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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
CONTINUING CONNECTED TRANSACTIONS

SUMMARY

Revision of annual caps of existing Continuing Connected Transactions

Reference is made to the announcement of the Company dated 29 August 2025 in respect of the Existing Shaanxi Automotive Sale Agreement and the Existing Shaanxi Automotive Purchase Agreement. Due to actual needs of production, operation and development of the Group, the Company expects that the Existing Caps for the three years ending 31 December 2028 for the Continuing Connected Transactions contemplated under the Existing Shaanxi Automotive Sale Agreement and the Existing Shaanxi Automotive Purchase Agreement will be insufficient. The Company therefore entered into the Supplemental Agreements to revise the Existing Caps of such Continuing Connected Transactions to the Revised Caps for the three years ending 31 December 2028.

Revision of annual caps and extension of existing Continuing Connected Transactions

Reference is made to (i) the announcements of the Company dated 22 August 2024 and 2 July 2025 in respect of the Existing Weichai Heavy Machinery Supply Agreement and the Existing Weichai Heavy Machinery Purchase Agreement and (ii) the announcement of the Company dated 22 August 2024 in respect of the Existing CNHTC Purchase Agreement. Due to actual needs of production, operation and development of the Group, the Company expects that the Existing Caps for the two years ending 31 December 2027 for the Continuing Connected Transactions contemplated under (i) the Existing Weichai Heavy Machinery Supply Agreement, (ii) the Existing Weichai Heavy Machinery Purchase Agreement, and (iii) the Existing CNHTC Purchase Agreement will be insufficient. Further, the Group intends to continue to conduct the relevant transactions with Weichai Heavy Machinery (and its subsidiaries) and CNHTC (and its Associates) following the expiry of such agreements and as such, the Company entered into the Supplemental Agreements to (i) the Existing Weichai Heavy Machinery Supply Agreement, (ii) the Existing Weichai Heavy Machinery Purchase Agreement and (iii) the Existing CNHTC Purchase Agreement to revise Existing Caps and obtain New Caps for the three years ending 31 December 2028.

Renewal of existing Continuing Connected Transactions

Reference is made to the announcements of the Company dated 30 March 2022 and 22 August 2024 in respect of the Existing CNHTC Supply Agreement. As the Group intends to continue to conduct the relevant transactions with CNHTC following the expiry of the Existing CNHTC Supply Agreement, the Board announces that on 3 July 2026, the Company entered into the New CNHTC Supply Agreement to obtain New Caps for the three years ending 31 December 2029 in respect of the transactions contemplated under the Existing CNHTC Supply Agreement.

Listing Rules Implications

As the highest percentage ratio calculated in accordance with the Listing Rules for the Continuing Connected Transactions as set out in sections IV.1.(b) and IV.2. of this announcement exceeds the 0.1% Threshold but does not exceed the 5% Threshold on an aggregated basis, such Continuing Connected Transactions are subject to the reporting, announcement and annual review requirements of Chapter 14A of the Listing Rules, but are exempt from the independent Shareholders' approval under the Listing Rules. However, according to the relevant laws and regulations of the PRC and the Shenzhen Listing Rules, such Continuing Connected Transactions constitute PRC Continuing Connected Transactions and are subject to the approval by the Shareholders at the EGM.

As the highest percentage ratio calculated in accordance with the Listing Rules for the Weichai Continuing Connected Transactions as set out in sections IV.1.(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 or Supplemental Agreements (as the case may be) and proposed Revised Caps and/or New Caps (as the case may be) 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 III. 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 Revised 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 31 July 2026 in accordance with the Listing Rules.

I. INTRODUCTION

Reference is made to the announcements of the Company dated 30 March 2022, 22 August 2024, 2 July 2025 and 29 August 2025, 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 three years ending 31 December 2028 for the Continuing Connected Transactions contemplated under the Existing Shaanxi Automotive Sale Agreement and the Existing Shaanxi Automotive Purchase Agreement will be insufficient.

Due to actual needs of production, operation and development of the Group, the Company expects that the Existing Caps for the two years ending 31 December 2027 for the Continuing Connected Transactions contemplated under (i) the Existing Weichai Heavy Machinery Supply Agreement, (ii) the Existing Weichai Heavy Machinery Purchase Agreement, and (iii) the Existing CNHTC Purchase Agreement will be insufficient. Further, the Group intends to continue to conduct the relevant transactions with Weichai Heavy Machinery (and its subsidiaries) and CNHTC (and its Associates) following the expiry of such agreements.

In addition, as the Group intends to continue to conduct the relevant transactions with CNHTC following the expiry of the Existing CNHTC Supply Agreement, the Company intends to enter into a new framework agreement to obtain New Caps for the three years ending 31 December 2029 in respect of the transactions contemplated under the Existing CNHTC Supply Agreement.

As such, the Company entered into the relevant Supplemental Agreements or new framework agreement to obtain Revised Caps and New Caps for the three years ending 31 December 2028 or the three years ending 31 December 2029 (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 Revised Caps and New Caps is set out in the section headed "II. Continuing Connected Transactions" in this announcement. Further details of the terms of the Supplemental Agreements or the new framework agreement (as the case may be), the Existing Caps, the actual transaction amounts of the Continuing Connected Transactions for the relevant periods and the bases of determination of the proposed Revised Caps and 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 REVISED CAPS AND NEW CAPS

The Continuing Connected Transactions include the following:

1. Revision of annual caps of existing Continuing Connected Transactions

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)

2. Revision of annual caps and extension of existing Continuing Connected Transactions

Weichai Continuing Connected Transactions

Name of connected person	Name of Group Company	Connected person's relationship with the Group	Nature of the connected transaction with the Group
(1) Weichai Heavy Machinery (and its subsidiaries)	The Company (and its subsidiaries)	Weichai Heavy Machinery is held as to approximately 30.59% by Weichai Holdings	(a) Sale of diesel engines and related products and raw materials, and provision of labour and technical related services, etc. by the Company (and its subsidiaries) to Weichai Heavy Machinery (and its subsidiaries)
			(b) Purchase of diesel engines and related products, generators and raw materials, and receipt of labour and technical related services, etc. by the Company (and its subsidiaries) from Weichai Heavy Machinery (and its subsidiaries)
(2) CNHTC (and its Associates)	The Company (and its subsidiaries)	Shandong Heavy Industry is the holder of 65% of the equity interest of CNHTC	Purchase of vehicles and related products, engines and related products, and receipt of services, etc. by the Company (and its subsidiaries) from CNHTC (and its Associates)

