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**WEICHAI**

**潍柴动力股份有限公司**

**WEICHAI POWER CO., LTD.**

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

**(Stock Code: 2338)**

## **CONTINUING CONNECTED TRANSACTIONS**

### **THE CONTINUING CONNECTED TRANSACTIONS**

The Board announces that on 8 December 2014, the Group has entered into the Supplemental Agreements in respect of the Continuing Connected Transactions as more particularly described herein.

The Group has also entered into the PRC Supplemental Agreements pursuant to the requirements of the Shenzhen Listing Rules. The Continuing Connected Transactions have been aggregated with the PRC Continuing Connected Transactions, and such transactions (including the relevant agreements) are subject to the approval of the Independent Shareholders.

A circular containing, inter alia, (i) further details of the Continuing Connected Transactions; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the Continuing Connected Transactions; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Continuing Connected Transactions, will be despatched to the Shareholders on or before 31 December 2014.

### **I. INTRODUCTION**

Reference is made to the announcement of the Company dated 25 December 2012 and the circular of the Company dated 17 January 2013, 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, inter alia, apply for New Caps and for such purposes, the Group entered into the Supplemental Agreements. The Supplemental Agreements and the relevant New Caps in respect of the Continuing Connected Transactions, being Non-exempt Continuing Connected Transactions, are conditional on 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. The Continuing Connected Transactions” in this announcement.

The Group also entered in the PRC Supplemental Agreements as set out in the section headed “III. The PRC Continuing Connected Transactions” in this announcement.

## II. THE CONTINUING CONNECTED TRANSACTIONS

### Summary of the Continuing Connected Transactions and the proposed New Caps

The Continuing Connected Transactions will include the following:

Name of connected person	Name of Group Company	Connected person's relationship with the Group	Nature of the connected transaction with the Group
Weichai Westport	The Company, Weichai Resources, Weichai Reproduction and Weichai Freshen Air (and/or other associates of the Company) (as the case may be) <i>(note 1)</i>	Weichai Westport is held as to 40% by Weichai Holdings, a substantial shareholder of the Company	<p>(a) Supply of base engines, gas engine parts, utility and labour services, technology development services and related products and services by the Company (and its subsidiaries and/or associates) to Weichai Westport</p> <p>(b) Purchase of gas engines, gas engine parts, labour services and related products and services by the Company (and its subsidiaries and/or associates) from Weichai Westport</p>

*Note:*

1. Weichai Resources, Weichai Reproduction and Weichai Freshen Air are wholly-owned subsidiaries of the Company.

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

**Details of the relevant Continuing  
Connected Transaction with  
Weichai Westport**

		<b>Proposed New Caps</b>		
		<b>For the year ending 31 December 2015 RMB</b>	<b>For the year ending 31 December 2016 RMB</b>	<b>For the year ending 31 December 2017 RMB</b>
(1)	Supply of base engines, gas engine parts, utility and labour services, technology development services and related products and services by the Company (and its subsidiaries and/or associates) to Weichai Westport	3,100,000,000 <sup>#</sup>	3,500,000,000 <sup>#</sup>	3,900,000,000 <sup>#</sup>
(2)	Purchase of gas engines, gas engine parts, labour services and related products and services by the Company (and its subsidiaries and/or associates) from Weichai Westport	5,300,000,000 <sup>#</sup>	5,600,000,000 <sup>#</sup>	6,000,000,000 <sup>#</sup>

*Notes:*

1. Where a New Cap is marked “<sup>#</sup>”, that means the proposed New Cap for the relevant Continuing Connected Transaction for the relevant period exceeds the 5% Threshold and is subject to the approval by the Independent Shareholders under the Hong Kong Listing Rules.
2. For the purposes of ascertaining whether a Continuing Connected Transaction will exceed the 5% Threshold, the transactions under paragraphs (1) and (2) have been aggregated pursuant to the requirements of Chapter 14A of the Hong Kong Listing Rules, considering that a substantial portion of the products sold by the Group to Weichai Westport pursuant to the transaction under paragraph (1) are purchased by the Group pursuant to the transaction under paragraph (2) after certain modifications and assembly of the products by Weichai Westport. Pursuant to the requirements of the Shenzhen Listing Rules, the transactions under paragraphs (1) and (2) above have also been aggregated with the PRC Continuing Connected Transactions.

## Details of the Continuing Connected Transactions and the Supplemental Agreements

The Company is principally engaged in the research and development, manufacturing and sale of high-speed heavy-duty diesel engines and engine parts.

