

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS**

SUMMARY

The Board announces that on 14 July 2017, the Group has entered into the Supplemental Agreements in respect of the Continuing Connected Transactions, being the Weichai Continuing Connected Transactions and the TAGC Continuing Connected Transaction, as more particularly described herein.

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

A circular containing, *inter alia*, (i) further details of the Weichai Continuing Connected Transactions; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the Weichai Continuing Connected Transactions; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Weichai Continuing Connected Transactions, will be despatched to the Shareholders in accordance with the requirements of Rule 14A.46(1) (as modified by Rule 19A.39A) of the Listing Rules and the PRC Company Law on or before 14 August 2017.

For the TAGC Continuing Connected Transaction, since (i) Shaanxi Automotive is regarded as a connected person of the Company at subsidiary level; (ii) the Board (including all the independent non-executive Directors) has approved the TAGC Continuing Connected Transaction; and (iii) the independent non-executive Directors have confirmed that the terms of the TAGC Continuing Connected Transaction and the relevant New Caps are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the TAGC Continuing Connected Transaction is subject to the reporting and announcement requirements but is exempt from circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules. However, the TAGC Continuing Connected Transaction is subject to the approval of the Independent Shareholders pursuant to the Shenzhen Listing Rules.

I. INTRODUCTION

Reference is made to the announcements of the Company dated 8 December 2014 and 30 August 2016, respectively, in respect of, *inter alia*, the Continuing Connected Transactions of the Company where the Existing Caps for such Continuing Connected Transactions were set. Reference is also made to the circular of the Company dated 7 January 2015 which set out details of the Weichai Continuing Connected Transactions.

For these Continuing Connected Transactions, the Company proposes to apply for New Caps or revise the Existing Caps (as the case may be). For such purposes, the Group entered into the Supplemental Agreements. The Supplemental Agreements and the relevant New Caps in respect of the Continuing Connected Transactions are conditional upon the approval of the Independent Shareholders at the EGM.

A summary of the Continuing Connected Transactions, the Supplemental Agreements, the Existing Caps, the actual transaction amounts of the Continuing Connected Transactions for the relevant periods and the New Caps (and their bases) is set out in the section headed “II. 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:

A. Weichai Continuing Connected Transactions

Name of connected person	Name of Group Company	Connected person's relationship with the Group	Nature of the connected transaction with the Group
Weichai Westport	The Company, Weichai After-sales Services, Weichai Reproduction and Weichai Freshen Air (and/or other associates of the Company) (as the case may be) (<i>note 1</i>)	Weichai Westport is held as to 51% by Weichai Holdings, a substantial shareholder of the Company	<ol style="list-style-type: none">1. Supply of base engines, gas engine parts, utility and labour services, technology development services and related products and services by the Company (and its subsidiaries and/or associates) to Weichai Westport2. Purchase of gas engines, gas engine parts, labour services and related products and services by the Company (and its subsidiaries and/or associates) from Weichai Westport

B. TAGC Continuing Connected Transaction

Name of connected person	Name of Group Company	Connected person's relationship with the Group	Nature of the connected transaction with the Group
Shaanxi Automotive (and its associates) (<i>note 7</i>)	Shaanxi Zhongqi (<i>note 2</i>), Hande Axle (<i>note 3</i>), Jinding (<i>note 4</i>), Shaanxi Import and Export (<i>note 5</i>), Tiangua (<i>note 6</i>) and Weichai Freshen Air (<i>note 1</i>) (as the case may be)	Holder of 49% of the equity of Shaanxi Zhongqi	Purchase of parts and components of vehicles, scrap steel and related products by Shaanxi Zhongqi (and its subsidiaries) and Weichai Freshen Air (as the case may be) from Shaanxi Automotive (and its associates)

Notes:

- 1. Weichai After-sales Services, Weichai Reproduction and Weichai Freshen Air are wholly-owned subsidiaries of the Company.*
- 2. Shaanxi Zhongqi 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.*
- 4. Jinding is held as to approximately 95.76% by Shaanxi Zhongqi and as to approximately 4.24% by Hande Axle.*
- 5. Shaanxi Import and Export is a wholly-owned subsidiary of Shaanxi Zhongqi.*
- 6. Tiangua is a wholly-owned subsidiary of Shaanxi Zhongqi.*
- 7. As more particularly described in the section headed “II.B. TAGC Continuing Connected Transaction — Continuing Connected Transactions between Shaanxi Zhongqi (and its subsidiaries) and Shaanxi Automotive (and its associates)” in this announcement.*

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

A. Weichai Continuing Connected Transactions

Details of the relevant Weichai

Continuing Connected Transactions

	Proposed New Caps		
	For the year ending 31 December 2018 RMB	For the year ending 31 December 2019 RMB	For the year ending 31 December 2020 RMB
1. Supply of base engines, gas engine parts, utility and labour services, technology development services and related products and services by the Company (and its subsidiaries and/or associates) to Weichai Westport	2,600,000,000 [#]	3,000,000,000 [#]	3,500,000,000 [#]
2. Purchase of gas engines, gas engine parts, labour services and related products and services by the Company (and its subsidiaries and/or associates) from Weichai Westport	5,400,000,000 [#]	6,300,000,000 [#]	7,000,000,000 [#]

B. TAGC Continuing Connected Transaction

Details of the relevant TAGC Continuing Connected Transaction

	Proposed New Caps		
	For the year	For the year	For the year
	ending	ending	ending
	31 December	31 December	31 December
	2017	2018	2019
	RMB	RMB	RMB
Purchase of parts and components of vehicles, scrap steel and related products and labour services by Shaanxi Zhongqi (and its subsidiaries) and Weichai Freshen Air (as the case may be) from Shaanxi Automotive (and its associates)	7,200,000,000 [#]	8,500,000,000 [#]	9,100,000,000 [#]

Notes:

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

DETAILS OF THE CONTINUING CONNECTED TRANSACTIONS AND THE RELEVANT SUPPLEMENTAL AGREEMENTS

A. Weichai Continuing Connected Transactions

The Company and its subsidiaries

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

Weichai After-sales Services is a wholly-owned subsidiary of the Company and is principally engaged in the sale of parts and components of diesel engines.

