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潍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)

CONNECTED TRANSACTIONS

**(1) DEEMED DISPOSAL OF
EQUITY INTEREST IN WEICHAI FRESHEN AIR**

AND

(2) ACQUISITION OF THE AFTERTREATMENT BUSINESS

DEEMED DISPOSAL OF EQUITY INTEREST IN WEICHAI FRESHEN AIR

The Board is pleased to announce that on 30 October 2022, the Company and Weichai Freshen Air (a wholly-owned subsidiary of the Company) entered into a capital contribution agreement with Ji'nan Power, pursuant to which, among other things, Ji'nan Power has agreed to make capital contribution to Weichai Freshen Air in the amount of RMB505,934,501.26 (equivalent to approximately HK\$554 million).

Upon completion of the transactions contemplated under the Capital Contribution Agreement, Ji'nan Power will become a holder of approximately 30% of the total equity interest in Weichai Freshen Air, whilst the equity interest of the Company in Weichai Freshen Air will decrease from 100% to approximately 70%. Weichai Freshen Air will continue to be accounted for as a subsidiary of the Company and its financial results will continue to be consolidated into the Company's consolidated financial statements.

ACQUISITION OF THE AFTERTREATMENT BUSINESS

The Board is pleased to announce that on 30 October 2022, Weichai Freshen Air, a wholly-owned subsidiary of the Company, entered into the Business Transfer Agreement with Ji'nan Rubber, pursuant to which, among other things, Weichai Freshen Air has agreed to acquire and assume, and Ji'nan Rubber has agreed to sell, the Aftertreatment Business at the Consideration of RMB590,895,910.13 (equivalent to approximately HK\$647 million).

LISTING RULES IMPLICATIONS

As the percentage of equity interest of the Company in Weichai Freshen Air will be reduced from 100% to approximately 70%, the making of the Capital Contribution will constitute a deemed disposal of the Company's equity interest in Weichai Freshen Air pursuant to Rule 14.29 of the Listing Rules.

Ji'nan Power and Ji'nan Rubber are both subsidiaries of Sinotruk HK, which is in turn, controlled by Shandong Heavy Industry. Shandong Heavy Industry indirectly holds approximately 16.30% of the total issued share capital of the Company. As such, Shandong Heavy Industry is a substantial shareholder of the Company and, in turn, a connected person of the Company. Ji'nan Power and Ji'nan Rubber, being fellow subsidiaries of the Company, are also connected persons of the Company.

Accordingly, each of (i) the making of the Capital Contribution by Ji'nan Power to Weichai Freshen Air, and (ii) the Acquisition of the Aftertreatment Business by Weichai Freshen Air from Ji'nan Rubber, constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated pursuant to the Listing Rules for each of the making of the Capital Contribution by Ji'nan Power and the Acquisition is more than 0.1% but all of such ratios are less than 5%, both the making of the Capital Contribution and the Acquisition are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but are exempt from the independent Shareholders' approval requirement.

Shareholders and potential investors should note that the Acquisition, which is subject to a number of conditions precedent, may or may not be completed. Shareholders and potential investors are reminded to exercise caution when dealing in the shares of the Company.

I. DEEMED DISPOSAL OF EQUITY INTEREST IN WEICHAI FRESHEN AIR

A. Introduction

The Board is pleased to announce that on 30 October 2022, the Company and Weichai Freshen Air (a wholly-owned subsidiary of the Company) entered into a capital contribution agreement with Ji'nan Power, pursuant to which, among other things, Ji'nan Power has agreed to make capital contribution to Weichai Freshen Air in the amount of RMB505,934,501.26 (equivalent to approximately HK\$554 million).

B. Principal terms of the Capital Contribution Agreement

The principal terms of the Capital Contribution Agreement are as follows:

Date: 30 October 2022

Parties:

- (1) Ji'nan Power
- (2) the Company
- (3) Weichai Freshen Air

Subject matter

Pursuant to the terms of the Capital Contribution Agreement, Ji'nan Power has agreed to make a capital contribution (the “**Capital Contribution**”) to Weichai Freshen Air in an aggregate amount of RMB505,934,501.26, among which:

- (i) RMB42,857,142.86 shall be used to increase the registered capital of Weichai Freshen Air; and
- (ii) RMB463,077,358.40 shall be used to increase the capital reserve of Weichai Freshen Air.

Weichai Freshen Air is currently a wholly-owned subsidiary of the Company and has a registered capital of RMB100,000,000. After the making of the Capital Contribution, the registered capital of Weichai Freshen Air will be increased from RMB100,000,000 to RMB142,857,142.86, and the Company and Ji'nan Power will hold approximately 70% and 30% of the total equity interest in Weichai Freshen Air, respectively.

In addition, any profit/loss of Weichai Freshen Air for the period from the Valuation Reference Date to the date of payment of the Capital Contribution (the “**Capital Contribution Transitional Period**”) will be enjoyed or borne by the Company. The Company and Ji’nan Power shall jointly engage auditors to confirm the profit/loss during the Capital Contribution Transitional Period within 15 days after payment of the Capital Contribution. The Board does not expect such adjustment (if any) will be so significant as to result in a change in the classification of the Capital Contribution under Chapter 14 or Chapter 14A of the Listing Rules.

The amount of the Capital Contribution to be made by Ji’nan Power was determined after arm’s length negotiation between the parties to the Capital Contribution Agreement based on the appraised net asset value of Weichai Freshen Air of RMB1,180,513,836.27 as appraised by the Valuer at the Valuation Reference Date as set out in the Weichai Freshen Air Valuation Report, and taking into account Weichai Freshen Air’s funding needs for its future business development and the agreed percentage of equity interest in Weichai Freshen Air to be held by each party.

