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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)

**(1) SUPPLEMENTAL AGREEMENTS TO CERTAIN EXISTING
CONTINUING CONNECTED TRANSACTIONS**

(2) NEW CONTINUING CONNECTED TRANSACTION

**(3) RENEWAL OF EXISTING CONTINUING CONNECTED
TRANSACTIONS**

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



FIRST SHANGHAI CAPITAL LIMITED

**SUPPLEMENTAL AGREEMENTS TO CERTAIN EXISTING CONTINUING
CONNECTED TRANSACTIONS**

Due to the operational needs of the Group, the Company expects that the existing annual caps for the year ending 31 December 2023 under the 2023 Existing CCT Agreements will be insufficient. The Group therefore entered into the Supplemental Agreements with the CNHTC Group and/or Strong Leasing (as the case may be) to revise the respective annual caps for the year ending 31 December 2023 under the said 2023 Existing CCT Agreements to the Revised Caps, and to broaden the scope of certain services provided under the 2023 Provision of Ancillary Services Agreement, the 2023 Receipt of General Services Agreement and the 2023 Financial Services Agreement, as more particularly detailed herein.

NEW CONTINUING CONNECTED TRANSACTION

On 31 March 2023, the Company (for itself and on behalf of its subsidiaries) and Strong Leasing entered into the 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement on the provision of guarantee by the Group to Strong Leasing in repurchasing certain new energy vehicle products in the course of its operation over certain loans made by Strong Leasing to the Group's customers, for a term commencing on 1 January 2023 and ending on 31 December 2025.

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS

The Board further announces that on 31 March 2023, the Group has entered into (i) the 2026 CNHTC CCT Agreements with CNHTC and/or Strong Leasing (as the case may be), and (ii) the 2026 MTB Parts Sales Agreement with MAN Truck & Bus, to renew the relevant continuing connected transactions each for a term of three years ending 31 December 2026, as more particularly detailed herein.

IMPLICATIONS UNDER THE LISTING RULES

CNHTC is a substantial shareholder of the Company. Further, Strong Leasing is a non-wholly owned subsidiary of SHIG, which is in turn the holding company of CNHTC and a substantial shareholder of the Company. Accordingly, the transactions between the Group and the CNHTC Group (inclusive of Strong Leasing) as contemplated under (i) the 2023 Existing CCT Agreements as supplemented by the Supplemental Agreements, (ii) the 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement, and (iii) the 2026 CNHTC CCT Agreements constitute continuing connected transactions of the Company.

MAN Truck & Bus is a non-wholly owned subsidiary of FPFPS, which is, in turn, a substantial shareholder of the Company. As such, MAN Truck & Bus is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the 2026 MTB Parts Sales Agreement constitute continuing connected transactions of the Company.

Supplemental Agreements to the 2023 Existing CCT Agreements

Pursuant to Rule 14A.54, if the Company proposes to revise the annual caps for continuing connected transactions or if material changes are made to the terms of the continuing connected transactions, the Company will have to re-comply with the relevant provisions under Chapter 14A of the Listing Rules in relation to the relevant continuing connected transactions.

In respect of each of the Revised Reporting Caps, as the highest applicable percentage ratio (on an annual basis) exceeds 0.1% but all of which are less than 5%, the Revised Reporting Caps and the relevant Reporting Supplemental Agreements are subject to the reporting, announcement and annual review requirements but is exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In respect of each of the Revised Non-exempt Caps, as the highest applicable percentage ratio (on an annual basis) exceeds 5%, the proposed Revised Non-exempt Caps and the relevant Non-exempt Supplemental Agreements are subject to the reporting, announcement, annual review, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

New Continuing Connected Transaction and renewal of existing Continuing Connected Transactions

As the highest applicable percentage ratio calculated pursuant to the Listing Rules in respect of the transactions contemplated under each of the 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement, the 2026 CNHTC Reporting CCT Agreements and the 2026 MTB Parts Sales Agreement (on an annual basis) exceeds 0.1% but all of which are less than 5%, such transactions are subject to the reporting, announcement and annual review requirements but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the highest percentage ratio calculated pursuant to the Listing Rules in respect of the transactions contemplated under each of the 2026 CNHTC Non-exempt CCT Agreements (on an annual basis) exceeds 5%, such transactions constitute Non-exempt Continuing Connected Transactions of the Company and accordingly the 2026 CNHTC Non-exempt CCT Agreements and their proposed New Caps will be subject to the reporting and announcement requirements, the annual review requirements, and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

A circular containing, among other things, further details in relation to the transactions contemplated under the Non-exempt Supplemental Agreements and the relevant Revised Non-exempt Caps, as well as the transactions contemplated under the 2026 CNHTC Non-exempt CCT Agreements, and the relevant proposed New Caps, a letter from the Independent Board Committee, the recommendations of the Independent Financial Adviser, together with a notice of the general meeting will be despatched to the Shareholders on or about 26 April 2023.

I. INTRODUCTION

Reference is made to the Company's announcements dated 31 March 2021, 31 March 2022 and 3 November 2021, respectively, and the Company's circular dated 21 May 2021, in respect of, *inter alia*, the Continuing Connected Transactions of the Company where the existing annual caps for such Continuing Connected Transactions were set.

Due to the operational needs of the Group, the Company expects that the existing annual caps for the year ending 31 December 2023 under the 2023 Existing CCT Agreements will be insufficient. The Company therefore entered into the Supplemental Agreements to revise the respective annual caps for the year ending 31 December 2023 under the said 2023 Existing CCT Agreements to the Revised Caps, and to broaden the scope of certain services provided under the 2023 Provision of Ancillary Services Agreement, the 2023 Receipt of General Services Agreement and the 2023 Financial Services Agreement, as more particularly detailed herein. The Group also intends to provide guarantees to Strong Leasing in repurchasing certain new energy vehicle products in the course of its operation over certain loans made by Strong Leasing to the Group's customers. Accordingly, the Company entered into the 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement for a term commencing on 1 January 2023 and ending on 31 December 2025.

Further, the Board intends to renew the existing continuing connected transactions under the 2023 CNHTC CCT Agreements and the 2023 MTB Parts Sales Agreement for a term of three years. Accordingly, the Board announces that on 31 March 2023, the 2026 CNHTC CCT Agreements and 2026 MTB Parts Sales Agreement have been entered into, each with a term of three years commencing on 1 January 2024 and ending on 31 December 2026.

A summary of the Continuing Connected Transactions, the Revised Caps and the New Caps is set out below. Further details of the Supplemental Agreements, the 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement, the 2026 CNHTC CCT Agreements, the 2026 MTB Parts Sales Agreement, the existing annual caps, the actual transaction amounts of the Continuing Connected Transactions for the relevant periods, the Revised Caps and the New Caps (and their basis) are set out in the sections headed "II. Supplemental Agreements to certain existing Continuing Connected Transactions", "III. New Continuing Connected Transaction", and "IV. Renewal of existing Continuing Connected Transactions" in this announcement.

SUMMARY OF THE CONTINUING CONNECTED TRANSACTIONS

The Continuing Connected Transactions include the following:

A. For the year ending 31 December 2023

CNHTC Continuing Connected Transactions supplemented in respect of the existing annual caps for the year ending 31 December 2023

| Nature of the connected transaction with the Group | Name of connected person | Name of Group Company | Connected person's relationship with the Group |
|---|---|--|---|
| <p>1. Sale of products</p> <p>The Group supplying products including trucks, chassis and semi-tractor trucks to the CNHTC Group</p> | CNHTC (for itself and on behalf of the CNHTC Group) | The Company (for itself and on behalf of its subsidiaries) | CNHTC is a substantial shareholder of the Company |
| <p>2. Purchase of products</p> <p>The CNHTC Group selling products including refitted trucks to the Group</p> | CNHTC (for itself and on behalf of the CNHTC Group) | The Company (for itself and on behalf of its subsidiaries) | CNHTC is a substantial shareholder of the Company |
| <p>3. Provision of ancillary services</p> <p>The Group providing utility connection and support services and property management and ancillary services to the CNHTC Group</p> | CNHTC (for itself and on behalf of the CNHTC Group) | The Company (for itself and on behalf of its subsidiaries) | CNHTC is a substantial shareholder of the Company |
| <p>4. Property renting out</p> <p>The Group providing leasing services to the CNHTC Group including lease of land, office buildings and factory premises</p> | CNHTC (for itself and on behalf of the CNHTC Group) | The Company (for itself and on behalf of its subsidiaries) | CNHTC is a substantial shareholder of the Company |

| Nature of the connected transaction with the Group | Name of connected person | Name of Group Company | Connected person's relationship with the Group |
|---|--|---|--|
| <p>5. Receipt of general services</p> <p>The CNHTC Group providing short-term lease services and general services to the Group</p> | <p>CNHTC (for itself and on behalf of the CNHTC Group)</p> | <p>The Company (for itself and on behalf of its subsidiaries)</p> | <p>CNHTC is a substantial shareholder of the Company</p> |
| <p>6. Provision of financial services</p> <p>The Group providing a range of financial services to the CNHTC Group</p> | <p>CNHTC (for itself and on behalf of the CNHTC Group)</p> | <p>The Company (for itself and on behalf of its subsidiaries)</p> | <p>CNHTC is a substantial shareholder of the Company</p> |
| <p>7. Provision of interest subsidy</p> <p>The Group making payment to Strong Leasing as settlement of part of the interest payment due from the Sinotruk Customer to Strong Leasing accrued on the Underlying Sinotruk Customer Loan(s)</p> | <p>Strong Leasing</p> | <p>Ji'nan Truck and Ji'nan Commercial Truck</p> | <p>Strong Leasing is a non-wholly owned subsidiary of SHIG, which is in turn the holding company of CNHTC and a substantial shareholder of the Company</p> |

Summary of the Revised Caps

A summary of the (proposed) Revised Caps for the each of the transactions contemplated under the 2023 Existing CCT Agreements as supplemented by the Supplemental Agreements is set out below:

| | | (Proposed) Revised Caps |
|----|--|---|
| | | For the year ending 31 December 2023 RMB'000 |
| 1. | Sale of products | 2,491,000 [#] |
| 2. | Purchase of products | 3,724,000 [#] |
| 3. | Provision of ancillary services | 49,000 [*] |
| 4. | Property renting out | 78,000 [*] |
| 5. | Receipt of general services | 750,000 [*] |
| 6. | Provision of financial services ^(Note 3) | |
| | <i>Bills discounting services:</i> | |
| | Maximum day-end balance | 200,000 [#] |
| | Interest income | 6,000 [*] |
| | <i>Loan services:</i> | |
| | Maximum day-end balance | 3,338,000 [#] |
| | Interest income | 128,000 [*] |
| | <i>Issue of bills:</i> | |
| | Maximum day-end balance | 800,000 [#] |
| | Fee income | 1,000 [*] |
| | Interest expense for surety | 4,000 [*] |
| 7. | Provision of interest subsidy | 60,000 [*] |

Notes:

- Where a Revised Cap is marked “*”, that means the highest applicable percentage ratio of the Revised Cap for the relevant Continuing Connected Transaction is less than 5%, and the Revised Cap is exempt from the approval by the Independent Shareholders under the Listing Rules.
- Where a proposed Revised Cap is marked “#”, that means the highest applicable percentage ratio of the proposed Revised Cap for the relevant Continuing Connected Transaction exceeds 5%, and the proposed Revised Cap is subject to the approval by the Independent Shareholders.
- For the purposes of ascertaining whether the highest applicable percentage ratio for a Continuing Connected Transaction would exceed 5%, in respect of the transactions under paragraph 6 in the above table, the maximum day-end balances for different types of financial services have been aggregated and the interest income, fee income and interest expenses for different types of financial services have been aggregated. As the highest applicable percentage ratio of the proposed aggregated maximum day-end balance exceeds 5%, the relevant Supplemental Agreement for the transaction under this paragraph 6 is subject to the approval by the Independent Shareholders.

B. From 1 January 2023 to 31 December 2025

New Continuing Connected Transaction contemplated under the 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement

| Nature of the connected transaction with the Group | Name of connected person | Name of Group Company | Connected person's relationship with the Group |
|--|---|--|---|
| <p>Provision of repurchase guarantee for new energy vehicle products</p> <p>The Group providing guarantee to Strong Leasing in respect of the repurchase obligations of Strong Leasing for new energy vehicle products in respect of the Underlying Sinotruk Customer Loan(s)</p> | Strong Leasing (for itself and on behalf of the Strong Leasing Group) | The Company (for itself and on behalf of its subsidiaries) | Strong Leasing is a non-wholly owned subsidiary of SHIG, which is in turn the holding company of CNHTC and a substantial shareholder of the Company |

New Caps for the 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement

A summary of the New Caps for the transactions contemplated under the 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement is set out below:

| | New Caps | | |
|--|---|---|---|
| | For the year ending 31 December 2023 <i>RMB'000</i> | For the year ending 31 December 2024 <i>RMB'000</i> | For the year ending 31 December 2025 <i>RMB'000</i> |
| Provision of repurchase guarantee for new energy vehicles | 450,000* | 450,000* | 450,000* |

Note: Where a New Cap is marked “”, that means the highest applicable percentage ratio of the New Cap for the relevant Continuing Connected Transaction is less than 5%, and the New Cap is exempt from the approval by the Independent Shareholders under the Listing Rules.*

C. For the three years ending 31 December 2026

Renewal of the CNHTC Continuing Connected Transactions and MTB Continuing Connected Transactions for the three years ending 31 December 2026

| Nature of the connected transaction with the Group | Name of connected person | Name of Group Company | Connected person's relationship with the Group |
|---|--|---|--|
| (a) CNHTC Continuing Connected Transactions | | | |
| <p>1. Sale of goods</p> <p>The Group supplying products (including trucks, chassis and semi-tractor trucks), raw materials, parts and components and semi-finished products and providing related services to the CNHTC Group</p> | <p>CNHTC (for itself and on behalf of the CNHTC Group)</p> | <p>The Company (for itself and on behalf of its subsidiaries)</p> | <p>CNHTC is a substantial shareholder of the Company</p> |
| <p>2. Purchase of goods</p> <p>The CNHTC Group supplying products (including refitted trucks), raw material, parts and components and semi-finished products and related services to the Group</p> | <p>CNHTC (for itself and on behalf of the CNHTC Group)</p> | <p>The Company (for itself and on behalf of its subsidiaries)</p> | <p>CNHTC is a substantial shareholder of the Company</p> |
| <p>3. Provision of general services</p> <p>The Group providing utility connection and support services and property management and ancillary services, leasing services, technology support services and general services to the CNHTC Group</p> | <p>CNHTC (for itself and on behalf of the CNHTC Group)</p> | <p>The Company (for itself and on behalf of its subsidiaries)</p> | <p>CNHTC is a substantial shareholder of the Company</p> |

| Nature of the connected transaction with the Group | Name of connected person | Name of Group Company | Connected person's relationship with the Group |
|---|--|---|--|
| <p>4. Receipt of general services</p> <p>The CNHTC Group providing lease services, technology support services and general services to the Group</p> | <p>CNHTC (for itself and on behalf of the CNHTC Group)</p> | <p>The Company (for itself and on behalf of its subsidiaries)</p> | <p>CNHTC is a substantial shareholder of the Company</p> |
| <p>5. Provision of financial services</p> <p>The Group providing a range of financial services to the CNHTC Group</p> | <p>CNHTC (for itself and on behalf of the CNHTC Group)</p> | <p>The Company (for itself and on behalf of its subsidiaries)</p> | <p>CNHTC is a substantial shareholder of the Company</p> |
| <p>6. Provision of interest subsidy</p> <p>The Group making payment to Strong Leasing as settlement of part of the interest payment due from the Sinotruk Customer to Strong Leasing accrued on the Underlying Sinotruk Customer Loan(s)</p> | <p>Strong Leasing (for itself and on behalf of the Strong Leasing Group)</p> | <p>The Company (for itself and on behalf of its subsidiaries)</p> | <p>Strong Leasing is a non-wholly owned subsidiary of SHIG, which is in turn the holding company of CNHTC and a substantial shareholder of the Company</p> |

| Nature of the connected transaction with the Group | Name of connected person | Name of Group Company | Connected person's relationship with the Group |
|---|---|---|---|
| <p>7. Receipt of guarantee</p> <p>The Group receiving guarantee from the CNHTC Group in respect of the repurchase obligations of the Group and/or the repayment obligations of the CNHTC Group's customer(s) in respect of the Underlying CNHTC Customer Loan(s)</p> | <p>CNHTC (for itself and on behalf of the CNHTC Group)</p> | <p>The Company (for itself and on behalf of its subsidiaries)</p> | <p>CNHTC is a substantial shareholder of the Company</p> |
| (b) MTB Continuing Connected Transactions | | | |
| <p>Sale of parts</p> <p>The Group supplying raw materials, auxiliary materials, parts and spare parts, semi-finished products for production and operation and moulds for the purposes of production of these spare parts, etc. to the MTB Group</p> | <p>MAN Truck & Bus (for itself and on behalf of its associates)</p> | <p>The Company (for itself and on behalf of its subsidiaries)</p> | <p>MAN Truck & Bus is a non-wholly owned subsidiary of FPFPS, which is, in turn, a substantial shareholder of the Company</p> |

Summary of the (proposed) New Caps

A summary of the (proposed) New Caps for each of the transactions contemplated under the 2026 CNHTC CCT Agreements and the 2026 MTB Parts Sales Agreement is set out below:

| | | (Proposed) New Caps | | |
|--|--|--|--|--|
| | | For the year ending 31 December 2024 <i>RMB'000</i> | For the year ending 31 December 2025 <i>RMB'000</i> | For the year ending 31 December 2026 <i>RMB'000</i> |
| (a) CNHTC Continuing Connected Transactions | | | | |
| 1. | Sale of goods | 4,460,000 [#] | 7,329,000 [#] | 8,437,000 [#] |
| 2. | Purchase of goods | 4,569,000 [#] | 5,197,000 [#] | 5,447,000 [#] |
| 3. | Provision of general services | 193,000 [*] | 194,000 [*] | 195,000 [*] |
| 4. | Receipt of general services | 1,035,000 [*] | 1,135,000 [*] | 1,335,000 [*] |
| 5. | Provision of financial services | | | |
| | Maximum day-end balance | 4,438,000 [#] | 4,538,000 [#] | 4,638,000 [#] |
| | Income | 135,200 [*] | 135,200 [*] | 135,200 [*] |
| | Expense | 5,000 [*] | 5,000 [*] | 5,000 [*] |
| 6. | Provision of interest subsidy | 87,000 [*] | 129,000 [*] | 142,000 [*] |
| 7. | Receipt of guarantee | 371,000 [*] | 388,000 [*] | 388,000 [*] |
| (b) MTB Continuing Connected Transactions | | | | |
| | Sale of parts | 525,000 [*] | 560,000 [*] | 560,000 [*] |

Notes:

1. Where a New Cap is marked “*”, that means the highest applicable percentage ratio of the New Cap for the relevant Continuing Connected Transaction is less than 5%, and the New Cap is exempt from the approval by the Independent Shareholders under the Listing Rules.
2. Where a proposed New Cap is marked “#”, that means the highest applicable percentage ratio of the proposed New Cap for the relevant Continuing Connected Transaction exceeds 5%, and the proposed New Cap is subject to the approval by the Independent Shareholders.