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

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

Weichai Westport is principally engaged in the business of research and development, manufacture and sale of gas engines and parts used in motor vehicles, power generation and marine vessels and relevant parts and components, modification of gas engines, business consultation and services. Weichai Westport is held as to 51% by Weichai Holdings, a substantial Shareholder of the Company. Accordingly, Weichai Westport is a connected person of the Company.

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

Agreement: Supplemental Agreement to the framework agreement in relation to the supply of base engines, gas engine parts and related products by the Company (and its subsidiaries and/or associates) to Weichai Westport (the “**Weichai Westport Supply Agreement**”) dated 25 December 2012 (as supplemented by the supplemental agreement dated 8 December 2014)

Date: 14 July 2017

Parties: 1. (a) The Company
(b) Weichai After-sales Services
(c) Weichai Reproduction
(d) Weichai Freshen Air; and
2. Weichai Westport

Term: 1 January 2018 to 31 December 2020

Other terms and details:

Pursuant to the Weichai Westport Supply Agreement (as supplemented by the abovementioned supplemental agreement but prior to the entering into of this latest Supplemental Agreement), each of the Company, Weichai After-sales Services and Weichai Reproduction has supplied certain base engines, gas engine parts and related products to Weichai Westport, at market prices and/or prices agreed according to the principle of fairness and reasonableness and settled on a monthly basis for a term from 1 January 2015 to 31 December 2017, upon the expiry of which the parties may extend the term for three years on a mutually agreed basis. This Continuing Connected Transaction has been conducted on normal commercial terms and terms no less favourable to the Company than those available to the Company from independent third parties.

Pursuant to this Supplemental Agreement, each of the Company, Weichai After-sales Services, Weichai Reproduction and Weichai Freshen Air (and/or other associates of the Company) shall supply certain base engines, gas engine parts, utility and labour services, technology development services and related products and services to Weichai Westport, on the same terms for a term from 1 January 2018 to 31 December 2020, upon the expiry of which the parties may extend the term for three years on a mutually agreed basis. The sale price of the said products and services is determined according to the following mechanism: through market analysis of specific products by the market management department of the Company on a quarterly basis in general, a proposal on the price, which is formulated taking into account an analysis of a number of factors (including the prices of at least one to two relevant products in the market in general, market share, orders situation and performance of major competitors in the market), shall be submitted to the price management department of the Company for approval. The final price shall be determined based on arm's length negotiations between the parties. The price management department shall review the reasonableness of the price on a regular basis and make adjustments where necessary. Save as set out herein, all other terms of the Weichai Westport Supply Agreement (as supplemented by the abovementioned supplemental agreement but prior to the entering into of this latest Supplemental Agreement) remain unchanged. The Directors are of the view that the abovementioned methods and procedures under the pricing policies can ensure that this Continuing Connected Transaction is conducted on normal commercial terms and not prejudicial to the interests of the Company and the minority Shareholders.

The table below summarises the Existing Caps for the three years ending 31 December 2017 for this Continuing Connected Transaction:

	Year ended 31 December 2015 RMB	Year ended 31 December 2016 RMB	Year ending 31 December 2017 RMB
Existing Cap	3,100,000,000	3,500,000,000	3,900,000,000

The table below summarises the actual transaction amounts involved for each of the two years ended 31 December 2016 (audited) and the 6 months ended 30 June 2017 (unaudited) for this Continuing Connected Transaction:

	Year ended 31 December 2015 RMB	Year ended 31 December 2016 RMB	6 months ended 30 June 2017 RMB
Actual transaction amount	456,185,388	488,439,091	1,010,819,161

The Company estimates that the transaction amount of this Continuing Connected Transaction for the three years ending 31 December 2020 shall not exceed RMB2,600,000,000, RMB3,000,000,000 and RMB3,500,000,000 respectively, and the same have been accordingly set as the proposed New Caps for this Continuing Connected Transaction.

The said base engines, gas engine parts and related products sold by the Group to Weichai Westport are modified and assembled by Weichai Westport into gas engines, which are in turn sold by Weichai Westport back to the Group for onward sale to its customers. According to the sales projection of the Group's heavy-duty vehicles (with gas engines installed) and gas engines, the Company expects that the transaction amount of the said base engines, gas engine parts and related products sold by the Group to Weichai Westport for modification and assembly into gas engines shall maintain a steady growth for the three years ending 31 December 2020, in line with an expected increase in the volume of gas engines, gas engine parts and related products to be sold by the Group to third party customers after purchasing the same from Weichai Westport, and the national policies of the PRC and the Group's development plans which are expected to be favourable to the market of the Group's gas engines.

The proposed New Caps have been prepared by the Company primarily based on (i) the historical transaction amounts, (ii) the estimate of the volume of base engines, gas engine parts, utility and labour services, technology development services and related products and services required by Weichai Westport, (iii) the average unit prices of such base engines, gas engine parts and related products; and (iv) the expected transaction amount of this Continuing Connected Transaction for the three years ending 31 December 2020. Taking into account and on the basis of all the aforesaid factors, it is estimated that the overall transaction amount of the sale of the Group's base engines, gas engine parts, utility and labour services, technology development services and related products to Weichai Westport on an annual basis will increase by approximately 15.38% and 16.67% for each of the two years ending 31 December 2020, respectively.

