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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)

**UPDATE ON THE PROPOSED SPIN-OFF AND
SEPARATE LISTING OF THE SPARK PLUG BUSINESS OF
THE GROUP ON THE CHINEXT BOARD OF
THE SHENZHEN STOCK EXCHANGE**

Reference is made to the announcements of Weichai Power Co., Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) dated 25 February 2021 and 23 April 2021, in respect of the possible spin-off and separate listing of the spark plug business of the Group (the “**Spark Plug Business**”) on the ChiNext Board (“**ChiNext**”) of the Shenzhen Stock Exchange (the “**Possible Spin-off**”).

Further reference is made to the announcement of the Company dated 21 May 2021 on the results of the extraordinary general meeting (the “**EGM**”) of the Company pursuant to which, inter alia, resolutions in respect of the Possible Spin-off have been approved by the shareholders of the Company (the “**Shareholders**”) pursuant to the requirements of the relevant laws and regulations of the PRC.

The board of directors (the “**Board**”) of the Company would like to announce that, pursuant to the mandate granted to the Board by the Shareholders at the EGM, the Board has, as at the date hereof, approved an amended proposal in relation to the Possible Spin-off, which amended proposal, when compared with the original proposal, contains adjustments which primarily involve (i) the updating of the track record period financial information in respect of the Spark Plug Business and other relevant supporting documents, and (ii) certain adjustments to the Possible Spin-off proposal to address the recent updates to the ChiNext regulations.

The subject matter of the adjusted Possible Spin-off proposal remains the same, which will continue to involve a subsidiary of the Company, Weichai Torch Technology Co., Ltd.* (潍柴火炬科技股份有限公司) (“**Torch Technology**”, being the holding company of a group of companies that operates the Spark Plug Business) issuing new shares, and which shares will be listed on ChiNext. For further details of the resolutions of the Board and the amended proposal in respect of the Possible Spin-off, please refer to the announcements published by the Company on the Shenzhen Stock Exchange dated 22 June 2022.

Pursuant to the relevant laws and regulations of the PRC, since the approval of the Shareholders at the EGM remains in effect and the relevant adjustments to the Possible Spin-off were made in accordance with the mandate granted to the Board by the Shareholders at the EGM, the Company is not required to obtain further approval(s) regarding the Possible Spin-off at the general meeting of the Company.

As disclosed in the Company's announcement dated 23 April 2021, the Company had applied for, and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") had confirmed that the Company may proceed with, the Possible Spin-off under Practice Note 15 ("**PN15**") to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). However, given that over one year has elapsed since the obtaining of the Stock Exchange's above confirmation, the Company will re-comply with the relevant Listing Rules requirement and has submitted the updated proposal in relation to the Proposed Spin-off to the Stock Exchange for its approval pursuant to PN15, which submission is currently under the Stock Exchange's consideration.

In the event that the Company proceeds with the Possible Spin-off, it will constitute a spin-off of the Spark Plug Business by the Company pursuant to PN15 and will also be a deemed disposal of the Company's interest in Torch Technology under Rule 14.29 of the Listing Rules. Based on the information available to the Company, all of applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Possible Spin-off are expected to be less than 5%. Therefore, the Possible Spin-off will not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules and hence, the Possible Spin-off is subject to the approval of the Stock Exchange, but is not subject to the approval by the shareholders of the Company pursuant to the Listing Rules.

As at the date of this announcement, the details of the Possible Spin-off are yet to be finalised. The Company will make further announcement(s) in connection with the Possible Spin-off as and when appropriate or as required under the Listing Rules.

Shareholders of the Company and potential investors should note that the Possible Spin-off is subject to, among others, approvals from the relevant regulatory authorities and market conditions. There is no assurance that the Possible Spin-off will proceed or as to when it may take place. Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the securities of the Company.

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

The PRC, 22 June 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.