II. SUPPLEMENTAL AGREEMENTS TO CERTAIN EXISTING CONTINUING CONNECTED TRANSACTIONS

Due to the operational needs of the Group, the Company expects that the existing annual caps for the year ending 31 December 2023 under the 2023 Existing CCT Agreements will be insufficient. The Group therefore entered into the Supplemental Agreements with the CNHTC Group to revise the respective annual caps for the year ending 31 December 2023 under the said 2023 Existing CCT Agreements to the Revised Caps and to broaden the scope of certain services provided under the 2023 Provision of Ancillary Services Agreement, the 2023 Receipt of General Services Agreement and the 2023 Financial Services Agreement, as more particularly detailed herein.

1. 2023 CNHTC Products Sales Agreement

Reference is made to the Company's announcement dated 31 March 2021 in respect of the 2023 CNHTC Products Sales Agreement, pursuant to which the Group has been supplying products including trucks, chassis and semi-tractor trucks to the CNHTC Group for a term of two years from 1 January 2022 to 31 December 2023.

Having taken into account the reasons as further elaborated in the sub-section headed "Reasons for and benefits of entering into the Supplemental Agreement to the 2023 CNHTC Products Sales Agreement and basis for the Revised Cap" below, the Group expects that the relevant annual cap in 2023 under the 2023 CNHTC Products Sales Agreement will be insufficient. Hence, the Company and CNHTC entered into a supplemental agreement on 31 March 2023 to revise the annual cap for the year ending 31 December 2023 under the 2023 CNHTC Products Sales Agreement from RMB853,000,000 to RMB2,491,000,000.

Save for the said revision of the existing annual cap to the Revised Cap, all other terms of 2023 CNHTC Products Sales Agreement shall remain unchanged. Please refer to the section II.A.4 of the Company's announcement dated 31 March 2021, for details of the other principal terms of the 2023 CNHTC Products Sales Agreement, including, but not limited to, the payment terms and the pricing policy of the sale of products by the Group to the CNHTC Group.

The Supplemental Agreement to the 2023 CNHTC Products Sales Agreement and the relevant proposed Revised Cap are subject to the reporting, announcement, annual review, and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Existing annual caps, historical transaction amounts and the proposed Revised Cap

The following table summarises (i) the existing annual caps of the transactions contemplated under the 2023 CNHTC Products Sales Agreement for the two years ending 31 December 2023 and the annual cap of the relevant transaction contemplated under the 2021 CNHTC Products Sales Agreement for the year ended 31 December 2021, (ii) the actual transaction amount for the two years ended 31 December 2022 and the two months ended 28 February 2023, and (iii) the proposed Revised Cap for the year ending 31 December 2023 as set out in the relevant Supplemental Agreement, respectively:

| | Existing annual cap (RMB'000) | Actual transaction amount (RMB'000) | Proposed Revised Cap (RMB'000) |
|---|--|--|---|
| For the year ended 31 December 2021 | 1,164,000 | 370,960 | Not applicable |
| For the year ended 31 December 2022 | 806,000 | 258,949 | Not applicable |
| For the year ending 31 December 2023 | 853,000 | 18,122 <i>(note)</i> | 2,491,000 |

Note: This refers to the actual transaction amount under the 2023 CNHTC Products Sales Agreement for the two months ended 28 February 2023.

As at the date of this announcement, the existing annual cap for the year ending 31 December 2023 for the 2023 CNHTC Products Sales Agreement has not been exceeded.

Reasons for and benefits of entering into the Supplemental Agreement to the 2023 CNHTC Products Sales Agreement and basis for the Revised Cap

Pursuant to the 2023 CNHTC Products Sales Agreement, the existing annual cap for the supplying of products including trucks, chassis and semi-tractor trucks by the Group to the CNHTC Group for the year ending 31 December 2023 is RMB853,000,000.

The sales of the Group's products in 2021 and 2022 have been heavily impacted by the economic slowdown and the disrupted logistics due to the complicated and fluctuating Covid-19 pandemic situations. In 2023, the

macroeconomic environment in the PRC continues to be affected by downward pressure. Affected by negative pressures including the high inventory levels, demands for heavy duty trucks and light duty trucks are expected to remain challenging in general. Nonetheless, following the Group's introduction of new high-end products into the market in 2023 with a focus on new energy vehicles, the Group has gained a competitive edge with its comprehensive product-mix, which the Group considers has reached maturity and is expected to be highly welcomed by the market. With the Group's improved sales network and its advantages in the overseas market, it is expected that there will be a surge of orders for the Group's new generation products under the 2023 CNHTC Products Sales Agreement which will exceed the Group's original projection. In particular, it is expected that one of the associates of the CNHTC Group (which is also an associated company of the Group) will in 2023 seize opportunities in the fast-developing area of the internet of vehicles and purchase fuel vehicles, new energy vehicles and tractors from the Group for the purpose of developing its transportation operations, which in turn, is estimated to involve a purchase of the Group's products in an estimated aggregate transaction amount of RMB1,960 million.

The proposed Revised Cap for the year ending 31 December 2023 for the 2023 CNHTC Products Sales Agreement was determined with reference to (i) the actual transaction amount for the two months ended 28 February 2023, (ii) the latest estimated demand for the Group's products supplied under the 2023 CNHTC Products Sales Agreement based on the anticipated increase in demand as described above, and (iii) a 5% buffer for any price fluctuations for the year ending 31 December 2023.

The terms of the Supplemental Agreement regarding the revision of the annual cap for the year ending 31 December 2023 for the 2023 CNHTC Products Sales Agreement were made after arm's length negotiations between the Company and CNHTC. The Directors (excluding the independent non-executive Directors who will express their views in the circular after considering the advice of the Independent Financial Adviser and excluding the CNHTC Interested Directors) are of the view that such terms are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and the aforesaid supplemental agreement has been entered into in the ordinary and usual course of business of the Group.

2. 2023 CNHTC Products Purchase Agreement

Reference is made to the Company's announcement dated 31 March 2021 and the Company's circular dated 21 May 2021 in respect of the 2023 CNHTC Products Purchase Agreement, pursuant to which the Group has been purchasing products including vehicles, refitted trucks, chassis, and add-on products such as trunk, flatbed, tank, etc. from the CNHTC Group for a term of two years from 1 January 2022 to 31 December 2023.

Having taken into account the reasons as further elaborated in the sub-section headed "Reasons for and benefits of entering into the Supplemental Agreement to the 2023 CNHTC Products Purchase Agreement and basis for the Revised Cap" below, the Group expects that the relevant annual cap in 2023 under the 2023 CNHTC Products Purchase Agreement will be insufficient. Hence, the Company and CNHTC entered into a supplemental agreement on 31 March 2023 to revise the annual cap for the year ending 31 December 2023 under the 2023 CNHTC Products Purchase Agreement from RMB3,281,000,000 to RMB3,724,000,000.

Save for the said revision of the existing annual cap to the Revised Cap, all other terms of 2023 CNHTC Products Purchase Agreement shall remain unchanged. Please refer to the section II.A.6 of the Company's announcement dated 31 March 2021, for details of the other principal terms of the 2023 CNHTC Products Purchase Agreement, including, but not limited to, the payment terms and the pricing policy of the purchase of products by the Group from the CNHTC Group.

The Supplemental Agreement to the 2023 CNHTC Products Purchase Agreement and the relevant proposed Revised Cap are subject to the reporting, announcement, annual review, and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Existing annual caps, historical transaction amounts and the proposed Revised Cap

The following table summarises (i) the existing annual caps of the transactions contemplated under the 2023 CNHTC Products Purchase Agreement for the two years ending 31 December 2023 and the annual cap of the relevant transaction contemplated under the 2021 CNHTC Products Purchase Agreement for the year ended 31 December 2021, (ii) the actual

transaction amount for the two years ended 31 December 2022 and the two months ended 28 February 2023, and (iii) the proposed Revised Cap for the year ending 31 December 2023 as set out in the relevant Supplemental Agreement, respectively:

| | Existing annual cap (RMB'000) | Actual transaction amount (RMB'000) | Proposed Revised Cap (RMB'000) |
|---|--|--|---|
| For the year ended 31 December 2021 | 3,647,000 | 2,181,005 | Not applicable |
| For the year ended 31 December 2022 | 2,921,000 | 2,855,810 | Not applicable |
| For the year ending 31 December 2023 | 3,281,000 | 516,386 <i>(note)</i> | 3,724,000 |

Note: This refers to the actual transaction amount under the 2023 CNHTC Products Purchase Agreement for the two months ended 28 February 2023.

As at the date of this announcement, the existing annual cap for the year ending 31 December 2023 for the 2023 CNHTC Products Purchase Agreement has not been exceeded.

Reasons for and benefits of entering into the Supplemental Agreement to the 2023 CNHTC Products Purchase Agreement and basis for the Revised Cap

Pursuant to the 2023 CNHTC Products Purchase Agreement, the existing annual cap for the purchase of products including vehicles, refitted trucks, chassis, and add-on products such as trunk, flatbed, tank, etc. by the Group from the CNHTC Group for the year ending 31 December 2023 is RMB3,281,000,000.

The Group has been purchasing refitted vehicles and specialty vehicle chassis from the CNHTC Group to mainly satisfy the orders from its customers for a long time. With improvements in the export operations of the Group since 2022, which trend is expected to continue in 2023, sales of the Group's products are expected to increase accordingly. Hence, demands for the year ending 31 December 2023 for products (in particular, vehicle chassis) from the CNHTC Group, who has the track record of providing quality products to the Group in an efficient manner, is expected to increase by a further 13.5% from the level as originally expected by the Board in 2021.

The proposed Revised Cap for the year ending 31 December 2023 for the 2023 CNHTC Products Purchase Agreement was determined with reference to (i) the actual transaction amount for the year ended 31 December 2022 and the two months ended 28 February 2023, respectively, (ii) the latest estimated demand for the Group's products supplied under the 2023 CNHTC Products Purchase Agreement based on the anticipated increase in demand as described above, and (iii) a 5% buffer for any price fluctuations for the year ending 31 December 2023.

The terms of the Supplemental Agreement regarding the revision of the annual cap for the year ending 31 December 2023 for the 2023 CNHTC Products Purchase Agreement were made after arm's length negotiations between the Company and CNHTC. The Directors (excluding the independent non-executive Directors who will express their views in the circular after considering the advice of the Independent Financial Adviser and excluding the CNHTC Interested Directors) are of the view that such terms are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and the aforesaid supplemental agreement has been entered into in the ordinary and usual course of business of the Group.

3. 2023 Provision of Ancillary Services Agreement

On 31 March 2021, the Company entered into the 2023 Provision of Ancillary Services Agreement with CNHTC, pursuant to which the Group has been providing utility support and related services to the CNHTC Group for a term of two years from 1 January 2022 to 31 December 2023 ^(note).

Note: For the avoidance of doubt, the transactions contemplated under the 2023 Provision of Ancillary Services Agreement are fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements pursuant to Rule 14A.76(1)(a) of the Listing Rules.

Having taken into account the reasons as further elaborated in the sub-section headed "Reasons for and benefits of entering into the Supplemental Agreement to the 2023 Provision of Ancillary Services Agreement and basis for the Revised Cap" below, the Group expects that the relevant annual cap in 2023 will be insufficient. Hence, the Company and CNHTC entered into a supplemental agreement on 31 March 2023 to revise the annual cap for the year ending 31 December 2023 under the 2023 Provision of Ancillary Services Agreement from RMB15,000,000 to RMB49,000,000.

Save for the said revision of the existing annual cap to the Revised Cap and the expansion of the scope of services offered by the Group to the CNHTC Group to include property management services and ancillary services, all other terms of 2023 Provision of Ancillary Services Agreement shall remain unchanged. The principal terms of the 2023 Provision of Ancillary Services Agreement entered into between CNHTC and the Company on 31 March 2021 (as supplemented by the Supplemental Agreement dated 31 March 2023) (the “**Supplemented 2023 Provision of Ancillary Services Agreement**”) and the transactions contemplated thereunder are as follows:

Parties : (i) CNHTC
(ii) The Company

Term : Two years from 1 January 2022 to 31 December 2023
(both days inclusive)

Subject matter:

Pursuant to the Supplemented 2023 Provision of Ancillary Services Agreement, the Group has agreed to provide utility connection and support services and property management and ancillary services which comprise (i) the supply of utility resources including water, electricity, coal gas and natural gas, and (ii) the provision of property management services and ancillary services such as conferencing and catering services, to the CNHTC Group.

Other terms and details:

Pursuant to the Supplemented 2023 Provision of Ancillary Services Agreement, separate agreements will be entered into by relevant members of the Group and relevant members of the CNHTC Group which will further provide details of the services that shall be provided including the payment terms and specifications of the services. The payment terms for specific services will be based on normal commercial terms or industry practices provided that payment shall be settled generally within 90 days of the provision of the relevant services.

Pricing

Pursuant to the Supplemented 2023 Provision of Ancillary Services Agreement, the relevant service fee will be determined with reference to the prevailing market price, which is decided with reference to (a) the price prescribed by the government or any regulatory authority if available, or where there is no government-prescribed price, the government-guided

price taking into account market factors, and (b) if there is no available government-prescribed price or government-guided price, with reference to the prevailing market price charged by independent third parties that are within the proximity of the relevant member of the Group in their provision of similar services, and (c) if the independent third parties set out in sub-paragraph (b) above cannot be identified, the price charged by independent third parties that operates in the same industry as the Group in their provision of similar services.

If the prevailing market price cannot be determined based on the above, the relevant service fee will be determined on a cost-plus basis taking into consideration of the particular circumstances of the support and services, the overall market prices, industry practices and other factors. The final fees are to be determined by the parties based on good faith negotiation in accordance with principles of fairness and reasonableness and will further take into account the cost incurred for the services provided plus a margin in the range of 5% to 20%.

As such, the terms of the services offered by the Group to the CNHTC Group shall be no more favourable than those made available to the independent third parties with similar terms.

Internal control procedures

The Company has established procedures for monitoring the Continuing Connected Transactions under this sub-section II.3 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 regular meetings on the management and control of connected transactions ("**Regular CCT Meetings**") to monitor and ensure that all the relevant Continuing Connected Transactions are in compliance with the relevant rules and regulations. The Group's finance Department ("**Group 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 ("**Monthly CCT Transactions Summary**") 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

(“**Group Internal Audit Department**”) will conduct quarterly reviews to check whether these transactions are conducted in accordance with the established procedures and internal controls (“**Quarterly Internal Review**”) 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 Transactions of the Group to report the Board 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 (“**Annual CCT Review Reporting**”).

Existing annual caps, historical transaction amounts and the Revised Cap

The following table summarises (i) the existing annual caps of the transactions contemplated under the 2023 Provision of Ancillary Services Agreement for the two years ending 31 December 2023 and the annual cap of the relevant transaction contemplated under the 2021 Provision of Ancillary Services Agreement for the year ended 31 December 2021, (ii) the actual transaction amount for the two years ended 31 December 2022 and the two months ended 28 February 2023, and (iii) the Revised Cap for the year ending 31 December 2023 as set out in the relevant Supplemental Agreement, respectively:

| | Existing annual cap (RMB'000) | Actual transaction amount (RMB'000) | Revised Cap (RMB'000) |
|---|--|--|----------------------------------|
| For the year ended 31 December 2021 | 15,000 | 10,531 | Not applicable |
| For the year ended 31 December 2022 | 15,000 | 10,034 | Not applicable |
| For the year ending 31 December 2023 | 15,000 | 1,481 <i>(note)</i> | 49,000 |

Note: This refers to the actual transaction amount under 2023 Provision of Ancillary Services Agreement for the two months ended 28 February 2023.

As at the date of this announcement, the existing annual cap for the year ending 31 December 2023 for the 2023 Provision of Ancillary Services Agreement has not been exceeded.

Reasons for and benefits of entering into the Supplemental Agreement to the 2023 Provision of Ancillary Services Agreement and basis for the Revised Cap

Pursuant to the 2023 Provision of Ancillary Services Agreement, the existing annual cap for the supply of utility connection and support services by the Group to the CNHTC Group for the year ending 31 December 2023 is RMB15,000,000.

The Group has been providing utility connection and support services, such as the provision of water and electricity, to the CNHTC Group for many years in respect of certain premises that was leased by the CNHTC Group from the Group and considers that such arrangement has strengthened the business relationships among the entities involved and has also enhanced their operation efficiency and productivity through the benefits of scale operation and in turn, increased income of the Group. The Group has recently completed the construction of a new office building, and other than using part of it as its headquarters, the remaining part is intended to be leased to third parties, including members of the CNHTC Group, as office use. In view of such development, it is expected that the supply of utility connection and support services by the Group to the CNHTC Group will increase by approximately 40% as compared to the original estimate. Moreover, in addition to the continual provision of utility connection and support services, the Group intends to provide property management services and ancillary services such as conferencing and catering services to its tenants situated in the said new office building. Hence, the Group expects to broaden the scope of services provided to the CNHTC Group to include the said property management services and ancillary services as well. Such expansion is expected to further diversity the Group's revenue stream and is in line with the Group's business strategy.

In light of the above business plan, the Group expects that an additional service fee in the amount of approximately RMB34,000,000 will be incurred in the year ending 31 December 2023, and hence, the Revised Cap for the year ending 31 December 2023 has been set as RMB49,000,000.

The Revised Cap for the year ending 31 December 2023 for the Supplemented 2023 Provision of Ancillary Services Agreement was determined with reference to (i) the actual transaction amount for the two months ended 28 February 2023, (ii) the latest estimated demand for the Group's services supplied under the Supplemented 2023 Provision of Ancillary Services Agreement based on the anticipated increase in demand as described above, and (iii) a 5% buffer for any price fluctuations for the year ending 31 December 2023.

The terms of the Supplemental Agreement regarding the revision of the annual cap for the year ending 31 December 2023 and the expansion of the scope of services offered by the Group to the CNHTC Group for the 2023 Provision of Ancillary Services Agreement were made after arm's length negotiations between the Company and CNHTC. The Board (including the independent non-executive Directors but excluding the CNHTC Interested Directors) are of the view that such terms are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and the aforesaid supplemental agreement has been entered into in the ordinary and usual course of business of the Group.