Within five business days after the signing of the Capital Contribution Agreement and the obtaining of all applicable approval procedures, changes to the relevant industrial and commercial registration will be attended to. The amount of Capital Contribution to be made to Weichai Freshen Air shall be paid in cash by Ji’nan Power within five business days of the completion of the changes of the relevant industrial and commercial registration.

C. Valuation

The appraised value of the net asset value of Weichai Freshen Air was determined by the Valuer based on the income approach. Accordingly, such valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules (the “**Weichai Freshen Air Forecast**”).

In compliance with Rule 14A.68(7) of the Listing Rules, the principal assumptions upon which the Weichai Freshen Air Forecast was based are set out as follows:

General assumptions

1. Assumption of trading: it is assumed that all the assets to be appraised are in trade, and the Valuer performed the valuation of the assets by simulating market with conditions such as the transaction conditions of the assets.
2. Assumption of open market: assumption of open market is an assumption of the conditions of the market which assets are to enter and the influence on the assets under such market conditions. The open market means fully developed and improved market conditions, and is a competitive market with voluntary buyers and sellers. In this market, buyers and sellers are equal in status and both have opportunities and time in acquiring ample market information; and all the transactions between them are made on a voluntary, rational, non-compulsory and unrestricted basis.

3. Assumption of continuous use: assumption of continuous use is an assumption of the conditions under which the assets are intended to enter the market and the status of assets under such market conditions. Firstly, it is assumed that the assets to be appraised are in use; secondly, it is assumed that such assets in use will continue to be used. Under the assumption of continuous use, the change of assets' use and the best conditions for use of the assets are not taken into account. Therefore, the scope of use of the valuation results is restricted.
4. Assumption of going concern: it is an assumption for valuation made by taking the whole assets of the enterprise as the object of valuation. Namely, it is assumed that: the enterprise operates continually in pursuit of its operation objectives under its external environment as a business entity; the operators of the enterprise are responsible and capable of assuming liabilities; and the enterprise conducts lawful operation, and is able to acquire appropriate profits to maintain its capability to operate as a going-concern.
5. Assumption of accuracy of information: the Valuer assumes that the information and materials provided by the client and the owner of the assets are trustworthy and has verified such information and materials in accordance with the valuation procedure to the extent necessary, but the Valuer does not make any promise for the truthfulness, legality, completeness of such information and materials.

Assumptions in relation to the income-based approach

1. There are no significant changes in the prevailing laws, regulations and policies of the PRC, no significant changes in the macro-economic conditions of the PRC and no significant changes in the political, economic and social environment in the regions where the parties to the present transaction are located; there are no other force majeure or unforeseeable factors that may give rise to material adverse impact.
2. It is assumed that the operators of Weichai Freshen Air are responsible, and the management is able to perform their duties.
3. Unless otherwise stated, it is assumed that the operators of Weichai Freshen Air fully comply with all relevant laws and regulations.
4. It is assumed that the accounting policies adopted in the future by Weichai Freshen Air are in all material aspects generally consistent with the accounting policies adopted in the compilation of the Weichai Freshen Air Valuation Report.
5. It is assumed that on the basis of the existing management approach and standard of Weichai Freshen Air, the business scope and approach are in line with the current direction.

6. It is assumed that there are no material changes in the interest rates, exchanges rates, taxation benchmark and rates, policy levy, etc. On 17 August 2020, with approvals from the Bureau of Science and Technology of Shandong Province* (山東省科學技術廳), the Ministry of Finance of Shandong Province* (山東省財政廳), National Taxation Bureau of Shandong Province* (山東省國家稅務局) and Shandong Local Taxation Bureau* (山東省地方稅務局), Weichai Freshen Air obtained a “Certificate of High and New Technology Enterprise”* (高新技術企業證書) which is valid for three years. In view of the actual current situations and future forecasts of Weichai Freshen Air, its intellectual property rights, level of research and development organisation and management, ability to apply technological achievements, as well as growth indicators of its assets and sales will all meet the conditions of being recognised as a “High and New Technology Enterprise”. Assuming that Weichai Freshen Air can retain its status as a recognised “High and New Technology Enterprise” after the expiration of current certificate, its future income tax rate is estimated to be 15%.
7. It is assumed that the cash flows of Weichai Freshen Air in the years covered by the Weichai Freshen Air Forecast are even cash inflow and cash outflow.
8. It is assumed that after the Valuation Reference Date, the market competitiveness of the products or services of Weichai Freshen Air will remain at the current level.
9. It is assumed that after the Valuation Reference Date, the research and development abilities and the advancement of technological edge of Weichai Freshen Air will remain at the current level.
10. It is assumed that there will be no material change in the product structure of Weichai Freshen Air during the period covered by the Weichai Freshen Air Forecast since the transition from China V to China VI emission standards in 2021.
11. It is assumed that after the Valuation Reference Date, the products or services of Weichai Freshen Air will increase in an orderly manner in accordance with the business plans and the business plans are practicable.
12. It is assumed that the prices of the products and raw materials of Weichai Freshen Air will remain at the current level in the period covered by the Weichai Freshen Air Forecast, and there will not be relatively big fluctuations in the future years.
13. It is assumed that the production and sale of Weichai Freshen Air for the period in the Weichai Freshen Air Forecast will remain balanced.
14. It is assumed that the income, cost, and expense levels of Weichai Freshen Air in its perpetual period are consistent with those as of 2026.

