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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)**

## **OVERSEAS REGULATORY ANNOUNCEMENT AND INSIDE INFORMATION**

This announcement is made pursuant to Rules 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on the Stock Exchange).

Reference is made to an announcement made by Weichai Power Co., Ltd. (the “Company”) on the website of Shenzhen Stock Exchange dated 18 May 2016, which is for information only. The full text of the announcement in Chinese is published on the websites of the Stock Exchange and the Company.

Shareholder and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board of Directors

**Tan Xuguang**

*Chairman and CEO*

Weifang, Shandong, PRC

18 May 2016

*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 and Mr. Sun Shaojun; the non-executive Directors of the Company are Mr. Wang Yuepu, Mr. Jiang Kui and Mr. Gordon Riske; and the independent non-executive Directors of the Company are Mr. Loh Yih, Mr. Zhang Zhenhua, Mr. Zhang Zhong, Mr. Wang Gongyong and Mr. Ning Xiangdong.*

**WEICHAI POWER CO., LTD.****Notification Announcement on the Circulation of  
Certain Restricted Shares in the Market**

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

**Important Notice**

1. The number of restricted shares which will become circulating in the market is 113,664,000 shares at this time, representing 2.84% of the total share capital;
2. The date on which these restricted shares will become circulating in the market is 20 May 2016.

**I. Basic information about the application for the release of the restricted shares**

With the approval of the Extraordinary General Meeting and the Class Meetings of Weichai Power Co., Ltd. (the "Company" or "Weichai Power") on 29 December 2006 and the sanction of the China Securities Regulatory Commission Zheng Jian Fa Xing Zi No. [2007]64 (证监发行字 [2007]64 號) on 30 March 2007, the Company issued 190,653,552 ordinary shares with a Renminbi denominated par value of RMB1 each ("A Shares") and completed the merger by share conversion and absorption of Torch Automobile Group Co., Ltd. ("TAGC") on 23 April 2007. The Company's A Shares were approved to be listed on the Shenzhen Stock Exchange on 30 April 2007. After the listing of the A Shares, the total number of shares of the Company was 520,653,552.

On 16 December 2008, the Company implemented the resolution in respect of the 2008 interim issue of shares by conversion of capital reserve, at the rate of 6 shares for every 10 shares, based on the total share capital of 520,653,552 shares of the Company. After the said share issue, the total share capital of the Company was increased to 833,045,683 shares.

On 6 December 2010, the Company implemented the resolution in respect of the 2010 interim issue of shares by conversion of capital reserve, at the rate of 10 shares for every 10 shares, based on the total share capital of 833,045,683 shares of the Company. After the said share issue, the total share capital of the Company was increased to 1,666,091,366 shares.

On 17 August 2012, the Company implemented the resolution in respect of the 2011 profit distribution by issuing 2 bonus shares for every 10 shares and a cash dividend of RMB1 (including tax) for every 10 shares, based on the total share capital of 1,666,091,366 shares of the Company. After the said bonus issue, the total number of shares of the Company was increased to 1,999,309,639 shares.

On 20 August 2015, the Company implemented the resolution in respect of the 2014 profit distribution by issuing 10 shares for every 10 shares by way of capitalisation of its surplus reserve and distributing a cash dividend of RMB1.5 (including tax) for every 10 shares, based on the total share capital of 1,999,309,639 shares of the Company. After the capitalisation, the total number of shares of the Company was increased to 3,998,619,278 shares.

## **II. The commitments and implementation by the holders of the certain restricted shares which can be circulated in the market**

In 2007, under and subject to the commitments of the 24 natural-person shareholders including Tan Xuguang at the time of listing of A Shares of Weichai Power, no shares of Weichai Power held by them shall be transferred or entrusted to others during the 36-month period (i.e. from 30 April 2007 to 30 April 2010) from the date on which the shares of Weichai Power were listed on the Shenzhen Stock Exchange, nor shall Weichai Power repurchase such shares.

In April 2010, with confidence in the future development of the Company, the 24 natural-person shareholders including Tan Xuguang issued a letter of commitments to extend their commitments. Under and subject to the commitments of the 24 natural-person shareholders including Tan Xuguang, the lock-up period for the 23,680,000 restricted shares of Weichai Power held by them shall be put under lock-up arrangement for a further period of three years upon expiration on 30 April 2010. In other words, those shares will not be listed and traded on any securities trading system or transferred nor shall Weichai Power repurchase such shares, during a period of 36 months from the date of expiration of the lock-up period on 30 April 2010.

On 20 May 2013, upon completion of the relevant release procedures with the Shenzhen branch of China Securities Depository and Clearing Corporation Limited, the 56,832,000 restricted shares of the Company held by the 24 natural-person shareholders including Tan Xuguang were released from the lock-up arrangement and became circulating.

On 21 May 2013, with confidence in the future development of the Company, the 24 natural-person shareholders including Tan Xuguang voluntarily extended their commitments, pursuant to which the 56,832,000 shares of Weichai Power which had become circulating upon release from lock-up arrangement shall be voluntarily put under lock-up arrangement again for a period from 21 May 2013 to 30 April 2016. During the lock-up period, no such shares will be listed and traded on any securities trading system or otherwise transferred or entrusted to other persons or repurchased by the Company.

