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**潍柴動力股份有限公司**  
**WEICHAI POWER CO., LTD.**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2338)**

**ANNOUNCEMENT**  
**REPURCHASE OF A SHARES**  
**THROUGH CENTRALISED PRICE BIDDING**

The Board is pleased to announce that, on 19 May 2022, the Board has approved, among other things, the A Share Repurchase Plan in respect of the A Shares of the Company, pursuant to which the Company will use its internal funds of not more than RMB1,533 million to repurchase not less than 43,632,784 (inclusive) and not more than 87,265,568 (inclusive) A Shares of the Company through Centralised Price Bidding on the trading system of the Shenzhen Stock Exchange for the purpose of the implementation of an equity incentive scheme.

Pursuant to the A Share Repurchase Plan, the repurchase price shall not exceed 150% of the average trading price of the Company's A Shares within 30 trading days prior to the date of the approval of the A Share Repurchase Plan by the Board (i.e. not exceeding RMB17.57 per A Share (inclusive)), and the Repurchase Period will not exceed 12 months from the date of approval by the Board.

The independent directors of the Company gave their independent opinions on such resolution and approved the A Share Repurchase Plan. According to the relevant requirements under the applicable laws and regulations and the articles of the Company, the A Share Repurchase Plan is not required to be submitted to the general meeting of the Company for consideration.

**During the Repurchase Period, the Company will make and implement repurchase decisions as and when appropriate based on market conditions, and will fulfil its disclosure obligations in a timely manner based on the progress of the A Share Repurchase. Shareholders and potential investors of the Company are advised to refer to the relevant risks related to the implementation of the A Share Repurchase Plan as disclosed in this announcement, and to exercise caution when dealing in the shares of the Company.**

## I. INTRODUCTION

The board of directors (the “**Board**”) of Weichai Power Co., Ltd. (the “**Company**”) is pleased to announce that, on 19 May 2022, the Board approved, among other things, a repurchase plan (the “**A Share Repurchase Plan**”) in respect of the A shares (the “**A Shares**”) of the Company, pursuant to which the Company will use its internal funds to repurchase certain A Shares of the Company through centralised price bidding on the trading system of the Shenzhen Stock Exchange (the “**Centralised Price Bidding**”) for the purpose of the implementation of an equity incentive scheme (the “**A Share Repurchase**”).

The independent directors of the Company gave their independent opinions on such resolution and approved the A Share Repurchase Plan. According to the applicable laws and regulations and the articles of the Company, the A Share Repurchase Plan is not required to be submitted to the general meeting of the shareholders of the Company for consideration.

## II. MAJOR CONTENTS OF THE A SHARE REPURCHASE PLAN

The principal terms of the A Share Repurchase Plan are as follows:

### 1. Purpose and use of the A Share Repurchase

Based on the confidence in the Company’s future development prospects and in recognition of the Company’s value, in order to improve the Company’s image in capital markets and enhance the investors’ confidence, and at the same establish and improve long-term incentive and retention mechanism, stimulate the entrepreneurial passion of the employees, and promote the high-quality development of the Company, and in light of the Company’s current operations, financial conditions and future development prospects and profitability, the Company intends to repurchase a portion of its issued A Shares using its own funds for the purpose of the implementation of an equity incentive scheme. If such equity incentive scheme cannot be implemented, the repurchased A Shares will be cancelled in accordance with the applicable laws and the registered capital of the Company will be reduced accordingly.

### 2. Type of shares to be repurchased

The type of shares to be repurchased is the RMB-denominated ordinary shares (A Shares) issued by the Company.

### 3. Method of the A Share Repurchase

The Company intends to conduct the A Share Repurchase through Centralised Price Bidding.

