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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)

ANNOUNCEMENT CONTINUING CONNECTED TRANSACTION

SUMMARY

The Board announces that on 30 July 2021, the Group has entered into the Supplemental Agreement in respect of the Continuing Connected Transaction as more particularly described herein.

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 Continuing Connected Transaction; and (iii) the independent non-executive Directors have confirmed that the terms of the 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 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.

I. INTRODUCTION

Reference is made to the announcement of the Company dated 2 August 2019, in respect of, *inter alia*, the Continuing Connected Transaction of the Company where the Existing Caps for the Continuing Connected Transaction were set.

For this Continuing Connected Transaction, the Company proposes to revise its Existing Caps for the two years ending 31 December 2022. For such purpose, the Group entered into the Supplemental Agreement. The Supplemental Agreement and the relevant New Caps in respect of the Continuing Connected Transaction are unconditional.

A summary of the Continuing Connected Transaction, the Supplemental Agreement, the Existing Caps, the actual transaction amounts of the Continuing Connected Transaction for the relevant periods and the New Caps (and their bases) is set out in the section headed "II. Continuing Connected Transaction" in this announcement.

II. CONTINUING CONNECTED TRANSACTION

SUMMARY OF THE CONTINUING CONNECTED TRANSACTION AND THE NEW CAPS

The Continuing Connected Transaction is as follows:

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 5</i>)	The Company, Shaanxi Zhongqi (<i>note 1</i>), Hande Axle (<i>note 2</i>), Jinding (<i>note 3</i>) and Shaanxi Import and Export (<i>note 4</i>) (as the case may be)	Holder of 49% of the equity of Shaanxi Zhongqi	Sale of vehicles, parts and components of vehicles, raw materials and related products and provision of the relevant services by the Company (and its subsidiaries) to Shaanxi Automotive (and its associates)

Notes:

1. *Shaanxi Zhongqi is a 51% subsidiary of the Company.*
2. *Hande Axle is held as to approximately 3.06% by the Company and as to approximately 94% by Shaanxi Zhongqi.*
3. *Jinding is held as to approximately 53.21% by Shaanxi Zhongqi and as to approximately 46.79% by Hande Axle.*
4. *Shaanxi Import and Export is a wholly-owned subsidiary of Shaanxi Zhongqi.*
5. *As more particularly described in the section headed "II. Continuing Connected Transaction — Continuing Connected Transaction between the Company and Shaanxi Zhongqi (and their subsidiaries) and Shaanxi Automotive (and its associates)" in this announcement.*

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

Details of the Continuing Connected Transaction

New Caps	
For the year ending 31 December 2021 RMB	For the year ending 31 December 2022 RMB

Shaanxi Automotive (and its associates)

Sale of vehicles, parts and components of vehicles, raw materials and related products and provision of relevant services by the Company (and its subsidiaries) to Shaanxi Automotive (and its associates)	5,200,000,000*	5,850,000,000*
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Note: Where a New Cap is marked “”, that means the proposed New Caps for the relevant Continuing Connected Transactions are exempt from the approval by the independent Shareholders pursuant to Rule 14A.101 of the Listing Rules.*

DETAILS OF THE CONTINUING CONNECTED TRANSACTION AND THE RELEVANT SUPPLEMENTAL AGREEMENT

Continuing Connected Transaction between the Company and Shaanxi Zhongqi (and their subsidiaries) and Shaanxi Automotive (and its associates)

The Company, Shaanxi Zhongqi and their subsidiaries

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

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 53.21% by Shaanxi Zhongqi and as to approximately 46.79% 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.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries: (1) the parent company of the Company is Weichai Holdings, which is, in turn, wholly owned by Shandong Heavy Industry; and (2) Shandong Heavy Industry is ultimately controlled and governed by Shandong Provincial People's Government (山東省人民政府).

Shaanxi Automotive and its associates

Shaanxi Automotive is engaged in the research and development, production, sale and services of vehicles and their parts and components. 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. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Shaanxi Automotive is ultimately beneficially owned as to approximately 95.46% by a number of PRC government institutions including the State-owned Assets Supervision and Administration Commission of Shaanxi Provincial People's Government (陝西省人民政府國有資產監督管理委員會) and the Department of Finance of Shaanxi Province (陝西省財政廳) and as to approximately 4.54% by twelve natural persons.

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 research and development, production, sale and services 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 research and development, production and sale of parts and components of vehicles and cutting and cooling fluid.