3. Renewal of existing Continuing Connected Transactions

Weichai Continuing Connected Transactions

Name of connected person	Name of Group Company	Connected person's relationship with the Group	Nature of the connected transaction with the Group
CNHTC (and its Associates)	The Company (and its subsidiaries)	Shandong Heavy Industry is the holder of 65% of the equity interest of CNHTC	Sale of vehicles related products, engines and related products, and provision of services, etc. by the Company (and its subsidiaries) to CNHTC (and its Associates)

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

1. Revision of annual caps of existing Continuing Connected Transactions

Shaanxi Automotive Continuing Connected Transactions

Details of the relevant Shaanxi Automotive Continuing Connected Transactions		**Proposed Revised Caps**		
		For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 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)	5,900,000,000*	7,500,000,000*	8,500,000,000*
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)	9,200,000,000*	11,385,000,000*	12,650,000,000*

2. Revision of annual caps and extension of existing Continuing Connected Transactions

Weichai Continuing Connected Transactions

Connected person and details of the relevant Weichai Continuing Connected Transactions	Proposed Revised Caps and New Caps		
	For the year ending 31 December 2026	For the year ending 31 December 2027	For the year ending 31 December 2028
	RMB	*RMB*	*RMB*
(1) Weichai Heavy Machinery (and its subsidiaries)			
(a) Sale of diesel engines and related products and raw materials, and provision of labour and technical related services, etc. by the Company (and its subsidiaries) to Weichai Heavy Machinery (and its subsidiaries)	5,600,000,000#	6,500,000,000#	7,500,000,000#
(b) Purchase of diesel engines and related products, generators and raw materials, and receipt of labour and technical related services, etc. by the Company (and its subsidiaries) from Weichai Heavy Machinery (and its subsidiaries)	5,600,000,000*	6,500,000,000*	7,500,000,000*
(2) CNHTC (and its Associates)			
Purchase of vehicles and related products, engines and related products, and receipt of services, etc. by the Company (and its subsidiaries) from CNHTC (and its Associates)	1,300,000,000*	1,400,000,000*	1,500,000,000*

3. Renewal of existing Continuing Connected Transactions

Weichai Continuing Connected Transactions

Connected person and details of the relevant Weichai Continuing Connected Transactions	Proposed New Caps		
	For the year ending 31 December 2027	For the year ending 31 December 2028	For the year ending 31 December 2029
	RMB	*RMB*	*RMB*
CNHTC (and its Associates)			
Sale of vehicles related products, engines and related products, and provision of services, etc. by the Company (and its subsidiaries) to CNHTC (and its Associates)	30,000,000,000#	33,600,000,000#	36,000,000,000#

Notes:

1. *Where a Revised Cap or New Cap is marked "*", that means the proposed Revised Caps and/or New Caps for the relevant Continuing Connected Transactions (i) do not exceed the 5% Threshold and are exempt from the approval by the Independent Shareholders under the Listing Rules, or (ii) 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 Revised Cap or New Cap is marked "#", that means the proposed Revised Caps or 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 2.(1)(a) and 3. have been aggregated and the transaction under paragraphs 2.(1)(b) and 2.(2) have been aggregated.*

III. REVISION OF ANNUAL CAPS OF EXISTING CONTINUING CONNECTED TRANSACTIONS

DETAILS OF THE CONTINUING CONNECTED TRANSACTIONS AND THE RELEVANT SUPPLEMENTAL AGREEMENTS

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: Supplemental Agreement to the Existing Shaanxi Automotive Sale Agreement

Date: 3 July 2026

Parties:
1. The Company
2. Shaanxi Automotive

Term: 1 January 2026 to 31 December 2028

Other terms and details:

Due to operational needs of the Group, the Company expects that the Existing Caps for three years ending 31 December 2028 under the Existing Shaanxi Automotive Sale Agreement will be insufficient. The Company therefore entered into the Supplemental Agreement to the Existing Shaanxi Automotive Sale Agreement to revise the Existing Caps for the three years ending 31 December 2028.

Save for the said revision of the Existing Caps for the three years ending 31 December 2028 to the Revised Caps, all other material terms of the Existing Shaanxi Automotive Sale Agreement remain unchanged.

Pursuant to the Existing Shaanxi Automotive Sale Agreement (as supplemented by the Supplemental 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 Existing Shaanxi Automotive Sale Agreement (as supplemented by the Supplemental 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 2028 for the Shaanxi Automotive Continuing Connected Transaction set out in this sub-section (a):

	2026	**2027**	**2028**
	RMB	*RMB*	*RMB*
Existing Cap	4,200,000,000	4,500,000,000	4,800,000,000

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2025 (audited) and the five months ended 31 May 2026 (unaudited) for the Shaanxi Automotive Continuing Connected Transaction set out in this sub-section (a):

	For the year ended 31 December 2024	**For the year ended 31 December 2025**	**For the five months ended 31 May 2026**
	RMB	*RMB*	*RMB*
	(audited)	*(audited)*	*(unaudited)*
Actual transaction amount	2,403,147,550.13	3,854,526,265.95	809,968,956.23

In 2025, driven by multiple factors including the policy support of "Two New, Two Major", the accelerated scrapping and replacement of old commercial vehicles and robust overseas market demand, the domestic demand has rebounded, and the heavy-duty truck industry has significantly recovered, stimulating growth in new vehicle sales. Policies such as "Two New, Two Major", the phase-out of National V vehicles, and the transition to National VII emissions standards will continue to support the industry's recovery and structural upgrading in the long term.

