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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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*If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.*

*If you have sold or transferred all your shares in Sinotruk (Hong Kong) Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.*

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.*

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**中国重汽**  
**SINOTRUK**

**SINOTRUK (HONG KONG) LIMITED**

**中國重汽(香港)有限公司**

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 03808)**

**(1) CONTINUING CONNECTED TRANSACTIONS**  
**AND**  
**(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser**  
**to the Independent Board Committee and Independent Shareholders**



**FIRST SHANGHAI CAPITAL LIMITED**

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A notice of an extraordinary general meeting of Sinotruk (Hong Kong) Limited to be held at 3:30 p.m. on Friday, 23 December 2022 is set out on pages EGM-1 to EGM-2 of this circular.

A letter from the Board is set out on pages 6 to 16 of this circular and a letter from the independent board committee of the Company, containing its recommendation to the independent shareholders of the Company, is set out on pages 17 to 18 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and Independent Shareholders of the Company is set out on pages 19 to 25 of this circular.

Whether or not you are able to attend the meeting in person, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

**PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING**

Please see page 1 of this circular for measures to be taken in attempt to prevent and control the spread of the novel coronavirus (COVID-19) pandemic at the EGM, including:

- **compulsory temperature checks**
- **submission of health declarations**
- **wearing of surgical face masks**
- **no distribution of corporate gifts, refreshments or drinks**

Any person who does not comply with the precautionary measures may be denied entry into the EGM venue, at the absolute discretion of the Company as permitted by law. In light of the continuing risks posed by the COVID-19 pandemic, the Company strongly encourages Shareholders NOT to attend the EGM in person, and advises Shareholders to appoint the chairman of the EGM as their proxy to vote according to their indicated voting instructions as an alternative to attending the EGM in person.

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## PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

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In view of the ongoing novel coronavirus (COVID-19) pandemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the EGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendees at the entrance of the EGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the EGM venue or be required to leave the EGM venue.
- (ii) All Shareholders, proxies and other attendees are required to complete and submit at the entrance of the EGM venue a health declaration form. Any person who does not comply with this requirement may be denied entry into the EGM venue or be required to leave the EGM venue. Anyone subject to quarantine, has any flu-like symptoms or has travelled overseas within 14 days immediately before the EGM (“recent travel history”), or has close contact with any person under quarantine or with recent travel history will not be permitted to attend the EGM.
- (iii) **There will be no corporate gifts, and no refreshments or drinks will be served.**
- (iv) All attendees are recommended to wear surgical face masks inside the EGM venue at all times. To ensure compliance with the relevant government policies then in force, the Company may adopt other measures at the EGM as may be necessary to avoid over-crowding.
- (v) **Any other additional precautionary measures in accordance with the prevailing requirements or guidelines of the Hong Kong Government and/or regulatory authorities, or as considered appropriate in light of the development of the COVID-19 pandemic.**

To the extent permitted under law, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure the safety of the attendees at the EGM.

In the interest of all stakeholders’ health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the chairman of the EGM as their proxy to vote on the relevant resolution(s) at the EGM instead of attending the EGM in person.

The proxy form is attached to this circular for Shareholders who opt to receive physical circulars. Alternatively, the proxy form can be downloaded from the “Shareholders’ Meeting” tab under the “Investor Relations” section of the Company’s website at [www.sinotruk.com](http://www.sinotruk.com) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk). If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

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## **PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING**

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Subject to the development of the Covid-19 pandemic and the requirements or guidelines of the government and/or regulatory authorities, the Company may announce further updates on the EGM arrangement on the Company's website at [www.sinotruk.com](http://www.sinotruk.com) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) as and when appropriate.

If Shareholders choosing not to attend the EGM in person have any questions about the relevant resolution(s), or about the Company or any matters for communication with the Board, they are welcome to contact the Company via its investor relations contact as follows:

Public and Investor Relations

Email: [sinotruk@wsfg.hk](mailto:sinotruk@wsfg.hk)

Tel: (852) 2851 1038

If Shareholders have any questions relating to the EGM, please contact Computershare Hong Kong Investor Services Limited, the Company's share registrar, as follows:

Computershare Hong Kong Investor Services Limited

17M Floor, Hopewell Centre

183 Queen's Road East

Wanchai, Hong Kong

E-mail: [hkinfo@computershare.com.hk](mailto:hkinfo@computershare.com.hk)

Tel: (852) 2862 8555

Fax: (852) 2865 0990

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## DEFINITIONS

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*In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:*

“2021 Weichai Parts Purchase Agreement”	the agreement dated 31 March 2021 entered into between the Company (for itself and on behalf of its subsidiaries) and Weichai Holdings (for itself and on behalf of the Weichai Group), under which the Weichai Group has agreed to supply raw materials, parts, components, semi-finished products, etc. to the Group
“2022 Weichai Parts Purchase Agreement”	the agreement dated 4 March 2022 entered into between the Company (for itself and on behalf of its subsidiaries) and Weichai Holdings (for itself and on behalf of the Weichai Group), under which the Weichai Group has agreed to supply raw materials, parts, components, semi-finished products, etc. to the Group
“2023 Weichai Parts Purchase Agreement”	the agreement dated 2 November 2022 entered into between the Company (for itself and on behalf of its subsidiaries) and Weichai Holdings (for itself and on behalf of the Weichai Group), details of which are set out in the section headed “2023 WEICHAI PARTS PURCHASE AGREEMENT” in the letter from the Board contained in this circular
“2024 CNHTC Parts Purchase Agreement”	the agreement dated 3 November 2021 entered into between the Company (for itself and on behalf of its subsidiaries) and CNHTC (for itself and on behalf of the CNHTC Group), under which the CNHTC Group has agreed to supply raw materials, parts and components, assemblies and semi-finished products, etc. to the Group
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Board Office”	the Company’s board office set out in the section headed “2023 WEICHAI PARTS PURCHASE AGREEMENT — Internal control procedures” in the letter from the Board contained in this circular
“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, being the substantial shareholder of the Company

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## DEFINITIONS

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“CNHTC Group”	CNHTC and its associates, but excluding any member of the Group which constitutes an associate of CNHTC solely due to CNHTC’s indirect interest in the Shares of the Company
“Company”	Sinotruk (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Continuing Connected Transaction(s)”	the continuing connected transaction(s) of the Group as described under the sections section headed “2023 WEICHAI PARTS PURCHASE AGREEMENT” in the letter from the Board contained in this circular
“Director(s)”	the director(s) of the Company
“FPFPS”	Ferdinand Porsche Familien-Privatstiftung, an Austrian private foundation (Privatstiftung) (trust), being the beneficiary owner of 25% of the entired issued share capital of the Company plus 1 Share
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising Mr. Lyu Shousheng, Dr. Lin Zhijun, Dr. Wang Dengfeng, Mr. Zhao Hang, Mr. Liang Qing and Mr. Zhang Zhong
“Independent Financial Adviser”	First Shanghai Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the 2023 Weichai Parts Purchase Agreement
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the general meeting of the Company in respect of the transactions contemplated under the 2023 Weichai Parts Purchase Agreement
“Latest Practicable Date”	Tuesday, 29 November 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Cap”	the new annual cap for the Continuing Connected Transactions as set out in the section headed “2023 WEICHAI PARTS PURCHASE AGREEMENT — Proposed New Cap and basis” in the letter from the Board contained in this circular
“Parts For Purchase”	has the meaning ascribed thereto under the section headed “2023 WEICHAI PARTS PURCHASE AGREEMENT — Subject matter” in the letter from the Board contained in this circular
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macao Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SHIG”	山東重工集團有限公司 (Shandong Heavy Industry Group Co., Ltd.), a company established in the PRC with limited liability which is a controlling shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Weichai Group”	Weichai Holdings and its associates but excluding any member of the Group which constitutes an associate of Weichai Holdings solely due to SHIG’s indirect interest in the shares of the Company
“Weichai Holdings”	濰柴控股集團有限公司 (Weichai Group Holdings Limited*), a company established in the PRC with limited liability which is a wholly-owned subsidiary of SHIG
“Weichai Interested Directors”	Mr. Cai Dong, Mr. Sun Shaojun and Mr. Jiang Kui
“%”	per cent

\* For identification purposes only

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LETTER FROM THE BOARD

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**SINOTRUK (HONG KONG) LIMITED**

