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**潍柴動力股份有限公司**

**WEICHAI POWER CO., LTD.**

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

**(Stock Code: 2338)**

## **ANNOUNCEMENT**

### **REVISION OF ANNUAL CAPS OF EXISTING CONTINUING CONNECTED TRANSACTIONS**

#### **SUMMARY**

References are made to the announcement of the Company dated 30 August 2023 and the circular of the Company dated 30 November 2023 in respect of the Continuing Connected Transactions between the Group and Yangzhou Yaxing (and its subsidiaries). Due to the actual needs of the production, operation and development, the Company expects that the Existing Caps for the three years ending 31 December 2026 for such Continuing Connected Transactions will be insufficient. The Company therefore entered into the Supplemental Agreements to revise the Existing Caps of the Continuing Connected Transactions to the Revised Caps for the three years ending 31 December 2026.

As the highest percentage ratio calculated in accordance with the Listing Rules for the Continuing Connected Transactions, on an aggregated basis, exceeds the 0.1% Threshold but does not exceed the 5% Threshold, such Continuing Connected Transactions are subject to the reporting, announcement and annual review requirements of Chapter 14A of the Listing Rules but are exempt from the independent Shareholders' approval under the Listing Rules.

#### **I. INTRODUCTION**

References are made to the announcement of the Company dated 30 August 2023 and the circular of the Company dated 30 November 2023, in respect of, *inter alia*, the Continuing Connected Transactions of the Company where the Existing Caps for such Continuing Connected Transactions were set.

The Company proposes to revise the Existing Caps for the Continuing Connected Transactions for the three years ending 31 December 2026. For such proposes, the Group entered into the Supplemental Agreements.

A summary of the Continuing Connected Transactions, the Supplemental Agreements, the Existing Caps, the actual transaction amounts of the Continuing Connected Transactions for the relevant periods and the Revised Caps (and their bases) is set out in the section headed “II. Continuing Connected Transactions” in this announcement.

## II. CONTINUING CONNECTED TRANSACTIONS

### ***SUMMARY OF THE CONTINUING CONNECTED TRANSACTIONS AND THE REVISED CAPS***

The Continuing Connected Transactions include the following:

<b>Name of connected person</b>	<b>Name of Group Company</b>	<b>Connected person’s relationship with the Group</b>	<b>Nature of the connected transaction with the Group</b>
Yangzhou Yaxing (and its subsidiaries)	The Company (and its subsidiaries)	Yangzhou Yaxing is indirectly held as to 62.31% by Weichai Holdings	(a) Sale of engines, new energy powertrain and related products by the Company (and its subsidiaries) to Yangzhou Yaxing (and its subsidiaries)
	SFGC (and its subsidiaries) (note 1)		(b) Sale of transmissions and related products by SFGC (and its subsidiaries) to Yangzhou Yaxing (and its subsidiaries)
	Hande Axle (note 2)		(c) Sale of axles and related products by Hande Axle to Yangzhou Yaxing (and its subsidiaries)

*Notes:*

- SFGC is a 51% subsidiary of the Company.*
- Hande Axle is held as to approximately 3.06% by the Company and as to approximately 94% by Shaanxi Zhongqi, which is a 51% subsidiary of the Company.*

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

Details of the relevant Continuing Connected Transactions	Revised Caps		
	2024 RMB	2025 RMB	2026 RMB
<b>Yangzhou Yaxing (and its subsidiaries)</b>			
(a) Sale of engines, new energy powertrain and related products by the Company and its subsidiaries to Yangzhou Yaxing and its subsidiaries	323,000,000*	492,000,000*	638,400,000*
(b) Sale of transmissions and related products by SFGC and its subsidiaries to Yangzhou Yaxing and its subsidiaries	80,000,000*	85,000,000*	90,000,000*
(c) Sale of axles and related products by Hande Axle to Yangzhou Yaxing and its subsidiaries	70,000,000*	80,000,000*	90,000,000*

