</i>	145,426,000 <i>(note 2)</i>	41,905,000 <i>(note 3)</i>

Notes:

- This was calculated based on the exchange rate of USD1: RMB7.75.*
- This was calculated based on the exchange rate of USD1: RMB6.8346. For details of the transaction amount of the said MAT Continuing Connected Transaction in 2008, please refer to the announcement of the Company dated 24 April 2009.*
- This was calculated based on the exchange rate of USD1: RMB6.8310.*

There was a significant increase in the transaction amounts of the said MAT Continuing Connected Transactions in the second half of 2008, which was beyond the Company's expectation (based on the then available information from Weichai MAT) at the time the Existing Caps were set. The increase in the transaction amounts was due to, inter alia, (i) increase in the costs of the raw materials for the production of the automotive parts and components and related products sold by Weichai MAT at the relevant time to Mr. Wang's associates; and (ii) GRI

increased its order for the automotive parts and components from Weichai MAT and its subsidiaries (as the case may be) in October 2008 in view of the increase in the costs of raw materials.

The Company estimates that the amount will not exceed RMB170,000,000, RMB204,000,000, and RMB245,000,000 for the three years ending 31 December 2011 and such amounts have accordingly been set the proposed New Caps for this MAT Continuing Connected Transaction.

The New Caps have been estimated by the Company primarily based on the relevant historical transaction amounts, the effect of inflation, the recovery from the financial crisis in 2008 and an expected growth rate of approximately 20% each year.

The table below summaries the proposed New Caps for the said MAT Continuing Connected Transaction for the three years ending 31 December 2011:

	2009	2010	2011
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
New Cap	170,000,000	204,000,000	245,000,000

As the New Caps for this MAT Continuing Connected Transaction for the three years ending 31 December 2011 do not exceed the 2.5% Threshold, they constitute Exempt Continuing Connected Transactions of the Company under Chapter 14A of the Listing Rules and will be subject to the reporting requirements set out in Rules 14A.45 and 14A.46 and the annual review requirements of Rules 14A.37 and 14A.38.

Since this MAT Continuing Connected Transaction for the three years ending 31 December 2011 is an Exempt Continuing Connected Transaction and the New Caps are not subject to the approval of the Independent Shareholders, this Agreement is unconditional.

2. *Purchase of automotive parts and components and related products by Weichai MAT from Mr. Wang's associates*

Agreement: Automotive parts and components purchase agreement

Date: 13 August 2009

Parties: 1. Weichai MAT; and
2. (a) Shenyang Honbase
(b) Laizhou Hongyuan Bench Vise
(c) Shinning Gold

Term: 1 January 2009 to 31 December 2011

Other terms and details:

Pursuant to the automotive parts and components purchase agreement dated 27 November 2008 between Weichai MAT (and its subsidiaries) and Mr. Wang's associates, for a period of three years with effect from 1 January 2008, inter alia, Weichai MAT has agreed to purchase:

- (a) automotive parts and components and related products, in particular, automotive brake drums and rotors for specific customers of Weichai MAT in the United States, from Shenyang Honbase, at market prices, settled by the parties one to three months after delivery;
- (b) automotive parts and components and related products, in particular, automotive brake drums, hubs and truck parts for customers of Weichai MAT in the United States, from Laizhou Hongyuan Bench Vise, at market prices, settled by the parties one to three months after delivery; and
- (c) automotive parts and components and related products, in particular, automotive brake rotors and industrial pumps and parts, from Shinning Gold, at market prices, settled by the parties one to three months after delivery.

Pursuant to this Agreement, Weichai MAT has agreed to purchase and each of Shenyang Honbase, Laizhou Hongyuan Bench Vise and Shinning Gold has agreed to purchase the automotive parts and components set out above and related products on the same terms, for a term ending 31

December 2011, upon expiry of which Weichai MAT shall have an option to renew the agreement for a term of three years. The Company will comply with the relevant requirements under the Listing Rules (as applicable) upon the said renewal.