Led by a strategy of driving growth through complete vehicles and machinery, the Group has deepened synergies among R&D, manufacturing, and marketing to advance the upgrade of commercial vehicles toward high-end, intelligent, and environmentally-friendly models. The complete vehicle business segment has actively seized market opportunities and accelerated structural optimisation, resulting in a steady increase in market share that demonstrates its core competitiveness. The Group's market share of heavy-duty truck firmly ranks at the top of the industry. It is expected that the volume of the complete vehicle business of the Group will continuously increase in 2026, the market demand for high-speed, heavy-duty vehicles and vehicle parts and components and services provided will further recover. As such, even though the actual transaction amount of the sales by the Group to Shaanxi Automotive for the five months ended 31 May 2026 was relatively low, taking into consideration the actual sales order the Group has already received, 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 is also expected to increase. Driven by increased business volume in the complete vehicle business segment and growth opportunities arising from industry policy support, as well as adjustments to the product structure with a rising share of new energy products, it is expected the transaction amounts with Shaanxi Automotive and its associates will exceed the Existing Caps. In light of the above and given that the actual transaction amounts for the year ended 31 December 2025 has increased by 60.4% compared to that for the year ended 31 December 2024, it is expected that such increasing trend will continue and the Existing Caps for the three years ending 31 December 2028 will be insufficient.

The Company estimates that the transaction amounts in respect of the Continuing Connected Transaction set out in this sub-section (a) will not exceed RMB5,900 million, RMB7,500 million and RMB8,500 million, respectively, for each of the three years ending 31 December 2028 and such amounts have accordingly been set as the proposed Revised Caps for this Shaanxi Automotive Continuing Connected Transaction.

The above proposed Revised 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 Existing Shaanxi Automotive Sale Agreement (as supplemented by the Supplemental Agreement). Taking into account the above factors, the Board proposed that the Revised Cap for the year ending 31 December 2026 be set at RMB5,900 million, representing an increase of approximately 40.5% of the Existing Cap of RMB4,200 million for the year ending 31 December 2026. 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 27.1% and 13.3% for each of the years ending 31 December 2027 and 31 December 2028, respectively.

The table below summarises the proposed Revised 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**
	RMB	*RMB*	*RMB*
Revised Cap	5,900,000,000	7,500,000,000	8,500,000,000

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 Revised 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 Supplemental Agreement to the Existing Shaanxi Automotive Sale 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 Revised Caps and the Supplemental Agreement to the Existing Shaanxi Automotive Sale 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:	Supplemental Agreement to the Existing Shaanxi Automotive Purchase Agreement
Date:	3 July 2026
Parties:	1. The Company 2. Shaanxi Automotive
Term:	1 January 2026 to 31 December 2028

Other terms and details:

Due to operational needs of the Group, the Company expects that the Existing Caps for the three years ending 31 December 2028 under the Existing Shaanxi Automotive Purchase Agreement will be insufficient. The Company therefore entered into the Supplemental Agreement to the Existing Shaanxi Automotive Purchase Agreement to revise the Existing Caps for the three years ending 31 December 2028.

Save for the said revision of the Existing Caps for the three years ending 31 December 2028 to the Revised Caps, all other material terms of the Existing Shaanxi Automotive Purchase Agreement remain unchanged.

Pursuant to the Existing Shaanxi Automotive Purchase Agreement (as supplemented by the Supplemental 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 Existing Shaanxi Automotive Purchase Agreement (as supplemented by the Supplemental 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 2028 for the Shaanxi Automotive Continuing Connected Transaction set out in this sub-section (b):

	2026 *RMB*	**2027** *RMB*	**2028** *RMB*
Existing Cap	7,200,000,000	7,700,000,000	8,200,000,000

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2025 (audited) and the five months ended 31 May 2026 (unaudited) for the Shaanxi Automotive Continuing Connected Transaction set out in this sub-section (b):

	For the year ended 31 December 2024 *RMB* *(audited)*	**For the year ended 31 December 2025** *RMB* *(audited)*	**For the five months ended 31 May 2026** *RMB* *(unaudited)*
Actual transaction amount	4,650,052,851.46	6,743,737,413.05	3,052,558,279.61

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 complete vehicle business of the Group has shown a rising trend in 2026, and driving a growth in the in the volume of parts and components to be purchased by the Group from Shaanxi Automotive and/or its associates which is higher than expected. The recovery in the heavy-duty truck sector and growing market demand have led to an increase in product variety and production volume, with a rising proportion of new energy products. Consequently, the demand for raw materials, components and related services procured from Shaanxi Automotive and its associates has also increased. In light of the above and given that (i) the actual transaction amounts for the year ended 31 December 2025 has increased by 45.0% compared to that for the year ended 31 December 2024, and (ii) the Existing Cap for the year ending 31 December 2026 has been utilised as to approximately 42.4% by the end of May 2026, it is expected that such increasing trend will continue and the Existing Caps for the three years ending 31 December 2028 will be insufficient.

The Company estimates that the transaction amounts in respect of the Continuing Connected Transaction set out in this sub-section (b) will not exceed RMB9,200 million, RMB11,385 million and RMB12,650 million, respectively, for each of the three years ending 31 December 2028 and such amounts have accordingly been set as the proposed Revised Caps for this Shaanxi Automotive Continuing Connected Transaction.

The above proposed Revised Caps have been estimated by the Company primarily based on (i) the relevant historical transaction amounts; (ii) the estimated increase in the volume and price of the parts and components of vehicles to be purchased by the Company and its subsidiaries (as the case may be) in view of the implementation of the Group's strategic plan; and (iii) the estimated market fluctuations during the term of the Existing Shaanxi Automotive Purchase Agreement (as supplemented by the Supplemental Agreement). Taking into account the utilisation rate of the relevant Existing Cap of 2026, the Board proposed that the proposed Revised Cap for the year ending 31 December 2026 be adjusted upwards to RMB9,200 million, representing an increase of approximately 27.8% of the Existing Cap of RMB7,200 million for the year ending 31 December 2026. 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 23.8% and 11.1% for each of the years ending 31 December 2027 and 31 December 2028, respectively.

The table below summarises the proposed Revised 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**
	RMB	*RMB*	*RMB*
Revised Cap	9,200,000,000	11,385,000,000	12,650,000,000

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 Revised 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 Supplemental Agreement to the Existing 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 Revised Caps and the Supplemental Agreement to the Existing Shaanxi Automotive Purchase Agreement are subject to the approval by the Shareholders at the EGM.

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

DETAILS OF THE CONTINUING CONNECTED TRANSACTIONS AND THE RELEVANT SUPPLEMENTAL AGREEMENTS

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.