*Notes:*

1. *Where a Revised Cap is marked “\*”, that means the Revised Caps for the relevant Continuing Connected Transactions do not exceed the 5% Threshold and are exempt from the approval by the independent Shareholders under the Listing Rules.*
2. *For the purposes of ascertaining whether a Continuing Connected Transaction would exceed the 5% Threshold, the Revised Caps of the transactions under paragraphs (a), (b) and (c) have been aggregated.*

## ***DETAILS OF THE CONTINUING CONNECTED TRANSACTIONS AND THE RELEVANT SUPPLEMENTAL AGREEMENTS***

### **Continuing Connected Transactions**

#### *The Company and its subsidiaries*

The Company is principally engaged in the research and development, manufacture and sale of high-speed heavy-duty diesel engines and engine parts.

SFGC is principally engaged in the design, development, manufacture and sale services of motor vehicle parts and components such as vehicle transmission, gears and forgings. SFGC is a 51% subsidiary of the Company.

Hande Axle is principally engaged in the research and development, production, sale and services of vehicle axles and their parts and components. Hande Axle is held as to approximately 3.06% by the Company and as to approximately 94% by Shaanxi Zhongqi, which is a 51% subsidiary of the Company.

***Continuing Connected Transactions between Yangzhou Yaxing (and its subsidiaries) and the Group***

Yangzhou Yaxing and its subsidiaries are principally engaged in the development, manufacture and sale of passenger vehicles. Yangzhou Yaxing is indirectly held as to 62.31% by Weichai Holdings, a substantial shareholder of the Company. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, Weichai Holdings is wholly-owned by Shandong Heavy Industry. Shandong Heavy Industry is one of the leading automobile and equipment groups in the PRC, and in turn a stateowned enterprise organised under the laws of the PRC with limited liability, and is ultimately governed and controlled by the Shandong Provincial People's Government\* (山東省人民政府). Weichai Holdings is a substantial shareholder of the Company and is a connected person of the Company. Accordingly, Yangzhou Yaxing and its subsidiaries are associates of Weichai Holdings and connected persons of the Company.

***(a) Sale of engines, new energy powertrain and related products by the Company and its subsidiaries to Yangzhou Yaxing and its subsidiaries***

Agreement	:	Supplemental Agreement to the Weichai Yangzhou Supply Framework Agreement
Date	:	25 March 2024
Parties	:	1. The Company 2. Yangzhou Yaxing
Term	:	1 January 2024 to 31 December 2026

**Other terms and details:**

Due to the actual needs of the production, operation and development, the Company expects that the Existing Caps for the three years ending 31 December 2026 under the Weichai Yangzhou Supply Framework Agreement will be insufficient. The Company therefore entered into the Supplemental Agreement to the Weichai Yangzhou Supply Framework Agreement to revise the Existing Caps to the Revised Caps for the three years ending 31 December 2026.

Save for the said revision of the Existing Caps to the Revised Caps, all other terms of the Weichai Yangzhou Supply Framework Agreement remain unchanged.

Pursuant to the Weichai Yangzhou Supply Framework Agreement (as supplemented by the relevant Supplemental Agreement), the Company and its subsidiaries shall sell engines, new energy powertrain and related products to Yangzhou Yaxing and its subsidiaries at market prices and/or prices agreed according to the principle of fairness and reasonableness, for a term of three years ending 31 December 2026. Depending on the terms of the definitive agreements to be entered into by the parties, the relevant price for the relevant products shall, as the case maybe, be settled on a monthly or quarterly basis. Upon the expiry of the term of the agreement, the parties may renew the term for a period of three years on a mutually agreed basis.

The price of the said products shall be determined according to the following mechanism: the relevant department of the Group regularly conducts market research and analysis regarding specific products, in which a number of factors, including the overall market prices, market shares, ordering situation and performance of major competitors of such products, are comprehensively considered, submits a price suggestion after its analysis to the Group's price management department and the final prices are determined at arm's length negotiation among the parties. The price management department of the Group regularly reviews the reasonableness of prices and makes amendments when necessary.