The Valuer has assumed that the above assumptions were valid as at the Valuation Reference Date in accordance with the relevant requirements for valuation of the Aftertreatment Business for the asset-based approach and the income-based approach, and has reached the relevant results of the valuation based on the above assumptions. If there are significant changes in the economic environment in the future or if other of the above assumptions are untenable, then the result of the valuation will be materially changed.

The Board has reviewed the principal assumptions upon which the Weichai Freshen Air Forecast was based and is of the view that the Weichai Freshen Air Forecast was made after due and careful enquiry.

ShineWing Certified Public Accountant LLP (“**ShineWing**”), acting as the Company’s reporting accountant, has reported on the arithmetical accuracy of the calculations of the cash flows forecast underlying the Weichai Freshen Air Forecast, which does not involve the adoption of accounting policies, set out in the Weichai Freshen Air Valuation Report issued by the Valuer.

A report from ShineWing on the arithmetical accuracy of the calculations of the cash flows forecast underlying the Weichai Freshen Air Forecast dated 30 October 2022 for incorporation into this announcement and a letter from the Board in relation to the Weichai Freshen Air Forecast are set out as Appendix IA and Appendix IB to this announcement, respectively.

The qualifications of the Valuer and ShineWing are as follows:

Name	Qualification
山東中評恒信資產評估有限公司 (Shandong Zhongping Hengxin Asset Valuation Co., Ltd.*)	Professional valuer in the PRC
ShineWing Certified Public Accountant LLP	Certified public accountants

To the best knowledge, information and belief of the Board after having made all reasonable enquiries, each of the Valuer and ShineWing is a third party independent of the Group and is not a connected person of the Company. As at the date of this announcement, neither the Valuer nor ShineWing has any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for securities in any member of the Group.

Each of the Valuer and ShineWing has given and has not withdrawn its written consent to the publication of this announcement with inclusion of its opinion and advice in respect of the Weichai Freshen Air Forecast and all references to its name in the form and context in which it appears in this announcement.

D. Information on Weichai Freshen Air

Weichai Freshen Air was established on 16 August 2013 as a limited liability company in the PRC. It is currently a wholly-owned subsidiary of the Company and has a registered capital of RMB100,000,000. Weichai Freshen Air 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.

Set out below is the audited financial information of Weichai Freshen Air for the two financial years ended 31 December 2020 and 31 December 2021 and the unaudited financial information of Weichai Freshen Air for the six months ended 30 June 2022, respectively, prepared based on the PRC Accounting Standards for Business Enterprises:

	For the six months ended 30 June 2022 RMB (unaudited)	For the year ended 31 December 2021 RMB (audited)	For the year ended 31 December 2020 RMB (audited)
Revenue	1,532,879,628.99	7,291,457,443.70	8,128,094,117.89
Net profits before taxation	43,621,126.27	235,952,914.38	88,541,494.54
Net profits after taxation	43,295,730.98	235,338,569.54	104,665,832.89

Based on the financial information of Weichai Freshen Air prepared based on the PRC Accounting Standards for Business Enterprises, as of 31 December 2021, the audited total asset value and net asset value of Weichai Freshen Air were approximately RMB2,634.91 million and approximately RMB490.00 million, respectively; and as of 30 June 2022, the unaudited total asset value and net asset value of Weichai Freshen Air were approximately RMB1,797.99 million and approximately RMB533.30 million.

Upon completion of the transactions contemplated under the Capital Contribution Agreement, Ji'nan Power will become a holder of approximately 30% of the total equity interest in Weichai Freshen Air, whilst the equity interest of the Company in Weichai Freshen Air will decrease from 100% to approximately 70%. Weichai Freshen Air will continue to be accounted for as a subsidiary of the Company and its financial results will continue to be consolidated into the Company's consolidated financial statements.

The Company is of the view that as the deemed disposal by the Company of its equity interest in Weichai Freshen Air pursuant to the making of the Capital Contribution by Ji'nan Power will not result in the Company's loss of control over Weichai Freshen Air, the deemed disposal will not result in the recognition of any gain or loss in the Company's consolidated financial statements.

II. ACQUISITION OF THE AFTERTREATMENT BUSINESS

A. Introduction

The Board is pleased to announce that on 30 October 2022, Weichai Freshen Air, a wholly-owned subsidiary of the Company, entered into the Business Transfer Agreement with Ji'nan Rubber, pursuant to which, among other things, Weichai Freshen Air has agreed to acquire and assume, and Ji'nan Rubber has agreed to sell, the Aftertreatment Business at the Consideration of RMB590,895,910.13 (equivalent to approximately HK\$647 million).

B. Principal terms of the Business Transfer Agreement

The principal terms of the Business Transfer Agreement are as follows:

Date: 30 October 2022

Parties: (1) Weichai Freshen Air, as purchaser
(2) Ji'nan Rubber, as seller

Subject matter

Weichai Freshen Air has agreed to acquire and assume, and Ji'nan Rubber has agreed to sell, the Aftertreatment Business in accordance with the terms of the Business Transfer Agreement. Further details of the Aftertreatment Business are set out in the sub-section headed “D. Information on the Aftertreatment Business” below.

Consideration and payment terms

Pursuant to the Business Transfer Agreement, the consideration (the “**Consideration**”) payable by Weichai Freshen Air to Ji'nan Rubber for the Acquisition is RMB590,895,910.13 (equivalent to approximately HK\$647 million).

The profit/loss of the Aftertreatment Business for the period from the Valuation Reference Date to the date of the Completion (the “**Acquisition Transitional Period**”) will be enjoyed or borne by Ji'nan Rubber. Weichai Freshen Air and Ji'nan Rubber shall jointly engage auditors to confirm the profit/loss during the Acquisition Transitional Period within 15 days after the date of the Completion. The Board does not expect such adjustment (if any) will be so significant as to result in a change in the classification of the Acquisition under Chapter 14 and Chapter 14A of the Listing Rules.