1. Continuing Connected Transactions between Weichai Heavy Machinery (and its subsidiaries) and the Group

Weichai Heavy Machinery

Weichai Heavy Machinery is principally engaged in the manufacture and sale of medium-speed diesel engines and diesel engine parts and components, power generators and related products, and construction machinery and the provision of repair processing services for machinery parts. Weichai Heavy Machinery is a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 000880) and its single largest shareholder, Weichai Holdings, holds approximately 30.59% of its issued shares. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries: (i) Weichai Holdings is wholly-owned by Shandong Heavy Industry, which is in turn one of the leading automobile and equipment groups in the PRC, and (ii) Shandong Heavy Industry is ultimately governed and controlled by the State-owned Assets Supervision and Administration Commission of the Shandong Provincial People’s Government* (山東省人民政府國有資產監督管理委員會).

Weichai Heavy Machinery is an associate of Weichai Holdings (a substantial shareholder of the Company), and accordingly, Weichai Heavy Machinery is a connected person of the Company.

(a) *Sale of diesel engines and related products and raw materials, and provision of labour and technical related services, etc. by the Company (and its subsidiaries) to Weichai Heavy Machinery (and its subsidiaries)*

Agreement:	Supplemental Agreement to the Existing Weichai Heavy Machinery Supply Agreement
Date:	3 July 2026
Parties:	1. The Company
	2. Weichai Heavy Machinery
Term:	1 January 2026 to 31 December 2028

Due to operational needs of the Group, the Company expects that the Existing Caps for the two years ending 31 December 2027 under the Existing Weichai Heavy Machinery Supply Agreement will be insufficient, and the Group intends to continue to conduct the relevant transactions with Weichai Heavy Machinery (and its subsidiaries) following the expiry of the Existing Weichai Heavy Machinery Supply Agreement. The Company therefore entered into the Supplemental Agreement to the Existing Weichai Heavy Machinery Supply Agreement to revise the Existing Caps for the two years ending 31 December 2027 and obtain New Cap for the year ending 31 December 2028.

Save for the said revision of the Existing Caps for the two years ending 31 December 2027 to the Revised Caps and the setting of the New Cap for the year ending 31 December 2028, all other material terms of the Existing Weichai Heavy Machinery Supply Agreement remain unchanged.

Pursuant to the Existing Weichai Heavy Machinery Supply Agreement (as supplemented by the Supplemental Agreement), the Company and its subsidiaries (as the case may be) shall sell to the Weichai Heavy Machinery Group diesel engines and related products and raw materials, and provide labour and technical related services, etc. (as the case may be) 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 2028, upon the expiry of which the parties may renew the term for another three years on a mutually agreed basis. The relevant products are expected to mainly comprise engines and oil products, whereas the relevant services are expected to mainly comprise technical support, warehousing and logistic services related to such products.

The price of the said products and/or services shall be determined according to the following mechanism: the marketing 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 Existing Caps for the three years ending 31 December 2027 for the Continuing Connected Transaction set out in this sub-section (a):

	2025 *RMB*	**2026** *RMB*	**2027** *RMB*
Existing Cap	2,800,000,000	3,000,000,000	3,200,000,000

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2025 (audited) and the five months ended 31 May 2026 (unaudited) for the Continuing Connected Transaction set out in this sub-section (a):

	For the year ended 31 December 2024 *RMB* *(audited)*	**For the year ended 31 December 2025** *RMB* *(audited)*	**For the five months ended 31 May 2026** *RMB* *(unaudited)*
Actual transaction amount	1,311,941,674.66	2,747,484,925.46	1,385,093,080.57

The Company is a leading manufacturer of diesel engines in the PRC and this evidences the quality and competitiveness of the Group's diesel engines generally. With the proximity between the Company's production facilities and those of Weichai Heavy Machinery, and in view of the high quality and the competitiveness of the Company's engines, the Company believes that the Weichai Heavy Machinery Group will continue to purchase the Group's diesel engines for the manufacture of power generators and purchase the Group's semi-finished diesel engine parts, diesel engine parts and components, reserve parts and related products for the manufacture of its products, including medium-speed diesel engines and power generators.

Based on the continued increase in data center business volume in 2026, the Company and Weichai Heavy Machinery have increasing actual production and operation development needs. The actual transaction amount for this Continuing Connected Transaction for the year ended 31 December 2025 has increased by 109.4% compared to that for the year ended 31 December 2024. Driven by growth opportunities arising from industry policy support and demand resulted from the rapid growth of emerging industries, the Group's sales of diesel engines and related products to the Weichai Heavy Machinery Group are expected to continue the increasing trend from 2026 to 2028. In light of the above, given that the Existing Cap for the year ending 31 December 2026 has already been utilised as to approximately 46.2% by the end of May 2026, the Company estimates that the Existing Caps for this Continuing Connected Transaction will be insufficient.

Based on the above expected increase in demand for the Group's products and services by the Weichai Heavy Machinery Group, it is considered that the Revised Cap for the year ending 31 December 2026 be adjusted upwards to RMB5,600 million from the Existing Cap of RMB3,000 million to reflect the latest development trend. Further, taking into account and on the basis of all the aforesaid factors, it is estimated that the overall transaction amount of the sale of diesel engines and related products and raw materials, and provision of labour and technical related services by the Group to the Weichai Heavy Machinery Group on an annual basis will increase by approximately 16.1% and 15.4% for each of the two years ending 31 December 2027, respectively, and accordingly, RMB6,500 million and RMB7,500 million have been set as the Revised Caps for the two years ending 31 December 2028 for this Continuing Connected Transaction.

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

	2026	**2027**	**2028**
	RMB	*RMB*	*RMB*
Revised Cap and New Cap	5,600,000,000	6,500,000,000	7,500,000,000

As the highest percentage ratio calculated in accordance with the Listing Rules for this Continuing Connected Transaction as set out in this sub-section (a) (when aggregated with the proposed New Caps for the same period under section V. herein) for the three years ending 31 December 2028 exceeds the 5% Threshold, such Continuing Connected Transaction constitutes a Non-exempt Continuing Connected Transaction of the Company and the Existing Weichai Heavy Machinery Supply Agreement (as supplemented by the Supplemental Agreement) and the relevant proposed Revised Caps and New Cap 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.