Shaanxi Lantong is held as to approximately 59.99% by Shaanxi Automotive and as to approximately 40.01% by Wanxiang Qianchao Co., Ltd. (a company that is principally engaged in the research, development and manufacturing of parts and components of vehicles and whose shares are listed on the Shenzhen Stock Exchange), and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanxi Lantong is principally engaged in the research and manufacturing, development, production and sale of transmission axles and parts and components of vehicles and refined castings.

Shaanxi Tongli is wholly-owned 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 research and development, production and sale of special purpose vehicles, parts and components of vehicles and construction machineries.

Shaanxi Fangyuan is a wholly-owned subsidiary of Shaanqi Industry and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanxi Fangyuan is principally engaged in the research and development, manufacturing and sale of high-strength special fasteners, standard fasteners and standard components; research and development, manufacturing and sale of non-standard fasteners and relevant special-shaped components of vehicles; and sale and service of vehicles and their accessories.

Shaanqi Holdings holds approximately 67.06% 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 as to approximately 39.31% by four other corporate shareholders which are ultimately beneficially owned by a number of PRC government institutions including the State-owned Assets Supervision and Administration Commission of Shaanxi Provincial People's Government, the State-owned Assets Supervision and Administration Commission of Chongqing Municipal People's Government (重慶市人民政府國有資產監督管理委員會), the Ministry of Finance of the PRC (中國財政部) and the Department of Finance of Shaanxi Province, and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanqi Industry is principally engaged in investment activities with internal funds, asset management services for investment with internal funds, unit logistics management services, mechanical equipment leasing, road freight transportation and corporate management business.

Shaanqi Commercial Vehicle is held as to approximately 68.51% by Shaanxi Automotive and as to approximately 31.49% by the Administrative Committee of Baoji Hightech Industrial Development Zone* (寶雞高新技術產業開發區管理委員會) and the State-owned Assets Supervision and Administration Commission of Baoji Municipal People's Government (寶雞市人民政府國有資產監督管理委員會), and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanqi Commercial Vehicle is principally engaged in research and development, production, sales and service of vehicles and their assembly components.

Shaanxi Dongming is held as to approximately 63.89% by Shaanqi Industry, as to approximately 36.11% by Shaanxi Institute of Industrial Technology* (陝西工業技術研究院) (an institute ultimately beneficially owned by PRC government institutions), Shandong Meichen Ecology & Environment Co., Ltd. (a company whose shares are listed on the Shenzhen Stock Exchange and is mainly engaged in research and development, production and sales of rubber tire products), Dongfeng Axle (which is held as to approximately 45.73% by Shaanqi Industry, and as to approximately 31.66% by Liu Yanyun (劉彥雲) (a businessman), as to approximately 18.55% by Department of Finance of Shaanxi Province and as to approximately 4% by five other shareholders) and Zhang Yi (張毅) (a businessman), and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanxi Dongming is principally engaged in production and sale of new energy electric axles, light and compact vehicle axles, electric cruisers, sightseeing vehicles, fire engines, electric garbage trucks, refuse collection and cleaning vehicles, garbage collection boxes, garbage cans, electric rail vehicles, new energy electric vehicles, sanitation facilities, amusement facilities as well as sales of special equipment.

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 logistics management and services, hotel management, catering management, catering services, accommodation, and the procurement and sale of productive scrap metals, non-productive scrap metals and non-metal renewable resources.

Deyin Finance is a wholly-owned subsidiary of Deyin Tianxia (which is in turn held as to 92.09% by Shaanxi Automotive, approximately 7.19% by Shaanxi Zhongqi, and as to 0.72% by Shaanqi Commercial Vehicle, and is principally engaged in automobile parts sales, vehicle after-sales service, mechanical equipment leasing, vehicle leasing, second-hand vehicle information consultation, vehicle marketing planning, site leasing, investment, management and consulting of vehicles and automobile products) and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Deyin Finance is principally engaged in financial leasing.

Shanghai Yuanxing is a wholly-owned subsidiary of Deyin Tianxia and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shanghai Yuanxing is principally engaged in logistic and supply chain services.

Tonghui Logistic is a wholly-owned subsidiary of Deyin Tianxia and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Tonghui Logistic is principally engaged in logistic and supply chain services.