Weichai Resources is a wholly-owned subsidiary of the Company and is principally engaged in the sale of diesel engines, diesel engine accessories and working parts, components of diesel engines and dedicated diesel oil.

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

Weichai Freshen Air is a wholly owned subsidiary of the Company and is principally engaged in the research, design, sale and repair of air purification products, consultation in respect of transfer of air purification technology, import and export trade of goods and technology permitted by the State.

Weichai Westport is principally engaged in the business of research and development, manufacture and sale of gas engines and parts used in motor vehicles, power generation and marine vessels and relevant parts and components, modification of gas engines, business consultation and services. Weichai Westport is held as to 40% by Weichai Holdings, a substantial Shareholder of the Company. Accordingly, Weichai Westport is a connected person of the Company.

1. *Supply of base engines, gas engine parts, utility and labour services, technology development services and related products and services by the Company (and its subsidiaries and/or associates) to Weichai Westport*

Agreement: Supplemental Agreement to the framework agreement in relation to the supply of base engines, gas engine parts and related products by the Company (and its subsidiaries and/or associates) to Weichai Westport (the “**Weichai Westport Supply Agreement**”) dated 25 December 2012

Date: 8 December 2014

Parties:

1. (a) The Company  
(b) Weichai Resources  
(c) Weichai Reproduction  
(d) Weichai Freshen Air; and
2. Weichai Westport

Term: 1 January 2015 to 31 December 2017

Other terms and details:

Pursuant to the Weichai Westport Supply Agreement, each of the Company, Weichai Resources and Weichai Reproduction has supplied certain base engines, gas engine parts and related products to Weichai Westport, at market prices and/or prices agreed according to the principle of fairness and reasonableness and settled on a monthly basis for a term from 25 December 2012 to 31 December 2014, upon the expiry of which the parties may extend the term for three years on a mutually agreed basis. This Continuing Connected Transaction has been conducted on normal commercial terms and terms no less favourable to the Company than those available to the Company from independent third parties.

Pursuant to this Supplemental Agreement, each of the Company, Weichai Resources, Weichai Reproduction and Weichai Freshen Air (and/or other associates of the Company) shall supply certain base engines, gas engine parts, utility and labour services, technology development services and related products and services to Weichai Westport, on the same terms for a term from 1 January 2015 to 31 December 2017, upon the expiry of which the parties may extend the term for three years on a mutually agreed basis. The sale price of the said products and services is determined according to the following mechanism: Through market analysis of specific products by the market management department of the Company on a quarterly basis in general, a proposal on the price, which is formulated taking into account an analysis of a number of factors (including the prices of at least one to two relevant products in the market in general, market share, orders situation and performance of major competitors in the market), shall be submitted to the price management department of the Company for approval. The final price shall be determined based on arm's length negotiations between the parties. The price management department shall review the reasonableness of the price on a regular basis and make adjustments where necessary. Save as set out herein, all other terms of the Weichai Westport Supply Agreement remain unchanged. The Directors are of the view that the abovementioned methods and procedures under the pricing policies can ensure that this Continuing Connected Transactions are conducted on normal commercial terms and not prejudicial to the interests of the Company and the minority Shareholders.

The table below summarises the Existing Caps for the three years ending 31 December 2014 for this Continuing Connected Transaction:

	<b>Year ended 31 December 2012</b>	<b>Year ended 31 December 2013</b>	<b>Year ending 31 December 2014</b>
Existing Cap	200,000,000	2,100,000,000	2,800,000,000

The table below summarises the actual transaction amounts involved for each of the two years ended 31 December 2013 (audited) and the 10 months ended 31 October 2014 (unaudited) for this Continuing Connected Transaction:

	<b>Year ended 31 December 2012 RMB</b>	<b>Year ended 31 December 2013 RMB</b>	<b>10 months ended 31 October 2014 RMB</b>
Actual transaction amount	866,058,386	1,425,883,951	1,680,475,600

The Company estimates that the transaction amount of this Continuing Connected Transaction for the three years ending 31 December 2017 shall not exceed RMB3,100,000,000, RMB3,500,000,000 and RMB3,900,000,000 respectively, and the same have been accordingly set as the proposed New Caps for this Continuing Connected Transaction.