**中國重汽(香港)有限公司**

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 03808)**

***Executive Directors:***

Mr. Cai Dong (*Chairman*)  
Mr. Liu Zhengtao (*President*)  
Mr. Liu Wei  
Mr. Richard von Braunschweig  
Ms. Li Xia  
Mr. Sun Shaojun  
Mr. Wang Chen

***Non-executive Directors:***

Mr. Jiang Kui  
Mr. Alexander Albertus  
Gerhardus Vlaskamp  
Mr. Karsten Oellers  
Mr. Mats Lennart Harborn

***Independent non-executive Directors:***

Dr. Lin Zhijun  
Dr. Wang Dengfeng  
Mr. Zhao Hang  
Mr. Liang Qing  
Mr. Lyu Shousheng  
Mr. Zhang Zhong

***Headquarters:***

Sinotruk Tower  
No. 777 Hua'ao Road  
Innovation Zone  
Ji'nan City, Shandong Province  
PRC  
Post code: 250101

***Registered office:***

Units 2102-03  
China Merchants Tower  
Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

2 December 2022

*To the Shareholders*

Dear Sir/Madam,

**(1) CONTINUING CONNECTED TRANSACTIONS  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**



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## LETTER FROM THE BOARD

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### INTRODUCTION

Reference is made to the Company's announcement dated 2 November 2022 in respect of, inter alia, the 2023 Weichai Parts Purchase Agreement.

The purpose of this circular is to provide you with further details in relation to the Continuing Connected Transactions contemplated under the 2023 Weichai Parts Purchase Agreement and the relevant proposed New Cap, the letter from the Independent Board Committee and the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the same.

A notice convening the EGM is set out on pages EGM-1 to EGM-2 to this circular.

### 2023 WEICHAI PARTS PURCHASE AGREEMENT

In order to continue the Continuing Connected Transactions with the Weichai Group following expiry of the 2022 Weichai Parts Purchase Agreement, the Company (for itself and on behalf of its subsidiaries) entered into the 2023 Weichai Parts Purchase Agreement with Weichai Holdings, on terms substantially the same as those of the 2022 Weichai Parts Purchase Agreement.

The principal terms of the 2023 Weichai Parts Purchase Agreement and the transactions contemplated thereunder are as follows:

Date	:	2 November 2022
Parties	:	(i) Weichai Holdings (ii) The Company
Term	:	One year from 1 January 2023 to 31 December 2023 (both days inclusive)

#### ***Subject matter:***

Pursuant to the 2023 Weichai Parts Purchase Agreement, the Weichai Group has agreed to sell raw materials, parts and components, assemblies, semi-finished products (including but not limited to engines, gearboxes and axles) and related services, etc. (the **"Parts For Purchase"**) to the Group.

#### ***Other terms and details:***

The terms of the 2023 Weichai Parts Purchase Agreement are substantially the same as those of the 2022 Weichai Parts Purchase Agreement.

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## LETTER FROM THE BOARD

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Pursuant to the 2023 Weichai Parts Purchase Agreement, separate agreements will be entered into by relevant members of the Group and relevant members of the Weichai Group which will further provide the details of the parts to be purchased including the payment terms, product specifications, delivery time and quantity. The payment terms for each batch of parts will be based on normal commercial terms or industry practices provided that full payment shall be made by way of cash, cheques, notes, bills or letters of credit within 90 days from the date of purchase.

### *Pricing*

Pursuant to the terms of the 2023 Weichai Parts Purchase Agreement, the Weichai Group will provide the Group with a selling price list of its parts which is applicable to all of its customers. Based on the aforesaid price list provided by the Weichai Group and the price quotation offered by other qualified suppliers, the Group will negotiate with all qualified suppliers including the Weichai Group to determine the agreed prices of all the parts, after taking into consideration the market conditions at the relevant time, the size of orders and the technical conditions, and all the purchases of parts from independent suppliers and the Weichai Group will be fixed at these agreed selling prices. The Group will prepare a parts purchase price list, which summarises all agreed parts purchase prices with independent parts suppliers and the Weichai Group, for all procurement departments of the Group to follow. Accordingly, the prices for the transactions under the 2023 Weichai Parts Purchase Agreement will be determined in accordance with the market price approach to ensure that the prices for the parts supplied by the Weichai Group are no less favourable to the Group than those offered by independent third parties.

As the aforementioned methods and procedures effectively ensure that the prices for the transactions under the 2023 Weichai Parts Purchase Agreement would be in line with market prices and no less favourable to the Group than those offered by independent third parties, together with the implementation of the internal control procedures aiming to afford additional assurance to the observance of such pricing methods and procedures, such as the price cross-checking mechanism and the review and assessment conducted by the quotation review committee comprising experts from various departments (further details are provided in the section headed “2023 WEICHAI PARTS PURCHASE AGREEMENT — Other terms and details — Internal control procedures” below), the Board (including the independent non-executive Directors after considering the advice of the Independent Financial Adviser but excluding the Weichai Interested Directors) considered that the transactions under the 2023 Weichai Parts Purchase Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

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## LETTER FROM THE BOARD

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### *Previous caps*

The following table summaries the previous caps for the transactions contemplated under the 2021 Weichai Parts Purchase Agreement for the year ended 31 December 2021 and the transactions contemplated under the 2022 Weichai Parts Purchase Agreement for the year ending 31 December 2022:

	<b>For the year ended 31 December 2021 RMB'000</b>	<b>For the year ending 31 December 2022 RMB'000</b>
Previous cap	16,309,000	16,236,000

### *Historical transaction amounts*

The following table summarises the approximate historical amounts in respect of the purchase of the Parts For Purchase from the Weichai Group for the two years ended 31 December 2021 and for the nine months ended 30 September 2022, respectively:

	<b>For the year ended 31 December 2020 RMB'000</b>	<b>For the year ended 31 December 2021 RMB'000</b>	<b>For the nine months ended 30 September 2022 RMB'000</b>
Historical transaction amounts	5,671,000	9,370,000	3,459,000

### *Proposed New Cap and basis*

The proposed new cap for the year ending 31 December 2023 for the transactions contemplated under the 2023 Weichai Parts Purchase Agreement is RMB14,126 million (the “**New Cap**”).

The proposed New Cap for year ending 31 December 2023 for the transactions contemplated under the 2023 Weichai Parts Purchase Agreement was determined after considering the following factors:

- (i) the historical transaction amounts of purchase from the Weichai Group, in particular, the relevant purchase amount for the two years ended 31 December 2021, with the historical actual transaction amount for the year ended 31 December 2020 being approximately RMB5,671 million, representing an annual growth of approximately 1,689% (the actual transaction amount for 2019 was relatively low as it was the initial stage of cooperation between the Company and the Weichai Group), and the historical actual transaction amount

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## LETTER FROM THE BOARD

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for the year ended 31 December 2021 being approximately RMB9,370 million (the “**2021 Actual Amount**”), representing an annual growth of approximately 65% (the “**2021 Actual Growth Rate**”), hence demonstrating a general trend of increase in the demand in the Parts For Purchase supplied by the Weichai Group;

- (ii) the decrease in the demand in the Parts For Purchase for the nine months ended 30 September 2022 is due to the slowing down of the growth in the total freight volume for road transportation entering into 2022, coupled with the downward pressure in macro economy and the maintenance of a high level oil and gas price, which contributed to the increasing operational pressure for logistics companies and in turn restrained demand in purchasing vehicles. Under the influence of the overall decrease in demand of heavy duty trucks and light duty trucks within the PRC, the Group’s sales volume of heavy duty trucks and light duty trucks endured a year-on-year decrease;
- (iii) the expectation that the exceptional decrease in 2022 will not continue as the market’s demand in heavy duty trucks and light duty trucks is expected to revive for the year ending 31 December 2023:
  - (a) From 2022, the heavy duty truck industry entered into a period of adjustment where the product inventory was at a high level, but with the stabilisation and recovery of macro economy and the gradual return of market demand, the stocking pressure has been eased, which has created the basis for growth for the heavy duty truck market in 2023. In addition, the customers have a stronger demand for higher operational efficiency, reliability, safety, amenities and intelligence, which drives an increase in demand of high-horsepower, new energy, AMT and high-end products. Thus, the sales volume of heavy duty trucks in the PRC market is expected to resume increase.

On the other hand, in light of the steady implementation of the Belt and Road initiative and the internationalisation of RMB, together with the improvement of the quality of and the technologies applied to heavy duty trucks in the PRC, China’s heavy duty trucks export will maintain a growth.