4. 2023 Property Rent Out Agreement

On 31 March 2021, the Company entered into the 2023 Property Rent Out Agreement with CNHTC, pursuant to which the Group has been providing leasing services to the CNHTC Group including lease of land, office buildings, factory premises, etc. for a term of two years from 1 January 2022 to 31 December 2023 ^(note).

Note: For the avoidance of doubt, the transactions contemplated under the 2023 Property Rent Out Agreement are fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements pursuant to Rule 14A.76(1)(a) of the Listing Rules.

Having taken into account the reasons as further elaborated in the sub-section headed "Reasons for and benefits of entering into the Supplemental Agreement to the 2023 Property Rent Out Agreement and basis for the Revised Cap" below, the Group expects that the relevant annual cap in 2023 under the 2023 Property Rent Out Agreement will be insufficient. Hence, the Company and CNHTC entered into a supplemental agreement on 31 March 2023 to revise the annual cap for the year ending 31 December 2023 under the 2023 Property Rent Out Agreement from RMB52,000,000 to RMB78,000,000.

Save for the said revision of the existing annual cap to the Revised Cap, all other terms of 2023 Property Rent Out Agreement shall remain unchanged. The principal terms of the 2023 Property Rent Out Agreement entered into between CNHTC and the Company on 31 March 2021 (as supplemented by the Supplemental Agreement dated 31 March 2023) (the “**Supplemented 2023 Property Rent Out Agreement**”) and the transactions contemplated thereunder are as follows:

Parties : (i) CNHTC
(ii) The Company

Term : Two years from 1 January 2022 to 31 December 2023
(both days inclusive)

Subject matter:

Pursuant to the Supplemented 2023 Property Rent Out Agreement, the Group has agreed to provide leasing services to the CNHTC Group including lease of land, office buildings, factory premises, etc.

Other terms and details:

Pursuant to the Supplemented 2023 Property Rent Out Agreement, separate agreements will be entered into by relevant members of the Group and relevant members of the CNHTC Group which will further provide the specific terms and conditions in respect of the relevant properties and lands leased according to the principles, and within the parameters under, the 2023 Property Rent Out Agreement. The payment terms for specific leases will be based on normal commercial terms or industry practices, provided that payment shall be settled generally within 90 days of the provision of the relevant leasing service.

Pricing

The rentals receivable by the Group from the CNHTC Group under the Supplemented 2023 Property Rent Out Agreement were determined at arms' length and reflect the prevailing market rates. The basis of determining the prices for the transactions under the Supplemented 2023 Property Rent Out Agreement is in accordance with the prevailing market prices which are determined by reference to, *among others*, the average prices of similar types of properties in comparable locations.

Internal control procedures

The Company has established procedures for monitoring the Continuing Connected Transactions under this sub-section II.4 in which various departments of the Group will be responsible for the implementation, monitoring and review of such procedures. The Board Office carries out Regular CCT Meetings to monitor and ensure all the relevant Continuing Connected Transactions are in compliance with the relevant rules and regulations. The Group Finance Department prepares the Monthly CCT Transactions Summary 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 Internal Audit Department will conduct Quarterly Internal Review and assess the effectiveness of the internal controls. In addition, the Company will engage the external auditors of the Company to conduct Annual CCT Review Reporting.

Existing annual caps, historical transaction amounts and the Revised Cap

The following table summarises (i) the existing annual caps of the transactions contemplated under the 2023 Property Rent Out Agreement for the two years ending 31 December 2023 and the annual cap of the relevant transaction contemplated under the 2021 Property Rent Out Agreement for the year ended 31 December 2021, (ii) the actual transaction amount for the two years ended 31 December 2022 and the two months ended 28 February 2023, and (iii) the Revised Cap for the year ending 31 December 2023 as set out in the relevant Supplemental Agreement, respectively:

| | Existing annual cap (RMB'000) | Actual transaction amount (RMB'000) | Revised Cap (RMB'000) |
|---|--|--|----------------------------------|
| For the year ended 31 December 2021 | 33,000 | 11,293 | Not applicable |
| For the year ended 31 December 2022 | 52,000 | 15,328 | Not applicable |
| For the year ending 31 December 2023 | 52,000 | 4,989 <i>(note)</i> | 78,000 |

Note: This refers to the actual transaction amount under 2023 Property Rent Out Agreement for the two months ended 28 February 2023.

As at the date of this announcement, the existing annual cap for the year ending 31 December 2023 for the 2023 Property Rent Out Agreement has not been exceeded.

Reasons for and benefits of entering into the Supplemental Agreement to the 2023 Property Rent Out Agreement and basis for the Revised Cap

Pursuant to the 2023 Property Rent Out Agreement, the existing annual cap for the provision of leasing services including lease of land, office buildings, factory premises, etc. by the Group to the CNHTC Group for the year ending 31 December 2023 is RMB52,000,000.

The Group has been leasing to the CNHTC Group certain buildings, properties and land in the PRC for manufacturing, general business and ancillary purposes and the Group intends to continue such transactions with the CNHTC Group. Considering that the Group has recently completed the construction of a new office building, the Group intends to lease part of the

premises to third parties including members of the CNHTC Group, and the CNHTC Group has also expressed its intention to rent such premises from the Group. Hence, it is expected that additional leases will be entered into between the Group and CNHTC Group in respect of the lease of part of the Group's new office building in 2023, which, in turn, is expected to further contribute to the Group's revenue stream.

In light of the above, the Group expects that an addition rental fee in the amount of approximately RMB26,000,000 will be incurred in the year ending 31 December 2023, and hence, the Revised Cap for the year ending 31 December 2023 has been set as RMB78,000,000.

The Revised Cap for the year ending 31 December 2023 for the Supplemented 2023 Property Rent Out Agreement was determined with reference to (i) the actual transaction amount for the two months ended 28 February 2023, and (ii) the latest estimated demand for the Group's lease under the Supplemented 2023 Property Rent Out Agreement based on the anticipated increase in demand as described above.

The terms of the Supplemental Agreement regarding the revision of the annual cap for the year ending 31 December 2023 for the 2023 Property Rent Out Agreement were made after arm's length negotiations between the Company and CNHTC. The Board (including the independent non-executive Directors but excluding the CNHTC Interested Directors) are of the view that such terms are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and the aforesaid supplemental agreement has been entered into in the ordinary and usual course of business of the Group.

5. 2023 Receipt of General Services Agreement

On 31 March 2021, the Company entered into the 2023 Receipt of General Services Agreement with CNHTC (and further entered into a supplemental agreement on 31 March 2022), pursuant to which the CNHTC Group has agreed to provide services such as property management, products testing and improvement services and other services to the Group for a term of two years from 1 January 2022 to 31 December 2023 ^(note).

Note: For the avoidance of doubt, the transactions contemplated under the 2023 Receipt of General Services Agreement are fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements pursuant to Rule 14A.76(1)(a) of the Listing Rules.

Having taken into account the reasons as further elaborated in the sub-section headed “Reasons for and benefits of entering into the Supplemental Agreement to the 2023 Receipt of General Services Agreement and basis for the Revised Cap” below, the Group expects that the relevant annual cap in 2023 under the 2023 Receipt of General Services Agreement will be insufficient. Hence, the Company and CNHTC entered into a supplemental agreement on 31 March 2023 to revise the annual cap for the year ending 31 December 2023 under the 2023 Receipt of General Services Agreement from RMB25,800,000 to RMB750,000,000.

Save for the said revision of the existing annual cap to the Revised Cap and the expansion of the scope of services offered by the CNHTC Group to the Group to include short-term leasing, technology development services and transportation services, all other terms of 2023 Receipt of General Services Agreement shall remain unchanged. The principal terms of the 2023 Receipt of General Services Agreement entered into between CNHTC and the Company on 31 March 2021 (as supplemented by the Supplemental Agreement dated 31 March 2023) (the “**Supplemented 2023 Receipt of General Services Agreement**”) and the transactions contemplated thereunder are as follows:

Parties : (i) CNHTC
(ii) The Company

Term : Two years from 1 January 2022 to 31 December 2023
(both days inclusive)

Subject matter:

Pursuant to the Supplemented 2023 Receipt of General Services Agreement, the CNHTC Group has agreed to provide general services such as property management, transportation, short-term leasing, products testing and improvement services, technology development services and other services to the Group.

Other terms and details:

Pursuant to the Supplemented 2023 Receipt of General Services Agreement, separate agreements will be entered into by relevant members of the Group and relevant members of the CNHTC Group which will further provide the details of the services that shall be provided including the payment terms and specifications of the services. The payment terms for specific services will be based on normal commercial terms or industry practices provided that payment shall be settled generally within 90 days of the provision of the relevant services.

Pricing

Pursuant to the Supplemented 2023 Receipt of General Services Agreement, the CNHTC Group will provide general services to the Group on terms no less favourable than those that the CNHTC Group offers to independent third parties. The relevant service fee under the Supplemented 2023 Receipt of General Services Agreement will be determined based on actual usage incurred by the Group with reference to (a) the price prescribed by the government or any regulatory authority (if applicable) and (b) the prevailing market price charged by independent third parties in their provision of similar services in their usual and ordinary course of business, taking into consideration of the particular circumstances of the support and services, the overall market prices, industry practices and other factors. The final fees are to be determined by the parties based on good faith negotiation in accordance with principles of fairness and reasonableness.

Internal control procedures

The Company has established procedures for monitoring the Continuing Connected Transactions under this sub-section II.5 in which various departments of the Group will be responsible for the implementation, monitoring and review of such procedures. The Board Office carries out Regular CCT Meetings to monitor and ensure all the relevant Continuing Connected Transactions are in compliance with the relevant rules and regulations. The Group Finance Department prepares the Monthly CCT Transactions Summary 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 Internal Audit Department will conduct Quarterly Internal Review and assess the effectiveness of the internal controls. In addition, the Company will engage the external auditors of the Company to conduct Annual CCT Review Reporting.

Existing annual caps, historical transaction amounts and the Revised Cap

The following table summarises (i) the existing annual caps of the transactions contemplated under the 2023 Receipt of General Services Agreement for the two years ending 31 December 2023 and the annual cap of the relevant transaction contemplated under the 2021 Receipt of General Services Agreement for the year ended 31 December 2021, (ii) the actual transaction amount for the two years ended 31 December 2022 and the two months ended 28 February 2023, and (iii) the Revised Cap for the year ending 31 December 2023 as set out in the relevant Supplemental Agreement, respectively:

| | Existing annual cap (RMB'000) | Actual transaction amount (RMB'000) | Revised Cap (RMB'000) |
|---|--|--|----------------------------------|
| For the year ended 31 December 2021 | 147,000 | 1,615 | Not applicable |
| For the year ended 31 December 2022 | 25,800 | 24,787 | Not applicable |
| For the year ending 31 December 2023 | 25,800 | 9,655 <i>(note)</i> | 750,000 |

Note: This refers to the actual transaction amount under 2023 Receipt of General Services Agreement for the two months ended 28 February 2023.

As at the date of this announcement, the existing annual cap for the year ending 31 December 2023 for the 2023 Receipt of General Services Agreement has not been exceeded.

Reasons for and benefits of entering into the Supplemental Agreement to the 2023 Receipt of General Services Agreement and basis for the Revised Cap

Pursuant to the 2023 Receipt of General Services Agreement, the existing annual cap for the provision of general services by the CNHTC Group to the Group for the year ending 31 December 2023 is RMB25,800,000.

The CNHTC Group has been providing general services such as property management, products testing and improvement services and other services to the Group and the Group intends to continue such transactions with the CNHTC Group. In line with the Group's business strategy to step up on

product development, there is expected to be an increase in demand for product testing and improvement services in respect of the Group's products. With the CNHTC Group's long-term business relationship with the Group and familiarity of the Group's products, it is expected that the CNHTC Group will be able to respond quickly to the Group's demands and provide the Group with the requisite product testing and improvement services, which, in turn, is expected to contribute to the improvement of the Group's products and lead to better sales in the future. In respect of the receipt of transportation services, the Group understands that one of the associates of the CNHTC Group (which is also an associated company of the Group) has recently developed a new business operation involving the provision of transportation services, the inclusion of transportation services into the scope of the Supplemented 2023 Receipt of General Services Agreement is expected to enable the Group to obtain quality services in a cost efficient matter.

In light of the above, the Group expects that an additional service fee in the amount of approximately RMB724,200,000, comprising product testing and improvement service fees, technology development service fee, transportation fees lease expenses, etc., will be incurred in the year ending 31 December 2023, and hence, the Revised Cap for the year ending 31 December 2023 has been set as RMB750,000,000.

The Revised Cap for the year ending 31 December 2023 for the Supplemented 2023 Receipt of General Services Agreement was determined with reference to (i) the actual transaction amount for the two months ended 28 February 2023, (ii) the latest estimated demand for the Group's lease under the Supplemented 2023 Receipt of General Services Agreement based on the anticipated increase in demand as described above, and (iii) a 5% buffer for any price fluctuations for the relevant services for the year ending 31 December 2023.

The terms of the Supplemental Agreement regarding the revision of the annual cap for the year ending 31 December 2023 and the expansion of the scope of services offered by the CNHTC Group to the Group for the 2023 Receipt of General Services Agreement were made after arm's length negotiations between the Company and CNHTC. The Board (including the independent non-executive Directors but excluding the CNHTC Interested Directors) are of the view that such terms are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and the aforesaid supplemental agreement has been entered into in the ordinary and usual course of business of the Group.

6. 2023 Financial Services Agreement

Reference is made to the Company's announcement dated 31 March 2021 in respect of the 2023 Financial Services Agreement, pursuant to which the Group has been providing a range of financial services to the CNHTC Group including (i) bills discounting services (including bank bills and commercial notes held by or issued by the CNHTC Group), (ii) unsecured loan services, (iii) issue of bills, (iv) entrustment loan arrangements, and (v) settlement services which are ancillary services to and necessary for the provision of the financing services under the 2023 Financial Services Agreement, for a term of two years from 1 January 2022 to 31 December 2023.

Having taken into account the reasons as further elaborated in the sub-section headed "Reasons for and benefits of entering into the Supplemental Agreement to the 2023 Financial Services Agreement and basis for the Revised Caps" below, the Group expects that the relevant annual caps in 2023 under the 2023 Financial Services Agreement will be insufficient and that the Group also intends to extend the scope of the financial services provided by the Group to the CNHTC Group to include secured loan services (on top of the Group's offer of unsecured loan services to the CNHTC Group pursuant to the 2023 Financial Services Agreement). Hence, the Company and CNHTC entered into a supplemental agreement on 31 March 2023 to revise certain of the annual caps (being the maximum day-end balance, the income amount and/or the expense amount (as the case may be)), for the year ending 31 December 2023 under the 2023 Financial Services Agreement.

Save for the said revision of the existing annual caps to the Revised Caps and the extension of the loan services offered by the Group to the CNHTC Group to include the grant of secured loans, all other terms of 2023 Financial Services Agreement shall remain unchanged. Please refer to the section II.A.3 of the Company's announcement dated 31 March 2021, for details of the other principal terms of the 2023 Financial Services Agreement, including, but not limited to, the payment terms and the pricing policy of the financial services provided by the Group to the CNHTC Group.

The Supplemental Agreement to the 2023 Financial Services Agreement and the relevant proposed Revised Caps are subject to the reporting, announcement, annual review, and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Existing annual caps, historical transaction amounts and the Revised Caps

The following table summarises (i) the existing annual caps, being the maximum day-end balance, the income amount and/or the expense amount of the transactions contemplated under the 2023 Financial Services

Agreement for the two years ending 31 December 2023, and the annual cap of the relevant transaction contemplated under the 2021 Financial Services Agreement for the year ended 31 December 2021, (ii) the actual transaction amount for the two years ended 31 December 2022 and the two months ended 28 February 2023, and (iii) the proposed Revised Caps for the year ending 31 December 2023 as set out in the relevant Supplemental Agreement, respectively:

| | Existing annual cap (RMB'000) | Actual transaction amount (RMB'000) | Proposed Revised Caps (RMB'000) |
|--|--|--|--|
| <i>For the year ended 31 December 2021</i> | | | |
| <i>Bills discounting services:</i> | | | |
| Maximum day-end balance | 200,000 | Nil <i>(note 1)</i> | Not applicable |
| Interest income | 13,600 | Nil <i>(note 1)</i> | Not applicable |
| <i>Unsecured loan services:</i> | | | |
| Maximum day-end balance | 1,500,000 | 1,480,000 | Not applicable |
| Interest income | 97,200 | 42,936 | Not applicable |
| <i>Issue of bills:</i> | | | |
| Maximum day-end balance | 800,000 | Nil <i>(note 1)</i> | Not applicable |
| Fee income | 800 | Nil <i>(note 1)</i> | Not applicable |
| Interest expense for surety | 10,320 | Nil <i>(note 1)</i> | Not applicable |
| <i>Entrustment loan arrangements (fee income):</i> | 2,000 | 16 | Not applicable |
| <i>For the year ended 31 December 2022</i> | | | |
| <i>Bills discounting services:</i> | | | |
| Maximum day-end balance | 110,000 | Nil <i>(note 1)</i> | Not applicable |
| Interest income | 4,400 | Nil <i>(note 1)</i> | Not applicable |
| <i>Unsecured loan services:</i> | | | |
| Maximum day-end balance | 1,600,000 | 1,510,000 | Not applicable |
| Interest income | 80,000 | 46,020 | Not applicable |
| <i>Issue of bills:</i> | | | |
| Maximum day-end balance | 200,000 | 143,017 | Not applicable |
| Fee income | 200 | 0 | Not applicable |
| Interest expense for surety | 2,500 | 48 | Not applicable |
| <i>Entrustment loan arrangements (fee income):</i> | 200 | 0 | Not applicable |

| | Existing annual cap (RMB'000) | Actual transaction amount (RMB'000) | Proposed Revised Caps (RMB'000) |
|--|--|--|--|
| <i>For the year ending</i> | | | |
| <i>31 December 2023</i> <i>(note 2)</i> | | | |
| <i>Bills discounting services:</i> | | | |
| Maximum day-end balance | 110,000 | Nil <i>(note 1)</i> | 200,000 |
| Interest income | 4,400 | Nil <i>(note 1)</i> | 6,000 |
| <i>Unsecured loan services</i> <i>(note 4)</i> : | | | |
| Maximum day-end balance | 1,600,000 | 1,417,800 | 3,338,000 |
| Interest income | 80,000 | 7,370 | 128,000 |
| <i>Issue of bills:</i> | | | |
| Maximum day-end balance | 200,000 | 142,150 | 800,000 |
| Fee income | 200 | 0 | 1,000 |
| Interest expense for surety | 2,500 | 90 | 4,000 |
| <i>Entrustment loan arrangements (fee income):</i> | 200 | 0 | 200 <i>(note 3)</i> |

Notes:

1. *The Group has not received the request of the issue of bills and/or the bills discounting services by the CNHTC Group (as the case may be) for the above periods under the 2021 Financial Services Agreement and the 2023 Financial Services Agreement.*
2. *The actual transaction amounts for the year ending 31 December 2023 as set out in this table refer to the maximum day-end balance / actual transaction amounts (as the case may be) under the 2023 Financial Services Agreement for the two months ended 28 February 2023.*
3. *The annual cap of the entrustment loan arrangements (fee income) for the year ending 31 December 2023 has not been revised per the Supplemental Agreement to the 2023 Financial Services Agreement.*
4. *The loan services provided by the Group has been revised to include unsecured and secured loan services per the Supplemental Agreement to the 2023 Financial Services Agreement. Thus, the Revised Caps are the revised annual caps for the maximum day-end balance and interest income for loan services (inclusive of the offer of both secured and unsecured loans) provided by the Group to the CNHTC Group for the year ending 31 December 2023.*

As at the date of this announcement, none of the existing annual caps for the year ending 31 December 2023 for the 2023 Financial Services Agreement has been exceeded.

