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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**

**SUMMARY**

The Board announces that on 29 August 2013, the Group has entered into the Supplemental Agreements in respect of the Continuing Connected Transactions as more particularly described herein.

A circular containing, *inter alia*, (i) further details of the Non-exempt Continuing Connected Transaction; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the Non-exempt Continuing Connected Transaction; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Continuing Connected Transaction, will be despatched to the Shareholders on or before 19 September 2013.

**I. INTRODUCTION**

Reference is made to the announcements of the Company dated 23 August 2010, 29 August 2011 and 30 August 2012, respectively, in respect of, *inter alia*, the Continuing Connected Transactions of the Company where the Existing Caps for such Continuing Connected Transactions were set.

For these Continuing Connected Transactions, the Company proposes to apply for New Caps or revise the Existing Caps. For such purposes, the Group entered into the Supplemental Agreements. The Supplemental Agreements and the relevant New Caps in respect of the Exempt Continuing Connected Transactions which do not constitute PRC Continuing Connected Transactions are unconditional, those in respect of the Exempt Continuing Connected Transactions which constitute PRC Continuing Connected Transactions are conditional upon the approval of the Shareholders at the EGM, and those in respect of the Non-exempt Continuing Connected Transaction are conditional upon the approval by the Independent Shareholders at the EGM.

A summary of the Continuing Connected Transactions, the Supplemental Agreements, the Existing Caps, the actual transaction amounts of the Continuing Connected Transactions for the relevant periods and the New Caps (and their bases) is set out in the section headed “II. Continuing Connected Transactions” in this announcement.

## II. CONTINUING CONNECTED TRANSACTIONS

### ***SUMMARY OF THE CONTINUING CONNECTED TRANSACTIONS AND THE NEW CAPS***

The Continuing Connected Transactions include the following:

#### **A. Weichai Continuing Connected Transactions**

<b>Name of connected person</b>	<b>Name of Group Company</b>	<b>Connected person's relationship with the Group</b>	<b>Nature of the connected transaction with the Group</b>
1. Weichai Holdings (and its associates) ( <i>note 1</i> ) (as the case may be)	The Company, Weichai Resources, Weichai Casting, Weichai Reproduction, Huadong Casting, Weichai Singapore and Weichai Logistics ( <i>note 2</i> ) (as the case may be)	Holder of 16.83% of the equity of the Company	<p>(a) Provision of general services and labour services by Weichai Holdings (and its associates) to the Company (and its subsidiaries)</p> <p>(b) Supply and/or connection of utilities by Weichai Holdings (and its associates) to the Company (and its subsidiaries)</p> <p>(c) Purchase of diesel engine parts and components, gas, scrap metals, materials, diesel engines and related products and processing services by the Company (and its subsidiaries) from Weichai Holdings (and its associates)</p> <p>(d) Sale of diesel engines, diesel engine parts and components, materials, semi-finished products and related products and provision of processing services by the Company (and its subsidiaries) to Weichai Holdings (and its associates)</p>

Name of connected person	Name of Group Company	Connected person's relationship with the Group	Nature of the connected transaction with the Group
2. Weichai Deutz	The Company, Weichai Resources, Weichai Casting, Weichai Reproduction, Huadong Casting and Weichai Logistics ( <i>note 2</i> ) (as the case may be)	Held as to 50% by Weichai Holdings	<p>(a) Sale of semi-finished diesel engine parts and related products and logistic service by the Company (and its subsidiaries) to Weichai Deutz</p> <p>(b) Provision of sales and warranty period repair services by the Company to Weichai Deutz</p> <p>(c) Purchase of diesel engine parts and components and related products by the Company (and its subsidiaries) from Weichai Deutz</p>
3. Weichai Heavy Machinery (and its subsidiaries) ( <i>note 3</i> )	The Company, Weichai Resources, Weichai Casting, Weichai Reproduction, Huadong Casting, Weichai Logistics, Weichai Yangzhou and Baudouin China ( <i>note 2</i> ) (as the case may be)	Held as to 30.59% by Weichai Holdings	<p>(a) Purchase of diesel engine parts and components, materials, steel and scrap metal, diesel engines and related products and processing and labour services by the Company (and its subsidiaries) from Weichai Heavy Machinery (and its subsidiaries)</p> <p>(b) Sale of diesel engines and related products by the Company (and its subsidiaries) to Weichai Heavy Machinery (and its subsidiaries)</p> <p>(c) Supply of semi-finished diesel engine parts, diesel engine parts and components, reserve parts and related products and provision of labour services by the Company (and its subsidiaries) to Weichai Heavy Machinery (and its subsidiaries)</p>

## B. TAGC Continuing Connected Transactions

Name of connected person	Name of Group Company	Connected person's relationship with the Group	Nature of the connected transaction with the Group
Shaanxi Automotive (and its associates) (note 9)	Shaanxi Zhongqi (note 4), Hande Axle (note 5), Jinding (note 6), Shaanxi Import and Export (note 7) and Tiangua (note 8)	Holder of 49% of the equity of Shaanxi Zhongqi	Purchase of parts and components of vehicles, scrap steel and related products by Shaanxi Zhongqi (and its subsidiaries) from Shaanxi Automotive (and its associates)

Notes:

1. The associates of Weichai Holdings are Chongqing Weichai, Chongqing Casting and Weichai Import and Export.
2. Each of Weichai Resources, Weichai Casting, Weichai Reproduction, Huadong Casting and Weichai Singapore is a wholly-owned subsidiary of the Company. Weichai Logistics is held as to approximately 52% by the Company. Weichai Yangzhou is indirectly held as to approximately 85% by the Company. Baudouin China is directly held as to approximately 50.98% and indirectly held as to approximately 49.02% by the Company.
3. The subsidiary of Weichai Heavy Machinery is Weichai Heavy Equipment, being a wholly-owned subsidiary of Weichai Heavy Machinery.
4. Shaanxi Zhongqi is a 51% subsidiary of the Company.
5. Hande Axle is held as to approximately 3.06% by the Company and as to approximately 94% by Shaanxi Zhongqi.
6. Jinding is held as to approximately 95.76% by Shaanxi Zhongqi and as to approximately 4.24% by Hande Axle.
7. Shaanxi Import and Export is a wholly-owned subsidiary of Shaanxi Zhongqi.
8. Tiangua is held as to approximately 51% by Shaanxi Zhongqi.
9. As more particularly described in the section headed "II.B Continuing Connected Transaction between Shaanxi Zhongqi (and its subsidiaries) and Shaanxi Automotive (and its associates)" in this announcement.

A summary of the proposed New Caps for each of the Continuing Connected Transactions is set out below:

**A. Weichai Continuing Connected Transactions**

Connected person and details of relevant Continuing Connected Transactions	2014 <i>RMB</i>	New Caps	
		2015 <i>RMB</i>	2016 <i>RMB</i>
<b>1. Weichai Holdings (and its associates)</b>			
(a) Provision of general services and labour services by Weichai Holdings (and its associates) to the Company (and its subsidiaries)	110,000,000*	135,000,000*	160,000,000*
(b) Supply and/or connection of utilities by Weichai Holdings (and its associates) to the Company (and its subsidiaries)	150,000,000*	180,000,000*	220,000,000*
(c) Purchase of diesel engine parts and components, gas, scrap metals, materials, diesel engines and related products and processing services by the Company (and its subsidiaries) from Weichai Holdings (and its associates)	300,000,000*	360,000,000*	432,000,000*
(d) Sale of diesel engines, diesel engine parts and components, materials, semi-finished products and related products and provision of processing services by the Company (and its subsidiaries) to Weichai Holdings (and its associates)	350,000,000*	420,000,000*	510,000,000*

Connected person and details of relevant Continuing Connected Transactions	2013 RMB	2014 RMB	New Caps	
			2015 RMB	2016 RMB
<b>2. Weichai Deutz</b>				
(a) Sale of semi-finished diesel engine parts and related products and logistic service by the Company (and its subsidiaries) to Weichai Deutz	–	120,000,000*	150,000,000*	180,000,000*
(b) Provision of sales and warranty period repair services by the Company to Weichai Deutz	–	43,000,000*	51,600,000*	62,000,000*
(c) Purchase of diesel engine parts and components and related products by the Company (and its subsidiaries) from Weichai Deutz	–	90,000,000*	110,000,000*	132,000,000*
<b>3. Weichai Heavy Machinery</b>				
(a) Purchase of diesel engine parts and components, materials, steel and scrap metal, diesel engines and related products and processing and labour services by the Company (and its subsidiaries) from Weichai Heavy Machinery (and its subsidiaries)	–	790,000,000*	950,000,000*	1,140,000,000*
(b) Sale of diesel engines and related products by the Company (and its subsidiaries) to Weichai Heavy Machinery (and its subsidiaries)	420,000,000*	620,000,000*	750,000,000*	–
(c) Supply of semi-finished diesel engine parts, diesel engine parts and components, reserve parts and related products and provision of labour services by the Company (and its subsidiaries) to Weichai Heavy Machinery (and its subsidiaries)	320,000,000*	410,000,000*	500,000,000*	–

## B. TAGC Continuing Connected Transactions

Connected person and details of relevant Continuing Connected Transactions	2014 <i>RMB</i>	New Caps	
		2015 <i>RMB</i>	2016 <i>RMB</i>
Shaanxi Automotive (and its associates)			
Purchase of parts and components of vehicles, scrap steel and related products by Shaanxi Zhongqi (and its subsidiaries) from Shaanxi Automotive (and its associates)	3,200,000,000 <sup>#</sup>	3,800,000,000 <sup>#</sup>	4,600,000,000 <sup>#</sup>

### Notes:

1. Where a New Cap is marked “\*”, that means the proposed New Caps for the relevant Continuing Connected Transactions do not exceed the 5% Threshold and are exempt from the approval by the Independent Shareholders under the Listing Rules. However, since certain of the relevant Continuing Connected Transactions constitute PRC Continuing Connected Transactions, the same are subject to the approval by the Shareholders at the EGM.
2. Where a New Cap is marked “#”, that means the relevant Continuing Connected Transaction is a Non-exempt Continuing Connected Transaction, because it exceeds the 5% Threshold and is subject to the approval by the Independent Shareholders.
3. For the purposes of ascertaining whether a Continuing Connected Transaction would exceed the 5% Threshold, the transactions within the following paragraphs have been aggregated:
  - (i) transactions under paragraphs A.1.(a) and (b);
  - (ii) transactions under paragraphs A.1.(c), A.2.(c) and A.3.(a); and
  - (iii) transactions under paragraphs A.1.(d), A.2.(a), A.3.(b) and (c).

## **DETAILS OF THE CONTINUING CONNECTED TRANSACTIONS AND THE RELEVANT SUPPLEMENTAL AGREEMENTS**

### A. Weichai Continuing Connected Transactions

#### *The Company and its subsidiaries*

The Company is principally engaged in the research and development, manufacture and sale of high-speed heavy-duty diesel engines and engine parts. Chongqing Branch is the Company’s facility (being its branch office) in Chongqing Municipality.

Weichai Resources is a wholly-owned subsidiary of the Company and is principally engaged in the sale of parts and components of diesel engines.

Weichai Casting is a wholly-owned subsidiary of the Company and is principally engaged in the supply of casting products and related services.

Weichai Reproduction is a wholly-owned subsidiary of the Company and is principally engaged in the reproduction of parts and components of vehicles.

Huadong Casting is an indirect wholly-owned subsidiary of the Company and is principally engaged in the manufacture and sale of machine accessories, diesel engines, farming machines and engineering machines, and the import and export of goods and technology.

