

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.



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 TRANSACTIONS

SUMMARY

Revision of annual caps and extension of existing Continuing Connected Transactions

Reference is made to (i) the announcement of the Company dated 30 August 2022 in respect of the Existing Weichai Holdings Purchase Agreement, and (ii) the announcement of the Company dated 30 August 2023 in respect of the Existing Weichai Holdings Sale Agreement. Due to actual needs of production, operation and development of the Group, the Company expects that the Existing Caps for the year ending 31 December 2025 or the two years ending 31 December 2026 (as the case may be) for the Continuing Connected Transactions contemplated under the Existing Weichai Holdings Purchase Agreement and the Existing Weichai Holdings Sale Agreement will be insufficient. Further, the Group intends to continue to conduct the relevant transactions with Weichai Holdings (and its Associates) following the expiry of such agreements.

At the same time, the Board considers it appropriate to streamline such transactions by combining certain Weichai Continuing Connected Transactions of similar natures into one framework agreement, such that the Shareholders could be presented with a clearer picture of the relevant Weichai Continuing Connected Transactions entered into between the Group and the Weichai Holdings Group. As such, the Company entered into the New Weichai Holdings Framework Agreements to obtain New Caps for the three years ending 31 December 2027 in respect of the transactions contemplated under the Existing Weichai Holdings Framework Agreements.

Renewal of existing Continuing Connected Transactions

In addition, references are made to the announcements of the Company dated 30 August 2022 and 23 November 2022 in respect of certain continuing connected transactions between the Group and (i) Weichai Freshen Air (and its subsidiaries), and (ii) Shaanxi Automotive (and its associates), respectively. As the Group intends to continue to conduct the relevant transactions with such parties following the expiry of the Existing Weichai Freshen Air Framework Agreements and the Existing Shaanxi Automotive Framework Agreements, the Board announces that on 29 August 2025, the Group has entered into the New Framework Agreements in respect of such Continuing Connected Transactions as more particularly described herein.

New Continuing Connected Transactions

On 29 August 2025, the Company entered into the Weichai New Energy Framework Agreements with Weichai New Energy for a term commencing on 1 January 2025 and ending on 31 December 2027 to govern the Continuing Connected Transactions between the Group and the Weichai New Energy Group more particularly described herein.

Listing Rules Implications

As the highest percentage ratio calculated in accordance with the Listing Rules for the Weichai Continuing Connected Transactions as set out in sections III., IV.A. and V. of this announcement exceeds the 5% Threshold on an aggregated basis, such Continuing Connected Transactions constitute Non-exempt Continuing Connected Transactions of the Company and their respective New Framework Agreement and 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.

For the Shaanxi Automotive Continuing Connected Transactions as set out in section IV.B of this announcement, since (i) Shaanxi Automotive is a connected person of the Company at subsidiary level; (ii) the Board (including all the independent non-executive Directors) has approved the Shaanxi Automotive Continuing Connected Transactions; and (iii) the independent non-executive Directors have confirmed that the terms of the Shaanxi Automotive Continuing Connected Transactions 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 Shaanxi Automotive Continuing Connected Transactions are subject to the reporting and announcement requirements but are exempt from circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules. However, according to the relevant laws and regulations of the PRC and the Shenzhen Listing Rules, such Shaanxi Automotive Continuing Connected Transactions constitute PRC Continuing Connected Transactions and are subject to the approval by the Shareholders at the EGM.

General

A circular containing, *inter alia*, (i) further details of the Non-exempt Continuing Connected Transactions; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the Non-exempt 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 Non-exempt Continuing Connected Transactions, will be despatched to the Shareholders on or before 30 September 2025 in accordance with the Listing Rules.

I. INTRODUCTION

Reference is made to the announcements of the Company dated 30 August 2022, 23 November 2022, 30 August 2023, 25 March 2024 and 22 August 2024, respectively, in respect of, *inter alia*, the Continuing Connected Transactions of the Company where the Existing Caps for such Continuing Connected Transactions were set.

Due to actual needs of production, operation and development of the Group, the Company expects that the Existing Caps for the year ending 31 December 2025 or the two years ending 31 December 2026 (as the case may be) for the Continuing Connected Transactions contemplated under the Existing Weichai Holdings Purchase Agreement and the Existing Weichai Holdings Sale Agreement will be insufficient. Further, the Group intends to continue to conduct the relevant transactions with Weichai Holdings (and its Associates) following the expiry of such agreements.

In view of the above, and in conjunction with a recent review conducted by the Company on the existing continuing connected transactions between the Group and the Weichai Holdings Group, the Board considers it appropriate to streamline such transactions by combining certain Weichai Continuing Connected Transactions of similar natures into one framework agreement, such that the Shareholders could be presented with a clearer picture of the relevant Weichai Continuing Connected Transactions entered into between the Group and the Weichai Holdings Group and, in turn, enable the Shareholders to better appreciate the extent of and more easily understand the transactions between the Group and the Weichai Holdings Group on an aggregated basis.

In addition, in respect of certain continuing connected transactions between the Group and (i) Weichai Freshen Air (and its subsidiaries), and (ii) Shaanxi Automotive (and its associates), respectively, the Group intends to continue to conduct the relevant transactions with such parties following the expiry of the Existing Weichai Freshen Air Framework Agreements and Existing Shaanxi Automotive Framework Agreements. The Group also intends to enter into new framework agreements to govern the Continuing Connected Transactions between the Group and the Weichai New Energy Group.

As such, the Company entered into the New Framework Agreements to obtain New Caps for the three years ending 31 December 2027 or the three years ending 31 December 2028 (as the case may be) in respect of the Continuing Connected Transactions as more particularly described herein.

A summary of the Continuing Connected Transactions and the proposed New Caps is set out in the section headed “II. Continuing Connected Transactions” in this announcement. Further details of terms of the New Framework Agreements, the Existing Caps, the actual transaction amounts of the Continuing Connected Transactions for the relevant periods and the bases of determination of the proposed New Caps are set out in the sections III., IV. and V. in this announcement.

II. CONTINUING CONNECTED TRANSACTIONS

SUMMARY OF THE CONTINUING CONNECTED TRANSACTIONS AND THE PROPOSED NEW CAPS

The Continuing Connected Transactions include the following:

A. Weichai 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
1. Weichai Holdings (and its Associates)	The Company (and its subsidiaries)	Holder of 16.32% of the equity of the Company	<p>(a) Sale of diesel engines, diesel engine parts and components, raw materials, semi-finished products, hydraulic products, excavators and other products and provision of services by the Company (and its subsidiaries) to Weichai Holdings (and its Associates)</p> <p>(b) Purchase of vehicles, loaders, harvesters, diesel engines and parts and components, raw materials and other products and receiving of services by the Company (and its subsidiaries) from Weichai Holdings (and its Associates)</p>
2. Weichai Freshen Air (and its subsidiaries)	The Company (and its subsidiaries)	The Company is the holder of 70% of the equity interest of Weichai Freshen Air. Ji'nan Power, a fellow subsidiary of the Company, is the holder of 30% of the equity interest of Weichai Freshen Air	<p>(a) Sale of vehicle parts and components, engines, engine parts and components and other products and provision of services by the Company (and its subsidiaries) to Weichai Freshen Air (and its subsidiaries)</p> <p>(b) Purchase of vehicle parts and components, engine parts and components and other products and receiving of services by the Company (and its subsidiaries) from Weichai Freshen Air (and its subsidiaries)</p>

Name of connected person	Name of Group Company	Connected person's relationship with the Group	Nature of the connected transaction with the Group
3. Weichai New Energy (and its subsidiaries)	The Company (and its subsidiaries)	The Company is the holder of 70% of the equity interest of Weichai New Energy. Sinotruk Hydrogen Energy, a fellow subsidiary of the Company, is the holder of 30% of the equity interest of Weichai New Energy	(a) Sale of raw materials of fuel cells and other products and provision of services by the Company (and its subsidiaries) to Weichai New Energy (and its subsidiaries) (b) Purchase of fuel cells and motors and other products and receiving of services by the Company (and its subsidiaries) from Weichai New Energy (and its subsidiaries)

B. Shaanxi Automotive 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
Shaanxi Automotive (and its associates)	The Company (and its subsidiaries)	Holder of 49% of the equity of Shaanxi Zhongqi	1. Sale of vehicles, parts and components of vehicles, raw materials and other products and provision of services by the Company (and its subsidiaries) to Shaanxi Automotive (and its associates) 2. Purchase of parts and components of vehicles, scrap steel and other products and receiving of services by the Company (and its subsidiaries) from Shaanxi Automotive (and its associates)

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

A. Weichai Continuing Connected Transaction

Connected person and details of

the relevant Weichai Continuing Connected Transaction

		Proposed New Caps			
		For the year ending 31 December 2025 RMB	For the year ending 31 December 2026 RMB	For the year ending 31 December 2027 RMB	For the year ending 31 December 2028 RMB
1.	Weichai Holdings (and its Associates)				
(a)	Sale of diesel engines, diesel engine parts and components, raw materials, semi-finished products, hydraulic products, excavators and other products and provision of services by the Company (and its subsidiaries) to Weichai Holdings (and its Associates)	12,000,000,000 [#]	15,195,000,000 [#]	17,135,000,000 [#]	–
(b)	Purchase of vehicles, loaders, harvesters, diesel engines and parts and components, raw materials and other products and receiving of services by the Company (and its subsidiaries) from Weichai Holdings (and its Associates)	8,000,000,000 [#]	9,000,000,000 [#]	10,000,000,000 [#]	–
2.	Weichai Freshen Air (and its subsidiaries)				
(a)	Sale of vehicle parts and components, engines, engine parts and components and other products and provision of services by the Company (and its subsidiaries) to Weichai Freshen Air (and its subsidiaries)	–	400,000,000 [#]	600,000,000 [#]	800,000,000 [#]
(b)	Purchase of vehicle parts and components, engine parts and components and other products and receiving of services by the Company (and its subsidiaries) from Weichai Freshen Air (and its subsidiaries)	–	4,300,000,000 [#]	4,450,000,000 [#]	4,500,000,000 [#]
3.	Weichai New Energy (and its subsidiaries)				
(a)	Sale of raw materials of fuel cells and other products and provision of services by the Company (and its subsidiaries) to Weichai New Energy (and its subsidiaries)	300,000,000 [#]	500,000,000 [#]	700,000,000 [#]	–
(b)	Purchase of fuel cells and motors and other products and receiving of services by the Company (and its subsidiaries) from Weichai New Energy (and its subsidiaries)	3,100,000,000 [#]	7,100,000,000 [#]	10,000,000,000 [#]	–

B. Shaanxi Automotive Continuing Connected Transactions

Details of the relevant Shaanxi Automotive Continuing Connected Transactions

Transactions		Proposed New Caps		
		For the year	For the year	For the year
		ending	ending	ending
		31 December	31 December	31 December
		2026	2027	2028
		RMB	RMB	RMB
Shaanxi Automotive (and its associates)				
1.	Sale of vehicles, parts and components of vehicles, raw materials and other products and provision of services by the Company (and its subsidiaries) to Shaanxi Automotive (and its associates)	4,200,000,000*	4,500,000,000*	4,800,000,000*
2.	Purchase of parts and components of vehicles, scrap steel and other products and receiving of services by the Company (and its subsidiaries) from Shaanxi Automotive (and its associates)	7,200,000,000*	7,700,000,000*	8,200,000,000*

Notes:

1. 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. However, since the relevant Continuing Connected Transactions constitute PRC Continuing Connected Transactions, the same are subject to the approval by the Shareholders at the EGM.
2. Where a New Cap is marked “#” that means the proposed New Caps for the relevant Continuing Connected Transaction exceed the 5% Threshold and are subject to the approval by the Independent Shareholders.
3. For the purposes of ascertaining whether a Continuing Connected Transaction would exceed the 5% Threshold, the transactions under paragraphs A.1.(a), A.2.(a) and A.3.(a) have been aggregated and the transaction under paragraphs A.1.(b), A.2.(b) and A.3.(b) have been aggregated.

