TRINITY

Trinity Corporate Finance Limited

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Hong Kong.

26 August 2026

To the Independent Board Committee and the Independent Shareholders of Weichai Power Co., Ltd.

Dear Sirs,

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in respect of the Non-exempt Continuing Connected Transactions and the relevant New Caps, details of which are set out in the letter from the Board (the "**Letter from the Board**") in the Company's circular dated 26 August 2026 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

The Board announced on 3 July 2026 that the Group entered into, inter alia, the supplemental Agreement to the Existing Weichai Heavy Machinery Supply Agreement ("**Supplemental Agreement**") and the New CNHTC Supply Agreement in respect of the Non-exempt Continuing Connected Transactions as more particularly described in the Letter from the Board.

As the highest percentage ratio calculated in accordance with the Listing Rules for the Weichai Continuing Connected Transactions as set out in sections IV. and V. in the Letter from the Board exceeds the 5% Threshold on an aggregated basis, such Continuing Connected Transactions constitute Non-exempt Continuing Connected Transaction of the Company and their respective new framework agreement or supplemental agreement (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.

The 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) has been appointed to consider the Non-exempt Continuing Connected Transactions and the relevant proposed Revised Caps and New Caps, and to advise the Independent Shareholders as to whether the terms therein are fair and reasonable and on how to vote on the relevant resolution(s) at the EGM, taking into account the recommendations of the Independent Financial Adviser. Trinity Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

As at the Latest Practicable Date, Trinity Corporate Finance Limited did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to the independence of Trinity Corporate Finance Limited. In the last two years, Trinity Corporate Finance Limited has acted as an independent financial adviser to the then independent board committee and independent shareholders of the Company in relation to the non-exempt continuing connected transactions announced on 22 August 2024 (details of which were set out in the circular of the Company dated 31 October 2024) and the non-exempt continuing connected transactions announced on 29 August 2025 (details of which were set out in the circular of the Company dated 16 October 2025). Apart from normal professional fees paid or payable to us in connection with such appointment, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other party to the transactions, therefore we consider such relationship would not affect our independence. We, as Independent Financial Adviser, confirm our independence from the Group as required by Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company, the Directors and the management of the Company and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true as at the Latest Practicable Date and should there be any material changes to our opinion after the despatch of the Circular and up to the date of the EGM, Shareholders would be notified as soon as practicable.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We have not conducted any independent in-depth investigation into the business and affairs of the Group or any parties involved in the Non-exempt Continuing Connected Transactions.

In accordance with Rule 13.80 of the Listing Rules, to formulate our opinion, we have independently reviewed, inter alia, the 2025 annual report of the Company, the historical transaction amounts, the Letter from the Board and the samples of transactions of the Company relating to the Supplemental Agreement to the Existing Weichai Heavy Machinery Supply Agreement and the New CNHTC Supply Agreement.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Non-exempt Continuing Connected Transactions and the relevant proposed Revised Caps and New Caps and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion regarding the Non-exempt Continuing Connected Transactions and the relevant proposed Revised Caps and New Caps, we have taken into account the following principal factors and reasons:

A. FINANCIAL PERFORMANCE OF THE COMPANY

As disclosed in the annual report of the Company for the financial year ended 31 December 2025, the Group's revenue amounted to approximately RMB231,809 million, representing an increase of approximately RMB16,118 million or approximately 7.5% from approximately RMB215,691 million in the corresponding period in 2024, benefiting on one hand from the overall positive trend in the heavy-duty truck industry in 2025, which drove the growth of the Group's heavy-duty truck sales, and on the other hand from the surge in global energy and electricity demand, which increased the need for high-power generators, thereby driving the growth of the Group's generator-related business revenue. The Group's net profit decreased from approximately RMB14,278 million in the corresponding period of 2024 to approximately RMB13,681 million during the year, representing a year-on-year decrease of approximately 4.2%. The Group's net profit margin for the 2025 was approximately 6.0%, which decreased by approximately 0.6 percentage points from approximately 6.6% in the corresponding period last year.

