
CONNECTED TRANSACTIONS

OVERVIEW

We have, in our ordinary and usual course of business, entered into certain transactions with entities that will become our connected persons (as defined under Chapter 14A of the Listing Rules) upon [REDACTED]. Such transactions will continue after the [REDACTED] and will therefore constitute our continuing connected transactions under the Listing Rules.

CONNECTED PERSONS

The following entities will become our connected persons (as defined under Chapter 14A of the Listing Rules) upon [REDACTED] and have entered into certain transactions with us which will constitute continuing connected transactions under Chapter 14A of the Listing Rules:

Connected Persons	Connected Relationship
Weichai Power and its associates (collectively, the “ Weichai Power Group ”)	Weichai Power is one of a Controlling Shareholders of our Company
Weichai Holdings and its associates (excluding Weichai Power Group, collectively, the “ Weichai Holdings Group ”)	Weichai Holdings is one of the Controlling Shareholders of our Group
Shandong Heavy Industry and its associates (excluding Weichai Power Group and including Weichai Holdings Group, collectively, the “ Shandong Heavy Industry Group ”)	Shandong Heavy Industry holds 100% shareholding interest in Weichai Holdings, and is one of the Controlling Shareholders of our Group
Huiyin Financial Leasing Co., Ltd. (匯銀融資租賃有限公司) (“ Huiyin Financial Leasing ”)	Huiyin Financial Leasing is wholly owned by Shanzhong Financial Leasing Co., Ltd. (山重融資租賃有限公司), which is in turn controlled by Shandong Heavy Industry as to more than 50%, and therefore constitute a connected person of our Company
Shandong Heavy Industry Group Finance Co., Ltd. (山東重工集團財務有限公司) (“ Shanzhong Finance ”)	Shanzhong Finance is owned by Shandong Heavy Industry as to 37.50% and Weichai Power as to 31.25%, respectively, and therefore constitute a connected person of our Company

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Connected Persons	Connected Relationship
Shandong Baoding Agriculture Machinery Testing Co., Ltd. (山東寶鼎農業機械檢測有限公司) (the “ Connected Subsidiary ”)	The Connected Subsidiary is a non-wholly owned subsidiary of our Company and is owned as to more than 10% by Weichai Holdings and therefore constitutes a connected subsidiary of our Company under Rule 14A.16 of the Listing Rules

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Nature of transactions	Counterparties	Applicable Listing Rules	Waiver Sought
Fully exempt continuing connected transactions			
1. . . Trademarks licensing	Weichai Holdings Group	14A.76(1)(a)	N/A
2. . . Procurement of testing services	Connected Subsidiary	14A.76(1)(a)	N/A
3. . . Lease of properties to connected persons	Shandong Heavy Industry Group and Connected Subsidiary	14A.76(1)(a)	N/A
4. . . Lease of properties from connected persons	Weichai Power Group and Shandong Heavy Industry Group	14A.76(1)(a)	N/A
5. . . Receipt of loan services from Shanzhong Finance	Shanzhong Finance	14A.90	N/A
6. . . Receipt of other financial services from Shanzhong Finance	Shanzhong Finance	14A.76(1)(a)	N/A
Non-exempt continuing connected transactions			
1. . . Procurement of materials and services	Shandong Heavy Industry Group	14A.34 to 14A.36, 14A.49, 14A.51 to 14A.59 and 14A.71	Announcement requirement
2. . . Provision of products and services	Shandong Heavy Industry Group	14A.34 to 14A.36, 14A.49, 14A.51 to 14A.59 and 14A.71	Announcement requirement
3. . . Provision of products and services	Weichai Power Group	14A.34 to 14A.36, 14A.49, 14A.51 to 14A.59 and 14A.71	Announcement And independent Shareholders’ approval Requirements

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Nature of transactions	Counterparties	Applicable Listing Rules	Waiver Sought
4. . . Procurement of products and services	Weichai Power Group	14A.34 to 14A.36, 14A.49, 14A.51 to 14A.59 and 14A.71	Announcement And independent Shareholders' approval Requirements
5. . . Financing and guarantee under the finance lease	Huiyin Financial Leasing	14A.34 to 14A.36, 14A.49, 14A.51 to 14A.59 and 14A.71	Announcement And independent Shareholders' approval Requirements
6. . . Receipt of financial services	Shanzhong Finance	14A.34 to 14A.36, 14A.49, 14A.51 to 14A.59 and 14A.71	Announcement And independent Shareholders' approval Requirements