The said base engines, gas engine parts and related products sold by the Group to Weichai Westport are modified and assembled by Weichai Westport into gas engines, which are in turn sold by Weichai Westport back to the Group for onward sale to its customers. In 2014, the orders for the Group's heavy-duty vehicles (with gas engines installed) and gas engines have increased steadily. According to the sales projection of the Group's heavy-duty vehicles (with gas engines installed) and gas engines, the Company expects that the transaction amount of the said base engines, gas engine parts and related products sold by the Group to Weichai Westport for modification and assembly into gas engines shall maintain a steady growth for the three years ending 31 December 2017, in line with an expected increase in the volume of gas engines, gas engine parts and related products to be sold by the Group to third party customers after purchasing the same from Weichai Westport, and the national policies of the PRC and the Group's development plans which are expected to be favourable to the market of the Group's gas engines. In addition, in line with the development plan of Weichai Westport, the Group shall provide certain utility and labour services, and technology development services in respect of the development of new models of engines to Weichai Westport for the three years ending 31 December 2017.

The proposed New Caps have been prepared by the Company primarily based on (i) the historical transaction amounts, (ii) the estimate of the volume of base engines, gas engine parts, utility and labour services, technology development services and related products and services required by Weichai Westport, (iii) the average unit prices of such base engines, gas engine parts and related products; and (iv) the expected transaction amount of this Continuing Connected Transaction for the three years ending 31 December 2017. Taking into account and on the basis of all the aforesaid factors, it is estimated that the overall transaction amount of the sale of the Group's base engines, gas engine parts, utility and labour services, technology development services and related products to Weichai Westport on an annual basis will increase by approximately 12.90% and 11.43% for each of the two years ending 31 December 2017, respectively.

The table below summarises the proposed New Caps for the Continuing Connected Transaction as set out in this sub-section for the three years ending 31 December 2017:

	<b>For the year ending 31 December 2015 RMB</b>	<b>For the year ending 31 December 2016 RMB</b>	<b>For the year ending 31 December 2017 RMB</b>
New Cap	3,100,000,000	3,500,000,000	3,900,000,000

As the proposed New Caps for this Continuing Connected Transaction for the three years ending 31 December 2017 (when aggregated with the proposed New Caps for the same period under sub-section 2) exceed the 5% Threshold, it constitutes a Non-exempt Continuing Connected Transaction of the Company for the relevant period, and the proposed New Caps for the relevant period are subject to the reporting and announcement, the annual review requirements, and the independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Since this Continuing Connected Transaction for the three years ending 31 December 2017 (on an aggregated basis) is a Non-exempt Continuing Connected Transaction and the proposed New Caps for the relevant period are subject to the approval of the Independent Shareholders, this Supplemental Agreement is conditional upon the relevant resolution being passed at the EGM.

Pursuant to the requirements of the Shenzhen Listing Rules, the Continuing Connected Transactions have also been aggregated with the PRC Continuing Connected Transactions, and such transactions (including the relevant agreements) are subject to the approval of the Independent Shareholders.

2. *Purchase of gas engines, gas engine parts, labour services and related products and services by the Company (and its subsidiaries and/or associates) from Weichai Westport*

Agreement: Supplemental Agreement to the framework agreement in relation to the purchase of gas engines, gas engine parts and related products by the Company (and its subsidiaries and/or associates) from Weichai Westport ("**Weichai Westport Purchase Agreement**") dated 25 December 2012

Date: 8 December 2014

Parties: 1. (a) The Company  
(b) Weichai Reproduction  
(c) Weichai Resources; and  
2. Weichai Westport

Term: 1 January 2015 to 31 December 2017



Other terms and details:

Pursuant to the Weichai Westport Purchase Agreement, each of the Company, Weichai Reproduction and Weichai Resources has purchased certain gas engines, gas engine parts and related products from Weichai Westport, at market prices and/or prices agreed according to the principle of fairness and reasonableness and settled on a monthly basis, for a term from 25 December 2012 to 31 December 2014, upon the expiry of which the parties may extend the term for three years on a mutually agreed basis. This Continuing Connected Transaction has been conducted on normal commercial terms and terms no less favourable to the Company than those available to the Company from independent third parties.

Pursuant to this Supplemental Agreement, each of the Company, Weichai Resources and Weichai Reproduction (and/or other associates of the Company) shall purchase certain gas engines, gas engine parts, labour services and related products and services from Weichai Westport, on the same terms for a term from 1 January 2015 to 31 December 2017, upon the expiry of which the parties may extend the term for three years on a mutually agreed basis. The sale price of the said products and services is determined according to the following mechanism: The market management department of the Company shall regularly carry out market research and analysis on a quarterly basis, taking into account a number of factors (including the prices of at least one to two relevant products in the market in general, market share, orders situation and performance of major competitors in the market). The final price shall be determined based on arm's length negotiations between the parties. The price management department shall review the reasonableness of the price on a regular basis and make adjustments where necessary. Save as set out herein, all other terms of the Weichai Westport Purchase Agreement remain unchanged. The Directors are of the view that the abovementioned methods and procedures under the pricing policies can ensure that this Continuing Connected Transactions are conducted on normal commercial terms and not prejudicial to the interests of the Company and the minority Shareholders.