The Directors are of the view that the abovementioned methods and procedures under the pricing policies can ensure that this Continuing Connected Transaction is conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

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

	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Existing Cap	83,000,000	117,000,000	145,000,000

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2023 and the two months ended 29 February 2024 for the Continuing Connected Transaction set out in this sub-section (a):

	<b>For the year ended 31 December 2022 RMB (audited)</b>	<b>For the year ended 31 December 2023 RMB (audited)</b>	<b>For the two months ended 29 February 2024 RMB (unaudited)</b>
Actual transaction amount	19,783,354	92,766,751	56,182,371

Yangzhou Yaxing and its subsidiaries purchase the said engines, new energy powertrain and related products from the Group as components for the production of passenger vehicles. Since the beginning of 2024, along with the rebound of the passenger vehicle market, the overseas sales of Yangzhou Yaxing and its subsidiaries have shown great improvement, with a substantive increase in the orders received by Yangzhou Yaxing and its subsidiaries as compared to that in 2023. The Group, being a strategic partner of Yangzhou Yaxing, has accordingly adjusted its sales plan to Yangzhou Yaxing and its subsidiaries to meet with the expected increase in demand for the Group's products. In light of the above, given that the Existing Cap for the year ending 31 December 2024 has already been utilised as to approximately 68% by the end of February 2024, the Company estimates that the Existing Caps for this Continuing Connected Transaction will be insufficient.

For the two months ended 29 February 2024, the Group's actual transaction amount for sales of engines, new energy powertrain and related products had already amounted to RMB56,182,371, representing approximately 61% of the actual transaction amount for the full year ended 31 December 2023. Accordingly, based on the Group's adjusted sales plan prepared based on the latest market development and on the assumption that the abovementioned trend of growth would continue throughout 2024, it is considered that the Revised Cap for the year ending 31 December 2024 be adjusted upwards to RMB323,000,000 from the Existing Cap of RMB83,000,000 for the year ending 31 December 2024 to reflect the latest development trend. Further, taking into account and on the basis of all the aforesaid factors, it is estimated that the overall transaction amount of the sale of the engines, new energy powertrain and related products by the Group to Yangzhou Yaxing and its subsidiaries on an annual basis will increase by approximately 52.3% and 29.8% for each of the two years ending 31 December 2026, respectively, and accordingly RMB492,000,000 and RMB638,400,000 have been set as the Revised Caps for the two years ending 31 December 2026 for this Continuing Connected Transaction.

The table below summarises the Revised Caps for the Continuing Connected Transaction as set out in this sub-section (a) for the three years ending 31 December 2026:

	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Revised Cap	323,000,000	492,000,000	638,400,000

As the highest percentage ratio calculated in accordance with the Listing Rules for this Continuing Connected Transaction for the three years ending 31 December 2026 (when aggregated with the Revised Caps for the same period under sub-sections (b) and (c) herein) exceeds the 0.1% Threshold but does not exceed the 5% Threshold, this Continuing Connected Transaction is subject to the reporting, announcement and annual review requirements of Chapter 14A of the Listing Rules but is exempt from the independent Shareholders' approval under the Listing Rules.

*(b) Sale of transmissions and related products by SFGC and its subsidiaries to Yangzhou Yaxing and its subsidiaries*

Agreement	:	Supplemental Agreement to the Transmissions Supply Framework Agreement
Date	:	25 March 2024
Parties	:	1. SFGC 2. Yangzhou Yaxing
Term	:	1 January 2024 to 31 December 2026

Other terms and details:

Due to the actual needs of the production, operation and development, the Company expects that the Existing Caps for the three years ending 31 December 2026 under the Transmissions Supply Framework Agreement will be insufficient. SFGC therefore entered into the Supplemental Agreement to the Transmissions Supply Framework Agreement to revise the Existing Caps to the Revised Caps for the three years ending 31 December 2026.

Save for the said revision of the Existing Caps to the Revised Caps, all other terms of the Transmissions Supply Framework Agreement remain unchanged.

