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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 30 March 2015, certain Group Companies entered into the Supplemental Agreements with Yangzhou Yaxing in respect of the sale of diesel engines and related products, transmissions and axles by the relevant Group Companies to Yangzhou Yaxing and its subsidiaries as more particularly described herein.

As at the date of this announcement, Weichai Holdings is a substantial shareholder and a connected person of the Company. Since Yangzhou Yaxing is a subsidiary of Weichai Holdings, Yangzhou Yaxing and its subsidiaries are associates of Weichai Holdings and connected persons of the Company under Chapter 14A of the Listing Rules. The entering into of the Supplemental Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

As all of the relevant percentage ratios calculated in accordance with the Listing Rules for the Continuing Connected Transactions in aggregate exceed the 0.1% Threshold but do not exceed the 5% Threshold, the Continuing Connected Transactions are subject to the reporting and announcement and the annual review requirements under Chapter 14A of the Listing Rules.

## I. INTRODUCTION

Reference is made to the Announcement in relation to, *inter alia*, the continuing connected transactions for the sale of diesel engines and related products, transmissions and axles by certain Group Companies to Yangzhou Yaxing and its subsidiaries where the relevant caps for the year ended 31 December 2014 were set.

The Company proposes to enter into the said transactions with Yangzhou Yaxing and its subsidiaries (as set out in the section headed “II. Continuing Connected Transactions” in this announcement) and set the New Caps for the three years ending 31 December 2017. For such purpose, certain Group Companies entered into the Supplemental Agreements with Yangzhou Yaxing to govern the Continuing Connected Transactions as more particularly described herein.

A summary of the Continuing Connected Transactions, the Supplemental Agreements and the New Caps (with their bases of determination) 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:

The connected person	Name of Group Company	Connected person's relationship with the Group	Nature of the connected transaction with the Group
1. Yangzhou Yaxing and its subsidiaries	(i) The Company; and (ii) Weichai Yangzhou (note 1)	Yangzhou Yaxing is indirectly held as to 51% by Weichai Holdings	Sale of diesel engines and related products by the Company and Weichai Yangzhou to Yangzhou Yaxing and its subsidiaries
2. Yangzhou Yaxing and its subsidiaries	SFGC (note 2)		Sale of transmissions by SFGC to Yangzhou Yaxing and its subsidiaries
3. Yangzhou Yaxing and its subsidiaries	Hande Axle (note 3)		Sale of axles by Hande Axle to Yangzhou Yaxing and its subsidiaries

*Notes:*

1. Weichai Yangzhou is a 85% subsidiary of Weichai Technology, which is in turn wholly-owned by the Company.
2. SFGC is a 51% subsidiary of the Company.
3. Hande Axle is held as to approximately 3.06% by the Company and as to approximately 94% by Shaanxi Zhongqi, which is a 51% subsidiary of the Company.

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

<b>The relevant Continuing Connected Transaction</b>	<b>New Caps</b>		
	<b>For the year ended 31 December 2015 RMB</b>	<b>For the year ended 31 December 2016 RMB</b>	<b>For the year ended 31 December 2017 RMB</b>
1. Sale of diesel engines and related products by the Company and Weichai Yangzhou to Yangzhou Yaxing and its subsidiaries	214,000,000.00	256,000,000.00	300,000,000.00
2. Sale of transmissions by SFGC to Yangzhou Yaxing and its subsidiaries	20,000,000.00	24,000,000.00	28,800,000.00
3. Sale of axles by Hande Axle to Yangzhou Yaxing and its subsidiaries	75,000,000.00	110,000,000.00	154,000,000.00

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

#### *The Company and its subsidiaries*

The Company is principally engaged in the manufacture and sale of diesel engines and related parts, automobiles and other major automobile components, minor automobile components and import and export services.

Weichai Yangzhou is principally engaged in the design, development, manufacture, sale and the provisions of after-sale services, import and export of engines and ancillary products, sale of vehicles, accessories and lubricating oil, and warehousing and is an indirect 85% subsidiary of the Company.

SFGC is principally engaged in the manufacture, sale, design and development of transmissions and other motor vehicle parts and components such as gears. SFGC is a 51% subsidiary of the Company.