Weichai Singapore is a wholly-owned subsidiary of the Company and is principally engaged in general agency for import and export.

Weichai Logistics is held as to approximately 52% by the Company and is principally engaged in general transportation, storage, delivery and basic assembly of machine accessories and power.

Weichai Yangzhou is indirectly held as to approximately 85% by the Company and is principally engaged in the design, development, manufacture, sale and maintenance of diesel engines.

Baudouin China is directly held as to approximately 50.98% and indirectly held as to approximately 49.02% by the Company and is principally engaged in the manufacture, sale, design, research and development of diesel engines and related products.

**1. *Continuing Connected Transactions between Weichai Holdings (and its associates) and the Group***

*Weichai Holdings and its associates*

Weichai Holdings and Chongqing Weichai are principally engaged in the management, investment and the provision of general services.

Chongqing Casting is principally engaged in the manufacture and sale of grey iron, ductile iron casting and stamping parts and the provision of the relevant processing services to the Group Companies.

Weichai Import and Export is principally engaged in the import and export of certain products including diesel engine parts and components and the provision of the relevant service.

Weichai Holdings is a substantial shareholder of the Company, and is accordingly a connected person of the Company. Chongqing Weichai, Chongqing Casting and Weichai Import and Export are wholly-owned subsidiaries of Weichai Holdings and are, accordingly, associates of Weichai Holdings and connected persons of the Company.



- (a) *Provision of general services and labour services by Weichai Holdings (and its associates) to the Company (and its subsidiaries)*

Agreement: Supplemental Agreement to:

- (i) the general services agreement between the Company and Weichai Holdings dated 17 November 2003 (“**Weichai Holdings General Services Agreement**”) (as amended and supplemented by the supplemental agreements dated 12 January 2004, 2 February 2004, 15 September 2004, 21 September 2005, 12 November 2006, 27 November 2008, 23 August 2010 and 29 August 2011); and
- (ii) the general services agreement between the Company and Chongqing Weichai dated 17 November 2003 (“**Chongqing Weichai General Services Agreement**”) (as amended and supplemented by the supplemental agreements dated 15 September 2004, 21 September 2005, 12 November 2006, 27 November 2008, 23 August 2010 and 29 August 2011)

Date: 29 August 2013

- Parties:
- 1. (a) The Company
  - (b) Weichai Casting
  - (c) Huadong Casting
  - (d) Weichai Logistics
  - 2. (a) Weichai Holdings
  - (b) Chongqing Weichai

Term: 1 January 2014 to 31 December 2016

Other terms and details:

- (i) *Provision of general services and labour services by Weichai Holdings to the Company (and its subsidiaries)*

Pursuant to the Weichai Holdings General Services Agreement (as amended and supplemented by the abovesaid supplemental agreements but prior to the entering into of this latest Supplemental Agreement), Weichai Holdings (and its associates) (as the case may be) has (i) provided certain general services to the Company and Weichai Casting and/or other Group Company (as the case may be), namely, environmental protection, security, fire, repair, maintenance and other general services and the payment of certain town land use right tax in relation to the property occupied and/or used by the Company (and/

or its staff, if applicable); and (ii) provided certain labour services in respect of utilities to the Company and Weichai Casting and/or other Group Company (as the case may be), for a term ending 31 December 2013, upon the expiry of which the parties shall have an option to renew the agreement for a term of three years on a mutually agreed basis.

Pursuant to this latest Supplemental Agreement, Weichai Holdings (and its associates) (as the case may be) shall provide the said general services and labour services in respect of utilities to the Company, Weichai Casting, Huadong Casting, Weichai Logistics and/or other Group Company (as the case may be) for a term of three years ending 31 December 2016. Save as set out herein, all other terms of the Weichai Holdings General Services Agreement (as amended and supplemented by the abovesaid supplemental agreements but prior to the entering into of this latest Supplemental Agreement) remain unchanged.

The fees payable by the Company, Weichai Casting, Huadong Casting, Weichai Logistics and/or other Group Company (as the case may be) to Weichai Holdings (and its associates) (as the case may be) with respect to the provision of the said general services are determined based on the actual costs incurred by Weichai Holdings (and its associates) (as the case may be) and apportioned on a pro-rata basis according to the area of the relevant property occupied and/or used by the Company, Weichai Casting, Huadong Casting, Weichai Logistics and/or other Group Company (as the case may be) plus a service charge representing not more than 20% of such costs and settled on a monthly basis.

With respect to the said labour services, the relevant fees are determined on the basis of the remunerations and expenses in respect of the employment of the relevant employees of Weichai Holdings providing such services and settled on a monthly basis.

(ii) *Provision of general services by Chongqing Weichai to the Company (and its subsidiaries)*

Pursuant to the Chongqing Weichai General Services Agreement (as amended and supplemented by the abovesaid supplemental agreements but prior to the entering into of this latest Supplemental Agreement), Chongqing Weichai (and its associates) (as the case may be) has provided certain general services to Chongqing Branch and/or other Group Company (as the case may be), namely, environmental protection, security, fire and other general services and the payment of certain town land use right tax in relation to the property used by Chongqing Branch and/or other Group Company (and/or its staff, if applicable) for a term ending 31 December 2013, upon the expiry of which the parties shall have an option to renew the agreement for a term of three years on a mutually agreed basis.

Pursuant to this latest Supplemental Agreement, Chongqing Weichai (and its associates) (as the case may be) shall provide the said general services to the Chongqing Branch and/or other Group Company (as the case may be) for a term of three years ending 31 December 2016. Save as set out herein, all other terms of the Chongqing Weichai General Services Agreement (as amended and supplemented by the abovesaid supplemental agreements but prior to the entering into of this latest Supplemental Agreement) remain unchanged.

The fees payable by the Chongqing Branch and/or other Group Company (as the case may be) to Chongqing Weichai (and its associates) (as the case may be) are determined based on the actual costs incurred by the same and apportioned on a pro-rata basis according to the area of the relevant property occupied and/or used by Chongqing Branch and/or the Group Company (as the case may be) (and/or its staff, if applicable) plus a service charge not exceeding 20% of such costs (save that the town land use right tax paid by Chongqing Weichai (and its associates) (as the case may be) on behalf of Chongqing Branch and/or other Group Company (as the case may be) and its staff, if applicable, will not be subject to the said 20% service charge) and are settled by the parties on a monthly basis. With respect to certain public utilities provided by Chongqing Weichai (and its associates) (as the case may be) to certain common areas used by both Chongqing Weichai (and its associates) (as the case may be) and Chongqing Branch and/or other Group Company (as the case may be), the costs with respect to such public utilities incurred by Chongqing Weichai (and its associates) (as the case may be) would be shared between Chongqing Weichai and Chongqing Branch and/or other Group Company (as the case may be) pro-rated according to their respective annual sales.

In addition, Chongqing Weichai has agreed that the charges for the general services referred to above will not be higher than the fees payable to it by any independent third parties. If the Company is able to secure the provision of any services similar to those referred to above by itself or from a third party on terms more favourable than those set out in the general services agreement, then the Company is entitled to terminate the relevant services by giving not less than 30 days' prior notice to Chongqing Weichai.

The table below summarises the Existing Caps for the three years ending 31 December 2013 for the Weichai Continuing Connected Transaction set out in paragraphs (i) and (ii) in this sub-section 1.(a):

	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Existing Cap	77,000,000	84,000,000	92,000,000

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2012 (audited) and the six months ended 30 June 2013 (unaudited) for the Weichai Continuing Connected Transaction set out in paragraphs (i) and (ii) in this sub-section 1.(a):

	<b>Year ended</b>		<b>Six months</b>
	<b>31 December</b>		<b>ended 30 June</b>
	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Actual transaction amount	56,796,000	62,958,000	35,200,000

The Company estimates that the transaction amounts in respect of the Weichai Continuing Connected Transaction set out in this sub-section for the three years ending 31 December 2016 will not exceed RMB110,000,000, RMB135,000,000 and RMB160,000,000, respectively, and such amounts have accordingly been set as the proposed New Caps for this Weichai Continuing Connected Transaction.

The New Caps have been estimated by the Company primarily based on (i) the relevant historical costs, (ii) the said service charges by Weichai Holdings and Chongqing Weichai, (iii) an increase in the sales of the Group's products by approximately 20% per year, (iv) the estimated salary growth rate of approximately 10%, and (v) the assumption that the transaction amount for this Weichai Continuing Connected Transaction will increase by approximately 22.73% and 18.52% for each of the years ending 31 December 2015 and 31 December 2016, respectively.

The table below summarises the proposed New Caps for the Weichai Continuing Connected Transaction set out in this sub-section 1.(a) for the three years ending 31 December 2016:

	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
New Cap	110,000,000	135,000,000	160,000,000

As the New Caps for this Weichai Continuing Connected Transaction for the three years ending 31 December 2016 (when aggregated with those New Caps for the same period under sections A.1.(b) below) do not exceed the 5% Threshold, it constitutes an Exempt Continuing Connected Transaction 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 of the Listing Rules, and the annual review requirements of Rules 14A.37 and 14A.38 of the Listing Rules.

Since this Weichai Continuing Connected Transaction for the three years ending 31 December 2013 is an Exempt Continuing Connected Transaction, the New Caps are not subject to the approval of Independent Shareholders under the Listing Rules.

However, since this Weichai Continuing Connected Transaction constitutes a PRC Continuing Connected Transaction, the relevant New Caps and the Supplemental Agreement are subject to the approval by the Shareholders at the EGM.

(b) *Supply and/or connection of utilities by Weichai Holdings (and its associates) to the Company (and its subsidiaries)*

Agreement: Supplemental Agreement to:

- (i) the utility services agreement between the Company and Weichai Holdings dated 17 November 2003 (“**Weichai Holdings Utilities Services Agreement**”) (as supplemented by the supplemental agreements dated 15 September 2004, 21 September 2005, 12 November 2006, 27 November 2008 and 23 August 2010); and
- (ii) the utility services agreement between the Company and Chongqing Weichai dated 17 November 2003 (“**Chongqing Weichai Utilities Services Agreement**”) (as supplemented by the supplemental agreements dated 15 September 2004, 21 September 2005, 12 November 2006, 27 November 2008 and 23 August 2010)

Date: 29 August 2013

Parties:

- 1. (a) The Company
- (b) Weichai Casting
- 2. (a) Weichai Holdings
- (b) Chongqing Weichai

Term: 1 January 2014 to 31 December 2016

Other terms and details:

(i) *Supply and/or connection of utilities by Weichai Holdings to the Company and Weichai Casting*

Pursuant to the Weichai Holdings Utilities Services Agreement (as supplemented by the abovesaid supplemental agreements but prior to the entering into of this latest Supplemental Agreement), Weichai Holdings

(and its associates) (as the case may be) has provided or provided the connection of (as the case may be) certain utility and energy services to the Company, Weichai Casting and/or other Group Company (as the case may be), namely, water, electricity, gas, steam, oxygen, nitrogen, compressed air, waste water treatment and supply of treated waste water, etc., for a term ending 31 December 2013, upon the expiry of which the parties shall have an option to renew the same for a term of three years on a mutually agreed basis.

Pursuant to this latest Supplemental Agreement, Weichai Holdings (and its associates) (as the case may be) shall provide or provide the connection of (as the case may be) the said services to the Company, Weichai Casting and/or other Group Company (as the case may be) for a period of three years ending 31 December 2016. Save as set out herein, all other terms of the Weichai Holdings Utilities Services Agreement (as supplemented by the abovesaid supplemental agreements but prior to the entering into of this latest Supplemental Agreement) remain unchanged.