Pursuant to the Transmissions Supply Framework Agreement (as supplemented by the relevant Supplemental Agreement), SFGC and its subsidiaries have agreed to sell transmissions and related products to Yangzhou Yaxing and its subsidiaries at market prices and/or prices agreed according to the principle of fairness and reasonableness for a term of three years ending 31 December 2026. Depending on the terms of the definitive agreements to be entered into by the parties, the relevant price for the relevant products shall, as the case maybe, be settled on a monthly or quarterly basis. Upon the expiry of the term of the agreement, the parties may renew the term for a period of three years on a mutually agreed basis.

The price of the said products shall be determined according to the following mechanism: the relevant department of the Group regularly conducts market research and analysis regarding specific products, in which a number of factors, including the overall market prices, market shares, ordering situation and performance of major competitors of such products, are comprehensively considered, submits a price suggestion after its analysis to the Group's price management department and the final prices are determined at arm's length negotiation among the parties. The price management department of the Group regularly reviews the reasonableness of prices and makes amendments when necessary.

The Directors are of the view that the abovementioned methods and procedures under the pricing policies can ensure that this Continuing Connected Transaction is conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

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

	<b>2024</b> <i>RMB</i>	<b>2025</b> <i>RMB</i>	<b>2026</b> <i>RMB</i>
Existing Cap	8,000,000	9,000,000	10,000,000

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2023 and the two months ended 29 February 2024 for this Continuing Connected Transaction set out in this sub-section (b):

	<b>For the year ended 31 December 2022 RMB (audited)</b>	<b>For the year ended 31 December 2023 RMB (audited)</b>	<b>For the two months ended 29 February 2024 RMB (unaudited)</b>
Actual transaction amount	1,287,275	8,105,283	6,773,537

Yangzhou Yaxing and its subsidiaries purchase the said transmissions and related products from SFGC and its subsidiaries as one of the components for the production of passenger vehicles. In 2024, the passenger vehicle market has shown rebound, and the overseas sales have shown great improvement. Hence, other than targeting in the domestic markets, the Group has also decided to further expand its overseas market. Based on the adjusted sales plan of the Group, the sales of transmissions and related products by SFGC and its subsidiaries to Yangzhou Yaxing and its subsidiaries is expected to improve substantively. In light of the above, given that the Existing Cap for the year ending 31 December 2024 has already been utilised as to approximately 85% by the end of February 2024, the Company estimates that the Existing Caps for this Continuing Connected Transaction will be insufficient.

For the two months ended 29 February 2024, actual transaction amount of SFGC and its subsidiaries for sales of transmissions and related products had already amounted to RMB6,773,537, representing approximately 84% of the actual transaction amount for the full year ended 31 December 2023. Accordingly, based on the Group's adjusted sales plan prepared based on the latest market development and on the assumption that the abovementioned trend of growth would continue throughout 2024, it is considered that the Revised Cap for the year ending 31 December 2024 be adjusted upwards to RMB80,000,000 from the Existing Cap of RMB8,000,000 for the year ending 31 December 2024 to reflect the latest development trend. Further, on the basis of all the aforesaid factors, it is estimated that the overall transaction amount of the sale of transmissions by SFGC and its subsidiaries to Yangzhou Yaxing and its subsidiaries on an annual basis will increase by approximately 6.3% and 5.9% for each of the two years ending 31 December 2026, respectively, and accordingly RMB85,000,000 and RMB90,000,000 have been set as the Revised Caps for the two years ending 31 December 2026 for this Continuing Connected Transaction.

The table below summarises the Revised Caps for the Continuing Connected Transaction as set out in this sub-section (b) for the three years ending 31 December 2026:

	<b>2024</b> <i>RMB</i>	<b>2025</b> <i>RMB</i>	<b>2026</b> <i>RMB</i>
Revised Cap	80,000,000	85,000,000	90,000,000

As the highest percentage ratio calculated in accordance with the Listing Rules for this Continuing Connected Transaction for the three years ending 31 December 2026 (when aggregated with the Revised Caps for the same period under sub-sections (a) and (c) herein) exceeds the 0.1% Threshold but does not exceed the 5% Threshold, this Continuing Connected Transaction is subject to the reporting, announcement and annual review requirements of Chapter 14A of the Listing Rules but is exempt from the independent Shareholders' approval under the Listing Rules.