Reasons for and benefits of entering into the Supplemental Agreement to the 2023 Financial Services Agreement and basis for the Revised Caps

Pursuant to the 2023 Financial Services Agreement, the existing annual caps for the year ending 31 December 2023, for, *inter alia*, the provision of bills discounting services, unsecured loan services and issue of bills, have been set as per the table in the sub-section headed “Existing annual caps, historical transaction amounts and the Revised Cap” above.

Following the amendments to the Measures for the Administration of Finance Companies of Enterprise Groups 《企業集團財務公司管理辦法》 promulgated by the China Banking Regulatory Commission becoming effective in November 2022, a group of corporation could only have one finance company established. Sinotruk Finance Co., Ltd. (中國重汽財務有限公司), being a subsidiary of the Company, has been designated as the financial company entity that shall provide the relevant financial services to the Group and the CNHTC Group going forward. Considering that the CNHTC Group has stepped up its investments in recent years which will, in turn, increase the number of and size of the members within the CNHTC Group, it is expected that there will be a significant increase in and diversification of demand from the CNHTC Group for the Group’s financial services to optimise the cash flow management and capital efficiency of the CNHTC Group.

Although the Group has not received the request of the bills discounting services by the CNHTC Group in the year ended 31 December 2022 and the two months ended 28 February 2023, it is expected that the CNHTC Group will in 2023 have increased need to engage such financial services from the Group in view of the promulgation of the amendments to the Measures for the Administration of Finance Companies of Enterprise Groups as mentioned above. Accordingly, considering the extent of financial services currently obtained by the CNHTC Group from other financial institutions which is expected to be provided by the Group going forward, the Revised Caps (being the maximum day-end balance, the income amount and/or the expense amount (as the case may be)) have been fixed based on the following so as to provide the Group with the flexibility to provide such services when the opportunity arises:

- (i) in respect the bill discounting services, the maximum day-end balance for the year ending 31 December 2023 is expected to increase by RMB90 million from the existing annual cap of RMB110 million, and the annual interest income has been adjusted upwards accordingly;

- (ii) in respect of the provision of loan, the maximum day-end balance for the year ending 31 December 2023 is expected to increase by RMB1,738 million from the existing annual cap of RMB1,600 million, and the annual interest income has been adjusted upwards accordingly; and
- (iii) in respect of the issue of bills, the maximum day-end balance for the year ending 31 December 2023 is expected to increase by RMB600 million from the existing annual cap of RMB200 million, and the annual interest income and expenses has been adjusted upwards accordingly.

The proposed Revised Caps for the year ending 31 December 2023 for the 2023 Financial Services Agreement was determined with reference to (i) the actual transaction amount for the two months ended 28 February 2023, (ii) the latest estimated demand for the Group's service under the 2023 Financial Services Agreement based on the anticipated increase in the CNHTC Group's demand as described above, and (iii) a 5% buffer for any price fluctuations for the year ending 31 December 2023.

The terms of the Supplemental Agreement regarding the revision of the annual caps for the year ending 31 December 2023 and the expansion of the scope of services offered by the Group to the CNHTC Group for the 2023 Financial Services Agreement were made after arm's length negotiations between the Company and CNHTC. The Directors (excluding the independent non-executive Directors who will express their views in the circular after considering the advice of the Independent Financial Adviser and excluding the CNHTC Interested Directors) are of the view that such terms are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and the aforesaid supplemental agreement has been entered into in the ordinary and usual course of business of the Group.

7. 2023 Provision of Interest Subsidy Agreements

On 18 October 2022, the Group (through its subsidiaries Ji'nan Truck and Ji'nan Commercial Truck) entered into the 2023 Provision of Interest Subsidy Agreements with Strong Leasing (as further supplemented each on 18 October 2022 and on 23 December 2022), pursuant to which the Group has been providing subsidies to its customers on the interest accrued on the Underlying Sinotruk Customer Loans that is payable by the Sinotruk Customers to Strong Leasing, by Ji'nan Truck and Ji'nan Commercial Truck paying certain interest amount to Strong Leasing directly ^(note). The 2023 Provision of Interest Subsidy Agreements forms part of the sales campaign of the Group.

Note: For the avoidance of doubt, the transactions contemplated under the 2023 Provision of Interest Subsidy Agreements are fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements pursuant to Rule 14A.76(1)(a) of the Listing Rules.

The finance lease arrangements

Ji'nan Truck and Ji'nan Commercial Truck are principally engaged in the manufacture and sale of heavy duty trucks, special vehicles and commercial trucks, and would, as part of their ordinary business operations, directly or through their distributors, sell their products to independent third party customers (the “**Sinotruk Customer(s)**”).

At times, certain such Sinotruk Customers will have financing needs and will seek for financing from certain financial institutions, which includes Strong Leasing, in purchasing the Group's products, and such financial institutions, having considered the credibility of the relevant Sinotruk Customers, may grant certain financing to the customers through a finance lease arrangement (the “**Underlying Sinotruk Customer Loan(s)**”). The finance lease arrangement shall involve a grant of an Underlying Sinotruk Customer Loan by such financial institution to a Sinotruk Customer, which grant is conditional upon the transfer of the ownership of the product (the “**Leased Product**”) purchased by such Sinotruk Customer to the relevant financial institution. The Sinotruk Customer shall repay such Underlying Sinotruk Customer Loan to the financial institution in the form of a lease payment for the use of the relevant Leased Product, and upon fulfilment of all outstanding lease payment obligations, the relevant financial institution shall transfer the ownership of the Leased Product back to the Sinotruk Customer at a notional value.

The interest subsidy arrangement

With an aim to facilitate the sale of their products, Ji'nan Truck and Ji'nan Commercial Truck will, at times, provide subsidies on the interest accrued on the Underlying Sinotruk Customer Loans that is payable by the Sinotruk Customers, by paying certain interest amount to the relevant financial institutions (which may include Strong Leasing) directly on behalf of the Sinotruk Customers, such that the total interest amount payable by the relevant Sinotruk Customers will be reduced accordingly.

Where the financial institution involved in the provision of the finance lease arrangements in the above manner is Strong Leasing (which decision of the choice of financial institution rests with the Sinotruk Customer), the provision of the aforementioned interest subsidy by Ji'nan Truck and Ji'nan Commercial Truck to the Sinotruk Customers, and hence the payment of

certain interest amount accrued on the Underlying Sinotruk Customer Loans to Strong Leasing, shall constitute a continuing connected transaction of the Company that falls under the scope of the 2023 Provision of Interest Subsidy Agreements.

Having taken into account the reasons as further elaborated in the sub-section headed “Reasons for and benefits of entering into the Supplemental Agreements to the 2023 Provision of Interest Subsidy Agreements and basis for the Revised Caps” below, the Group expects that the relevant annual caps in 2023 will be insufficient. Hence, each of Ji’nan Truck and Ji’nan Commercial Truck entered into a supplemental agreement with Strong Leasing on 31 March 2023 to revise the relevant annual caps for the year ending 31 December 2023 under the 2023 Provision of Interest Subsidy Agreements from RMB15,000,000 in aggregate to RMB60,000,000 in aggregate.

Save for the said revision of the existing annual caps to the Revised Caps, all other terms of 2023 Provision of Interest Subsidy Agreements shall remain unchanged. The principal terms of the 2023 Provision of Interest Subsidy Agreements entered into between Ji’nan Truck and Ji’nan Commercial Truck with Strong Leasing on 18 October 2022 (as supplemented each on 18 October 2022 and on 23 December 2022 and by the Supplemental Agreements dated 31 March 2023) (the “**Supplemented 2023 Provision of Interest Subsidy Agreements**”) and the transactions contemplated thereunder are as follows:

Parties : (i) Ji’nan Truck and Ji’nan Commercial Truck
(ii) Strong Leasing

Term : From 18 October 2022 to 31 December 2023 (both days inclusive)

Subject matter:

Pursuant to the Supplemented 2023 Provision of Interest Subsidy Agreements, each of Ji’nan Truck and Ji’nan Commercial Truck has agreed to make payment to Strong Leasing as settlement of part of the interest payment due from the Sinotruk Customer to Strong Leasing accrued on the Underlying Sinotruk Customer Loans arising from the relevant finance lease provided by Strong Leasing to the Sinotruk Customers.

Insofar as the Company is aware, the amount of the Underlying Sinotruk Customer Loans and the amount of the interest payments accrued on the Underlying Sinotruk Customer Loans are determined after arm’s length

negotiations between Strong Leasing and the Sinotruk Customers with reference to the loan prime rate published by the People's Bank of China and the rates charged by major and independent commercial banks in adjacent areas in the normal course of business for similar types of financing services and the credibility of the relevant Sinotruk Customers.

The subsidy ratio, which represents the proportion of the interest payments that each of Ji'nan Truck and Ji'nan Commercial Truck shall provide subsidy pursuant to the Supplemented 2023 Provision of Interest Subsidy Agreements, shall be determined by Ji'nan Truck and Ji'nan Commercial Truck with reference to the sales campaign expected to be made by the Group to the Sinotruk Customers, the type of vehicles and sales target regarding such vehicles that forms the focus of sales during the designated promotional period.

Payment terms

Pursuant to the Supplemented 2023 Provision of Interest Subsidy Agreements, the subsidy amount is confirmed by the parties with the subsidy vehicles confirmation letter and the daily and monthly subsidy statement. Each of Ji'nan Truck and Ji'nan Commercial Truck will make payment on a monthly basis upon their respective approval of the monthly subsidy statement and the issuance of invoice by Strong Leasing.

Internal control procedures

The Company has established procedures for monitoring the Continuing Connected Transactions under this sub-section II.7 in which various departments of the Group will be responsible for the implementation, monitoring and review of such procedures. The Board Office carries out Regular CCT Meetings to monitor and ensure all the relevant Continuing Connected Transactions are in compliance with the relevant rules and regulations. The Group Finance Department prepares the Monthly CCT Transactions Summary 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 Internal Audit Department will conduct Quarterly Internal Review and assess the effectiveness of the internal controls. In addition, the Company will engage the external auditors of the Company to conduct Annual CCT Review Reporting.

Historical transaction amounts and the Revised Caps

The following table summarises (i) the actual transaction amount for the year ended 31 December 2022 and the two months ended 28 February 2023, and (iii) the Revised Caps for the year ending 31 December 2023 as set out in the relevant Supplemental Agreements, respectively:

| | Existing annual cap (RMB'000) | Actual transaction amount (RMB'000) | Revised Cap (RMB'000) |
|---|--|--|----------------------------------|
| <i>For the year ended 31 December 2022</i> | | | |
| In respect of the 2023 Provision of Interest Subsidy Agreement between Ji'nan Truck and Strong Leasing | 1,000 | 206 | Not applicable |
| In respect of the 2023 Provision of Interest Subsidy Agreement between Ji'nan Commercial Truck and Strong Leasing | 200 | 0 | Not applicable |
| On an aggregated basis | 1,200 | 206 | Not applicable |
| <i>For the year ending 31 December 2023</i> | | | |
| In respect of the 2023 Provision of Interest Subsidy Agreement between Ji'nan Truck and Strong Leasing | 9,000 | 219 <i>(note)</i> | 35,000 |
| In respect of the 2023 Provision of Interest Subsidy Agreement between Ji'nan Commercial Truck and Strong Leasing | 6,000 | 12 <i>(note)</i> | 25,000 |
| On an aggregated basis | 15,000 | 231 | 60,000 |

Note: This refers to the actual transaction amount under 2023 Provision of Interest Subsidy Agreements for the two months ended 28 February 2023.

As at the date of this announcement, none of the existing annual caps for the year ending 31 December 2023 for the 2023 Provision of Interest Subsidy Agreements has been exceeded.

Reasons for and benefits of entering into the Supplemental Agreements to the 2023 Provision of Interest Subsidy Agreements and basis for the Revised Caps

Pursuant to the 2023 Provision of Interest Subsidy Agreements, the existing annual caps, on an aggregated basis, for the payment made by Ji'nan Truck and Ji'nan Commercial Truck to Strong Leasing as settlement of part of the interest payment due from the Sinotruk Customer to Strong Leasing accrued on the Underlying Sinotruk Customer Loans for the year ending 31 December 2023 is RMB15,000,000.

In view of the prevailing market conditions, additional efforts are required to be made on the promotion of sales of vehicle products. With the relevant interest subsidy arrangement in place, the total interest amount payable by the relevant Sinotruk Customers in the course of purchasing the Group's vehicles will be reduced, which, in turn, forms an additional attraction for Sinotruk Customers in purchasing the Group's vehicles. Hence, such arrangement has facilitated the sales of Ji'nan Truck's and Ji'nan Commercial Truck's products to their end customers, and is expected to contribute to an increase in the sales revenue of the Group as a whole.

Taken into account the expectation that the Group's sales volume will increase in 2023, it is expected there will be a surge in need for finance leasing services by the Sinotruk Customers. Having considered the existing penetration rate for finance lease services, such increase in sales is expected to result in an increase in demand for finance leasing services provided by Strong Leasing to such Sinotruk Customers. As mentioned above, the interest subsidy is essentially a form of discount offered to Sinotruk Customers and is expected to improve market sentiment and the Sinotruk Customers' interest in purchasing the Group's products. The Board also noticed that such arrangement has been welcomed by the Sinotruk Customers and has in recent years become a popular means of promoting sales within the industry.

In light of the above business trend, the Group expects that an additional payment involving an aggregate amount of RMB45,000,000 will be incurred in the year ending 31 December 2023 as compared with the original projection of RMB15,000,000, and the Revised Caps for the year ending 31 December 2023 have been set as (i) RMB35,000,000 in respect of the 2023

Provision of Interest Subsidy Agreement between Ji'nan Truck and Strong Leasing; and (ii) RMB25,000,000 in respect of the 2023 Provision of Interest Subsidy Agreement between Ji'nan Commercial Truck and Strong Leasing.

The Revised Caps for the year ending 31 December 2023 for the 2023 Provision of Interest Subsidy Agreements were determined with reference to (i) the actual transaction amount for the two months ended 28 February 2023, (ii) the expected interest amount payable by the Sinotruk Customers based on the prevailing interest rate and the expected amount of Underlying Sinotruk Customer Loans that will be incurred from the relevant finance lease arrangements, and (iii) the sales campaign expected to be made by the Group to the Sinotruk Customers during 2023.

The terms of the supplemental agreements regarding the revision of the annual caps for the year ending 31 December 2023 for the 2023 Provision of Interest Subsidy Agreements were made after arm's length negotiations between the Group and Strong Leasing. The Board (including the independent non-executive Directors but excluding the CNHTC Interested Directors) are of the view that such terms are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and the aforesaid supplemental agreement has been entered into in the ordinary and usual course of business of the Group.

III. NEW CONTINUING CONNECTED TRANSACTION

2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement

On 31 March 2023, the Company entered into the 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement with Strong Leasing, pursuant to which the Group has provided the Strong Leasing Group a guarantee to repurchase certain new energy vehicle products in the event of a default by the relevant customers of the Group under certain finance lease arrangement.

For details of the lease arrangements involved in the sales of the Group's products, please refer to the section headed II.7 above. With an aim to facilitate the sale of its products, the Group may, in the course of the sales involving finance lease arrangements, at times provide guarantees to the relevant financial institutions in respect of certain of the Underlying Sinotruk Customer Loans by undertaking to repurchase the Leased Products from such financial institutions.

Where the financial institution involved in the provision of the finance lease arrangements in the above manner is the Strong Leasing Group (which decision of the choice of financial institution rests with the Sinotruk Customer(s)), the provision of the aforementioned repurchase guarantee by the Group to the Strong Leasing Group will constitute a continuing connected transaction of the Company.

Following the Group's introduction of new high-end products into the market in 2023 with a focus on new energy vehicles, such new energy vehicles has become, and is expected to be, the focal point of the Group's sales plans since 2023. Based on such sales plans and considering that new energy vehicles comprise the high-end products of the Group, it is expected that there will be increased demand for financing from the Strong Leasing Group by way of finance lease arrangements in relation to new energy vehicle products, and in turn, requests for the Group to provide the relevant repurchase undertakings are expected to occur concurrently.

The principal terms of the 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement and the transactions contemplated thereunder are as follows:

| | | |
|---------|---|--|
| Date | : | 31 March 2023 |
| Parties | : | (i) the Company (ii) Strong Leasing |
| Term | : | From the date of the agreement to 31 December 2025 (both days inclusive) |

Subject matter:

Pursuant to the 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement, in relation to the Group's sale of its new energy vehicle products to the Sinotruk Customers directly or through distributors, the Group has agreed to provide guarantee to the Strong Leasing Group in repurchasing certain Leased Products (which comprise new energy vehicles) pursuant to the relevant finance lease arrangements provided by the Strong Leasing Group to the Sinotruk Customers. For details of the lease arrangements involved in the sales of the Group's products, please refer to the section headed II.7 above.

With an aim to facilitate the sale of its products, members of the Group may at times and pursuant to the terms of the 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement, provide financial assistance to the Strong Leasing Group by guaranteeing to repurchase the Leased Products from the

Strong Leasing Group in respect of certain of the Underlying Sinotruk Customer Loans. Where such repurchase guarantees are provided, in the event of a default on the Sinotruk Customer's part on the repayment of the Underlying Sinotruk Customer Loan and where the relevant distributors fail to perform the repurchase obligations (where applicable), the Group shall repurchase the Leased Products from the Strong Leasing Group at a price equivalent to the outstanding amount of the Underlying Sinotruk Customer Loan (including the lease payments in default, default penalties, outstanding lease payments (being lease payments that had not fallen due but for the default), notional value of the Lease Products, and the costs and expenses of the Strong Leasing Group relating to the enforcement of the relevant guarantee).