The Consideration was determined after arm's length negotiation between Ji'nan Rubber and Weichai Freshen Air based on the appraised value of the Aftertreatment Business of RMB590,895,910.13 (equivalent to approximately HK\$647 million) as appraised by the Valuer as at the Valuation Reference Date as set out in the Aftertreatment Business Valuation Report.

The Consideration shall be paid by Weichai Freshen Air to Ji'nan Rubber in cash within 30 working days after the delivery of all completion documents by Ji'nan Rubber to Weichai Freshen Air.

The Consideration is expected to be funded from Weichai Freshen Air's own financial resources.

Conditions precedent

The completion of the Acquisition is conditional upon, inter alia, the fulfilment of the following conditions precedent:

- (i) Shandong Heavy Industry having completed the filing for the Aftertreatment Business Valuation Report;
- (ii) the Acquisition having been approved by Shandong Heavy Industry; and
- (iii) Ji'nan Rubber having completed all relevant approval and announcement requirements (as applicable) in accordance with its internal policies and the Listing Rules.

Completion

Completion shall take place within 30 days of the satisfaction of the abovementioned conditions precedent but shall not be later than the end of 2022, pursuant to which, inter alia, the following shall occur:

- (i) the transfer of the Aftertreatment Business (including the assets comprising the Aftertreatment Business) from Ji'nan Rubber to Weichai Freshen Air having been completed;
- (ii) the contracts and arrangements in respect of the Aftertreatment Business having been novated/assigned or otherwise amended or new contracts having been entered into in place of such original contracts and arrangements;
- (iii) the existing employment contracts between Ji'nan Rubber and its existing employees having been terminated and new employment contracts having been entered into by Weichai Freshen Air with such employees;
- (iv) the relevant information system required to maintain normal operations of the Aftertreatment Business having been migrated; and

- (v) all other applicable matters that Weichai Freshen Air considers necessary, including relevant filings and registrations, having been dealt with.

C. Valuation

The appraised value of the assets comprising the Aftertreatment Business was determined by the Valuer based on the income approach. Accordingly, such valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules (the “**Aftertreatment Business Forecast**”).

In compliance with Rule 14A.68(7) of the Listing Rules, the principal assumptions upon which the Aftertreatment Business Forecast was based are set out as follows:

General assumptions

1. Assumption of trading: it is assumed that all the assets to be appraised are in trade, and the Valuer performed the valuation of the assets by simulating market with conditions such as the transaction conditions of the assets.
2. Assumption of open market: assumption of open market is an assumption of the conditions of the market which assets are to enter and the influence on the assets under such market conditions. The open market means fully developed and improved market conditions, and is a competitive market with voluntary buyers and sellers. In this market, buyers and sellers are equal in status and both have opportunities and time in acquiring ample market information; and all the transactions between them are made on a voluntary, rational, non-compulsory and unrestricted basis.
3. Assumption of continuous use: assumption of continuous use is an assumption of the conditions under which the assets are intended to enter the market and the status of assets under such market conditions. Firstly, it is assumed that the assets to be appraised are in use; secondly, it is assumed that such assets in use will continue to be used. Under the assumption of continuous use, the change of assets’ use and the best conditions for use of the assets are not taken into account. Therefore, the scope of use of the valuation results is restricted.
4. Assumption of going concern: it is an assumption for valuation made by taking the whole assets of the enterprise as the object of valuation. Namely, it is assumed that: the enterprise operates continually in pursuit of its operation objectives under its external environment as a business entity; the operators of the enterprise are responsible and capable of assuming liabilities; and the enterprise conducts lawful operation, and is able to acquire appropriate profits to maintain its capability to operate as a going-concern.

5. Assumption of accuracy of information: the Valuer assumes that the information and materials provided by the client and the owner of the assets are trustworthy and has verified such information and materials in accordance with the valuation procedure to the extent necessary, but the Valuer does not make any promise for the truthfulness, legality, completeness of such information and materials.

Assumptions in relation to the income-based approach

1. There are no significant changes in the prevailing laws, regulations and policies of the PRC, no significant changes in the macro-economic conditions of the PRC and no significant changes in the political, economic and social environment in the regions where the parties to the present transaction are located; there are no other force majeure or unforeseeable factors that may give rise to material adverse impact.
2. It is assumed that the operators are responsible, and the management is able to perform their duties.
3. Unless otherwise stated, it is assumed that the operators of the Aftertreatment Business fully comply with all relevant laws and regulations.
4. It is assumed that the accounting policies adopted in the future by the Aftertreatment Business are in all material aspects generally consistent with the accounting policies adopted in the compilation of the Aftertreatment Business Valuation Report.
5. It is assumed that on the basis of the existing management approach and standard of the Aftertreatment Business, the business scope and approach are in line with the current direction.
6. It is assumed that there are no material changes in the interest rates, exchanges rates, taxation benchmark and rates, policy levy, etc., and the future income tax rate in respect of the Aftertreatment Business is estimated to be 25%.
7. It is assumed that the cash flows of the Aftertreatment Business in the years covered by the Aftertreatment Business Forecast are even cash inflow and cash outflow.
8. It is assumed that after the Valuation Reference Date, the market competitiveness of the products or services of the Aftertreatment Business will remain at the current level.
9. It is assumed that after the Valuation Reference Date, the research and development abilities and the advancement of technological edge of the Aftertreatment Business will remain at the current level.