III. REVISION OF ANNUAL CAPS AND EXTENSION OF EXISTING CONTINUING CONNECTED TRANSACTIONS

DETAILS OF THE CONTINUING CONNECTED TRANSACTIONS AND THE RELEVANT NEW FRAMEWORK AGREEMENTS

A. Weichai Continuing Connected Transaction

Continuing connected transaction between Weichai Holdings (and its Associates) and the Group

The Company

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

Weichai Holdings

Weichai Holdings is principally engaged in the management, investment and the provision of general services. Weichai Holdings is a substantial shareholder of the Company holding approximately 16.32% of the issued share capital of the Company, and is accordingly a connected person of the Company.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, Weichai Holdings is wholly-owned by Shandong Heavy Industry. Shandong Heavy Industry is one of the leading automobile and equipment groups in the PRC, and in turn a state-owned enterprise organised under the laws of the PRC with limited liability, and is ultimately governed and controlled by the State-owned Assets Supervision and Administration Commission of Shandong Provincial Government (山東省人民政府國有資產監督管理委員會).

New Weichai Holdings Framework Agreements

Due to actual needs of production, operation and development of the Group, the Company expects that the Existing Caps for the year ending 31 December 2025 or the two years ending 31 December 2026 (as the case may be) for the Continuing Connected Transactions contemplated under the Existing Weichai Holdings Purchase Agreement and the Existing Weichai Holdings Sale Agreement will be insufficient. Further, the Group intends to continue to conduct the relevant transactions with Weichai Holdings (and its Associates) following the expiry of such agreements.

In view of the above, and in conjunction with a recent review conducted by the Company conducted a review on the existing continuing connected transactions between the Group and the Weichai Holdings Group, the Board considers it appropriate to streamline such transactions by combining certain Weichai Continuing Connected Transactions of similar natures into one framework agreement, such that the Shareholders could be presented with a clearer picture of the relevant Weichai Continuing Connected Transactions entered into between the Group and the Weichai Holdings Group and, in turn, enable the Shareholders to better appreciate the extent of and more easily understand the transactions between the Group and the Weichai Holdings Group on an aggregated basis.

Accordingly, the Company (for itself and on behalf of its subsidiaries) and Weichai Holdings (for itself and on behalf of the Weichai Holdings Group) entered into each of the New Weichai Holdings Framework Agreements on terms substantially the same as those of the Existing Weichai Holdings Framework Agreements (on a combined basis, as the case may be). Each of the New Weichai Holdings Framework Agreements has a term of three years commencing on 1 January 2025 and ending on 31 December 2027.

Set out below are the details of the New Weichai Holdings Framework Agreements.

- (a) *Sale of diesel engines, diesel engine parts and components, raw materials, semi-finished products, hydraulic products, excavators and other products and provision of services by the Company (and its subsidiaries) to Weichai Holdings (and its Associates)*

Reference is made to the announcements of the Company dated 30 August 2023 and 25 March 2024.

It is noted that (i) Weichai Combustion has been accounted for as a subsidiary of Weichai Holdings since August 2024, and (ii) Yangzhou Yaxing has been delisted from the Shanghai Stock Exchange since October 2024 and its shares shall be quoted on the National Equities Exchange and Quotations thereafter, Yangzhou Yaxing continues to be accounted for as a subsidiary of Weichai Holdings.

Considering that the Existing Weichai Holdings Sale Agreement, the Existing Weichai Combustion Sale Framework Agreements and the Existing Yaxing Sale Framework Agreements all relate to the sale of goods and services by the Group to the Weichai Holdings Group, the Board has resolved that, going forward, the transactions regulated under the above separate framework agreements shall be combined into one framework agreement, namely, the New Weichai Holdings Sale Agreement, so as to present the Shareholders with a more streamlined view of the continuing connected transaction involving the Group's sale of goods and services to the Weichai Holdings Group and, in turn, enable the Shareholders to better appreciate the extent of the Group's sale of products and services to the Weichai Holdings Group on an aggregated basis.

In order to facilitate the streamlining of the Continuing Connected Transactions between the Group and the Weichai Holdings Group in respect of the sale of products and services as mentioned above:

- (i) pursuant to the New Weichai Holdings Sale Agreement, subject to the New Weichai Holdings Sale Agreement becoming effective (namely, upon the necessary relevant Independent Shareholders' approval having been obtained such date referred to as the "**Effective Date (Sale)**"), the Existing Weichai Holdings Sale Agreement shall be terminated;
- (ii) a termination agreement has been entered into between the Company and Weichai Combustion on 29 August 2025 to early terminate each of the Existing Weichai Combustion Sale Framework Agreements with effective from the Effective Date (Sale). For the avoidance of doubt, notwithstanding the early termination, transactions that have taken place before the Effective Date (Sale) shall continue to be governed under the Existing Weichai Combustion Sale Framework Agreements; and

- (iii) a termination agreement has been entered into between the Company, SFGC, Hande Axle and Yangzhou Yaxing on 29 August 2025 to early terminate each of the Existing Yaxing Sale Framework Agreements with effective from the Effective Date (Sale). For the avoidance of doubt, notwithstanding the early termination, transactions that have taken place before the Effective Date (Sale) shall continue to be governed under the Existing Yaxing Sale Framework Agreements.

Upon the New Weichai Holdings Sale Agreement becoming effective (namely, upon the necessary relevant Independent Shareholders' approval having been obtained), the transactions involving the sale of products and services under the Existing Weichai Holdings Sale Agreement, the Existing Weichai Combustion Sale Framework Agreements and the Existing Yaxing Sale Framework Agreements will be combined into, and governed under, the New Weichai Holdings Sale Agreement. Save for the said early termination per the above, all other terms of the Existing Weichai Combustion Supply Agreement and the Existing Weichai Yangzhou Framework Agreements shall remain unchanged and continue to govern the relevant transactions that have taken place before the Effective Date (Sale). Please refer to the Company's announcement dated 30 August 2023 and circular dated 30 November 2023 for details of the other principal terms of the Existing Weichai Combustion Supply Agreement, and the Company's announcement dated 25 March 2024 for details of the other principal terms of each of the Existing Weichai Yangzhou Framework Agreements.

The terms of the New Weichai Holdings Sale Agreement are substantially the same as those of the Existing Weichai Holdings Sale Agreement, the Existing Weichai Combustion Sale Framework Agreements and the Existing Yaxing Sale Framework Agreements on a combined basis.

The principal terms of the New Weichai Holdings Sale Agreement and the transactions contemplated thereunder are as follows:

Agreement:	New Weichai Holdings Sale Agreement
Date:	29 August 2025
Parties:	<ol style="list-style-type: none">1. The Company2. Weichai Holdings
Term:	1 January 2025 to 31 December 2027

Other terms and details:

Pursuant to the New Weichai Holdings Sale Agreement, the Company and its subsidiaries (as the case may be) shall sell diesel engines, diesel engine parts and components, raw materials, semi-finished products, hydraulic products, excavators and other products and provide the services (as the case may be) to Weichai Holdings and its Associates (as the case may be) at market prices and/or prices agreed according to the principle of fairness and reasonableness, for a term of three years ending 31 December 2027. Depending on the terms of the definitive agreements to be entered into by the parties, the relevant price for the relevant products and/or services shall, as the case may be, be settled on a monthly or quarterly basis or in accordance with the progress of the provision of the relevant products and/or services. 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.

The price of the said products and services shall be determined according to the following mechanism: the relevant department of the Group regularly conducts market research and analysis regarding specific products and/or services, in which a number of factors, including the overall market prices, market shares, ordering situation and performance of major competitors of such products and/or services, are comprehensively considered, submits a price suggestion after its analysis to the Group's price management department and the final prices are determined at arm's length negotiation among the parties. The price management department of the Group regularly reviews the reasonableness of prices and makes amendments when 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 transactions contemplated under the Existing Weichai Holdings Sale Agreement, the Existing Weichai Combustion Sale Framework Agreements and the Existing Yaxing Sale Framework Agreements for the three years ending 31 December 2026.

	2024	2025	2026
Existing Cap:			
1. Existing Weichai Holdings Sale Agreement	6,503,000,000	6,725,000,000	7,102,000,000
2. Existing Weichai Combustion Sale Framework Agreements:			
(a) Existing Weichai Combustion Supply Agreement	896,000,000	906,000,000	935,000,000
(b) Existing Weichai Combustion Lease Agreement	14,000,000	14,000,000	14,000,000
(c) Existing Weichai Combustion Logistics Agreement	20,000,000	20,000,000	20,000,000
3. Existing Yaxing Sale Framework Agreements:			
(a) Existing Weichai Yangzhou Supply Framework Agreement	323,000,000	492,000,000	638,400,000
(b) Existing Transmissions Supply Framework Agreement	80,000,000	85,000,000	90,000,000
(c) Existing Axles Supply Framework Agreement	70,000,000	80,000,000	90,000,000
On an aggregated basis	<u>7,906,000,000</u>	<u>8,322,000,000</u>	<u>8,889,400,000</u>

The table below summarises the actual transaction amounts involved for each of the two years ended 31 December 2024 (audited) and the six months ended 30 June 2025 (unaudited) for the Continuing Connected Transaction set out in this sub-section (a), being the transactions contemplated under the Existing Weichai Holdings Sale Agreement, the Existing Weichai Combustion Sale Framework Agreements and the Existing Yaxing Sale Framework Agreements:

	For the year ended 31 December 2023 RMB (audited)	For the year ended 31 December 2024 RMB (audited)	For the six months ended 30 June 2025 RMB (unaudited)
Actual transaction amount:			
1. Existing Weichai Holdings Sale Agreement	4,867,378,474	6,438,139,046	4,495,634,155
2. Existing Weichai Combustion Sale Framework Agreements:			
(a) Existing Weichai Combustion Supply Agreement	649,203,297	639,787,505	163,801,982
(b) Existing Weichai Combustion Lease Agreement <i>(note)</i>	8,549,816	9,743,362	5,052,722
(c) Existing Weichai Combustion Logistics Agreement <i>(note)</i>	8,730,863	4,633,803	4,023,745
3. Existing Yaxing Sale Framework Agreements:			
(a) Existing Weichai Yangzhou Supply Framework Agreement	92,766,751	130,919,545	74,895,433
(b) Existing Transmissions Supply Framework Agreement	8,105,283	49,259,165	42,961,225
(c) Existing Axles Supply Framework Agreement	20,298,637	48,849,580	24,825,637
On an aggregated basis	<u>5,655,033,121</u>	<u>7,321,332,007</u>	<u>4,811,194,899</u>

Note: Given that the Existing Weichai Combustion Lease Agreement and Existing Weichai Combustion Logistics Agreement were not subject to the reporting requirements pursuant to the Listing Rules, the actual transaction amounts under such agreements as set out in the above table are unaudited figures disclosed for completeness sake.

In light of the gradual recovery of the market in construction machinery products (e.g., excavators) since 2024, it is expected that there will be a further increase in the sales volume of diesel engines, diesel engine parts and components, raw materials, semi-finished products, hydraulic products and excavators by the Group to Weichai Holdings (and its Associates) in 2025.