The fees payable by the Company, Weichai Casting and/or other Group Company (as the case may be) to Weichai Holdings (and its associates) (as the case may be) with respect to the provision and/or connection of the said utility and energy services are determined based on the actual usage by the Company, Weichai Casting and/or other Group Company (as the case may be) and by reference to the market prices of such utilities. If only government published rates are available with respect to certain utilities, the fees payable would be determined by reference to the government published rates plus the wastage, depreciation and repair expenses incurred by Weichai Holdings (and its associates) (as the case may be) in relation thereto. If no market price or government published rates with respect to the above utility and energy services are available, the Company, Weichai Casting and/or other Group Company (as the case may be) will pay the actual costs incurred by Weichai Holdings (and its associates) (as the case may be) in relation to the provision of such utility and energy services plus a service charge representing not more than 20% of such costs. The fees are settled on a monthly basis.

(ii) *Supply and/or connection of utilities by Chongqing Weichai to the Company*

Pursuant to the Chongqing Weichai Utilities Services Agreement (as supplemented by the abovesaid supplemental agreements but prior to the entering into of this latest Supplemental Agreement), Chongqing Weichai (and its associates) (as the case may be) has provided or provided the connection of (as the case may be) certain utility and energy services to the Chongqing Branch and/or other Group Company (as the case may be), namely, water, electricity, natural gas, steam,



oxygen, nitrogen and compressed air, etc. for a term ending 31 December 2013, upon the expiry of which the parties shall have an option to renew the same for a term of three years on a mutually agreed basis.

Pursuant to this latest Supplemental Agreement, Chongqing Weichai (and its associates) (as the case may be) shall provide or provide the connection of (as the case may be) the said services to the Chongqing Branch and/or other Group Company (as the case may be) for a period of three years ending 31 December 2016. Save as set out herein, all other terms of the Chongqing Weichai Utilities Services Agreement (as supplemented by the abovesaid supplemental agreements but prior to the entering into of this latest Supplemental Agreement) remain unchanged.

The fees payable by the Company and/or other Group Company (as the case may be) to Chongqing Weichai (and its associates) (as the case may be) in respect of the relevant utility and energy services are determined based on the usage thereof by the Chongqing Branch and/or other Group Company (as the case may be) or, if it is not possible to measure such usage, pro-rated according to the respective sales of Chongqing Weichai and the Chongqing Branch and/or other Group Company (as the case may be) and by reference to the market prices of such utilities. If only government published rates are available with respect to certain utilities, the fees payable will be determined by reference to the government published rates plus the wastage, depreciation and repair expenses incurred by Chongqing Weichai (and its associates) (as the case may be) in relation to the provision of the relevant utilities. If no market prices or government published rates with respect to any of the above utilities are available, the Company and/or other Group Company (as the case may be) will pay the costs incurred by Chongqing Weichai (and its associates) (as the case may be) in relation to the provision of the above utility and energy services plus a service charge representing not more than 20% of such costs. The fees are settled on a monthly basis.

The table below summarises the Existing Caps for the three years ending 31 December 2013 for the Weichai Continuing Connected Transaction set out in paragraphs (i) and (ii) in this sub-section 1.(b):

	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Existing Cap	276,000,000	281,000,000	286,000,000

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2012 (audited) and the six months ended 30 June 2013 (unaudited) for the Weichai Continuing Connected Transaction set out in paragraphs (i) and (ii) in this sub-section 1.(b):

	<b>Year ended</b>		<b>Six months</b>
	<b>31 December</b>		<b>ended 30 June</b>
	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Actual transaction amount	200,692,000	135,826,000	46,850,000

The Company estimates that the transaction amounts in respect of the Weichai Continuing Connected Transaction set out in paragraphs (i) and (ii) this sub-section 1.(b) for the three years ending 31 December 2016 will not exceed RMB150,000,000, RMB180,000,000 and RMB220,000,000, respectively, and such amounts have accordingly been set as the proposed New Caps for this Weichai Continuing Connected Transaction.

The New Caps have been estimated by the Company by reference to the historical costs incurred plus a service charge by Weichai Holdings and Chongqing Weichai representing not exceeding 20% of such costs.

The estimate has taken into account an increase in the sales of the Group's products by approximately 20% per year. The New Caps have also taken into account the estimated salary growth rate of approximately 10% and the increase of the costs for such utility and energy services at a rate of approximately 10%.

The table below summarises the proposed New Caps for the Weichai Continuing Connected Transaction set out in paragraphs (i) and (ii) in this sub-section 1.(b) for the three years ending 31 December 2016:

	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
New Cap	150,000,000	180,000,000	220,000,000

As the New Caps for this Weichai Continuing Connected Transaction for the three years ending 31 December 2016 (when aggregated with those New Caps for the same period under sections A.1.(a) above) do not exceed the 5% Threshold, it constitutes an Exempt Continuing Connected Transaction 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 of the Listing Rules, and the annual review requirements of Rules 14A.37 and 14A.38 of the Listing Rules.



Since this Weichai Continuing Connected Transaction for the three years ending 31 December 2016 is an Exempt Continuing Connected Transaction, the New Caps are not subject to the approval of Independent Shareholders under the Listing Rules.

However, since this Weichai Continuing Connected Transaction constitutes a PRC Continuing Connected Transaction, the relevant New Caps and the Supplemental Agreement are subject to the approval by the Shareholders at the EGM.

- (c) *Purchase of diesel engine parts and components, gas, scrap metals, materials, diesel engines and related products and processing services by the Company (and its subsidiaries) from Weichai Holdings (and its associates)*

Agreement: Supplemental Agreement to the diesel engine parts and components, gas, scrap metal, etc., materials and related products purchase and processing services agreement between (i) the Company and (ii) Weichai Holdings and Chongqing Weichai (“**Weichai Purchase and Processing Services Agreement**”) dated 27 November 2008 (as supplemented by the supplemental agreements dated 23 August 2010 and 29 August 2011, respectively)

Date: 29 August 2013

Parties:

1. (a) The Company  
(b) Weichai Casting  
(c) Weichai Reproduction  
(d) Huadong Casting  
(e) Weichai Singapore
2. (a) Weichai Holdings  
(b) Chongqing Weichai  
(c) Weichai Import and Export

Term: 1 January 2014 to 31 December 2016

Other terms and details:

Pursuant to the Weichai Purchase and Processing Services Agreement (as supplemented by the abovementioned supplemental agreements but prior to the entering into of this Supplemental Agreement), Weichai Holdings, Chongqing Weichai and/or other associates of Weichai Holdings (as the case may be) has provided certain parts and components of diesel engines, gas, scrap metal, etc., materials and related products and processing services (as the case may be) to the Company (and Chongqing Branch) and/or other Group Company (as the case may be) at market prices and settled on a monthly basis, for a term of three years ending 31 December 2013, upon the expiry of which the parties shall have an option to renew the same for a period of three years on a mutually agreed basis.

Pursuant to this Supplemental Agreement, Weichai Holdings, Chongqing Weichai, Weichai Import and Export and/or other associates of Weichai Holdings (as the case may be) shall provide the said parts and components of diesel engines, gas, scrap metal, materials, diesel engines and related products and the said processing services (as the case may be) to the Company (and Chongqing Branch), Weichai Casting, Weichai Reproduction, Huadong Casting, Weichai Singapore and/or other Group Company (as the case may be) at market prices and settled on a monthly basis, for a term of three years ending 31 December 2016. Save as set out herein, all other terms of the Weichai Purchase and Processing Services Agreement remain unchanged.

The table below summarises the Existing Caps for the three years ending 31 December 2013 for the Weichai Continuing Connected Transaction set out in this sub-section 1.(c):

	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Existing Cap	145,000,000	185,000,000	215,000,000

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2012 (audited) and the six months ended 30 June 2013 (unaudited) for the Weichai Continuing Connected Transaction set out in this sub-section 1.(c):

	<b>Year ended 31 December</b>	<b>Six months ended 30 June</b>
	<b>2011</b>	<b>2012</b>
	<i>RMB</i>	<i>RMB</i>
	<i>(audited)</i>	<i>(audited)</i>
Actual transaction amount	101,298,000	36,976,000
		76,290,000

The Company estimates that the transaction amounts in respect of the Weichai Continuing Connected Transaction set out in this sub-section for the three years ending 31 December 2016 will not exceed RMB300 million, RMB360 million and RMB432 million, respectively, and such amounts have accordingly been set as the proposed New Caps for this Weichai Continuing Connected Transaction.

The above New Caps were prepared by the Company primarily based on (i) the historical costs, (ii) its estimate of the transaction volume of the said purchases and processing services, which in turn are based on the production volume, material cost, processing cost and the volume of diesel engines to be sold and exported for the three years ending 31 December 2016, (iii) the estimation that the material and processing costs will increase steadily over the three years ending 31 December 2016, (iv) the estimated increase in

salary at an annual rate of approximately 10% in Chongqing Weichai, and (v) the assumption that the transaction amount for this Weichai Continuing Connected Transaction will increase by approximately 20% and 20% for each of the years ending 31 December 2015 and 31 December 2016, respectively.

The table below summarises the proposed New Caps for the Weichai Continuing Connected Transaction set out in this sub-section 1.(c) for the three years ending 31 December 2016:

	<b>2014</b> <i>RMB</i>	<b>2015</b> <i>RMB</i>	<b>2016</b> <i>RMB</i>
New Cap	300,000,000	360,000,000	432,000,000

Since the New Caps, when aggregated with those under sections A.2.(c) and A.3.(a), do not exceed the 5% Threshold, this Weichai Continuing Connected Transaction constitutes an Exempt Continuing Connected Transaction 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 of the Listing Rules and the annual review requirements of Rules 14A.37 and 14A.38 of the Listing Rules.

Since this Weichai Continuing Connected Transaction for the three years ending 31 December 2016 is an Exempt Continuing Connected Transaction, the relevant New Caps are not subject to the approval of Independent Shareholders under the Listing Rules.

However, since this Weichai Continuing Connected Transaction constitutes a PRC Continuing Connected Transaction, the relevant New Caps and the Supplemental Agreement are subject to the approval by the Shareholders at the EGM.

- (d) *Sale of diesel engines, diesel engine parts and components, materials, semi-finished products and related products and provision of processing services by the Company (and its subsidiaries) to Weichai Holdings (and its associates)*

Agreement: Supplemental Agreement to the diesel engines, diesel engine parts and components, materials and related products sale and provision of processing services agreement between (i) the Company, Weichai Resources and (ii) Weichai Holdings, Chongqing Casting, Weichai Import and Export and Chongqing Weichai (“**Weichai Sale and Processing Services Agreement**”) dated 27 November 2008 (as supplemented by the supplemental agreement dated 23 August 2010)

Date: 29 August 2013

- Parties:
1. (a) The Company  
(b) Weichai Resources  
(c) Weichai Casting  
(d) Weichai Reproduction  
(e) Weichai Logistics
  2. (a) Weichai Holdings  
(b) Weichai Import and Export  
(c) Chongqing Weichai  
(d) Chongqing Casting

Term: 1 January 2014 to 31 December 2016

Other terms and details:

Pursuant to the Weichai Sale and Processing Services Agreement (as supplemented by the supplemental agreement dated 23 August 2010) but prior to the entering into of this Supplemental Agreement, the Company (and Chongqing Branch), Weichai Resources, Weichai Casting and/or other Group Company (as the case may be) shall sell the said diesel engines, diesel engine parts and components, materials, semi-finished products and related products and to provide the said processing services (as the case may be) to Weichai Holdings, Weichai Import and Export, Chongqing Weichai, Chongqing Casting and/or other associates of Weichai Holdings (as the case may be) at market prices and settled on a monthly basis, for a term ending 31 December 2013, upon the expiry of which the parties shall have an option to renew the same for a period of three years on a mutually agreed basis.