The table below summarises the proposed New Caps for the Continuing Connected Transaction as set out in this sub-section for the three years ending 31 December 2020:

	For the year ending 31 December 2018 RMB	For the year ending 31 December 2019 RMB	For the year ending 31 December 2020 RMB
New Cap	2,600,000,000	3,000,000,000	3,500,000,000

As the highest percentage ratio calculated in accordance with the Listing Rules for this Continuing Connected Transaction for the three years ending 31 December 2020 (when aggregated with the proposed New Caps for the same period under sub-section A.2) exceed the 5% Threshold, it constitutes a Non-exempt Continuing Connected Transaction of the Company for the relevant period, and the proposed New Caps for the relevant period are subject to the reporting and announcement, the annual review requirements, and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since this Continuing Connected Transaction for the three years ending 31 December 2020 (on an aggregated basis) is a Non-exempt Continuing Connected Transaction and the proposed New Caps for the relevant period are subject to the approval of the Independent Shareholders, this Supplemental Agreement is conditional upon the relevant resolution being passed at the EGM.

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

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

Agreement: Supplemental Agreement to the framework agreement in relation to the purchase of gas engines, gas engine parts and related products by the Company (and its subsidiaries and/or associates) from Weichai Westport (“**Weichai Westport Purchase Agreement**”) dated 25 December 2012 (as supplemented by the supplemental agreement dated 8 December 2014)

Date: 14 July 2017

Parties: 1. (a) The Company
(b) Weichai Reproduction
(c) Weichai After-sales Services; and
2. Weichai Westport

Term: 1 January 2018 to 31 December 2020

Other terms and details:

Pursuant to the Weichai Westport Purchase Agreement (as supplemented by the abovementioned supplemental agreement but prior to the entering into of this latest Supplemental Agreement), each of the Company, Weichai Reproduction and Weichai After-sales Services has purchased certain gas engines, gas engine parts and related products from Weichai Westport, at market prices and/or prices agreed according to the principle of fairness and reasonableness and settled on a monthly basis, for a term from 1 January 2015 to 31 December 2017, upon the expiry of which the parties may extend the term for three years on a mutually agreed basis. This Continuing Connected Transaction has been conducted on normal commercial terms and terms no less favourable to the Company than those available to the Company from independent third parties.

Pursuant to this Supplemental Agreement, each of the Company, Weichai After-sales Services and Weichai Reproduction (and/or other associates of the Company) shall purchase certain gas engines, gas engine parts, labour services and related products and services from Weichai Westport, on the same terms for a term from 1 January 2018 to 31 December 2020, upon the expiry of which the parties may extend the term for three years on a mutually agreed basis. The sale price of the said products and services is determined according to the following mechanism: the market management department of the Company shall regularly carry out market research and analysis on a quarterly basis, taking into account a number of factors (including the prices of at least one to two relevant products in the market in general, market share, orders situation and performance of major competitors in the market). The final price shall be determined based on arm's length negotiations between the parties. The price management department shall review the reasonableness of the price on a regular basis and make adjustments where necessary. Save as set out herein, all other terms of the Weichai Westport Purchase Agreement (as supplemented by the abovementioned supplemental agreement but prior to the entering into of this latest Supplemental Agreement) remain unchanged. The Directors are of the view that the abovementioned methods and procedures under the pricing policies can ensure that this Continuing Connected Transaction is conducted on normal commercial terms and not prejudicial to the interests of the Company and the minority Shareholders.

The table below summarises the Existing Caps for the three years ending 31 December 2017 for this Continuing Connected Transaction:

	Year ended 31 December 2015 RMB	Year ended 31 December 2016 RMB	Year ending 31 December 2017 RMB
Existing Cap	5,300,000,000	5,600,000,000	6,000,000,000

The table below summarises the actual transaction amounts involved for each of the two years ended 31 December 2016 (audited) and the 6 months ended 30 June 2017 (unaudited) for this Continuing Connected Transaction:

	Year ended 31 December 2015 RMB	Year ended 31 December 2016 RMB	6 months ended 30 June 2017 RMB
Actual transaction amount	1,032,309,947	959,290,002	2,052,491,000

The Company estimates that the transaction amount of this Continuing Connected Transaction for the three years ending 31 December 2020 shall not exceed RMB5,400,000,000, RMB6,300,000,000 and RMB7,000,000,000 respectively, and the same have been accordingly set as the proposed New Caps for this Continuing Connected Transaction.

According to the sales projection of the Group's heavy-duty vehicles (with gas engines installed) and gas engines, the Company expects that the transaction amount of the said gas engines, gas engine parts and related products purchased by the Group from Weichai Westport to maintain a steady growth for the three years ending 31 December 2020, in line with an increase in the volume of gas engines, gas engine parts and related products to be sold by the Group to third party customers after purchasing the same from Weichai Westport, and the national policies of the PRC and the Group's development plans which are expected to be favourable to the market of the Group's gas engines.

The proposed New Caps have been prepared by the Company primarily based on (i) the historical transaction amounts, (ii) the estimate of the volume of gas engines, gas engine parts, labour services and related products and services to be purchased by the Group from Weichai Westport, (iii) the average unit prices of such gas engines, gas engine parts and related products; and (iv) the expected transaction amount of this Continuing Connected Transaction for the three years ending 31 December 2020. Taking into account and on the basis of all the aforesaid factors, it is estimated that the overall transaction amount of the purchase of gas engines, gas engine parts, labour services and related products and services by the Group from Weichai Westport on an annual basis will increase approximately 16.67% and 11.11% for each of the two years ending 31 December 2020, respectively.

The table below summarises the proposed New Caps for the Continuing Connected Transaction as set out in this sub-section for the three years ending 31 December 2020:

	For the year ending 31 December 2018 RMB	For the year ending 31 December 2019 RMB	For the year ending 31 December 2020 RMB
New Cap	5,400,000,000	6,300,000,000	7,000,000,000

As the highest percentage ratio calculated in accordance with the Listing Rules for this Continuing Connected Transaction for the three years ending 31 December 2020 (when aggregated with the proposed New Caps for the same period under sub-section A.1) exceed the 5% Threshold, it constitutes a Non-exempt Continuing Connected Transaction of the Company for the relevant period, and the proposed New Caps for the relevant period are subject to the reporting and announcement requirements, the annual review requirements, and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since this Continuing Connected Transaction for the three years ending 31 December 2020 (on an aggregated basis) is a Non-exempt Continuing Connected Transaction and the proposed New Caps are subject to the approval of the Independent Shareholders, this Supplemental Agreement is conditional upon the relevant resolution being passed at the EGM.