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into the following transactions with our connected persons on normal commercial terms, which will continue after the [REDACTED]:

- (1) licensing our trademarks to Weichai Power Group and Weichai Holdings Group, for use in connection with the ordinary course of business and operations either on a royalty-free basis or charge a licensing fee for RMB50 per vehicle. The relevant parties will use the licensed trademarks within the scope specified in the trademarks licensing agreements. The trademark licensing agreements will end on either November 7, 2026 or April 30, 2026, subject to renewal by mutual consent.
- (2) procurement of testing services from Connected Subsidiary for the testing of our agricultural machinery. The pricing of the procurement shall be determined at after arm's length negotiations between our Group and Connected Subsidiary, with reference to, among others, the market price of the services and the cost incurred in respect of the relevant services.
- (3) lease of properties by us to each of Shandong Heavy Industry Group and Connected Subsidiary. The pricing shall be determined after an arm's length negotiations with reference to the location, function and size of the properties, and is to be no less favourable to our Group than the prevailing market price of the rent of similar property in the vicinity.

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- (4) lease of properties/facilities, such as computers, from each of Weichai Power Group and Shandong Heavy Industry Group. The pricing shall be determined after an arm's length negotiations with reference to the location, function and size of the properties, and the specification of the required facility, and is to be no less favorable to our Group than the prevailing market price of the rent of similar property in the vicinity and of the similar facility. Since the term of the lease fall within short-term lease and are not recognized as right-of-use assets on our consolidated statement of financial position in accordance with IFRS16 "Leases", such transactions will be treated as continuing connected transaction instead of one-off connected transaction.
- (5) receipt of loan services from Shanzhong Finance. The interest rate for our loan services with Shanzhong Finance shall, subject to the compliance of the relevant requirements of the People's Bank of China, be no higher than the lowest interest rate for the same type of loan services offered by other banks in the market. The loan services constitutes financial assistance received by our Group from our connected persons for the benefit of our Group under Rule 14A.90 of the Listing Rules. Since the receipt of loan services are on normal commercial terms or better to our Group and are not secured by the assets of our Group, the receipt of loan services is fully exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.
- (6) receipt of other financial services from Shanzhong Finance. The fees to be charged by Shanzhong Finance for (i) the provision of the settlement services shall not exceed the service fee rates for the same type of services provided by other financial institutions in the PRC, and shall not be higher than the settlement fee rates charged by Shanzhong Finance from other members within Weichai Power Group; and (ii) the other financial services shall not exceed the fair market price or the level of fees charged by other financial institutions in the PRC. As the highest applicable percentage ratios of the relevant annual fees payable by the Group to Shanzhong Finance in aggregate will be below 0.1%, the provision of such financial services by Shanzhong Finance to the Group will be fully exempt from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules according to Rule 14A.76 of the Listing Rules.

As the highest applicable percentage ratios for each of the abovementioned transactions for the purpose of Chapter 14A of the Listing Rules will be less than 0.1% on an annual basis, each of such transactions will constitute a de minimis continuing connected transaction of our Company pursuant to Rule 14A.76(1) of the Listing Rules that will be fully exempt from reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS SUBJECT TO REPORTING, ANNUAL REVIEW AND ANNOUNCEMENT REQUIREMENTS

We have entered into the following transactions which, as our Directors currently expect, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules will be more than 0.1% but less than 5% on an annual basis. Under Rule 14A.76(2) of the Listing Rules, these transactions will be subject to the reporting, annual review and announcement requirements under Chapter 14A of the Hong Kong Listing Rules but will be exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

1. Procurement of materials, equipment, vehicles and services from Shandong Heavy Industry Group

Parties

Shandong Heavy Industry Group

Our Company (for itself and on behalf of its subsidiaries)

Principal terms

We entered into a procurement of materials and services framework agreement with Shandong Heavy Industry on [●] (the "**Shandong Heavy Industry Procurement Framework Agreement**"), pursuant to which our Group may from time to time procure certain materials and services from Shandong Heavy Industry Group, including but not limited to (i) raw materials, equipment and new energy commercial vehicles; and (ii) the administrative services such as sharing of utilities, meeting services, after-sales services, and consultation services, such as technology consultation services and training services. The initial term of the Shandong Heavy Industry Procurement Framework Agreement shall commence on the [REDACTED] until [December 31, 2027], subject to renewal by mutual consent.