The table below summarises the Existing Caps for the three years ending 31 December 2014 for this Continuing Connected Transaction:

	<b>Year ended 31 December 2012</b>	<b>Year ended 31 December 2013</b>	<b>Year ending 31 December 2014</b>
Existing Cap	400,000,000	4,200,000,000	5,500,000,000



The table below summarises the actual transaction amounts involved for each of the two years ended 31 December 2013 (audited) and the 10 months ended 31 October 2014 (unaudited) for this Continuing Connected Transaction:

	<b>Year ended 31 December 2012 RMB</b>	<b>Year ended 31 December 2013 RMB</b>	<b>10 months ended 31 October 2014 RMB</b>
Actual transaction amount	1,663,423,167	2,907,283,560	3,413,525,800

The Company estimates that the transaction amount of this Continuing Connected Transaction for the three years ending 31 December 2017 shall not exceed RMB5,300,000,000, RMB5,600,000,000 and RMB6,000,000,000 respectively, and the same have been accordingly set as the proposed New Caps for this Continuing Connected Transaction.

In 2014, the orders for the Group's heavy-duty vehicles (with gas engines installed) and gas engines have increased steadily. According to the sales projection of the Group's heavy-duty vehicles (with gas engines installed) and gas engines, the Company expects that the transaction amount of the said gas engines, gas engine parts and related products purchased by the Group from Weichai Westport to maintain a steady growth for the three years ending 31 December 2017, in line with an increase in the volume of gas engines, gas engine parts and related products to be sold by the Group to third party customers after purchasing the same from Weichai Westport, and the national policies of the PRC and the Group's development plans which are expected to be favourable to the market of the Group's gas engines.

The proposed New Caps have been prepared by the Company primarily based on (i) the historical transaction amounts, (ii) the estimate of the volume of gas engines, gas engine parts, labour services and related products and services to be purchased by the Group from Weichai Westport, (iii) the average unit prices of such gas engines, gas engine parts and related products; and (iv) the expected transaction amount of this Continuing Connected Transaction for the three years ending 31 December 2017. Taking into account and on the basis of all the aforesaid factors, it is estimated that the overall transaction amount of the purchase of gas engines, gas engine parts, labour services and related products and services by the Group from Weichai Westport on an annual basis will increase approximately 5.7% and 7.1% for each of the two years ending 31 December 2017, respectively.

The table below summarises the proposed New Caps for the Continuing Connected Transaction as set out in this sub-section for the three years ending 31 December 2017:

	<b>For the year ending 31 December 2015 RMB</b>	<b>For the year ending 31 December 2016 RMB</b>	<b>For the year ending 31 December 2017 RMB</b>
New Cap	5,300,000,000	5,600,000,000	6,000,000,000

As the proposed New Caps for this Continuing Connected Transaction for the three years ending 31 December 2017 (when aggregated with the proposed New Caps for the same period under sub-section 1) exceed the 5% Threshold, it constitutes a Non-exempt Continuing Connected Transaction of the Company for the relevant period, and the proposed New Caps for the relevant period are subject to the reporting and announcement requirements, the annual review requirements, and the independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Since this Continuing Connected Transaction for the three years ending 31 December 2017 (on an aggregated basis) is a Non-exempt Continuing Connected Transaction and the proposed New Caps are subject to the approval of the Independent Shareholders, this Supplemental Agreement is conditional upon the relevant resolution being passed at the EGM.

Pursuant to the requirements of the Shenzhen Listing Rules, the Continuing Connected Transactions have also been aggregated with the PRC Continuing Connected Transactions, and such transactions (including the relevant agreements) are subject to the approval of the Independent Shareholders.