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

B. TAGC Continuing Connected Transaction

Continuing connected transaction between Shaanxi Zhongqi (and its subsidiaries) and Shaanxi Automotive (and its associates)

Shaanxi Zhongqi and its subsidiaries

Shaanxi Zhongqi is a 51% subsidiary of the Company and is principally engaged in the manufacture and sale of heavy-duty vehicles and parts and components of heavy-duty vehicles.

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

Jinding is held as to approximately 95.76% by Shaanxi Zhongqi and as to approximately 4.24% by Hande Axle and is principally engaged in the research and development, production and processing of casting products.

Shaanxi Import and Export is a wholly-owned subsidiary of Shaanxi Zhongqi and is principally engaged in the import and export of vehicles and their parts and components.

Tiangua is a wholly-owned subsidiary of Shaanxi Zhongqi and is principally engaged in the conversion of vehicles and the sale of vehicles and their parts and components.

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

Shaanxi Automotive and its associates

Shaanxi Automotive is engaged in investment holding. Shaanxi Automotive is a substantial shareholder of Shaanxi Zhongqi (which is a subsidiary of the Company) and is accordingly a connected person of the Company.

Shaanxi Wanfang is a wholly-owned subsidiary of Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanxi Wanfang is principally engaged in the sale of parts and components of vehicles.

Shaanxi Huazhen is wholly-owned by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanxi Huazhen is principally engaged in the sale of vehicles and parts and components of vehicles.

Shaanxi Lantong is held as to approximately 59.99% by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanxi Lantong is principally engaged in the sale of parts and components of vehicles.

Shaanxi Tongchuang is held as to approximately 50% by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanxi Tongchuang is principally engaged in the sale of parts and components of vehicles.

Shaanxi Tongli is held as to approximately 99% by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanxi Tongli is principally engaged in the sale of special purpose vehicles and parts and components of vehicles.

Wenzhou Yunding is held as to approximately 30% by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Wenzhou Yunding is principally engaged in the research and development, manufacture, sale and services of parts and components of vehicles.

Changsha Huantong is held as to approximately 49% by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Changsha Huantong is principally engaged in the development and sale of vehicles, automobile chassis and parts and components of vehicles.

Xunyang Baotong is held as to approximately 61.61% by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Xunyang Baotong is principally engaged in the manufacture and sale of parts and components of vehicles.

Yanan Vehicle is held as to approximately 51% by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Yanan Vehicle is principally engaged in the manufacture, research and development, and sale of special purpose vehicles.

Shaanxi Fangyuan is a wholly-owned subsidiary of Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanxi Fangyuan is principally engaged in the manufacture and sale of parts and components of vehicles.

Shaanqi Holdings holds approximately 61.22% of the equity interest in Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanqi Holdings is principally engaged in vehicle industry, business investment, investment management and consultancy.

Shaanqi Industry is held as to approximately 60.09% by Shaanqi Holdings and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanqi Industry is principally engaged in project investment, asset management, logistic service and management, venue rental, investment management and consultancy.

Baoji Huashan is held as to approximately 58.42% by Shaanqi Industry and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Baoji Huashan is principally engaged in the manufacture and sale of special purpose vehicles and their parts and components.

Dongfeng Axle is held as to approximately 45.73% by Shaanqi Industry and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Dongfeng Axle is principally engaged in the sale of parts and components of vehicles.

Xian Lande is wholly-owned by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Xian Lande is principally engaged in the development of new energy vehicle technology, technical consultation, technical service, technology transfer, production and sale of vehicle parts, and sale of vehicles (excluding cars).

Shaanxi Dongming is held as to approximately 63.89% by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanxi Dongming is principally engaged in the research and development, production and sale of vehicle parts and components, electric axles, low-speed electric vehicles and sale of heavy-duty vehicles.

Huazhen Trading is wholly-owned by Shaanqi Industry and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Huazhen Trading is principally engaged in logistic management and service, and the sale of scrap metals and non-metal recycle resources.

Zhongjiao Tianjian is indirectly held as to 65% by Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Zhongjiao Tianjian is principally engaged in development, transfer and consultation of and for networking technology for vehicles; information service for road traffic and transportation; logistics information service; sale of electronic products and communication equipment; computer system integration; development of software; development of scientific research projects and transfer of technological results.

Deyin Logistic is an indirect wholly-owned subsidiary of Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Deyin Logistic is principally engaged in transportation of general goods, (container) transportation, transportation agency within the PRC; sale of commercial vehicles and passenger vehicles of less than 9 seats, automobile accessories, lubricating oil, construction materials, metal materials, chemical products (other than inflammable and explosive hazardous chemical products) and hardware and electric products; leasing of vehicles, construction machinery and self-owned equipment.

Tonghui Logistic is an indirect subsidiary of Shaanxi Automotive and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Tonghui Logistic is principally engaged in distribution and warehousing of goods (other than hazardous items), transportation of general goods; transportation agency; consultation for logistics information; logistics and packaging; sale of automobile accessories; processing, assembling and repairing of machinery (other than special equipment).

