濰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

CHANGE IN USE OF PART OF PROCEEDS

Reference is made to the announcements of Weichai Power Co., Ltd. (the "**Company**") dated 24 December 2020, 25 January 2021, 26 January 2021, 29 January 2021, 12 April 2021, 23 April 2021 and 26 May 2021 and the circular (the "**Circular**") of the Company dated 11 January 2021, in respect of, inter alia, the proposed Non-public Issuance of A Shares. Capitalised terms used in this announcement shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 29 April 2026, the Board considered and approved the resolution on the change in use of part of proceeds. The Company proposes to reduce the amount of proceeds to be applied to the Full Series Hydraulic Pressure Powertrain And Large-Scale Continuously Variable Transmission (CVT) Powertrain Industrialisation Project (全系列液壓動力總成和大型CVT動力總成產業化項目) and reallocate such proceeds to increase the investment in the Large Diameter High-End Engine Development Project (大缸徑高端發動機建設項目) and for the permanent replenishment of working capital (the "**Change in Use of Proceeds**").

Details on the Change in Use of Proceeds

Based on the Company's strategic planning, operational development needs and the progress of hydraulic project, to further advance the development of electric power energy business, enhance product competitiveness, and improve the efficiency of proceeds utilisation, after prudent study and analytical deliberation, the Company proposes to reduce the amount of proceeds to be applied to the Full Series Hydraulic Pressure Powertrain and Large-Scale Continuously Variable Transmission (CVT) Powertrain Industrialisation Project by RMB1,000.00 million. Of this amount, RMB500.00 million will be reallocated to increase the investment in the Large Diameter High-End Engine Development Project, and the remaining RMB500.00 million will be used for the permanent replenishment of working capital. Corresponding adjustments will be made to the internal investment structure and investment plan of the relevant projects, while the total amount of proceeds to be applied by the Company to the investment projects remains unchanged. The amount of proceeds proposed to be repurposed accounts for 7.70% of the net proceeds actually raised from the Company's Non-Public Issuance of A Shares.

Reason for the Change in Use of Proceeds

Given that the preliminary construction work of the Full Series Hydraulic Pressure Powertrain and Large-Scale Continuously Variable Transmission (CVT) Powertrain Industrialisation Project has been largely completed, and as affected by the change in market size, the current production capacity is sufficient to meet market demand in the current stage and short to mid-term. To further enhance the efficiency of proceeds utilisation and optimise the allocation of funds and resources, the Company plans to adjust the total investment amount of the project from RMB3,134,076,100 to RMB2,134,076,100, and to adjust the amount of proceeds to be applied from RMB3,000.00 million to RMB2,000.00 million. The adjustment mainly involves the reduction of equipment investment by RMB1,000 million, with the construction period and others remaining unchanged.

According to the Company's preliminary calculations, the project is expected to reach its intended usable status in December 2026, with the year of full production capacity adjusted to 2030. It is projected to generate operating revenue of RMB6 billion, with a payback period of 6.03 years (after tax) and an internal rate of return of 16.18% (after tax).

Regarding the reduction of RMB1,000.00 million from the Full Series Hydraulic Pressure Powertrain and Large-Scale Continuously Variable Transmission (CVT) Powertrain Industrialisation Project, RMB500.00 million will be reallocated to increase the investment in the Large Diameter High-end Engine Development Project, and the remaining RMB500.00 million will be used for the permanent replenishment of working capital.

Explanation of the Increase in Investment for the Investment Project

(I) Project Overview and Investment Plan

The Company plans to make additional investments to the Large Diameter High-end Engine Development Project. The amount to be invested in the project will be increased from RMB1,847.84 million to RMB2,575.84 million. The amount of proceeds to be applied to the project will be increased from RMB1,240.00 million to RMB1,740.00 million, with corresponding adjustments to the project's internal investment structure and investment plan, as detailed below:

1. Main adjustment of investment structure of the project: Equipment investment will be increased by RMB500 million, while other categories remained unchanged.

2. Main adjustments to the investment plan: The proceeds to be applied in 2026 has been adjusted from RMB191.91 million to RMB341.91 million, and the amount from the proceeds to be applied in 2027 has been adjusted from RMB60.79 million to RMB364.81 million.

(II) Project Feasibility Analysis

1. The global large diameter engine market has experienced significant growth

For the proposed increase in investment in the Large Diameter High-end Engine Development Project, it is considered that the global market for large diameter engines is at a stage of steady growth. In particular, the global AI computing infrastructure is undergoing a rapid expansion, and the global data center generator market is experiencing a significant growth. In line with the evolving trends in AI computing infrastructure, the Company intends to increase its investment and expand its production capacity for large diameter engines, in order to better meet market demand.

2. The Company's overall competitiveness continues to improve

The Company has mastered various large diameter engine technologies including diesel and natural gas engines, and has completed delivery and acceptance tests in projects across multiple regions both domestically and internationally, resulting in continuously increasing market recognition both at home and abroad. In the future, the Company will continue to leverage its differentiated competitive advantages, such as efficient delivery, product performance, and product portfolio, to further expand its strategic customer base both domestically and internationally, striving to further increase its global market share.

(III) Analysis of the Project's Economic Benefits

Based on the Company's preliminary calculations, the project is scheduled to reach its intended usable status in December 2027. It is projected to generate revenue of RMB11.86 billion, with an internal rate of return of 50.94% (after-tax), and a total investment payback period of 6.24 years (after-tax), indicating favorable economic benefits.

The above analysis of the project's economic benefits is based on current market conditions and cost levels. It should not be construed as a profit forecast, nor does it constitute a performance commitment by the Company. The possibility of adverse impacts on the project's operations due to market risks, industry risks, and other unforeseen risks cannot be ruled out.

Impact of the Change in Use of Proceeds on the Company

The Change in Use of Proceeds is a prudent decision made by the Company based on objective factors such as the current market environment, the actual use of proceeds, and the Company's overall operational development strategy, and will not adversely affect the Company's existing business operations. The adjustment aligns with the Company's overall development strategy, helps improve the efficiency of use of proceeds, further optimises the Company's financial structure, and promotes sustainable and steady development of the Company.

General

The proposed Change in Use of Proceeds is subject to the approval by Shareholders by way of ordinary resolution. Further details on the Change in Use of Proceeds will be set out in the circular containing the notice convening a general meeting, which will be despatched to the Shareholders in due course.

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

The PRC, 29 April 2026

As at the date of this announcement, the executive Directors of the Company are Mr. Ma Changhai, Mr. Wang Decheng, Mr. Yuan Hongming and Mr. Ma Xuyao; the employee representative Director of the Company is Mr. Huang Weibiao; the non-executive Directors of the Company are Mr. Wang Yanlei, 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. Xu Bing, Mr. Tao Huaan and Ms. Zhang Weili.