Pricing terms

The pricing for the procurement of the relevant products and services shall be determined based on arm's length negotiations between the parties with reference to the type and specification of product/service required, the relevant labour costs, raw material costs and production costs the prevailing market price of similar product/service, and shall not be less favourable than those for transactions between our Group and Independent Third Parties under the same conditions.

CONNECTED TRANSACTIONS

Reasons for the transactions

We have been historically procuring the relevant materials and services from Shandong Heavy Industry Group from time to time, which allows both of our Group and Shandong Heavy Industry Group to leverage the enhanced economies of scale and hence increased cost efficiency. Through the long-standing and stable business relationship, Shandong Heavy Industry Group has gained a comprehensive understanding of our business needs, quality standards and operational requirements, and we consider that Shandong Heavy Industry Group is capable of effectively and stably satisfying our demand for the relevant products and services.

In addition, procurement of administrative and consultation services from Shandong Heavy Industry Group can help enhance utilization and economies of scale of their existing operational support resources and, on the other hand, reduce the administrative costs of our Group in procuring similar services from a wide range of other providers. Based on our experience in procurement of the relevant services from Shandong Heavy Industry Group, we consider that Shandong Heavy Industry Group is capable of effectively and stably satisfying our demand with quality services.

Historical amounts

Set out below are the historical transaction amounts for the abovementioned transactions during the Track Record Period:

	For the year ended December 31,			For six
	2022	2023	2024	months ended June 30, 2025
	<i>(RMB million)</i>			
Procurement of products from Shandong Heavy Industry Group	77	42	55	15
Procurement of services from Shandong Heavy Industry Group	55	15	23	9

The fluctuation in transaction amounts from 2022 to 2023 was mainly attributable to the Group’s acquisition of the Components Division in August 2022, after which procurements previously conducted through an associate of Shandong Heavy Industry became intragroup transactions and were subsequently terminated. The subsequent increase from 2023 to 2024 was primarily attributable to higher demand from the distributor in the Africa region. For purchases of services, the decrease from 2022 to 2023 was mainly due to adjustments to our financial subsidy settlement model, while the increase from 2023 to 2024 was primarily driven by increased R&D investment and the new engagement of Japanese experts.

CONNECTED TRANSACTIONS

Annual caps and basis of annual caps

The maximum aggregate annual transaction amounts under the Shandong Heavy Industry Procurement Framework Agreement for the two years ending [December 31, 2027] shall not exceed the caps set out below:

	For the year ending December 31,	
	2026	2027
	<i>(RMB million)</i>	
Procurement of products from Shandong Heavy Industry Group	87	92
Procurement of services from Shandong Heavy Industry Group	24	23

The above proposed annual caps of procurements of materials and services by our Group are determined with reference to:

- (a) the historical transaction amounts during the Track Record Period;
- (b) the estimated demands for the materials and services supplied by Shandong Heavy Industry Group for the two years ending [December 31, 2027], taking into account the existing contracts or arrangements between our Group and Shandong Heavy Industry Group and development plans of both groups. In particular, our procurements of materials from Shandong Heavy Industry Group increased by approximately 30% and our procurements of services from Shandong Heavy Industry Group increased by approximately 57% from 2023 to 2024. We expect further growth in such procurement amounts onwards. In particular, as of the Latest Practicable Date, we have entered into several procurement agreements with Shandong Heavy Industry Group which is expected to delivery in the first quarter in 2026, and we plan to continue to enter into additional procurement agreements with Shandong Heavy Industry Group for our operation need. In addition, it is expected that our Group will further expand to enter into new contracts with Shandong Heavy Industry Group for its future export of products in overseas jurisdiction; and
- (c) the estimated materials and service fees to be charged by Shandong Heavy Industry Group, with reference to the price level during the Track Record Period and the potential fluctuation in the price, taking into account the relevant cost.