(b) Purchase of diesel engines and related products, generators and raw materials, and receipt of labour and technical related services, etc. by the Company (and its subsidiaries) from Weichai Heavy Machinery (and its subsidiaries)

Agreement:	Supplemental Agreement to the Existing Weichai Heavy Machinery Purchase Agreement
Date:	3 July 2026
Parties:	1. The Company
	2. Weichai Heavy Machinery
Term:	1 January 2026 to 31 December 2028

Due to operational needs of the Group, the Company expects that the Existing Caps for the two years ending 31 December 2027 under the Existing Weichai Heavy Machinery Purchase Agreement will be insufficient, and the Group intends to continue to conduct the relevant transactions with Weichai Heavy Machinery (and its subsidiaries) following the expiry of the Existing Weichai Heavy Machinery Purchase Agreement. The Company therefore entered into the Supplemental Agreement to the Existing Weichai Heavy Machinery Purchase Agreement to revise the Existing Caps for the two years ending 31 December 2027 and obtain New Cap for the year ending 31 December 2028.

Save for the said revision of the Existing Caps for the two years ending 31 December 2027 to the Revised Caps and the setting of the New Cap for the year ending 31 December 2028, all other material terms of the Existing Weichai Heavy Machinery Purchase Agreement remain unchanged.

Pursuant to the Existing Weichai Heavy Machinery Purchase Agreement (as supplemented by the Supplemental Agreement), the Company and its subsidiaries (as the case may be) shall purchase certain diesel engines and related products, generators and raw materials, and receive related labour and technical services, etc. from the Weichai Heavy Machinery 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 2028, 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 relevant products are expected to mainly comprise ship engines, generators, semi-finished parts and components, whereas the relevant services are expected to mainly comprise technical support and labour services related to such products.

The price of the said products and/or services shall be determined according to the following mechanism: the procurement 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 Existing Caps for the three years ending 31 December 2027 for the Continuing Connected Transaction set out in this sub-section (b):

	2025	**2026**	**2027**
	RMB	*RMB*	*RMB*
Existing Cap	2,200,000,000	2,600,000,000	3,300,000,000

The table below summarises the actual transaction amounts involved for the purchases and services for the two years ended 31 December 2025 (audited) and the five months ended 31 May 2026 (unaudited) for the Continuing Connected Transaction set out in this sub-section (b):

	For the year ended 31 December 2024 *RMB* *(audited)*	For the year ended 31 December 2025 *RMB* *(audited)*	For the five months ended 31 May 2026 *RMB* *(unaudited)*
Actual transaction amount	1,094,023,386.33	2,150,296,973.38	1,351,488,490.42

With the continuous growth of the emerging economies and the continual advances in infrastructure development, the global power generation market has been expanding rapidly. There is a strong demand for standby power generation equipment in industries such as data centers and oil fields. In particular, generator sets designed for data centers are favoured by large international data center operators, and orders have grown significantly. It is expected that such trend on the increase in the demand of diesel engines and related products and raw materials, and receive related labour and technical services, etc. by the Group from the Weichai Heavy Machinery Group will continue up to 2028. The actual transaction amount for this Continuing Connected Transaction for the year ended 31 December 2025 has increased by 96.5% compared to that for the year ended 31 December 2024. Driven by growth opportunities arising from industry policy support and demand resulted from the rapid growth of emerging industries, the Group's purchase of generators and related products, raw materials and related services from the Weichai Heavy Machinery Group are expected to continue the increasing trend from 2026 to 2028. In light of the above and that the Existing Cap for the year ending 31 December 2026 has already been utilised as to approximately 52.0% by the end of May 2026, the Company estimates that the Existing Caps for this Continuing Connected Transaction will be insufficient.

Based on the above expected increase in demand for the Weichai Heavy Machinery Group's products and services by the Group, it is considered that the Revised Cap for the year ending 31 December 2026 be adjusted upwards to RMB5,600 million from the Existing Cap of RMB2,600 million to reflect the latest development trend. Further, taking into account and on the basis of all the aforesaid factors, it is estimated that the overall transaction amount of the purchase certain diesel engines and related products and raw materials, and receive related labour and technical services, etc. from the Weichai Heavy Machinery Groups by the Group on an annual basis will increase by approximately 16.1% and 15.4% for each of the two years ending 31 December 2028, respectively, and accordingly, RMB6,500 million and RMB7,500 million have been set as the Revised Cap and New Cap for the two years ending 31 December 2028 for this Continuing Connected Transaction.

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

	2026	**2027**	**2028**
	RMB	*RMB*	*RMB*
Revised Cap and New Cap	5,600,000,000	6,500,000,000	7,500,000,000

As the highest percentage ratio calculated in accordance with the Listing Rules for the Continuing Connected Transaction as set out in this sub-section (b) (when aggregated with the proposed Revised Caps and New Cap for the same period under section IV.2. herein) exceeds the 0.1% Threshold but does not exceed the 5% Threshold, such Continuing Connected Transaction is subject to the reporting, announcement and annual review requirements of Chapter 14A of the Listing Rules, but is exempt from the independent Shareholders' approval under the Listing Rules.

Since this Weichai Continuing Connected Transaction for the three years ending 31 December 2028 is an Exempt Continuing Connected Transaction, the Supplemental Agreement to the Existing Weichai Heavy Machinery Purchase Agreement is not subject to the approval of the independent Shareholders under the Listing Rules.

However, since this Weichai Continuing Connected Transaction constitutes a PRC Continuing Connected Transaction, the relevant Revised Caps and New Cap and the Supplemental Agreement to the Existing Weichai Heavy Machinery Purchase Agreement are subject to the approval by the Shareholders at the EGM.

2. *Continuing Connected Transactions between CNHTC (and its Associates) and the Group*

CNHTC

CNHTC is a commercial vehicles manufacturer. It is 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 the Shandong Provincial People's Government* (山東省人民政府國有資產監督管理委員會).

Shandong Heavy Industry is a substantial shareholder of the Company indirectly holding approximately 16.42% of the issued share capital of the Company. As such, Shandong Heavy Industry is a substantial shareholder of the Company and, in turn, a connected person of the Company. As Shandong Heavy Industry is a holder of 65% of the equity interest in CNHTC, CNHTC is an associate of Shandong Heavy Industry and, accordingly, a connected person of the Company.