Hande Axle is principally engaged in the research and development, production, sale and services of vehicle axles and their parts and components. Hande Axle is held as to approximately 3.06% by the Company and as to approximately 94% by Shaanxi Zhongqi, which is a 51% subsidiary of the Company.

*Yangzhou Yaxing and its subsidiaries*

Yangzhou Yaxing and its subsidiaries are principally engaged in the development, manufacture and sale of passenger vehicles. Yangzhou Yaxing is indirectly held as to 51% by Weichai Holdings, a substantial shareholder of the Company. Accordingly, Yangzhou Yaxing and its subsidiaries are associates of Weichai Holdings and connected persons of the Company.

*1. Sale of diesel engines and related products by the Company and Weichai Yangzhou to Yangzhou Yaxing and its subsidiaries*

Agreement : Supplemental Agreement to the Weichai Power Diesel Engines Supply Framework Agreement and the Weichai Yangzhou Diesel Engines Supply Framework Agreement (as supplemented by the supplemental agreements dated 21 March 2013 and 28 March 2014, respectively)

Date : 30 March 2015

Parties : 1. (a) The Company  
(b) Weichai Yangzhou  
2. Yangzhou Yaxing

Term : 1 January 2015 to 31 December 2017

Other terms and details:

Pursuant to the Weichai Power Diesel Engines Supply Framework Agreement and the Weichai Yangzhou Diesel Engines Supply Framework Agreement (as supplemented by the supplemental agreements dated 21 March 2013 and 28 March 2014, respectively), the Company and Weichai Yangzhou agreed to sell diesel engines and related products to Yangzhou Yaxing and its subsidiaries at market prices and/or prices agreed according to the principle of fairness and reasonableness and settled on a monthly basis for a term ended 31 December 2014. This Continuing Connected Transaction was conducted on normal commercial terms and on terms no less favourable to the Group than those available to the Group from independent third parties.

Pursuant to this Supplemental Agreement, the Company and Weichai Yangzhou have agreed to sell the said diesel engines and related products to Yangzhou Yaxing and its subsidiaries on the same terms for a term ending 31 December 2017, upon the expiry of which the parties may renew the term for a period of three years on a mutually agreed basis. The price of the said products shall be determined according to the following mechanism: the Company, through its specific department, shall regularly collect market information, including conducting price consultation and inspection in the PRC market in respect of the relevant products, and analyse the results. After discussion with the price management department, the Company will then negotiate and determine the price with the other parties taking into account the market price and relevant product cost on the basis of fully considering the mutual interests of both parties. The said department shall review the reasonableness of the sale price of the said products on a regular basis and make adjustments where necessary. Save as set out herein, all other terms of the Weichai Power Diesel Engines Supply Framework Agreement and the Weichai Yangzhou Diesel Engines Supply Framework Agreement (as supplemented by the supplemental agreements dated 21 March 2013 and 28 March 2014) remain unchanged. The Directors are of the view that the abovementioned methods and procedures under the pricing policies can ensure that this Continuing Connected Transaction is conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

As disclosed in the Announcement, the cap for the year ended 31 December 2014 for the sale of diesel engines and related products by the Company and Weichai Yangzhou to Yangzhou Yaxing and its subsidiaries was RMB145,000,000.

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2014 (audited) and the two months ended 28 February 2015 (unaudited) for this Continuing Connected Transaction:

	<b>Year ended 31 December</b>		<b>Two months ended</b>
	<b>2013</b>	<b>2014</b>	<b>28 February</b>
	<i>RMB</i>	<i>RMB</i>	<i>2015</i>
			<i>RMB</i>
Actual transaction amount	77,471,111	143,299,658	25,371,162

The Company estimates that the transaction amount involved in this Continuing Connected Transaction as set out in this sub-section 1 for the three years ending 31 December 2017 will not exceed RMB214,000,000, RMB256,000,000 and RMB300,000,000, respectively, and such amounts have accordingly been set as the New Caps for this Continuing Connected Transaction.