By combining the transactions regulated under the Existing Weichai Holdings Sale Agreement, the Existing Weichai Combustion Sale Framework Agreements and the Existing Yaxing Sale Framework Agreements, being separate framework agreements of a similar nature (namely, relating to the sale of goods and services by the Group to the Weichai Holdings Group), into one framework agreement, the Group could continue its sale of goods and services from the Weichai Holdings Group in the same manner as stipulated under the Existing Weichai Holdings Sale Agreement, the Existing Weichai Combustion Sale Framework Agreements and the Existing Yaxing Sale Framework Agreements, whilst at the same time streamline the continuing connected transaction involving the Group's sale of goods and services to the Weichai Holdings Group and therefore provide a clearer and more consolidated picture as a whole for the Shareholders' consideration.

For the six months ended 30 June 2025, the Group's actual transaction amount for the sale of products and services under the Existing Weichai Holding Sales Agreement, Existing Weichai Combustion Sale Framework Agreements and Existing Yaxing Sale Framework Agreement on a combined basis had already amounted to approximately RMB4,811 million, with the annualised transaction amount (calculated based on the actual transaction amount for the six months ended 30 June 2025) being approximately RMB9,622 million for the year ending 31 December 2025, which will be 16% more than the Existing Cap (on an aggregated basis) for the year ending 31 December 2025. Hence, Company estimates that the annual caps for this Continuing Connected Transaction for the two years ending 31 December 2026 will be insufficient. Accordingly, based on the Group's adjusted sales plan prepared based on the latest market development and on the assumption that the abovementioned trend of growth would continue throughout 2025, it is considered appropriate that the annual cap for the year ending 31 December 2025 be adjusted upwards by approximately 44.2% to the proposed New Cap of RMB12,000 million from the Existing Cap (on an aggregated basis) of RMB8,322 million for the year ending 31 December 2025, and the annual cap for the year ending 31 December 2026 be adjusted upwards by approximately 70.9% to the proposed New Cap of RMB15,195 million from the Existing Cap (on an aggregated basis) of RMB8,889.4 million for the year ending 31 December 2026 (i.e representing an increase of approximately 26.6% as compared with the New Cap for the year ending 31 December 2025). In addition, the Company estimates that the transaction amount in respect of the Continuing Connected Transaction set out in this sub-section (a) for the year ending 31 December 2027 will further grow by approximately 12.8% from that in the year 2026 to not exceeding RMB17,135 million, and such amount has accordingly been set as the proposed New Cap for the year ending 31 December 2027 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 estimate of the number of diesel engines, diesel engine parts and components, raw materials, semi-finished products, hydraulic products, excavators and other products and services required by Weichai Holdings and its Associates (as the case may be) in view of the implementation of the Group's sales plan for the years 2025 to 2027, having taken into account the estimated market conditions and export performance, the average unit prices of the same, and the costs of the related services to be provided; (iii) the fact that since the Company commenced its supply of engines to Weichai Holdings and its Associates, the two parties have maintained close collaboration. It is anticipated that the demand for the Group's products and services from Weichai Holdings and its Associates will continue to grow; (iv) the fact that the construction machinery market has shown signs of recovery, and the Group expects a further increase in sales of construction machinery products to Weichai Holdings and its Associates; and (v) a buffer in preparation of potential market fluctuations.

The table below summarises the proposed New Cap for the Continuing Connected Transaction set out in this sub-section (a) for the three years ending 31 December 2027:

	2025	2026	2027
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Proposed New Cap	12,000,000,000	15,195,000,000	17,135,000,000

As the highest percentage ratio calculated in accordance with the Listing Rules for this Continuing Connected Transaction for the three years ending 31 December 2027 (when aggregated with the proposed New Caps for the same period under sections IV.A.(a) and V.(a) herein) exceeds the 5% Threshold, this Continuing Connected Transaction 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 2027 (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, the New Weichai Holdings Sale Agreement is conditional upon the relevant resolution being passed at the EGM.

(b) Purchase of vehicles, loaders, harvesters, diesel engines and parts and components, raw materials and other products and receiving of services by the Company (and its subsidiaries) from Weichai Holdings (and its Associates)

Reference is made to the announcements of the Company dated 30 August 2022, 30 August 2023 and 22 August 2024.

It is noted that Weichai Combustion has been accounted for as a subsidiary of Weichai Holdings since August 2024.

Considering that the Existing Weichai Holdings Purchase Agreement, the Existing Weichai Holdings Services Agreement, the Existing Weichai Holdings Utility Services Purchase Agreement and the Existing Weichai Combustion Purchase Agreement all relate to the purchase of products and services by the Group to the Weichai Holdings Group, the Board has resolved that, going forward, the transactions regulated under the above separate framework agreements shall be combined into one framework agreement, namely, the New Weichai Holdings Purchase Agreement, so as to present the Shareholders with a more streamlined view of the continuing connected transaction involving the Group's purchase of products and services from the Weichai Holdings Group and, in turn, enable the Shareholders to better appreciate the extent of the Group's purchase of products and services from the Weichai Holdings Group on an aggregated basis.

In order to facilitate the streamlining of the Continuing Connected Transactions between the Group and the Weichai Holdings Group in respect of the purchase of products and services as mentioned above:

- (i) pursuant to the New Weichai Holdings Purchase Agreement, subject to the New Weichai Holdings Purchase Agreement becoming effective (namely, upon the necessary relevant Independent Shareholders' approval having been obtained such date referred to as the “**Effective Date (Purchase)**”) the Existing Weichai Holdings Purchase Agreement, the Existing Weichai Holdings Services Agreement and the Existing Weichai Holdings Utility Services Purchase Agreement shall be terminated; and
- (ii) a termination agreement has been entered into between the Company and Weichai Combustion on 29 August 2025 to early terminate the Weichai Combustion Purchase Agreement with effective from the Effective Date (Purchase). For the avoidance of doubt, notwithstanding the early termination, transactions that have taken place before the Effective Date (Purchase) shall continue to be governed under the Existing Weichai Combustion Purchase Framework Agreements.

Upon the New Weichai Holdings Purchase Agreement becoming effective (namely, upon the necessary relevant Independent Shareholders' approval having been obtained), the transactions involving the purchase of products and services under the Existing Weichai Holdings Purchase Agreement, the Existing Weichai Holdings Services Agreement, the Existing Weichai Holdings Utility Services Purchase Agreement and the Existing Weichai Combustion Purchase Agreement will be combined into, and governed under, the New Weichai Holdings Purchase Agreement. Save for the said early termination per the above, all other terms of the Existing Weichai Combustion Purchase Agreement shall remain unchanged and continue to govern the relevant transactions that have taken place before the Effective Date (Purchase). Please refer to the Company's announcement dated 22 August 2024 and circular dated 31 October 2024 for details of the other principal terms of the Existing Weichai Combustion Purchase Agreement.

The terms of the New Weichai Holdings Purchase Agreement are substantially the same as those of the Existing Weichai Holdings Purchase Agreement, the Existing Weichai Holdings Services Agreement, the Existing Weichai Holdings Utility Services Purchase Agreement and the Existing Weichai Combustion Purchase Agreement on a combined basis.

The principal terms of the New Weichai Holdings Purchase Agreement and the transactions contemplated thereunder are as follows:

Agreement: New Weichai Holdings Purchase Agreement

Date: 29 August 2025

Parties: 1. The Company
2. Weichai Holdings

Term: 1 January 2025 to 31 December 2027

Other terms and details:

Pursuant to the New Weichai Holdings Purchase Agreement, Weichai Holdings and its Associates (as the case may be) shall provide vehicles, loaders, harvesters, diesel engines and parts and components, raw materials and other products and provide services to the Company and its subsidiaries (as the case may be) at market prices, for a term of three years ending 31 December 2027. 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. Depending on terms of the definitive agreements to be entered into by the parties pursuant to the New Weichai Holdings Purchase Agreement, the relevant price for the said products and/or services shall, as the case may be, be settled on a monthly or quarterly basis or in accordance with the progress of the provision of the relevant products and/or services.

The price of the said products and services shall be determined according to the following mechanism: the relevant department of the Company regularly conducts market research and analysis regarding specific products and/or services, in which a number of factors, including the overall market prices, market shares, ordering situation and performance of major competitors of such products and/or services are comprehensively considered, submits a price suggestion after its analysis to the Group's price management department and the final prices are determined at arm's length negotiation among the parties. The price management department of the Company regularly reviews the reasonableness of prices and makes amendments when 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 transactions contemplated under the Existing Weichai Holdings Purchase Agreement, the Existing Weichai Holdings Services Agreement, the Existing Weichai Holdings Utility Services Purchase Agreement and the Existing Weichai Combustion Purchase Agreement for the three years ending 31 December 2025 or 31 December 2026 (as the case may be).

	2023	2024	2025	2026
Existing Cap:				
1. Existing Weichai Holdings Purchase Agreement	2,180,000,000	3,140,000,000	4,110,000,000	–
2. Existing Weichai Holdings Services Agreement	53,000,000	61,000,000	63,000,000	–
3. Existing Weichai Holdings Utility Services Purchase Agreement	831,000,000 (note)	524,000,000	550,000,000	577,000,000
4. Existing Weichai Combustion Purchase Agreement	7,570,000,000 (note)	6,238,000,000	6,860,000,000	7,535,000,000
On an aggregated basis	<u>10,634,000,000</u>	<u>99,630,000,000</u>	<u>11,583,000,000</u>	<u>8,112,000,000</u>

Note: The annual caps for the year ended 31 December 2023 in respect of (i) the transactions contemplated under utility services purchase agreement entered into between the Company and Weichai Holdings as disclosed in the Company's announcement dated 27 August 2020, and (ii) the transactions contemplated under purchase agreement entered into between the Company and Weichai Combustion as disclosed in the Company's announcement dated 27 August 2020, have been disclosed in the above table for completeness sake.

The table below summarises the actual transaction amounts involved for each of the two years ended 31 December 2024 (audited) and the six months ended 30 June 2025 (unaudited) for the Continuing Connected Transaction set out in this sub-section (b), being the transactions contemplated under the Existing Weichai Holdings Purchase Agreement, the Existing Weichai Holdings Services Agreement, the Existing Weichai Holdings Utility Services Purchase Agreement and the Existing Weichai Combustion Purchase Agreement:

	For the year ended 31 December 2023 RMB (audited)	For the year ended 31 December 2024 RMB (audited)	For the six months ended 30 June 2025 RMB (unaudited)
Actual transaction amount:			
1. Existing Weichai Holdings Purchase Agreement	1,311,189,086	2,448,007,420	1,897,275,456
2. Existing Weichai Holdings Services Agreement (<i>Note</i>)	30,612,513	58,804,918	9,134,286
3. Existing Weichai Holdings Utility Services Purchase Agreement	404,469,482	449,898,333	182,519,428
4. Existing Weichai Combustion Purchase Agreement	4,704,195,346	3,673,560,716	1,422,122,143
	<hr/>	<hr/>	<hr/>
On an aggregated basis	<u>6,450,466,427</u>	<u>6,630,271,387</u>	<u>3,511,051,313</u>

Note: As the Existing Weichai Holdings Services Agreement is not subject to the reporting requirements under the Listing Rules, the actual transaction amounts under the agreement set out in the table above are unaudited figures disclosed for completeness.

Since 2025, in light of a continuous expansion of the new energy market and higher than expected increase in demand for new energy fuel cells, it is expected that there will be a further increase in the purchase of relevant products and services by the Group from Weichai Holdings (and its Associates) in 2025.