10. It is assumed that there will be no material change in the product structure of the Aftertreatment Business during the period covered by the Aftertreatment Business Forecast since the transition from China V to China VI emission standards in 2021.
11. It is assumed that the production and sale of the Aftertreatment Business for the period in the Aftertreatment Business Forecast will remain balanced.
12. It is assumed that the income, cost, and expense levels of the Aftertreatment Business in its perpetual period are consistent with those as of 2026.

The Valuer has assumed that the above assumptions were valid as at the Valuation Reference Date in accordance with the relevant requirements for valuation of the Aftertreatment Business for the asset-based approach and the income-based approach, and has reached the relevant results of the valuation based on the above assumptions. If there are significant changes in the economic environment in the future or if other of the above assumptions are untenable, then the result of the valuation will be materially changed.

The Board has reviewed the principal assumptions upon which the Aftertreatment Business Forecast was based and is of the view that the Aftertreatment Business Forecast was made after due and careful enquiry.

ShineWing, acting as the Company's reporting accountant, has reported on the arithmetical accuracy of the calculations of the cash flows forecast underlying the Aftertreatment Business Forecast, which does not involve the adoption of accounting policies, set out in the Aftertreatment Business Valuation Report issued by the Valuer.

A report from ShineWing on the arithmetical accuracy of the calculations of the cash flows forecast underlying the Aftertreatment Business Forecast dated 30 October 2022 for incorporation into this announcement and a letter from the Board in relation to the Aftertreatment Business Forecast are set out as Appendix IIA and Appendix IIB to this announcement, respectively.

Please refer to the section headed "I. Deemed disposal of equity interest in Weichai Freshen Air – C. Valuation" above for details on the qualifications of the Valuer and ShineWing and their respective independence from the Group.

Each of the Valuer and ShineWing has given and has not withdrawn its written consent to the publication of this announcement with inclusion of its opinion and advice in respect of the Aftertreatment Business Forecast and all references to its name in the form and context in which it appears in this announcement.

D. Information on the Aftertreatment Business

Ji'nan Rubber is principally engaged in the production and sale of vehicle parts and components and construction machinery, and the research and development of rubber and plastic products. The Aftertreatment Business comprises the research, procurement, production, sales and other operations related to the products of purification treatment of vehicle exhaust emissions (also known as the aftertreatment system products) and the assets and liabilities related to the foregoing operations, which further consists of:

- (i) the operations related to the aftertreatment system products, including but not limited to the research, procurement, production, sales and after-sales services;
- (ii) the assets related to the aftertreatment operations, including but not limited to raw materials, inventories, equipment and production facilities, and also facilities that are currently under construction, and liabilities in respect of the aforementioned assets as at the completion date which is estimated to be approximately RMB160.63 million (subject to the results of the relevant completion audit); and
- (iii) the documentation and records related to the aftertreatment operations or products.

Set out below is the audited pro forma financial information in respect of the Aftertreatment Business for financial year ended 31 December 2020, and the unaudited pro forma financial information in respect of the Aftertreatment Business for financial year ended 31 December 2021 and the six months ended 30 June 2022, respectively, prepared based on the PRC Accounting Standards for Business Enterprises:

	For the six months ended 30 June 2022 RMB (unaudited)	For the year ended 31 December 2021 RMB (unaudited)	For the year ended 31 December 2020 RMB (audited)
Net profits before taxation	4,140,038.58	38,928,926.29	185,616,884.43
Net profits after taxation	3,105,028.94	29,196,694.72	139,212,663.32

Based on the unaudited pro forma financial information of the Aftertreatment Business prepared based on the PRC Accounting Standards for Business Enterprises, as of 31 December 2021, the unaudited total asset value and net asset value of the Aftertreatment Business were approximately RMB674.19 million and approximately RMB329.32 million, respectively; and as of 30 June 2022, the unaudited total asset value and net asset value of the Aftertreatment Business were approximately RMB654.92 million and RMB332.43 million, respectively.

As advised by Ji'nan Rubber, the Aftertreatment Business has been developed by Ji'nan Rubber itself, and therefore there is no original acquisition cost for the Aftertreatment Business.

III. INFORMATION ON JI'NAN POWER AND JI'NAN RUBBER

Ji'nan Power is a wholly-owned subsidiary of Sinotruk HK and principally engaged in the development, production and sales of engines and components and the research and development and testing of vehicles and components.

Ji'nan Rubber is a wholly-owned subsidiary of Sinotruk HK and principally engaged in the production and sale of vehicle parts and components and construction machinery, and the research and development of rubber and plastic products.

Sinotruk HK together with its subsidiaries primarily specialise in the research, development and manufacturing of heavy duty trucks, medium-heavy duty trucks, light duty trucks, etc. and related key assemblies, parts and components including engines, cabins, axles, steel frames and gearboxes as well as the provision of financial services. Sinotruk HK is a company whose shares are listed on the Main Board of the Stock Exchange.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, Sinotruk HK is held as to approximately 51% by CNHTC, a commercial vehicles manufacturer, which is held as to 65% by Shandong Heavy Industry. Shandong Heavy Industry, one of the leading automobile and equipment groups in the PRC, is in turn a state-owned enterprise organised under the laws of the PRC with limited liability and is ultimately governed and controlled by Shandong Provincial People's Government* (山東省人民政府).