Yangzhou Yaxing and its subsidiaries purchase the said diesel engines and related products from the Company and Weichai Yangzhou as one of the components for the production of passenger vehicles. In 2014, the orders for the Group's diesel engines and related products placed by Yangzhou Yaxing and its subsidiaries had increased noticeably. Leaning on such trend of growth and in line with the sales plan of Yangzhou Yaxing for the year 2015, it is expected that the sale of passenger vehicles produced by Yangzhou Yaxing and its subsidiaries would increase considerably in 2015. Further, in view of (i) the expected increase in the demand for the said diesel engines and related products from Yangzhou Yaxing and its subsidiaries and the proportion of their vehicles utilising the said diesel engines; and (ii) the expected improvement of the passenger vehicle market in the PRC in general for the three years ending 31 December 2017, the Company expects that the transaction amount for this Continuing Connected Transaction would continue to increase steadily for the three years ending 31 December 2017.

The New Caps for this Continuing Connected Transaction have been prepared by the Company based on the relevant historical transaction amount and the abovementioned expectations. 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 diesel engines and related products by the Company and Weichai Yangzhou to Yangzhou Yaxing and its subsidiaries on an annual basis will increase by approximately 19.63% and 17.19% for each of the two years ending 31 December 2017, respectively.

The table below summarises the 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	214,000,000	256,000,000	300,000,000

As the New Caps for this Continuing Connected Transaction for the three years ending 31 December 2017 (when aggregated with the New Caps for the same period under sub-sections 2 and 3) exceed the 0.1% Threshold but 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 and announcement and the annual review requirements under Chapter 14A of the Listing Rules.

Since this Continuing Connected Transaction for the three years ending 31 December 2017 is an Exempt Continuing Connected Transaction, the New Caps are not subject to the approval by the independent shareholders under the Listing Rules.

2. *Sale of transmissions by SFGC to Yangzhou Yaxing and its subsidiaries*

Agreement	:	Supplemental Agreement to the Transmissions Supply Framework Agreement (as supplemented by the supplemental agreements dated 21 March 2013 and 28 March 2014, respectively)
Date	:	30 March 2015
Parties	:	1. SFGC 2. Yangzhou Yaxing
Term	:	1 January 2015 to 31 December 2017

Other terms and details:

Pursuant to the Transmissions Supply Framework Agreement (as supplemented by the supplemental agreements dated 21 March 2013 and 28 March 2014, respectively), SFGC agreed to sell transmissions to Yangzhou Yaxing and its subsidiaries at market prices and/or prices agreed according to the principle of fairness and reasonableness and settled on a monthly basis for a term ended 31 December 2014. This Continuing Connected Transaction was conducted on normal commercial terms and on terms no less favourable to the Group than those available to the Group from independent third parties.

Pursuant to this Supplemental Agreement, SFGC has agreed to sell the said transmissions to Yangzhou Yaxing and its subsidiaries on the same terms for a term ending 31 December 2017, upon the expiry of which the parties may renew the term for a period of three years on a mutually agreed basis. The price of the said products shall be determined according to the following mechanism: SFGC shall conduct price consultation and inspection in the PRC market in respect of transmissions and analyse the results. After discussion with the pricing committee, SFGC will then negotiate and determine the price with the other parties taking into account the market price and relevant product cost on the basis of fully considering the mutual interests of both parties. The said department shall review the reasonableness of the sale price of the said products on a regular basis and make adjustments where necessary. Save as set out herein, all other terms of the Transmissions Supply Framework Agreement (as supplemented by the supplemental agreements dated 21 March 2013 and 28 March 2014) remain unchanged. The Directors are of the view that the abovementioned methods and procedures under the pricing policies can ensure that this Continuing Connected Transaction is conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.



As disclosed in the Announcement, the cap for the year ended 31 December 2014 for the sale of transmissions by SFGC to Yangzhou Yaxing was RMB22,000,000.

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2014 (audited) and the two months ended 28 February 2015 (unaudited) for this Continuing Connected Transaction:

	<b>Year ended 31 December</b>		<b>Two months ended</b>
	<b>2013</b>	<b>2014</b>	<b>28 February 2015</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Actual transaction amount	4,478,239	8,821,882	1,799,059

The Company estimates that the transaction amount involved in this Continuing Connected Transaction as set out in this sub-section 2 for the three years ending 31 December 2017 will not exceed RMB20,000,000, RMB24,000,000 and RMB28,800,000, respectively, and such amounts have accordingly been set as the New Caps for this Continuing Connected Transaction.