Other terms and details:

Pursuant to the 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement, as part of the Group's sales solutions, members of the Group that, as part of their ordinary business operations, directly or through their distributors, sell their products to Sinotruk Customers, will enter into separate agreements with the Strong Leasing Group, which will further specify details of the Leased Products and extent of the Group's repurchase obligations regarding such Leased Products.

In respect of the financing provided by the Strong Leasing Group to the Sinotruk Customers in the course of the Group's sales operations, insofar as the Company is aware, the amount of the Underlying Sinotruk Customer Loans, the amount and terms of the lease payments and/or interest payments are determined after arm's length negotiations between the Strong Leasing Group and the Sinotruk Customers with reference to the loan prime rate published by the People's Bank of China and the rates charged by major and independent commercial banks in adjacent areas in the normal course of business for similar types of financing services and the credibility of the relevant Sinotruk Customers.

Historical transaction amounts

The provision of the guarantee to the Strong Leasing Group to repurchase Lease Products comprising new energy vehicles in the event of a default by the relevant customers of the Group under certain finance lease arrangement is a new arrangement developed for meeting the Group's current business strategy of further promoting the sales of the Group's new energy vehicles. No such repurchase has been made by the Group from the Strong Leasing Group for the year ended 31 December 2022.

Whilst the Group had not, in the past, provided any repurchase guarantee to the Strong Leasing Group on the repurchase of new energy vehicle products pursuant to the relevant finance lease arrangement provided by the Strong Leasing Group to the Sinotruk Customers, the Group has provided similar repurchase guarantees to Strong Leasing pursuant to the Existing Provision of Repurchase Guarantee Agreements entered into between the Group (through its subsidiaries, Ji'nan Truck and Ji'nan Commercial Truck) and Strong Leasing in respect of products other than new energy vehicle products.

Pursuant to the Existing Provision of Repurchase Guarantee Agreements, each of Ji'nan Truck and Ji'nan Commercial Truck has agreed to provide guarantees to Strong Leasing in repurchasing certain Leased Products for a term from 1 January 2021 to 31 December 2023 in the event of a default by the relevant Sinotruk Customers under certain finance lease provided by Strong Leasing to the Sinotruk Customers. The existing annual caps, being the accumulated repurchase amount that Ji'nan Truck and Ji'nan Commercial Truck had agreed to guarantee payment, on an aggregated basis, under the Existing Provision of Repurchase Guarantee Agreements are as follows:

| | For the year ended 31 December 2021 <i>RMB'000</i> | For the year ended 31 December 2022 <i>RMB'000</i> | For the year ending 31 December 2023 <i>RMB'000</i> |
|---|---|---|--|
| The aggregate accumulated repurchase amount under the Existing Provision of Repurchase Guarantee Agreements | 40,000 | 40,000 | 40,000 |

None of such repurchase obligations of the Group had been triggered during the term of the Existing Provision of Repurchase Guarantee Agreements.

For the avoidance of doubt, the transactions contemplated under the Existing Provision of Repurchase Guarantee Agreements are fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements pursuant to Rule 14A.76(1)(a) of the Listing Rules.

New Caps

The following table shows the New Caps, being the maximum accumulated repurchase amount in respect of the repurchase guarantee for the years ending 31 December 2025 for the transactions contemplated under the 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement:

| | For the year ending 31 December 2023 RMB'000 | For the year ending 31 December 2024 RMB'000 | For the year ending 31 December 2025 RMB'000 |
|---|---|---|---|
| <i>New Caps</i> <i>(being the maximum accumulated repurchase amount)</i> | 450,000 | 450,000 | 450,000 |

The New Caps for the three years ending 31 December 2025 for the transactions contemplated under the 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement were determined after considering the following factors:

- (i) the historical transaction amounts, being the aggregate accumulated repurchase amount that Ji'nan Truck and Ji'nan Commercial Truck had agreed to guarantee payment under the Existing Provision of Repurchase Guarantee Agreements for the period from 1 January 2021 to 28 February 2023;
- (ii) the Group's introduction of new high-end products into the market in 2023 with a focus in new energy vehicles, and the Group's business strategy in focusing its sales on new energy products in the future;
- (iii) the existing penetration rate of finance lease services for sales of conventional fuel vehicle products and the expected higher penetration rate regarding the sale of new energy vehicle products in view of the high-end nature of the new energy vehicle products to be supplied by the Group, and in turn, the expected increase in outstanding balances of the Underlying Sinotruk Customer Loans (including the unpaid principal, interest payments, interest in arrears, lease payments, default penalties, and the costs and expenses of the Group relating to the enforcement of the relevant guarantee) regarding new energy products in 2023, and the expectation that such outstanding balance will remain stable in the years thereafter; and

- (iv) the Group's updated sales plan and penetration rate of finance lease service for the year ending 31 December 2023 resulting in the relevant guarantee estimated to be made by the Group amounting to not more than RMB450 million in 2023, and the expectation that such sales plan will remain stable for the three years ending 31 December 2025.

Internal control procedures

The Company has established procedures for monitoring the Continuing Connected Transactions under this section III in which various departments of the Group will be responsible for the implementation, monitoring and review of such procedures. The Board Office carries out Regular CCT Meetings to monitor and ensure all the relevant Continuing Connected Transactions are in compliance with the relevant rules and regulations. The Group Finance Department prepares the Monthly CCT Transactions Summary 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 Internal Audit Department will conduct Quarterly Internal Review and assess the effectiveness of the internal controls. In addition, the Company will engage the external auditors of the Company to conduct Annual CCT Review Reporting.

Reasons for and benefits of entering into the 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement

The Group has been providing the relevant repurchase guarantee to Strong Leasing since 2020. With the relevant guarantee arrangement in place, the Underlying Sinotruk Customer Loans will be more readily available to the Group's customers, which is expected to facilitate the sales of the Group's truck products to its end customers which may lead to an increase in demand for the Group's products, and, in turn, is expected to contribute to an increase in the sales revenue of the Group as a whole.

Given that the Group will strengthen the promotion of new energy vehicles in 2023, it is expected there will be a surge in need for finance leasing services by the Sinotruk Customers on the purchase of the Group's new energy products. Having considered the existing penetration rate for finance lease services, such increase in sales is expected to result in an increase in demand for finance leasing services provided by the Strong Leasing Group to such Sinotruk Customers. As mentioned above, by providing repurchase guarantees to the

Strong Leasing Group, the Strong Leasing Group will be more willing to grant the Underlying Sinotruk Customer Loans to the customers and there will be more increase in terms of the aggregate amounts and volume of the lease arrangements. Whilst this would result in the Group committing to repurchase such vehicles, it is considered that the risk of such commitment crystalizing is low, considering that none of the repurchase obligations had been triggered during the term of the Existing Provision of Repurchase Guarantee Agreements.

The terms of the 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement were made after arm's length negotiations between the Group and Strong Leasing. The Board (including the independent non-executive Directors but excluding the CNHTC Interested Directors) are of the view that such terms are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and the aforesaid agreement has been entered into in the ordinary and usual course of business of the Group.

IV. RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Company's announcements dated 31 March 2021, 3 November 2021 and 31 March 2022, respectively, and the Company's circular dated 21 May 2021, in respect of, *inter alia*, certain Continuing Connected Transactions of the Company where the existing annual caps for such Continuing Connected Transactions were set. Each of the 2023 CNHTC CCT Agreements and the 2023 MTB Parts Sales Agreement is due to expire on 31 December 2023.

A. CNHTC Continuing Connected Transactions

The 2023 CNHTC CCT Agreements which governs certain continuing connected transactions between the Group and the CNHTC Group shall expire by the end of 31 December 2023, and the Company intends to continue to carry out such continuing connected transactions following expiry of the 2023 CNHTC CCT Agreements.

Following a recent review by the Company of the relevant transactions governed under the 2023 CNHTC CCT Agreements, whilst the Group intends to continue the existing Continuing Connected Transactions with the CNHTC Group following the expiry of the 2023 CNHTC CCT Agreements, the Board considers it appropriate to streamline such transactions by combining certain CNHTC Continuing Connected Transactions of similar natures into one framework agreement, such that the Shareholders could be presented with a clearer picture of the relevant CNHTC Continuing

Connected Transactions entered into between the Group and the CNHTC Group and, in turn, enable the Shareholders to better appreciate the extent of and more easily understand the transactions between the Group and the CNHTC Group on an aggregated basis.

Accordingly, on 31 March 2023, the Company (for itself and on behalf of its subsidiaries) and CNHTC (for itself and on behalf of the CNHTC Group) entered into each of the 2026 CNHTC CCT Agreements on terms substantially the same as those of the 2023 CNHTC CCT Agreements (on a combined basis, as the case may be). Each of the 2026 CNHTC CCT Agreements has a term of three years commencing on 1 January 2024 and ending on 31 December 2026.

Set out below are the details of the 2026 CNHTC CCT Agreements.

1. 2026 CNHTC Sale of Goods Agreement

Considering that the 2023 CNHTC Products Sales Agreement and 2023 CNHTC Parts Sales Agreement both relate to the sale of goods by the Group to the CNHTC Group, the Board has resolved that, going forward, the transactions regulated under the said two separate framework agreements shall be combined into one framework agreement, so as to present the Shareholders with a more streamlined view of the continuing connected transaction involving the Group's sale of goods to the CNHTC Group and, in turn, enable the Shareholders to better appreciate the extent of the Group's sale of goods to the CNHTC Group on an aggregated basis.

The terms of the 2026 CNHTC Sale of Goods Agreement are substantially the same as those of the 2023 CNHTC Products Sales Agreement and the 2023 CNHTC Parts Sales Agreement on a combined basis.

The principal terms of the 2026 CNHTC Sale of Goods Agreement and the transactions contemplated thereunder are as follows:

| | | |
|---------|---|---|
| Date | : | 31 March 2023 |
| Parties | : | (i) CNHTC (ii) The Company |
| Term | : | Three years from 1 January 2024 to 31 December 2026 (both days inclusive) |

Subject matter:

Pursuant to the 2026 CNHTC Sale of Goods Agreement, the Group has agreed to supply products including trucks, chassis and semi-tractor trucks (collectively, the “**Products For Sale**”), as well as raw materials, parts, components, semi-finished products etc. (collectively, the “**Parts For Sale**”) to the CNHTC Group. The Products For Sale and the Parts For Sales are further collectively referred to as the “**Goods For Sale**”.

Other terms and details:

Pursuant to the terms of the 2026 CNHTC Sale of Goods Agreement, separate agreements will be entered into by relevant members of the Group and relevant members of the CNHTC Group which will further provide the details of the products and/or parts to be sold including the payment terms, product specifications, delivery time and quantity, as well as details of the related services required to be provided. The payment terms for each batch of products and/or parts, along with the related services, 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 sale.

Pricing

Pursuant to the 2026 CNHTC Sale of Goods Agreement, the Group and the CNHTC Group have agreed that, among other things, the price of the Goods For Sale to be sold to the CNHTC Group by the Group shall be determined based on the following:

(a) Price list products

The price of the Goods For Sale to be sold to the CNHTC Group by the Group shall be determined through good faith negotiations by reference to the same price lists which are applicable to sales of Goods For Sale to both of the CNHTC Group and independent third parties. Such prices offered to both the CNHTC Group and independent third parties will also take into consideration the market conditions at the relevant time and the size of orders. The Group has maintained a standard price list in respect of Products For Sale (the “**Products Price List**”) and a parts price list for off-the-shelf parts of Parts For Sale (the “**Parts Price List**”) for a long period of time.

(b) *For unique and proprietary parts*

Since there is no prevailing market price for such Parts For Sale, a cost plus profit margin approach is adopted for determining the prices for such parts. The profit margins of the Parts For Sales to be supplied by the Group under the 2026 CNHTC Sale of Goods Agreement will be between 5% to 20% which were determined with reference to (1) the average profit margin of vehicles and the related manufacturing industry as published by the SASAC to independent third parties which were summarised in the 「企業績效評價標準值2022」 (Overall Enterprises Performance Appraisal Index — 2022*) published by the SASAC in 2022 (the “**Performance Appraisal Index**”, and (2) the historical profit margins of similar parts sold by the Group to independent third parties.

國務院國資委考核分配局 (Bureau of Performance Evaluation and Remuneration of SASAC*) prepared the Performance Appraisal Index in accordance with the relevant national regulations of the PRC and compiled the performance indicators including the profit margins of different industries including the automobile industry in 2021. These performance indicators were determined by mathematical statistics methods with reference to the financial statements of the state-owned enterprises of the relevant industries, the statistics data provided by the relevant statistics authorities of the PRC, the performance information of the relevant industrial associations and the objective analysis of the operation status of the various industries of national economy in the PRC in 2021. The sales profit margins published in the Performance Appraisal Index are neither government-prescribed price nor guidance price. For the past three years, sales profit margins of the relevant parts subject to the 2026 CNHTC Sale of Goods Agreement remain in the range of 5% to 20%.

In respect of goods sold by the Group, when there are sales promotional programs which are applicable to all customers, the promotion prices will be applied to all customers, including both the CNHTC Group and independent third parties.

In light of the above, the terms of the sales offered by the Group to the CNHTC Group under the 2026 CNHTC Sale of Goods Agreement shall be no more favourable than those made available by the Group to the independent third parties with similar terms.

Existing annual caps

The following table summarises (i) the existing annual caps for the transactions contemplated under the 2023 CNHTC Products Sales Agreement and 2023 CNHTC Parts Sales Agreement for the two years ending 31 December 2023, respectively, and (ii) the annual cap of the relevant transaction contemplated under the 2021 Products Sales Agreement and 2021 Parts Sales Agreement for the year ended 31 December 2021.

| | For the year ended 31 December 2021 (RMB'000) | For the year ended 31 December 2022 (RMB'000) | For the year ending 31 December 2023 (RMB'000) |
|------------------------|--|--|---|
| Existing annual caps: | | | |
| the Products For Sale | 1,164,000 | 806,000 | 2,491,000 ^(note) |
| the Parts For Sale | 1,330,000 | 1,608,000 | 1,684,000 |
| On an aggregated basis | 2,494,000 | 2,414,000 | 4,175,000 |

Note: The proposed Revised Cap under the 2023 CNHTC Products Sales Agreement as supplemented by the relevant Supplemental Agreement, which is subject to the Independent Shareholders' approval, is set out herein. Please refer to the section headed "II. Supplemental Agreements to certain existing Continuing Connected Transactions — 1. 2023 CNHTC Products Sales Agreement" for further details.

Historical transaction amounts

The following table summarises the approximate historical transaction amounts (i) under the 2021 CNHTC Products Sales Agreement and 2021 CNHTC Parts Sales Agreement for the year ended 31 December 2021, respectively, and (ii) under the 2023 CNHTC Products Sales Agreement and 2023 CNHTC Parts Sales Agreement for the year ended 31 December 2022 and the two months ended 28 February 2023, respectively:

| | For the year ended 31 December 2021 (RMB'000) | For the year ended 31 December 2022 (RMB'000) | For the two months ended 28 February 2023 (RMB'000) |
|---------------------------------------|--|--|--|
| Historical transaction amounts: | | | |
| the Products For Sale | 370,960 | 258,949 | 18,122 |
| the Parts For Sale | 705,473 | 907,891 | 97,970 |
| On an aggregated basis | 1,076,433 | 1,166,840 | 116,092 |

Proposed New Caps and basis

The following table shows the proposed New Caps for the three years ending 31 December 2026 for the transactions contemplated under the 2026 CNHTC Sale of Goods Agreement:

| | For the year ending 31 December 2024 (RMB'000) | For the year ending 31 December 2025 (RMB'000) | For the year ending 31 December 2026 (RMB'000) |
|-------------------|---|---|---|
| Proposed New Caps | 4,460,000 | 7,329,000 | 8,437,000 |

The proposed New Caps for the three years ending 31 December 2026 for the transactions contemplated under the 2026 CNHTC Sale of Goods Agreement were determined after considering the following factors:

- (i) the historical transaction amounts under the 2021 Products Sales Agreement and 2021 Parts Sales Agreement for the year ended 31 December 2021, and under the 2023 CNHTC Products Sales Agreement and 2023 CNHTC Parts Sales Agreement for the year ended 31 December 2022 and the two months ended 28 February 2023;
- (ii) the existing annual caps for Products For Sale and Parts For Sale for the year ending 31 December 2023, including the proposed Revised Cap under the 2023 CNHTC Products Sales Agreement as supplemented by the relevant Supplemental Agreement;
- (iii) the sales of the Group's products in 2021 and 2022 having been heavily impacted by the economic slowdown and the disrupted logistics due to the complicated and fluctuating Covid-19 pandemic situations;
- (iv) it is expected that the social economy of the PRC gradually returns to normal, the implementation of various national economic policies, the recovery of consumer confidence and the accelerated growth of fixed asset investment will drive stable economic growth. At the same time, the natural renewal needs brought by the huge vehicle ownership, the increase in demand arising from the stable growth of the macro economy, the rebound in demand after the market oversold, and increased proportion of China VI Emission Standard vehicles and new energy vehicle ownership in terms of policies, etc. will bring new increments to industry demand. The industry is expected to experience resilient growth and gradually get out of the trough. With the Group's introduction of new high-end products into the market in 2023 with a focus in new energy vehicles, the Group has gained a competitive edge with its comprehensive product-mix, which the Group considers has reached maturity and is expected to be highly welcomed by the market. Hence, the CNHTC Group, through its sales network and channel, may also increase its sales which, in turn, increases the purchase of Goods For Sale from the Group. In particular, taken into account the expectation that one of the associates of the CNHTC Group (which is also an associated company of the Group) will continue to seize opportunities in the fast-developing area of

the internet of vehicles in the coming years and purchase Goods For Sale from the Group amounting to approximately RMB2,500 million, RMB5,000 million and RMB6,000 million for each of the three years ending 31 December 2026, respectively. In view of the business plan of the CNHTC Group relating to the sales of Parts For Sale having taken into account the customers' demands and the market conditions, it is expected that there will be a steady increase in the purchase of the Parts For Sale from the Group by the CNHTC Group.

Taking into account and on the basis of the aforesaid factors, the New Cap for the year ending 31 December 2024 has been set at RMB4,460 million which represents a mild increase of approximately 6.8% from that of the year ending 31 December 2023, and it is estimated that the relevant transaction amount will increase by approximately 64.3% to RMB7,329 million for the year ending 31 December 2025 and further by approximately 15.1% to RMB8,437 million for the year ending 31 December 2026.