Purchase of parts and components of vehicles, scrap steel and related products and labour services by Shaanxi Zhongqi (and its subsidiaries) from Shaanxi Automotive (and its associates)

Agreement: Supplemental agreement to the parts and components and scrap steel purchase agreement (“**Shaanxi Zhongqi Purchase Agreement**”) dated 1 August 2007 (as supplemented by the supplemental agreements dated 27 November 2008, 23 August 2010, 29 August 2013, 29 April 2014, and 30 August 2016, respectively)

Date: 14 July 2017

- Parties:
1.
 - (a) Shaanxi Zhongqi
 - (b) Hande Axle
 - (c) Jinding
 - (d) Shaanxi Import and Export
 - (e) Tiangua
 - (f) Weichai Freshen Air
 2.
 - (a) Shaanxi Automotive
 - (b) Shaanqi Holdings
 - (c) Shaanqi Industry
 - (d) Shaanxi Wanfang
 - (e) Shaanxi Huazhen
 - (f) Shaanxi Lantong
 - (g) Shaanxi Tongchuang
 - (h) Baoji Huashan
 - (i) Shaanxi Fangyuan
 - (j) Wenzhou Yunding
 - (k) Changsha Huantong
 - (l) Xunyang Baotong
 - (m) Dongfeng Axle
 - (n) Xian Lande
 - (o) Shaanxi Tongli
 - (p) Shaanxi Dongming
 - (q) Yanan Vehicle
 - (r) Huazhen Trading
 - (s) Deyin Logistic
 - (t) Tonghui Logistic
 - (u) Zhongjiao Tianjian

Term: 1 January 2017 to 31 December 2019

Other terms and details:

Pursuant to the Shaanxi Zhongqi Purchase Agreement dated 1 August 2007 (as supplemented by the abovementioned supplemental agreements but prior to the entering into of this latest Supplemental Agreement), each of Shaanxi Zhongqi and its subsidiaries (as set out above) (and/or other subsidiaries of Shaanxi Zhongqi) (as the case may be) has purchased certain parts and components of vehicles, scrap steel and related products and labour services (as the case may be) from Shaanxi Automotive and its associates (as set out in the announcement of the Company dated 30 August 2016 (and/or other associates of Shaanxi Automotive) (as the case may be), at market prices and settled by the relevant parties every one to three months, for a term ending 31 December 2019, upon the expiry of the same, the parties shall have an option to renew the agreement for a term of three years on a mutually agreed basis.

Pursuant to this latest Supplemental Agreement, each of Shaanxi Zhongqi and its subsidiaries (as set out above) (and/or other subsidiaries of Shaanxi Zhongqi) and Weichai Freshen Air (as the case may be) shall purchase certain parts and components of vehicles, scrap steel and related products and labour services (as the case may be) from Shaanxi Automotive and its associates (as set out above) (and/or other associates of Shaanxi Automotive) (as the case may be) on the same terms for a term of three years ending 31 December 2019, upon the expiry of which the parties may renew the term for another three years on a mutually agreed basis. Save as set out herein, all other terms of the Shaanxi Zhongqi Purchase Agreement (as supplemented by the abovementioned supplemental agreements but prior to the entering into of this latest Supplemental Agreement) remain unchanged.

The purchase price of the said products is determined according to the following mechanism: through market analysis of the products (including reviewing the prices of not less than three products of the same category in the market in general) by the specific departments of the purchaser, a proposal on the purchase price, after an analysis regarding the reasonableness of the sale price taking into account the cost of materials, labour cost and processing cost (the Company shall conduct an analysis on such costs in respect of the products and compare the same against the quote from the relevant seller), shall be submitted to the price management department of the purchaser for approval. After commercial negotiations between the purchaser and the seller on the basis of the said proposal, final sale price shall be determined based on arm's length negotiations between the purchaser and seller. The said price management department shall review the reasonableness of the sale price on a regular basis and make adjustments (where necessary) (such department shall review the prices of materials in the first quarter of a year during which new purchase orders are entered into, and thereafter, review such prices on a monthly basis). 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.

The table below summarises the Existing Caps for the three years ending 31 December 2019 for the Continuing Connected Transaction set out in this sub-section:

	2017	2018	2019
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Existing Cap	4,950,000,000	5,200,000,000	5,460,000,000

The table below summarises the actual aggregate transaction amounts involved for the two years ended 31 December 2016 (audited) and the 6 months ended 30 June 2017 (unaudited) for the Continuing Connected Transaction set out in this sub-section:

	Year ended 31 December		6 months ended 30 June
	2015	2016	2017
	RMB	RMB	RMB
Actual transaction amount	1,394,926,062	4,153,932,561	3,129,248,751

The implementation of 《汽車、掛車及汽車列車外廓尺寸、軸荷及質量限值》(Limits of Dimensions, Axle Load and Masses for Motor Vehicles, Trailers and Combination Vehicles) (GB1589-2016) standard and the new anti-overloading policies in the PRC, and the State's macroeconomic policies and the rapid growth of fixed assets and infrastructure investments in the PRC in recent years have stimulated the development of the heavy-duty vehicles industry in the PRC.

Since Shaanxi Zhongqi and its subsidiaries set out above are principally engaged in the manufacture and sale of heavy-duty vehicles and related products, the Directors believe that such businesses will be benefited by the above. The Directors believe that the demand for the products of Shaanxi Zhongqi and its subsidiaries and in view of the transaction amount of this Continuing Connected Transaction for the first six months of 2017, the volume of parts and components required from Shaanxi Automotive and/or its associates for the production of such products, will increase substantially for the three years ending 31 December 2019 as compared to the transaction amounts for the last two years.

The Company estimates that the transaction amounts in respect of the Continuing Connected Transaction set out in this sub-section B will not exceed RMB7,200,000,000, RMB8,500,000,000 and RMB9,100,000,000, respectively, for each of the three years ending 31 December 2019 and such amounts have accordingly been set as the New Caps for this Continuing Connected Transaction.

The above proposed New Caps have been estimated by the Company primarily based on (i) the relevant historical transaction amounts; (ii) the estimated increase in the volume and price of the parts and components of vehicles to be purchased by Shaanxi Zhongqi and its subsidiaries (as the case may be) in view of the implementation of the Thirteenth Five-year Plan; and (iii) the expected increase in the cost of production. Taking into account and on the basis of all the aforesaid factors, it is estimated that the overall transaction amount of the said purchase of parts and components of vehicles, scrap steel and related products and labour services will increase by approximately 18.06% and 7.06% for each of the years ending 31 December 2018 and 2019, respectively.