(c) *Sale of axles and related products by Hande Axle to Yangzhou Yaxing and its subsidiaries*

Agreement	:	Supplemental Agreement to the Axles Supply Framework Agreement
Date	:	25 March 2024
Parties	:	1. Hande Axle 2. Yangzhou Yaxing
Term	:	1 January 2024 to 31 December 2026

Other terms and details:

Due to the actual needs of the production, operation and development, the Company expects that the Existing Caps for the three years ending 31 December 2026 under the Axles Supply Framework Agreement will be insufficient. Hande Axle therefore entered into the Supplemental Agreement to the Axles Supply Framework Agreement to revise the Existing Caps to the Revised Caps for the three years ending 31 December 2026.

Save for the said revision of the Existing Caps the the Revised Caps, all other terms of the Axles Supply Framework Agreement remain unchanged.

Pursuant to the Axles Supply Framework Agreement (as supplemented by the relevant Supplemental Agreement), Hande Axle has agreed to sell the axles and related products to Yangzhou Yaxing and its subsidiaries at market prices and/or prices agreed according to the principle of fairness and reasonableness for a term of three years ending 31 December 2026. Depending on the terms of the definitive agreements to be entered into by the parties, the relevant price for the relevant products shall, as the case maybe, be settled on a monthly or quarterly basis. Upon the expiry of the term of the agreement, the parties may renew the term for a period of three years on a mutually agreed basis.

The price of the said products shall be determined according to the following mechanism: the relevant department of the Group regularly conducts market research and analysis regarding specific products, in which a number of factors, including the overall market prices, market shares, ordering situation and performance of major competitors of such products, are comprehensively considered, submits a price suggestion after its analysis to the Group's price management department and the final prices are determined at arm's length negotiation among the parties. The price management department of the Group regularly reviews the reasonableness of prices and makes amendments when necessary.

The Directors are of the view that the abovementioned methods and procedures under the pricing policies can ensure that this Continuing Connected Transaction is conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

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

	<b>2024</b> <i>RMB</i>	<b>2025</b> <i>RMB</i>	<b>2026</b> <i>RMB</i>
Existing Cap	23,000,000	26,000,000	29,000,000

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2023 and the two months ended 29 February 2024 for the Continuing Connected Transaction set out in this sub-section (c):

	<b>For the year ended 31 December 2022</b> <i>RMB</i> <i>(audited)</i>	<b>For the year ended 31 December 2023</b> <i>RMB</i> <i>(audited)</i>	<b>For the two months ended 29 February 2024</b> <i>RMB</i> <i>(unaudited)</i>
Actual transaction amount	21,124,342	20,298,637	16,667,035

Yangzhou Yaxing and its subsidiaries purchase the said axles and related products from Hande Axle as components for the production of passenger vehicles. In recent years, Hande Axle mainly supplies its products to heavy-duty trucks market, passenger vehicle market and the offhighway market, and Yangzhou Yaxing and its subsidiaries are key clients of Hande Axle in respect of its development of the passenger vehicle market. In 2024, the passenger vehicle market has shown rebound, and the overseas sales have shown great improvement. Hence, other than targeting in the domestic markets, the Group has also decided to further expand its overseas market. Based on the adjusted sales plan of the Group, the sales of axles and related products by Hande Axle to Yangzhou Yaxing and its subsidiaries is expected to improve substantively. In light of the above, given that the Existing Cap for the year ending 31 December 2024 has already been utilised as to approximately 72% by the end of February 2024, the Company estimates that the Existing Caps for this Continuing Connected Transaction will be insufficient.