The 2026 CNHTC Sale of Goods Agreement and the relevant proposed New Caps are subject to the reporting, announcement, annual review, and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Internal control procedures

In order to ensure that the prices of each of the transactions made under this sub-section IV.A.1 are determined in accordance with the pricing policy applicable to the 2026 CNHTC Sale of Goods Agreement and that the prices are no more favourable to the CNHTC Group than those offered to independent third parties, the prices of the transactions will be determined by the same Products Price List and/or Parts Price List (as the case may be) available to all customers of the Group including independent customers and the CNHTC Group, which is approved by the responsible management or executive Directors. The Products Price List and/or Parts Price List (as the case may be) is reviewed on an annual basis. Hence, as the same Products Price List and/or Parts Price List (as the case may be) is applicable to all of the Group's customers, the prices offered to the CNHTC Group will be no more favourable than those offered to independent customers. The final price is determined by the contracting parties' business teams with reference to the Products Price List and/or Parts Price List (as the case may be), the overall market circumstances, size of the order and payment methods which is based on the principles of fairness and reasonableness, and

such price will be ultimately approved by the senior management of the Company or its relevant subsidiaries. The senior management of the Group first approves the sales promotional programs which are applicable to all customers including independent third parties. The business department will update the promotion prices to the sales and operating systems and the internal audit departments of the subsidiaries or the Group will carry out periodic sample-testing over such promotion prices.

Further, the Company has established procedures for monitoring the Continuing Connected Transactions under this sub-section IV.A.1 in which various departments of the Group will be responsible for the implementation, monitoring and review of such procedures. The Board Office carries out Regular CCT Meetings to monitor and ensure all the relevant Continuing Connected Transactions are in compliance with the relevant rules and regulations. The Group Finance Department prepares the Monthly CCT Transactions Summary 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 Internal Audit Department will conduct Quarterly Internal Review and assess the effectiveness of the internal controls. In addition, the Company will engage the external auditors of the Company to conduct Annual CCT Review Reporting.

Reasons for and benefits of entering into the 2026 CNHTC Sale of Goods Agreement

The CNHTC Group has been purchasing chassis from the Group and refitting the trucks purchased from the Group into other types of vehicles to satisfy its orders for a long time. The 2023 CNHTC Products Sales Agreement, which governs such transactions, will expire by the end of 2023 and the Group intends to continue the relevant transactions with the CNHTC Group.

The CNHTC Group has its own sales channel for its heavy duty trucks and medium-heavy duty trucks. The Board (excluding the independent non-executive Directors who will express their views in the circular after considering the advice of the Independent Financial Adviser and

excluding the CNHTC Interested Directors) believes that it is in the best interest of the Group to continue supplying the Products For Sale to the CNHTC Group because the CNHTC Group will have a stable demand of the products manufactured by the Group. The long-term business relationship between the Group and the CNHTC Group will enable the Group to respond and cater for the products specifications and requirements of the CNHTC Group quickly in a cost efficient manner and in turn generate additional business and revenue stream to the Group.

Further, the CNHTC Group has been purchasing parts such as axles and engines, components, semi-finished products, etc. from the Group for a long time. The 2023 CNHTC Parts Sales Agreement, which governs such transactions, will expire by the end of 2023 and the Group intends to continue the relevant transactions with the CNHTC Group.

As a result of the long-term business relationship between the Group and the CNHTC Group, the Board is of the view that the Group will be able to respond and cater for the parts specifications and requirements of the CNHTC Group quickly and in a cost efficient manner and this will, in turn, result in generation of a stable revenue stream to the Group. As such, the Board (excluding the independent non-executive Directors who will express their views in the circular after considering the advice of the Independent Financial Adviser and excluding the CNHTC Interested Directors) believes that it is in the best interest of the Group to continue supplying the Parts For Sale to the CNHTC Group.

The terms of the 2026 CNHTC Sale of Goods Agreement were made after arm's length negotiations between the Company and CNHTC. By combining the transactions regulated under the 2023 CNHTC Products Sales Agreement and the 2023 CNHTC Parts Sales Agreement, being two separate framework agreements of a comparable nature (namely, relating to the sale of goods by the Group to the CNHTC Group), into one framework agreement, the Group could continue its sale of Products For Sale and Parts For Sale to the CNHTC Group in the same manner as stipulated under the 2023 CNHTC Products Sales Agreement and the 2023 CNHTC Parts Sales Agreement, whilst at the same time streamline the continuing connected transaction involving the Group's sale of goods to the CNHTC Group and therefore provide a clearer and more consolidated picture for the Shareholders' consideration.

The Board (excluding the independent non-executive Directors who will express their views in the circular after considering the advice of the Independent Financial Adviser and excluding the CNHTC Interested Directors) is of the view that the transactions contemplated under the 2026 CNHTC Sale of Goods Agreement are on normal commercial terms, or on terms which are no more favourable than those the Group offers to independent third parties under prevailing local market conditions, 2026 CNHTC Sale of Goods Agreement was entered into in the ordinary and usual course of business of the Group, and the terms of the transactions under the 2026 CNHTC Sale of Goods Agreement (including the proposed New Caps) are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

2. *2026 CNHTC Purchase of Goods Agreement and amendments to the 2024 CNHTC Parts Purchase Agreement*

Considering that the 2023 CNHTC Products Purchase Agreement and 2024 CNHTC Parts Purchase Agreement both relate to the purchase of goods by the Group from the CNHTC Group, the Board has resolved that, going forward, the transactions regulated under the said two separate framework agreements shall be combined into one framework agreement, so as to present the Shareholders with a more streamlined view of the continuing connected transaction involving the Group's purchase of goods from the CNHTC Group and, in turn, enable the Shareholders to better appreciate the extent of the Group's purchase of goods to the CNHTC Group on an aggregated basis.

As the 2023 CNHTC Products Purchase Agreement will expire by the end of 2023, but the 2024 CNHTC Parts Purchase Agreement will only expire by the end of 2024, in order to facilitate the streamlining of the Continuing Connected Transactions between the Group and the CNHTC Group in respect of the purchase of goods as mentioned above, a supplemental agreement has been entered into between the Company and CNHTC on 31 March 2023 to shorten the term of the 2024 CNHTC Parts Purchase Agreement to only cover the two years from 1 January 2022 to 31 December 2023. Such supplemental agreement will only become effective upon the 2026 CNHTC Purchase of Goods Agreement becoming effective (namely, upon the necessary relevant Independent Shareholders' approval having been obtained), and thereafter, amongst others, the transactions involving the purchase of the CNHTC Parts For Purchase by the Group from the CNHTC Group for the year ending 31 December 2024, will be combined into, and governed under, the 2026 CNHTC Purchase of Goods Agreement. Save for the said shortening of

the term of the 2024 CNHTC Parts Purchase Agreement, all other terms of 2024 CNHTC Parts Purchase Agreement shall remain unchanged. Please refer to the Company's announcement dated 3 November 2021 for details of the other principal terms of the 2024 CNHTC Parts Purchase Agreement.

The terms of the 2026 CNHTC Purchase of Goods Agreement are substantially the same as those of the 2023 CNHTC Products Purchase Agreement and the 2024 CNHTC Parts Purchase Agreement on a combined basis.

The principal terms of the 2026 CNHTC Purchase of Goods Agreement and the transactions contemplated thereunder are as follows:

Date : 31 March 2023

Parties : (i) CNHTC
(ii) The Company

Term : Three years from 1 January 2024 to 31 December 2026 (both days inclusive)

Subject matter:

Pursuant to the 2026 CNHTC Purchase of Goods Agreement, the CNHTC Group has agreed to sell vehicles, refitted trucks, chassis, add-on products such as trunks, flatbeds, tanks, etc. and semi-trailer truck (collectively, the “**Products For Purchase**”) as well as raw materials, parts and components, assemblies, semi-finished products (including but not limited to support assemblies and pedals), etc. (collectively, the “**Parts For Purchase**”) to the Group. The Products For Purchase and the Parts For Purchase are further collectively referred to as the “**Goods For Purchase**”.

Other terms and details:

Pursuant to the 2026 CNHTC Purchase of Goods Agreement, separate agreements will be entered into by relevant members of the Group and relevant members of the CNHTC Group which will further provide the details of the products and/or parts to be purchased including the payment terms, product specifications, delivery time and quantity, as well as details of the related services required to be provided. The payment terms for each batch of products and/or parts, along with the

related services, 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 2026 CNHTC Purchase of Goods Agreement, the Group and the CNHTC Group have agreed that, among other things, the price of the Goods For Purchase to be sold by the CNHTC Group to the Group shall be determined based on the following:

(a) Price list products

The CNHTC 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 CNHTC Group and the price quotation offered by other qualified suppliers, the Group will negotiate with all qualified suppliers including the CNHTC 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 CNHTC 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 CNHTC Group, for all procurement departments of the Group to follow.

(b) Add-on products

The trucks produced by the Group for sales are ready for operation and running. Some customers of the Group not only purchase the Group's trucks but also request for add-on products such as trunks, flatbeds, tanks, etc. (the "**Refitted Products**"). In order to secure the sales of the trucks of the Group, the Group will cooperate with some refitting companies (including the CNHTC Group) to meet the additional specifications and demand from its customers. The CNHTC Group is one of the suppliers who supplies products including chassis and Refitted Products to vehicle manufacturers for tailor-making the final products for sale to its customers in accordance with the requested specifications. The Group will prepare an authorised providers list of the Refitted Products.

Certain customers of the Group may negotiate the prices of the Refitted Products directly with the CNHTC Group and advise such prices to the Group. Based on the instructions from its customers, the Group will purchase the Refitted Products from the CNHTC Group at the prices agreed directly between the customers and the CNHTC Group. The Group will then sell the final products to its customers at a price which covers the price of the trucks produced by the Group and the agreed price of the Refitted Products between the customers of the Group and the CNHTC Group. On the other hand, certain customers of the Group may request the Group to purchase the Refitted Products on their behalf. The Group will select the authorised provider for its customers, which may or may not be the CNHTC Group. If the CNHTC Group is selected as the authorised provider, the Group will purchase the Refitted Products from the CNHTC Group at stipulated prices and sell the final products to the customers at the price which covers the price of the trucks produced by the Group and the stipulated prices of the Refitted Products.

(c) *The CNHTC Group's products*

The Group does not produce certain trucks such as all-wheels driven chassis and trucks and specialty vehicles which the CNHTC Group may produce. If certain customers approach the Group for such types of products, the Group will source the same from the CNHTC Group and sell to the customers. The Group will refer to the product price list compiled by the CNHTC Group which is applicable to all its customers including independent customers and the Group and confirm the price of these products with its customers. Upon confirmation of the orders by the customers, the Group will purchase the relevant products from the CNHTC Group at such prices. The Group will then sell the relevant products to its customers with expected profit margins from 5% to 20% which were determined with reference to (a) the average profit margin of vehicles and the related manufacturing industry as published by the SASAC which were summarised in the Performance Appraisal Index and (b) the historical profit margins of similar products sold to independent customers of the Group.

國務院國資委考核分配局 (Bureau of Performance Evaluation and Remuneration of SASAC*) prepared the Performance Appraisal Index in accordance with the relevant national regulations of the PRC and complied the performance indicators including the profit margins of different industries including the automobile industry in

2021. These performance indicators were determined by mathematical statistics methods with reference to the financial statements of the state-owned enterprises of the relevant industries, the statistics data provided by the relevant statistics authorities of the PRC, the performance information of the relevant industrial associations and the objective analysis of the operation status of the various industries of national economy in the PRC in 2021. The sales profit margins published in the Performance Appraisal Index are neither government-prescribed price nor guidance price.

In light of the above, the terms of the supplies offered by the CNHTC Group to the Group under the 2026 CNHTC Purchase of Goods Agreement shall be no less favourable to the Group than those offered by independent third parties.

Existing annual caps

The following table summarises (i) the existing annual caps for the transactions contemplated under the 2024 CNHTC Parts Purchase Agreement for the three years ending 31 December 2024, (ii) the existing annual caps for the transactions contemplated under the 2023 CNHTC Products Purchase Agreement for the two years ending 31 December 2023, and (iii) the annual cap of the relevant transaction contemplated under the 2021 Products Purchase Agreement and 2021 Parts Purchase Agreement for the year ended 31 December 2021.

| | For the year ended 31 December 2021 (RMB'000) | For the year ended 31 December 2022 (RMB'000) | For the year ending 31 December 2023 (RMB'000) | For the year ending 31 December 2024 (RMB'000) |
|---------------------------|--|--|---|---|
| Existing annual caps: | | | | |
| the Products For Purchase | 3,647,000 | 2,921,000 | 3,724,000 ^(note) | Not applicable |
| the Parts For Purchase | 2,145,000 | 604,000 | 874,000 | 1,152,000 |
| On an aggregated basis | 5,792,000 | 3,525,000 | 4,598,000 | 1,152,000 |

Note: The proposed Revised Cap under the 2023 CNHTC Products Purchase Agreement, which is subject to the Independent Shareholders' approval, as supplemented by the relevant Supplemental Agreement is set out herein. Please refer to the section headed "II. Supplemental Agreements to certain existing Continuing Connected Transactions — 2. 2023 CNHTC Products Purchase Agreement" for further details.

Historical transaction amounts

The following table summarises the approximate historical transaction amounts (i) under the 2021 Products Purchase Agreement and 2021 Parts Purchase Agreement for the year ended 31 December 2021, respectively, and (ii) under the 2023 CNHTC Products Purchase Agreement and 2024 CNHTC Parts Purchase Agreement for the year ended 31 December 2022 and the two months ended 28 February 2023, respectively:

| | For the year ended 31 December 2021 (RMB'000) | For the year ended 31 December 2022 (RMB'000) | For the two months ended 28 February 2023 (RMB'000) |
|---------------------------------------|--|--|--|
| Historical transaction amounts: | | | |
| the Products For Purchase | 2,181,005 | 2,855,810 | 516,386 |
| the Parts For Purchase | 15,181 | 44,247 | 7,044 |
| On an aggregated basis | 2,196,186 | 2,900,057 | 523,430 |

Proposed New Caps and basis

The following table shows the proposed New Caps for the three years ending 31 December 2026 for the transactions contemplated under the 2026 CNHTC Purchase of Goods Agreement:

| | For the year ending 31 December 2024 (RMB'000) | For the year ending 31 December 2025 (RMB'000) | For the year ending 31 December 2026 (RMB'000) |
|-------------------|---|---|---|
| Proposed New Caps | 4,569,000 | 5,197,000 | 5,447,000 |

The proposed New Caps for the three years ending 31 December 2026 for the transactions contemplated under the 2026 CNHTC Purchase of Goods Agreement were determined after considering the following factors:

- (i) the historical transaction amounts under the 2021 Products Purchase Agreement and 2021 Parts Purchase Agreement for the year ended 31 December 2021, and under the 2023 CNHTC Products Purchase Agreement and 2024 CNHTC Parts Purchase Agreement for the year ended 31 December 2022 and the two months ended 28 February 2023;
- (ii) the existing annual caps for Products For Purchase and Parts For Purchase for the year ending 31 December 2023, including the proposed Revised Cap under the 2023 CNHTC Products Purchase Agreement as supplemented by the relevant Supplemental Agreement;
- (iii) certain members of the CNHTC Group, being located in the proximity of the Group's production facilities, had been providing Refitted Products to the Group of reliable quality. Against such track record, it is expected that more refitting service jobs will be assigned to the CNHTC Group directly by the customers and by the Group during the term of the 2026 CNHTC Purchase of Goods Agreement. With the Group's improved sales network and its advantages in the overseas market since 2022, which trend is expected to continue in the coming years, sales of the Group's products are expected to increase accordingly. Hence, demands for products (in particular, specialty vehicle chassis) from the CNHTC Group, who has the track record of providing quality products to the Group in an efficient manner, is expected to increase mildly by approximately 4% to 5% for each of the three years ending 31 December 2026; and
- (iv) In view of the business plan of the CNHTC Group relating to the purchase of Parts for Purchase having taking into account the expected recovery of customers' demands and market conditions, it is expected that there will be an increase in the purchase of the Products For Purchase by the Group from the CNHTC Group, in particular, digital cockpit, dashboard camera, 8AT auto-gear, etc. which are parts that the Group does not manufacture.

Taking into account and on the basis of the aforesaid factors, the New Cap for the year ending 31 December 2024 has been set at RMB4,569 million which is at the same level as the annual cap for the annual cap of RMB4,598 million for the year ending 31 December 2023, and it is estimated that the relevant transaction amount will increase by approximately 13.7% to RMB5,197 million and further by approximately 4.8% to RMB5,447 million for the year ending 31 December 2026.

The 2026 CNHTC Purchase of Goods Agreement and the relevant proposed New Caps are subject to the reporting, announcement, annual review, and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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 2026 CNHTC Purchase of Goods 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 CNHTC Group. Based on these quotations, it will cross check the prices of the parts offered by the independent third party suppliers and the CNHTC Group. If the Group also produces such parts, it will also compare the intragroup selling prices of the Group against those offered by the CNHTC Group. The Group will then negotiate with the independent third party suppliers and the CNHTC 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 CNHTC Group, the Group ensures that the prices of the parts offered by the CNHTC 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 CNHTC 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 CNHTC Group are competitive and comparable to those offered by independent third parties.

Further, the Company has established procedures for monitoring the Continuing Connected Transactions under this sub-section IV.A.2 in which various departments of the Group will be responsible for the implementation, monitoring and review of such procedures. The Board Office carries out Regular CCT Meetings to monitor and ensure all the relevant Continuing Connected Transactions are in compliance with the relevant rules and regulations. The Group Finance Department prepares the Monthly CCT Transactions Summary 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 Internal Audit Department will conduct Quarterly Internal Review and assess the effectiveness of the internal controls. In addition, the Company will engage the external auditors of the Company to conduct Annual CCT Review Reporting.

Reasons for and benefits of entering into the 2026 CNHTC Purchase of Goods Agreement and the supplemental agreement to the 2024 CNHTC Parts Purchase Agreement

2026 CNHTC Purchase of Goods Agreement

The Group has been purchasing refitted vehicles and specialty vehicle chassis from the CNHTC Group to mainly satisfy the orders from its customers for a long time. The 2023 CNHTC Products Purchase Agreement, which governs such transactions, will expire by the end of 2023 and the Group intends to continue the relevant transactions with the CNHTC Group.

As a result of the long-term business relationship between the Group and the CNHTC Group, the Board (excluding the independent non-executive Directors who will express their views in the circular after considering the advice of the Independent Financial Adviser and excluding the CNHTC Interested Directors) believes that the CNHTC Group is familiar with the Group's products and will continue to be able to respond quickly and in a cost efficient manner to any new requirements that the Group may have. In addition, over the years, the CNHTC Group has been providing products which meet the quality requirements and standards of the Group. As such, the Board (excluding the independent non-executive Directors who will express their views in the circular after considering the advice of the Independent Financial Adviser and excluding the CNHTC Interested Directors) believes that it is in the best interest of the Group to continue purchasing products including the Refitted Products, vehicles, refitted trucks and chassis from the CNHTC Group.