By combining the transactions regulated under the Existing Weichai Holdings Purchase Agreement, the Existing Weichai Holdings Services Agreement, the Existing Weichai Holdings Utility Services Purchase Agreement and the Existing Weichai Combustion Purchase Agreement, being separate framework agreements of a similar nature (namely, relating to the purchase of products and services by the Group from the Weichai Holdings Group), into one framework agreement, the Group could continue its purchase of products and services from the Weichai Holdings Group in the same manner as stipulated under the Existing Weichai Holdings Purchase Agreement, the Existing Weichai Holdings Services Agreement, the Existing Weichai Holdings Utility Services Purchase Agreement and the Existing Weichai Combustion Purchase Agreement, whilst at the same time streamline the continuing connected transaction involving the Group's purchase of products and services from the Weichai Holdings Group and therefore provide a clearer and more consolidated picture as a whole for the Shareholders' consideration.

For the six months ended 30 June 2025, the Group's actual transaction amount for the purchase of products and services under the Existing Weichai Holding Purchase Agreement had already amounted to approximately RMB1.9 billion, which accounted for approximately 46% of the cap. Considering that the procurement of new energy products in the first half of 2025 only amounted to approximately RMB630 million, but is expected to increase significantly to RMB3,000 million in the second half of the year, the annualised transaction amount (calculated based on the actual transaction amount for the six months ended 30 June 2025, and taking into consideration the increase in procurement of new energy products in the second half of the year) shall be approximately RMB6,200 million for the year ending 31 December 2025, which will be 51% more than the Existing Cap for the year ending 31 December 2025. Hence, Company estimates that the annual caps for the continuing connected transaction under the Existing Weichai Holding Purchase Agreement for the year ending 31 December 2025 will be insufficient. Accordingly, based on the Group's adjusted sales plan prepared based on the latest market development and on the assumption that the abovementioned trend of growth would continue throughout 2025, and taking into consideration the expected annual actual transaction amount under the Existing Weichai Combustion Purchase Agreements will be less than that originally expected, it is considered appropriate that the annual cap (on an aggregate basis) for the year ending 31 December 2025 be adjusted to the proposed New Cap of RMB8,000 million. In addition, the Company estimates that the transaction amount in respect of the Continuing Connected Transaction set out in this sub-section (b) for the two years ending 31 December 2027 will further grow by no more than 12.5% and 11.1% to not exceeding RMB9,000 million and RMB10,000 million, respectively, and such amounts have accordingly been set as the proposed New Caps for the two years ending 31 December 2027 for this Continuing Connected Transaction.

The above proposed New Caps for the three years ending 31 December 2027 have been estimated by the Company primarily based on (i) the relevant historical transaction amounts, (ii) its estimate of the transaction volume of the said purchases in view of the implementation of the Group's sales plan for the years 2025 to 2027, which in turn are based on the production volume, material cost, processing cost and the volume of diesel engines to be sold and exported for the three years ending 31 December 2027, and (iii) the prospect of the diesel engine market as anticipated by the Company; and (iv) the expected continuing growth of the new energy fuel cell market and hence the significant increase in the Group's purchase demand from Weichai Holdings Group and its Associates.

The table below summarises the proposed New Caps for the Weichai Continuing Connected Transaction set out in this sub-section (b) for the three years ending 31 December 2027:

	2025	2026	2027
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
New Cap	8,000,000,000	9,000,000,000	10,000,000,000

As the highest percentage ratio calculated in accordance with the Listing Rules for this Continuing Connected Transaction (when aggregated with the proposed New Caps for the same period under sections IV.A.(b) and V.(b) herein) exceeds the 5% Threshold, this Continuing Connected Transaction constitutes a Non-exempt Continuing Connected Transaction of the Company for the relevant period, and the relevant proposed New Caps 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 2027 (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, the New Weichai Holdings Purchase Agreement is conditional upon the relevant resolution being passed at the EGM.

IV. RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS

DETAILS OF THE CONTINUING CONNECTED TRANSACTIONS AND THE RELEVANT NEW FRAMEWORK AGREEMENTS

A. Weichai Continuing Connected Transactions

Continuing Connected Transactions between Weichai Freshen Air (and its subsidiaries) and the Group

The Company

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

Weichai Freshen Air

Weichai Freshen Air was established on 16 August 2013 as a limited liability company in the PRC. Weichai Freshen Air is principally engaged in the research and development, design, production, sale and repair (excluding casting), transfer of air purification technology, consultancy and import and export trade of goods and technology permitted by the State.

Weichai Freshen Air has since 31 October 2022 become a non-wholly owned subsidiary of the Company, held as to 70% by the Company and 30% by Ji'nan Power.

Ji'nan Power is a wholly owned subsidiary of Sinotruk HK. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, Sinotruk HK is held as to approximately 51% by CNHTC, a commercial vehicles manufacturer, which is held as to 65% by Shandong Heavy Industry. Shandong Heavy Industry indirectly holds approximately 16.32% of the total issued share capital of the Company, and is a substantial shareholder and a connected person of the Company. Ji'nan Power, being a fellow subsidiary of the Company, is also a connected person of the Company. Therefore, Weichai Freshen Air is an associate of Ji'nan Power, and also a connected subsidiary of the Company pursuant to Rule 14A.16 of the Listing Rules, and, in turn, a connected person of the Company.

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

Shandong Heavy Industry, one of the leading automobile and equipment groups in the PRC, is in turn a state-owned enterprise organised under the laws of the PRC with limited liability and is ultimately governed and controlled by the State-owned Assets Supervision and Administration Commission of Shandong Provincial Government (山東省人民政府國有資產監督管理委員會).

(a) Sale of vehicle parts and components, engines, engine parts and components and other products and provision of services by the Company (and its subsidiaries) to Weichai Freshen Air (and its subsidiaries)

Agreement: New Weichai Freshen Air Supply Agreement

Date: 29 August 2025

Parties: 1. The Company
2. Weichai Freshen Air

Term: 1 January 2026 to 31 December 2028

The terms of the New Weichai Freshen Air Supply Agreement are substantially the same as those of the Existing Weichai Freshen Air Supply Agreement.

Pursuant to the New Weichai Freshen Air Supply Agreement, the Company and/or other Group Company (as the case may be) shall sell vehicle parts and components, engines, engine parts and components and other products and provide services (as the case may be) to the Weichai Freshen Air Group at market prices, for a term of three years ending 31 December 2028. Upon the expiry of the term of the New Weichai Freshen Air Supply Agreement, the parties shall have an option to renew the same for a period of three years on a mutually agreed basis. Depending on the terms of the definitive agreements to be entered into by the parties, the relevant price for the relevant products and/or services shall, as the case may be, be settled on a monthly or quarterly basis or in accordance with the progress of the provision of the relevant products and/or services.

The price of the said products shall be determined according to the following mechanism: the relevant department of the Company regularly conducts market research and analysis regarding specific products, in which a number of factors, including the overall market prices, market shares, ordering situation and performance of major competitors of such products, are comprehensively considered and submits a price suggestion after its analysis to the Company's price management department and the final prices are determined at arm's length negotiation among the parties. The price management department of the Company regularly reviews the reasonableness of prices and makes amendments when 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 2025 for this Continuing Connected Transaction:

	2023 <i>RMB</i>	2024 <i>RMB</i>	2025 <i>RMB</i>
Existing Caps	310,000,000	520,000,000	830,000,000

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2024 and six months ended 30 June 2025 (unaudited) in respect of the Group's sale of relevant products and services to the Weichai Freshen Air Group:

	For the year ended 31 December 2023 <i>RMB</i> <i>(audited)</i>	For the year ended 31 December 2024 <i>RMB</i> <i>(audited)</i>	For the six months ended 30 June 2025 <i>RMB</i> <i>(unaudited)</i>
Actual transaction amount	204,444,946	143,375,088	1,398,112

The Board noted the substantial decrease in the transaction amount for the six months ended 30 June 2025, which was mainly due to the dual pressure exerted by the macro economy and the maintenance of a high-level oil price which, in turn, adversely affected the diesel engine market and led to a decline in demand of the products and services supplied by the Group to Weichai Freshen Air for the relevant period. Further, given that the fees in respect of the research and development services provided by the Group to the Weichai Freshen Air Group during the six months ended 30 June 2025 had not been settled, the actual transaction amount during the relevant period was relatively low.

However, the Board is of the view that the potential of and the fundamentals for a long-term economic upturn have not changed for China. Market expectations and confidence are expected to recover due to the implementation of measures to stabilise the economy and boost consumption and the accelerated recovery of infrastructure investment. Hence, the Board expects that the exceptional decrease in 2025 will not continue as the market's demand is expected to revive from the second half of 2025 onwards. Under the influence of favorable factors such as the recovery of logistics and transportation support from infrastructure, the implementation of relevant supporting policies, and continual growth of export markets, the suppressed demand in industry will be released and the restoration of a trend of growth is expected in the second half of 2025.

The Company estimates that the transaction amounts in respect of the Continuing Connected Transaction set out in this sub-section (b) for the three years ending 31 December 2028 will not exceed RMB400 million, RMB600 million and RMB800 million, respectively, and such amounts have accordingly been set as the proposed 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 expectation that the diesel engine market will revive for the years 2026 to 2028 and the demand of Weichai Freshen Air for the products and services supplied by the Group will return to a normal or even higher level in the future; and (iii) the expected increase in the estimated transaction amounts for the sale of relevant products and services in light of the implementation of the Group's sales plan for the years 2026 to 2028.

Taking into account the low utilisation rate of the relevant Existing Caps for the year 2024 and 2025, the Board proposed that the proposed New Cap for the year ending 31 December 2026 be adjusted downwards by more than 50% from the Existing Cap of RMB830 million for the year ending 31 December 2025. Further, taking into account and on the basis of all the aforesaid factors, it is estimated that the overall transaction amount of the said sale of products and services by the Group to Weichai Freshen Air will become RMB400 million for the year ending 31 December 2026, and further by approximately 50.0% and 33.3% for each of the years ending 31 December 2027 and 31 December 2028, respectively.

The table below sets out the proposed New Caps for the Continuing Connected Transaction set out in this sub-section (a) for the three years ending 31 December 2028:

	2026	2027	2028
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Proposed New Caps	400,000,000	600,000,000	800,000,000

As the highest percentage ratio calculated in accordance with the Listing Rules for the Continuing Connected Transaction as set out in this sub-section (a) (when aggregated with the proposed New Caps for the same period under sections III.(a) and V.(a) herein) exceed the 5% Threshold, such Continuing Connected Transaction constitutes a Non-exempt Continuing Connected Transaction of the Company and the New Weichai Freshen Air Supply Agreement and the relevant 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.

Since this Continuing Connected Transaction is a Non-exempt Continuing Connected Transaction and the proposed New Caps are subject to the approval of the Independent Shareholders, the New Weichai Freshen Air Supply Agreement is conditional upon the relevant resolution being passed at the EGM.

(b) *Purchase of vehicle parts and components, engine parts and components and other products and receiving of services by the Company (and its subsidiaries) from Weichai Freshen Air (and its subsidiaries)*

Agreement: New Weichai Freshen Air Purchase Agreement

Date: 29 August 2025

Parties: 1. The Company
2. Weichai Freshen Air

Term: 1 January 2026 to 31 December 2028

The terms of the New Weichai Freshen Air Purchase Agreement are substantially the same as those of the Existing Weichai Freshen Air Purchase Agreement.

Pursuant to the New Weichai Freshen Air Purchase Agreement, the Weichai Freshen Air Group shall supply vehicle parts and components, engine parts and components and other products and provide services to (as the case may be) the Company and/or other Group Company (as the case may be) at market prices, for a term of three years ending 31 December 2028. Upon the expiry of the term of the New Weichai Freshen Air Purchase Agreement, the parties shall have an option to renew the same for a period of three years on a mutually agreed basis. Depending on the terms of the definitive agreements to be entered into by the parties, the relevant price for the relevant products and/or services shall, as the case may be, be settled on a monthly or quarterly basis or in accordance with the progress of the provision of the relevant products and/or services.