Pursuant to this Supplemental Agreement, the Company (and Chongqing Branch), Weichai Resources, Weichai Casting, Weichai Reproduction, Weichai Logistics and/or other Group Company (as the case may be) shall sell the said diesel engines, diesel engine parts and components, materials, semi-finished products and related products and to provide the said processing services (as the case may be) to Weichai Holdings, Weichai Import and Export, Chongqing Weichai, Chongqing Casting and/or other associates of Weichai Holdings (as the case may be) at market prices and settled on a monthly basis. The said Supplemental Agreement shall be effective for a term of three years ending 31 December 2016. Save as set out herein, all other terms of the Weichai Sale and Processing Services Agreement remain unchanged.

The table below summarises the Existing Caps for the Weichai Continuing Connected Transaction set out in this sub-section 1.(d) for the three years ending 31 December 2013:

	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Existing Caps	329,000,000	411,000,000	487,000,000

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2012 (audited) and the six months ended 30 June 2013 (unaudited) for the Weichai Continuing Connected Transaction set out in this section 1.(d):

	<b>Year ended 31 December</b>		<b>Six months ended 30 June</b>
	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Actual transaction amount	277,823,000	144,104,000	105,940,000

The Company estimates that the transaction amounts for the Weichai Continuing Connected Transaction set out in this sub-section for the three years ending 31 December 2016 will not exceed RMB350 million, RMB420 million and RMB510 million, respectively, and such amounts have accordingly been set as the proposed New Caps for this Weichai Continuing Connected Transaction.

The above proposed New Caps have been prepared by the Company primarily based on historical costs and the estimate of the number of diesel engines, diesel engine parts and components, materials and semi-finished products required by Weichai Holdings, Weichai Import and Export, Chongqing Weichai and Chongqing Casting (as the case may be), the average unit prices of the same, and the costs of the processing services to be provided, and on the assumption that the sales of the Company will grow by approximately 20% each year for the three years ending 31 December 2016.

The table below summarises the proposed New Caps for the Weichai Continuing Connected Transaction set out in this sub-section 1.(d) for the three years ending 31 December 2016:

	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
New Cap	350,000,000	420,000,000	510,000,000

As the New Caps for this Weichai Continuing Connected Transaction for the three years ending 31 December 2016, when aggregated with those under sections A.2.(a), A.3.(b) and (c), do not exceed the 5% Threshold, it constitutes an Exempt Continuing Connected Transaction 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 of the Listing Rules and the annual review requirements of Rules 14A.37 and 14A.38 of the Listing Rules.

Since this Weichai Continuing Connected Transaction for the three years ending 31 December 2016 is an Exempt Continuing Connected Transaction, the New Caps are not subject to the approval of the Independent Shareholders under the Listing Rules.

However, since this Weichai Continuing Connected Transaction constitutes a PRC Continuing Connected Transaction, the relevant New Caps and the Supplemental Agreement are subject to the approval by the Shareholders at the EGM.

## **2. Continuing Connected Transactions between Weichai Deutz and the Group**

Weichai Deutz is engaged in the manufacture and sale of, *inter alia*, 226B series of diesel engines and parts, certain of which require semi-finished diesel engine parts provided by the Company. Weichai Deutz is owned as to 50% by Weichai Holdings (a substantial Shareholder) and, accordingly, Weichai Deutz is an associate of Weichai Holdings and, hence, a connected person of the Company. The other 50% interest in Weichai Deutz is held by Deutz AG, which is an internationally renowned manufacturer of diesel and gas engines. Deutz AG is independent of and is not connected with any Director or substantial Shareholder or an associate of any of them.

### **(a) Sale of semi-finished diesel engine parts and related products and logistic service by the Company (and its subsidiaries) to Weichai Deutz**

Agreement: Supplemental Agreement to the master sales agreement (“**Weichai Deutz Sale Agreement**”) dated 21 October 2003 (as supplemented by the supplemental agreements dated 15 September 2004, 12 November 2006, 27 November 2008 and 23 August 2010, respectively)

Date: 29 August 2013

Parties: 1. (a) The Company  
(b) Weichai Resources  
(c) Weichai Casting  
(d) Weichai Reproduction  
(e) Huadong Casting  
(f) Weichai Logistics  
2. Weichai Deutz

Term: 1 January 2014 to 31 December 2016

Other terms and details:

Pursuant to the Weichai Deutz Sale Agreement (as supplemented by the abovesaid supplemental agreements but prior to the entering into of this latest Supplemental Agreement), Weichai Resources, Weichai Casting and/or other Group Company (as the case may be) have supplied certain semi-finished diesel engines parts and related products to Weichai Deutz for its 226B series of diesel engines for a term ending 31 December 2013, upon the expiry of which the parties shall have an option to extend the term for another three years on a mutually agreed basis.

Pursuant to this Supplemented Agreement, the Company, Weichai Resources, Weichai Casting, Weichai Reproduction, Huadong Casting, Weichai Logistics and/or other Group Company (as the case may be) shall sell the said semi-finished diesel engine parts and related products and provide certain logistic service to Weichai Deutz (and/or its associates) (as the case may be) at market prices and settled on a monthly basis, for a term of three years ending 31 December 2016. Save as set out herein, all other terms of the Weichai Deutz Sale Agreement (as supplemented by the abovesaid supplemental agreements but prior to the entering into of this latest Supplemental Agreement) remain unchanged.

The table below summarises the Existing Caps for the three years ending 31 December 2013 for the Weichai Continuing Connected Transaction set out in this sub-section 2.(a):

	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Existing Caps	166,000,000	230,000,000	315,000,000

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2012 (audited) and the six months ended 30 June 2013 (unaudited) for the Weichai Continuing Connected Transaction set out in this sub-section 2.(a):

	<b>Year ended</b>	<b>Six months</b>
	<b>31 December</b>	<b>ended 30 June</b>
	<b>2011</b>	<b>2012</b>
	<i>RMB</i>	<i>RMB</i>
	<i>(audited)</i>	<i>(unaudited)</i>
Actual transaction amount	110,517,000	67,964,000
		32,150,000

The Company estimates that the transaction amounts for the Weichai Continuing Connected Transaction set out in this sub-section 2.(a) for the three years ending 31 December 2016 will not exceed RMB120 million, RMB150 million and RMB180 million, respectively, and such amounts have accordingly been set as the proposed New Caps for this Weichai Continuing Connected Transaction.

The above proposed New Caps have been prepared by the Company primarily based on the estimate of the production volume of Weichai Deutz's 226B series diesel engines, which in turn is based on the estimate of the increase in demand for 226B series diesel engines estimated by Weichai Deutz, and of the average selling prices of those semi-finished diesel engine parts to be charged by the Company and the estimated amount of logistic service required by Weichai Deutz. The Company estimates that the sales of semi-finished diesel engine parts will increase at a steady rate of approximately 20% per annum for the three years ending 31 December 2016.



The table below summarises the proposed New Caps for the Weichai Continuing Connected Transaction set out in this sub-section 2.(a) for the three years ending 31 December 2016:

	<b>2014</b> <i>RMB</i>	<b>2015</b> <i>RMB</i>	<b>2016</b> <i>RMB</i>
New Cap	120,000,000	150,000,000	180,000,000

As the New Caps for this Weichai Continuing Connected Transaction for the three years ending 31 December 2016, when aggregated with those under sections A.1.(d), A.3.(b) and (c), do not exceed the 5% Threshold, it constitutes an Exempt Continuing Connected Transaction 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 of the Listing Rules and the annual review requirements of Rules 14A.37 and 14A.38 of the Listing Rules.

Since this Weichai Continuing Connected Transaction for the three years ending 31 December 2016 is an Exempt Continuing Connected Transaction, the New Caps are not subject to the approval of the Independent Shareholders under the Listing Rules.

(b) *Provision of sales and warranty period repair services by the Company to Weichai Deutz*

Agreement: Supplement Agreement to the sales and warranty agreement (“**Weichai Deutz Repair Services Agreement**”) dated 21 September 2005 (as supplemented by the supplemental agreements dated 12 November 2006, 27 November 2008 and 23 August 2010, respectively)

Date: 29 August 2013

Parties: 1. The Company  
2. Weichai Deutz

Term: 1 January 2014 to 31 December 2016

Other terms and details:

Pursuant to the Weichai Deutz Repair Services Agreement (as supplemented by the abovesaid supplemental agreements but prior to the entering into of this latest Supplemental Agreement), the Company has provided the sales and warranty period repair and maintenance services to Weichai Deutz for a period ended 31 December 2013, upon the expiry of which the parties shall have an option to extend the term for another three years on a mutually agreed basis.



Pursuant to this Supplemental Agreement, the Company and/or other Group Company (as the case may be) shall provide the said services to Weichai Deutz and/or its associates (as the case may be) at market prices and settled on a monthly basis, for a term of three years ending 31 December 2016. Save as set out herein, all other terms of the Weichai Deutz Repair Services Agreement (as supplemented by the abovesaid supplemental agreements but prior to the entering into of this latest Supplemental Agreement) remain unchanged.

The table below summarises the Existing Caps for the three years ending 31 December 2013 for the Weichai Continuing Connected Transaction set out in this sub-section 2.(b):

	<b>2011</b> <i>RMB</i>	<b>2012</b> <i>RMB</i>	<b>2013</b> <i>RMB</i>
Existing Caps	40,000,000	47,000,000	54,000,000

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2012 (audited) and the six months ended 30 June 2013 (unaudited) for the Weichai Continuing Connected Transaction set out in this sub-section 2.(b):

	<b>Year ended</b> <b>31 December</b> <b>2011</b> <i>RMB</i> <i>(audited)</i>	<b>2012</b> <i>RMB</i> <i>(audited)</i>	<b>Six months</b> <b>ended 30 June</b> <b>2013</b> <i>RMB</i> <i>(unaudited)</i>
Actual transaction amount	36,106,000	30,060,000	2,920,000

The estimated annual service fees to be charged by the Company is based on the repair service fees incurred in respect of the products sold by Weichai Deutz to its customers, historical transaction amount and the sales plan of Weichai Deutz. The Company estimates that the sales of Weichai Deutz will increase steadily at the rate of approximately 20% on average per year for the three years ending 31 December 2016. The Company estimates that the total service fees payable by Weichai Deutz to the Company for the three years ending 31 December 2016 will not exceed RMB43 million, RMB51.6 million and RMB62 million, respectively and such amounts have accordingly been set as the proposed New Caps for this Weichai Continuing Connected Transaction.

The table below summaries the proposed New Caps for the Weichai Continuing Connected Transaction set out in this sub-section 2.(b) for the three years ending 31 December 2016:

	<b>2014</b> <i>RMB</i>	<b>2015</b> <i>RMB</i>	<b>2016</b> <i>RMB</i>
New Cap	43,000,000	51,600,000	62,000,000

As the New Caps for this Weichai Continuing Connected Transaction for the three years ending 31 December 2016 do not exceed the 5% Threshold, it constitutes an 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 of the Listing Rules and the annual review requirements of Rules 14A.37 and 14A.38 of the Listing Rules.

Since this Weichai Continuing Connected Transaction for the three years ending 31 December 2016 is an Exempt Continuing Connected Transaction, the New Caps are not subject to the approval of the Independent Shareholders under the Listing Rules.