IV. REASONS AND BENEFITS FOR THE CAPITAL CONTRIBUTION AND THE ACQUISITION

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

Weichai Freshen Air focuses on the research, design, sale and repair of air purification products for vehicles. The introduction of Ji'nan Power as a holder of Weichai Freshen Air not only improves the cash position of Weichai Freshen Air, but is also expected to create synergy between Weichai Freshen Air's technological strength and the Ji'nan Power. Further, since Weichai Freshen Air will continue to be accounted for as a subsidiary of the Company following the making of the Capital Contribution, and Weichai Freshen Air's financial results will continue to be consolidated into the Company's consolidated financial statements, the Company is of the view that such deemed disposal by the Company of its equity interests in Weichai Freshen Air will not result in the Company's loss of control over Weichai Freshen Air.

It is expected that the Capital Contribution will strengthen the cash position of Weichai Freshen Air, enabling it to capture opportunities of business expansion as they arise and giving play to the resources advantages of the Group and the CNHTC Group in aftertreatment, which is in line of the development strategy and long term interest of the Group.

On the other hand, the Acquisition will enable Weichai Freshen Air to optimise its operational structure from the perspective of procurement, research and development, production and sales, by enhancing its overall bargaining power in procurement, reducing repetitive investment, lowering costs, and achieving economies of scale, which is also in line with the development strategy and long term interest of the Group.

In light of the above, the Directors (including the independent non-executive Directors) consider that both the making of the Capital Contribution and the Acquisition are fair and reasonable, on normal commercial terms, and in the interests of the Company and its Shareholders as a whole. Although the transactions contemplated under the Capital Contribution Agreement and the Acquisition are not conducted in the ordinary and usual course of business of the Group, the Directors (including the independent non-executive Directors) are of the view that such transactions are beneficial to the long-term strategy and success of the Group.

V. THE LISTING RULES IMPLICATIONS

As the percentage of equity interest of the Company in Weichai Freshen Air will be reduced from 100% to approximately 70%, the making of the Capital Contribution will constitute a deemed disposal of the Company's equity interest in Weichai Freshen Air pursuant to Rule 14.29 of the Listing Rules.

Ji'nan Power and Ji'nan Rubber are both subsidiaries of Sinotruk HK, which is in turn, controlled by Shandong Heavy Industry. Shandong Heavy Industry indirectly holds approximately 16.30% of the total issued share capital of the Company. As such, Shandong Heavy Industry is a substantial shareholder of the Company and, in turn, a connected person of the Company. Ji'nan Power and Ji'nan Rubber, being fellow subsidiaries of the Company, are also connected persons of the Company.

Accordingly, each of (i) the making of the Capital Contribution by Ji'nan Power to Weichai Freshen Air, and (ii) the Acquisition of the Aftertreatment Business by Weichai Freshen Air from Ji'nan Rubber, constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated pursuant to the Listing Rules for each of the making of the Capital Contribution by Ji'nan Power and the Acquisition is more than 0.1% but all of such ratios are less than 5%, both the making of the Capital Contribution and the Acquisition are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but are exempt from the independent Shareholders' approval requirement.

At the Board meeting held on 28 October 2022 approving, inter alia, the making of the Capital Contribution, Mr. Tan Xuguang, Mr. Jiang Kui and Mr. Sun Shaojun have abstained from voting in respect of the resolutions approving the making of the Capital Contribution by Ji'nan Power and the Acquisition in view of their respective positions in Shandong Heavy Industry, CNHTC and/or Sinotruk HK. Save as disclosed above, none of the Directors have a material interest in the Acquisition.

Shareholders and potential investors should note that the Acquisition, which is subject to a number of conditions precedent, may or may not be completed. Shareholders and potential investors are reminded to exercise caution when dealing in the shares of the Company.

VI. DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless the context requires otherwise:

“Acquisition”	the acquisition of the Aftertreatment Business by Weichai Freshen Air from Ji'nan Rubber
“Acquisition Transitional Period”	has the meaning ascribed to it under the section headed “II. Acquisition of the Aftertreatment Business – B. Principal terms of the Business Transfer Agreement – Consideration and payment terms”
“Aftertreatment Business”	the relevant assets, liabilities and operations of Ji'nan Rubber in respect of aftertreatment system products, as further detailed in the section headed “II. Acquisition of the Aftertreatment Business – D. Information on the Aftertreatment Business” in this announcement
“Aftertreatment Business Forecast”	has the meaning ascribed thereto under the section headed “II. Acquisition of the Aftertreatment Business – C. Valuation” of this announcement

“Aftertreatment Business Valuation Report”	the valuation report dated 10 December 2021 issued by the Valuer in respect of the total appraised value of the net assets comprising the Aftertreatment Business for the purpose of the Acquisition
“Board”	the board of Directors
“Business Transfer Agreement”	a business transfer agreement entered into between Weichai Freshen Air and Ji’nan Rubber on 30 October 2022 in respect of the Acquisition
“Capital Contribution”	has the meaning ascribed to it under the section headed “I. Deemed disposal of equity interest in Weichai Freshen Air – B. Principal terms of the Capital Contribution Agreement – Subject matter”
“Capital Contribution Agreement”	a capital contribution agreement entered into between Ji’nan Power, the Company and Weichai Freshen Air on 30 October 2022 in respect of the Capital Contribution
“Capital Contribution Transitional Period”	has the meaning ascribed to it under the section headed “I. Deemed disposal of equity interest in Weichai Freshen Air – B. Principal terms of the Capital Contribution Agreement – Subject matter”
“CNHTC”	中國重型汽車集團有限公司 (China National Heavy Duty Truck Group Company Limited), a state-owned enterprise organised under the laws of the PRC with limited liability and a connected person of the Company
“CNHTC Group”	CNHTC and its subsidiaries
“Company”	濰柴動力股份有限公司 (Weichai Power Co., Ltd.), a company established in the PRC with limited liability
“Completion”	completion of the transfer of the Aftertreatment Business
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	has the meaning ascribed to it under the section headed “II. Acquisition of the Aftertreatment Business – B. Principal terms of the Business Transfer Agreement – Consideration and payment terms”