The total of the domestic and export sales volume of heavy duty trucks in the industry is expected to entail a growth of approximately 10% to 20% for 2023 compared to 2022.

In light of the general market trend, the core competitiveness of the Group’s products stands out. In 2022 the Group successfully developed new products such as the new Huanghe, the new SITRAK and the HOWO MAX. For 2023, the Group will continue to develop a new generation of products, and together with the products matched with the T-series engines of the Weichai Group, the Group will have a more optimised product portfolio in the industry.

- (b) As for the light duty truck market, it is expected that in 2023 the national policy of stimulating consumption will contribute to the development of express delivery and commercial logistics. The infrastructure construction in the rural area and the “automobiles to rural areas” policy have contributed to the increase of sales in the

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## LETTER FROM THE BOARD

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rural markets. The “dual carbon” strategy and road access policy contributed to the rapid development of new energy light duty trucks and the continuous expansion of the scale of fresh goods cold chain. It is therefore expected that in 2023 the light duty truck market will embrace a new cycle of growth and increase by approximately 10% to 20% compared to 2022.

It has been observed in the market a trend of lightweight, high-end, electric, intelligent, IoT featured, and specialised development for the light duty truck products. The whole series light duty trucks developed by the Group are in line with the industry’s development trend, and the Group’s competitiveness has been enhanced constantly;

- (c) As the general market demand in heavy duty trucks and light duty trucks is expected to increase by approximately 10% to 20% in total, and taking into account the Group’s persisting efforts in diversifying its product portfolio and optimising its products, it is believed that while the industry recovers and market demand rebounds in 2023, the Group would occupy the forefront of the market; and
- (iv) the Weichai Group as a full series engine supplier, some of its engine types are able to make up for the Group’s shortfall in certain power range, and in particular there is an increasing market demand of its large horsepower engine products. The historical transactions prove that the Parts For Purchase have assisted the Group in increasing its sales volume and gaining market recognition. For heavy duty trucks, by purchasing the Weichai Group’s engines, the Group is able to diversify its product portfolio and increase its market share in segment markets. For light duty trucks, the Group does not manufacture the engines for light duty trucks, making procurement of such engines from third parties necessary. The Group’s light duty truck products equipped with engines of the Weichai Group has been widely recognised by the market, and it is expected that the purchase of light duty truck engines from the Weichai Group will assist the Group to seize market opportunities.

The historical amount in respect of the purchase of the Parts For Purchase from the Weichai Group for the year ended 31 December 2021 represents approximately 14% of the total amount of procurement of vehicle parts by the Group (including procurements from both connected parties and independent third parties) for the year ended 31 December 2021. Taking into account the abovementioned potential in the demand of Weichai Group’s engines by the Group, a growth in the purchase of the Weichai Group’s engines is expected.

For the abovementioned reasons, it is believed that the Group’s purchase of engines from the Weichai Group as well as parts and components for the year ending 31 December 2023 will be in line with the general trend of increase as demonstrated by the historical transaction amounts for the two years ended 31 December 2021. In light of the anticipated revival of the market demand, the expected increase in sales volume of heavy duty trucks and light duty trucks of the Group, and taking into account the low utilisation rate of the annual cap for the year 2022, the Board proposed that the New Cap for the year ending 31 December 2023 be set at RMB14,126 million, representing (i) an increase of approximately 51% as compared with the 2021 Actual Amount, which is no higher than the 2021

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## LETTER FROM THE BOARD

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Actual Growth Rate achieved by the Group for the most recent financial year, (ii) approximately 22% of the total amount of procurement of vehicle parts by the Group (including procurements from both connected parties and independent third parties) for the year ended 31 December 2021, and (iii) a 13% decrease of the annual cap for the year ending 31 December 2022.

### *Internal control procedures*

In order to ensure that the prices of each of the transactions are determined in accordance with the pricing policy applicable to the 2023 Weichai Parts Purchase Agreement, and the prices are no less favourable than those provided to the Group by independent third parties, the Group will ask for quotations from the independent third party suppliers and the Weichai Group. Based on these quotations, it will cross check the prices of the parts offered by the independent third party suppliers and the Weichai Group. If the Group also produces such parts, it will also compare the intragroup selling prices of the Group against those offered by the Weichai Group. The Group will then negotiate with the independent third party suppliers and the Weichai Group to finalise the prices of the parts and compile the parts price list for the relevant parts to be purchased, after taking into consideration the market conditions at the relevant time and the technical conditions. By conducting the aforesaid comparisons of the prices of the parts offered by the Weichai Group, the Group ensures that the prices of the parts offered by the Weichai Group are fair and reasonable.

In addition, the procurement department of subsidiaries or the Group may use the open tender for procurement by inviting at least two to three independent suppliers and the Weichai Group. The quotation review committee of the Group comprising experts from the procurement department, the technical department and the finance department will review and assess the quotations from technical, commercial and financial perspectives and make recommendations to the responsible management or executive Directors. The legal department will oversee the quotation review process to ensure that the prices of the parts to be purchased from the Weichai Group are competitive and comparable to those offered by independent third parties.

Further, the Group has established procedures for monitoring the Continuing Connected Transactions in which various departments of the Group will be responsible for the implementation, monitoring and review of such procedures. The Company's board office ("**Board Office**") carries out meetings on continuing connected transactions to ensure all the relevant Continuing Connected Transactions are in compliance with the relevant rules and regulations. The Group's finance department prepares on a monthly basis, the maximum day-end balance and/or the accumulated annual transaction amount (as the case may be) of each Continuing Connected Transaction and checks the maximum day-end balance and/or the accumulated annual transaction amount (as the case may be) of each Continuing Connected Transaction against the respective pre-approved cap. If any maximum day-end balance and/or the accumulated annual transaction amount (as the case may be) exceeds 70% of the pre-approved annual cap, the relevant Continuing Connected Transaction will be reported to the Board Office for monitoring, follow-up and, if necessary, revision of the annual cap in accordance with the requirements of the Listing Rules. The Group's internal audit department will check whether these transactions are conducted in accordance with the established procedures and internal controls and assess the effectiveness of the internal controls. In addition, the Company will engage the external auditors of the Company to conduct an annual review of the relevant Continuing Connected

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## LETTER FROM THE BOARD

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Transactions of the Group to report to the Board on whether there are any unapproved Continuing Connected Transactions or any non-compliance, in all material respects, of the pricing policies and terms of the Continuing Connected Transactions, including any exceeding of the pre-approved annual caps.

### *Reasons and benefits of entering into the 2023 Weichai Parts Purchase Agreement*

The Weichai Group has been supplying raw materials, assemblies, parts and components, semi-finished products, etc. to the Group. The 2022 Weichai Parts Purchase Agreement, which governed such transactions, will expire at the end of 2022 and the Group intends to continue the relevant transactions with the Weichai Group after the expiry of the 2022 Weichai Parts Purchase Agreement.

Following cooperation with the Weichai Group in recent years, the use of engines produced by the Weichai Group has been met with a positive response within the market and customers of the Group often have requested for engines from the Weichai Group to be installed on their commercial vehicles. In view of such demand and recognition of the Group's vehicles installed with the Weichai Group's engines, the Board considers it will be in the interest of the Group to continue such business operations. The Group intends to continue launching and promoting the sales of vehicle models installed with the Weichai Group's engines throughout the term of the 2023 Weichai Parts Purchase Agreement. Hence, the Group would maintain a significant procurement of the Parts For Purchase from the Weichai Group, the expected increased sales of the Group's vehicles installed with the Weichai Group's engines is expected to increase the overall sale volumes of the products of the Group and, in turn, the revenue of the Group.

In light of the above, the Board (including the independent non-executive Directors after considering the advice of the Independent Financial Adviser but excluding the Weichai Interested Directors) believed that it was in the best interest of the Group to continue purchasing the Parts For Purchase from the Weichai Group.

The terms of the 2023 Weichai Parts Purchase Agreement were made after arm's length negotiations between the Company and Weichai Holdings. The Board (including the independent non-executive Directors after considering the advice of the Independent Financial Adviser but excluding the Weichai Interested Directors) was of the view that the transactions contemplated under the 2023 Weichai Parts Purchase Agreement were on normal commercial terms, no less favourable than those available from independent third parties under prevailing local market conditions; the 2023 Weichai Parts Purchase Agreement was entered into in the ordinary and usual course of business of the Group; and the terms of the transactions under the 2023 Weichai Parts Purchase Agreement (including the proposed New Cap) were fair and reasonable, and were in the interests of the Company and the Shareholders as a whole.