(c) *Purchase of diesel engine parts and components and related products by the Company (and its subsidiaries) from Weichai Deutz*

Agreement: Supplemental Agreement to the diesel engine parts and components and related products purchase agreement between Weichai Resources and Weichai Deutz dated 27 November 2008 (as supplemented by the supplemental agreement dated 23 August 2010) (“**Weichai Deutz Parts and Components Purchase Agreement**”)

Date: 29 August 2013

Parties: 1. (a) The Company  
(b) Weichai Resources  
(c) Weichai Casting  
(d) Weichai Reproduction  
2. Weichai Deutz

Term: 1 January 2014 to 31 December 2016

Other terms and details:

Pursuant to the Weichai Deutz Parts and Components Purchase Agreement (as supplemented by the supplemental agreement dated 23 August 2010 but prior to the entering into of this Supplemental Agreement), Weichai Resources, Weichai Casting, Weichai Reproduction and/or other Group Company (as the case may be) have purchased certain parts and components for the manufacture of diesel engines and related products from Weichai Deutz, at market prices and settled on a monthly basis, for a term ending 31 December 2013, upon the expiry of which the parties shall have an option to renew the same for a term of three years on a mutually agreed basis.

Pursuant to this Supplemental Agreement, Weichai Resources, Weichai Casting, Weichai Reproduction and/or other Group Company (as the case may be) shall purchase the said parts and components and related products from Weichai Deutz and/or its associates (as the case may be) at market prices and settled on a monthly basis, for a term of three years ending 31 December 2016. Save as set out herein, all the other terms of the Weichai Deutz Parts and Components Purchase Agreement shall remain the same.

The table below summarises the Existing Caps for the three years ending 31 December 2013 for the Weichai Continuing Connected Transaction set out in this sub-section 2.(c):

	<b>2011</b> <i>RMB</i>	<b>2012</b> <i>RMB</i>	<b>2013</b> <i>RMB</i>
Existing Caps	63,000,000	78,000,000	100,000,000

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2012 (audited) and the six months ended 30 June 2013 (unaudited) for the Weichai Continuing Connected Transaction set out in this sub-section 2.(c):

	<b>Year ended</b> <b>31 December</b> <b>2011</b> <i>RMB</i> <i>(audited)</i>	<b>2012</b> <i>RMB</i> <i>(audited)</i>	<b>Six months</b> <b>ended 30 June</b> <b>2013</b> <i>RMB</i> <i>(unaudited)</i>
Actual transaction amount	32,259,000	37,459,000	32,600,000

The Company estimates that the transaction amounts in respect of the Weichai Continuing Connected Transaction set out in this sub-section 2.(c) for the three years ending 31 December 2016 will not exceed RMB90 million, RMB110 million and RMB132 million, respectively, and such amounts have accordingly been set as the proposed New Caps for this Weichai Continuing Connected Transaction.

The proposed New Caps have been prepared by the Company primarily based on (i) the historical costs, (ii) the estimate of the volume of the said diesel engine parts and components to be purchased by the relevant subsidiaries of the Company from Weichai Deutz, (iii) the average unit prices of the said diesel engine parts and components, and (iv) the assumption that the transaction amount of the said purchases will increase by approximately 22.22% and 20% for each of the years ending 31 December 2015 and 31 December 2016, respectively.

The table below summarises the proposed New Caps for the Weichai Continuing Connected Transaction set out in this sub-section 2.(c) for the three years ending 31 December 2016:

	<b>2014</b> <i>RMB</i>	<b>2015</b> <i>RMB</i>	<b>2016</b> <i>RMB</i>
New Cap	90,000,000	110,000,000	132,000,000

As the New Caps for this Weichai Continuing Connected Transaction for the three years ending 31 December 2016, when aggregated with those under sections A.1.(c) and A.3.(a) do not exceed the 5% Threshold, it constitutes an Exempt Continuing Connected Transaction 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 of the Listing Rules and the annual review requirements of Rules 14A.37 and 14A.38 of the Listing Rules.

Since this Weichai Continuing Connected Transaction for the three years ending 31 December 2016 is an Exempt Continuing Connected Transaction, the New Caps are not subject to the approval of the Independent Shareholders under the Listing Rules.

### **3. *Continuing Connected Transactions between the Weichai Heavy Machinery and the Group***

Weichai Heavy Machinery is principally 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 Equipment is a wholly-owned subsidiary of Weichai Heavy Machinery and is principally engaged in the research and development, production, sale and repair of power generators, pump units, air compressor units, hydraulic pump units and their respective components and the import and export of permitted goods and technology.

Weichai Heavy Machinery is an associate of Weichai Holdings (a substantial shareholder of the Company), and accordingly, Weichai Heavy Machinery and Weichai Heavy Equipment are connected persons of the Company.

- (a) *Purchase of diesel engine parts and components, materials, steel and scrap metal, diesel engines and related products and the processing and labour services by the Company (and its subsidiaries) from Weichai Heavy Machinery (and its subsidiaries)*

Agreement: Supplemental Agreement to the diesel engine parts and components, materials, steel and scrap metal, etc. and related products purchase and processing services agreement between (i) the Company and Weichai Resources and (ii) Weichai Heavy Machinery dated 27 November 2008 (as supplemented by the supplemental agreement dated 23 August 2010) (“**Weichai Heavy Machinery Purchase and Processing Services Agreement**”)

Date: 29 August 2013

Parties:

1.
  - (a) The Company
  - (b) Weichai Resources
  - (c) Weichai Casting
  - (d) Weichai Reproduction
  - (e) Huadong Casting
  - (f) Weichai Logistics
  - (g) Baudouin China
2.
  - (a) Weichai Heavy Machinery
  - (b) Weichai Heavy Equipment

Term: 1 January 2014 to 31 December 2016

Other terms and details:

Pursuant to the Weichai Heavy Machinery Purchase and Processing Services Agreement (as supplemented by the supplemental agreement dated 23 August 2010 but prior to the entering into of this Supplemental Agreement), the Company (and Chongqing Branch), Weichai Resources, Weichai Casting, Weichai Reproduction and/or other Group Company (as the case may be) have purchased certain diesel engine parts and components, steel and scrap metal, etc., materials, used diesel engines and processing services from Weichai Heavy Machinery at market prices and settled on a monthly basis, for a term ending 31 December 2013, upon the expiry of which the parties shall have an option to renew the term for another three years on a mutually agreed basis.

Pursuant to this Supplemental Agreement, the Company (and Chongqing Branch), Weichai Resources, Weichai Casting, Weichai Reproduction, Huadong Casting, Weichai Logistics, Baudouin China and/or other Group Company (as the case may be) shall purchase the said parts and components, steel and scarp metal, materials, diesel engines and processing and labour services from Weichai Heavy Machinery, Weichai Heavy Equipment and/or

other associates of Weichai Heavy Machinery (as the case may be) at market prices and settled on a monthly basis. This Supplemental Agreement shall be effective for a term of three years ending 31 December 2016. Save as set out herein, all other terms of the Weichai Heavy Machinery Purchase and Processing Services Agreement shall remain unchanged.

The table below summarises the Existing Caps for the three years ending 31 December 2013 the Weichai Continuing Connected Transaction set out in this sub-section 3.(a):

	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Existing Caps	680,000,000	830,000,000	1,000,000,000

The table below summarises the aggregate actual transaction amounts involved for the purchases and processing services for the two years ended 31 December 2012 (audited) and the six months ended 30 June 2013 (unaudited) for the Weichai Continuing Connected Transaction set out in this sub-section 3.(a):

	<b>Year ended 31 December 2011</b>	<b>2012</b>	<b>Six months ended 30 June 2013</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Actual transaction amount	371,124,000	204,553,000	134,830,000

The Company estimates that the aggregate transaction amounts in respect of the Weichai Continuing Connected Transaction set out in this sub-section 3 will not exceed RMB790 million, RMB950 million and RMB1,140 million for each of the three years ending 31 December 2016 and therefore such amount has accordingly been set as the proposed New Caps for this Weichai Continuing Connected Transaction.

The above New Caps were prepared by the Company primarily based on historical costs, the recent adjustment to the business model of the Group in respect of the relevant products, pursuant to which the Group will increase its purchase of power generators (mainly land-use power generators) from Weichai Heavy Machinery and its subsidiaries for sale to its customers, and its estimate of its production volume, having taken into account the development of the heavy-duty truck and construction machinery markets, the average unit prices of finished diesel engine parts, the market prices of the relevant raw materials, steel, scrap metal, diesel engines and related products and the costs of processing and labour services to be purchased by the Group, and based on the assumption that the sales of the Company's products will increase by approximately 20% each year for the three years ending 31 December 2013.

The table below summarises the proposed New Caps for the Weichai Continuing Connected Transaction set out in this sub-section 3.(a) for the three years ending 31 December 2016:

	<b>2014</b> <i>RMB</i>	<b>2015</b> <i>RMB</i>	<b>2016</b> <i>RMB</i>
New Cap	790,000,000	950,000,000	1,140,000,000

As the New Caps for this Weichai Continuing Connected Transaction, when aggregated with those under sections A.1.(c) and A.2.(c), for the three years ending 31 December 2016 do not exceed the 5% Threshold, it constitutes an Exempt Continuing Connected Transaction 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 of the Listing Rules and the annual review requirements of Rules 14A.37 and 14A.38 of the Listing Rules.

Since this Weichai Continuing Connected Transaction is an Exempt Continuing Connected Transaction, the New Caps are not subject to the approval of the Independent Shareholders under the Listing Rules.

However, since this Weichai Continuing Connected Transaction constitutes a PRC Continuing Connected Transaction, the relevant New Caps and the Supplemental Agreement are subject to the approval by the Shareholders at the EGM.

*(b) Sale of diesel engines and related products by the Company (and its subsidiaries) to Weichai Heavy Machinery (and its subsidiary)*

Agreement: Supplemental Agreement to the framework agreement between the Company and Weichai Holdings dated 17 November 2003 (“**Weichai Heavy Machinery Sale Agreement**”) (as supplemented by the supplemental agreements dated 15 September 2004, 12 November 2006, 9 June 2007, 27 November 2008, 13 August 2009, 23 August 2010 and 30 August 2012, respectively)

Date: 29 August 2013

Parties:

1. (a) The Company  
(b) Weichai Reproduction  
(c) Weichai Yangzhou  
(d) Baudouin China
2. (a) Weichai Heavy Machinery  
(b) Weichai Heavy Equipment

Term: 1 January 2013 to 31 December 2015



Other terms and details:

Pursuant to the Weichai Heavy Machinery Sale Agreement (as supplemented by the abovementioned supplemental agreements but prior to the entering into of this latest Supplemental Agreement), the Company, Weichai Reproduction, Weichai Yangzhou and/or other Group Company (as the case may be) has sold certain diesel engines and related products to Weichai Heavy Machinery, Weichai Heavy Equipment (and/or other subsidiaries of Weichai Heavy Machinery (as the case may be) at market prices and settled on a monthly basis, for a term ending 31 December 2015, upon the expiry of which the parties may renew the term for another three years on a mutually agreed basis.

Pursuant to this latest Supplemental Agreement, the Company, Weichai Reproduction, Weichai Yangzhou and Baudouin China (and/or other Group Company) (as the case may be) shall sell to Weichai Heavy Machinery and Weichai Heavy Equipment (and/or other associates of Weichai Heavy Machinery) (as the case may be) the said diesel engines and related products at market prices and settled on a monthly basis, for a term of three years ending 31 December 2015, upon the expiry of which the parties may renew the term for another three years on a mutually agreed basis. Save as set out herein, all other terms of the Weichai Heavy Machinery Sale Agreement (as supplemented by the abovesaid supplemental agreements but prior to the entering into of this latest Supplemental Agreement) shall remain unchanged.