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Ji’nan Power”	中國重汽集團濟南動力有限公司 (Sinotruk Ji’nan Power Co., Ltd.*), a company established in the PRC with limited liability
“Ji’nan Rubber”	中國重汽集團濟南橡塑件有限公司 (Sinotruk Ji’nan Rubber & Plastic Components Co., Ltd.*), a company established in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shandong Heavy Industry”	山東重工集團有限公司 (Shandong Heavy Industry Group Co., Ltd.*), a substantial shareholder and connected person of the Company
“Shareholder(s)”	holder(s) of the shares in the Company
“ShineWing”	has the meaning ascribed thereto under the section headed “I. Deemed disposal of equity interest in Weichai Freshen Air – C. Valuation” of this announcement
“Sinotruk HK”	Sinotruk (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Stock Exchange (stock code: 3808), and a connected person of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Valuation Reference Date”	31 October 2021, being the reference date adopted by an independent PRC valuer in the relevant valuation report(s)

“Valuer”	山東中評恒信資產評估有限公司 (Shandong Zhongping Hengxin Asset Valuation Co., Ltd.*), an independent professional valuer in the PRC
“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 with limited liability and a wholly-owned subsidiary of the Company
“Weichai Freshen Air Forecast”	has the meaning ascribed thereto under the section headed “I. Deemed disposal of equity interest in Weichai Freshen Air – C. Valuation” of this announcement
“Weichai Freshen Air Valuation Report”	the valuation report dated 19 December 2021 issued by the Valuer in respect of the total appraised value of the net asset value of Weichai Freshen Air for the purpose of the making of the Capital Contribution
“%”	per cent.

* For identification purposes only

(The exchange rate used for the purpose of this announcement is HK\$1= RMB0.91343.)

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

The PRC, 30 October 2022

As at the date of this announcement, the executive Directors of the Company are Mr. Tan Xuguang, Mr. Zhang Quan, Mr. Xu Xinyu, Mr. Sun Shaojun, Mr. Yuan Hongming and Mr. Yan Jianbo; the non-executive Directors of the Company are Mr. Zhang Liangfu, Mr. Jiang Kui, Mr. Gordon Riske and Mr. Michael Martin Macht; and the independent non-executive Directors of the Company are Mr. Li Hongwu, Mr. Wen Daocai, Ms. Jiang Yan, Mr. Yu Zhuoping and Ms. Zhao Huifang.

APPENDIX IA – REPORT FROM THE REPORTING ACCOUNTANTS

	信永中和会计师事务所 ShineWing certified public accountants	北京市东城区朝阳门北大街8号 富华大厦A座9层 9th Floor, Block A, Fu Hua Mansion No.8, Chao Yang Men Bei Da Jie, Dong Cheng District, Beijing, 100027, P.R.China	联系电话: +86(010)6554 2288 telephone: +86(010)6554 2288 传真: +86(010)6554 7190 facsimile: +86(010)6554 7190
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INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF WEICHAI POWER FRESHEN AIR TECHNOLOGY CO., LTD.*

TO THE BOARD OF DIRECTORS OF WEICHAI POWER CO., LTD. (the “Company”)

We have completed our assurance engagement to report on the calculations of the discounted future estimated cash flows on which the business valuation (the “**Valuation**”) dated 19 December 2021 prepared by 山東中評恒信資產評估有限公司 (Shandong Zhongping Hengxin Asset Valuation Co., Ltd.) in respect of the valuation of the entire equity interests in 濰柴動力空氣淨化科技有限公司 (Weichai Power Freshen Air Technology Co., Ltd.*, the “**Target Company**”) is based. The summary of the Valuation is set out in the announcement of the Company dated 30 October 2022 (the “**Announcement**”) in connection with the deemed disposal of the equity interests in the Target Company by the Company. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Directors’ Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and as set out in the Announcement. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants” (“**CICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies “China Standards on Quality Control 5101 – Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the CICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant’s Responsibilities

It is our responsibility to report, as required by Rule 14.62(2) of the Listing Rules, on the calculations of the discounted future estimated cash flows on which the Valuation is based. We are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future estimated cash flows are based and our work does not constitute any valuation of the Target Company.

We conducted our work in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised), “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. This standard requires that we plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, has been properly compiled in accordance with the bases and assumptions as set out in the Announcement. We reviewed the arithmetical calculations and the compilation of the discounted future estimated cash flows in accordance with the bases and assumptions.

The discounted cash flows do not involve the adoption of accounting policies. The discounted cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Our work has been undertaken for the purpose of reporting solely to you under Rule 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

Opinion

In our opinion, based on the foregoing, so far as the calculations are concerned, the discounted future estimated cash flows, has been properly compiled in all material respects in accordance with the bases and assumptions made by the directors of the Company as set out in the Announcement.

ShineWing Certified Public Accountants LLP
Beijing, China

30 October 2022

APPENDIX IB – LETTER FROM THE BOARD



潍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)

30 October 2022

The Listing Division
The Stock Exchange of Hong Kong Limited
12th Floor, Two Exchange Square,
8 Connaught Place,
Central, Hong Kong

Dear Sirs,

DEEMED DISPOSAL OF EQUITY INTEREST IN WEICHAI FRESHEN AIR

We refer to the announcement of the Company dated 30 October 2022 (the “**Announcement**”). Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings in this letter when used herein.