B. CONTINUING CONNECTED TRANSACTIONS

SUMMARY OF THE CONTINUING CONNECTED TRANSACTIONS AND THE PROPOSED REVISED CAPS AND NEW CAPS

1. Revision of annual caps and extension of existing Continuing Connected Transaction

The Continuing Connected Transactions supplemented to revise the relevant Existing Caps and extend the existing transactions include the following:

Name of connected person	Name of Group Company	Connected person's relationship with the Group	Nature of the connected transaction with the Group
Weichai Heavy Machinery (and its subsidiaries)	The Company (and its subsidiaries)	Weichai Heavy Machinery is held as to approximately 30.59% by Weichai Holdings	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)

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

Connected person and details of the relevant Continuing Connected Transaction	Proposed Revised Caps and New Cap		
	For the year ending 31 December 2026 *RMB*	For the year ending 31 December 2027 *RMB*	For the year ending 31 December 2028 *RMB*
Weichai Heavy Machinery (and its subsidiaries)			
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#

2. *Renewal of existing Continuing Connected Transaction*

The Continuing Connected Transactions to be renewed include the following:

Name of connected person	Name of Group Company	Connected person's relationship with the Group	Nature of the connected transaction with the Group
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 New Caps for the Continuing Connected Transactions is set out below:

Connected person and details of the relevant Continuing Connected Transaction	Proposed New Caps For the year ending 31 December 2027 *RMB*	For the year ending 31 December 2028 *RMB*	For the year ending 31 December 2029 *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 or New Caps for the relevant Continuing Connected Transaction, on an aggregated basis, exceed the 5% Threshold and are subject to the approval by the Independent Shareholders.

2. For the purposes of ascertaining whether a Continuing Connected Transaction would exceed the 5% Threshold, the transactions under paragraphs 1. and 2. have been aggregated.

C. REVISION OF ANNUAL CAPS AND EXTENSION OF EXISTING CONTINUING CONNECTED TRANSACTION

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

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.

Continuing Connected Transaction 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.

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

According to the Letter from the Board, 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 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 conducts market research and analysis regarding specific products and/or services at least on a monthly basis, 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. Such market research and analysis adopt a combined quantitative and qualitative approach, which involve questionnaire survey, site visit and in-depth interviews with manufacturers, end customers, distributors and service stations. Depending on the differences in products and segment markets, quotations are generally obtained from one to five independent third parties. The price management department of the Company regularly reviews the reasonableness of prices and makes amendments when necessary.

We have reviewed the market research and analysis conducted by the marketing department of the Company including the impact of recent economic data and government policies on the industry outlook, which demonstrated how the Company ascertained the market price and the material terms during the price determination process. Accordingly, we concur with the Directors' view that the abovementioned methods and procedures under the pricing policies can ensure that the Continuing Connected Transaction is conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders, and the prices for the relevant products and/or services will be fair and reasonable.

In addition, we have reviewed two samples of transactions conducted with Weichai Heavy Machinery and its subsidiaries under the Existing Weichai Heavy Machinery Supply Agreement and such samples confirm that the relevant transaction prices were on normal commercial terms compared to transactions with one to five independent third parties around the same period and not prejudicial to the interests of the Company and its minority Shareholders. We consider that the selection criteria has adequately covered the transactions relating to the sale of the above products and services by the Company to Weichai Heavy Machinery and its subsidiaries and the selected sample size is adequate, sufficient, fair and representative, given that the samples were compared with transactions with independent third parties entered into around the same period, in concluding our view that the above pricing policy was properly followed.

The table below summarises the Existing Caps for the three financial years ending 31 December 2027 for the Continuing Connected Transaction set out in this section:

	2025	**2026**	**2027**
	RMB	*RMB*	*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 section:

	For the year ended 31 December 2024 *RMB (audited) (Historical utilisation rate %)*	**For the year ended 31 December 2025** *RMB (audited) (Historical utilisation rate %)*	**For the five months ended 31 May 2026** *RMB (unaudited) (Historical utilisation rate %)*
Actual transaction amount	1,311,941,674.66	2,747,484,925.46 (98.12%)	1,385,093,080.57 (46.17%)

As at the Latest Practicable Date, the actual transaction amount for the transactions contemplated under the Existing Weichai Heavy Machinery Supply Agreement has not exceeded the Existing Cap thereunder for the year ended 31 December 2025.

As illustrated above, we note that the historical utilisation rate for the financial year ended 31 December 2025 was very high, reaching approximately 98.12%; and the historical utilisation rate for the five months ended 31 May 2026 compared to the existing cap for the year ending 31 December 2026 is almost 50%, reaching approximately 46.17%. In other words, if the utilisation amount from June to December 2026 is similar to the actual historical amount for the first five months ended 31 May 2026, the expected utilisation rate for the year ending 31 December 2026 will exceed the existing cap for the year ending 31 December 2026, if the existing cap is not revised.