### **Reasons and benefits for the Continuing Connected Transactions**

The Board is of the view that (i) the sale of base engines, gas engine parts, utility and labour services, technology development services and related products and services to Weichai Westport; and (ii) the purchase of gas engines, gas engine parts and related products manufactured by Weichai Westport by modifying and utilising the base engines, gas engine parts, labour services and related products and services it purchased from the Group, and the onward sale of the gas engines, gas engine parts and related products by the Group to its customers will allow the Group to maintain a strong strategic and business relationships with Weichai Westport, thereby generating synergy potential and mutual economic benefits between the Group and Weichai Westport. The Board considers that the Continuing Connected Transactions under the Supplemental Agreements will also provide a secure source of revenue for the Group, and the Group will also be able to secure a stable and reliable supply of quality gas engines from Weichai Westport instead of sourcing from other market suppliers.

The Board has confirmed that the Continuing Connected Transactions have been subject to arm's length negotiations between the Group and Weichai Westport, 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 whose view is subject to the advice of the Independent Financial Adviser) 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.

None of the Directors has any material interest in the Continuing Connected Transactions. No Director has abstained from voting on the board resolutions approving the Continuing Connected Transactions on 8 December 2014.

### **Listing Rules implications**

As all of the relevant percentage ratios calculated in accordance with the Hong Kong Listing Rules for the Continuing Connected Transactions for the three years ending 31 December 2017 under the Supplemental Agreements (on an aggregated basis) exceed the 5% Threshold, they constitute Non-exempt Continuing Connected Transactions of the Company and their respective proposed New Caps will be subject to the reporting and announcement requirements, the annual review requirements, and the independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

### **III. THE PRC CONTINUING CONNECTED TRANSACTIONS**

As set out in announcement of the Company dated 25 December 2012 and the Circular of the Company dated 17 January 2013, in addition to the Continuing Connected Transactions, certain transactions which have been conducted between the Group and Weichai Westport in the ordinary course of business as set out under this section (the "**PRC Continuing Connected Transactions**"). On 8 December 2014, the Group has entered in the PRC Supplemental Agreements and shall apply for the new caps for such PRC Continuing Connected Transactions for the three years ending 31 December 2017. The proposed new caps for each of such transactions for the term from 1 January 2015 to 31 December 2017 do not exceed the 0.1% Threshold, and, accordingly, are not subject to the reporting, announcement and independent shareholders' approval requirements of the Hong Kong Listing Rules. Further, each of such PRC Continuing Connected Transactions is of a different nature from and is carried out independently of the Continuing Connected Transactions. However, pursuant to the requirements of the Shenzhen Listing Rules, the PRC Continuing Connected Transactions have been aggregated with the Continuing Connected Transactions, and such transactions (including the relevant agreements) are subject to the approval of the Independent Shareholders. For further details of the PRC Continuing Connected Transactions and the PRC Supplemental Agreements, please refer to the announcement of the Company dated 8 December 2014 on the website of The Shenzhen Stock Exchange.

## Summary of the PRC Continuing Connected Transactions and the proposed new caps

The PRC Continuing Connected Transactions will include the following:

Name of connected person	Name of Group Company	Connected person's relationship with the Group	Nature of the connected transaction with the Group
Weichai Westport	The Company and Weichai Logistics (and/or its associates) (as the case may be) ( <i>note 1</i> )	Weichai Westport is held as to 40% by Weichai Holdings, a substantial shareholder of the Company	(a) Provision of logistics and storage services by Weichai Logistics (and/or its associates) to Weichai Westport  (b) Leasing of factory buildings by the Company to Weichai Westport

*Note:*

1. Weichai Logistics is a 52% subsidiary of the Company.

A summary of the proposed new caps for each of the PRC Continuing Connected Transactions is set out below:

### Details of the relevant PRC Continuing Connected Transaction with Weichai Westport

	Proposed new caps		
	For the year ending 31 December 2015 RMB	For the year ending 31 December 2016 RMB	For the year ending 31 December 2017 RMB
(1) Provision of logistics and storage services by Weichai Logistics (and/or its associates) to Weichai Westport	18,000,000	21,600,000	25,920,000
(2) Leasing of factory buildings by the Company to Weichai Westport	15,000,000	15,000,000	15,000,000

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

An Independent Board Committee comprising the independent non-executive Directors (namely, Mr. Loh Yih, Mr. Chu, Howard Ho Hwa, Mr. Zhang Zhenhua, Mr. Zhang Zhong, Mr. Wang Gongyong and Mr. Ning Xiangdong) has been appointed to consider the Continuing Connected Transactions and their respective proposed 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 Continuing Connected Transactions and their respective proposed New Caps.

#### **V. DISPATCH OF CIRCULAR**

A circular containing, *inter alia*, (i) further details of the Continuing Connected Transactions; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the Continuing Connected Transactions; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Continuing Connected Transactions, will be despatched to the Shareholders on or before 31 December 2014.