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## LETTER FROM THE BOARD

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### INFORMATION ON THE PARTIES TO THE 2023 WEICHAI PARTS PURCHASE AGREEMENT

#### *The Company*

The Company is principally engaged in investment holding. The Group primarily specialises in the research, development and manufacturing of heavy duty trucks, medium-heavy duty trucks, light duty trucks, etc. and related key assemblies, parts and components including engines, cabins, axles, steel frames and gearboxes as well as the provision of financial services. The Company is ultimately governed and controlled by 山東省人民政府 (Shandong Provincial People's Government\*).

#### *Weichai Holdings*

Weichai Holdings, being a wholly-owned subsidiary of SHIG, is a company established in the PRC with limited liability. According to the public information available, the Weichai Group is principally engaged in the manufacturing and sale of engines, heavy duty trucks, gear boxes, parts and components of heavy duty trucks and hydraulics controlling parts.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, Weichai Holdings is wholly-owned by SHIG which is, in turn, one of the leading automobile and equipment groups in the PRC. SHIG was owned as to 70% by 山東省人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of the Shandong Government\*), 20% by 山東國惠投資有限公司 (Shandong Guohui Investment Co., Ltd.\*) and 10% by 山東省社會保障基金理事會 (Shandong Provincial Council for Social Security Fund\*). To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, 山東國惠投資有限公司 (Shandong Guohui Investment Co., Ltd.\*) and 山東省社會保障基金理事會 (Shandong Provincial Council for Social Security Fund\*) are both PRC state-owned entities.

### IMPLICATION UNDER THE LISTING RULES

SHIG is a substantial shareholder of the Company indirectly interested in 51% of the Shares and a connected person of the Company. Weichai Holdings is a wholly-owned subsidiary of SHIG and, hence, Weichai Holdings is a fellow subsidiary of the Company and is also a connected person of the Company. Accordingly, the transactions between the Group and the Weichai Group as contemplated under the 2023 Weichai Parts Purchase Agreement constitute continuing connected transactions of the Company.

For the purposes of ascertaining whether the highest applicable percentage ratio of the proposed New Cap for the Continuing Connected Transactions contemplated under the 2023 Weichai Parts Purchase Agreement would exceed 5%, the proposed New Cap has been aggregated with the annual cap for the same period in respect of the 2024 CNHTC Parts Purchase Agreement (details of which are disclosed in the section headed "II. 2024 CNHTC Parts Purchase Agreement" of the announcement of the Company dated 3 November 2021) as set out below:

	<b>For the year ending</b> <b>31 December 2023</b> <i>RMB'000</i>
Annual cap under the 2024 CNHTC Parts Purchase Agreement	874,000



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## LETTER FROM THE BOARD

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CNHTC is a substantial shareholder of the Company and a subsidiary of SHIG. The nature of the transactions contemplated under the 2024 CNHTC Parts Purchase Agreement is similar to the transactions contemplated under the 2023 Weichai Parts Purchase Agreement.

As the highest percentage ratio calculated pursuant to the Listing Rules in respect of the transactions contemplated under the 2023 Weichai Parts Purchase Agreement (when aggregated with the annual cap for the same period in respect of the transactions under the 2024 CNHTC Parts Purchase Agreement) exceeds 5%, such transactions are subject to the reporting and announcement requirements, the annual review requirements, and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

At the Board meeting approving, inter alia, the 2023 Weichai Parts Purchase Agreement and the proposed New Cap, in view of their respective positions in the relevant connected persons, Mr. Cai Dong, Mr. Sun Shaojun and Mr. Jiang Kui abstained from voting on the resolution approving the relevant Continuing Connected Transactions. Save as disclosed above, none of the Directors has a material interest in the Continuing Connected Transactions.

### **APPROVAL BY INDEPENDENT SHAREHOLDERS**

According to Chapter 14A of the Listing Rules, the Company will seek approval from the Independent Shareholders for the 2023 Weichai Parts Purchase Agreement (including the relevant proposed New Cap), and the transactions contemplated thereunder at the general meeting of the Company. SHIG and its associates will abstain from voting in relation to the relevant resolution. As at the Latest Practicable Date, SHIG was interested in 1,408,106,603 Shares, representing approximately 51% of the total issued share capital of the Company.

An Independent Board Committee has been formed to advise the Independent Shareholders with respect to the Continuing Connected Transactions (namely, the 2023 Weichai Parts Purchase Agreement and the relevant proposed New Cap). The Independent Financial Adviser has been appointed as the independent financial adviser to make recommendations to the Independent Board Committee and the Independent Shareholders regarding the same.

### **EXTRAORDINARY GENERAL MEETING**

A notice of the EGM to be held at 3:30 p.m. on Friday, 23 December 2022 at Level 22, Nexus Building, 41 Connaught Road Central, Hong Kong is set out on pages EGM-1 to EGM-2 of this circular.

A form of proxy for the EGM is enclosed herewith. Whether or not you intend to be present at the EGM, you are requested to complete the form of proxy and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as practicable but in any event no later than 48 hours before the time appointed for holding the EGM. The completion of the form of proxy will not preclude you from attending and voting at the EGM in person should you so wish.

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## LETTER FROM THE BOARD

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The EGM of the Company will be held on Friday, 23 December 2022. The record date for determining the entitlement of the Shareholders to attend and vote at the EGM is Friday, 23 December 2022 and the register of members of the Company will be closed from Tuesday, 20 December 2022 to Friday, 23 December 2022 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify to attend and vote in the EGM, holders of Shares must lodge their Share certificates together with the relevant Share transfer documents with Computershare Hong Kong Investor Services Limited, the Share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 19 December 2022.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. At the EGM, the chairman of the EGM will therefore demand a poll for every resolution put to vote of the EGM pursuant to article 61 of the Articles.

Save as disclosed, no Shareholder is required to abstain from voting in respect of the resolution to be proposed at the EGM.

### RECOMMENDATIONS

The Board considers that (i) the terms of the 2023 Weichai Parts Purchase Agreement are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and (ii) the entering into the 2023 Weichai Parts Purchase Agreement (including the relevant proposed New Cap) and the relevant transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole and, accordingly, recommends the Shareholders to vote in favour of the relevant resolution in relation to the foregoing at the forthcoming EGM.

Your attention is also drawn to the letter from the Independent Board Committee which is set out on pages 17 to 18 of this circular. The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the terms of the 2023 Weichai Parts Purchase Agreement (including the relevant proposed New Cap) are fair and reasonable as far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution to approve the 2023 Weichai Parts Purchase Agreement (including the relevant proposed New Cap) and the transactions thereunder to be proposed at the EGM.

Yours faithfully  
By order of the Board  
**Sinotruk (Hong Kong) Limited**  
**Cai Dong**  
*Chairman of the Board*

\* For identification purposes only



**SINOTRUK (HONG KONG) LIMITED**

**中國重汽(香港)有限公司**

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 03808)**

2 December 2022

*To the Independent Shareholders*

Dear Sir/Madam,

We refer to the circular (the “**Circular**”) of the Company dated 2 December 2022 of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider the 2023 Weichai Parts Purchase Agreement (including the relevant proposed New Cap), and to advise the Independent Shareholders on whether the same are fair and reasonable so far as the Independent Shareholders are concerned and are in interests of the Company and the Shareholders as a whole. First Shanghai Capital Limited has been appointed as the independent finance adviser to give recommendations to the Independent Board Committee and the Independent Shareholders in respect of the above matters.

We wish to draw your attention to the letter from the Board set out on pages 6 to 16 of the Circular and the letter from the Independent Finance Adviser set out on pages 19 to 25 of the Circular.

Having considered the information set out in the letter from the Board, the terms of the 2023 Weichai Parts Purchase Agreement and the advice of the Independent Financial Adviser in relation thereto, we are of the view that the 2023 Weichai Parts Purchase Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group; the terms of the 2023 Weichai Parts Purchase Agreement (including the relevant proposed New Cap) are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the 2023 Weichai Parts Purchase Agreement (including the relevant proposed New Cap).