The table below summarises the Existing Caps for the three years ending 31 December 2015 for the Weichai Continuing Connected Transaction set out in this sub-section 3.(b):

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Existing Cap	360,000,000	390,000,000	420,000,000

The table below summarises the actual transaction amounts involved for two years ended 31 December 2012 (audited) and the six months ended 30 June 2013 (audited) for the Weichai Continuing Connected Transaction set out in this sub-section 3.(b):

	<b>Year ended</b>	<b>Six months</b>
	<b>31 December</b>	<b>ended 30 June</b>
	<b>2011</b>	<b>2012</b>
	<i>RMB</i>	<i>RMB</i>
	(audited)	(audited)
		<b>2013</b>
		<i>RMB</i>
		(unaudited)
Actual transaction amount	290,145,000	266,395,000
		142,622,000

With the recent adjustment to the business model of the Group in respect of the relevant products, pursuant to which the Group will increase its purchase of power generators (mainly land-use power generators) from Weichai Heavy Machinery and its subsidiaries for sale to its customers, it is expected that the sale of diesel engines and related products by the Group to Weichai Heavy Machinery and its subsidiaries for the production of the power generators will increase.



The Company is a leading manufacturer of diesel engines in the PRC and this evidences the quality and competitiveness of the Group'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 Group'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 Group to Weichai Heavy Machinery. The Group has also sold certain diesel engines to Weichai Heavy Equipment for its manufacture of generator sets.

In line with the current market conditions in respect of the said diesel engines, the Company estimates that the transaction amounts for the Weichai Continuing Connected Transaction set out in this sub-section 3.(b) for the three years ending 31 December 2015 will not exceed RMB420,000,000, RMB620,000,000 and RMB750,000,000, 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 diesel engines 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 and Weichai Heavy Equipment by approximately 20% per year for the three years ending 31 December 2015.

The table below summarises the New Caps for the Weichai Continuing Connected Transaction set out in this sub-section 3.(b) for the three years ending 31 December 2015:

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
New Cap	420,000,000	620,000,000	750,000,000

As the New Caps for this Weichai Continuing Connected Transaction for the three years ending 31 December 2015, when aggregated with those under sections A.1.(d), A.2.(a) and A.3.(c) for the relevant years, do not exceed the 5% Threshold, it constitutes an Exempt Continuing Connected Transaction 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 of the Listing Rules and the annual review requirements of Rules 14A.37 and 14A.38 of the Listing Rules.

Since this Weichai Continuing Connected Transaction for the three years ending 31 December 2015 is an Exempt Continuing Connected Transaction, the New Caps are not subject to the approval of the Independent Shareholders under the Listing Rules and this Supplemental Agreement is unconditional.

However, since this Weichai Continuing Connected Transaction constitutes a PRC Continuing Connected Transaction, the relevant New Caps and the Supplemental Agreement are subject to the approval by the Shareholders at the EGM.

- (c) *Supply of semi-finished diesel engine parts, diesel engine parts and components, reserve parts and related products and provision of labour services by the Company (and its subsidiaries) to Weichai Heavy Machinery (and its subsidiaries)*

Agreement: Supplemental Agreement to the semi-finished diesel engine parts supply agreement (“**Weichai Heavy Machinery Supply 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, 9 November 2009 and 29 August 2011, respectively)

Date: 29 August 2013

Parties:

1. (a) The Company  
(b) Weichai Reproduction  
(c) Weichai Resources  
(d) Weichai Casting  
(e) Huadong Casting  
(f) Weichai Logistics
2. (a) Weichai Heavy Machinery  
(b) Weichai Heavy Equipment

Term: 1 January 2013 to 31 December 2015

Other terms and details:

Pursuant to the Weichai Heavy Machinery Supply Agreement (as supplemented by the abovesaid supplemental agreements but prior to the entering into of this latest Supplemental Agreement), each of the Company, Weichai Resources and Weichai Casting (and/or their subsidiaries) has sold certain semi-finished diesel engine parts, diesel engine parts and components, reserve parts and related products and provided the relevant labour services (as the case may be) to Weichai Heavy Machinery at market prices and settled on a monthly basis 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.

Pursuant to this latest Supplemental Agreement, each of the Company, Weichai Reproduction, Weichai Resources, Weichai Casting, Huadong Casting and Weichai Logistics (and/or other Group companies) has agreed to sell the said semi-finished diesel engine parts, diesel engine parts and components, reserve parts and related products and to provide the relevant labour services (as the case may be) to Weichai Heavy Machinery, Weichai Heavy Equipment (and/or other associates of Weichai Heavy Machinery) (as the case may be) at market prices and settled on a monthly basis for a term ending 31 December 2015, upon the expiry of which the parties may renew the term for another three years on a mutually agreed basis. Save as set out herein, all other terms of the Weichai Heavy Machinery Supply Agreement (as supplemented by the abovesaid supplemental agreements, but prior to the entering into of this latest Supplemental Agreement) remain unchanged.

The table below summarises the Existing Caps for the three years ending 31 December 2014 for the Weichai Continuing Connected Transaction set out in this sub-section 3.(c):

	<b>2012</b>	<b>2013</b>	<b>2014</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Existing Cap	440,000,000	300,000,000	285,000,000

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2012 (audited) and the six months ended 30 June 2013 (unaudited) for the Weichai Continuing Connected Transaction set out in this sub-section 3.(c):

	<b>Year ended 31 December 2011</b>	<b>2012</b>	<b>Six months ended 30 June 2013</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	(audited)	(audited)	(unaudited)
Actual transaction amount	294,828,000	264,790,000	110,922,000

With the recent adjustment to the business model of the Group in respect of the relevant products, pursuant to which the Group will increase its purchase of power generators (mainly land-use power generators) from Weichai Heavy Machinery and its subsidiaries for sale to its customers, it is expected that the sale of semi-finished diesel engine parts and related products by the Group to Weichai Heavy Machinery and its subsidiaries for the production of the power generators will increase.

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 products, the Company believes that Weichai Heavy Machinery and its subsidiaries will continue to purchase the Group's semi-finished diesel engine parts, diesel engine parts and components, reserve parts and related products for the manufacture of its products, including medium-speed diesel engines and power generators. In view of the economic growth in the PRC in recent years and the strong demand for the products of Weichai Heavy Machinery and its subsidiaries, which shall in turn drive the demand for the Group's said products and labour services by Weichai Heavy Machinery and its subsidiaries, it is expected that the transaction amount for this Weichai Continuing Connected Transaction will increase steadily for the three years ending 31 December 2015.

The Company estimates that the sale of the said semi-finished diesel engine parts, diesel engine parts and components, reserve parts and related products and the provision of the relevant labour services by the Group to Weichai Heavy Machinery and its subsidiaries for the three years ending 31 December 2015 will not exceed RMB320,000,000, RMB410,000,000 and RMB500,000,000, respectively, and such amounts have accordingly been set as the proposed New Caps for this Weichai Continuing Connected Transaction.

The proposed New Caps have been prepared by the Company primarily based on (i) the historical costs, (ii) the estimate of the volume of the said semi-finished diesel engine parts, diesel engine parts and components, reserve parts and related products required by Weichai Heavy Machinery and its subsidiaries, (iii) the average unit prices of the said semi-finished diesel engine parts, diesel engine parts and components, reserve parts and related products, and (iv) the assumption that the transaction amount of the provision of the said products and labour services by the Group to Weichai Heavy Machinery and its subsidiaries will increase by approximately 28.13% and 21.95% for each of the years ending 31 December 2014 and 31 December 2015, respectively.

The table below summarises the New Caps for the Weichai Continuing Connected Transaction set out in this sub-section 3.(c) for the three years ending 31 December 2015:

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
New Cap	320,000,000	410,000,000	500,000,000

As the New Caps for this Weichai Continuing Connected Transaction for the three years ending 31 December 2015, when aggregated with those under sections A.1.(d), A.2.(a) and A.3.(b) for the relevant years, do not exceed the 5% Threshold, the said Weichai Continuing Connected Transaction constitutes an Exempt Continuing Connected Transaction of the Company under Chapter 14A of the Listing Rules and will be subject to the reporting

and announcement requirements set out in Rules 14A.45, 14A.46 and 14A.47 of the Listing Rules and the annual review requirements of Rules 14A.37 and 14A.38 of the Listing Rules.

This Weichai Continuing Connected Transaction for the three years ending 31 December 2015 is an Exempt Continuing Connected Transaction and the relevant New Caps are not subject to the approval of the independent Shareholders under the Listing Rules.

However, since this Weichai Continuing Connected Transaction constitutes a PRC Continuing Connected Transaction, the relevant New Caps and the Supplemental Agreement are subject to the approval by the Shareholders at the EGM.

## **B. TAGC Continuing Connected Transaction**

### ***Continuing connected transaction between Shaanxi Zhongqi (and its subsidiaries) and Shaanxi Automotive (and its associates)***

#### ***Shaanxi Zhongqi and its subsidiaries***

Shaanxi Zhongqi is a 51% subsidiary of the Company and is principally engaged in the manufacture and sale of heavy-duty vehicles and parts and components of heavy-duty vehicles.

Hande Axle is held as to approximately 3.06% by the Company and as to approximately 94% by Shaanxi Zhongqi. Hande Axle is principally engaged in the research and development, production, sale and services of vehicle axles and their parts and components.

Jinding is held as to approximately 95.76% by Shaanxi Zhongqi and as to approximately 4.24% by Hande Axle and is principally engaged in the research and development, production and processing of casting products.

Shaanxi Import and Export is a wholly-owned subsidiary of Shaanxi Zhongqi and is principally engaged in the import and export of vehicles and their parts and components.

Tiangua is held as to approximately 51% by Shaanxi Zhongqi and is principally engaged in the conversion of vehicles and the sale of vehicles and their parts and components.

#### ***Shaanxi Automotive and its associates***

Shaanxi Automotive is engaged in investment holding. Shaanxi Automotive is a substantial shareholder of Shaanxi Zhongqi (which is a subsidiary of the Company) and is accordingly a connected person of the Company.

Shaanqi Holdings holds approximately 55.71% of the equity interest in Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanqi Holdings is principally engaged in vehicle industry, business investment, investment management and consultancy.

Shaanqi Industry is held as to approximately 60.09% by Shaanqi Holdings and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanqi Industry is principally engaged in project investment, asset management, logistic service and management, venue rental, investment management and consultancy.

Shaanxi Wanfang is wholly-owned by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanxi Wanfang is principally engaged in the sale of vehicles and parts and components of vehicles.

Shaanxi Huazhen is wholly-owned by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanxi Huazhen is principally engaged in the sale of vehicles and parts and components of vehicles.

Shaanxi Lantong is held as to approximately 59% by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanxi Lantong is principally engaged in the sale of parts and components of vehicles.

Shaanxi Tongchuang is held as to approximately 50% by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanxi Tongchuang is principally engaged in the sale of parts and components of vehicles.

Baoji Huashan is held as to approximately 58.42% by Shaanqi Industry and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Baoji Huashan is principally engaged in the manufacture and sale of special purpose vehicles and their parts and components.

Shaanxi Fangyuan is wholly-owned by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanxi Fangyuan is principally engaged in the manufacture and sale of hoop parts of vehicles.

Wenzhou Yunding is held as to approximately 30% by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Wenzhou Yunding is principally engaged in the production and sale of special-purpose vehicles and parts and components.

Changsha Huantong is held as to approximately 51% by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Changsha Huantong is principally engaged in the development and sale of vehicles, automobile chassis and parts and components of vehicles.



Xunyang Baotong is held as to approximately 51% by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Xunyang Baotong is principally engaged in the manufacture and sale of parts and components of vehicles.

