



PRESS RELEASE

FERRETTI GROUP:

SHIG - WEICHAİ GROUP TAKES CONTROL OF WORLD'S LARGEST LUXURY YACHT MANUFACTURER

- To Jointly Explore Global Luxury Yacht Market with Ferretti
- Ferretti Group will retain key management team, headquarters and production bases in Italy

Italy, January 10th, 2012 – **Shandong Heavy Industry Group - Weichai Group** (“SHIG—Weichai Group” or “the Group”) announced that it has reached agreements with the major creditors of the world's largest luxury yacht maker, the Italian company Ferretti Group (“Ferretti”), to acquire a controlling interest in Ferretti by participating in Ferretti’s debt restructuring.

Through a total investment of 374 million euros, including equity investment of 178 million euros and provision of debt financing of 196 million euros, SHIG-Weichai Group will acquire a 75% interest in the yacht maker after the completion of the debt restructuring procedures. Existing creditors will acquire the remaining 25% interest in Ferretti through a 25 million euros equity injection and debt to equity swap. Through the acquisition, Ferretti’s capital structure will be fully restructured with equity capital increase by 100 million euros and total debts reduce to a reasonable level at around 120 million euros. The business will enjoy a strong capital base which will help drive its long-term development plans.

Mr. Tan Xuguang, Chairman of SHIG—Weichai Group, said: “Developing the yacht business is one of the Group’s strategic goals for the next five years. Ferretti, which possesses iconic international brands, state-of-the-art manufacturing technologies, products of the highest quality and an extensive sales network, is an ideal partner. Through the acquisition, the Group will cooperate closely with this world-renowned yacht maker, providing Ferretti with new channels to market and capital support as well as other resources with which it can expand more effectively into emerging markets, a key area of potential growth for Ferretti. Synergies between the Group and Ferretti can be unleashed through the sharing of resources and industrial integration. Ferretti’s overall competitive advantages in production cost, sales channels, after-sales service and financial strength will be improved, creating a win-win situation that will allow Ferretti to consolidate its leading position in the luxury yacht market”.

Mr. Norberto Ferretti, Chairman and Founder of Ferretti Group - declared: “We are very proud of this agreement with a prestigious partner such as SHIG—Weichai Group. We are strongly convinced that this partnership will lead to very satisfactory results and will provide Ferretti Group with a strong capital base which will allow the development of long-term growth plans. Moreover China is one of the most rapidly developing countries for the yachting sector and has great potential for the coming 5 to 10 years”.

Ferretti, the world's largest luxury yacht manufacturer, boasts one of the world’s most advanced naval research and development centres (AYT – the Ferretti Group’s Advanced Yacht Technology) and a team of architects and designers (Centro Stile Ferrettigroup). It also has a comprehensive global supply chain, which includes more than 800 suppliers, as well as some of the world's most advanced yacht manufacturing systems. Ferretti has eight highly regarded and recognized yacht brands and owns a total of 8 shipyards in Italy as well as in Miami, USA, and employs nearly 2,000 employees.

SHIG—Weichai Group is one of the most competitive equipment manufacturing groups in China offering a broad range of high quality commercial vehicles, construction machinery and other heavy-duty industrial products. The

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Group operates four main divisions, namely commercial vehicles, construction machinery, power generation systems and auto parts. In addition to its solid market foundation in China, the Group has also been active in the overseas markets. In 2009, the Group acquired Moteurs Baudouin SA (“Baudouin”) in France through its subsidiary Weichai Power Co., Ltd. (“Weichai Power”), which has helped the Group expand into the international high-end yacht business. After the acquisition, Weichai Power invested an accumulated 30 million euros and implemented multiple measures to improve Baudouin’s businesses and operations. Several objectives were achieved including the expansion of production scale, the enhancement of its R&D capabilities, as well as the recruitment of local employees. The sales volume of Baudouin’s engines increased from 74 units in 2009 to 352 units in 2011. The staff numbers rose from 120 in 2009 to 202 in 2011, playing a vital part in establishing Baudouin’s leading position in the marine power market.

Leveraging its ample resources, SHIG-Weichai aims to facilitate Ferretti’s expansion in emerging markets such as Asia, with a particular focus on Greater China, which will be an important growth engine for Ferretti’s future development. In addition, the Group will provide a range of other resources including capital support to Ferretti to stimulate its rapid business development in both the traditional European and American markets as well as other emerging markets. After the acquisition, the Group will continue to uphold its operational principle of “unifying strategies and resources while operating independently” and will retain Ferretti’s key management team, headquarters and production bases in Italy.

The Ferretti Group

The Ferretti Group is one of the world leaders in the design, construction and sale of motor yachts with a unique portfolio of some of the most exclusive, prestigious brands in the nautical world: Ferretti Yachts, Pershing, Itama, Bertram, Riva, Mochi Craft, CRN and Ferretti Custom Line. The Group, led by Chairman and Founder Norberto Ferretti and by CEO Giancarlo Galeone, has always been at the very heights of the pleasure boating market due to constant product and process innovation, continuous research and development and cutting-edge technological solutions. The extensive range of yachts on offer is designed by highly specialized technicians and engineers at AYT – the Ferretti Group’s Advanced Yacht Technology, one of the most advanced naval research and design centres in the world, which liaises with the Centro Stile Ferrettigroup, an expert team of architects and designers who continuously research aesthetic, functional and innovative solutions, and are built at the Group’s modern production units in Italy and the USA. The Ferretti Group, founded in 1968, is also present in the United States through Ferretti Group America, which operates a network of Ferretti Group Sales Centers specializing in the sale and marketing of the Group’s luxury yacht brands throughout the North American market. The Group also has a presence in Asia, with a branch of representation and promotion in Shanghai. Overall the Group is represented by an exclusive network of around 60 carefully selected dealers globally with a presence in over 80 countries, thereby ensuring valued clients receive the very best assistance in marinas all over the world.

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Shandong Heavy Industry Group - Weichai Group

Shandong Heavy Industry Group - Weichai Group is one of the most competitive and comprehensive equipment manufacturing groups in China, with quality and complete commercial vehicle and construction machinery industrial production chains. The Group runs four main businesses, namely commercial vehicles, machinery construction, power systems and auto parts. Several of the Group's products rank first in terms of market share in China, including bulldozers, high-speed high-power engines, heavy-duty gearboxes, heavy-duty axles, spark plugs and medium-speed marine propulsion systems and industrial power generation equipment. The market share of the Group's heavy-duty vehicles ranks No. 4 in China. The Group has four listed companies, namely: Weichai Power (2338HK/000338SZ), Weichai Heavy Machinery (000880SZ), Yaxing Motor Coach Company (600213SH) and Shantui Construction Machinery (000680SZ). Weichai Holding Group Co., Ltd., the largest wholly-owned subsidiary of Shandong Heavy Industry Group, was founded in 1946. It is one of the largest and most competitive heavy-duty vehicle and auto equipment manufacturing companies in China. The Group employs over 40,000 people worldwide. In 2010, the Group recorded operating income of RMB 91.1 billion. It ranks 93rd among the Top 500 Chinese Enterprises, 35th among the Top 500 Chinese Manufacturers and 7th among the Top 500 Chinese Machinery Manufacturers. In 2011, it has won "China Industry Award", a recognition of its management standards and operational quality against international benchmarks.

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