The table below summarises the Existing Caps for the three years ending 31 December 2010 for the said MAT Continuing Connected Transaction:

	2008	2009	2010
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Existing Cap	17,000,000	19,000,000	20,000,000

The table below summarises the actual transaction amounts involved for the period from the completion of the Merger to 31 December 2007 (audited), the year ended 31 December 2008 (audited) and the four months ended 30 April 2009 (unaudited) for the MAT Continuing Connected Transaction set out in this sub-section:

	From 23 April 2007 to 31 December 2007	Year ended 31 December 2008	Four months ended 30 April 2009
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Actual Transaction Amount	24,886,000 <i>(note 1)</i>	27,855,000 <i>(note 2)</i>	11,117,000

Notes:

- This was calculated based on the exchange rate of USD1: RMB7.75.*
- This was calculated based on the exchange rate of USD1: RMB6.8346. For details of the transaction amount of the said MAT Continuing Connected Transaction in 2008, please refer to the announcement of the Company dated 24 April 2009.*
- This was calculated based on the exchange rate of USD1: RMB6.8310.*

There was a significant increase in the transaction amounts of the said MAT Continuing Connected Transactions in the second half of 2008, which was beyond the Company's expectation (based on the then available information from Weichai MAT) at the time the Existing Caps were set. The increase in the transaction amounts was due to, inter alia,

the increase in the costs of the raw materials for the production of the automotive parts and components and related products purchased by Weichai MAT at the relevant time from Mr. Wang's associates.

The Company estimates that the amount will not exceed RMB45,000,000, RMB54,000,000, and RMB65,000,000 for the three years ending 31 December 2011 and such amounts have accordingly been set the proposed New Caps for this MAT Continuing Connected Transaction.

The New Caps have been estimated by the Company primarily based on the relevant historical transaction amounts, the effect of inflation, recovery from the financial crisis in 2008, and an expected growth rate of approximately 20% each year.

The table below summaries the proposed New Caps for the said MAT Continuing Connected Transaction for the three years ending 31 December 2011:

	2009	2010	2011
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
New Cap	45,000,000	54,000,000	65,000,000

As the New Caps for this MAT Continuing Connected Transaction for the three years ending 31 December 2011 do not exceed the 2.5% Threshold, they constitute Exempt Continuing Connected Transactions of the Company under Chapter 14A of the Listing Rules and will be subject to the reporting requirements set out in Rules 14A.45 and 14A.46 and the annual review requirements of Rules 14A.37 and 14A.38.

Since this MAT Continuing Connected Transaction for the three years ending 31 December 2011 is an Exempt Continuing Connected Transaction and the New Caps are not subject to the approval of the Independent Shareholders, this Agreement is unconditional.

III. REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS AND LISTING RULES IMPLICATIONS

The Company is principally engaged in the research and development, manufacture and sale of high-speed, heavy-duty diesel engines. Prior to the incorporation of the Company and the listing of the Shares on the Hong Kong Stock Exchange, the Company had business relationships with certain entities. Under the Listing Rules, such entities has become connected persons of the

Company since the listing of the Company and the transactions between the Company and such entities constitute continuing connected transactions of the Company. In respect of the Weichai Continuing Connected Transactions between the Company and Weichai Holdings, since their production facilities are located in close proximity to each other and in view of the PRC Government's policy not to duplicate construction of production and other facilities, certain Weichai Continuing Connected Transactions have been continuing since the listing of the Company on the Hong Kong Stock Exchange. The Company has conducted the Weichai Continuing Connected Transaction with Weichai Holding for a number of years until the completion of the Weichai Holdings Juli Restructuring after which such transaction was transferred to Weichai Heavy Machinery. The Directors, including the independent non-executive Directors, consider it beneficial to the Company to continue to conduct these Weichai Continuing Connected Transactions in order to ensure and maximise the operating efficiency and stability of the operations of the Company.

As prior to completion of the Merger, Weichai MAT has conducted the MAT Continuing Connected Transactions with the relevant entities for many years and the Company has taken up such MAT Continuing Connected Transactions after completion of the Merger, the Directors, including the independent non-executive Directors, consider it to be beneficial to the Company to continue to conduct the MAT Continuing Connected Transactions in order to ensure and maximise operating efficiency and stability of the operations of the Group.