Yangzhou Yaxing and its subsidiaries purchase the said transmissions from SFGC as one of the components for the production of passenger vehicles. In view of (i) the expected increase in the sales of passenger vehicles by Yangzhou Yaxing and its subsidiaries according to the sales plan of Yangzhou Yaxing; (ii) the expected increase in the demand for the said transmissions from Yangzhou Yaxing and its subsidiaries and the proportion of their vehicles utilising the said transmissions; and (iii) the expected improvement of the passenger vehicle market in the PRC in general for the three years ending 31 December 2017, the Company expects that the transaction amount for this Continuing Connected Transaction would increase steadily for the three years ending 31 December 2017.

The New Caps for this Continuing Connected Transaction have been prepared by the Company based on the relevant historical transaction amount and the abovementioned expectations. Taking into account and on the basis of all the aforesaid factors, it is estimated that the overall transaction amount of the sale of transmissions by SFGC to Yangzhou Yaxing and its subsidiaries on an annual basis will increase by 20% for each of the two years ending 31 December 2017, respectively.



The table below summarises the 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	20,000,000	24,000,000	28,800,000

As the New Caps for this Continuing Connected Transaction for the three years ending 31 December 2017 (when aggregated with the New Caps for the same period under sub-sections 1 and 3) exceed the 0.1% Threshold but 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 and announcement and the annual review requirements under Chapter 14A of the Listing Rules.

Since this Continuing Connected Transaction for the three years ending 31 December 2017 is an Exempt Continuing Connected Transaction, the New Caps are not subject to the approval by the independent shareholders under the Listing Rules.

3. *Sale of axles by Hande Axle to Yangzhou Yaxing and its subsidiaries*

Agreement	:	Supplemental Agreement to the Axles Supply Framework Agreement (as supplemented by the supplemental agreements dated 21 March 2013 and 28 March 2014, respectively)
Date	:	30 March 2015
Parties	:	1. Hande Axle 2. Yangzhou Yaxing
Term	:	1 January 2015 to 31 December 2017

Other terms and details:

Pursuant to the Axles Supply Framework Agreement (as supplemented by the supplemental agreements dated 21 March 2013 and 28 March 2014, respectively), Hande Axle agreed to sell axles to Yangzhou Yaxing and its subsidiaries at market prices and/or prices agreed according to the principle of fairness and reasonableness with a payment term of two months for a term ended 31 December 2014. This Continuing Connected Transaction was conducted on normal commercial terms and on terms no less favourable to the Group than those available to the Group from independent third parties.

Pursuant to this Supplemental Agreement, Hande Axle has agreed to sell the said axles to Yangzhou Yaxing and its subsidiaries on the same terms for a term ending 31 December 2017, upon the expiry of which the parties may renew the term for a period of three years on a mutually agreed basis. The price of the said products shall be determined according to the following mechanism: Hande Axle, through its specific department, shall conduct an analysis of the price of the relevant products in the PRC market and submit a proposal on the sale price of the relevant products, taking into account the relevant production cost and potential profit, to its price management department for approval. Hande Axle shall then negotiate and determine the price with the other parties on the basis of such proposal, fully considering the mutual interests of both parties. The price management department shall review the reasonableness of the sale price of the said products on a regular basis and make adjustments where necessary. Save as set out herein, all other terms of the Axles Supply Framework Agreement (as supplemented by the supplemental agreements dated 21 March 2013 and 28 March 2014) remain unchanged. The Directors are of the view that the abovementioned methods and procedures under the pricing policies can ensure that this Continuing Connected Transaction is conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

As disclosed in the Announcement, the cap for the year ended 31 December 2014 for the sale of axles by Hande Axle to Yangzhou Yaxing was RMB19,550,000.