Further, the CNHTC Group has been supplying raw materials, parts and components, assemblies, semi-finished products, etc. to the Group. The 2024 CNHTC Parts Purchase Agreement (as amended pursuant to a supplemental agreement entered into between the Company and CNHTC on 31 March 2023, details of which are set out in this sub-section "IV.A.2" above and the paragraph headed "Supplemental agreement to the 2024 CNHTC Parts Purchase Agreement" below), which governs such transactions, will expire by the end of 2023 and the Group intends to continue the relevant transactions with the CNHTC Group.

The long-term business relationship between the Group and the CNHTC Group enables the CNHTC Group to respond and cater for the parts specifications and requirements of the Group quickly and in a cost efficient manner, and this will enable the Group to respond to the changes of the demand of the Group's products quickly and effectively and result in generating additional business and revenue stream of the Group.

The terms of the 2026 CNHTC Purchase of Goods Agreement were made after arm's length negotiations between the Company and CNHTC. By combining the transactions regulated under the 2023 CNHTC Products Purchase Agreement and the 2024 CNHTC Parts Purchase Agreement, being two separate framework agreements of a similar nature (namely, relating to the purchase of goods by the Group from the CNHTC Group), into one framework agreement, the Group could continue its purchase of Goods For Purchase from the CNHTC

Group in the same manner as stipulated under the 2023 CNHTC Products Purchase Agreement and the 2024 CNHTC Parts Purchase Agreement, whilst at the same time streamline the continuing connected transaction involving the Group's purchase of goods from the CNHTC Group and therefore provide a clearer and more consolidated picture as a whole for the Shareholders' consideration.

The Board (excluding the independent non-executive Directors who will express their views in the circular after considering the advice of the Independent Financial Adviser and excluding the CNHTC Interested Directors) is of the view that the transactions contemplated under the 2026 CNHTC Purchase of Goods Agreement are on normal commercial terms, or on terms which are no less favourable than those the CNHTC Group offers to independent third parties under prevailing local market conditions, the 2026 CNHTC Purchase of Goods Agreement was entered into in the ordinary and usual course of business of the Group, and the terms of the transactions under the 2026 CNHTC Purchase of Goods Agreement (including the proposed New Caps) are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

Supplemental agreement to the 2024 CNHTC Parts Purchase Agreement

In order to facilitate the streamlining of the Continuing Connected Transactions between the Group and the CNHTC Group in respect of the purchase of goods as mentioned above, a supplemental agreement has been entered into between the Company and CNHTC to shorten the term of the 2024 CNHTC Parts Purchase Agreement to only cover the two years from 1 January 2022 to 31 December 2023. Such supplemental agreement will only become effective upon the 2026 CNHTC Purchase of Goods Agreement becoming effective, and thereafter, amongst others, the transactions involving the purchase of the CNHTC Parts For Purchase by the Group from the CNHTC Group for the year ending 31 December 2024, will be combined into, and governed under, the 2026 CNHTC Purchase of Goods Agreement.

The terms of the supplemental agreement to the 2024 CNHTC Parts Purchase Agreement regarding the shortening of the term of the agreement which is incidental to the entering into of the 2026 CNHTC Purchase of Goods Agreement as mentioned above, and were made after arm's length negotiations between the Company and CNHTC. The Board (including the independent non-executive Directors but excluding the CNHTC Interested Directors) are of the view that such

terms are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and the aforesaid supplemental agreement has been entered into in the ordinary and usual course of business of the Group.

3. 2026 Provision of General Services Agreement

Considering that the 2023 Provision of Ancillary Services Agreement, the 2023 Property Rent Out Agreement and the 2023 Technology Support and Services Agreement all relate to the provision of services by the Group to the CNHTC Group, the Board has resolved that, going forward, the transactions regulated under the said three separate framework agreements shall be combined into one framework agreement, so as to present the Shareholders with a more streamlined view of the continuing connected transaction involving the Group's provision of services to the CNHTC Group and, in turn, enable the Shareholders to better appreciate the extent of the Group's provision of services to the CNHTC Group on an aggregated basis.

The terms of the 2026 Provision of General Services Agreement are substantially the same as those of the Supplemented 2023 Provision of Ancillary Services Agreement, the 2023 Property Rent Out Agreement and the 2023 Technology Support and Services Agreement on a combined basis.

The principal terms of the 2026 Provision of General Services Agreement and the transactions contemplated thereunder are as follows:

| | | |
|---------|---|---|
| Date | : | 31 March 2023 |
| Parties | : | (i) CNHTC (ii) The Company |
| Term | : | Three years from 1 January 2024 to 31 December 2026 (both days inclusive) |

Subject matter:

Pursuant to the 2026 Provision of General Services Agreement, the Group has agreed to provide the following services to the CNHTC Group:

- (i) leasing services to the CNHTC Group including lease of land, office buildings, factory premises, etc., together with the relevant utility connection and support services (including water, electricity, coal gas and natural gas), property management and ancillary services (such as conferencing and catering services); and
- (ii) technology support and services such as technology research and development, technology consultancy and support services, and design supervisory services.

Other terms and details:

Pursuant to the terms of the 2026 Provision of General Services Agreement, separate agreements will be entered into by relevant members of the Group and relevant members of the CNHTC Group which will further provide the details of the services to be provided including the payment terms and service specifications. The payment terms for specific services will be based on normal commercial terms or industry practices provided that full payment shall be made by way of cash, cheques, notes or letters of credit within 90 days of provision of such services/date of entering into the separate agreement for the provision of such services.

Pricing

Pursuant to the 2026 Provision of General Services Agreement, the Group and the CNHTC Group have agreed that, among other things, the price of the general services to be provided to the CNHTC Group by the Group shall be determined based on the following:

- (i) *market price basis*

The relevant service fee will be determined with reference to the prevailing market price, which is decided with reference to (a) the price prescribed by the government or any regulatory authority or the government-guided price, and (b) if there is no available government-prescribed price or government-guided price, with reference to the prevailing market price charged by independent third parties that are within the proximity of the relevant member

of the Group in their provision of similar services, and (c) if the independent third parties set out in sub-paragraph (b) above cannot be identified, the price charged by independent third parties that operate in the same industry as the Group in their provision of similar services, taking into consideration of the particular circumstances of the support and services, the overall market prices, industry practices and other factors, including average prices of similar types of properties in comparable locations for rental receivables.

(ii) cost plus basis

If the prevailing market price cannot be determined based on the above, the relevant services fee will be determined on a cost plus reasonable margin basis. The reasonable margin will be determined with reference to the average profit margin in respect of the provision of similar services within the same region and the past pricing, which would be in principle within the range of 5% to 20%.

In light of the above, the terms of the services offered by the Group to the CNHTC Group under the 2026 Provision of General Services Agreement shall be no more favourable than those made available by the Group to the independent third parties with similar terms.

Existing annual caps

The following table summarises (i) the existing annual caps for the transactions contemplated under the Supplemented 2023 Provision of Ancillary Services Agreement, the Supplemented 2023 Property Rent Out Agreement and the 2023 Technology Support and Services Agreement for the two years ending 31 December 2023, respectively, and (ii) the annual cap of the relevant transaction contemplated under the 2021 Provision of Ancillary Services Agreement, the 2021 Property Rent Out Agreement and the 2021 Technology Support and Services Agreement for the year ended 31 December 2021.

| | For the year ended 31 December 2021 (RMB'000) | For the year ended 31 December 2022 (RMB'000) | For the year ending 31 December 2023 (RMB'000) |
|---|--|--|---|
| Existing annual caps: | | | |
| the provision of utility connection and support services and property management and ancillary services | 15,000 | 15,000 | 49,000 ^(note 1) |
| the provision of leasing services | 33,000 | 52,000 | 78,000 ^(note 2) |
| the provision of technology support and services | 67,000 | 80,000 | 80,000 |
| On an aggregated basis | 115,000 | 147,000 | 207,000 |

Notes:

- The Revised Cap under the 2023 Provision of Ancillary Services Agreement as supplemented by the relevant Supplemental Agreement is set out herein. Please refer to the section headed "II. Supplemental Agreements to certain existing Continuing Connected Transactions — 3. 2023 Provision of Ancillary Services Agreement" for further details.*
- The Revised Cap under the 2023 Property Rent Out Agreement as supplemented by the relevant Supplemental Agreement is set out herein. Please refer to the section headed "II. Supplemental Agreements to certain existing Continuing Connected Transactions — 4. 2023 Property Rent Out Agreement" for further details.*

Historical transaction amounts

The following table summarises the approximate historical transaction amounts (i) under the 2021 Property Rent Out Agreement, the 2021 Provision of Ancillary Services Agreement and the 2021 Technology Support and Services Agreement for the year ended 31 December 2021, respectively, and (ii) under the 2023 Property Rent Out Agreement, the 2023 Provision of Ancillary Services Agreement and the 2023 Technology Support and Services Agreement for the year ended 31 December 2022 and the two months ended 28 February 2023, respectively:

| | For the year ended 31 December 2021 (RMB'000) | For the year ended 31 December 2022 (RMB'000) | For the two months ended 28 February 2023 (RMB'000) |
|---|--|--|--|
| Historical transaction amounts: | | | |
| the provision of leasing services | 11,293 | 15,328 | 4,989 |
| the provision of utility connection and support services and property management and ancillary services | 10,531 | 10,034 | 1,481 |
| the provision of technology support and services | 2,154 | 29,057 | 60 |
| On an aggregated basis | 23,978 | 54,419 | 6,530 |

New Caps and basis

The following table shows the New Caps for the three years ending 31 December 2026 for the transactions contemplated under the 2026 Provision of General Services Agreement:

| | For the year ending 31 December 2024 (RMB'000) | For the year ending 31 December 2025 (RMB'000) | For the year ending 31 December 2026 (RMB'000) |
|----------|---|---|---|
| New Caps | 193,000 | 194,000 | 195,000 |

The New Caps for the three years ending 31 December 2026 for the transactions contemplated under the 2026 Provision of General Services Agreement were determined after considering the following factors:

- (i) the historical transaction amounts under the 2021 Property Rent Out Agreement, the 2021 Provision of Ancillary Services Agreement and the 2021 Technology Support and Services Agreement for the year ended 31 December 2021, and under the 2023 Property Rent Out Agreement, the 2023 Provision of Ancillary Services Agreement and the 2023 Technology Support and Services Agreement for the year ended 31 December 2022 and the two months ended 28 February 2023;
- (ii) the Revised Caps under the 2023 Provision of Ancillary Services Agreement and the 2023 Property Rent Out Agreement as supplemented by the relevant Supplemental Agreements;
- (iii) the expectation that the total gross floor area of premises, in particularly, the new office building in 2023 that will be leased by the Group to the CNHTC Group will maintain at the same level as that estimated for the year 2023;
- (iv) the expectation that the provision of utility connection and support services and property management and ancillary services, in particularly, those related to the leased premises as mentioned in (iii) above, will maintain stable as it is not a focus of the Group's operation; and

- (v) an expected increase in demand from the CNHTC Group for technology support and services from the Group, which includes (a) the design consultancy services to be provided by the Group to the CNHTC Group in its factory building and production line construction project, and (b) certain research and development services to be provided by the Group to the CNHTC Group in accordance with the CNHTC Group's technology development plan roadmap.

Taking into account and on the basis of the aforesaid factors, the New Cap for the year ending 31 December 2024 has been set at RMB193 million which is slightly adjusted downwards from the annual cap of RMB207 million for the year ending 31 December 2023, and it is estimated that the relevant transaction amount will increase mildly to RMB194 million and RMB195 million for the two years ending 31 December 2026.

Internal control procedures

The Company has established procedures for monitoring the Continuing Connected Transactions under this sub-section IV.A.3 in which various departments of the Group will be responsible for the implementation, monitoring and review of such procedures. The Board Office carries out Regular CCT Meetings to monitor and ensure all the relevant Continuing Connected Transactions are in compliance with the relevant rules and regulations. The Group Finance Department prepares the Monthly CCT Transactions Summary 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 Internal Audit Department will conduct Quarterly Internal Review and assess the effectiveness of the internal controls. In addition, the Company will engage the external auditors of the Company to conduct Annual CCT Review Reporting.

Reasons for and benefits of entering into the 2026 Provision of General Services Agreement

The Group has been leasing out certain premises including the new office building in 2023 as mentioned in the section headed “II. Supplemental Agreements to certain existing Continuing Connected Transactions — 4. 2023 Property Rent Out Agreement” together with utility connection and support services, property management and ancillary services. The Group considers that such arrangement has strengthened the business relationships among the entities involved and has also enhanced their operation efficiency and productivity through the benefits of scale operation. The income generated from these leased premises and together such related services is expected to further diversity the Group’s revenue stream and optimize the utilization of the Group’s buildings, properties and land and is in line with the Group’s business strategy. In addition, the Group continuing the provision of the technology support and service to the CNHTC Group will generate additional revenue and hence improve the cashflow and strengthen the financial position of the Group. Hence, the Board (including the independent non-executive Directors but excluding the CNHTC Interested Director) considers that it is in the best interest of the Group to continue with such transactions following the expiry of the Supplemented 2023 Property Rent Out Agreement, the Supplemented 2023 Provision of Ancillary Services Agreement and the 2023 Technology Support and Services Agreement.

The terms of the 2026 Provision of General Services Agreement were made after arm’s length negotiations between the Company and CNHTC. By combining the transactions regulated under the 2023 Property Rent Out Agreement, the 2023 Provision of Ancillary Services Agreement and the 2023 Technology Support and Services Agreement, being three separate framework agreements of a similar nature (namely, relating to the provision of services by the Group to the CNHTC Group), into one framework agreement, the Group could continue its provision of services to the CNHTC Group in the same manner as stipulated under the 2023 Property Rent Out Agreement, the 2023 Provision of Ancillary Services Agreement and the 2023 Technology Support and Services Agreement, whilst at the same time streamline the continuing connected transaction involving the Group’s provision of services to the CNHTC Group and therefore provide a clearer and more consolidated picture for the Shareholders’ consideration.

The Board (including the independent non-executive Directors but excluding the CNHTC Interested Directors) is of the view that the transactions contemplated under the 2026 Provision of General Services Agreement are on normal commercial terms, or on terms which are no more favourable than those the Group offers to independent third parties under prevailing local market conditions, the 2026 Provision of General Services Agreement was entered into in the ordinary and usual course of business of the Group, and the terms of the transactions under 2026 Provision of General Services Agreement (including the New Caps) are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

4. 2026 Receipt of General Services Agreement

The principal terms of the 2026 Receipt of General Services Agreement and the transactions contemplated thereunder are as follows:

| | | |
|---------|---|---|
| Date | : | 31 March 2023 |
| Parties | : | (i) CNHTC (ii) The Company |
| Term | : | Three years from 1 January 2024 to 31 December 2026 (both days inclusive) |

Subject matter:

Pursuant to the 2026 Receipt of General Services Agreement, the CNHTC Group has agreed to provide general services such as property management, transportation, short-term leasing, products testing and improvement services, technology development services and other services to the Group.

Other terms and details:

The terms of the 2026 Receipt of General Services Agreement are substantially the same as those of the Supplemented 2023 Receipt of General Services Agreement.

Pursuant to the 2026 Receipt of General Services Agreement, separate agreements will be entered into by relevant members of the Group and relevant members of the CNHTC Group which will further provide the details of the services that shall be provided including the payment terms and specifications of the services. The payment terms for specific services will be based on normal commercial terms or industry

practices provided that full payment shall be made by way of cash, cheques, notes or letters of credit within 90 days from the provision of services/date of entering into of the specific agreement for the provision of such services.

Pricing

Pursuant to the 2026 Receipt of General Services Agreement, the CNHTC Group will provide general services to the Group on terms no less favourable than those that the CNHTC Group offers to independent third parties. The relevant service fee under the 2026 Receipt of General Services Agreement will be determined based on actual usage incurred by the Group with reference to (a) the price prescribed by the government or any regulatory authority (if applicable) and (b) the prevailing market price charged by independent third parties in their provision of similar services in their usual and ordinary course of business, taking into consideration of the particular circumstances of the support and services, the overall market prices, industry practices and other factors. The final fees are to be determined by the parties based on good faith negotiation in accordance with principles of fairness and reasonableness.

Existing annual caps

The following table summarises (i) the existing annual caps for the transactions contemplated under the 2023 Receipt of General Services Agreement for the two years ending 31 December 2023, respectively, and (ii) the annual cap of the relevant transaction contemplated under the 2021 Receipt of General Services Agreement for the year ended 31 December 2021.

| | For the year ended 31 December 2021 (RMB'000) | For the year ended 31 December 2022 (RMB'000) | For the year ending 31 December 2023 (RMB'000) |
|----------------------|--|--|---|
| Existing annual caps | 147,000 | 25,800 | 750,000 <i>(note 1)</i> |

Note: The Revised Cap under the 2023 Receipt of General Services Agreement as supplemented by the relevant Supplemental Agreement is set out herein. Please refer to the section headed "II. Supplemental Agreements to certain existing Continuing Connected Transactions — 5. 2023 Receipt of General Services Agreement" for further details.

Historical transaction amounts

The following table summarises the approximate historical transaction amounts (i) under the 2021 Receipt of General Services Agreement for the year ended 31 December 2021, and (ii) under the Supplemented 2023 Receipt of General Services Agreement for the year ended 31 December 2022 and the two months ended 28 February 2023, respectively:

| | For the year ended 31 December 2021 <i>(RMB'000)</i> | For the year ended 31 December 2022 <i>(RMB'000)</i> | For the two months ended 28 February 2023 <i>(RMB'000)</i> |
|--------------------------------------|--|--|--|
| Historical transaction amounts | 1,615 | 24,787 | 9,655 |

New Caps and basis

The following table shows the New Caps for the three years ending 31 December 2026 for the transactions contemplated under the 2026 Receipt of General Services Agreement:

| | For the year ending 31 December 2024 <i>(RMB'000)</i> | For the year ending 31 December 2025 <i>(RMB'000)</i> | For the year ending 31 December 2026 <i>(RMB'000)</i> |
|----------|---|---|---|
| New Caps | 1,035,000 | 1,135,000 | 1,335,000 |

The New Caps for the three years ending 31 December 2026 for the transactions contemplated under the 2026 Receipt of General Services Agreement were determined after considering the following factors:

- (i) the historical transaction amounts under the 2021 Receipt of General Services Agreement for the year ended 31 December 2021, and under the 2023 Receipt of General Services Agreement for the year ended 31 December 2022 and the two months ended 28 February 2023;

- (ii) the Revised Cap under the 2023 Receipt of General Services Agreement as supplemented by the relevant Supplemental Agreement;
- (iii) the expected increase in demand of the CNHTC Group's product testing and improvement services in respect of the Group's products for the three years ending 31 December 2026, which is in line with the Group's business strategy to step up on product development; and
- (iv) the expectation that the total gross floor area of premises that will be leased by the Group from the CNHTC Group will maintain at the same level as that estimated for the year 2023.