Yours faithfully  
For and on behalf of the Independent Board Committee

**Lyu Shousheng**  
*Independent non-executive Director*

**Lin Zhijun**  
*Independent non-executive Director*

**Wang Dengfeng**  
*Independent non-executive Director*

**Zhao Hang**  
*Independent non-executive Director*

**Liang Qing**  
*Independent non-executive Director*

**Zhang Zhong**  
*Independent non-executive Director*

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## LETTER FROM FIRST SHANGHAI

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*The following is the text of a letter received from First Shanghai setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the 2023 Weichai Parts Purchase Agreement and the relevant proposed New Cap for inclusion in this circular.*



### FIRST SHANGHAI CAPITAL LIMITED

19th Floor, Wing On House  
71 Des Voeux Road Central  
Hong Kong

2 December 2022

*To the Independent Board Committee and  
the Independent Shareholders*

Sinotruk (Hong Kong) Limited  
Units 2102-03  
China Merchants Tower  
Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

Dear Sir or Madam,

## CONTINUING CONNECTED TRANSACTIONS

### INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2023 Weichai Parts Purchase Agreement and the relevant proposed New Cap, details of which are set out in the circular of the Company to the Shareholders dated 2 December 2022 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Circular.

The Group has been conducting and is expected to continue to conduct the continuing connected transactions under the 2022 Weichai Parts Purchase Agreement with the Weichai Group from time to time. In view of, among other things, (i) the 2022 Weichai Parts Purchase Agreement will soon expire on 31 December 2022; and (ii) the anticipated continuation of the continuing connected transaction in the coming years, the Company and Weichai Holdings entered into the 2023 Weichai Parts Purchase Agreement on 2 November 2022, on substantially the same terms as the 2022 Weichai Parts Purchase Agreement, to renew for the period up to 31 December 2023.

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## LETTER FROM FIRST SHANGHAI

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Weichai Holdings is a wholly-owned subsidiary of SHIG, which is a controlling shareholder of the Company, therefore Weichai Holdings is a connected person of the Company. Accordingly, the transactions contemplated under the 2023 Weichai Parts Purchase Agreement constitute continuing connected transactions of the Company. As stated in the letter from the Board in the Circular (the “**Board Letter**”), the 2023 Weichai Parts Purchase Agreement and the relevant proposed New Cap are subject to, among other things, approval by the Independent Shareholders at the EGM.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Lyu Shousheng, Dr. Lin Zhijun, Dr. Wang Dengfeng, Mr. Zhao Hang, Mr. Liang Qing and Mr. Zhang Zhong, has been established to advise the Independent Shareholders in respect of the 2023 Weichai Parts Purchase Agreement and the relevant proposed New Cap. We, First Shanghai Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

### OUR INDEPENDENCE

The Independent Shareholders should note that we were previously engaged as independent financial adviser by the Company for one occasion regarding certain continuing connected transactions (including those under the 2022 Weichai Parts Purchase Agreement) as disclosed in the circular of the Company dated 12 April 2022 (the “**Previous Engagement**”). Apart from normal professional fees paid or payable to us in connection with the Previous Engagement, we did not have any other relationships or interests with the Company within the past two years from the Latest Practicable Date. Given (i) our independent role in the Previous Engagement; (ii) none of the members of our parent group is a direct party to the 2023 Weichai Parts Purchase Agreement; and (iii) our fee for the current engagement with the Company, in addition to that for the Previous Engagement, represented an insignificant percentage of revenue of our parent group, we consider that the Previous Engagement would not affect our independence, and we consider ourselves independent to form our opinion in respect of the 2023 Weichai Parts Purchase Agreement and the relevant proposed New Cap.

### BASIS OF OUR OPINION

In putting forth our opinion and recommendation, we have relied on the accuracy of the information and representations included in the Circular and provided to us by the management of the Group (the “**Management**”), and have assumed that all such information and representations made or referred to in the Circular and provided to us by the Management were true at the time they were made and continued to be true up to the Latest Practicable Date. We have also assumed that all statements of belief, opinion and intention made in the Circular were reasonably made after due enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Management and have been advised that no material facts have been withheld or omitted from the information provided and referred to in the Circular. We consider that we have reviewed sufficient information to reach an informed view and to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Management nor have we conducted any form of investigation into the business, affairs or future prospects of the Group and the Weichai Group. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with note 1 to Rule 13.80 of the Listing Rules.

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## LETTER FROM FIRST SHANGHAI

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion on the 2023 Weichai Parts Purchase Agreement and the relevant proposed New Cap, we have taken into account the following principal factors and reasons:-

#### 1. Background to and reasons for the 2023 Weichai Parts Purchase Agreement

The Group primarily specialises in the research, development and manufacturing of heavy duty trucks, medium-heavy duty trucks, light duty trucks, etc. and related key assemblies, parts and components including engines, cabins, axles, steel frames and gearboxes as well as the provision of financial services. The Company is ultimately governed and controlled by 山東省人民政府 (Shandong Provincial People's Government). We have reviewed the annual report of the Company for the year ended 31 December 2021 (the “**2021 Annual Report**”) and the interim report of the Company for the six months ended 30 June 2022 (the “**2022 Interim Report**”) and we note that the sales of (i) heavy duty truck; (ii) light duty trucks and others; and (iii) engines collectively accounted for approximately 98% of the total revenue of the Group for the year ended 31 December 2021 and for the six months ended 30 June 2022, while the remaining was primarily from the provision of financing services.

The Weichai Group (including Weichai Power Co., Ltd. and its subsidiaries) is principally engaged in the manufacturing and sale of engines, heavy duty trucks, gear boxes, parts and components of heavy duty trucks and hydraulics controlling parts. Weichai Holdings is a wholly-owned subsidiary of SHIG, which is a controlling shareholder of the Company and is a state-owned enterprise ultimately governed and controlled by 山東省人民政府 (Shandong Provincial People's Government).

The Group has been conducting and is expected to continue to conduct the continuing connected transactions under the 2022 Weichai Parts Purchase Agreement with the Weichai Group from time to time. In view of, among other things, (i) the 2022 Weichai Parts Purchase Agreement will soon expire on 31 December 2022; and (ii) the anticipated continuation of the continuing connected transaction in the coming years, the Company and Weichai Holdings entered into the 2023 Weichai Parts Purchase Agreement on 2 November 2022, on substantially the same terms as the 2022 Weichai Parts Purchase Agreement, to renew for the period up to 31 December 2023.

Pursuant to the 2023 Weichai Parts Purchase Agreement, the Weichai Group has agreed to supply raw materials, parts and components, assemblies and semi-finished products, etc. to the Group. We have discussed with the Management and we understand that the purchase transactions under the 2023 Weichai Parts Purchase Agreement are primarily for the manufacturing needs in the ordinary and usual course of business of the Group. Moreover, as further detailed in the Board Letter, transacting with the Weichai Group has merits, including the fact that the use of engines produced by the Weichai Group has been met with positive responses within the market and customers of the Group often have requested for engines from the Weichai Group to be installed on their commercial vehicles.

Having considered, in particular, (i) the purchase transactions under the 2023 Weichai Parts Purchase Agreement are primarily for the manufacturing needs of the Group; (ii) the 2023 Weichai Parts Purchase Agreement is for the continuation of the 2022 Weichai Parts Purchase Agreement, which will soon expire on 31 December 2022; and (iii) the terms of the 2023 Weichai Parts Purchase

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## LETTER FROM FIRST SHANGHAI

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Agreement and the relevant proposed New Cap are fair and reasonable as discussed below, we are of the view that the entering into of the 2023 Weichai Parts Purchase Agreement (including the relevant proposed New Cap) is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

### **2. Principal terms of the 2023 Weichai Parts Purchase Agreement**

The 2023 Weichai Parts Purchase Agreement was entered into on 2 November 2022, on substantially the same terms as the 2022 Weichai Parts Purchase Agreement, for the period up to 31 December 2023. In respect of the principal terms of the 2023 Weichai Parts Purchase Agreement, the prices will be determined in accordance with the market price approach to ensure that the prices for the parts supplied by the Weichai Group are no less favourable to the Group than those offers by independent third parties. The full payment shall be made within 90 days from the date of purchase. Further details of the terms of the 2023 Weichai Parts Purchase Agreement are set out in the Board Letter.

In respect of the internal control measures for the 2023 Weichai Parts Purchase Agreement contemplated under the 2023 Weichai Parts Purchase Agreement, we note that, among other things, (i) the procurement department of the Group will ask for quotations and cross check the prices from the independent third party suppliers and the connected parties (being the Weichai Group), so as to ensure the procurement prices from the connected parties are no less favourable to the Group than those from independent third parties; (ii) the internal audit department of the Group will conduct internal review and assess the effectiveness of the internal control measures; and (iii) the independent auditors of the Company and the independent non-executive Directors have reviewed and will continue to review the continuing connected transactions of the Group in accordance with the Listing Rules.