The price of the said products and/or services shall be determined according to the following mechanism: the relevant department of the Company regularly conducts market research regarding specific products and/or services, in which a number of factors, including the overall market prices, market shares, ordering situation and performance of major competitors of such products and/or services, are comprehensively considered and submits a price suggestion after its analysis to the Company's price management department, and the final prices are determined at arm's length negotiation among the parties. The price management department of the Company regularly reviews the reasonableness of prices and makes amendments when 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 2025 for this Continuing Connected Transaction:

	2023	2024	2025
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Existing Caps	9,500,000,000	13,450,000,000	18,985,000,000

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2024 and six months ended 30 June 2025 (unaudited) in respect of the Group's purchase of relevant products and services from the Weichai Freshen Air Group:

	For the year ended 31 December 2023 <i>RMB</i> (audited)	For the year ended 31 December 2024 <i>RMB</i> (audited)	For the six months ended 30 June 2025 <i>RMB</i> (unaudited)
Actual transaction amount	5,251,994,062	3,683,245,835	1,790,446,667

Affected by the market environment, the sales of engines had decreased slightly, accordingly, the Group's purchase of products and services from the Weichai Freshen Air Group showed a trend of decrease in 2024 and 2025. Further, the Board also noted an unexpected substantial decrease in the transaction amount from 2024 to 2025, which was mainly due to the dual pressure exerted by the macro economy and the maintenance of a high-level oil price which, in turn, adversely affected the diesel engine market and led to a decline in demand of the products and services purchased from Weichai Freshen Air by the Group for the relevant period.

However, the Board is of the view that the potential of and the fundamentals for a long-term economic upturn have not changed for China. Market expectations and confidence are expected to recover due to the implementation of measures to stabilise the economy and boost consumption and the accelerated recovery of infrastructure investment. Under the influence of favourable factors such as the recovery of logistics and transportation support from infrastructure, the implementation of relevant supporting policies, and continual growth of export markets, the suppressed demand in the industry will be released and the market for engines equipped with aftertreatment is expected to stabilise.

The Company estimates that the transaction amounts in respect of the Continuing Connected Transaction set out in this sub-section (a) for the three years ending 31 December 2028 will not exceed RMB4,300 million, RMB4,450 million and RMB4,500 million, respectively, and such amounts have accordingly been set as the proposed 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 projected volume of such procurement and services following the implementation of the Group's 2026-2028 sales plan; and (iii) a buffer in preparation of potential market fluctuations.

Taking into account the low utilisation rate of the relevant Existing Caps for the year 2024 and 2025, the Board proposed that the proposed New Cap for the year ending 31 December 2026 be adjusted downwards by more than 70% from the Existing Cap of RMB18,985 million for the year ending 31 December 2025. Further, 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 products and services by the Group from Weichai Freshen Air will increase by approximately 20% for the year ending 31 December 2026 as compared with the annualised transaction amount in 2025 (calculated in accordance with the actual transaction amount for the six months ended 30 June 2025), and further by approximately 3.5% and 1.1% for each of the years ending 31 December 2027 and 31 December 2028, respectively.

The table below sets out the proposed New Caps for the Continuing Connected Transaction set out in this sub-section (b) for the three years ending 31 December 2028:

	2026	2027	2028
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Proposed New Caps	4,300,000,000	4,450,000,000	4,500,000,000

As the highest percentage ratio calculated in accordance with the Listing Rules for the Continuing Connected Transaction as set out in this sub-section (a) (when aggregated with the proposed New Caps for the same period under sections III.(b) and V.(b) herein) exceed the 5% Threshold, such Continuing Connected Transaction constitutes a Non-exempt Continuing Connected Transaction of the Company and the New Weichai Freshen Air Purchase Agreement and the relevant 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.

Since this Continuing Connected Transaction is a Non-exempt Continuing Connected Transaction and the proposed New Caps are subject to the approval of the Independent Shareholders, the New Weichai Freshen Air Purchase Agreement is conditional upon the relevant resolution being passed at the EGM.

B. Shaanxi Automotive Continuing Connected Transactions

Continuing connected transactions between the Company (and its subsidiaries) and Shaanxi Automotive (and its associates)

The Company

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

Shaanxi Automotive

Shaanxi Automotive is principally 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 controlled as to approximately 95.45% 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 Ministry of Finance of the PRC, and the remaining approximately 4.55% is held by three companies/partnership.

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

Agreement: New Shaanxi Automotive Sale Agreement

Date: 29 August 2025

Parties: 1. The Company
2. Shaanxi Automotive

Term: 1 January 2026 to 31 December 2028

Other terms and details:

The terms of the New Shaanxi Automotive Sale Agreement are substantially the same as those of the Existing Shaanxi Automotive Sale Agreement.

Pursuant to the New Shaanxi Automotive Sale Agreement, the Company and its subsidiaries (as the case may be) shall sell vehicles, vehicle parts and components, raw materials and other products and provide services to Shaanxi Automotive and its associates (as the case may be) for a term of three years ending 31 December 2028, upon the expiry of which the parties may renew the term for another three years on a mutually agreed basis. Depending on terms of the definitive agreements to be entered into by the parties pursuant to the New Shaanxi Automotive Sale Agreement, the relevant price for the said products and/or services shall, as the case may be, be settled on a monthly or quarterly basis or in accordance with the progress of the provision of the relevant products and/or services.

The sale price of the said products and/or services is determined according to the following mechanism: the relevant department of the Company regularly conducts market research and analysis regarding specific products and/or services, in which a number of factors, including the overall market prices, market shares, ordering situation and performance of major competitors of such products and/or services, and an analysis report is compiled, and the final prices are determined at arm's length negotiation among the parties. The price management department of the Company regularly reviews the reasonableness of prices and makes amendments when 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 2025 for the Shaanxi Automotive Continuing Connected Transaction set out in this sub-section (a):

	2023	2024	2025
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Existing Cap	5,740,000,000	6,240,000,000	6,740,000,000

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2024 (audited) and the six months ended 30 June 2025 (unaudited) for the Shaanxi Automotive Continuing Connected Transaction set out in this sub-section (a):

	Year ended		Six months
	31 December		ended 30 June
	2023	2024	2025
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Actual transaction amount	3,033,674,692	2,403,147,550	1,812,510,916

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. Focusing on the strategy of being led by complete vehicles and machineries, the Group continuously enhanced the competitiveness of its products and accelerated the synergetic upgrading of industrial chain. The Board maintains a cautiously optimistic view about the development of the heavy-duty vehicles market.

The Company and its subsidiaries are engaged in the business of the production of heavy-duty vehicles and related products. In 2024, affected by market conditions and product portfolio adjustments, sales to Shaanxi Automotive fell short of expectations. However, the market is expected to stabilise by 2026, with procurement volumes from Shaanxi Automotive and/or its associates (as the case may be) stabilising accordingly. The Directors believe that the market will stabilise in 2026, and market demand for high-speed, heavy-duty vehicles and vehicle parts and components and services provided will recover, 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 also stabilise.

The Company estimates that the transaction amount in respect of the Continuing Connected Transaction set out in this sub-section (a) will not exceed RMB4,200 million, RMB4,500 million and RMB4,800 million, respectively, for each of the three years ending 31 December 2028 and such amounts have accordingly been set as the proposed New Caps for this Shaanxi Automotive 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 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 the Company and its subsidiaries (as the case may be) in view of the implementation of the Group's strategic plan for the years 2026 to 2028, which involves a further expansion of its sales, (iii) the estimated average unit price of the said vehicles, and (iv) an estimate of market fluctuations during the term of the New Shaanxi Automotive Sales Agreement. Taking into account the lower than expected utilisation rate of the relevant Existing Caps for 2024 and 2025, the Board proposed that the proposed New Cap for the year ending 31 December 2026 be set at RMB4,200 million, being adjusted downwards from the Existing Cap of RMB6,740 million for the year ending 31 December 2025. Further, 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 7.1% and 6.7% for each of the years ending 31 December 2027 and 31 December 2028, respectively.

The table below summarises the proposed New Caps for the Shaanxi Automotive Continuing Connected Transaction set out in this sub-section (a) for the three years ending 31 December 2028:

	2026	2027	2028
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
New Cap	4,200,000,000	4,500,000,000	4,800,000,000

Since (i) Shaanxi Automotive is a connected person of the Company at subsidiary level; (ii) the Board (including all the independent non-executive Directors) has approved this Shaanxi Automotive Continuing Connected Transaction; and (iii) the independent non-executive Directors have confirmed that the terms of this Shaanxi Automotive Continuing Connected Transaction and the proposed 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 Shaanxi Automotive 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 Shaanxi Automotive Continuing Connected Transaction for the three years ending 31 December 2028 is an Exempt Continuing Connected Transaction, the New Shaanxi Automotive Sales Agreement is not subject to the approval of the independent Shareholders under the Listing Rules.

However, since this Shaanxi Automotive Continuing Connected Transaction constitutes a PRC Continuing Connected Transaction, the relevant New Caps and the New Shaanxi Automotive Sales Agreement are subject to the approval by the Shareholders at the EGM.

(b) *Purchase of parts and components of vehicles, scrap steel and other products and receiving of services by the Company (and its subsidiaries) from Shaanxi Automotive (and its associates)*

Agreement: New Shaanxi Automotive Purchase Agreement

Date: 29 August 2025

Parties: 1. The Company
2. Shaanxi Automotive

Term: 1 January 2026 to 31 December 2028

Other terms and details:

The terms of the New Shaanxi Automotive Purchase Agreement are substantially the same as those of the Existing Shaanxi Automotive Purchase Agreement.

Pursuant to the New Shaanxi Automotive Purchase Agreement, each of the Company and its subsidiaries (as the case may be) shall purchase vehicle parts and components, scrap steel and other products and receive services from Shaanxi Automotive and its associates (as the case may be) for a term of three years ending 31 December 2028, upon the expiry of which the parties may renew the term for another three years on a mutually agreed basis. Depending on terms of the definitive agreements to be entered into by the parties pursuant to the New Shaanxi Automotive Purchase Agreement, the relevant price for the said products and/or services shall, as the case may be, be settled on a monthly or quarterly basis or in accordance with the progress of the provision of the relevant products and/or services.

The purchase price of the said products and/or services is determined according to the following mechanism: the relevant department of the Company regularly conducts market research and analysis regarding specific products and/or services, in which a number of factors, including the overall market prices, market shares, ordering situation and performance of major competitors of such products and/or services, and an analysis report is compiled, and the final prices are determined at arm's length negotiation among the parties. The price management department of the Company regularly reviews the reasonableness of prices and makes amendments when 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 2025 for the Shaanxi Automotive Continuing Connected Transaction set out in this sub-section (b):

	2023	2024	2025
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Existing Cap	6,420,000,000	7,140,000,000	7,830,000,000

The table below summarises the actual aggregate transaction amounts involved for the two years ended 31 December 2024 (audited) and the six months ended 30 June 2025 (unaudited) for the Shaanxi Automotive Continuing Connected Transaction set out in this sub-section (b):

	Year ended		Six months
	31 December		ended 30 June
	2023	2024	2025
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Actual transaction amount	5,262,477,612	4,650,052,851	3,357,110,718

China's economy shows a steady and improving trend, with market expectations and confidence continuing to strengthen. The heavy-duty truck market is showing signs of recovery alongside a shift toward new energy vehicles, indicating a sustained positive trend in the future.

The Directors believe that in view of the transaction amount of this Continuing Connected Transaction for the first six months of 2025 and as affected by the above factors, the growth in the volume of parts and components to be purchased by the Group from Shaanxi Automotive and/or its associates will remain stable for the three years ending 31 December 2028.