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2. Provision of agricultural machinery and labour services to Shandong Heavy Industry Group

Parties

Shandong Heavy Industry Group

Our Company (for itself and on behalf of its subsidiaries)

Principal terms

We entered into a provision of products and services framework agreement with Shandong Heavy Industry on [●] (the “**Shandong Heavy Industry Provision Framework Agreement**”), pursuant to which our Group may from time to time provide certain products and services to Shandong Heavy Industry Group, including but not limited to (i) our products including but not limited to our machinery, such as rice harvesting machine for their distribution to local customers, drive axle transmission and machinery-related components; and (ii) the relevant services such as machinery testing services.

Pricing terms

The prices for the products we offered to Shandong Heavy Industry Group shall be determined between Shandong Heavy Industry Group and us after arm’s length negotiations, with reference to the cost of relevant products and the prices we offer to other Independent Third Parties in the ordinary and usual course of business.

The prices for the relevant services shall be determined between Shandong Heavy Industry Group and us after arm’s length negotiations, taking into account of the type of services required, the relevant labour costs, and the prevailing market price of similar services, and shall not be less favourable than those for transactions between our Group and Independent Third Parties under the same conditions.

Reasons for the transactions

Given our global leading position in the smart agriculture integrated solution industry, Shandong Heavy Industry Group have been sourcing relevant products and components from us for use in its productions. In addition, Shandong Heavy Industry Group have demand for the accompanied services to support its use of our products and further for its business operations, which it has been sourcing from our Group from time to time. Such cooperations provide mutual benefits to our Group and Shandong Heavy Industry Group, which in turn enhance business growth.

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Historical amounts

Set out below are the historical transaction amounts for the abovementioned transactions during the Track Record Period:

	For the year ended December 31,			For six
	2022	2023	2024	months ended June 30, 2025
	<i>(RMB million)</i>			
Provision of products to Shandong Heavy Industry Group	140	72	73	35
Provision of services to Shandong Heavy Industry Group	3	2	1	0.1

The decrease in transaction amounts from 2022 to 2023 was mainly due to lower sales demand from an associate of Shandong Heavy Industry, as its demand for procuring axle products from our Group declined.

Annual caps and basis of annual caps

The maximum aggregate annual transaction amounts under the Shandong Heavy Industry Provision Framework Agreement for the two years ending [December 31, 2027] shall not exceed the caps set out below:

	For the year ending December 31,	
	2026	2027
	<i>(RMB million)</i>	
Provision of products to Shandong Heavy Industry Group	74	74
Provision of services to Shandong Heavy Industry Group	1	1

The above proposed annual caps of provision of products and services provided by our Group are determined with reference to:

- (a) the historical transaction amounts during the Track Record Period;
- (b) the estimated transaction amounts based on the existing contracts or arrangements between our Group and Shandong Heavy Industry and/or its associates. The transaction amounts for 2023 and 2024 remained relatively stable, and we expect

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that the transaction amounts for the two years ending December 31, 2027 will also remain broadly at a similar level, taking into account the current procurement needs and the existing contractual arrangements; and

- (c) the estimated demands for our products, components and services from Shandong Heavy Industry and/or its associates for the three years ending [December 31, 2027], generally in line with the business expansion of Shandong Heavy Industry and/or its associates.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS SUBJECT TO REPORTING, ANNUAL REVIEW, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

In our ordinary and usual course of business, we have entered into the following transactions which, as our Directors currently expect, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules will be more than 5% on an annual basis. Under Rule 14A.76(2) of the Listing Rules, these transactions will be subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

3. Provision of agricultural vehicles, engine components and after-sales services to Weichai Power Group

Parties

Weichai Power Group

Our Company (for itself and on behalf of its subsidiaries)

Principal terms

We entered into a provision of products and services framework agreement with Weichai Power on [●] (the "**Weichai Sales Framework Agreement**"), pursuant to which our Group may from time to time provide Weichai Power Group (i) our products, such as agricultural complete vehicles, parts and components for engines (mainly of oil pans, oil and gas separators); and (ii) warranty of maintenance, replacement and return services. The initial term of the Weichai Sales Framework Agreement shall commence on the [REDACTED] until [December 31, 2027], subject to renewal by mutual consent.

CONNECTED TRANSACTIONS

Pricing terms

The prices for the products we offered to Weichai Power Group shall be determined between Weichai Power Group and us after arm’s length negotiations, with reference to the market search on the prevailing market price, market share, order status, and the performance of key market competitors of similar products/ services and shall be in line with the prices we offer to other Independent Third Parties in the ordinary and usual course of business.