The Directors, including the independent non-executive Directors, have confirmed that the above Continuing Connected Transactions have been subject to arm's length negotiation between the Group and the relevant parties, and have been entered into by the Group in the ordinary and usual course of business and either (i) on normal commercial terms or better, or (ii) on terms no less favourable to the Group than those available to or from (as appropriate) independent third parties.

The Directors, including the independent non-executive Directors, are of the view that the above Continuing Connected Transactions, and the proposed New Caps, are fair and reasonable and in the interests of the Shareholders as a whole.

Since the New Caps (in respect of any one or more of the three years ending 31 December 2011) referred to in the section headed "II. Continuing Connected Transactions" do not exceed the 2.5% Threshold, the above Continuing Connected Transactions concerning such New Caps constitute Exempt Continuing Connected Transactions of the Company under Chapter 14A of the Listing Rules and the New Caps will be subject to the reporting and announcement requirements set out in Rules 14A.45, 14A.46 and 14A.47 of the Listing Rules, as well as annual review by the independent non-executive Directors under Rule 14A.37 of the Listing Rules and by the Company's auditors under Rule 14A.38 of the Listing Rules.

IV. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“0.1% Threshold”	the thresholds referred to in Rule 14A.33(3) of the Listing Rules;
“2.5% Threshold”	the thresholds referred to in Rule 14A.34 of the Listing Rules;
“2008 Announcement”	the announcement of the Company dated 27 November 2008 in respect of certain continuing connected transactions of the Company;
“2008 Circular”	the circular of the Company dated 18 December 2008 in respect of certain continuing connected transactions of the Company;
“Agreement(s)”	the agreement(s) relating to the Weichai Continuing Connected Transactions and the MAT Continuing Connected Transactions entered into between the Group and the relevant connected persons as more particularly set out in the section headed “II. Continuing Connected Transactions” in this announcement;
“Continuing Connected Transaction(s)”	the continuing connected transaction(s) of the Group set out in the section headed “II. Continuing Connected Transactions” in this announcement;
“Existing Cap(s)”	the existing cap(s) for the Weichai Continuing Connected Transaction set out in the section headed “II. A. Weichai Continuing Connected Transactions” and the MAT Continuing Connected Transactions set out in the section headed “II.B. MAT Continuing Connected Transactions” in this announcement;

“Exempt Continuing Connected Transactions”	being those Continuing Connected Transactions the proposed New Caps for which do not exceed the 2.5% Threshold and, accordingly, not subject to the approval by the Independent Shareholders and, where such New Caps exceed the 0.1% Threshold, are only subject to the reporting requirements set out in Rules 14A.45 and 14A.46, the announcement requirement in Rule 14A.47 and the annual review requirements in Rules 14A.37 and 14A.38 of the Listing Rules;
“New Cap(s)”	as defined in the section headed “II. Continuing Connected Transactions” in this announcement;
“Weichai MAT”	Weichai Power MAT Automotive, Inc. (formerly known as MAT Automotive, Inc.), a company incorporated in the United States and a wholly-owned subsidiary of the Company;
“Meneta”	Meneta Holding ApS, a company incorporated under the laws of Denmark, domiciled at Kirkegyden 52, 5270 Odense N. Denmark; and
“Weichai Heavy Machinery”	潍柴重機股份有限公司 (Weichai Heavy Machinery Co., Ltd.) (formerly known as 山東巨力股份有限公司 (Shandong Juli Company Limited)), a company established in the PRC and a connected person of the Company.

Hong Kong, 13 August 2009

By order of the Board
Tan Xuguang
Chairman and CEO

As at the date of this announcement, the executive Directors of the Company are Mr. Tan Xuguang, Mr. Xu Xinyu, Mr. Sun Shaojun and Mr. Zhang Quan; the non-executive Directors of the Company are Ms. Zhang Fusheng, Mr. Liu Huisheng, Mr. Yao Yu, Mr. Yeung Sai Hong, Mr. Chen Xuejian, Mr. Li San Yim, Mr. Julius G. Kiss, Ms. Han Xiaoqun, Mr. Gu Linsheng, Mr. Li Shihao and Mr. Liu Zheng; and the independent non-executive Directors of the Company are Mr. Zhang Xiaoyu, Mr. Koo Fook Sun, Louis and Mr. Fang Zhongchang.