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 our discussion with the Company, due to the continued increase in data center business volume in 2026, the Company and Weichai Heavy Machinery have increasing actual production and operation development needs. We understand that the current increase in data center power demand is driven by the expansion of A.I. computing power, and considering Weichai Heavy Machinery Group's current revenue and future sales projections, the estimated sales revenue of the Group received from the Weichai Heavy Machinery Group for the entire year of 2026 will be approximately RMB4.6 billion (comprising of approximately RMB3.4 billion for energy and power products, approximately RMB500 million for marine machinery products, and approximately RMB700 million for parts and accessories, etc.).

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. We have reviewed the PRC Government's Notice from the Ministry of Transport and the National Development and Reform Commission on Issuing the "Implementation Rules for Subsidies for the Scrapping and Renewal of Old Operating Vessels in the Transportation Sector" (Jiao Guihua Fa [2024] No. 95) (交通運輸部、國家發展改革委關於印發《交通運輸老舊營運船舶報廢更新補貼實施細則》的通知(交規劃發〔2024〕95號)) (source: https://www.gov.cn/zhengce/zhengceku/202408/content_6966728.htm) issued on 2 August 2024 and note that it is an important measure with implementation period up to 31 December 2028 to implement the national deployment of "large-scale equipment renewal and trade-in of old consumer goods", incentivizing the replacement of old operating vessels through fiscal subsidies and guiding the shipping industry towards transformation and upgrading towards new energy and clean energy through differentiated subsidies, which will lead to growth opportunities and increasing trend for the Group's products from 2026 to 2028.

Also, we have reviewed the PRC Government's Notice from the Ministry of Industry and Information Technology, the National Development and Reform Commission, the Ministry of Finance, the Ministry of Ecology and Environment, and the Ministry of Transport on Issuing the "Action Plan for Green Development of the Shipbuilding Industry (2024-2030)" (MIIT Joint Heavy Equipment [2023] No. 254) (工業和信息化部、國家發展改革委、財政部、生態環境部、交通運輸部關於印發《船舶製造業綠色發展行動綱要(2024—2030年)的通知》(工信部聯重裝〔2023〕254號)) (source: https://www.miit.gov.cn/jgsj/zbes/wjfb/art/2023/art_ac3246d17b0b4e3f9844922088d71089.html) issued on 26 December 2023 and note that it refers to green development as the theme and technological innovation as the driving force to emphasize scenario-driven development to promote the transformation of the general assembly and construction model and accelerate the green transformation of the shipbuilding industry's product system, manufacturing system, and supply chain system, which will lead to increasing demand for the Group's products and services up to 2030. In light of the above, given that as shown above that the Existing Cap for the year ending 31 December 2026 has already been utilised as to approximately 46.17% 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 in this section 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
Change from previous year (%)		16.1%	15.4%

We have reviewed the summary of the Group's sales plan for years 2026 to 2028 and confirm that the number of units of construction machinery expected to be sold by the Group to the Weichai Heavy Machinery Group in the respective years is on an increasing trend. Based on our discussion with the Company relating to the increase in data center power demand which is driven by the expansion of A.I. computing power, and considering Weichai Heavy Machinery Group's current revenue and future sales projections, as mentioned above, to cope with such unexpected increase in order situations in 2026 to 2028, the Company has therefore set the proposed Revised Caps and New Cap for the three years ending 31 December 2028 as shown above.

We consider that, given the historical utilisation rate for the financial year ended 31 December 2025 was very high, reaching approximately 98.12%, and the historical utilisation rate for the five months ended 31 May 2026 compared to the existing cap for the year ending 31 December 2026 was already almost 50%, reaching approximately 46.17%, and in the light of the above industry statistics and sales plans for the years ending 2026 to 2028, we agree with the Company that the above increase in the proposed Revised Cap for the year ending 31 December 2026 is fair and reasonable. Also, as mentioned above, the summary of the sales plan of the Company we have reviewed confirms an increasing trend in the demand and therefore we are of the view that it is fair and reasonable for a further increase in the proposed New Caps of approximately 16.1% and 15.4% for the two years ending 31 December 2028 respectively in order to cater for the expected growth in sales in the respective years.

D. RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTION

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

Continuing Connected Transactions 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 16.46% 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 conducts market research and analysis regarding relevant products and/or services at least on a monthly basis, 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. Such market research and analysis adopt a combined quantitative and qualitative approach, which involve questionnaire survey, site visit and in-depth interviews with manufacturers, end customers, distributors and service stations. Depending on the differences in products and segment markets, quotations are generally obtained from one to five independent third parties. The price management department of the Company regularly reviews the reasonableness of prices and makes amendments when necessary.

We have reviewed the market research and analysis conducted by the marketing department of the Company including the impact of recent economic data and government policies on the industry outlook, which demonstrated how the Company ascertained the market price and the material terms during the price determination process. Accordingly, we concur with the Directors' view that the abovementioned methods and procedures under the pricing policies can ensure that the Continuing Connected Transaction is conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders, and the prices for the relevant products and/or services will be fair and reasonable.

In addition, we have reviewed two samples of transactions conducted with CNHTC, and such samples confirm that the relevant transaction prices were on normal commercial terms compared to transactions with one to five independent third parties around the same period and not prejudicial to the interests of the Company and its minority Shareholders. We consider that the selection criteria has adequately covered the transactions relating to the sale of the above products and services by the Company to CNHTC and the selected sample size is adequate, sufficient, fair and representative, given that the samples were compared with transactions with independent third parties entered into around the same period, in concluding our view that the above pricing policy was properly followed.

The table below summarises the Existing Caps for the three years ending 31 December 2026 for this Continuing Connected Transaction set out in this section:

	2024	**2025**	**2026**
	RMB	*RMB*	*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 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	For the year ended 31 December 2025	For the five months ended 31 May 2026
	RMB	*RMB*	*RMB*
	(audited)	*(audited)*	*(unaudited)*
Actual transaction amount	15,922,621,861.53	17,005,551,756.05	8,398,304,932.90
Approximate utilisation rate	68.93%	65.29%	29.04%

As at the Latest Practicable Date, the actual transaction amount for the transactions contemplated under the Existing CNHTC Supply Agreement has not exceeded the Existing Cap thereunder for the year ending 31 December 2026.

As illustrated above, we note that the historical utilisation rate was approximately 68.93% and 65.29% for the two financial years ended 31 December 2025 and was 29.04% for the five months ended 31 May 2026.

According to the Letter from the Board, 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.

Based on our discussion with the Company, 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 31 December 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
Change from previous year (%)		12.0%	7.1%

We have reviewed the Group's sales plan for the years 2027 to 2029 and the market research conducted by the Company, including the articles at http://cv.ce.cn/ (中國商用汽車網) (source: http://cv.ce.cn/news/202606/t20260615_3032343.shtml and http://cv.ce.cn/news/202607/t20260717_3092691.shtml) which demonstrated a growing trend of the diesel engine market in 2026.

Also, we have reviewed the PRC Government's "Guiding Opinions of the Ministry of Transport and Ten Other Departments on Promoting the Integrated Development of Transportation and Energy" (Document No. 42 of 2025, issued by the Ministry of Transport Planning Department) (《交通運輸部等十部門關於推動交通運輸與能源融合發展的指導意見》(交規劃發〔2025〕42號)) (source: https://www.gov.cn/zhengce/zhengceku/202504/content_7021087.htm) issued on 26 March 2025 and note that the guidelines are issued to accelerate the construction of the PRC as a strong transportation nation and a new energy system, promote the integrated development of transportation infrastructure networks and energy networks, and ensure national energy security. By 2035, the goal is to promote the comprehensive integration and interaction of transportation and the new energy system, initially establishing a transportation energy system based on clean and low-carbon energy consumption, supported by technological innovation, and guided by green, intelligent, and energy-saving principles. Electricity will maintain a high proportion of final energy consumption in the transportation sector, and green electricity developed based on transportation infrastructure will primarily be consumed locally. Pure electric vehicles will become the mainstream of new vehicle sales, new energy heavy-duty trucks will be widely used, and a green fuel supply system for transportation will be basically established.