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 million, RMB7,700 million and RMB8,200 million, respectively, for each of the three years ending 31 December 2028 and such amounts have accordingly been set as the proposed New Caps for this Shaanxi Automotive Continuing Connected Transaction.

The above proposed New Caps have been estimated by the Company primarily based on (i) the relevant historical transaction amounts; and (ii) the estimated increase in the volume and price of the parts and components of vehicles to be purchased by the Company and its subsidiaries (as the case may be) in view of the implementation of the Group's strategic plan. Taking into account the low utilisation rate of the relevant Existing Caps for 2024, the Board proposed that the proposed New Cap for the year ending 31 December 2026 be slightly adjusted downwards to RMB7,200 million from the Existing Cap of RMB7,830 million for the year ending 31 December 2025. Further, 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 products and services will increase by approximately 6.9% and 6.5% for each of the years ending 31 December 2027 and 31 December 2028, respectively.

The table below summarises the proposed New Caps for the Shaanxi Automotive Continuing Connected Transaction set out in this sub-section (b) for the three years ending 31 December 2028:

	2026	2027	2028
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
New Cap	7,200,000,000	7,700,000,000	8,200,000,000

Since (i) Shaanxi Automotive is a connected person of the Company at subsidiary level; (ii) the Board (including all the independent non-executive Directors) has approved this Shaanxi Automotive Continuing Connected Transaction; and (iii) the independent non-executive Directors have confirmed that the terms of this Shaanxi Automotive Continuing Connected Transaction and the proposed 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 Shaanxi Automotive 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 Shaanxi Automotive Continuing Connected Transaction for the three years ending 31 December 2028 is an Exempt Continuing Connected Transaction, the New Shaanxi Automotive Purchase Agreement is not subject to the approval of the independent Shareholders under the Listing Rules.

However, since this Shaanxi Automotive Continuing Connected Transaction constitutes a PRC Continuing Connected Transaction, the relevant New Caps and the New Shaanxi Automotive Purchase Agreement are subject to the approval by the Shareholders at the EGM.

V. NEW CONTINUING CONNECTED TRANSACTIONS

Continuing Connected Transactions between Weichai New Energy (and its subsidiaries) and the Group

The Company

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

Weichai New Energy

Weichai New Energy is a non-wholly owned subsidiary of the Company and is principally engaged in research and development of new energy technology, automotive parts, motors and control systems and electromechanical coupling systems; engineering and technological research and experimental development; promotion services of new material technologies; Internet of Things technology services; manufacturing of automotive parts and accessories and testing machine; manufacturing and sales of fuel cells and motors; sales of new energy vehicle electrical accessories, plug-in hybrid engines and new energy vehicles. It is held as to 70% by the Company and 30% by Sinotruk Hydrogen Energy, which is a wholly owned subsidiary of CNHTC. CNHTC, a commercial vehicles manufacturer, which is held as to 65% by Shandong Heavy Industry. Shandong Heavy Industry indirectly holds approximately 16.32% of the total issued share capital of the Company, and is a substantial shareholder and a connected person of the Company. Therefore, Weichai New Energy is a connected subsidiary of the Company pursuant to Rule 14A.16 of the Listing Rules, and, in turn, a connected person of the Company.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, Shandong Heavy Industry, one of the leading automobile and equipment groups in the PRC and a state-owned enterprise organised under the laws of the PRC with limited liability, is ultimately governed and controlled by the State-owned Assets Supervision and Administration Commission of Shandong Provincial Government (山東省人民政府國有資產監督管理委員會).

(a) Sale of raw materials of fuel cells and other products and provision of services by the Company (and its subsidiaries) to Weichai New Energy (and its subsidiaries)

Agreement: Weichai New Energy Supply Agreement

Date: 29 August 2025

Parties: 1. The Company
2. Weichai New Energy

Term: 1 January 2025 to 31 December 2027

Pursuant to the Weichai New Energy Supply Agreement, the Company (and/or other Group Company) (as the case may be) shall sell raw materials of fuel cells and other products, and provide services to the Weichai New Energy Group at market prices and settled on a monthly or quarterly basis (depending on the terms of the definitive agreements to be entered into by the parties), for a term of three years ending 31 December 2027, upon the expiry of which the parties may renew the term for another three years on a mutually agreed basis.

The price of the said products and/or services shall be determined according to the following mechanism: the relevant department of the Company regularly conducts market research and analysis regarding specific products and/or services, in which a number of factors, including the overall market prices, market shares, ordering situation and performance of major competitors of such products and/or services, are comprehensively considered in order to formulate its pricing proposal which will be put before the price management department of the Company for approval, and the final prices are determined at arm's length negotiation among the parties. The price management department of the Company regularly reviews the reasonableness of prices and makes amendments when 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 actual transaction amounts involved for the two years ended 31 December 2024 (audited) and the six months ended 30 June 2025 (unaudited) for the Continuing Connected Transaction set out in this sub-section (a):

	For the year ended 31 December 2023 RMB (audited)	For the year ended 31 December 2024 RMB (audited)	For the six months ended 30 June 2025 RMB (unaudited)
Actual transaction amount	26,907,160	78,556,181	17,093,820

Reference is made to the announcement of the Company dated 30 August 2023 and the circular of the Company dated 30 November 2023 in respect of certain continuing connected transactions pursuant to which the Company and its subsidiaries shall sell diesel engines, diesel engine parts and components, materials, semi-finished products, hydraulic products and related products and to provide related services to Weichai Holdings and its associates for the term of three years ending 31 December 2026 (“**Weichai Holdings Sale CCT**”). Reference is also made to the extraordinary general meeting of the Company held on 29 December 2023, pursuant to which the Weichai Holdings Sale CCT (with an annual cap of RMB6,725,000,000 for the year ending 31 December 2025) was approved.

As Weichai New Energy is an associate of Weichai Holdings, the Group's sale of relevant products and services to the Weichai New Energy Group constitutes part of the Weichai Holdings Sale CCT. As at the date of this announcement, the approved annual cap for the year ending 31 December 2025 under the Weichai Holdings Sale CCT has not been exceeded having taking into account the relevant transactions between the Group and the Weichai New Energy Group.

Since 2025, due to the continued expansion of the new energy market and the growth of demand for new energy fuel cells exceeding expectations, for the first half of 2025, Weichai New Energy Group recorded substantial sales growth for fuel cells and other products that it manufactured. The sales recorded by the Weichai New Energy Group for the six months ended 30 June 2025 already represented 78% of its full year sales in 2024. In view of the anticipated continuing growth in demand for new energy fuel cells from the second half of 2025 to 2027, demand for fuel cells and related products and services manufactured by Weichai New Energy Group is expected to maintain significant growth from 2025 to 2027. Weichai New Energy Group, as a key supplier to the Company, also plays a significant role in the Group's sales operations. By providing relevant research and development services to the Weichai New Energy Group, the Group would in turn enable the Weichai New Energy Group deliver higher-quality products and services to the Group. Consequently, Weichai New Energy Group's procurement demand for raw materials of fuel cells and related products and services is also expected to increase substantially during the same period.

The Company estimates that the transaction amounts in respect of the Continuing Connected Transaction set out in this sub-section (a) for the three years ending 31 December 2027 will not exceed RMB300 million, RMB500 million and RMB700 million, respectively, and such amounts have accordingly been set as the proposed 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 amounts, (ii) the expectation on the fuel cell market, and (iii) the expected increase in the estimated transaction amounts for the sale of relevant products and services in light of the Group's sales plan for the years 2025 to 2027.

Taking into account and on the basis of all the aforesaid factors, it is estimated that the overall transaction amount of the said sale of products and services by the Group to the Weichai New Energy Group on an annual basis will increase by approximately 66.7% and 40.0% for each of the two years ending 31 December 2027, respectively.

The table below summarises the proposed New Caps for the Continuing Connected Transaction set out in this sub-section (a) for the three years ending 31 December 2027:

	2025	2026	2027
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Proposed New Caps	300,000,000	500,000,000	700,000,000

As all percentage ratios calculated in accordance with the Listing Rules for the Continuing Connected Transaction as set out in this sub-section (a) (when aggregated with the proposed New Caps for the same period under sections III.(a) and IV.A.(a) herein) exceed the 5% Threshold, such Continuing Connected Transaction constitutes a Non-exempt Continuing Connected Transaction of the Company and the Weichai New Energy Supply Agreement and the relevant 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.

Since this Continuing Connected Transaction is a Non-exempt Continuing Connected Transaction and the proposed New Caps are subject to the approval of the Independent Shareholders, the Weichai New Energy Supply Agreement is conditional upon the relevant resolution being passed at the EGM.

(b) Purchase of fuel cells and motors and other products and receiving of services by the Company (and its subsidiaries) from Weichai New Energy (and its subsidiaries)

Agreement: Weichai New Energy Purchase Agreement

Date: 29 August 2025

Parties:

1. The Company
2. Weichai New Energy

Term: 1 January 2025 to 31 December 2027

Pursuant to the Weichai New Energy Purchase Agreement, the Company, and/or other Group Company (as the case may be) shall purchase fuel cells and motors and other products and receive services from the Weichai New Energy Group at market prices and settled on a monthly or quarterly basis (depending on the terms of the definitive agreements to be entered into by the parties), for a term of three years ending 31 December 2027, upon the expiry of which the parties shall have an option to renew the term for another three years on a mutually agreed basis.

The price of the said products and/or services shall be determined according to the following mechanism: the relevant department of the Company regularly conducts market research and analysis regarding specific products and/or services, in which a number of factors, including the overall market prices, market shares, ordering situation and performance of major competitors of such products and/or services, are comprehensively considered in order to formulate its pricing proposal which will be put before the price management department of the Company for approval, and the final prices are determined at arm's length negotiation among the parties. The price management department of the Company regularly reviews the reasonableness of prices and makes amendments when 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 actual transaction amounts involved for the two years ended 31 December 2024 (audited) and the six months ended 30 June 2025 (unaudited) for the Continuing Connected Transaction set out in this sub-section (b):

	For the year ended 31 December 2023 RMB (audited)	For the year ended 31 December 2024 RMB (audited)	For the six months ended 30 June 2025 RMB (unaudited)
Actual transaction amount	97,785,085	143,861,563	629,881,312

Reference is made to the announcement of the Company dated 30 August 2022 in respect of certain continuing connected transactions, pursuant to which the Company and its subsidiaries shall purchase vehicles, parts and components of vehicles and related products, excavators, loaders, raw materials including gas and scrap metals etc., diesel engines and related products, and processing services from Weichai Holdings and its associates for a term of three years ending 31 December 2025 (“**Weichai Holdings Purchase CCT**”), and an annual cap of RMB4,110,000,000 for the year ending 31 December 2025 was set therein.

As Weichai New Energy is an associate of Weichai Holdings, the Group’s purchase of relevant products and services from the Weichai New Energy Group constitutes part of the Weichai Holdings Purchase CCT. As at the date of this announcement, the approved annual cap for the year ending 31 December 2025 under the Weichai Holdings Purchase CCT has not been not exceeded having taking into account the relevant transactions between the Group and the Weichai New Energy Group.

Since 2025, due to the continued expansion of the new energy market and the growth of demand for new energy fuel cells exceeding expectations, for the first half of 2025, Weichai New Energy Group recorded substantial growth in sales to the Group of nearly 7.8 times the 2024 level for fuel cells and other products that it manufactured. The primary products procured by the Group from Weichai New Energy Group are new energy fuel cells and electric motor products. These products are crucial for supporting the subsequent production, sales, and product transition towards new energy heavy-duty trucks. Sourcing from the Weichai New Energy Group enables the Group to obtain stable, reliable, and high-quality products and services. In view of the anticipated continuing growth in demand for new energy fuel cells from the second half of 2025 to 2027, according to the sales plan of Weichai New Energy Group, its sales of relevant products and services to the Group are expected to maintain a trend of substantial growth from 2025 to 2027.