For the two months ended 29 February 2024, Hande Axle's actual transaction amount for sales of transmissions and related products had already amounted to RMB16,667,035, representing approximately 82% of the actual transaction amount for the full year ended 31 December 2023. Accordingly, based on the Group's adjusted sales plan prepared based on the latest market development and on the assumption that the abovementioned trend of growth would continue throughout 2024, it is considered that the Revised Cap for the year ending 31 December 2024 be adjusted upwards to RMB70,000,000 from the Existing Cap of RMB23,000,000 for the year ending 31 December 2024 to reflect the latest development trend. Further, on the basis of all the aforesaid factors, it is estimated that the overall transaction amount of the sale of axles and related products by Hande Axle to Yangzhou Yaxing and its subsidiaries on an annual basis will increase by approximately 14.3% and 12.5% for each of the two years ending 31 December 2026, respectively, and accordingly RMB80,000,000 and RMB90,000,000 have been set as the Revised Caps for the two years ending 31 December 2026 for this Continuing Connected Transaction.

The table below summarises the Revised Caps for the Continuing Connected Transaction as set out in this sub-section (c) for the three years ending 31 December 2026:

	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Revised Cap	70,000,000	80,000,000	90,000,000

As the highest percentage ratio calculated in accordance with the Listing Rules for this Continuing Connected Transaction for the three years ending 31 December 2026 (when aggregated with the Revised Caps for the same period under sub-sections (a) and (b) herein) exceeds the 0.1% Threshold but does not exceed the 5% Threshold, this Continuing Connected Transaction is subject to the reporting, announcement and annual review requirements of Chapter 14A of the Listing Rules but is exempt from the independent Shareholders' approval under the Listing Rules.

### **III. REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS AND LISTING RULES IMPLICATIONS**

#### **Continuing Connected Transactions between Yangzhou Yaxing (and its subsidiaries) and the Group**

As at the date of this announcement, Weichai Holdings is a substantial shareholder and a connected person of the Company. Since Yangzhou Yaxing is a subsidiary of Weichai Holdings, Yangzhou Yaxing and its subsidiaries are associates of Weichai Holdings and connected persons of the Company under Chapter 14A of the Listing Rules. The entering into of the Supplemental Agreements between the Group and Yangzhou Yaxing and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

The Group is engaged in, *inter alia*, the manufacture and sale of diesel engines, transmissions, axles and related products. Yangzhou Yaxing and its subsidiaries are principally engaged in the development, manufacture and sale of passenger vehicles. Yangzhou Yaxing and its subsidiaries purchase engines, new energy powertrain and related products, transmissions and axles from the Group as components for the production of passenger vehicles. In light of the rebound of the passenger vehicle market since the beginning of 2024, the sales of passenger vehicles by Yangzhou Yaxing and its subsidiaries are expected to increase according to its sales plan, and the demand for engines, new energy powertrain and related products, transmissions and axles and the proportion of vehicles of Yangzhou Yaxing utilising the Group's products are also expected to increase. The Directors (including the independent non-executive Directors) consider that such Continuing Connected Transactions will continue to create synergy potential and strategic benefits between Yangzhou Yaxing and the Group, and will also continue to provide a secured source of revenue for the Group.

The Directors (including the independent non-executive Directors) are of the view that all the Continuing Connected Transactions, and the relevant Supplemental Agreements and Revised Caps, are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

At the meeting of the Board on 25 March 2024 approving, *inter alia*, the Continuing Connected Transactions, Mr. Tan Xuguang, Mr. Ma Changhai, Mr. Wang Decheng and Mr. Sun Shaojun have abstained from voting on the resolutions in respect of the Continuing Connected Transactions, for the reasons of their respective interest and/or position (as the case may be) in the relevant connected persons.

As the highest percentage ratio calculated in accordance with the Listing Rules for the Continuing Connected Transactions, on an aggregated basis, exceeds the 0.1% Threshold but does not exceed the 5% Threshold, such Continuing Connected Transactions are subject to the reporting, announcement and annual review requirements of Chapter 14A of the Listing Rules but are exempt from the independent Shareholders' approval under the Listing Rules.