Shaanxi Heavy-duty Special Vehicles is indirectly held as to approximately 95.02% by Shaanxi Automotive and held as to approximately 4.98% by Shaanqi Industry, and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Shaanxi Heavy-duty Special Vehicles is principally engaged in the manufacturing, sale and import and export businesses of semi-suspension vehicles, self-unload vehicles, cement mixing trucks, crane trucks, closed trucks and refitted vehicles, processing, manufacturing, sale and import and export businesses of automotive parts and components (other than products and technologies restricted or prohibited for import and export by the state in the import and export business); processing of rubber products and processing of machinery; repair of heavy-duty vehicles; repair of medium-duty vehicles; repair of forklift trucks; leasing of equipment, land and factories; transportation of general goods.

Wanfang Tianyun is held as to 75% by Shaanxi Wanfang (a wholly-owned subsidiary of Shaanxi Automotive) and ultimately beneficially held as to 25% by Guo Guoxian (郭國憲), Li Hui (李慧) and Yin Mingde (殷明德) (businessmen), and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Wanfang Tianyun is principally engaged in the research and manufacturing, development, production and sale of automotive appliances and electronic products.

Huazhen Automobile Parts is a wholly-owned subsidiary of Shaanxi Huazhen, which is in turn a wholly-owned subsidiary of Shaanxi Automotive, and is accordingly an associate of Shaanxi Automotive and a connected person of the Company. Huazhen Automobile Parts is principally engaged in the processing and sale of machinery, glass and steel products and automotive parts and components; leasing of houses, leasing of venues, and leasing of general machinery equipment.

Sale of vehicles, parts and components of vehicles, raw materials and related products and provision of the relevant services by the Company (and its subsidiaries) to Shaanxi Automotive (and its associates)

Agreement: Supplemental Agreement to vehicles, parts and components and raw materials sale and heat processing services agreement (“**Shaanxi Zhongqi Sale Agreement**”) dated 1 August 2007 (as supplemented by the supplemental agreements dated 27 November 2008, 23 August 2010, 30 August 2012, 29 April 2014, 30 August 2016, 1 June 2018 and 2 August 2019, respectively)

Date: 30 July 2021

Parties:

1. (a) The Company
(b) Shaanxi Zhongqi
(c) Hande Axle
(d) Jinding
(e) Shaanxi Import and Export
2. (a) Shaanxi Automotive
(b) Shaanxi Wanfang
(c) Shaanxi Huazhen
(d) Shaanxi Lantong
(e) Shaanxi Tongli
(f) Shaanxi Commercial Vehicle
(g) Shaanxi Fangyuan
(h) Huazhen Trading
(i) Shaanxi Dongming
(j) Tonghui Logistic
(k) Wanfang Tianyun
(l) Huazhen Automobile Parts
(m) Deyin Finance
(n) Shanghai Yuanxing
(o) Shaanxi Industry
(p) Shaanxi Heavy-duty Vehicles Special

Term: 1 January 2020 to 31 December 2022

Other terms and details:

Pursuant to the Shaanxi Zhongqi Sale Agreement (as supplemented by the abovementioned supplemental agreements but prior to the entering into of this latest Supplemental Agreement), the Company and Shaanxi Zhongqi and their subsidiaries (as set out in the announcement of the Company dated 2 August 2019) (and/or other Group Companies) (as the case may be) have sold certain vehicles, parts and components of vehicles, raw materials and related products and provided the relevant services (as the case may be) to Shaanxi Automotive and certain of its associates (as set out in the announcement of the Company dated 2 August 2019) (and/or other associates of Shaanxi Automotive) (as the case may be), at market prices and settled by the relevant parties generally every one to three months, for a term ending 31 December 2022. In addition, Shaanxi Zhongqi shall sell certain vehicles at market price to the Deyin Group (i) through certain third party agents and settled within three months; or (ii) directly, with an upfront payment of 30% of the sale price of the vehicles and the remainder settled on a quarterly basis within two years. Upon the expiry of the term of the agreement, 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, the Company and Shaanxi Zhongqi and their subsidiaries (as set out above) (and/or other Group Companies) shall sell certain vehicles, parts and components of vehicles, raw materials and related products and to provide the relevant services (as the case may be) to 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 2022 with the New Caps for the two years ending 31 December 2022. Save as set out herein, all other terms of the Shaanxi Zhongqi Sale Agreement (as supplemented by the abovementioned supplemental agreements but prior to the entering into of this latest Supplemental Agreement) remain unchanged.