Reasons for the transactions

Weichai Power Group has been sourcing relevant parts and components from us, through which we have gained deep understanding of its operation needs. In addition, we provide our agricultural complete vehicles to Weichai Power Group for its distribution in overseas jurisdictions where we do not have any local subsidiaries in order to meet with the demands of agricultural complete vehicles by the local customers, through which we are able to leverage the global presence of Weichai Power Group and its local customers resources to efficiently expand our product offerings overseas. In addition, Weichai Power Group also has demand for the accompanied warranty of maintenance, replacement and return to support its use of our products and further for its business operations, which it has been sourcing from our Group from time to time. Such cooperations provide mutual benefits to our Group and Weichai Power Group, which in turn enhance business growth.

Historical amounts

Set out below are the historical transaction amounts for the abovementioned transactions during the Track Record Period:

	For the year ended December 31,			For six months ended
	2022	2023	2024	June 30, 2025
	<i>(RMB million)</i>			
Provision of products to Weichai Power Group . . .	126	166	208	154
Provision of services to Weichai Power Group . . .	8	4	0.5	0.2

CONNECTED TRANSACTIONS

Annual caps and basis of annual caps

The maximum aggregate annual transaction amounts under the Weichai Sales Framework Agreement for the two years ending [December 31, 2027] shall not exceed the caps set out below:

	For the year ending December 31,	
	2026	2027
	<i>(RMB million)</i>	
Provision of products to Weichai Power Group . . .	689	969
Provision of services to Weichai Power Group . . .	11	13

The above proposed annual caps of provision of products and services provided by our Group are determined with reference to:

- (a) the historical transaction amounts and the growing trend during the Track Record Period;
- (b) the estimated transaction amounts based on the existing contracts or arrangements between our Group and Weichai Power Group. Specifically, it is expected that the provision of products and services to Weichai Power Group will continue to increase considering that (i) the increasing popularity of our products overseas; and (ii) we will continue to leverage the global presence and network of Weichai Power Group for its distribution of our agricultural complete vehicles to Weichai Power Group in overseas jurisdictions where we do not have any local subsidiaries in order to meet with the demands of agricultural complete vehicles by the local customers. Additionally, we expect to further provide additional processing services in respect of certain products to Weichai Power since 2026, which further contribute to the increase in annual caps in provision of services to Weichai Power Group; and
- (c) the estimated increase in demand for our products and services from Weichai Power Group for the two years ending [December 31, 2027], primarily due to the increasing demand of our parts and components by Weichai Power Group for manufacturing of its engines and the additional demands of products to be resold by Weichai Power Group overseas.

CONNECTED TRANSACTIONS

4. Procurement of products and related processing and labour services from Weichai Power Group

Parties

Weichai Power Group

Our Company (for itself and on behalf of its subsidiaries)

Principal terms

We entered into a procurement of products and services framework agreement with Weichai Power on [●] (the “**Weichai Procurement Framework Agreement**”), pursuant to which our Group may from time to time procure certain products and services from Weichai Power Group, including but not limited to (i) products and components such as diesel engines, diesel engines parts and components, materials, semi-finished products, hydraulic products and related products, as well as semi-finished diesel engine parts, diesel engine parts and components, reserve parts and related products; and (ii) processing services and warranty and after-sales services in respect of the products and components sold by Weichai Power Group to our Group.

Pricing terms

The pricing for the procurement of the relevant products and services shall be determined based on arm’s length negotiations between the parties with reference to the type and specification of product/service required, the market search on the prevailing market price market share, order status, and the performance of key market competitors of similar product/service, and shall not be less favourable than those for transactions between our Group and Independent Third Parties under the same conditions.

Reasons for the transactions

Weichai Power is one of the vehicle and equipment manufacturing conglomerates in the PRC with the best comprehensive strengths, and has been dedicated to develop competitive products among business segments including powertrains (including engines, gear boxes, axles and hydraulics), complete vehicles, agricultural equipment and intelligent logistics. In our ordinary and usual business, our Group has been procuring from Weichai Power Group the relevant products and services from time to time, which enables them to be familiar with our business needs, quality standards and operational requirements. We believe that Weichai Power Group is capable of fulfilling our demand efficiently and reliably with a stable and high-quality supply of products and services, and entering into the agreement to procure products and services from Weichai Power Group would minimize disruption to our Group’s operation and internal procedures.