The Company estimates that the transaction amounts in respect of the Continuing Connected Transaction set out in this sub-section (b) for the three years ending 31 December 2027 will not exceed RMB3,100 million, RMB7,100 million and RMB10,000 million, respectively, and such amounts have accordingly been set as the proposed 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 amounts, (ii) the expectation on the fuel cell and motor market, and (iii) the expected increase in the estimated transaction amounts for the purchase of relevant products and services in light of the Group's sales plan for the years 2025 to 2027.

Taking into account and on the basis of all the aforesaid factors, under the assumption that Weichai New Energy Group's sales to the Group of the relevant products and services in the second half of 2025 achieve an increase of three times compared to the first half of 2025, the annualised transaction amount for the year ending 31 December 2025 (calculated based on the actual transaction amount for the six months ended 30 June 2025, and taking into consideration the expected increase in the second half of the year) will be approximately RMB3.1 billion. In addition, it is estimated that the growth rate of the overall transaction amount of the said purchase of products and services by the Group from Weichai New Energy Group for each of the two years ending 31 December 2027 will slightly decrease to approximately 129.0% and 40.8% 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 2027:

	2025	2026	2027
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Proposed New Caps	3,100,000,000	7,100,000,000	10,000,000,000

As all percentage ratios calculated in accordance with the Listing Rules for the Continuing Connected Transaction as set out in this sub-section (b) (when aggregated with the proposed New Caps for the same period under sections III.(b) and IV.A.(b) herein) exceed the 5% Threshold, such Continuing Connected Transaction constitutes a Non-exempt Continuing Connected Transaction of the Company and the Weichai New Energy Purchase Agreement and the relevant 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.

Since this Continuing Connected Transaction is a Non-exempt Continuing Connected Transaction and the proposed New Caps are subject to the approval of the Independent Shareholders, the Weichai New Energy Purchase Agreement is conditional upon the relevant resolution being passed at the EGM.

VI. REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS AND LISTING RULES IMPLICATIONS

1. Continuing Connected Transactions between Weichai Holdings (and its Associates) and the Group

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. In respect of the Weichai Continuing Connected Transactions between the Company and Weichai Holdings, since their production facilities are located in close proximity to each other and in view of the PRC Government's policy not to duplicate construction of production and other facilities, such Weichai Continuing Connected Transaction has been continuing since the listing of the Company on the Stock Exchange.

As the Company has conducted the Weichai Continuing Connected Transactions with the relevant entities for many years and the Company has built up a long term strategic and solid business relationship with these entities, the Directors (excluding the independent non-executive Directors in respect of the Non-exempt Continuing Connected Transactions) consider it beneficial to the Company to continue to conduct the Weichai Continuing Connected Transactions in order to ensure and maximize operating efficiency and stability of the operations of the Company. The Directors (excluding the independent non-executive Directors in respect of the Non-exempt Continuing Connected Transactions) are not aware of any disadvantage to the Group in continuing to conduct the Weichai Continuing Connected Transaction.

In addition, the Board considers that the combination of certain Weichai Continuing Connected Transactions of similar natures into one framework agreement, namely, the New Weichai Holdings Sale Agreement and the New Weichai Holdings Purchase Agreement, would present Shareholders with a clearer picture of the relevant Weichai Continuing Connected Transactions entered into between the Group and the Weichai Holdings Group and, in turn, enable the Shareholders to better appreciate the extent of and more easily understand the transactions between the Group and the Weichai Holdings Group on an aggregated basis.

The termination agreements to the Existing Weichai Combustion Sale Framework Agreements, the Existing Yaxing Sale Framework Agreements and the Existing Weichai Combustion Purchase Agreement regarding the shortening of the term of the relevant agreement which is incidental to the entering into of the New Weichai Holdings Sale Agreement and the New Weichai Holdings Purchase Agreement as mentioned above, were made after arm's length negotiations between the relevant parties. The Board is of the view that such terms are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and the aforesaid termination agreements have been entered into in the ordinary and usual course of business of the Group.

2. Continuing Connected Transactions between Weichai Freshen Air (and its subsidiaries) and the Group

Weichai Freshen Air had since its establishment in August 2013 been a wholly-owned subsidiary of the Company. Being a business operator within the Group that focuses on the research, design, sale and repair of air purification products for vehicles, the Weichai Freshen Air Group has constantly been supplying air purification products and relevant services to other members of the Group, and other members of the Group has constantly been providing research and development support and supplying products including engines and engine parts and components to Weichai Freshen Air. Given that Weichai Freshen Air has become a connected person of the Company upon completion of the a capital contribution on 31 October 2022, the abovementioned transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules thereafter, and such transaction have been governed under the Existing Weichai Freshen Air Framework Agreements.

Following expiry of the Existing Weichai Freshen Air Framework Agreements, the parties intend to continue to carry out the existing transactions between the Weichai Freshen Air Group and the other members of the Group. The Board is of the view that (i) the purchase of air purification products and relevant services from the Weichai Freshen Air Group will enable the Group to secure a stable and reliable supply of quality air purification products and services, which is essential in supporting the development of the sales of the Group's engine products; and (ii) the provision of services including research and development support to the Weichai Freshen Air Group is also necessary in sustaining the Weichai Freshen Air Group's high quality development and production of relevant products, and in turn ensuring a stable supply of quality products and services to the Group. In light of the above and taking into consideration that Weichai Freshen Air continues to be accounted for as a subsidiary of the Company and Weichai Freshen Air's financial results continue to be consolidated into the Company's consolidated financial statements, the Directors (excluding the independent non-executive Directors in respect of the Non-exempt Continuing Connected Transactions) consider it beneficial to the Group to continue to conduct the Continuing Connected Transaction in order to ensure and maximise operating efficiency and stability of the operations of the Group as a whole.

3. Continuing Connected Transactions between Weichai New Energy (and its subsidiaries) and the Group

Weichai New Energy was established on 5 September 2017 as a subsidiary of the Company. Being a business operator within the Group that focuses on new energy business, it has constantly been supplying new energy products and services to other members of the Group, and other members of the Group has constantly been providing raw materials and auxiliary materials and technical development services to Weichai New Energy. Given that Weichai New Energy has become a connected subsidiary of the Company since 31 August 2023 following a capital contribution made by Sinotruck Hydrogen Energy, the abovementioned transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules thereafter.

As disclosed in section V. in this announcement, prior to the entering into of the Weichai New Energy Framework Agreements, the transactions between the Group and the Weichai New Energy Group constitute part of the Weichai Holdings Sale CCT and Weichai Holdings Purchase CCT, and have been governed by the Existing Weichai Holdings Sale Agreement and the Existing Weichai Holdings Purchase Agreement, respectively. Given the expected increase in the size of the transactions with the Weichai New Energy Group going forward with the Group's focus in fuel cell and new energy product operations, and the fact that the transactions between the Group and the Weichai New Energy Group constitutes a connected transaction of the Company with its connected subsidiary, the Board considers it more appropriate for such transactions to be governed under a separate framework agreement.

In order to continuing to carry out the existing transactions between the Weichai New Energy Group and the other members of the Group, the Board is of the view that (i) the purchase of fuel cells and motors and other products and relevant services from the Weichai New Energy Group will enable the Group to secure a stable and reliable supply of quality new energy products and services, which is essential to the manufacturing and sales of the Group's new energy heavy duty trucks and the transformation of the Group's products; and (ii) as a key supplier unit of the Group, the Weichai New Energy Group is essential to the Group's sales operations, the provision of raw and auxiliary materials and technical development services to the Weichai New Energy Group is also necessary in sustaining the Weichai New Energy Group's high quality development and production of relevant products, and in turn ensuring a stable supply of quality products and services to the Group. In light of the above and taking into consideration that Weichai New Energy is accounted for as a subsidiary of the Company and Weichai New Energy's financial results is consolidated into the Company's consolidated financial statements, the Directors (excluding the independent non-executive Directors in respect of the Non-exempt Continuing Connected Transactions) consider it beneficial to the Group to continue to conduct the Continuing Connected Transaction in order to ensure and maximise operating efficiency and stability of the operations of the Group as a whole.

4. Continuing Connected Transactions between Shaanxi Automotive (and its associates) and the Group

As prior to becoming a part of the Group through the Merger, Shaanxi Zhongqi has conducted the Shaanxi Automotive Continuing Connected Transactions with Shaanxi Automotive (and its associates) (as the case may be) for many years and the Company has taken up such Shaanxi Automotive Continuing Connected Transactions 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 Shaanxi Automotive Continuing Connected Transactions 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) 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 are of the view that the abovementioned methods and procedures under the pricing policies can ensure that all the Continuing Connected Transaction will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

The Directors (excluding the independent non-executive Directors in respect of the Non-exempt Continuing Connected Transactions) 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 29 August 2025 approving, *inter alia*, the Continuing Connected Transactions, the following Directors have abstained from voting on the resolutions in respect of certain Continuing Connected Transactions as follows, for the reasons of their respective interest and/or position (as the case may be) in the relevant connected persons:

1. Continuing Connected Transaction with Weichai Holdings (and its Associates) set out under section III. in this announcement — Mr. Ma Changhai, Mr. Wang Decheng, Mr. Huang Weibiao and Mr. Sun Shaojun;
2. Continuing Connected Transactions with Weichai Freshen Air (and its subsidiaries) and with Weichai New Energy (and its subsidiaries) set out under sections IV.A. and V. in this announcement — Mr. Ma Changhai; and
3. Continuing Connected Transactions with Shaanxi Automotive (and its associates) set out under section IV.B. in this announcement — Mr. Yuan Hongming.

Save as disclosed, no other Directors have any material interest in the Continuing Connected Transactions.

As the highest percentage ratio calculated in accordance with the Listing Rules for the Weichai Continuing Connected Transactions as set out in sections III., IV.A. and V. of this announcement exceeds the 5% Threshold on an aggregated basis, such Continuing Connected Transactions constitute Non-exempt Continuing Connected Transactions of the Company and their respective New Framework Agreement and 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 a connected person of the Company at subsidiary level; (ii) the Board (including all the independent non-executive Directors) has approved the Shaanxi Automotive Continuing Connected Transactions; and (iii) the independent non-executive Directors have confirmed that the terms of the Shaanxi Automotive Continuing Connected Transactions 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 Shaanxi Automotive Continuing Connected Transactions are subject to the reporting and announcement requirements but are exempt from circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules. However, according to the relevant laws and regulations of the PRC and the Shenzhen Listing Rules, such Shaanxi Automotive Continuing Connected Transactions constitute PRC Continuing Connected Transactions and are subject to the approval by the Shareholders at the EGM.

VII. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISOR

An Independent Board Committee comprising the independent non-executive Directors (namely, Ms. Jiang Yan, Mr. Chi Deqiang, Mr. Zhao Fuquan, Mr. Xu Bing and Mr. Tao Huaan) will be appointed to consider the Non-exempt Continuing Connected Transactions and their New Caps. An Independent Financial Adviser will be appointed and will advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the Non-exempt Continuing Connected Transactions and their New Caps.

VIII. DESPATCH OF CIRCULAR

A circular containing, inter alia, (i) further details of the Non-exempt Continuing Connected Transactions; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the Non-exempt 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 Non-exempt Continuing Connected Transactions, will be despatched to the Shareholders. As the Company expects that more time will be needed to prepare the information to be contained in the circular, the circular will be despatched to the Shareholders on or before 30 September 2025 in accordance with the Listing Rules.