The sale price of the said products is determined according to the following mechanism: through market analysis of the products (including conducting research in the market at least once every quarter and reviewing the prices of two to three major products of the same category and in the same geographical region in general) by the specific departments of the relevant seller, a proposal on the sale price of the relevant products, which is formulated taking into account an analysis of the cost of production of such products, shall be submitted to the price management department of such company for approval. After commercial negotiations between such company and the purchaser on the basis of the said proposal, the sale price shall be determined based on arm's length negotiations between the parties. The said price management department shall review the reasonableness of the sale price on a regular basis and make adjustments (where necessary). 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 2022 for the Continuing Connected Transaction set out in this sub-section:

	2020	2021	2022
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Existing Cap	2,950,000,000	3,100,000,000	3,300,000,000

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2020 (audited) and the six months ended 30 June 2021 (unaudited) for the Continuing Connected Transaction set out in this sub-section:

	Year ended		Six months
	31 December		ended 30 June
	2019	2020	2021
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Actual transaction amount	2,618,649,000	2,621,739,000	2,178,903,671

In recent years, the State’s macroeconomic policies and the rapid growth of fixed assets and infrastructure investments in the PRC have stimulated the development of the heavy-duty vehicles industry in the PRC. Hence, despite the economy of the PRC facing impacts of the uncertainties under COVID-19, the Board maintains a cautiously optimistic view about the development of the heavy-duty vehicles market.

Since Shaanxi Zhongqi and its subsidiaries set out above are engaged in the business of the production of heavy-duty vehicles and related products, the Directors believe that the demand for high-speed, heavy-duty vehicles, vehicle parts and components and heat processing services produced and provided by these Group companies will continue to increase and the volume of such products to be purchased by Shaanxi Automotive and/or its associates (as the case may be) for onward sale to third parties will increase correspondingly. In addition to direct sales of vehicles to third party buyers by Shaanxi Automotive and/or its associates (as the case may be), the Deyin Group also arranges for lease financing of vehicles for the third party buyers (“**Deyin Business**”) for the purpose of promoting the sales of Shaanxi Zhongqi’s vehicles and enhancing its market share in the PRC.

In light of the expansion of the business between the Group and Shaanxi Automotive (and its associates), the volume of this Continuing Connected Transaction has increased significantly, in particular in the first half of 2021. By 30 June 2021, approximately 70.29% of the Existing Cap for the year 2021 has been used. To ensure smooth operation of the business and further enhance the business cooperation between the Group and Shaanxi Automotive (and its associates), the Company intends to revise the Existing Caps for the years 2021 to 2022.

The Company estimates that the transaction amount in respect of the Continuing Connected Transaction set out in this sub-section will not exceed RMB5,200 million and RMB5,850 million, respectively, for each of the two years ending 31 December 2022 and such amounts have accordingly been set as the New Caps for this Continuing Connected Transaction for the two years ending 31 December 2022.

The above proposed New Caps have been estimated by the Company primarily based on (i) the relevant historical transaction amounts, in particular the substantive increase in the transaction amount in the first half of 2021, (ii) the revised estimate of the volume and amount of the said vehicles and parts and components of vehicles to be sold and the amount of the relevant services to be provided by Shaanxi Zhongqi and its subsidiaries (as the case may be) in view of the recent increase in the price of the raw materials as well as the implementation of the Group's strategic plan for the years 2021 to 2022, which involves a further expansion of its sales in particular in respect of the commercial vehicle sector, (iii) the estimated average unit price of the said vehicles, and (iv) an estimate of market fluctuations during the term of the Supplemental Agreement. Taking into account and on the basis of all the aforesaid factors, it is estimated that the overall transaction amount of the said sale and provision of service will increase by approximately 98.3% and 12.5% for each of the years ending 31 December 2021 and 31 December 2022, respectively.

The table below summarises the proposed New Caps for the Continuing Connected Transaction set out in this sub-section for the two years ending 31 December 2022:

	2021	2022
	<i>RMB</i>	<i>RMB</i>
New Cap	5,200,000,000	5,850,000,000

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 Continuing Connected Transaction; and (iii) the independent non-executive Directors have confirmed that the terms of this 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 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 Continuing Connected Transaction for the three years ending 31 December 2022 is an Exempt Continuing Connected Transaction, this Supplemental Agreement is not subject to the approval of the independent Shareholders under the Listing Rules.

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

The Company is principally engaged in the research and development, manufacture and sale of high-speed, heavy-duty diesel engines. Prior to the incorporation of the Company and the listing of the Shares on the Stock Exchange, the Company has had business relationships with certain entities. Under the Listing Rules, such entities have become connected persons of the Company since the listing of the Company and the transactions between the Company and such entities constitute continuing connected transactions of the Company.

As prior to completion of the Merger, Shaanxi Zhongqi has conducted the Continuing Connected Transaction with Shaanxi Automotive (and its associates) (as the case may be) for many years and the Company has taken up such 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 Continuing Connected Transaction in order to ensure and maximise operating efficiency and stability of the operations of the Group.