#### **4. Pricing principles of the A Share Repurchase**

Considering the Company's financial and operational conditions, the price of the repurchase of A Shares under the A Share Repurchase Plan will not exceed RMB17.57 per share (inclusive), i.e. not exceeding 150% of the average trading price of the Company's A Shares within 30 trading days prior to the date of the approval of the A Share Repurchase Plan by the Board. The specific price of the repurchase of A Shares shall be determined by the management of the Company under the authorisation of the Board in accordance with the regulatory requirements, the trend of the Company's share price, and the Company's financial and operational conditions during the implementation period of the A Share Repurchase.

In the event of any ex-rights or ex-dividend matters such as bonus issue, conversion of capital reserve into share capital, distribution of cash dividends, rights issue, reduction of shares, the cap of the price of the A Share Repurchase will be adjusted accordingly at the date of the relevant ex-rights or ex-dividend event in accordance with the relevant requirements of the China Securities Regulatory Commission and Shenzhen Stock Exchange.

#### **5. Number of A Shares to be repurchased and proportion to the total share capital of the Company**

The total number of A Shares to be repurchased under the A Share Repurchase Plan is expected to be not less than 43,632,784 (inclusive) and not more than 87,265,568 (inclusive) A Shares, accounting for not less than 0.5% and not more than 1% of the total issued share capital of the Company.

The Company will conduct the A Share Repurchase pursuant to the A Share Repurchase Plan in light of the changes in the market prices of the shares during the implementation period of the A Share Repurchase and taking into account the operational conditions of the Company. The exact number of A Shares to be repurchased shall be subject to the actual number of A Shares repurchased upon the expiry of the Repurchase Period.

In the event of any ex-rights or ex-dividend matters such as bonus issue, conversion of capital reserve into share capital, distribution of cash dividends, rights issue, reduction of shares, the number of A Shares to be repurchased will be adjusted accordingly at the date of the relevant ex-rights or ex-dividend event in accordance with the relevant requirements of the China Securities Regulatory Commission and Shenzhen Stock Exchange.

#### **6. Proposed total amount of funds for the A Share Repurchase and source of funds**

The funds for the A Share Repurchase are derived from the self-owned funds of the Company. It is expected that the total amount of such funds required for the A Share Repurchase will be not more than RMB1,533 million (inclusive). The exact total funds for the A Share Repurchase shall be subject to the actual funds used for the A Share Repurchase upon the expiry of the Repurchase Period.

## 7. Repurchase Period

The implementation period of the A Share Repurchase (the “**Repurchase Period**”) will be no more than 12 months from the date of the Board approving the A Share Repurchase Plan, provided that:

- (I) in the event that the A Shares of the Company has been suspended from trading for more than 10 trading days continuously in view of the planning of material events, the Repurchase Period may be extended accordingly in accordance with the requirements of the China Securities Regulatory Commission or the Shenzhen Stock Exchange; or
- (II) in the event of the occurrence of the following event, the Repurchase Period shall early expire:
  - a) the number of the repurchased A Share or the funds used for the A Share Repurchase during the Repurchase Period reaches the maximum limit. In such case, the A Share Repurchase Plan shall be completed and the Repurchase Period shall expire on such date; or
  - b) the Board decides to terminate the A Share Repurchase Plan. In such case, the Repurchase Period shall expire on the date when the Board resolves to terminate the A Share Repurchase Plan.

The Company shall not repurchase any A Shares during the following periods:

- (I) within 10 trading days preceding the announcement of annual reports or interim reports; if the announcement date is postponed due to exceptional circumstances, during the period from the 10 trading days preceding the originally appointed announcement date;
- (II) within 10 trading days preceding the announcement of quarterly reports, results forecasts or preliminary results;
- (III) from the date of occurrence of a significant event that may cause a material impact on the price of the Company’s shares or during the decision-making process, to the date of disclosure of such event pursuant to the relevant laws and regulations;
- (IV) other circumstances as stipulated by the China Securities Regulatory Commission and Shenzhen Stock Exchange.