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2014 (audited) and the two months ended 28 February 2015 (unaudited) for this Continuing Connected Transaction:

	<b>Year ended 31 December</b>		<b>Two months ended 28</b>
	<b>2013</b>	<b>2014</b>	<b>February</b>
	<i>RMB</i>	<i>RMB</i>	<i>2015</i>
			<i>RMB</i>
Actual transaction amount	7,914,801	19,200,760	1,056,512

The Company estimates that the transaction amount involved in this Continuing Connected Transaction as set out in this sub-section 3 for the three years ending 31 December 2017 will not exceed RMB75,000,000, RMB110,000,000 and RMB154,000,000, respectively, and such amounts have accordingly been set as the New Caps for this Continuing Connected Transaction.

Yangzhou Yaxing and its subsidiaries purchase the said axles from Hande Axle as one of the components for the production of passenger vehicles. In recent years, Hande Axle has been constantly adjusting its product mix and has gradually expanded into the passenger vehicle market and the off-highway market from a company originally focusing on heavy-duty truck axles. Yangzhou Yaxing and its subsidiaries have therefore become key clients of Hande Axle in respect of its development of the passenger vehicle market. In view of (i) the expected increase

in the sales of passenger vehicles by Yangzhou Yaxing and its subsidiaries according to the sales plan of Yangzhou Yaxing; and (ii) expected substantial increase in the demand for the different types of axles from Yangzhou Yaxing and its subsidiaries and the proportion of their vehicles utilising the said axles; and (iii) the expected improvement of the passenger vehicle market in the PRC in general for the three years ending 31 December 2017, the Company expects that the transaction amount for this Continuing Connected Transaction would increase substantially for the three years ending 31 December 2017. In particular, pursuant to the sales plan of Yangzhou and its subsidiaries for the year 2015, it is expected that the sale of passenger vehicles produced by Yangzhou Yaxing and its subsidiaries would increase significantly in 2015. With such expected demand from Yangzhou Yaxing and its subsidiaries and in line with Hande Axles' strategy of expanding into the passenger vehicle market, the Company expects the transaction amount for this Continuing Connected Transaction to demonstrate a significant growth in 2015.

The New Caps for this Continuing Connected Transaction have been prepared by the Company based on the relevant historical transaction amount and the abovementioned expectations. Taking into account and on the basis of all the aforesaid factors, it is estimated that the overall transaction amount of the sale of axles by Hande Axle to Yangzhou Yaxing and its subsidiaries on an annual basis will increase by 47% and 40%, respectively, for each of the two years ending 31 December 2017, respectively.

The table below summarises the 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	75,000,000	110,000,000	154,000,000

As the New Caps for this Continuing Connected Transaction for the three years ending 31 December 2017 (when aggregated with the New Caps for the same period under sub-sections 1 and 2) exceed the 0.1% Threshold but 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 and announcement and the annual review requirements under Chapter 14A of the Listing Rules.

Since this Continuing Connected Transaction for the three years ending 31 December 2017 is an Exempt Continuing Connected Transaction, the New Caps are not subject to the approval of the independent shareholders under the Listing Rules.

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

As at the date of this announcement, Weichai Holdings is a substantial shareholder and a connected person of the Company. Since Yangzhou Yaxing is a subsidiary of Weichai Holdings, Yangzhou Yaxing and its subsidiaries are associates of Weichai Holdings and connected persons of the Company under Chapter 14A of the Listing Rules. The entering into of the Supplemental Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

The Group is engaged in, *inter alia*, the manufacture and sale of diesel engines, transmissions, axles and related products. Yangzhou Yaxing and its subsidiaries are principally engaged in the development, manufacture and sale of passenger vehicles. Yangzhou Yaxing and its subsidiaries purchase diesel engines and related products, transmissions and axles from the Group as components for the production of passenger vehicles. The sales of passenger vehicles by Yangzhou Yaxing and its subsidiaries are expected to increase according to its sales plan, and the demand for diesel engines and related products, transmissions and axles and the proportion of vehicles of Yangzhou Yaxing utilising the Group's said products are also expected to increase. The Directors consider that the Continuing Connected Transactions will create synergy potential and strategic benefits between Yangzhou Yaxing and the Group, and will also provide a secured source of revenue for the Group.