The Directors (including the independent non-executive Directors) have confirmed that the Continuing Connected Transaction has been subject to arm's length negotiation between the Group and the relevant parties, and has 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 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 Directors (including the independent non-executive Directors) are of the view that the Continuing Connected Transaction, 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 30 July 2021 approving, *inter alia*, the Continuing Connected Transaction, Mr. Yuan Hongming has abstained from voting on the resolutions in respect of the Continuing Connected Transaction by reason of his interest and/or position (as the case may be) in the relevant connected persons.

Save as disclosed, no other Directors have any material interest in the 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 Continuing Connected Transaction; and (iii) the independent non-executive Directors have confirmed that the terms of the 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 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.

IV. DEFINITIONS

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

“5% Threshold”	the thresholds referred to in Rule 14A.76(2) of the Listing Rules
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“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”	the continuing connected transaction of the Group set out in the section headed “II. Continuing Connected Transaction” in this announcement
“Deyin Business”	has the meaning ascribed to it under the section headed “II. Continuing Connected Transaction – Sale of vehicles, parts and components of vehicles, raw materials and related products and provision of relevant services by the Company (and its subsidiaries) to Shaanxi Automotive (and its associates)” in this announcement
“Deyin Finance”	德銀融資租賃有限公司 (Deyin Finance Lease Co., Ltd.*), a company established in the PRC and a connected person of the Company
“Deyin Group”	Deyin Finance and Shanghai Yuanxing

“Deyin Tianxia”	德銀天下股份有限公司 (Deewin Tianxia Co., Ltd), a company established in the PRC
“Director(s)”	the director(s) of the Company
“Dongfeng Axle”	陝西東風車橋傳動系統股份有限公司 (Shaanxi Dongfeng Axle Transmission System Co., Ltd.*), a company established in the PRC
“Exempt Continuing Connected Transaction”	being the Continuing Connected Transaction 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
“Existing Cap(s)”	the existing cap(s) for the Continuing Connected Transaction set out in the section headed “II. Continuing Connected Transaction” 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 Automobile Parts”	陝西華臻汽車零部件有限公司 (Shaanxi Huazhen Automobile Parts Co., Ltd.*), a company established in the PRC and a connected person of the Company
“Huazhen Trading”	陝西華臻工貿服務有限公司 (Shaanxi Huazhen Industry and Trading Services Co., Ltd.*), a company established in the PRC and a connected person of the Company
“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 53.21% by Shaanxi Zhongqi and as to approximately 46.79% 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 Transaction” in this announcement
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shaanqi Commercial Vehicle”	陝汽集團商用車有限公司 (Shaanxi Automobile Group Commercial Vehicle Co., Ltd.*) (formerly known as 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
“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”	陝西汽車集團股份有限公司 (formerly known as “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 Heavy-duty Special Vehicles”	陝西重汽專用汽車有限公司 (Shaanxi Heavy-duty Special Vehicles Co., Ltd.*), a company established in the PRC and a connected person of the Company

“Shaanxi Huazhen”	陝西華臻車輛部件有限公司 (Shaanxi Huazhen Vehicle Parts Co., Ltd.*) (formerly known as 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 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
“Shaanxi Zhongqi Sale Agreement”	has the meaning ascribed to it in the section headed “II. Continuing Connected Transaction – Sale of vehicles, parts and components of vehicles, raw materials and related products and provision of the relevant services by the Company (and its subsidiaries) to Shaanxi Automotive (and its associates)” in this announcement
“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 holding the entire capital of Weichai Holdings
“Shanghai Yuanxing”	上海遠行供應鏈管理 (集團) 有限公司 (Shanghai Yuanxing Supply Chain Management (Group) Co., Ltd.*), a company established in the PRC and a connected person of the Company

“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement relating to the Continuing Connected Transaction entered into between the Group and the relevant connected persons as more particularly set out in the section headed “II. Continuing Connected Transaction” in this announcement
“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
“Tonghui Logistic”	陝西通匯汽車物流有限公司 (Shaanxi Tonghui Logistic Co., Ltd.*), a company established in the PRC and a connected person of the Company
“Wanfang Tianyun”	陝西萬方天運汽車電器有限公司 (Shaanxi Wanfang Tianyun Automobile Electrical Appliances Co. Ltd.*), a company established in the PRC and a connected person 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
“%”	per cent

* For identification purposes only

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

Hong Kong, 30 July 2021

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.