We note from the annual reports of the Company for each of the two years ended 31 December 2021 that, in accordance with the Listing Rules, (i) the Company had engaged independent auditors to report on the continuing connected transactions of the Group for each of the two years ended 31 December 2021 and the independent auditors of the Company issued their unqualified letters in respect of such transactions; and (ii) the independent non-executive Directors had also reviewed the continuing connected transactions of the Group for each of the two years ended 31 December 2021 and confirmed that such transactions were, among other things, on normal commercial terms or better and on terms that were fair and reasonable.

In addition, we have reviewed three sets of sample historical transaction documents with connected parties in connection with the 2022 Weichai Parts Purchase Agreement, where we have also reviewed the relevant price lists and the relevant terms with independent third parties for each set of the aforementioned sample. We understand that the terms of these reviewed transactions with connected parties had adhered to the aforementioned principles, where the pricing terms with connected parties agreed with the pre-agreed price lists and were no less favourable than those with independent third parties. Furthermore, we have reviewed the latest published annual report of the Company and we understand (i) close to 80% of the trade and bills payables as at 31 December 2020 and 2021 were aged less than three months based on invoice date; and (ii) the Group in general grants a credit period of three to 12 months to its customers, where we note that the credit period of 90 days under the 2023 Weichai Parts Purchase Agreement falls within such general range.



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## LETTER FROM FIRST SHANGHAI

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Having considered, in particular, (i) our review of the pricing terms of the 2023 Weichai Parts Purchase Agreement, being no less favourable than those with independent third parties; (ii) the internal control measures of the Group, particularly the review and comparison of the terms with independent third parties; and (iii) the track record of compliance where the independent auditors of the Company and the independent non-executive Directors had reviewed and will continue to review the 2023 Weichai Parts Purchase Agreement of the Group, we are of the view that (i) the Group has sufficient internal control measures for governing the 2023 Weichai Parts Purchase Agreement from time to time; and (ii) the terms of the 2023 Weichai Parts Purchase Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

### 3. The New Cap

The following table sets out the historical actual transaction amounts of the 2023 Weichai Parts Purchase Agreement for each of the three years ended 31 December 2021 and the nine months ended 30 September 2022, as well as the New Cap for the year ending 31 December 2023.

	Historical actual transaction amounts				New Cap
				For the	
				nine months	For the
	For the year ended 31 December			ended	year ending
	2019	2020	2021	2022	2023
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
The 2023 Weichai Parts Purchase Agreement	317	5,671	9,370	3,459	14,126

We have reviewed the relevant historical actual transaction amounts and the New Cap for the 2023 Weichai Parts Purchase Agreement and we note that:

- the historical actual transaction amount for the year ended 31 December 2020 was approximately RMB5,671 million, representing an annual growth of approximately 1,689% (the amount for the year ended 31 December 2019 was relatively low as it was the initial stage of cooperation between the Company and the Weichai Group), and the historical actual transaction amount for the year ended 31 December 2021 (the “**2021 Actual Amount**”) was approximately RMB9,370 million, representing an annual growth of approximately 65% (the “**2021 Actual Growth Rate**”); and
- the New Cap for the year ending 31 December 2023 of RMB14,126 million, represents an increase of approximately 51% as compared with the 2021 Actual Amount (the “**2023 Cap Increase**”), which is no higher than the 2021 Actual Growth Rate achieved by the Group for the most recent financial year.

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## LETTER FROM FIRST SHANGHAI

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We note that the transaction amount for the nine months ended 30 September 2022 implies an annualised amount of approximately RMB4,612 million for the year ending 31 December 2022, which represents an annual decrease of approximately 51%. We are advised by the Management that the decrease was primarily due to an exceptional downturn in the industry during the first half of 2022, where the revenue of the Group also recorded a year on year decline of approximately 55% for the six months ended 30 June 2022. According to the 2022 Interim Report, during the first half of 2022, the overall external economic environment for commercial vehicles was under great pressure and several recurring outbreaks of domestic pandemic in different regions delayed the resumption of work and production, as well as the launch of infrastructure investment projects in various areas, which coupled with the impact of soaring oil and gas prices, caused the road freight market to suffer a severe impact and resulted in the sales in the peak season for traditional marketing falling short of expectations. We have reviewed the June 2022 and September 2022 editions of the article titled 汽車工業經濟運行情況 (Automobile Industry Economic Operation Performance) and the related statistics published by 中國汽車工業協會 (China Association of Automobile Manufacturers) and we understand that (i) the sales of commercial vehicles (includes buses and trucks) in the PRC recorded a year on year decline of approximately 41% for the first half of 2022 due to, among other factors, the slowed down infrastructure projects and tourism travel because of the pandemic; (ii) the sales of commercial vehicles in the PRC recorded a year on year decline of approximately 11% for the third quarter of 2022, which was significantly narrowed as compared with that for the first half of 2022; and (iii) along with the introduction of government policies and the recovery of infrastructure investments, the commercial vehicle industry is expected to rebound. We note that relevant government policies include the 10% reduction in the fee of toll road for trucks (收費公路貨車通行費) in the fourth quarter of 2022, which we understand would stimulate the demand for trucks. We also note that, according to 關於搞活汽車流通擴大汽車消費若干措施的通知 (Notice regarding Various Measures for the Development of Vehicle Flow and Expansion of Vehicle Consumption) dated 5 July 2022 published by various PRC government authorities including the Ministry of Commerce of the PRC (中華人民共和國商務部), the PRC government measures to enhance the vehicle industry include (i) the encouragement of retirement of aged vehicles and replacement with new vehicles; and (ii) the encouragement of financial institutions to provide better support for vehicle mortgages through mortgage rates and payment terms. We further note that, according to the 中國共產黨第二十次全國代表大會 (20th National Congress of the Communist Party of China) in October 2022, the PRC government will, among other things, carry out urban renewal projects and improve urban infrastructure to build livable, resilient, and smart cities. We understand the aforementioned government policies and the recovery of infrastructure investments in the PRC are expected to enhance the demand of commercial vehicles, including trucks for infrastructure construction, thereby facilitating the recovery of the commercial vehicle industry in the PRC.

We have further discussed with the Management and we are also advised by the Management that the historical actual transaction amount for the year ended 31 December 2021 and the New Cap for the year ending 31 December 2023 represents approximately 14% and 22% of the total purchase amount of vehicle parts by the Group (including procurements of vehicle parts from both connected parties and independent third parties) for the year ended 31 December 2021, respectively. Therefore, we understand the transaction amount with the Weichai Group has potential for substantial increase if the Group shifts its procurement from independent third parties to the Weichai Group, which offers terms that are no less favourable than those with independent third parties. In particular, members of

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## LETTER FROM FIRST SHANGHAI

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the Weichai Group recently became connected persons of the Company upon the completion of the gratuitous transfers as disclosed in the announcement of the Company dated 28 February 2022, where cooperation between the Group and the Weichai Group is expected to become closer in the coming years.

Overall, in view of factors including (i) the 2021 Actual Growth Rate of approximately 65% was the most recent actual annual growth rate recorded for the latest full financial year; (ii) the historical actual transaction amount for the year ended 31 December 2020 also recorded substantial annual growth; (iii) the aforementioned expected recovery of the industry; and (iv) the potential growth of the transaction amount as illustrated in the above paragraph, we consider the 2021 Actual Growth Rate to be an appropriate comparable for the purpose of assessing the New Cap.

Taking into account, in particular, (i) the 2023 Weichai Parts Purchase Agreement provides flexibility for the Group to make procurements from the Weichai Group that are necessary for manufacturing trucks by the Group, where the New Cap for the year ending 31 December 2023 represents around a fifth of the total purchase amount of vehicle parts by the Group for the year ended 31 December 2021; (ii) the lower amount for the nine months ended 30 September 2022 was exceptional due to the downturn of the commercial vehicle industry and the industry is expected to recover; (iii) the 2023 Cap Increase is no higher than the 2021 Actual Growth Rate, which was achieved by the Group for the most recent financial year; and (iv) the ongoing business development of the Group as discussed previously and as detailed in the Board Letter, we consider the New Cap for the 2023 Weichai Parts Purchase Agreement to be fair and reasonable so far as the Independent Shareholders are concerned.