Purchase of vehicles and related products, engines and related products, and receipt of services, etc. by the Company (and its subsidiaries) from CNHTC (and its Associates)

Agreement:	Supplemental Agreement to the Existing CNHTC Purchase Agreement
Date:	3 July 2026
Parties:	1. The Company 2. CNHTC
Term:	1 January 2026 to 31 December 2028

Due to operational needs of the Group, the Company expects that the Existing Caps for the three years ending 31 December 2027 under the Existing CNHTC Purchase Agreement will be insufficient, and the Group intends to continue to conduct the relevant transactions with CNHTC (and its Associates) following the expiry of the Existing CNHTC Purchase Agreement. The Company therefore entered into the Supplemental Agreement to the Existing CNHTC Purchase Agreement to revise the Existing Caps for the two years ending 31 December 2027 and obtain New Cap for the year ending 31 December 2028.

Save for the said revision of the Existing Caps for the two years ending 31 December 2027 to the Revised Caps and the setting of the New Cap for the year ending 31 December 2028, all other material terms of the Existing CNHTC Purchase Agreement remain unchanged.

Pursuant to the Existing CNHTC Purchase Agreement (as supplemented by the Supplemental Agreement), the CNHTC Group shall supply certain vehicles and related products, engines and related products and provide services, etc. (as the case may be) to the Company and/or other Group Company (as the case may be) 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 2028, upon the expiry of which the parties shall have an option to renew the same for a period of 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 procurement 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 Existing Caps for the three years ending 31 December 2027 for the Continuing Connected Transaction set out in this sub-section 2.:

	2025 *RMB*	**2026** *RMB*	**2027** *RMB*
Existing Cap	845,000,000	894,000,000	952,000,000

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2025 (audited) and the five months ended 31 May 2026 (unaudited) in respect of the Group's purchase of relevant products and services from the CNHTC Group:

	For the year ended 31 December 2024 *RMB* *(audited)*	**For the year ended 31 December 2025** *RMB* *(audited)*	**For the five months ended 31 May 2026** *RMB* *(unaudited)*
Actual transaction amount	623,103,392.59	670,296,185.84	471,783,789.15

The Company estimates that the transaction amounts in respect of the Continuing Connected Transaction set out in this sub-section 2. for the three years ending 31 December 2028 will not exceed RMB1,300 million, RMB1,400 million and RMB1,500 million, respectively, and such amounts have accordingly been set as the proposed Revised Caps and New Cap for this Continuing Connected Transaction.

The above proposed Revised Caps and New Cap have been estimated by the Company primarily based on (i) the relevant historical costs, (ii) its estimate of an increase in transaction volume of the said purchases in view of the implementation of the Group's sales plan for the years 2026 to 2028, which in turn is based on the estimated production volume, material cost, processing cost and the volume of diesel engines to be sold and exported, (iii) the fact that the Group has since 2019 established a business relationship with the CNHTC Group involving the supply of relevant products and services by the CNHTC Group to the Group for the processing and manufacturing of vehicles and vehicle engines, and (iv) the increased demands from customers of the Group requesting for the installation of vehicle parts and components and engines from the CNHTC Group, and the Group's anticipated adjustment in replacing third party suppliers with the CNHTC Group in order to meet with such demands. Given the track record of CNHTC Group being able to constantly supply products and services of reliable quality to the Group, it is expected the Group will undertake closer cooperation with the CNHTC Group.

Based solely on the actual transaction amount for five months ended 31 May 2026, the annualised transaction amount under the Existing CNHTC Purchase Agreement for the full year 2026 is expected to reach approximately RMB1,133 million, indicating that the Existing Cap for the year will not be sufficient. Accordingly, taking into account the expected high utilisation rate of the Existing Cap for the year ending 31 December 2026 and on the basis of all the aforesaid factors, the Revised Cap for the year ending 31 December 2026 has been adjusted to RMB1,300 million, representing an increase of 45.4% compared to the Existing Cap for the year ending 31 December 2026, and it is estimated that, comparing to each of the years ending 31 December 2026 and 2027, the overall transaction amounts for the said purchase of products and services will further increase by approximately 7.7% and 7.1% for each of the years ending 31 December 2027 and 31 December 2028, respectively.

The table below sets out the proposed Revised Caps and New Cap for the Continuing Connected Transaction set out in this sub-section 2. for the three years ending 31 December 2028:

	2026 *RMB*	**2027** *RMB*	**2028** *RMB*
Revised Cap and New Cap	1,300,000,000	1,400,000,000	1,500,000,000

As the highest percentage ratio calculated in accordance with the Listing Rules for the Continuing Connected Transaction as set out in this sub-section 2. (when aggregated with the proposed Revised Caps and New Cap for the same period under section IV.1.(b) herein) for the three years ending 31 December 2028 exceeds the 0.1% Threshold but does not exceed the 5% Threshold, such Continuing Connected Transaction is subject to the reporting, announcement and annual review requirements of Chapter 14A of the Listing Rules, but is exempt from the independent Shareholders' approval under the Listing Rules.

Since this Weichai Continuing Connected Transaction for the three years ending 31 December 2028 is an Exempt Continuing Connected Transaction, the Supplemental Agreement to the Existing CNHTC Purchase Agreement is not subject to the approval of the independent Shareholders under the Listing Rules.

However, since this Weichai Continuing Connected Transaction constitutes a PRC Continuing Connected Transaction, the relevant Revised Caps and New Cap and the Supplemental Agreement to the Existing CNHTC Purchase Agreement are subject to the approval by the Shareholders at the EGM.

V. RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTION

DETAILS OF THE CONTINUING CONNECTED TRANSACTION AND THE RELEVANT NEW FRAMEWORK AGREEMENT

Continuing Connected Transaction between CNHTC (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.

CNHTC

CNHTC is a commercial vehicles manufacturer. It is 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 the Shandong Provincial People's Government* (山東省人民政府國有資產監督管理委員會).

Shandong Heavy Industry is a substantial shareholder of the Company indirectly holding approximately 16.42% of the issued share capital of the Company. As such, Shandong Heavy Industry is a substantial shareholder of the Company and, in turn, a connected person of the Company. As Shandong Heavy Industry is a holder of 65% of the equity interest in CNHTC, CNHTC is a subsidiary of Shandong Heavy Industry and, accordingly, a connected person of the Company.

Sale of vehicles related products, engines and related products, and provision of services, etc. by the Company (and its subsidiaries) to CNHTC (and its Associates)

Agreement:	New CNHTC Supply Agreement
Date:	3 July 2026
Parties:	1. The Company
	2. CNHTC
Term:	1 January 2027 to 31 December 2029

The terms of the New CNHTC Supply Agreement are substantially the same as those of the Existing CNHTC Supply Agreement.