#### **VI. DEFINITIONS**

In this announcement, the following terms and expressions (unless the context otherwise requires) shall have the following meanings:

“0.1% Threshold”	the thresholds referred to in Rule 14A.76(1) of the Hong Kong Listing Rules
“5% Threshold”	the thresholds referred to in Rule 14A.76(2) of the Hong Kong Listing Rules
“Board”	the board of Directors
“Company”	潍柴動力股份有限公司 (Weichai Power Co., Ltd.), a joint stock limited company incorporated in the PRC with limited liability
“Continuing Connected Transaction(s)”	the continuing connected transaction(s) of the Group within the meaning of the Hong Kong Listing Rules as set out in the section headed “II. The Continuing Connected Transactions” in this announcement
“Director(s)”	director(s) 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 proposed New Caps and the Supplemental Agreements

“Existing Cap(s)”	the existing cap(s) for the Continuing Connected Transactions set out in the section headed “II. The Continuing Connected Transactions” in this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Independent Board Committee”	a committee of the Board comprising, Mr. Loh Yih, Mr. Chu, Howard Ho Hwa, Mr. Zhang Zhenhua, Mr. Zhang Zhong, Mr. Wang Gongyong and Mr. Ning Xiangdong, 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 Transactions
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the EGM
“New Cap(s)”	as defined in the section headed “II. Continuing Connected Transactions” in this announcement
“Non-exempt Continuing Connected Transactions”	being those Continuing Connected Transactions the proposed New Caps for which exceed the 5% Threshold, and accordingly, they will be subject to the reporting requirements, the announcement requirement, the annual review requirements under the Hong Kong 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”	has the meaning ascribed to it under the section headed “III. The PRC Continuing Connected Transactions” in this announcement
“PRC Supplemental Agreements”	the supplemental agreements in respect of the PRC Continuing Connected Transactions
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholder(s)”	holder(s) of the shares in the Company
“Shenzhen Listing Rules”	the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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. The Continuing Connected Transactions” in this announcement and “Supplemental Agreement” means any of them
“Weichai Freshen Air”	濰柴動力空氣淨化科技有限公司 (Weichai Power Freshen Air Technology Co., Ltd.), a company established in the PRC and a wholly owned subsidiary 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 Logistics”	濰柴動力(濰坊)集約配送有限公司 (Weichai Power (Weifang) Intensive Logistics Company Limited), a company established in the PRC and a 52% subsidiary of the Company
“Weichai Reproduction”	濰柴動力(濰坊)再製造有限公司 (Weichai Power (Weifang) Reproduction Company Limited), a company established in the PRC and a wholly-owned subsidiary of the Company
“Weichai Resources”	濰柴動力(濰坊)備品資源有限公司 (Weichai Power Reserves and Resources Company Limited), a company established in the PRC and a wholly-owned subsidiary of the Company
“Weichai Westport”	濰柴西港新能源動力有限公司 (formerly known as “濰柴動力西港新能源發動機有限公司”) (Weichai Westport Inc.), a company established in the PRC and a connected person of the Company



“Weichai Westport Purchase Agreement”	has the meaning ascribed to it under the section headed “II.2 Purchase of gas engines, gas engine parts, labour services and related products and services by the Company (and its subsidiaries and/or associates) from Weichai Westport” in this announcement
“Weichai Westport Supply Agreement”	has the meaning ascribed to it under the section headed “II.1 Supply of base engines, gas engine parts, utility and labour services, technology development services and related products and services by the Company (and its subsidiaries and/or associates) to Weichai Westport” in this announcement
“%”	per cent.

By order of the Board  
**Weichai Power Co., Ltd.**  
**Tan Xuguang**  
*Chairman and CEO*

Hong Kong, 8 December 2014

*As at the date of this announcement, the executive Directors of the Company are Mr. Tan Xuguang, Mr. Xu Xinyu, Mr. Li Dakai, Mr. Fang Hongwei, Mr. Sun Shaojun and Mr. Zhang Quan; the non-executive Directors of the Company are Mr. Wang Yuepu, Mr. Yeung Sai Hong, Mr. Julius G. Kiss, Ms. Han Xiaoqun, Mr. Jiang Kui and Mr. Gordon Riske; and the independent non-executive Directors of the Company are Mr. Loh Yih, Mr. Chu, Howard Ho Hwa, Mr. Zhang Zhenhua, Mr. Zhang Zhong, Mr. Wang Gongyong and Mr. Ning Xiangdong.*