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**WEICHAI**  
**潍柴动力股份有限公司**  
**WEICHAI POWER CO., LTD.**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 2338)**

**ANNOUNCEMENT MADE PURSUANT TO RULE 13.09(1)  
AND RULE 13.09(2) OF THE LISTING RULES**

This announcement is made pursuant to Rule 13.09(1) and Rule 13.09(2) of the Rules (“Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

Reference is made to an announcement made by Weichai Power Co., Ltd. (the “Company”) on the website of Shenzhen Stock Exchange dated 8 April 2011, which is for information only. The full text of the announcement in Chinese is published at the websites of the Stock Exchange and the Company.

By order of the Board of Directors  
**Tan Xuguang**  
*Chairman and CEO*

Weifang, Shandong, PRC

8 April 2011

*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.*

## **WEICHAI POWER CO., LTD.**

### **Announcement on Connected Transaction in relation to the Joint Investment of a Subsidiary and a Connected Person**

*The Company and all members of the Board assure the truth, accuracy and completeness of the content of the information disclosed herein, of which there is no false statement, mis-representation and material omission.*

#### **I. Overview of the connected transaction**

Through friendly negotiations, 陝西法士特齒輪有限責任公司 (Shaanxi Fast Gear Co., Ltd.) (hereinafter “SFGC”, in which the Company holds 51% of equity interest), a subsidiary of Weichai Power Co., Ltd. (hereinafter “the Company”), intends to form a joint venture with 陝西法士特汽車傳動集團公司 (Shaanxi Fast Gear Automotive Transmission Co., Ltd.) (hereinafter “Fast Transmission”) and 卡特彼勒（中國）投資有限公司 (Caterpillar China Investment Co., Ltd.) (hereinafter “Caterpillar”), namely, 西安雙特智能傳動有限公司 (Xi’an FC Intelligence Transmission Co., Ltd.) (hereinafter “Xi’an FC”).

Xi’an FC has a registered capital of RMB 500 million. The abovesaid three shareholders will invest in the form of cash and the actual amount and percentage of such investment are as follows:

<b>Name of shareholder</b>	<b>Investment amount (RMB)</b>	<b>Percentage of equity interest</b>	<b>Source of fund</b>
SFGC	255 million	51%	Self-raised
Fast Transmission	20 million	4%	Self-raised
Caterpillar	225 million	45%	Self-raised
<b>Total</b>	500 million	100%	-

In accordance with the relevant provisions of the 《深圳證券交易所股票上市規則》 ( “Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange”), the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (hereinafter “the Hong Kong Listing Rules”) and the Articles of Association of the Company, Fast Transmission is a connected person of the Company. Accordingly, the joint investment of SFGC, a subsidiary of the Company, and Fast Transmission will constitute a connected transaction.

This connected transaction, being the joint investment of the Company and a connected person, was considered and approved by the first extraordinary meeting of the Board on 8 April 2011. The independent Directors have reviewed the transaction and provided their independent opinion.

## **II. Basic information on the connected person**

### (1) Overview of the connected person

Company name: Fast Transmission

Registered capital: RMB500 million

Registered address: No.129, Western Avenue, High-tech District, Xi'an, Shaanxi Province, the PRC

Type of corporation: state-owned company

Legal representative: Li Dakai

Principle business: the research and development and manufacture of machinery and automotive parts and components such as automotive transmission products, forgings and castings, etc.; external investment, import and export; technical consultation.

This company owns 49% of equity interest in SFGC and the executive president of the Company, Li Dakai, is also the chairman of this company.

### (2) Overview of the non-connected person

Caterpillar is a company incorporated in 1996 in accordance with the laws of the People's Republic of China with limited liability. It has a registered capital of US\$ 100 million. Its registered address is at Room 1601, Caterpillar Tower, 8 Wangjing Street, Chaoyang District, Beijing, and its legal representative is 金利文. This company is an indirect wholly owned subsidiary of Caterpillar Inc., US.