Dongfeng Axle is held as to approximately 45.73% by Shaanqi Industry and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Dongfeng Axle is principally engaged in the production and sale of vehicle parts and components.

Xian Lande is wholly-owned by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Xian Lande is principally engaged in the development of new energy vehicle technology, technical consultation, technical service, technology transfer, production and sale of vehicle parts, and sale of vehicles (excluding cars).

Shaanxi Tongli is held as to approximately 99% by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanxi Tongli is principally engaged in the export of vehicles (excluding cars), vehicle parts and components and engineering machines, and vehicle maintenance.

Shaanxi Tongjia is held as to approximately 57.92% by Shaanqi Industry and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanxi Tongjia is principally engaged in the research and development, production and sale of micro cars, multi-purpose trucks and sport utility vehicles.

Shaanxi Dongming is held as to approximately 73.48% by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanxi Dongming is principally engaged in the research and development, production and sale of vehicle parts and components, electric axles, low-speed electric vehicles and sale of heavy-duty vehicles.

Yanan Vehicle is held as to approximately 51% by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Yanan Vehicle is principally engaged in the manufacture, research and development, and sale of special purpose vehicles.

Huazhen Trading is wholly-owned by Shaanqi Industry and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Huazhen Trading is principally engaged in logistic management and service, and the sale of scrap metals and non-metal recycle resources.

*Purchase of parts and components of vehicles, scrap steel and related products by Shaanxi Zhongqi (and its subsidiaries) from Shaanxi Automotive (and its associates)*

Agreement: Supplemental agreement to the parts and components and scrap steel purchase agreement (“**Shaanxi Zhongqi Purchase Agreement**”) dated 1 August 2007 (as supplemented by the supplemental agreements dated 27 November 2008 and 23 August 2010, respectively)

Date: 29 August 2013

Parties:

1.
  - (a) Shaanxi Zhongqi
  - (b) Hande Axle
  - (c) Jinding
  - (d) Shaanxi Import and Export
  - (e) Tiangua
2.
  - (a) Shaanxi Automotive
  - (b) Shaanqi Holdings
  - (c) Shaanqi Industry
  - (d) Shaanxi Wanfang
  - (e) Shaanxi Huazhen
  - (f) Shaanxi Lantong
  - (g) Shaanxi Tongchuang
  - (h) Baoji Huashan
  - (i) Shaanxi Fangyuan
  - (j) Wenzhou Yunding
  - (k) Changsha Huantong
  - (l) Xunyang Baotong
  - (m) Dongfeng Axle
  - (n) Xian Lande
  - (o) Shaanxi Tongli
  - (p) Shaanxi Tongjia
  - (q) Shaanxi Dongming
  - (r) Yanan Vehicle
  - (s) Huazhen Trading

Term: 1 January 2014 to 31 December 2016



Other terms and details:

Pursuant to the Shaanxi Zhongqi Purchase Agreement dated 1 August 2007 (as supplemented by the abovementioned supplemental agreements but prior to the entering into of this latest Supplemental Agreement), each of Shaanxi Zhongqi and its subsidiaries (namely, Hande Axle, Jinding, Shaanxi Import and Export and Tiangua) has purchased certain parts and components of vehicles, scrap steel and related products (as the case may be) from certain associates of Shaanxi Automotive (as set out in the announcement of the Company dated 23 August 2010 (and/or other associates of Shaanxi Automotive) (as the case may be), at market prices and settled by the relevant parties every one to three months, for a term ending 31 December 2013, upon the expiry of the same, the parties shall have an option to renew the agreement for a term of three years on a mutually agreed basis.

Pursuant to this latest Supplemental Agreement, each of Shaanxi Zhongqi, Hande Axle, Jinding, Shaanxi Import and Export, Tiangua and/or other subsidiaries of Shaanxi Zhongqi (as the case may be) shall purchase certain parts and components of vehicles, scrap steel and related products (as the case may be) from Shaanxi Automotive and its associates (as set out above) (and/or other associates of Shaanxi Automotive) (as the case may be), at market prices and settled by the relevant parties every one to three months, for a term of three years ending 31 December 2016.

The table below summaries the Existing Caps for the three years ending 31 December 2013 for the TAGC Continuing Connected Transaction set out in this sub-section B.:

	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Existing Cap	3,650,000,000	4,550,000,000	4,800,000,000

The table below summarises the actual aggregate transaction amounts involved for the two years ended 31 December 2012 (audited) and the six months ended 30 June 2013 (unaudited) for the TAGC Continuing Connected Transaction set out in this sub-section B.:

	<b>Year ended</b>	<b>Six months</b>
	<b>31 December</b>	<b>ended 30 June</b>
	<b>2011</b>	<b>2012</b>
	<i>RMB</i>	<i>RMB</i>
	<i>(audited)</i>	<i>(unaudited)</i>
Actual transaction amount	1,556,202,000	1,471,075,000
		1,005,780,000

In recent years, the State's macroeconomic policies and the rapid growth of fixed assets and infrastructure investments in the PRC have stimulated the development of the heavy-duty vehicles industry in the PRC.

Since Shaanxi Zhongqi and its subsidiaries set out above are principally engaged in the manufacture and sale of heavy-duty vehicles and related products, the Directors believe that such businesses will be benefited by the above. The Directors believe that the demand for the products of Shaanxi Zhongqi and its subsidiaries and, accordingly, the volume of parts and components required from Shaanxi Automotive and/or its associates for the production of such products, will increase substantially for the three years ending 31 December 2016 as compared to the transaction amounts for the last two years.

The Company estimates that the transaction amounts in respect of the TAGC Continuing Connected Transaction set out in this sub-section B. will not exceed RMB3,200,000,000, RMB3,800,000,000 and RMB4,600,000,000, respectively, for each of the three years ending 31 December 2016 and such amounts have accordingly been set as the New Caps for this TAGC Continuing Connected Transaction.

The proposed New Caps have been prepared by the Company primarily based on (i) the relevant historical transaction amounts; (ii) the estimated increase in the volume and price of the parts and components of vehicles to be purchased by Shaanxi Zhongqi and its subsidiaries (as the case may be); (iii) the sales plan of Shaanxi Zhongqi and its subsidiaries; and (iv) the assumption that the overall transaction amount of the said purchase of parts and components of vehicles and related products will increase by approximately 18.75% and 21.05% for each of the years ending 31 December 2015 and 2016, respectively, taking into account all the aforesaid factors.

The table below summarises the proposed New Caps for the TAGC Continuing Connected Transaction set out in this sub-section B. for the three years ending 31 December 2016:

	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
New Cap	3,200,000,000	3,800,000,000	4,600,000,000

As all the New Caps for this TAGC Continuing Connected Transaction for the three years ending 31 December 2016 exceed the 5% threshold, it constitutes a Non-exempt Continuing Connected Transaction of the Company under Chapter 14A of the Listing Rules and will be subject to the reporting and announcement requirements set out in Rules 14A.45, 14A.46 and 14A.47 of the Listing Rules and the annual review requirements of Rules 14A.37 and 14A.38 of the Listing Rules, and the approval of the Independent Shareholders. No Shareholder will be required to abstain from voting at the EGM in relation to the resolution to be proposed in respect of these New Caps and the said Supplemental Agreement.

Since this TAGC Continuing Connected Transaction for the three years ending 31 December 2016 is a Non-exempt Continuing Connected Transaction and the New Caps are subject to the approval of the Independent Shareholders, this Supplemental Agreement is conditional upon the said resolution being passed at the EGM.

### **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 Stock Exchange, the Company has had business relationships with certain entities. Under the Listing Rules, such entities have 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 Stock Exchange. After the completion of the Weichai Holdings Juli Restructuring in 2007, certain of these Weichai Continuing Connected Transactions with Weichai Holdings were transferred to Weichai Heavy Machinery.

As the Company has conducted these Weichai Continuing Connected Transactions with the relevant entities for many years and the Company has built up a long term strategic and solid business relationship with these entities, 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 maximize operating efficiency and stability of the operations of the Company.

As prior to completion of the Merger, Shaanxi Zhongqi has conducted the TAGC Continuing Connected Transaction with Shaanxi Automotive (and its associates) (as the case may be) for many years and the Company has taken up such TAGC Continuing Connected Transaction after completion of the Merger, the Directors (excluding the independent non-executive Directors), consider it to be beneficial to the Company to continue to conduct the TAGC Continuing Connected Transaction in order to ensure and maximise operating efficiency and stability of the operations of the Group.

The Directors (excluding the independent non-executive Directors in respect of the Non-exempt Continuing Connected Transaction) have confirmed that the 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 (excluding the independent non-executive Directors in respect of the Non-exempt Continuing Connected Transaction) are of the view that the Continuing Connected Transactions, and the relevant proposed New Caps, are fair and reasonable and in the interests of the Shareholders as a whole.

At the meeting of the Board on 29 August 2013 approving, *inter alia*, the Continuing Connected Transactions, the following Directors have abstained from voting on the resolutions in respect of certain Continuing Connected Transactions as follows, for the reasons of their respective interest and/or position (as the case may be) in the relevant connected persons:

1. Continuing Connected Transactions with Weichai Holdings (and its associates) set out under sections II.A. 1.(a), (b), (c) and (d) in this announcement — Tan Xuguang, Jiang Kui, Xu Xinyu, Sun Shaojun and Zhang Quan;
2. Continuing Connected Transactions with Weichai Deutz set out under sections II.A. 2.(a), (b) and (c) in this announcement — Zhang Quan;
3. Continuing Connected Transaction with Weichai Heavy Machinery (and its subsidiaries) set out under section II.A. 3(a), (b) and (c). in this announcement — Tan Xuguang, Jiang Kui, Xu Xinyu, Sun Shaojun and Zhang Quan; and
4. Continuing Connected Transaction with Shaanxi Automotive (and its associates) set out under section II.B in this announcement — Fang Hongwei.

Since the New Caps of the TAGC Continuing Connected Transaction referred to in the section headed “II. Continuing Connected Transactions“ in this announcement exceed the 5% Threshold, such Continuing Connected Transaction constitutes a Non-exempt Continuing Connected Transaction of the Company under Chapter 14A of the Listing Rules and its 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, 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 and the approval by Independent Shareholders.

#### **IV. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee comprising the independent non-executive Directors (namely, Mr. Liu Zheng, Mr. Li Shihao, Mr. Loh Yih, Mr. Chu, Howard Ho Hwa, Mr. Zhang Zhenhua and Mr. Li Luwen) will be appointed to consider the Non-exempt Continuing Connected Transaction and its New Caps. An Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the Non-exempt Continuing Connected Transaction and its New Caps.

#### **V. DESPATCH OF CIRCULAR**

A circular containing, *inter alia*, (i) further details of the Non-exempt Continuing Connected Transaction; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the Non-exempt Continuing Connected Transaction; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Continuing Connected Transaction, will be despatched to the Shareholders on or before 19 September 2013.