**8. Expected changes in the Company's shareholding structure upon completion of the A Share Repurchase**

The maximum number of A Shares to be repurchased under the A Share Repurchase Plan is 87,265,568 shares, accounting for approximately 1% of the total issued share capital of the Company. The minimum number of A Shares to be repurchased under the A Share Repurchase Plan is 43,632,784 shares, accounting for approximately 0.5% of the total issued share capital of the Company. Measured and calculated according to the current shareholding structure of the Company, it is expected that the shareholding structure of the Company will be changed as follows after the A Share Repurchase:

- (I) Assuming the A Shares repurchased under the A Share Repurchase Plan are fully utilised for the equity incentive scheme and locked up, it is expected that the shareholding structure of the Company will be changed as follows:

Type of Shares	After the A Share Repurchase					
	Before the A Share Repurchase		Calculated according to the maximum number of A Shares to be repurchased		Calculated according to the minimum number of A Shares to be repurchased	
	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
A Shares subject to trading restrictions	1,733,754,305	19.87%	1,821,019,873	20.87%	1,777,387,089	20.37%
A Shares not subject to trading restrictions	5,049,762,516	57.87%	4,962,496,948	56.87%	5,006,129,732	57.37%
H Shares	1,943,040,000	22.27%	1,943,040,000	22.27%	1,943,040,000	22.27%
<b>Total Share Capital</b>	<b>8,726,556,821</b>	<b>100.00%</b>	<b>8,726,556,821</b>	<b>100.00%</b>	<b>8,726,556,821</b>	<b>100.00%</b>

- (II) If the A Shares repurchased under the A Share Repurchase Plan are not utilised for the equity incentive scheme, the unused repurchased A Shares will be cancelled pursuant to the applicable laws and regulations, and it is expected that the shareholding structure of the Company will be changed as follows:

Type of shares	After the A Share Repurchase					
	Before the A Share Repurchase		Calculated according to the maximum number of A Shares to be repurchased		Calculated according to the minimum number of A Shares to be repurchased	
	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
A Shares subject to trading restrictions	1,733,754,305	19.87%	1,733,754,305	20.07%	1,733,754,305	19.97%
A Shares not subject to trading restrictions	5,049,762,516	57.87%	4,962,496,948	57.44%	5,006,129,732	57.65%
H Shares	1,943,040,000	22.27%	1,943,040,000	22.49%	1,943,040,000	22.38%
<b>Total share capital</b>	<b>8,726,556,821</b>	<b>100.00%</b>	<b>8,639,291,253</b>	<b>100.00%</b>	<b>8,682,924,037</b>	<b>100.00%</b>

*Note:* It should be noted that the above expectation of the change of the Company's shareholding structure has not taken into account other factors. The exact number of A Shares to be repurchased shall be subject to the actual number of A Shares repurchased upon the expiry of the Repurchase Period.

## 9. Impact of the A Share Repurchase on the Company's operations, financial conditions, and future development

As of 31 December 2021, the total assets of the Company amounted to RMB277,044,424,907.96, and the net assets attributable to the shareholders of the Company amounted to RMB70,906,804,320.87. Assuming that the maximum amount of the repurchase funds of RMB1,533 million is fully utilised, the repurchase funds will account for approximately 0.55% of the total assets of the Company as of 31 December 2021, and approximately 2.16% of the net assets attributable to the shareholders of the Company as of 31 December 2021, which will not materially affect the Company's operations, financial conditions and future development.

Assuming that the maximum number of 87,265,568 A Shares is repurchased, the completion of the A Share Repurchase would not result in any change of control of the Company, and the shareholding structure would still comply with the listing requirements, thus the A Share Repurchase would not affect the listing status of the Company.