The Directors (including the independent non-executive Directors) have confirmed that the Continuing Connected Transactions have been subject to arm's length negotiations between the Company and Yangzhou Yaxing, and have been entered into by the relevant Group Companies 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 relevant Group Companies than those available to or from (as appropriate) independent third parties.

The Directors (including the independent non-executive Directors) are of the view that the Continuing Connected Transactions and the relevant New Caps are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

At the meeting of the Board on 30 March 2015 approving, *inter alia*, the Continuing Connected Transactions, Mr. Tan Xugang, Mr. Jiang Kui, Mr. Zhang Quan, Mr. Xu Xinyu and Mr. Sun Shaojun have abstained from voting on the resolutions in respect of the Continuing Connected Transactions by reasons of their respective positions in 山東重工集團有限公司 (Shandong Heavy Industry Group Co., Ltd.) and Weichai Holdings (which indirectly holds Yangzhou Yaxing as to 51%) or Yangzhou Yaxing (as the case may be). Save as disclosed, no other Directors have any material interest in the Continuing Connected Transactions.

As the New Caps for the Continuing Connected Transactions in aggregate for the three years ending 31 December 2017 do not exceed the 5% Threshold, they constitute Exempt Continuing Connected Transactions of the Company under Chapter 14A of the Listing Rules and will be subject to the reporting and announcement and the annual review requirements under Chapter 14A of the Listing Rules but are exempt from the independent shareholders' approval under the Listing Rules.

#### IV. DEFINITIONS

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

“0.1% Threshold”	the thresholds referred to in Rule 14A.76(1)(a) of the Listing Rules
“1% Threshold”	the thresholds referred to in Rule 14A.76(1)(b) of the Listing Rules
“5% Threshold”	the thresholds referred to in Rule 14A.76(2) of the Listing Rules
“Announcement”	the announcement of the Company dated 28 March 2014
“Axles Supply Framework Agreement”	the axles supply framework agreement between Hande Axle and Yangzhou Yaxing dated 26 October 2012
“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 Transactions”	the continuing connected transaction(s) of the Group as set out in the section headed “II. Continuing Connected Transactions” in this announcement
“Director(s)”	the director(s) of the Company
“Exempt Continuing Connected Transactions”	being those Continuing Connected Transactions the 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 (as the case may be), are only subject to the reporting, the announcement and the annual review requirements under Chapter 14A of the Listing Rules
“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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“New Cap(s)”	as defined in the section headed “II. Continuing Connected Transactions” in this announcement
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFGC”	陝西法士特齒輪有限責任公司 (Shaanxi Fast Gear Co. Ltd.), a company established in the PRC and a subsidiary 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 certain Group Companies and Yangzhou Yaxing as more particularly set out in the section headed “II. Continuing Connected Transactions” in this announcement and “Supplemental Agreement” means any of them
“Transmissions Supply Framework Agreement”	the transmissions supply framework agreement between SFGC and Yangzhou Yaxing dated 26 October 2012
“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 Power Diesel Engines Supply Framework Agreement”	the diesel engines supply framework agreement between the Company and Yangzhou Yaxing dated 26 October 2012
“Weichai Technology”	濰柴動力(上海)科技發展有限公司 (Weichai Power (Shanghai) Technology Development Co., Ltd), a company established in the PRC and a wholly-owned 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 an indirect subsidiary of the Company

“Weichai Yangzhou Diesel Engines Supply Framework Agreement”	the diesel engines supply framework agreement between Weichai Yangzhou and Yangzhou Yaxing dated 26 October 2012
“Yangzhou Yaxing”	揚州亞星客車股份有限公司 (Yangzhou Yaxing Motor Coach Co. Ltd.), a company established in the PRC, a subsidiary of Weichai Holdings and a connected person of the Company

*If there is any inconsistency between the Chinese name of the entities mentioned in this announcement and their English translation, the Chinese version shall prevail.*

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

Hong Kong, 30 March 2015

*As at the date of this announcement, the executive Directors of the Company are Mr. Tan Xuguang, Mr. Zhang Quan, Mr. Xu Xinyu, Mr. Li Dakai, Mr. Fang Hongwei and Mr. Sun Shaojun; 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.*