The table below summarises the proposed New Caps for the Continuing Connected Transaction set out in this sub-section B for the three years ending 31 December 2019:

	2017 <i>RMB</i>	2018 <i>RMB</i>	2019 <i>RMB</i>
New Cap	7,200,000,000	8,500,000,000	9,100,000,000

Since (i) Shaanxi Automotive is regarded as a connected person of the Company at subsidiary level; (ii) the Board (including all the independent non-executive Directors) has approved this TAGC Continuing Connected Transaction; and (iii) the independent non-executive Directors have confirmed that the terms of this TAGC Continuing Connected Transaction and the New Caps are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, this TAGC Continuing Connected Transaction is subject to the reporting and announcement requirements but is exempt from circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

Since this TAGC Continuing Connected Transaction for the three years ending 31 December 2019 is an Exempt Continuing Connected Transaction, this Supplemental Agreement is not subject to the approval of the independent Shareholders under the Listing Rules.

However, since the TAGC Continuing Connected Transaction (and the relevant Supplemental Agreement) are subject to the approval of the Independent Shareholders pursuant to the Shenzhen Listing Rules, the same are conditional upon such approval at the EGM.

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

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

As prior to completion of the Merger, Shaanxi Zhongqi has conducted the TAGC Continuing Connected Transaction with Shaanxi Automotive (and its associates) (as the case may be) for many years and the Company has taken up such TAGC Continuing Connected Transaction after completion of the Merger, the Directors (including the independent non-executive Directors), consider it to be beneficial to the Company to continue to conduct the TAGC Continuing Connected Transaction in order to ensure and maximise operating efficiency and stability of the operations of the Group.

The Directors (excluding the independent non-executive Directors in respect of the Non-exempt Continuing Connected Transactions who will provide their views after considering the advice of the Independent Financial Adviser) have confirmed that all the Continuing Connected Transactions have been subject to arm's length negotiation between the Group and the relevant parties, and have been entered into by the Group in the ordinary and usual course of business and either (i) on normal commercial terms or better, or (ii) on terms no less favourable to the Group than those available to or from (as appropriate) independent third parties.

The Directors (excluding the independent non-executive Directors in respect of the Non-exempt Continuing Connected Transactions who will provide their views after considering the advice of the Independent Financial Adviser) are of the view that all the Continuing Connected Transactions, and the relevant proposed New Caps, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

At the meeting of the Board on 14 July 2017 approving, *inter alia*, the Continuing Connected Transactions, Mr. Yuan Hongming (an executive Director) has abstained from voting on the resolution in respect of the TAGC Continuing Connected Transaction for the reason of his position in the relevant connected person. Save as disclosed above, no other Directors have any material interest in the Continuing Connected Transactions.

Listing Rules implications

As the highest percentage ratio calculated in accordance with the Listing Rules for the Weichai Continuing Connected Transactions for the three years ending 31 December 2020 under the Supplemental Agreements (on an aggregated basis) exceed the 5% Threshold, they constitute Non-exempt Continuing Connected Transactions of the Company and their respective proposed New Caps will be subject to the reporting and announcement requirements, the annual review requirements, and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Further, since (i) Shaanxi Automotive is regarded as a connected person of the Company at subsidiary level; (ii) the Board (including all the independent non-executive Directors) has approved the TAGC Continuing Connected Transaction; and (iii) the independent non-executive Directors have confirmed that the terms of the TAGC Continuing

Connected Transaction and the relevant New Caps are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the TAGC Continuing Connected Transaction is subject to the reporting and announcement requirements but is exempt from circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules. However, the TAGC Continuing Connected Transaction is subject to the approval of the Independent Shareholders pursuant to the Shenzhen Listing Rules.

IV. PRC CONTINUING CONNECTED TRANSACTIONS

As set out in announcement of the Company dated 8 December 2014 and the circular of the Company dated 7 January 2015, in addition to the Weichai Continuing Connected Transactions, certain transactions which have been conducted between the Group and Weichai Westport in the ordinary course of business are set out under this section (the **“PRC Continuing Connected Transactions”**). On 14 July 2017, the Group has entered into the PRC Supplemental Agreements to (i) the framework agreement in relation to the provision of logistics and storage services by Weichai Logistics (and its associates) to Weichai Westport (**“Weichai Westport Logistics Agreement”**) dated 25 December 2012 (as supplemented by the supplemental agreements dated 28 November 2013 and 8 December 2014, respectively); and (ii) the framework agreement in relation to the leasing of factory buildings by the Company to Weichai Westport (**“Weichai Westport Leasing Agreement”**) dated 25 December 2012 (as supplemented by the supplemental agreement dated 8 December 2014), and shall apply for the new caps for such PRC Continuing Connected Transactions for the three years ending 31 December 2020. The proposed new caps for each of such transactions for the term from 1 January 2018 to 31 December 2020 do not exceed the 0.1% Threshold, and, accordingly, are not subject to the reporting, announcement and independent shareholders' approval requirements of the Listing Rules. Further, each of such PRC Continuing Connected Transactions is of a different nature from and is carried out independently of the Continuing Connected Transactions. However, pursuant to the requirements of the Shenzhen Listing Rules, the PRC Continuing Connected Transactions have been aggregated with the Weichai Continuing Connected Transactions, and such transactions (including the relevant agreements) are subject to the approval of the Independent Shareholders. For further details of the PRC Continuing Connected Transactions and the PRC Supplemental Agreements, please refer to the announcement of the Company dated 14 July 2017 on the website of The Shenzhen Stock Exchange.