Pursuant to the New CNHTC Supply Agreement, the Company and its subsidiaries (as the case may be) shall sell vehicles related products, engines and related products, and provide services, etc. (as the case may be) to the CNHTC 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 2029, upon the expiry of which the parties shall have an option to renew the same for a period of 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 marketing department of the Company regularly conducts market research and analysis regarding relevant 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 Existing Caps for the three years ending 31 December 2026 for the Continuing Connected Transaction set out in this section:

	2024 *RMB*	**2025** *RMB*	**2026** *RMB*
Existing Cap	23,101,000,000	26,046,000,000	28,916,000,000

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2025 (audited) and the five months ended 31 May 2026 (unaudited) in respect of the Group's sale of relevant products and services to the CNHTC Group:

	For the year ended 31 December 2024 *RMB* *(audited)*	**For the year ended 31 December 2025** *RMB* *(audited)*	**For the five months ended 31 May 2026** *RMB* *(unaudited)*
Actual transaction amount	15,922,621,861.53	17,005,551,756.05	8,398,304,932.90

In 2025, the CNHTC Group ranked first globally in the sales volume of heavy-duty trucks, with export volume and revenue reaching new highs, consistently maintaining the top position in China's heavy-duty truck exports. From January to May 2026, CNHTC maintained its position as the industry leader in heavy-duty truck sales, with sales of new energy heavy-duty trucks achieving rapid year-on-year growth that far exceeded the industry average. On the one hand, the Group has deepened its expertise in the gas engine industry over many years, with a strong product competitiveness. On the other hand, the Group's new energy "three-electric" products have entered into a period of rapid development, and the strategic synergy with CNHTC continues to strengthen. Therefore, it is expected that the business cooperation between the Group and CNHTC will expand further, and that there will be a further increase in the sales volume of gas engines and diesel engines by the Group to the CNHTC Group in the coming three years. The Company estimates that the transaction amount in respect of the Continuing Connected Transaction set out in this section for the three years ending 31 December 2029 will not exceed RMB30,000,000,000, RMB33,600,000,000 and RMB36,000,000,000, respectively, and such amounts have accordingly been set as the proposed New Caps for this Continuing Connected Transaction.

The above proposed New Caps for the three years ending 31 December 2029 have been estimated by the Company primarily based on (i) the relevant historical transaction amounts, (ii) the estimate increase in the number of products required by the CNHTC Group in view of the implementation of the Group's sales plan for the three years ending 2029, having taken into account the estimated market conditions and export performance, the average unit prices of the same, and the costs of the processing services to be provided, (iii) the fact that the Group has since 2019 established a business relationship with the CNHTC Group involving the sale of relevant products and services by the Group to the CNHTC Group for the manufacturing of vehicles by the CNHTC Group. Given the track record of the Group being able to constantly supply products and services of reliable quality to the CNHTC Group, a closer cooperation between the Group and the CNHTC Group has been developed since the beginning of year 2021, further boosting the CNHTC Group's demand for the Group's products and services; and (iv) a buffer in preparation of possible market fluctuations.

Taking into account and on the basis of all the aforesaid factors and the utilisation rate of the Existing Cap for the year ending 31 December 2026, it is estimated that the overall transaction amount of the sale of products and services by the Group to the CNHTC Group will be of a similar level for the year ending 31 December 2027 as compared with the Existing Cap for the year ending 31 December 2026, and further increase by approximately 12.0% and 7.1% for each of the years ending 31 December 2028 and 31 December 2029, respectively.

The table below sets out the proposed New Caps for the Continuing Connected Transaction set out in this section for the three years ending 31 December 2029:

	2027	**2028**	**2029**
	RMB	*RMB*	*RMB*
New Cap	30,000,000,000	33,600,000,000	36,000,000,000

As the highest percentage ratio calculated in accordance with the Listing Rules for the Continuing Connected Transaction as set out in this section (when aggregated with the proposed Revised Caps and New Cap for the same period under section IV.1.(a) herein) exceeds the 5% Threshold, such Continuing Connected Transaction constitutes a Non-exempt Continuing Connected Transaction of the Company and the New CNHTC 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 (on an aggregated basis) is a Non-exempt Continuing Connected Transaction and the proposed New Caps are subject to the approval of the Independent Shareholders, the New CNHTC Supply 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 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.

2. **Continuing Connected Transactions between Weichai Heavy Machinery (and its subsidiaries) 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 continuing 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, certain such transactions have been continuing since the listing of the Company on the Stock Exchange. After the completion of the Weichai Holdings Juli Restructuring in 2007, certain of these continuing transactions with Weichai Holdings were transferred to Weichai Heavy Machinery.

As the Company has conducted the Continuing Connected Transactions with the Weichai Heavy Machinery Group for many years and the Company has built up a long term strategic and solid business relationship with the Weichai Heavy Machinery Group, the Board considers it beneficial to the Company to continue to conduct such Continuing Connected Transactions in order to ensure and maximize operating efficiency and stability of the operations of the Company. The Board is not aware of any disadvantage to the Group in continuing to conduct such Continuing Connected Transactions.

3. **Continuing Connected Transactions between CNHTC (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 and CNHTC is a commercial vehicles manufacturer. Leveraging on the existing business relationship between the Group and the CNHTC Group, the Board considers that such Continuing Connected Transactions will allow the Group to maintain a strong strategic and business relationship with the CNHTC Group, thereby generating synergy potential and mutual economic benefits between the Group and the CNHTC Group.

In respect of the Continuing Connected Transactions between the Group and the CNHTC Group, the Board is of the view that the purchase of vehicles and related products, engines and related products and receipt of services from the CNHTC Group will enable the Group to secure a stable and reliable supply of quality products and services from the CNHTC Group which will, in turn, further support the increase of the overall sale volumes of the products of the Group. The sale of vehicles related products, engines and related products and provision of services to the CNHTC Group will also provide a secure source of revenue for the Group and contribute to the implementation of the Group's sales plan.