In addition, we have reviewed the PRC Government's "Notice from the Ministry of Transport, National Development and Reform Commission, Ministry of Industry and Information Technology, Ministry of Public Security, Ministry of Natural Resources, Ministry of Ecology and Environment, People's Bank of China, State Administration for Market Regulation, State Financial Regulatory Commission, National Energy Administration, and State Post Bureau on Issuing the Implementation Plan for Promoting the Large-Scale Application of New Energy Heavy-Duty Trucks" (Jiao Gui Hua Fa [2026] No. 52) (交通運輸部、國家發展改革委、工業和信息化部、公安部、自然資源部、生態環境部、中國人民銀行、市場監管總局、金融監管總局、國家能源局、國家郵政局關於印發《推動新能源重卡規模化應用實施方案》的通知(交規劃發〔2026〕52號)) (source: https://www.gov.cn/zhengce/zhengceku/202606/content_7072002.htm) issued on 29 May 2026 and note that the notice is related to new energy heavy-duty trucks which refer to heavy-duty freight vehicles with a total mass of 12 tons or more that adopt new power systems and are driven entirely or mainly by new energy sources. To thoroughly implement the decisions and deployments of the CPC Central Committee and the State Council regarding carbon peaking and carbon neutrality, this implementation plan is formulated to promote the green and low-carbon transformation of transportation, improve the efficiency and quality of transportation and logistics, and accelerate the large-scale application of new energy heavy-duty trucks. By 2030, the penetration rate of new energy heavy-duty trucks will reach 40%, with a total fleet exceeding 1.6 million vehicles, accounting for approximately 20% of the total; the electrification rate of fixed-route short-haul transportation in regions such as the Beijing-Tianjin-Hebei region and the Fenwei Plain will exceed 80%; electric heavy-duty truck refueling facilities will be constructed in conjunction with the highway network to create zero-carbon highway transportation corridors; support and guide the construction of approximately 3,000 heavy-duty truck charging and battery swapping stations; and guide the scientific layout of hydrogen refueling stations and green fuel refueling stations in key scenarios; the proportion of new energy heavy-duty truck freight volume on highways will reach 18%; and an infrastructure, technical equipment, supporting services, standards and regulations, and policy guarantee system adapted to the large-scale application of new energy heavy-duty trucks will be established.

We consider that the above industry policies are supportive to the expected growth in the Group's vehicles related products, engines and related products, and services in the coming three years. Accordingly, we are of the view that it is fair and reasonable to set the proposed New Caps for the year ending 31 December 2027 with an increase of approximately 12.0% and 7.1% respectively in order to cater for the expected growing demand of CNHTC for the products and services supplied by the Group. In addition, we note that the historical utilisation rate, although not fully utilised, was relatively high with approximately 68.93% and 65.29% for the two financial years ended 31 December 2025. Accordingly, based on the above analysis and reasons for the New Caps, we consider that the proposed New Caps for the three years ending 31 December 2029 are fair and reasonable.

E. REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

1. Continuing Connected Transaction 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.

According to the Letter from the Board, the Company has conducted the Continuing Connected Transaction 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 Transaction 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 Transaction.

2. Continuing Connected Transaction 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 Transaction 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 Transaction 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.

Accordingly, based on the above reasons and benefits for the Continuing Connected Transactions, we consider that the Non-exempt Continuing Connected Transactions are entered into in the ordinary and usual course of business, are 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, are fair and reasonable and are in the interests of the Company and the Independent Shareholders as a whole. We also consider the potential for the Company to maximize operating efficiency, obtain a secure source of revenue and potential synergistic benefits to be beneficial to the Company and the Independent Shareholders as a whole.

RECOMMENDATION

Having considered the principal factors and reasons referred to above, we are of the opinion that the terms of the Non-exempt Continuing Connected Transactions and the relevant proposed Revised Caps and New Caps are on normal commercial terms or better and in the ordinary and usual course of business of the Company and are fair and reasonable so far as the Independent Shareholders are concerned and the said terms are in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we would advise the Independent Shareholders and the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution(s) to approve the terms of the Non-exempt Continuing Connected Transactions and the relevant proposed Revised Caps and New Caps at the EGM.

Yours faithfully,
For and on behalf of
Trinity Corporate Finance Limited

Joanne Pong
Responsible Officer

Ms. Joanne Pong is a licensed person registered with the Securities and Futures Commission and a responsible officer of Trinity Corporate Finance Limited. She has over 18 years of experience in the corporate finance industry.