IX. 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
“Associate(s)”	has the meaning ascribed to an “associate” under Rule 14A.06(2) of the Listing Rules, and further includes any company that constitutes a connected subsidiary of the Company pursuant to Rule 14A.16 of the Listing Rules due to such associate’s shareholding therein
“Board”	the board of Directors
“CNHTC”	中國重型汽車集團有限公司 (China National Heavy Duty Truck Group Company Limited), a state-owned enterprise organised under the laws of the PRC with limited liability and a connected person of the Company
“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 sections III., IV. and V. in this announcement, comprising the Weichai Continuing Connected Transactions and the Shaanxi Automotive Continuing Connected Transactions
“Director(s)”	the director(s) 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 New Framework Agreements
“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

“Existing Axles Supply Framework Agreement	the axles supply framework agreement entered into between Hande Axle and Yangzhou Yaxing on 30 August 2023 (as supplemented on 25 March 2024) as more particularly set out in section II.(c) of the Company’s announcement dated 25 March 2024
“Existing Cap(s)”	the existing cap(s) for the Continuing Connected Transactions set out in the sections III. and IV. in this announcement
“Existing Shaanxi Automotive Framework Agreements”	the Existing Shaanxi Automotive Purchase Agreement and the Existing Shaanxi Automotive Sales Agreement
“Existing Shaanxi Automotive Purchase Agreement”	the parts and components and scrap steel purchase agreement between the Company and Shaanxi Automotive dated 30 August 2022, details of which are disclosed in section II.B.2. of the announcement of the Company dated 30 August 2022
“Existing Shaanxi Automotive Sale Agreement”	the vehicles, parts and components and raw materials sale and heat processing services agreement between the Company and Shaanxi Automotive dated 30 August 2022, details of which are disclosed in section II.B.1. of the announcement of the Company dated 30 August 2022
“Existing Transmissions Supply Framework Agreement”	the transmissions supply framework agreement entered into between SFGC and Yangzhou Yaxing on 30 August 2023 (as supplemented on 25 March 2024) as more particularly set out in section II.(b) in the announcement of the Company dated 25 March 2024
“Existing Weichai Combustion Lease Agreement”	the framework agreement in relation to the leasing of factory buildings entered into between the Company and Weichai Combustion on 30 August 2023 as more particularly set out in section IV in the announcement of the Company dated 30 August 2023
“Existing Weichai Combustion Logistics Agreement”	the framework agreement in relation to the provision of logistics, storage, etc. services entered into between the Company and Weichai Combustion on 30 August 2023 as more particularly set out in section IV in the announcement of the Company dated 30 August 2023

“Existing Weichai Combustion Purchase Agreement”	the framework agreement in relation to the purchase of gas engines, gas engine parts and related products entered into between the Company and Weichai Combustion on 30 August 2023 (as supplemented on 22 August 2024) as more particularly set out in section III.2 in the announcement of the Company dated 22 August 2024
“Existing Weichai Combustion Sale Framework Agreements”	the Existing Weichai Combustion Supply Agreement, the Existing Weichai Combustion Lease Agreement and the Existing Weichai Combustion Logistics Agreement
“Existing Weichai Combustion Supply Agreement”	the framework agreement in relation to the supply of base engines, gas engine parts and related products entered into between the Company and Weichai Combustion on 30 August 2023 as more particularly set out in section II.3.(a) in the announcement of the Company dated 30 August 2023
“Existing Weichai Freshen Air Framework Agreements”	the Existing Weichai Freshen Air Supply Agreement and the Existing Weichai Freshen Air Purchase Agreement
“Existing Weichai Freshen Air Purchase Agreement”	the agreement entered into between the Company and Weichai Freshen Air on 23 November 2022 as more particularly set out in section II.(a) of the announcement of the Company dated 23 November 2022
“Existing Weichai Freshen Air Supply Agreement”	the agreement entered into between the Company and Weichai Freshen Air on 23 November 2022 as more particularly set out in section II.(b) of the announcement of the Company dated 23 November 2022
“Existing Weichai Holdings Framework Agreements”	the Existing Weichai Holdings Sale Agreement, the Existing Weichai Combustion Sale Framework Agreements, the Existing Yaxing Sale Framework Agreements, the Existing Weichai Holdings Purchase Agreement, the Existing Weichai Holdings Utility Services Purchase Agreement and the Existing Weichai Combustion Purchase Agreement, and an “Existing Weichai Holdings Framework Agreement” means any one of them
“Existing Weichai Holdings Purchase Agreement”	the product and services purchase agreement entered into between the Company and Weichai Holdings on 30 August 2022 as more particularly set out in section II.A. in the announcement of the Company dated 30 August 2022

“Existing Weichai Holdings Sale Agreement”	the diesel engines, diesel engines parts and components, materials and related products sale and provision of related services agreement entered into between the Company and Weichai Holdings on 30 August 2023 as more particularly set out in section II.1.(b) in the announcement of the Company dated 30 August 2023
"Existing Weichai Holdings Services Agreement"	the service agreement entered into between the Company and Weichai Holdings on 30 August 2022 as more particularly set out in section IV in the announcement of the Company dated 30 August 2022
“Existing Weichai Holdings Utility Services Purchase Agreement”	the agreement the purchase and/or connection of utilities entered into between Weichai Holdings and the Company on 30 August 2023 as more particularly set out in section II.1.(a) of the announcement of the Company dated 30 August 2023
“Existing Weichai Yangzhou Supply Framework Agreement”	the diesel engines supply framework agreement entered into between the Company and Yangzhou Yaxing on 30 August 2023 (as supplemented on 25 March 2024) as more particularly set out in section II.(a) in the announcement of the Company dated 25 March 2024
“Existing Yaxing Sale Framework Agreements”	the Existing Weichai Yangzhou Supply Framework Agreement, the Existing Transmissions Supply Framework Agreement and the Existing Axles Supply Framework Agreement
“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
“Independent Board Committee”	a committee of the Board comprising Ms. Jiang Yan, Mr. Chi Deqiang, Mr. Zhao Fuquan, Mr. Xu Bing and Mr. Tao Huaan, 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 under the Listing Rules to abstain from voting at the EGM in respect of the Non-exempt Continuing Connected Transactions
“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)”	the new annual cap(s) to the Continuing Connected Transactions as set out in the section headed “II. Continuing Connected Transactions” in this announcement
“New Framework Agreements”	the new framework agreements relating to the Continuing Connected Transactions entered into between the Group and the relevant connected persons as more particularly set out in the sections III., IV. and V. in this announcement and “New Framework Agreement” means any of them
“New Shaanxi Automotive Framework Agreements”	the New Shaanxi Automotive Purchase Agreement and New Shaanxi Automotive Sales Agreement
“New Shaanxi Automotive Purchase Agreement”	the purchase agreement entered into between the Company and Shaanxi Automotive on 29 August 2025 as more particularly set out in section IV.B.(b) in this announcement
“New Shaanxi Automotive Sale Agreement”	the sale agreement entered into between the Company and Shaanxi Automotive on 29 August 2025 as more particularly set out in section IV.B.(a) in this announcement
“New Weichai Freshen Air Framework Agreements”	the New Weichai Freshen Air Supply Agreement and New Weichai Freshen Air Purchase Agreement
“New Weichai Freshen Air Purchase Agreement”	the purchase agreement entered into between the Company and Weichai Freshen Air on 29 August 2025 as more particularly set out in section IV.A.(a) in this announcement

“New Weichai Freshen Air Supply Agreement”	the supply agreement entered into between the Company and Weichai Freshen Air on 29 August 2025 as more particularly set out in section IV.A.(b) in this announcement
“New Weichai Holdings Framework Agreements”	the New Weichai Holdings Sale Agreement and the New Weichai Holdings Purchase Agreement
“New Weichai Holdings Purchase Agreement”	the purchase agreement entered into between the Company and Weichai Holdings on 29 August 2025 as more particularly set out in section III.(b) in this announcement
“New Weichai Holdings Sale Agreement”	the sale agreement entered into between the Company and Weichai Holdings on 29 August 2025 as more particularly set out in section III.(a) in this announcement
“Non-exempt Continuing Connected Transaction(s)”	being those Continuing Connected Transaction(s) 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 and 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 transactions set out under the section IV.B. in this announcement, which constitute continuing connected transactions of the Company under the relevant laws and regulations of the PRC and the Shenzhen Listing Rules and are subject to the approval by the Shareholders at the EGM. 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”) dated 29 August 2025 on the Shenzhen Stock Exchange
“RMB”	Renminbi, the lawful currency of the PRC
“SFGC”	陝西法士特齒輪有限責任公司 (Shaanxi Fast Gear Co. Ltd.), a company established in the PRC and a 51% subsidiary 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 Automotive Continuing Connected Transaction(s)”	the Continuing Connected Transaction(s) under section IV.B. of this announcement
“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 51% subsidiary of the Company
“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
“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
“Sinotruk HK”	Sinotruk (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Stock Exchange (stock code: 3808), and a connected person of the Company
“Sinotruk Hydrogen Energy”	中國重汽集團氫動能汽車創新中心有限公司 (Sinotruk Hydrogen Energy Vehicles Innovation Centre Co., Ltd.*), a wholly-owned subsidiary of CNHTC, and a connected person of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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

“Weichai Combustion”	濰柴 (濰坊) 燃氣動力有限公司 (Weichai (Weifang) Combustion Power Co., Ltd.*) (previously known as “濰柴西港新能源動力有限公司” (Weichai Power Westport New Energy Engine Co., Ltd.), a company established in the PRC and held as to 74.33% by Weichai Holdings, and hence constitutes a connected person of the Company
“Weichai Continuing Connected Transaction(s)”	the Continuing Connected Transaction(s) under sections III., IV.A. and V. 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 with limited liability and a 70%-subsidiary of the Company
“Weichai Freshen Air Group”	Weichai Freshen Air and its subsidiaries
“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 Holdings Group”	Weichai Holdings and its Associates
“Weichai New Energy”	濰柴新能源動力科技有限公司 (Weichai New Energy Power Technology Co., Ltd.*), a company established in the PRC with limited liability and a 70%-subsidiary of the Company and a connected subsidiary of the Company
“Weichai New Energy Framework Agreements”	the Weichai New Energy Supply Agreement and the Weichai New Energy Purchase Agreement
“Weichai New Energy Group”	Weichai New Energy and its subsidiaries
“Weichai New Energy Purchase Agreement”	the purchase agreement entered into between the Company and Weichai New Energy on 29 August 2025 as more particularly set out in section V.(b) in this announcement
“Weichai New Energy Supply Agreement”	the supply agreement entered into between the Company and Weichai New Energy on 29 August 2025 as more particularly set out in section V.(a) in this announcement

“Yangzhou Yaxing”

揚州亞星客車股份有限公司 (Yangzhou Yaxing Motor Coach Co. Ltd.), a company established in the PRC, a subsidiary of Weichai Holdings and indirectly held as to 95.90% by Weichai Holdings, and hence constitutes a connected person of the Company

“%”

per cent

* For identification purposes only

By order of the Board
Weichai Power Co., Ltd.
Ma Changhai
Chairman

Hong Kong, 29 August 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Ma Changhai, Mr. Wang Decheng, Mr. Huang Weibiao, Mr. Sun Shaojun, Mr. Yuan Hongming and Mr. Ma Xuyao; the non-executive Directors of the Company are Mr. Zhang Liangfu, Mr. Richard Robinson Smith and Mr. Michael Martin Macht; and the independent non-executive Directors of the Company are Ms. Jiang Yan, Mr. Chi Deqiang, Mr. Zhao Fuquan, Mr. Xu Bing and Mr. Tao Huaan.