#### IV. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“0.1% Threshold”	the thresholds referred to in Rule 14A.76(1)(a) of the Listing Rules
“5% Threshold”	the thresholds referred to in Rule 14A.76(2)(a) of the Listing Rules
“associate(s)”	has the meaning ascribed to an “associate” under Rule 14A.06(2) of the Listing Rules
“Axles Supply Framework Agreement”	the axles supply framework agreement entered into between Hande Axle and Yangzhou Yaxing on 30 August 2023 as more particularly set out in section II.2.(c) of the Company’s announcement dated 30 August 2023
“Company”	濰柴動力股份有限公司 (Weichai Power Co., Ltd.), a company established in the PRC with limited liability
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Continuing Connected Transaction(s)”	the continuing connected transaction(s) of the Group set out in the section headed “II. Continuing Connected Transactions” in this announcement
“Director(s)”	the director(s) of the Company
“Existing Cap(s)”	the existing cap(s) for the Continuing Connected Transactions set out in the section headed “II. Continuing Connected Transactions” in this announcement
“Group”	the Company and its subsidiaries, and “Group Company” means any of the same
“Hande Axle”	陝西漢德車橋有限公司 (Shaanxi Hande Axle Co., Ltd.), a company established in the PRC and is held as to approximately 3.06% by the Company and as to approximately 94% by Shaanxi Zhongqi
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“PRC”	the People’s Republic of China
“Revised Cap(s)”	the revised annual cap(s) for the Continuing Connected Transactions set out in the section headed “II. Continuing Connected Transactions” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“SFGC”	陝西法士特齒輪有限責任公司 (Shaanxi Fast Gear Co. Ltd.), a company established in the PRC and a 51% subsidiary of the Company
“Shaanxi Zhongqi”	陝西重型汽車有限公司 (Shaanxi Heavy Duty Motor Company Limited), a company established in the PRC and a subsidiary of the Company
“Shandong Heavy Industry”	山東重工集團有限公司 (Shandong Heavy Industry Group Co., Ltd.), a substantial shareholder and connected person of the Company holding the entire capital of Weichai Holdings
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
"Supplemental Agreements"	the supplemental agreements to (i) the Weichai Yangzhou Supply Framework Agreement, (ii) the Transmissions Supply Framework Agreement, and (iii) the Axles Supply Framework Agreement, details of which are set out in sections II.(a), II.(b) and II.(c) in this announcement, and a "Supplemental Agreement" means any one of them
“Transmissions Supply Framework Agreement”	the transmissions supply framework agreement entered into between SFGC and Yangzhou Yaxing on 30 August 2023 as more particularly set out in section II.2.(b) of the Company’s announcement dated 30 August 2023
“Weichai Holdings”	濰柴控股集團有限公司 (Weichai Group Holdings Limited*) (formerly known as 濰坊柴油機廠 (Weifang Diesel Engine Works*)), a legal person established in the PRC, a substantial shareholder of the Company and a connected person of the Company

“Weichai Yangzhou Supply Framework Agreement”

the diesel engines supply framework agreement entered into between the Company and Yangzhou Yaxing on 30 August 2023 as more particularly set out in section II.2.(a) of the Company’s announcement dated 30 August 2023

“Yangzhou Yaxing”

揚州亞星客車股份有限公司 (Yangzhou Yaxing Motor Coach Co. Ltd.), a company established in the PRC, a subsidiary of Weichai Holdings and a connected person of the Company

\* *For identification purposes only*

By order of the Board  
**Tan Xuguang**  
*Chairman*

Hong Kong, 25 March 2024

*As at the date of this announcement, the executive Directors of the Company are Mr. Tan Xuguang, Mr. Zhang Quan, Mr. Ma Changhai, Mr. Wang Decheng, Mr. Sun Shaojun, Mr. Yuan Hongming, and Mr. Ma Xuyao; the non-executive Directors of the Company are Mr. Zhang Liangfu, Mr. Richard Robinson Smith and Mr. Michael Martin Macht; and the independent non-executive Directors of the Company are Ms. Jiang Yan, Mr. Yu Zhuoping, Mr. Chi Deqiang, Mr. Zhao Fuquan and Mr. Xu Bing.*