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Historical amounts

Set out below are the historical transaction amounts for the abovementioned transactions during the Track Record Period:

	For the year ended December 31,			For six months ended
	2022	2023	2024	June 30, 2025
	<i>(RMB million)</i>			
Procurement of products from Weichai Power Group	1,272	2,406	2,650	1,285
Procurement of services from Weichai Power Group	31	64	63	23

Annual caps and basis of annual caps

The maximum aggregate annual transaction amounts under the Weichai Procurement Framework Agreement for the two years ending [December 31, 2027] shall not exceed the caps set out below:

	For the year ending December 31,	
	2026	2027
	<i>(RMB million)</i>	
Procurement of products from Weichai Power Group	4,390	4,850
Procurement of services from Weichai Power Group	107	121

The above proposed annual caps of procurements of products and services by our Group are determined with reference to:

- (a) the historical transaction amounts during the Track Record Period. Since December 2022, the engines procured by us from Weichai Power Group have gradually transitioned to National IV emission standard engines, which include additional components such as exhaust treatment systems compared to National III engines. This upgrade led to the increase in price of engines per unit. In addition to the increase in price, the increase in procurement amount was also driven by a stock-up of inventories to prepare for the expected increase in sales volume in 2024 after the change in government standards;

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- (b) the estimated demands for the products and services supplied by Weichai Power Group for the two years ending [December 31, 2027], which are expected to increase taking into account the existing contracts or arrangements between our Group and Weichai Power Group and development plans of both groups, primarily due to the expected increase in demand of the intelligent agricultural market and the expected better upgrade in types and quality of engines manufactured by Weichai Power Group compared to other independent third-party suppliers; and
- (c) the estimated product and service fees to be charged by Weichai Power Group, with reference to the price level during the Track Record Period and the potential fluctuation in the price, taking into account the relevant raw materials, labour and R&D cost.

5. Financing and guarantee under the finance lease

Parties

Huiyin Financial Leasing

Our Company (for itself and on behalf of its subsidiaries)

Principal terms

At times, certain our end customers that have financing needs will seek financing from Huiyin Financial Leasing (which is principally engaged in the leasing and financing of engineering machinery, heavy-duty vehicles and agricultural machinery) in purchasing our products, such as our intelligent agriculture machineries, and Huiyin Financial Leasing, having reviewed the end customer's qualifications, will deposit the financed portion of the payment to be paid by the end customers into our designated bank account. Huiyin Financial Leasing then leases back the agricultural machinery to the end customers under agreed terms. The end customers will transfer the ownership of our relevant products to Huiyin Financial Leasing and shall make lease payments to Huiyin Financial Leasing for the use of the relevant leased products, and upon fulfilment of all outstanding lease payment obligations, Huiyin Financial Leasing shall transfer the ownership of the leased products back to the customers at a nominal purchase price. Our Group is not involved in the decision-making process of the financing provided by Huiyin Financial Leasing to our end customers, nor the terms of the financial leasing services provided by Huiyin Financial Leasing to our end customers.

We entered into a guarantee framework agreement with Huiyin Financial Leasing on [●] (the "**Finance Lease Framework Agreement**"), pursuant to which we will provide repurchase guarantees to Huiyin Financial Leasing to guarantee the performance of the lessees' obligations under the relevant financial lease agreements. The initial term of the Financial Lease Framework Agreement shall commence on the [REDACTED] until [December 31, 2027], subject to renewal by mutual consent.

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Pricing terms

The pricing terms of the guarantee under the finance lease arrangements shall be agreed between the parties after arm’s length negotiations on normal commercial terms.

Reasons for the transactions

We are principally engaged in the design, development, manufacture and sale of agricultural machinery and the supply of intelligent agriculture solutions, with the main products being tractors and different types of harvesting machinery and equipment, and it is in line with the market practice for us to cooperate with the finance lease arrangements and provide financial guarantees and interest subsidies in respect of the products sold to our end customers. Huiyin Financial Leasing has extensive industry experience in the financial leasing business and maintained a long-term business relationship with us and accumulated in-depth understanding of our business operations. Entering into finance lease agreements with Huiyin Financial Leasing would also expand the customer base of our Group, and will hence provide significant growth opportunity to us. According to Frost & Sullivan, it is common in the agricultural machinery industry to enter into finance lease arrangements for sales of products to end customers and provide guarantees to the financial leasing company to guarantee the performance under the finance lease arrangements.