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

The PRC Continuing Connected Transactions will include the following:

Name of connected person	Name of Group Company	Connected person's relationship with the Group	Nature of the connected transaction with the Group
Weichai Westport	The Company and Weichai Logistics (and/or its associates) (as the case may be) (<i>note 1</i>)	Weichai Westport is held as to 51% by Weichai Holdings, a substantial shareholder of the Company	(a) Provision of logistics and storage services by Weichai Logistics (and/or its associates) to Weichai Westport (b) Leasing of factory buildings by the Company to Weichai Westport

Note:

1. Weichai Logistics is a wholly-owned subsidiary of the Company.

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

Details of the relevant PRC Continuing Connected Transactions with Weichai Westport

		Proposed new caps		
		For the year ending 31 December 2018 RMB	For the year ending 31 December 2019 RMB	For the year ending 31 December 2020 RMB
1.	Provision of logistics and storage services by Weichai Logistics (and/or its associates) to Weichai Westport	9,500,000	12,000,000	16,000,000
2.	Leasing of factory buildings by the Company to Weichai Westport	9,000,000	9,000,000	9,000,000

V. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

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

will be appointed to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the Non-exempt Continuing Connected Transactions and their respective proposed New Caps.

VI. DESPATCH OF CIRCULAR

A circular containing, *inter alia*, (i) further details of the Weichai Continuing Connected Transactions; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the Weichai Continuing Connected Transactions; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Weichai Continuing Connected Transactions, will be despatched to the Shareholders in accordance with the requirements of Rule 14A.46(1) (as modified by Rule 19A.39A) of the Listing Rules and the PRC Company Law on or before 14 August 2017.

VII. 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
“5% Threshold”	the thresholds referred to in Rule 14A.76(2)(a) of the Listing Rules
“Baoji Huashan”	寶雞華山工程車輛有限責任公司 (Baoji Huashan Engineering Vehicles Co. Ltd.*), a company established in the PRC and a connected person of the Company
“Board”	the board of Directors
“Changsha Huantong”	陝西汽車集團長沙環通汽車製造有限公司 (Shaanxi Automobile Group Changsha Huantong Automobile Manufacturing Co. Ltd.*), a company established in the PRC and a connected person of the Company
“Company”	濰柴動力股份有限公司 (Weichai Power Co., Ltd.), a company established in the PRC with limited liability
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Continuing Connected Transaction(s)”	the continuing connected transaction(s) of the Group set out in the section headed “II. Continuing Connected Transactions” in this announcement, comprising the Weichai Continuing Connected Transaction(s) and the TAGC Continuing Connected Transaction

“Deyin Logistic”	陝西德銀物流有限公司 (Shaanxi Deyin Logistic Co., Ltd.*), a company established in the PRC and a connected person of the Company
“Director(s)”	the director(s) of the Company
“Dongfeng Axle”	陝西東風車橋傳動軸系統股份有限公司 (Shaanxi Dongfeng Axle Transmission Axle System Co., Ltd.*), a company established in the PRC and a connected person of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve, <i>inter alia</i> , the New Caps and the Supplemental Agreements in respect of the Continuing Connected Transactions and the PRC Continuing Connected Transactions
“Exempt Continuing Connected Transactions”	being those Continuing Connected Transactions exempt from circular, independent financial advice and shareholders’ approval requirements pursuant to Rule 14A.101 of the Listing Rules, or the proposed 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, are only subject to the reporting, announcement and annual review requirements of Chapter 14A of the Listing Rules
“Existing Cap(s)”	the existing cap(s) for the Continuing Connected Transactions set out in the section headed “II. Continuing Connected Transactions” in this announcement
“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
“Huazhen Trading”	陝西華臻工貿服務有限責任公司 (Shaanxi Huazhen Industry and Trading Services Co., Ltd.*), a company established in the PRC and a connected person of the Company

“Independent Board Committee”	a committee of the Board comprising, Mr. Loh Yih, Mr. Zhang Zhong, Mr. Wang Gongyong, Mr. Ning Xiangdong and Mr. Li Hongwu, being the independent non-executive Directors
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Non-exempt Continuing Connected Transactions
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the EGM
“Jinding”	陝西金鼎鑄造有限公司 (Shaanxi Jinding Casting Co., Ltd.*), a company established in the PRC and is held as to approximately 95.76% by Shaanxi Zhongqi and as to approximately 4.24% by Hande Axle
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Merger”	the Merger on 24 April 2007 (as announced in the announcement of the Company dated 25 April 2007), as a result of which the original subsidiaries of TAGC, together with other the assets and liabilities of TAGC, were absorbed by the Company
“New Cap(s)”	as defined in the section headed “II. Continuing Connected Transactions” in this announcement
“Non-exempt Continuing Connected Transactions”	being those Continuing Connected Transactions at the Company level the proposed New Caps for which exceed the 5% Threshold, and accordingly, they will be subject to the reporting requirements, the announcement requirement, the annual review requirements under the Listing Rules and approval from the Independent Shareholders at the EGM will be required
“PRC”	the People’s Republic of China
“PRC Continuing Connected Transactions”	the Continuing Connected Transactions set out under the section headed “IV. PRC Continuing Connected Transactions” in this announcement. For details, please refer to the announcement of the Company entitled 《潍柴動力股份有限公司日常持續性關聯交易公告》 (“Announcement of Weichai Power Co., Ltd. in respect of its Continuing Connected Transactions in the Ordinary Course of Business”) dated 14 July 2017 on the Shenzhen Stock Exchange