**10. Relevant arrangements for cancellation or transfer of the repurchased A Shares in accordance with the laws upon completion of the A Share Repurchase**

All A Shares to be repurchased will be used for an equity incentive scheme. The Company will launch the equity incentive scheme in light of the actual situation, and will complete the transfer under the equity incentive scheme within three years after the issue of the announcement in relation to the results of the A Share Repurchase and the change of shareholding structure of the Company. The Board will determine the actual implementation progress of the A Share Repurchase in accordance with the changes within the securities market. If the Company fails to grant or transfer any of the repurchased A Shares in accordance with the equity incentive scheme within the timeline designated by relevant laws and regulations after completion of the A Share Repurchase, the unused A Shares repurchased under the A Share Repurchase Plan will be cancelled pursuant to the applicable laws and regulations. Upon the cancellation of the shares repurchased, the Company will timely perform the relevant decision making procedures, notify its creditors and fulfil its disclosure obligations, to fully protect the interests of its creditors.

**III. INDEPENDENT DIRECTORS' OPINION**

The independent directors of the Company are of the view that:

- (i) the A Share Repurchase is in accordance with the relevant requirements under the relevant laws and regulations and the articles of association of the Company. The board's approval of the A Share Repurchase has complied with the relevant laws and regulations and procedures.
- (ii) the total funds for the A Share Repurchase will not exceed RMB1,533 million, and the source of funds will be the self-owned funds of the Company, which will not have any material adverse effect on the Company's operations, financial conditions and future development, and will not affect the listing status of the Company.
- (iii) the A Share Repurchase will be conducive to safeguarding the rights and interests of investors, further enhancing investor confidence, and is of great significance to continuously improve the Company's image in capital markets and promote the Company's sustainable development in the future.

Therefore, the independent directors of the Company believe that the A Share Repurchase is legal and in compliance with the relevant regulations, and in the interests of the Company and all shareholders as a whole.



#### IV. RISK REMINDER

The A Share Repurchase may face the following risks of uncertainty:

- (1) the funds for the A Share Repurchase will be the self-owned funds of the Company; the Company may not be able to raise sufficient funds required for the A Share Repurchase, leading to the risk that the A Share Repurchase could not be implemented or could only be implemented partly;
- (2) if the price of the A Shares of the Company during the Repurchase Period consistently exceeds the maximum repurchase price stipulated under the A Share Repurchase Plan, there is the risk that the A Share Repurchase could not be implemented or could only be implemented partly;
- (3) the relevant regulators may issue new regulatory requirements, leading to the risk that the A Share Repurchase could not be implemented or will need to be subject to adjustments due to non-compliance with the new regulatory requirements;
- (4) if the equity incentive plan is not approved by the decision-making authorities of the Company such as the Board or the general meeting, or if any beneficiary under the equity incentive plan waives his right of subscription, there is the risk that the repurchased A Shares may not be fully granted or transferred and thus there is the risk that certain unutilised A Shares repurchased under the A Share Repurchase Plan will need to be cancelled.

If any of the abovementioned situations occurs resulting in the A Share Repurchase Plan not being able to be implemented, the Company will revise the A Share Repurchase Plan and submit it to the Board for review and approval.

**During the Repurchase Period, the Company will make and implement repurchase decisions as and when appropriate based on market conditions, and will fulfil its disclosure obligations in a timely manner based on the progress of the Repurchase. Shareholders and potential investors of the Company are advised to refer to the risks related to the implementation of the A Share Repurchase Plan as disclosed above and to exercise caution when dealing in the shares of the Company.**

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

The PRC, 19 May 2022

*As at the date of this announcement, the executive Directors of the Company are Mr. Tan Xuguang, Mr. Zhang Quan, Mr. Xu Xinyu, Mr. Sun Shaojun, Mr. Yuan Hongming and Mr. Yan Jianbo; the non-executive Directors of the Company are Mr. Zhang Liangfu, Mr. Jiang Kui, Mr. Gordon Riske and Mr. Michael Martin Macht; and the independent non-executive Directors of the Company are Mr. Li Hongwu, Mr. Wen Daocai, Ms. Jiang Yan, Mr. Yu Zhuoping and Ms. Zhao Huifang.*