Historical amounts

Set out below are the historical transaction amounts for the abovementioned transactions during the Track Record Period:

	For the year ended December 31,			For six months ended
	2022	2023	2024	June 30, 2025
	<i>(RMB million)</i>			
Guarantees by us to Huiyin Financial Leasing (being the maximum day-end guarantee balance of the total outstanding amount) .	1,158	1,349	1,960	1,700

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Annual caps and basis of annual caps

The maximum aggregate annual transaction amounts under the Finance Lease Framework Agreement for the two years ending [December 31, 2027] shall not exceed the caps set out below:

	For the year ending December 31,	
	2026	2027
	<i>(RMB million)</i>	
Guarantees by us to Huiyin Financial Leasing (being the maximum day-end guarantee balance of the total outstanding amount)	3,910	3,910

The above proposed annual caps are determined with reference to:

- (a) the historical transaction amounts during the Track Record Period;
- (b) the estimated outstanding balances with respect to the current financing arrangements (including the costs of the Huiyin Financial Leasing relating to the enforcement of the guarantees with respect to the lease payments and other expenses), taking into account the maximum day-end guarantee balance of the total outstanding amount for the nine months ended September 30, 2025, being RMB1,976.2 million;
- (c) based on the our sales plan for the year ending 31 December 2026 which estimates that up to approximately 37,000 units of products will be supported by the relevant finance lease arrangements involving an average financing of RMB100,000 per unit; and
- (d) the expected increase in sales of equipment by our Group taking into account of our sales plan and the expected increase of the penetration rate of financial leasing, which is in line with the global trend in agricultural machinery industry.

6. Provision of financial services to our Group by Shanzhong Finance

Parties

Shanzhong Finance

Our Company (for itself and on behalf of its subsidiaries)

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Principal terms

We entered into a financial services framework agreement with Shanzhong Finance on January 23, 2025 (the “**Financial Services Agreement**”), pursuant to which Shanzhong Finance has agreed to provide certain financial services, including but not limited to deposit services. The initial term of the Financial Services Agreement shall commence on the [REDACTED] until December 31, 2027, subject to renewal by mutual consent.

Pricing terms

Any deposit services provided by Shanzhong Finance under the Financial Services Agreement will bear the same interest rate and be on the same terms and conditions as would apply to similar deposit services provided by Shanzhong Finance to its other customers of the same type, and deposit interest rate(s) are determined with reference to the rate(s) published by the PBOC.

Reasons for the transactions

Shanzhong Finance is a company principally engaged in the finance services such as deposit and other financing services and the activities of Shanzhong Finance are regulated by the NFRA and Shanzhong Finance provides services within its approved scope in accordance with its operational requirement. The interest rates Shanzhong offered by Shanzhong Finance for the deposit services, to the Company shall be equal to or more favourable than those offered or charged by other financial institutions in the PRC for the same type of financial services provided to the Company. The reasons for and the benefits to our Group to use the financial services of Shanzhong Finance include but are not limited to: (i) Shanzhong Finance’s better understanding of the operations and development needs of our Group which should allow more expedient and efficient provision of various tailor-made packaged financial services to our Group than other external banks in the PRC; (ii) the enhanced cost savings by reducing the amount of finance fees and charges payable to external banks when Shanzhong Finance can offer more favourable terms than those offered by external banks; (iii) Shanzhong Finance have fulfilled all terms of the financial services agreement signed with our Group historically. Our Company can further expand our financing channels through business corporation with Shanzhong Finance and help optimise the financial management of our Group, improve our efficiency on use of funds, and reduce financing costs and financing risks.

CONNECTED TRANSACTIONS

Historical amounts

Set out below are the historical transaction amounts for the abovementioned transactions during the Track Record Period:

	For the year ended December 31,			For six
	2022	2023	2024	months ended June 30, 2025
	<i>(RMB million)</i>			
Maximum daily balance (including interests) of our Group’s deposit services with Shanzhong Finance	5,148	1,939	1,892	1,806

The decline in transaction amounts under the Financial Services Agreement from 2022 to 2024 was mainly due to a change of strategy by our Group from centralizing the funds management through Shanzhong Finance in 2022 to adopting a different fund management approach with no longer centralizing funds with Shanzhong Finance in 2023, which leads to a decrease in the transaction amounts.