“PRC Supplemental Agreements”	the supplemental agreements in respect of the PRC Continuing Connected Transactions
“RMB”	Renminbi, the lawful currency of the PRC
“Shaanqi Holdings”	陝西汽車控股集團有限公司 (Shaanxi Automobile Holding Group Co., Ltd.*), a company established in the PRC and a connected person of the Company
“Shaanqi Industry”	陝西汽車實業有限公司 (Shaanxi Automobile Industry Co., Ltd.*), a company established in the PRC and a connected person of the Company
“Shaanxi Automotive”	陝西汽車集團有限責任公司 (Shaanxi Automobile Group Co. Ltd.*), a company established in the PRC and a connected person of the Company
“Shaanxi Dongming”	陝西東銘車輛系統股份有限公司 (Shaanxi Dongming Vehicle System Co., Ltd.*), a company established in the PRC and a connected person of the Company
“Shaanxi Fangyuan”	陝西方圓汽車標準件有限公司 (Shaanxi Fangyuan Automobile Standard Components Co. Ltd.*), a company established in the PRC and a connected person of the Company
“Shaanxi Huazhen”	陝西華臻三產工貿有限責任公司 (Shaanxi Huazhen Sancan Industry and Trading Co. Ltd.*), a company established in the PRC and a connected person of the Company
“Shaanxi Import and Export”	陝西重型汽車進出口有限公司 (Shaanxi Heavy Duty Automotive Import and Export Co., Ltd.*), a company established in the PRC and a wholly-owned subsidiary of Shaanxi Zhongqi
“Shaanxi Lantong”	陝西藍通傳動軸有限公司 (Shaanxi Lantong Transmission Axle Co., Ltd.*), a company established in the PRC and a connected person of the Company
“Shaanxi Tongchuang”	陝西同創華亨汽車散熱裝置器有限責任公司 (Shaanxi Tongchuang Huaheng Vehicle Radiator Co. Ltd.*), a company established in the PRC and a connected person of the Company
“Shaanxi Tongli”	陝西通力專用汽車有限責任公司 (Shaanxi Tongli Special Purpose Vehicle Co. Ltd.*), a company established in the PRC and a connected person of the Company

“Shaanxi Wanfang”	陝西萬方汽車零部件有限公司 (Shaanxi Wanfang Vehicle Parts and Components Co. Ltd.*), a company established in the PRC and a connected person 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
“Shenzhen Listing Rules”	《股票上市規則》(“listing rules”) of the Shenzhen Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreements”	the supplemental agreements relating to the Continuing Connected Transactions entered into between the Group and the relevant connected persons as more particularly set out in the section headed “II. Continuing Connected Transactions” in this announcement and “Supplemental Agreement” means any of them
“TAGC”	湘火炬汽車集團股份有限公司 (Torch Automotive Group Co., Ltd.*), a company established in the PRC and has ceased to exist
“TAGC Continuing Connected Transaction”	the Continuing Connected Transaction under section II.B. of this announcement
“Tiangua”	天津市天掛車輛有限公司 (Tianjin Tiangua Automotive Co., Ltd.*), a company established in the PRC and is a wholly-owned subsidiary of Shaanxi Zhongqi
“Tonghui Logistic”	陝西通匯物流有限公司 (Shaanxi Tonghui Logistic Co., Ltd.*), a company established in the PRC and a connected person of the Company
“Weichai After-sales Services”	濰柴 (濰坊) 後市場服務有限公司 (Weichai (Weifang) After-sales Market Services Co., Ltd.*) (formerly known as 濰柴動力 (濰坊) 備品資源公司 (Weichai Power Reserves and Resources Company Limited*)), a company established in the PRC and a subsidiary of the Company
“Weichai Continuing Connected Transaction(s)”	the Continuing Connected Transaction(s) under section II.A. of this announcement

“Weichai Freshen Air”	濰柴動力空氣淨化科技有限公司 (Weichai Power Freshen Air Technology Co., Ltd.*), a company established in the PRC and a wholly-owned subsidiary of the Company
“Weichai Holdings”	濰柴控股集團有限公司 (Weichai Group Holdings Limited*) (formerly known as 濰坊柴油機廠 (Weifang Diesel Engine Works*)), a legal person established in the PRC, a substantial shareholder of the Company and a connected person of the Company
“Weichai Logistics”	濰柴動力(濰坊)集約配送有限公司 (Weichai Power (Weifang) Intensive Logistics Co., Ltd.*), a company established in the PRC and a wholly-owned subsidiary of the Company
“Weichai Reproduction”	濰柴動力(濰坊)再製造有限公司 (Weichai Power (Weifang) Reconstruction Co., Ltd.*), a company established in the PRC and a subsidiary of the Company
“Weichai Westport”	濰柴西港新能源動力有限公司 (formerly known as “濰柴動力西港新能源發動機有限公司”) (Weichai Westport Inc.), a company established in the PRC and a connected person of the Company
“Weichai Westport Leasing Agreement”	has the meaning as ascribed to it under the section headed “IV. PRC Continuing Connected Transactions” in this announcement
“Weichai Westport Logistics Agreement”	has the meaning as ascribed to it under the section headed “IV. PRC Continuing Connected Transactions” in this announcement
“Weichai Westport Purchase Agreement”	has the meaning ascribed to it under the section headed “II.A.2. Purchase of gas engines, gas engine parts, labour services and related products and services by the Company (and its subsidiaries and/or associates) from Weichai Westport” in this announcement
“Weichai Westport Supply Agreement”	has the meaning ascribed to it under the section headed “II.A.1. Supply of base engines, gas engine parts, utility and labour services, technology development services and related products and services by the Company (and its subsidiaries and/or associates) to Weichai Westport” in this announcement

“Wenzhou Yunding”	陝西汽車集團溫州雲頂汽車有限公司 (Shaanxi Vehicle Group Wenzhou Yunding Vehicle Co., Ltd.*), a company established in the PRC and a connected person of the Company
“Xian Lande”	西安蘭德新能源汽車技術開發有限公司 (Xian Lande New Energy Technology Development Co., Ltd.*), a company established in the PRC and a connected person of the Company
“Xunyang Baotong”	陝西汽車集團旬陽寶通專用車有限公司 (Shaanxi Vehicle Group Xunyang Baotong Special Purpose Vehicle Co., Ltd.*), a company established in the PRC and a connected person of the Company
“Yanan Vehicle”	陝西汽車集團延安專用車有限公司 (Shaanxi Vehicle Group Yanan Special Purpose Vehicle Co., Ltd.*), a company established in the PRC and a connected person of the Company
“Zhongjiao Tianjian”	陝西中交天健車聯網信息技術有限公司 (Shaanxi Zhongjiao Tianjian Vehicle Net Information Technology Co., Ltd.*), a company established in the PRC and a connected person of the Company
“%”	per cent

* For identification purposes only

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

Hong Kong, 14 July 2017

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