## VI. 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)(a) of the Listing Rules
“1% Threshold”	the thresholds referred to in Rule 14A.33(3)(b) of the Listing Rules
“5% Threshold”	the thresholds referred to in Rule 14A.34 of the Listing Rules
“Baudouin China”	博杜安 (濰坊) 動力有限公司 (Baudouin (Weifang) Power Co., Ltd.), a company established in the PRC and a subsidiary of the Company
“Baoji Huashan”	寶雞華山工程車輛有限責任公司 (Baoji Huashan Engineering Vehicles Co. Ltd.), a company established in the PRC and a connected person of the Company
“business day”	any day on which the Stock Exchange is open for business of dealing in securities
“Changsha Huantong”	陝西汽車集團長沙環通汽車製造有限公司 (Shaanxi Automobile Group Changsha Huantong Automobile Manufacturing Co. Ltd.), a company established in the PRC and a connected person of the Company
“Chongqing Branch”	the Company’s facility (being its branch office) in Chongqing Municipality, the PRC
“Chongqing Casting”	重慶市江津區重濰鑄造有限公司 (Chongqing City Jiangjin District Chongwei Casting Co. Ltd.), a company established in the PRC and a connected person of the Company
“Chongqing Weichai”	重慶濰柴發動機廠 (Chongqing Weichai Diesel Engine Works), a legal person established in the PRC and a connected person of the Company
“Company”	濰柴動力股份有限公司 (Weichai Power Co., Ltd.), a company established in the PRC with limited liability

“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, comprising the Weichai Continuing Connected Transaction(s) and the TAGC Continuing Connected Transaction(s)
“Director(s)”	the director(s) of the Company
“Dongfeng Axle”	陝西東風車橋傳動系統股份有限公司 (Shaanxi Dongfeng Axle Transmission Axle System Co., Ltd.), a company established in the PRC and a connected person of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve, <i>inter alia</i> , the New Caps and the Supplemental Agreements and the PRC Continuing Connected Transactions
“Exempt Continuing Connected Transactions”	being those Continuing Connected Transactions the proposed New Caps for which do not exceed the 5% Threshold and, accordingly, are not subject to the approval by the Independent Shareholders under the Listing Rules, and, where such New Caps exceed the 0.1% Threshold or the 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
“Existing Cap(s)”	the existing cap(s) for the Continuing Connected Transactions set out in the section headed “II. Continuing Connected Transactions” in this announcement
“Group”	the Company and its subsidiaries, and “Group Company” means any of the same
“Hande Axle”	陝西漢德車橋有限公司 (Shaanxi Hande Axle Co., Ltd.), a company established in the PRC and is held as to approximately 3.06% by the Company and as to approximately 94% by Shaanxi Zhongqi
“Huadong Casting”	山東華動鑄造有限公司 (Shandong Huadong Casting Co., Ltd.), a company established in the PRC and a subsidiary of the Company



“Huazhen Trading”	陝西華臻工貿服務有限責任公司 (Shaanxi Huazhen Industry and Trading Services Co., Ltd.), a company established in the PRC and a connected person of the Company
“Independent Board Committee”	a committee of the Board comprising Mr. Liu Zheng, Mr. Li Shihao, Mr. Loh Yih, Mr. Chu, Howard Ho Hwa, Mr. Zhang Zhenhua and Mr. Li Luwen, being the independent non-executive Directors
“Independent Financial Adviser”	the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Non-Exempt Continuing Connected Transaction
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the EGM in respect of the Non-exempt Continuing Connected Transaction
“Jinding”	陝西金鼎鑄造有限公司 (Shaanxi Jinding Casting Co., Ltd.), a company established in the PRC and is held as to approximately 95.76% by Shaanxi Zhongqi and as to approximately 4.24% by Hande Axle
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Merger”	the Merger on 24 April 2007 (as announced in the announcement of the Company dated 25 April 2007), as a result of which the original subsidiaries of TAGC, together with other the assets and liabilities of TAGC, were absorbed by the Company
“New Cap(s)”	as defined in the section headed “II. Continuing Connected Transactions” in this announcement
“Non-exempt Continuing Connected Transaction”	being the Continuing Connected Transaction the proposed New Continuing Caps for which exceed the 5% Threshold, and, accordingly, it will be subject to the reporting requirements set out in Rules Transactions“ 14A.45 and 14A.46 of the Listing Rules, the announcement requirement in Rule 14A.47 of the Listing Rules and the annual review requirements in Rules 14A.37 and 14A.38 of the Listing Rules and approval from the Independent Shareholders at the EGM will be required
“PRC”	the People’s Republic of China



“PRC Continuing Connected Transactions”	the Continuing Connected Transactions set out under the sections headed “II.A.1.(a), (b), (c) and (d), 3.(a), (b) and (c) and II.B” in this announcement, which constitute continuing connected transactions of the Company under the relevant laws and regulations of the PRC and 《股票上市規則》 (“listing rules”) of the Shenzhen Stock Exchange and are subject to the approval by the Shareholders at the EGM. For details, please refer to the announcement of the Company entitled 《濰柴動力股份有限公司日常持續性關聯交易公告》 (“Announcement of Weichai Power Co., Ltd. in respect of its Continuing Connected Transactions in the Ordinary Course of Business”) dated 29 August 2013 on the Shenzhen Stock Exchange
“RMB”	Renminbi, the lawful currency of the PRC
“Shaanxi Holdings”	陝西汽車控股集團有限公司 (Shaanxi Automobile Holding Group Co., Ltd.), a company established in the PRC and a connected person of the Company
“Shaanxi Industry”	陝西汽車實業有限公司 (Shaanxi Automobile Industry Co., Ltd.), a company established in the PRC and a connected person of the Company
“Shaanxi Automotive”	陝西汽車集團有限責任公司 (Shaanxi Automobile Group Co. Ltd.), a company established in the PRC and a connected person of the Company
“Shaanxi Dongming”	陝西東銘車輛系統股份有限公司 (Shaanxi Dongming Vehicle System Co., Ltd.), a company established in the PRC and a connected person of the Company
“Shaanxi Fangyuan”	陝西方圓汽車標準件有限公司 (Shaanxi Fangyuan Automobile Standard Components Co. Ltd.), a company established in the PRC and a connected person of the Company
“Shaanxi Huazhen”	陝西華臻三產工貿有限責任公司 (Shaanxi Huazhen Sancan Industry and Trading Co. Ltd.), a company established in the PRC and a connected person of the Company
“Shaanxi Import and Export”	陝西重型汽車進出口有限公司 (Shaanxi Heavy Duty Automotive Import and Export Co., Ltd.), a company established in the PRC and a wholly-owned subsidiary of Shaanxi Zhongqi

“Shaanxi Lantong”	陝西藍通傳動軸有限公司 (Shaanxi Lantong Transmission Axle Co., Ltd.), a company established in the PRC and a connected person of the Company
“Shaanxi Tongchuang”	陝西同創華亨汽車散熱裝置有限責任公司 (Shaanxi Tongchuang Huaheng Vehicle Radiator Co. Ltd.), a company established in the PRC and a connected person of the Company
“Shaanxi Tongjia”	陝西通家汽車有限責任公司 (Shaanxi Tongjia Vehicle Co., Ltd.), a company established in the PRC and a connected person of the Company
“Shaanxi Tongli”	陝西通力專用汽車有限責任公司 (Shaanxi Tongli Special Purpose Vehicle Co. Ltd.), a company established in the PRC and a connected person of the Company
“Shaanxi Wanfang”	陝西萬方汽車零部件有限公司 (Shaanxi Wanfang Vehicle Parts and Components Co. Ltd.), a company established in the PRC and a connected person of the Company
“Shaanxi Zhongqi”	陝西重型汽車有限公司 (Shaanxi Heavy Duty Motor Company Limited), a company established in the PRC and a subsidiary of the Company
“Shareholder(s)”	holder(s) of the shares of the Company
“Supplemental Agreements”	the supplemental agreements relating to the 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 and “Supplemental Agreement” means any of them
“TAGC”	湘火炬汽車集團股份有限公司 (Torch Automotive Group Co., Ltd.), a company established in the PRC and has ceased to exist
“TAGC Continuing Connected Transaction”	the Continuing Connected Transaction under section II.B of this announcement
“Tiangua”	天津市天掛車輛有限公司 (Tianjin Tiangua Automotive Co., Ltd.), a company established in the PRC and is held as to approximately 51% by Shaanxi Zhongqi

“Weichai Casting”	濰柴動力(濰坊)鑄鍛有限公司 (Weichai Power (Weifang) Casting Co., Ltd.), a company established in the PRC and a subsidiary of the Company
“Weichai Continuing Connected Transaction(s)”	the Continuing Connected Transaction(s) under section II.A of this announcement
“Weichai Deutz”	濰坊濰柴道依茨柴油機有限公司 (Weifang Weichai Deutz Diesel Engine Co., Ltd.), a company established in the PRC and a connected person of the Company
“Weichai Heavy Equipment”	濰柴重機(濰坊)發電設備有限公司 (Weichai Heavy-duty Machinery (Weifang) Generator Equipment Co., Ltd.), a company established in the PRC and a connected person of the Company
“Weichai Heavy Machinery”	濰柴重機股份有限公司 (Weichai Heavy-duty 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
“Weichai Holdings”	濰柴控股集團有限公司 (Weichai Group Holdings Limited) (formerly known as 濰坊柴油機廠 (Weifang Diesel Engine Works)), a legal person established in the PRC, a substantial shareholder of the Company and a connected person of the Company
“Weichai Holdings Juli Restructuring”	the restructuring of the assets of Weichai Holding and the group of entities concerning Weichai Heavy Machinery as more particularly set out in the announcement of Weichai Heavy Machinery on the Shenzhen Stock Exchange dated 8 September 2006
“Weichai Import and Export”	山東濰柴進出口有限公司 (Shandong Weichai Import and Export Co., Ltd.), a company established in the PRC wholly-owned by Weichai Holdings and a connected person of the Company
“Weichai Logistics”	濰柴動力(濰坊)集約配送有限公司 (Weichai Power (Weifang) Intensive Logistics Co., Ltd.), a company established in the PRC and a subsidiary of the Company
“Weichai Reproduction”	濰柴動力(濰坊)再製造有限公司 (Weichai Power (Weifang) Reconstruction Co., Ltd.), a company established in the PRC and a subsidiary of the Company

“Weichai Resources”	濰柴動力備品資源公司 (Weichai Power Reserves and Resources Company), a company established in the PRC and a subsidiary of the Company
“Weichai Singapore”	Weichai Singapore Pte. Ltd., a company established in Singapore and a subsidiary of the Company
“Weichai Yangzhou”	濰柴動力揚州柴油機有限責任公司 (Weichai Power Yangzhou Diesel Engine Co., Ltd.), a company established in the PRC and a subsidiary of the Company
“Wenzhou Yunding”	陝西汽車集團溫州雲頂汽車有限公司 (Shaanxi Vehicle Group Wenzhou Yunding Vehicle Co., Ltd.), a company established in the PRC and a connected person of the Company
“Xian Lande”	西安蘭德新能源汽車技術開發有限公司 (Xian Lande New Energy Technology Development Co., Ltd.), a company established in the PRC and a connected person of the Company
“Xunyang Baotong”	陝西汽車集團旬陽寶通專用車有限公司 (Shaanxi Vehicle Group Xunyang Baotong Special Purpose Vehicle Co., Ltd.), a company established in the PRC and a connected person of the Company
“Yanan Vehicle”	陝西汽車集團延安專用車有限公司 (Shaanxi Vehicle Group Yanan Special Purpose Vehicle Co., Ltd.), a company established in the PRC and a connected person of the Company

Hong Kong, 29 August 2013

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, Mr. Zhang Quan, Mr. Li Dakai and Mr. Fang Hongwei; the non-executive Directors of the Company are Mr. Jiang Kui, Mr. Yeung Sai Hong, Mr. Chen Xuejian, Mr. Julius G. Kiss, Ms. Han Xiaoqun and Mr. Gordon Riske; and the independent non-executive Directors of the Company are Mr. Liu Zheng, Mr. Li Shihao, Mr. Loh Yih, Mr. Chu, Howard Ho Hwa, Mr. Zhang Zhenhua and Mr. Li Luwen.*