### (3) Outline of the connected relationship

The executive president of the Company, Li Dakai, is also the chairman of Fast Transmission. In accordance with the provisions of Clause 10.1.3, Section 1, Chapter 10 of the “Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange”, the relationship between Fast Transmission and the Company constitutes a connected relationship. Accordingly, the joint investment of SFGC, a subsidiary of the Company, and Fast Transmission constitutes a connected transaction. Since the amount of this connected transaction does not exceed 5% of the Company’s most recent (i.e. year 2010) audited net asset, such transaction is not required to be submitted to the Company’s shareholders’ meeting for consideration.

Fast Transmission owns 49% interest in SFGC. Accordingly, Fast Transmission constitutes a connected person of the Company under the Hong Kong Listing Rules, and the joint investment of SFGC, a subsidiary of the Company, and Fast Transmission constitutes a connected transaction. As all the applicable percentage ratios for the connected transaction are less than 1%, the connected transaction is exempt from the reporting, annual review, announcement and independent shareholders’ approval requirements pursuant to Rule 14A.31(2)(b) of the Hong Kong Listing Rules.

### **III. Basic information on the target company established of the connected transaction**

Company Name: 西安雙特智能傳動有限公司 (a tentative name only, subject to the approval by the business administration authority)

English name: Xi'an FC Intelligence Transmission Co., Ltd.

Registered address: No.171, Western Avenue, High-tech District, Xi'an, Shaanxi Province, the PRC

Business Scope: the research and development, manufacture and sale of auto transmission devices for commercial vehicles (excluding auto transmission devices for mechanical products used in architecture, mines and agriculture) and other intelligent transmission devices, as well as the provision of the related services ; research and development and manufacture of automotive transmission parts and components and other mechanical parts and components supplied for Caterpillar and/or other shareholders.

#### **IV. Pricing policy and basis of pricing of the transaction**

The connected transaction between the Company and the abovesaid connected person is based on the principles of voluntariness, fairness, equity and negotiations for consensus.

#### **V. Status of the transaction agreement**

Following the approval of the connected transaction at the Company's first extraordinary meeting of the Board in 2011, each investment party signed the relevant agreement in relation to the joint investment in and formation of Xi'an FC.

## **VI. Review process**

(1) The abovesaid connected transaction, being the joint investment with the connected person, was considered and approved by the Company's first extraordinary meeting of the Board in 2011. In accordance with the relevant provisions of the "Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange", no related director was required to abstain from voting on such transaction, and such transaction is not required to be submitted to the Company's shareholders' meeting for consideration and approval.

### **(2) Opinion of independent Directors:**

1. It was agreed to submit the proposal of the abovesaid connected transaction, being the joint investment of the subsidiary and the connected person of the Company to the first extraordinary meeting of the Board in 2011 for consideration.

2. The abovesaid transaction is based on the principles of voluntariness, fairness, equity and negotiations for consensus, in compliance with relevant laws and regulations and the provisions of the Articles of Association, and no act or condition that damages the interests of the Company and the shareholders was found.

3. the Board considers the abovesaid transaction pursuant to the legal procedures, the decision making process of the connected transaction being in compliance with the provisions of the laws,

regulations and the Articles of Association.

## **VII. Purpose of the transaction, risks and impacts on the Company**

The investment and formation of Xi'an FC is for the purpose of the research and development, manufacture and sale of heavy-duty auto transmission for road commercial vehicles, accelerating technical innovation in the transmission system for road commercial vehicles in the PRC as well as upgrading of products, improving the quality of transmission products for road commercial vehicles in the PRC. Following an in-depth and thorough study and analysis, the investment risk of this investment is relatively small and within the scope of control.

This investment will enhance the technical level of SFGC, a subsidiary of the Company, assisting SFGC to gain a dominant position in the transmission technology of road commercial vehicles in the PRC, and strengthening its participation in international competition and the ability to resist risks in the market.

## **VIII. Documents available for inspection**

1. The resolution of the Board; and
2. the opinion of independent Directors.

The Board of Weichai Power Co., Ltd.

8 April 2011