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 Transactions 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 Revised Caps and 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 3 July 2026 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 Heavy Machinery (and its subsidiaries) set out under section IV.1. in this announcement — Mr. Ma Changhai, Mr. Wang Decheng, Mr. Huang Weibiao, Mr. Wang Yanlei and Mr. Zhang Liangfu; and

2. Continuing Connected Transactions with CNHTC (and its Associates) set out under sections IV.2. and V. in this announcement — Mr. Ma Changhai.

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 Continuing Connected Transactions as set out in sections IV.1.(b) and IV.2. of this announcement exceeds the 0.1% Threshold but does not exceed the 5% Threshold on an aggregated basis, such Continuing Connected Transactions are subject to the reporting, announcement and annual review requirements of Chapter 14A of the Listing Rules, but are exempt from the independent Shareholders' approval under the Listing Rules. However, according to the relevant laws and regulations of the PRC and the Shenzhen Listing Rules, such Continuing Connected Transactions constitute PRC Continuing Connected Transactions and are subject to the approval by the Shareholders at the EGM.

As the highest percentage ratio calculated in accordance with the Listing Rules for the Weichai Continuing Connected Transactions as set out in sections IV.1.(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 or Supplemental Agreements (as the case may be) and proposed Revised Caps and/or New Caps (as the case may be) 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 Revised 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, Mr. Chi Deqiang, Mr. Xu Bing, Mr. Tao Huaan, Ms. Zhang Weili and Ms. Zhang Bo) will be appointed to consider the Non-exempt Continuing Connected Transactions and their Revised Caps and/or 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 Revised Caps and/or 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 31 July 2026 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
"CNHTC Group"	CNHTC and its Associates
"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, *inter alia*, the Revised Caps and New Caps and the Supplemental Agreements and the relevant new framework agreement
"Exempt Continuing Connected Transactions"	being those Continuing Connected Transactions exempt from circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules or the proposed Revised Caps or New Caps for which do not exceed the 5% Threshold and, accordingly, are not subject to the approval by the Independent Shareholders under the Listing Rules, and, where such Revised Caps or New Caps exceed the 0.1% Threshold, are only subject to the reporting, announcement and annual review requirements of Chapter 14A of the Listing Rules
"Existing Cap(s)"	the existing cap(s) for the Continuing Connected Transactions set out in the sections III., IV. and V. in this announcement
"Existing CNHTC Purchase Agreement"	the purchase agreement entered into between the Company and CNHTC dated 22 August 2024, details of which are disclosed in section IV.2. of the announcement of the Company dated 22 August 2024
"Existing CNHTC Supply Agreement"	the supply agreement entered into between the Company and CNHTC dated 30 March 2022 (as supplemented on 22 August 2024), details of which are disclosed in section III.1. of the announcement of the Company dated 22 August 2024
"Existing Shaanxi Automotive Purchase Agreement"	the purchase agreement entered into between the Company and Shaanxi Automotive dated 29 August 2025, details of which are disclosed in section IV.B.(b) of the announcement of the Company dated 29 August 2025
"Existing Shaanxi Automotive Sale Agreement"	the sale agreement entered into between the Company and Shaanxi Automotive on 29 August 2025, details of which are disclosed in section IV.B.(a) of the announcement of the Company dated 29 August 2025

"Existing Weichai Heavy Machinery Purchase Agreement"	the purchase agreement entered into between the Company and Weichai Heavy Machinery on 22 August 2024 (as supplemented on 2 July 2025), details of which are disclosed in section III.(b) of the announcement of the Company dated 2 July 2025
"Existing Weichai Heavy Machinery Supply Agreement"	the supply agreement entered into between the Company and Weichai Heavy Machinery on 22 August 2024 (as supplemented on 2 July 2025), details of which are disclosed in section III.(a) of the announcement of the Company dated 2 July 2025
"Group"	the Company and its subsidiaries, and "Group Company" means any of the same
"Independent Board Committee"	a committee of the Board comprising Mr. Chi Deqiang, Mr. Xu Bing, Mr. Tao Huaan, Ms. Zhang Weili and Ms. Zhang Bo, 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 CNHTC Supply Agreement"	the sale agreement entered into between the Company and CNHTC on 3 July 2026 as more particularly set out in section V. in this announcement

"Non-exempt Continuing Connected Transaction(s)"	being those Continuing Connected Transaction(s) at the Company level, the proposed Revised Caps and/or 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 sections III., IV.1.(b) and IV.2. 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《濰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 3 July 2026 on the Shenzhen Stock Exchange
"Revised Cap(s)"	the revised annual cap(s) for the Continuing Connected Transactions set out in the sections III. and IV. of this announcement
"RMB"	Renminbi, the lawful currency of the PRC
"Shaanxi Automotive"	陝西汽車集團有限責任公司 (Shaanxi Automotive 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 III. 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
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Agreement(s)"	the supplemental agreements to the Existing Shaanxi Automotive Purchase Agreement, the Existing Shaanxi Automotive Sale Agreement, the Existing Weichai Heavy Machinery Supply Agreement, the Existing Weichai Heavy Machinery Purchase Agreement, and the Existing CNHTC Purchase Agreement, respectively, details of which are set out in sections III. and IV. of this announcement, and a "Supplemental Agreement" means any of them
"TAGC"	湘火炬汽車集團股份有限公司 (Torch Automotive Group Co., Ltd.*), a company established in the PRC and has ceased to exist
"Weichai Continuing Connected Transaction(s)"	the Continuing Connected Transaction(s) under sections IV. and V. of this announcement
"Weichai Heavy Machinery"	濰柴重機股份有限公司 (Weichai Heavy-duty Machinery Co., Ltd.*) (formerly known as 山東巨力股份有限公司 (Shandong Juli Company Limited*)), a company established in the PRC and a connected person of the Company
"Weichai Heavy Machinery Group"	Weichai Heavy Machinery 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 Juli Restructuring"	the restructuring of the assets of Weichai Holding and the group of entities concerning Weichai Heavy Machinery as more particularly set out in the announcement of Weichai Heavy Machinery on the Shenzhen Stock Exchange dated 8 September 2006
"%"	per cent

* *For identification purposes only*

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

Hong Kong, 3 July 2026

As at the date of this announcement, the executive Directors of the Company are Mr. Ma Changhai, Mr. Wang Decheng 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 Mr. Chi Deqiang, Mr. Xu Bing, Mr. Tao Huaan, Ms. Zhang Weili and Ms. Zhang Bo.