Annual caps and basis of annual caps

The maximum aggregate annual transaction amounts under the Financial Services Agreement for the two years ending December 31, 2027 shall not exceed the caps set out below:

	For the year ending December 31,	
	2026	2027
	<i>(RMB million)</i>	
Maximum daily balance (including interests) of our Group’s deposit services with Shanzhong Finance	4,000	5,000

The above proposed annual caps are determined with reference to:

- (a) the historical transaction amounts and the historical cash position of our Group during the Track Record Period;
- (b) the expected increase of our business operation and current and expected future cash flow position of our Group in light of our estimated scale of business operation, leading to larger operational cash inflows to our Group, hence driving up the needs for our Group’s deposit services with Shanzhong Finance; and
- (c) the liquidity of our Group, including the cash and cash equivalents of our Group as of June 30, 2025.

CONNECTED TRANSACTIONS

WAIVER APPLICATION FOR NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Under Rule 14A.76(2) of the Listing Rules, the transactions under the subsection headed “— Non-exempt continuing connected transactions subject to the reporting, annual review and announcement requirements” and “— Non-exempt continuing connected transactions subject to reporting, annual review, announcement and independent Shareholders’ approval requirements” will constitute our continuing connected transactions subject to those requirements under Chapter 14A of the Listing Rules (as the case may be).

As those non-exempt continuing connected transactions are expected to continue on a recurring and continuing basis and have been fully disclosed in this document, our Directors consider that compliance with the announcement and the independent Shareholders’ approval requirements (as the case may be) would be impractical, and such requirements would lead to unnecessary administrative costs and would be unduly burdensome to us.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted], waivers exempting us from strict compliance with (i) the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in “— Non-exempt continuing connected transactions subject to the reporting, annual review and announcement requirements” in this section; and (ii) the announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in “— Non-exempt continuing connected transactions subject to reporting, annual review, announcement and independent Shareholders’ approval requirements” in this section, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this document, we will take immediate steps to ensure compliance with such new requirements within reasonable time.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our independent non-executive Directors) are of the view that the non-exempt continuing connected transactions as set out above have been and will be carried out in our ordinary and usual course of business and on normal commercial terms or better, and are fair and reasonable and in the interest of our Company and Shareholders as a whole, and the proposed annual caps for those transactions are fair and reasonable and in the interest of our Company and Shareholders as a whole.

CONNECTED TRANSACTIONS

CONFIRMATION FROM THE SOLE SPONSOR

Based on the review of the documentation, information and data provided by our Company, the obtaining of necessary representations and confirmations from our Company and the Directors, and the participation in the due diligence and discussion with our Company, the Sole Sponsor is of the view that, as at the Latest Practicable Date, (i) the aforesaid non-exempt continuing connected transactions for which the waivers have been sought have been entered into in the ordinary and usual course of business of our Company, are on normal commercial terms or better, are fair and reasonable, and are in the interests of our Company and the Shareholders as a whole, and (ii) the proposed annual caps of the non-exempt continuing connected transactions are fair and reasonable and in the interests of our Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES TO SAFEGUARD SHAREHOLDERS' INTERESTS

In order to further safeguard the interests of the Shareholders as a whole (including the minority Shareholders), our Group has implemented the following internal control measures in relation to the continuing connected transactions:

- (a) Our Group has approved internal guidelines which provide that if the value of any proposed connected transaction is expected to exceed certain thresholds, the relevant staff must report the proposed transactions to the head of the relevant business unit in order for our Company to commence the necessary additional assessment and approval procedures and ensure that we will comply with the applicable requirements under Chapter 14A of the Listing Rules; and
- (b) Our Company will provide information and supporting documents to the independent non-executive Directors and the auditors in order for them to conduct an annual review of the continuing connected transactions entered into by our Company. In accordance with the requirements under the Listing Rules, the independent non-executive Directors will provide an annual confirmation to the Board as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and the auditors will provide an annual confirmation to the Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of our Group in all material respects, are not entered into in accordance with the relevant agreements governing the transactions in all material respects or have exceeded the cap.