### RECOMMENDATION

Having considered the above principal factors and reasons, we are of the opinion that the entering into of the 2023 Weichai Parts Purchase Agreement is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole. We are also of the view that the terms of the 2023 Weichai Parts Purchase Agreement are on normal commercial terms and, together with the relevant proposed New Cap, are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves advise, the Independent Shareholders to vote in favour of the ordinary resolutions to approve the 2023 Weichai Parts Purchase Agreement and the relevant proposed New Cap at the EGM.

Yours faithfully,

For and on behalf of

**First Shanghai Capital Limited**

**Nicholas Cheng**  
*Director*

**Roger Tang**  
*Vice President*

*Note:* Mr. Nicholas Cheng has been a Responsible Officer and Mr. Roger Tang has been a Representative of Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Both of them have extensive experience in the corporate finance industry and have participated in the provision of independent financial advisory services for numerous connected transactions involving listed companies in Hong Kong.

**1. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, include particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

**2. INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SECURITIES OF THE COMPANY**

As at the Latest Practicable Date, the directors and chief executives of the Company and their associates (as defined in the Listing Rules) had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers:

**ASSOCIATED CORPORATION**

Ordinary A shares in Weichai Power Co., Ltd. — a fellow subsidiary of the Company

**Long positions**

Name of Director	Nature of interest	Number of ordinary shares held	Approximate percentage of shareholding in the class
Mr. Sun Shaojun	Beneficial owner	13,684,324	0.20%

Ordinary A shares in Shantui Construction Machinery Co., Ltd. — a fellow subsidiary of the Company

**Long positions**

Name of Director	Nature of interest	Number of ordinary shares held	Approximate percentage of shareholding in the class
Mr. Jiang Kui	Beneficial owner	42,697	0.00%

Save as disclosed above, as at the Latest Practicable Date, as far as the Directors are aware, none of the Directors and chief executive of the Company had any interest and short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register required to be kept by the Company, or were required, pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules adopted by the Company, to be notified to the Company and the Stock Exchange.

### **3. SUBSTANTIAL SHAREHOLDERS' INTERESTS**

As at the Latest Practicable Date, so far as was known to the Directors or the chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, the following person (other than a Director or the chief executive of the Company) had, or were deemed or taken to have interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, were directly or indirectly, interested in 5% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

## (a) The Company

*Long position*

Name of Shareholder	Capacity in which interests are held	Note	Number of Shares held	Approximate percentage of shareholding
SHIG	Interest in controlled corporation	(a)	1,408,106,603	51%
CNHTC	Interest in controlled corporation	(b)	1,408,106,603	51%
Sinotruk (BVI) Limited	Beneficial owner		1,408,106,603	51%
FPFPS	Interest in controlled corporation	(c)	690,248,336	25%
Ferdinand Porsche Familien-Holding GmbH	Interest in controlled corporation	(d), (l)	690,248,336	25%
Ferdinand Alexander Porsche GmbH	Interest in controlled corporation	(e)	690,248,336	25%
Familie Porsche Beteiligung GmbH	Interest in controlled corporation	(f), (m)	690,248,336	25%
Porsche Automobil Holding SE	Interest in controlled corporation	(g), (n)	690,248,336	25%
Volkswagen AG	Interest in controlled corporation	(h)	690,248,336	25%
Volkswagen Finance Luxemburg S.A.	Interest in controlled corporation	(i)	690,248,336	25%
TRATON SE	Interest in controlled corporation	(j)	690,248,336	25%
TRATON International S.A.	Interest in controlled corporation	(k)	690,248,336	25%
MAN Finance and Holding S.A.	Beneficial owner		690,248,336	25%

*Notes:*

- (a) SHIG holds 65% interest in CNHTC. SHIG is deemed to have interest in all the Shares held (or deemed to be held) by CNHTC under the SFO.
- (b) CNHTC holds the entire issued share capital of Sinotruk (BVI) Limited. CNHTC is deemed to have interest in all the Shares held (or deemed to be held) by Sinotruk (BVI) Limited under the SFO.
- (c) FPFPS holds 90% interest in Ferdinand Porsche Familien-Holding GmbH. FPFPS is deemed to have interest in all the Shares held (or deemed to be held) by Ferdinand Porsche Familien-Holding GmbH under the SFO.

- (d) Ferdinand Porsche Familien-Holding GmbH holds 73.85% interest in Ferdinand Alexander Porsche GmbH. Ferdinand Porsche Familien-Holding GmbH is deemed to have interest in all the Shares held (or deemed to be held) by Ferdinand Alexander Porsche GmbH under the SFO.
- (e) Ferdinand Alexander Porsche GmbH holds 100% interest in Familie Porsche Beteiligung GmbH. Ferdinand Alexander Porsche GmbH is deemed to have interest in all the Shares held (or deemed to be held) by Familie Porsche Beteiligung GmbH under the SFO.
- (f) Familie Porsche Beteiligung GmbH holds 51.69% interests in Porsche Automobil Holding SE. Familie Porsche Beteiligung GmbH is deemed to have interest in all the Shares held (or deemed to be held) by Porsche Automobil Holding SE under the SFO.
- (g) Porsche Automobil Holding SE holds 50.73% interest in Volkswagen AG. Porsche Automobil Holding SE is deemed to have interest in all the Shares held (or deemed to be held) by Volkswagen AG under the SFO.
- (h) Volkswagen AG holds 100% interest in Volkswagen Finance Luxemburg S.A. Volkswagen AG is deemed to have interest in all the Shares held (or deemed to be held) by Volkswagen Finance Luxemburg S.A. under the SFO.
- (i) Volkswagen Finance Luxemburg S.A. holds 89.72% voting interest in TRATON SE. Volkswagen Finance Luxemburg S.A. is deemed to have interest in all the Shares held (or deemed to be held) by TRATON SE under the SFO.
- (j) TRATON SE holds 100% voting interest in TRATON International S.A. TRATON SE is deemed to have interest in all the Shares held (or deemed to be held) by TRATON International S.A. under the SFO.
- (k) TRATON International S.A. holds 100% voting interest in MAN Finance and Holding S.A. TRATON International S.A. is deemed to have interest in all the Shares held (or deemed to be held) by MAN Finance and Holding S.A. under the SFO.
- (l) Notwithstanding the information recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO, the Company has been informed that, as at the Latest Practicable Date, Ferdinand Porsche Familien-Holding GmbH holds 100% interest in Ferdinand Alexander Porsche GmbH.
- (m) Notwithstanding the information recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO, the Company has been informed that, as at the Latest Practicable Date, Familie Porsche Beteiligung GmbH held a 27.73% interest in the capital of Porsche Automobil Holding SE and had a voting interest of 55.46% in this entity.
- (n) Notwithstanding the information recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO, the Company has been informed that, as at the Latest Practicable Date, Porsche Automobil Holding SE held a 31.40% interest in the capital of Volkswagen AG and had a voting interest of 53.30% in this entity.

**(b) Members of the Group***Long position*

<b>Name of equity holder</b>	<b>Nature of interests</b>	<b>Name of the member of the Group</b>	<b>Approximate percentage of equity interest held</b>
Liuzhou Yunli Investment Co., Ltd.	Beneficial owner	Sinotruk Liuzhou Yunli Special Vehicles Co., Ltd.	40%
Yongan Fudi Investment Co., Ltd.	Beneficial owner	Sinotruk Fujian Haixi Vehicles Co., Ltd.	20%
Chengdu Qingbaijiang District State-owned Asset Investment and Management Co., Ltd.	Beneficial owner	Sinotruk Chengdu Wangpai Commercial Vehicles Co., Ltd.	20%
Suizhou Huawei Investment Holdings Co., Ltd.	Beneficial owner	Sinotruk Hubei Huawei Special Vehicles Co., Ltd.	40%
Kodiak America LLC.	Beneficial owner	Sinotruk Liuzhou Yunli Kodiak Machinery Co., Ltd.	49%
Shandong International Trust Co., Ltd.	Beneficial owner	Sinotruk Auto Finance Co., Ltd.	6.5%

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no other persons (not being a Director or chief executive of the Company) had any interests or short positions in the Shares or underlying Shares which are required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, nor were there any persons, directly or indirectly, interested in 5% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

**4. CLAIMS AND LITIGATIONS**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

**5. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any member of the Group other than contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).