In September 2014, due to equity transfer, the shareholding of the 24 natural-person shareholders including Tan Xuguang became the shareholding of 59 natural-person shareholders. The original commitments continued to apply and be implemented.

The above commitments were strictly implemented.

### III. Arrangements for this circulation of the restricted shares

1. The date on which the restricted shares will become circulating in the market: 20 May 2016;
2. The number of shares which will be released from lock-up arrangement is 113,664,000 shares, and the number of restricted shares which will be circulating in the market is 113,664,000 shares, representing 2.84% of the total number of shares of the Company.

### IV. Changes in the share capital structure and shareholders' shareholdings

The share capital structure prior to and following the release of the restricted shares is as follows:

Unit: share

Types of shares	Before the restricted shares being released and become circulating in the market		Change resulting from the release		After the restricted shares being released and become circulating in the market	
	Number	Percentage	Increase	Decrease	Number	Percentage
<b>I. Restricted circulating shares</b>	934,929,504	23.38%		113,664,000	821,265,504	20.54%
1. State-owned legal person shares	821,265,504	20.54%			821,265,504	20.54%
2. Shares held by domestic natural persons	113,664,000	2.84%		113,664,000	0	0

Types of shares	Before the restricted shares being released and become circulating in the market		Change resulting from the release		After the restricted shares being released and become circulating in the market	
	Number	Percentage	Increase	Decrease	Number	Percentage
<b>II. Non-restricted circulating shares</b>	3,063,689,774	76.62%	113,664,000		3,177,353,774	79.46%
1. RMB ordinary shares	2,092,169,774	52.32%	113,664,000		2,205,833,774	55.16%
2. Overseas listed foreign shares	971,520,000	24.30%			971,520,000	24.30%
<b>III. Total number of shares</b>	3,998,619,278	100.00%	----	----	3,998,619,278	100.00%

## V. Changes in shareholders' shareholdings and historical moratoria

Under and subject to the commitments of the 24 natural-person shareholders including Tan Xuguang, the lock-up period for the 23,680,000 restricted shares of Weichai Power held by them shall be put under lock-up arrangement for a further period of three years upon expiration on 30 April 2010. In other words, those shares will not be listed and traded on any securities trading system or transferred nor shall the Company repurchase such shares during a period of 36 months from the date of expiration of the lock-up period on 30 April 2010. Upon the share issuing by conversion of capital reserve in the interim issue of shares of 2010, the restricted shares of the Company held by the 24 natural-person shareholders including Tan Xuguang amounted to 47,360,000 shares. Upon the implementation of 2011 profit distribution, the restricted shares of the Company held by the 24 natural-person shareholders including Tan Xuguang amounted to 56,832,000 shares. On 20 May 2013, the 56,832,000 restricted shares of the Company held by the 24 natural-person shareholders including Tan Xuguang were released from the lock-up arrangement. On 21 May 2013, with confidence in the future development of the Company, the 24 natural-person shareholders including Tan Xuguang voluntarily extended their commitments, pursuant to which the 56,832,000 shares of Weichai Power which had become circulating upon release from lock-up arrangement shall be voluntarily put under lock-up arrangement again for a period from 21 May 2013 to 30 April 2016. During the lock-up period, no such shares will be listed and traded on any securities trading system or otherwise transferred or entrusted to other persons or repurchased by the Company. In September 2014, due to equity transfer, the restricted shares of the Company held by the 59 natural-person shareholders including Tan Xuguang were 56,832,000 shares. Upon the implementation of the 2014 profit distribution plan whereby 10 shares were issued by way of capitalisation of surplus reserve for every 10 shares held, the restricted shares of the Company held by the 59 natural-person shareholders including Tan Xuguang became 113,664,000 shares.

## **VI. Opinion of the sponsors after review**

The sponsors in relation to the share reform plan of the Company are CITIC Securities Company Limited (“CITIC Securities”) and Shanghai Huaxin Securities Limited (formerly Fortune CLSA Securities Limited). The opinion of the sponsors is as follows: The holders of the restricted shares for which release of lock-up arrangement has been applied have performed their commitments made under the plan for issue of A shares and merger by share conversion and absorption and their commitments made under the extended commitments as announced in 2010 and 2013, and that the application for listing of the restricted circulating shares is in compliance with relevant requirements.

## **VII. Other matters**

1. There is no circumstance of appropriation of the Company’s fund for any non-operation purpose by the shareholders who applied for this release of the restricted shares.
2. The Company has not made any guarantee in breach of the relevant regulations in favor of any of the shareholders who applied for this release of the restricted shares.
3. There is no illegal trading of the Company’s stock by the shareholders who applied for this release of the restricted shares.

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

Application letters for the release of restricted shares

Opinion of sponsors after review

The announcement is hereby made.

**The Board of Weichai Power Co., Ltd.**  
18 May 2016