We refer to the valuation report dated 19 December 2021 issued by 山東中評恒信資產評估有限公司 (Shandong Zhongping Hengxin Asset Valuation Co., Ltd.), an independent professional valuer in the PRC (the “**Valuer**”) in relation to the valuation (the “**Valuation**”) of 潍柴動力空氣淨化科技有限公司 (Weichai Power Freshen Air Technology Co., Ltd.*) (“**Weichai Freshen Air**”) as at the Valuation Reference Date. As the Valuation adopts the income approach, it is regarded as a profit forecast under Rule 14.61 of the Listing Rules (the “**Forecast**”).

We have discussed with the Valuer about different aspects including the basis and assumptions upon which the Valuation has been prepared, and reviewed the Valuation prepared by the Valuer for which the Valuer is responsible. We have also engaged ShineWing to review and report on the arithmetical accuracy of the calculations of the discounted cash flows forecast underlying the Forecast, and considered the report from ShineWing as set out in Appendix IA to the Announcement.

On the basis of the foregoing, in accordance with the requirements under Rule 14.62(3) of the Listing Rules, we confirm that the Forecast has been made after our due and careful enquiry.

Yours faithfully,

For and on behalf of the Board
Weichai Power Co., Ltd.
Tan Xuguang
Chairman and CEO

APPENDIX IIA – REPORT FROM THE REPORTING ACCOUNTANTS

	信永中和会计师事务所 ShineWing certified public accountants	北京市东城区朝阳门北大街8号 富华大厦A座9层 9th Floor, Block A, Fu Hua Mansion No.8, Chao Yang Men Bei Da Jie, Dong Cheng District, Beijing, 100027, P.R.China	联系电话 : +86(010)6554 2288 telephone: +86(010)6554 2288 传真 : +86(010)6554 7190 facsimile: +86(010)6554 7190
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INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE MARKET VALUE OF THE ASSET GROUPS RELATED TO THE AFTERTREATMENT BUSINESS OF SINOTRUK JI’NAN RUBBER & PLASTIC COMPONENTS CO., LTD.*

TO THE BOARD OF DIRECTORS OF WEICHAI POWER CO., LTD. (the “Company”)

We have completed our assurance engagement to report on the calculations of the discounted future estimated cash flows on which the business valuation (the “**Valuation**”) dated 10 December 2021 prepared by 山東中評恒信資產評估有限公司 (Shandong Zhongping Hengxin Asset Valuation Co., Ltd.) in respect of the valuation of the market value of the asset groups related to the Aftertreatment Business of 中國重汽集團濟南橡塑件有限公司 (Sinotruk Ji’nan Rubber & Plastic Components Co., Ltd.*), the “**Target Company**”) is based. The summary of the Valuation is set out in the announcement of the Company dated 30 October 2022 (the “**Announcement**”) in connection with the acquisition of Aftertreatment Business by the Company. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Directors’ Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and as set out in the Announcement. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants” (“**CICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies “China Standards on Quality Control 5101 – Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the CICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant’s Responsibilities

It is our responsibility to report, as required by Rule 14.62(2) of the Listing Rules, on the calculations of the discounted future estimated cash flows on which the Valuation is based. We are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future estimated cash flows are based and our work does not constitute any valuation of the Target Company.

We conducted our work in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised), “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. This standard requires that we plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, has been properly compiled in accordance with the bases and assumptions as set out in the Announcement. We reviewed the arithmetical calculations and the compilation of the discounted future estimated cash flows in accordance with the bases and assumptions.

The discounted cash flows do not involve the adoption of accounting policies. The discounted cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Our work has been undertaken for the purpose of reporting solely to you under Rule 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

Opinion

In our opinion, based on the foregoing, so far as the calculations are concerned, the discounted future estimated cash flows, has been properly compiled in all material respects in accordance with the bases and assumptions made by the directors of the Company as set out in the Announcement.

ShineWing Certified Public Accountants LLP
Beijing, China

30 October 2022

APPENDIX IIB – LETTER FROM THE BOARD



潍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)

30 October 2022

The Listing Division
The Stock Exchange of Hong Kong Limited
12th Floor, Two Exchange Square,
8 Connaught Place,
Central, Hong Kong

Dear Sirs,

ACQUISITION OF THE AFTERTREATMENT BUSINESS

We refer to the announcement of the Company dated 30 October 2022 (the “**Announcement**”). Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings in this letter when used herein.

We refer to the valuation report dated 10 December 2021 issued by 山東中評恒信資產評估有限公司 (Shandong Zhongping Hengxin Asset Valuation Co., Ltd.), an independent professional valuer in the PRC (the “**Valuer**”) in relation to the valuation (the “**Valuation**”) of the assets comprising the Aftertreatment Business as at the Valuation Reference Date. As the Valuation adopts the income approach, it is regarded as a profit forecast under Rule 14.61 of the Listing Rules (the “**Forecast**”).

We have discussed with the Valuer about different aspects including the basis and assumptions upon which the Valuation has been prepared, and reviewed the Valuation prepared by the Valuer for which the Valuer is responsible. We have also engaged ShineWing to review and report on the arithmetical accuracy of the calculations of the discounted cash flows forecast underlying the Forecast, and considered the report from ShineWing as set out in Appendix IIA to the Announcement.

On the basis of the foregoing, in accordance with the requirements under Rule 14.62(3) of the Listing Rules, we confirm that the Forecast has been made after our due and careful enquiry.

Yours faithfully,

For and on behalf of the Board
Weichai Power Co., Ltd.
Tan Xuguang
Chairman and CEO