**6. COMPETING INTERESTS**

As at the Latest Practicable Date, Mr. Cai Dong was a director of Weichai Holdings; Mr. Liu Wei was deputy general manager of CNHTC; Ms. Li Xia was the financial controller of CNHTC; Mr. Sun Shaojun was an executive director, a member of the strategic development and investment committee and the director of several subsidiaries/associates of Weichai Power Co., Ltd., a director of Weichai Holdings and a deputy chief manager of SHIG; Mr. Wang Chen was a deputy general manager of CNHTC. Mr. Jiang Kui was the general manager of SHIG and a non-executive director of Weichai Power Co., Ltd.; Mr. Richard von Braunschweig was the head of corporate development of MAN Truck & Bus SE; Mr. Alexander Albertus Gerhardus Vlaskamp was the chairman of the executive board of MAN Truck & Bus SE and a member of the executive board of TRATON SE; Mr. Karsten Oellers was the Head of Group Finance at TRATON SE; and Mr. Mats Lennart Harborn was the president of Scania China Group. Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their respective close associates had any interests in a business, apart from the interest in the Group's business, which competes or may compete with the business of the Group.

**7. DIRECTORS' INTERESTS**

- (a) As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2021, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group.
- (b) As at the Latest Practicable Date, save for the following agreements and the respective subsisting continuing connected transactions entered into (i) between the Group and the CNHTC Group in which Mr. Liu Wei, Ms. Li Xia, Mr. Wang Chen and Mr. Jiang Kui would have been required to abstain from voting, (ii) between the Group and Weichai Group in which Mr. Cai Dong, Mr. Sun Shaojun and Mr. Jiang Kui would have been required to abstain from voting, and (iii) between the Group and MAN SE (MAN SE merged into TRATON SE via a merger-squeeze-out on 31 August 2021 and ceased to exist. TRATON SE is the legal successor of MAN SE.) and its associates, in which Mr. Richard von Braunschweig, Mr. Alexander Albertus Gerhardus Vlaskamp, Mr. Karsten Oellers and Mr. Mats Lennart Harborn would have been required to abstain from voting, none of the Directors were materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group:
  - (i) the 2023 CNHTC Products Sales Agreement (as defined in the announcement of the Company dated 31 March 2021);
  - (ii) the 2023 CNHTC Parts Sales Agreements (as defined in the announcement of the Company dated 31 March 2021);

- (iii) the 2023 Financial Services Agreement (as defined in the announcement of the Company dated 31 March 2021);
  - (iv) the 2023 Products Purchase Agreement (as defined in the announcement of the Company dated 31 March 2021);
  - (v) the 2024 Weichai Parts Sales Agreement (as defined in the announcement of the Company dated 4 March 2022);
  - (vi) the 2024 CNHTC Parts Purchase Agreement (as defined in the announcement of the Company dated 3 November 2021); and
  - (vii) the 2022 Weichai Parts Purchase Agreement (as defined in the announcement of the Company dated 4 March 2022)
- (c) As at the Latest Practicable Date, so far as is known to the Directors, the following Directors held offices in the substantial Shareholders set out in section 3 of this appendix above:

<b>Name of Director</b>	<b>Positions held</b>
Mr. Liu Wei	Deputy general manager of CNHTC
Ms. Li Xia	Financial controller of CNHTC
Mr. Sun Shaojun	Deputy chief manager of SHIG
Mr. Wang Chen	Deputy general manager of CNHTC
Mr. Jiang Kui	General manager of SHIG
Mr. Alexander Albertus Gerhardus Vlaskamp	Member of the executive board of TRATON SE
Mr. Karsten Oellers	Head of Group Finance at TRATON SE

## 8. MATERIAL ADVERSE CHANGE

Reference is made to the profit warning announcement of the Company dated 22 July 2022 and the interim results announcement of the Company dated 31 August 2022 (the “**2022 Interim Results**”), in respect of a decrease in the profit attributable to owners of the Company for the six months ended 30 June 2022 by approximately 64.5% as compared to that for the six months ended 30 June 2021. Such decrease was mainly attributable to the slowdown in economy and the overall decrease in demand of trucks within the PRC in the first half of 2022.

However, in light of the general trend of economy recovery and return of market demand, having taken into account the 2022 Interim Results, the Directors do not consider there is any material adverse change in the financial or trading position of the Group since 31 December 2021, being the date to which the latest published audited financial statements of the Company were made up.

## **9. QUALIFICATION OF EXPERTS AND CONSENTS**

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

<b>Name</b>	<b>Qualification</b>
First Shanghai Capital Limited	A license corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, the Independent Financial Adviser had no shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, the Independent Financial Adviser had no direct or indirect interest in any asset which had been, since 31 December 2021, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group.

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein a copy of its advice and references to its name, in the form and context in which they respectively appear. The letter of the Independent Financial Adviser contained herein was issued on 2 December 2022 and was made by the Independent Financial Adviser for incorporation in this circular.

## **10. MISCELLANEOUS**

This circular has been prepared in both English and Chinese. In the case of any discrepancy, the English text shall prevail.

## **11. DOCUMENTS ON DISPLAY**

Copy of the 2023 Weichai Parts Purchase Agreement will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.sinotruk.com>) from the date of this circular up to 15 December 2022.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### SINOTRUK (HONG KONG) LIMITED

中國重汽(香港)有限公司

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 03808)**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of Sinotruk (Hong Kong) Limited (the “Company”) will be held at 3:30 p.m. on Friday, 23 December 2022 at Level 22, Nexxus Building, 41 Connaught Road Central, Hong Kong for the purposes of passing the following resolution, with or without amendments, as an ordinary resolution of the Company:

### ORDINARY RESOLUTION

To consider and, if thought fit, pass (with or without modification) the following resolution as an ordinary resolution of the Company:

**“THAT:**

- A. the execution of the 2023 Weichai Parts Purchase Agreement (as defined in the circular of the Company dated 2 December 2022 (the “Circular”)) be and is hereby ratified, confirmed and approved;
- B. all transactions contemplated under the 2023 Weichai Parts Purchase Agreement and the proposed annual cap therefor for the year ending 31 December 2023 as set out in the Circular be and are hereby approved; and
- C. any Director be and is hereby authorised to do all acts and execute and deliver (whether under seal) all such documents for and on behalf of the Company as he/she considers necessary or desirable in connection with the 2023 Weichai Parts Purchase Agreement, the transactions contemplated thereunder and the proposed annual cap for the year ending 31 December 2023.”

By order of the Board  
**Sinotruk (Hong Kong) Limited**  
**Cai Dong**  
*Chairman of the Board*

Ji’nan, the PRC, 2 December 2022

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*As at the date of this notice, the board of the Company consists of seven executive directors of the Company including Mr. Cai Dong, Mr. Liu Zhengtao, Mr. Liu Wei, Mr. Richard von Braunschweig, Ms. Li Xia, Mr. Sun Shaojun and Mr. Wang Chen; four non-executive directors of the Company including, Mr. Jiang Kui, Mr. Alexander Albertus Gerhardus Vlaskamp, Mr. Karsten Oellers and Mr. Mats Lennart Harborn; and six independent non-executive directors of the Company including Dr. Lin Zhijun, Dr. Wang Dengfeng, Mr. Zhao Hang, Mr. Liang Qing, Mr. Lyu Shousheng and Mr. Zhang Zhong.*

*Notes:*

1. A member entitled to attend and vote at the meeting of the Company is entitled to appoint one or more proxies to attend and on a poll vote on his behalf. A proxy need not be a member of the Company.
2. In order to be valid, a proxy form and the power of attorney or other authorisation (if any) under which it is signed, or a notarially certified copy of such power of attorney or authorisation, must be deposited at the share registrar of the Company, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude any member from attending and voting in person at the meeting or any adjourned meeting should he/she so wishes.
3. The EGM of the Company will be held on Friday, 23 December 2022 and the register of members of the Company will be closed from Tuesday, 20 December 2022 to Friday, 23 December 2022 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify to attend and vote in the EGM, holders of the Company's shares must lodge their share certificates together with the relevant share transfer documents with Computershare Hong Kong Investor Services Limited, the share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 19 December 2022.
4. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto, but if more than one of such joint holders are present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. The proxy form for use at the EGM is enclosed with the Circular.
6. No corporate gifts, refreshments or drinks will be distributed.
7. Subject to the development of the Covid-19 pandemic and the requirements or guidelines of the government and/or regulatory authorities, the Company may announce further updates on the EGM arrangement on the Company's website at [www.sinotruk.com](http://www.sinotruk.com) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) as and when appropriate.