Taking into account and on the basis of the aforesaid factors, the New Cap for the year ending 31 December 2024 has been set at RMB1,035 million which represents an increase of approximately 38.0% from that of the year ending 31 December 2023, and it is estimated that the relevant transaction amount will increase by approximately 9.7% to RMB1,135 million and further by approximately 17.6% to 1,335 million for the year ending 31 December 2026.

Internal control procedures

The Company has established procedures for monitoring the Continuing Connected Transactions under this sub-section IV.A.4 in which various departments of the Group will be responsible for the implementation, monitoring and review of such procedures. The Board Office carries out Regular CCT Meetings to monitor and ensure all the relevant Continuing Connected Transactions are in compliance with the relevant rules and regulations. The Group Finance Department prepares the Monthly CCT Transactions Summary 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 Internal Audit Department will conduct Quarterly Internal Review and assess the effectiveness of the internal controls. In addition, the Company will engage the external auditors of the Company to conduct Annual CCT Review Reporting.

Reasons for and benefits of entering into the 2026 Receipt of General Services Agreement

The CNHTC Group has been providing general services such as property management, products testing and improvement services and other services to the Group for many years and the Group intends to continue such transactions with the CNHTC Group. With the CNHTC Group's long-term business relationship with the Group and familiarity of the Group's products, it is expected that the CNHTC Group will be able to respond quickly to the Group's demands and provide the Group with the requisite product testing and improvement services, which, in turn, is expected to contribute to the improvement of the Group's products and lead to better sales in the future.

Further, the provision of transportation services by members of the CNHTC Group to the Group as mentioned in the section headed "II. Supplemental Agreements to certain existing Continuing Connected Transactions — 5. 2023 Receipt of General Services Agreement", is expected to enable the Group to obtain quality services in a cost efficient matter, whereas the continual lease of the CNHTC Group's premises by the Group is not only cost-effective for the Group but also helps the Group to avoid unnecessary disruption to its operation and minimise relocation costs.

The Board (including the independent non-executive Directors but excluding the CNHTC Interested Directors) is of the view that the transactions contemplated under the 2026 Receipt of General Services Agreement are on normal commercial terms, or on terms which are no less favourable than those offered by the CNHTC Group to independent third parties under prevailing local market conditions, the 2026 Receipt of General Services Agreement was entered into in the ordinary and usual course of business of the Group, and the terms of the transactions under 2026 Receipt of General Services Agreement (including the New Caps) are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

5. *2026 Provision of Financial Services Agreement*

The terms of the 2026 Provision of Financial Services Agreement and the transactions contemplated thereunder are as follows:

| | | |
|---------|---|---|
| Date | : | 31 March 2023 |
| Parties | : | (i) CNHTC (ii) The Company |
| Term | : | Three years from 1 January 2024 to 31 December 2026 (both days inclusive) |

Subject matter:

Pursuant to the 2026 Provision of Financial Services Agreement, the Group has agreed to provide a range of financial services to the CNHTC Group for a term of three years from 1 January 2024 to 31 December 2026:

Through eligible members of the Group (the “**Eligible Member(s)**”, being members of the Group that are qualified to provide the relevant financial services), the Group shall provide a range of financial services to the CNHTC Group including (i) bills discounting services (including bank bills and commercial notes held by or issued by the CNHTC Group), (ii) loan services, (iii) issue of bills, (iv) entrustment loan arrangements, and (v) settlement services which are ancillary services to and necessary for the provision of the financing services under the 2026 Provision of Financial Services Agreement.

Other terms and details:

The terms of the 2026 Provision of Financial Services Agreement are substantially the same as those of the 2023 Financial Services Agreement (as supplemented by the Supplemental Agreement dated 31 March 2023) (the “**Supplemented 2023 Financial Services Agreement**”).

Pursuant to the 2026 Provision of Financial Services Agreement, in respect of the provision of financial services by the Group’s Eligible Member(s) to the CNHTC Group, separate agreements will be entered into by the Group’s Eligible Member(s) and the relevant members

CNHTC Group which will further specify the services to be provided, including the payment terms and services specifications, general terms of the relevant services are detailed as follows:

- (i) bills discounting services: an Eligible Member shall upon deduction of the interest income in relation to the bills discounting services pay to the CNHTC Group the face value of the bank bills and commercial notes;
- (ii) loan services: the CNHTC Group shall pay interest to an Eligible Member in relation to the loans granted to the CNHTC Group on a monthly basis or such other interval as provided in separate agreements. Principal amounts of the loans shall be repaid with outstanding interests upon maturity of the loans;
- (iii) issue of bills: an Eligible Member shall issue electronic bills to the CNHTC Group through the electronic bills system under which the Eligible Member endorse the repayment of these bills, and shall collect certain percentage of the principal amount issued as surety and related fees, while the Eligible Member pays the interest on the surety (it is industry practice in the PRC for issuers of bills to pay interest in respect of the surety); and
- (iv) entrustment loan arrangements: a member of the CNHTC Group shall provide fund to an Eligible Member and lend such fund via the Eligible Member to another member of the CNHTC Group. The Eligible Member shall not bear any credit risk of such fund under the entrustment loan arrangements. The CNHTC Group shall pay fees to the Eligible Member in relation to the entrustment loan arrangements upon drawdown of the entrustment loan.

In addition, an Eligible Member will provide settlement services to the CNHTC Group which are ancillary services to and necessary for the provision of the financing services under the 2026 Provision of Financial Services Agreement without charging the CNHTC Group extra fees.

Pricing

The Eligible Members will provide to the CNHTC Group the financial services under the 2026 Provision of Financial Services Agreement on terms no more favourable than those available to independent third parties save that with respect to the entrusted loan arrangements in the PRC, such service is allowed to be provided by the Eligible Member to only the CNHTC Group and other members of the Group due to restrictions under the terms of the business license of the Eligible Member. In general, the pricing for the financial services which are applicable to all customers of all the Eligible Members including independent third parties (if appropriate), the CNHTC Group and the Group will be determined on the following basis, with reference to the prevailing local market conditions:

- (i) bills discounting services: the interest rates for such services are determined with reference to the interest rates for similar services provided by general commercial banks in the PRC;
- (ii) loan services: the interest rates for such services are determined with reference to (a) with respect to loans made in the PRC, the relevant loan prime rate (LPR) quoted by the People's Bank of China and the interest rates for similar services provided by general commercial banks in the PRC from time to time with similar terms of services, or (b) with respect to loans made in locations other than in the PRC, the lending rates published by the relevant domestic monetary authorities/banking association and quoted by the relevant domestic general commercial banks from time to time with similar terms of services;
- (iii) issue of bills: the fees for such services are determined with reference to the fees for similar services charged by general commercial banks in the PRC from time to time with similar terms of service. The Eligible Member shall pay interest over the surety deposited with the Eligible Member at the rate determined with reference to the fixed deposit interest rates for comparable deposits provided by general commercial banks in the PRC; and
- (iv) entrustment loan arrangements: the fees for such arrangements are determined with reference to those fees for similar services charged by general commercial banks in the PRC from time to time with similar terms of the entrustment loan arrangements.

Existing annual caps

The following table summarises the existing annual caps, being the maximum day-end balance, income amount, and expense amount, under the Supplemented 2023 Financial Services Agreement, and the annual cap of the relevant financial assistance contemplated under the 2021 Financial Services Agreement:

| | For the year ended 31 December 2021 (RMB'000) | For the year ended 31 December 2022 (RMB'000) | For the year ending 31 December 2023 (RMB'000) |
|---|--|--|---|
| <i>Bills discounting services (maximum day-end balance)</i> | 200,000 | 110,000 | 200,000 <i>(note 1)</i> |
| <i>Unsecured loan services (maximum day-end balance)</i> <i>(note 2)</i> | 1,500,000 | 1,600,000 | 3,338,000 <i>(note 1)</i> |
| <i>Issue of bills (maximum day-end balance)</i> | 800,000 | 200,000 | 800,000 <i>(note 1)</i> |
| On an aggregated basis | 2,500,000 | 1,910,000 | 4,338,000 |
| <i>Bills discounting services (interest income)</i> | 13,600 | 4,400 | 6,000 <i>(note 1)</i> |
| <i>Unsecured loan services (interest income)</i> <i>(note 2)</i> | 97,200 | 80,000 | 128,000 <i>(note 1)</i> |

| | For the year ended 31 December 2021 (RMB'000) | For the year ended 31 December 2022 (RMB'000) | For the year ending 31 December 2023 (RMB'000) |
|---|--|--|---|
| <i>Issue of bills (fee income)</i> | 800 | 200 | 1,000 <i>(note 1)</i> |
| <i>Entrustment loan arrangements (fee income)</i> | 2,000 | 200 | 200 |
| On an aggregated basis | 113,600 | 84,800 | 135,200 |
| <i>Issue of bills (interest expense for surety)</i> | 10,320 | 2,500 | 4,000 <i>(note 1)</i> |

Note:

- 1. The proposed Revised Cap under the 2023 Financial Services Agreement, which is subject to the Independent Shareholders' approval, is set out herein. Please refer to the section headed "II. Supplemental Agreements to certain existing Continuing Connected Transactions — 6. 2023 Financial Services Agreement" for further details.*
- 2. The loan services provided by the Group has been revised to include unsecured and secured loan services per the Supplemental Agreement to the 2023 Financial Services Agreement. Thus, the Revised Caps are the revised annual caps for the maximum day-end balance and interest income for loan services (inclusive of the offer of both secured and unsecured loans) provided by the Group to the CNHTC Group for the year ending 31 December 2023.*

Historical transaction amounts

The following table summarises the approximate historical amounts, being the maximum day-end balance income amount, and expense amount under the 2021 Financial Services Agreement for the year ended 31 December 2021, and under the 2023 Financial Services Agreement for the two years ending 31 December 2023, the year ended 31 December 2022 and the two months ended 28 February 2023, respectively:

| | For the year ended 31 December 2021 (RMB'000) | For the year ended 31 December 2022 (RMB'000) | For the two months ended 28 February 2023 (RMB'000) |
|--|--|--|--|
| <i>Bills discounting services (maximum day-end balance)</i> | Nil <i>(note)</i> | Nil <i>(note)</i> | Nil <i>(note)</i> |
| <i>Unsecured loan services (maximum day-end balance)</i> | 1,480,000 | 1,510,000 | 1,417,800 |
| <i>Issue of bills (maximum day-end balance)</i> | Nil <i>(note)</i> | 143,017 | 142,150 |
| On an aggregated basis | 1,480,000 | 1,653,017 | 1,559,950 |
| <i>Bills discounting services (interest income)</i> | Nil <i>(note)</i> | Nil <i>(note)</i> | Nil <i>(note)</i> |
| <i>Unsecured loan services (interest income) ^(note 2)</i> | 42,936 | 46,020 | 7,370 |
| <i>Issue of bills (fee income)</i> | Nil <i>(note)</i> | 0 | 0 |
| <i>Entrustment loan arrangements (fee income)</i> | 16 | 0 | 0 |
| On an aggregated basis | 42,952 | 46,020 | 7,370 |

| | For the year ended 31 December 2021 (RMB'000) | For the year ended 31 December 2022 (RMB'000) | For the two months ended 28 February 2023 (RMB'000) |
|---|--|--|--|
| <i>Issue of bills (interest expense for surety)</i> | Nil <i>(note)</i> | 48 | 90 |

Note: The Group has not received the request of the issue of bills and/or the bills discounting services by the CNHTC Group (as the case may be) for the above periods under the 2021 Financial Services Agreement and the 2023 Financial Services Agreement.

Proposed New Caps and basis

The following table shows the proposed New Caps, being the aggregate maximum day-end balance the aggregate income and the aggregate expenses, for the three years ending 31 December 2026 for the transactions contemplated under the 2026 Provision of Financial Services Agreement:

| | For the year ending 31 December 2024 (RMB'000) | For the year ending 31 December 2025 (RMB'000) | For the year ending 31 December 2026 (RMB'000) |
|--|---|---|---|
| Proposed New Caps | | | |
| <i>Aggregate maximum day-end balance</i> | 4,438,000 | 4,538,000 | 4,638,000 |
| <i>Aggregate income</i> | 135,200 | 135,200 | 135,200 |
| <i>Aggregate expense</i> | 5,000 | 5,000 | 5,000 |

The proposed New Caps for the three years ending 31 December 2026 for the transactions contemplated under the 2026 Provision of Financial Services Agreement were determined after considering the following factors:

- (i) the historical transaction amounts under the 2021 Financial Services Agreement for the year ended 31 December 2021 and under the 2023 Financial Services Agreement for the two years ended 31 December 2022 and the two months ended 28 February 2023, respectively:

- (ii) the proposed Revised Cap under the the 2023 Financial Services Agreement as supplemented by the relevant Supplemental Agreement; and
- (iii) the expectation that the level of financial resources of the Eligible Members and the CNHTC Group's demand as a whole for the relevant services for the three years ending 31 December 2026 will remain at the similar level as that for the year ending 31 December 2023, having considered the following:
 - a. bills discounting services: the maximum day-end balance is determined based on the estimated demand of the bill discounting services from the operation and future expansion of business of the CNHTC Group, which is expected to remain stable for the three years ending 31 December 2026; and
 - b. loan services: the maximum day-end balance is determined based on the estimated amount of the available cash after the satisfaction of the funding needs of the Group members, auto financing services and supply chain financing services, together with the consideration of the cash flow requirement of the CNHTC Group in 2023, the projected cash flow requirement of the CNHTC Group and the funding requirements of its general trade transactions during the term of the 2026 Financial Services Agreement; and
 - c. Issue of bills: the maximum day-end balance is determined based on the estimated funding requirements of the CNHTC Group for it to pay acceptance bills to its suppliers and the expected year-on-year increase in the use of acceptance bills as the payment method, and hence, it is expected that there will be a mild increase in demand for the issue of bills for the three years ending 31 December 2026.

Taking into account and on the basis of the aforesaid factors, the proposed New Cap for the aggregate maximum day-end balance for the year ending 31 December 2024 has been set at RMB4,438 million which is slightly adjusted upwards from the annual cap of RMB4,338 million for the year ending 31 December 2023, and it is estimated that the relevant transaction amount will increase mildly to RMB4,538 million and RMB4,638 million for each of the two years ending 31 December 2026. The aggregate income and expense amounts under the New Caps are determined accordingly with reference to the aggregate maximum day-end balance.

The 2026 Provision of Financial Services Agreement and the relevant proposed New Caps are subject to the reporting, announcement, annual review, and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Internal control procedures

In order to ensure that the prices of each of the relevant transactions made under this sub-section IV.A.5 are set in accordance with the pricing policies of each type of the services under the 2026 Provision of Financial Services Agreement, the following internal control mechanisms have been adopted by the Group:

(i) Bill discounting and loan services

The credit assessment committee of the Eligible Member will review and approve credit facility to be granted to each customer on an annual basis. Before commencement of business, such credit facility of the relevant customer must be first approved. The business unit of the Eligible Member will first review the application for the bill discounting service, conduct pre-loan checks on the applicants for unsecured loans and prepare the relevant business approval forms including but not limited to details of the amounts, repayment terms and the applicable interest rates (after checking the prevailing interest rates offered by general commercial banks in the PRC or in locations other than in the PRC) and confirm that the total outstanding balances, after taking into consideration the amount in the aforesaid application, does not exceed the pre-approved caps. The senior management of the Eligible Member will give final approval and then the business unit will execute the drawdown procedures. During the drawdown process, the finance department of the Eligible Member (“**Eligible Member Finance Department**”) will re-confirm that the total outstanding balances, after taking into consideration the amount in the aforesaid application, does not exceed the pre-approved caps and approve the release of the funds if the annual cap has not been exceeded.

(ii) Issue of bills

The credit assessment committee of the Eligible Member will review and approve the bill issue facility to be granted to the CNHTC Group members on an annual basis. Thereafter, the CNHTC Group members can request the bill issue service. The

business unit of the Eligible Member will first review the application of the bill issue services and prepare the bill issue approval form (including but not limited to the details of the amount, duration of the bill, fee income amount and surety margin ratio) and confirm that the total outstanding balances, after taking into consideration the amount in the aforesaid application, does not exceed the pre-approved cap. The business unit managing the deposit will determine interest rates for surety (deposits) with reference to the prevailing interest rates for comparable fixed deposits by general commercial banks in the PRC. The senior management of the Eligible Member will give final approval and issue the acceptance bill. After receipts of the surety and fee income, the business unit will issue the bill.

(iii) Entrustment loan arrangements

The Eligible Member Finance Department will consider and determine the fee rate after taking into account the fees charged by general commercial banks in the PRC that offer such entrustment loan arrangements, which will be provided to the senior management of the Eligible Member for final approval. The business unit will adopt such fee rate for the entrustment loan arrangements. The Eligible Member Finance Department will check accumulated balances of all relevant continuing connected transactions against their approved caps on transaction basis in order to ensure that no caps are exceeded.

Further, the Company has established procedures for monitoring the Continuing Connected Transactions under this sub-section IV.A.5 in which various departments of the Group will be responsible for the implementation, monitoring and review of such procedures. The Board Office carries out Regular CCT Meetings to monitor and ensure all the relevant Continuing Connected Transactions are in compliance with the relevant rules and regulations. The Group Finance Department prepares the Monthly CCT Transactions Summary 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

Internal Audit Department will conduct Quarterly Internal Review and assess the effectiveness of the internal controls. In addition, the Company will engage the external auditors of the Company to conduct Annual CCT Review Reporting.

Reasons for and benefits of entering into 2026 Provision of Financial Services Agreement

The Group has been providing all-rounded financial services to the CNHTC Group pursuant to the Supplemented 2023 Financial Services Agreement, which has optimised the cash flow management and capital efficiency of the Group and also of the CNHTC Group. At the same time, the Group has received interest and/or fee income from the CNHTC Group, which are on terms no more favourable than those available to independent third parties (save that with respect to the entrusted loan arrangements in the PRC, such service is allowed to be provided by the Eligible Member to only the CNHTC Group and other members of the Group due to restrictions under the terms of the business license of the Eligible Member). The continual provision of the relevant financial services to the CNHTC Group pursuant to the 2026 Provision of Financial Services Agreement, following the expiry of the 2023 Financial Services Agreement, will enable the Group to continue generate additional revenue and hence improve the cashflow and strengthen the financial position of the Group.

The terms of the 2026 Provision of Financial Services Agreement were made after arm's length negotiations between the Company and CNHTC.

The Board (excluding the independent non-executive Directors who will express their views in the circular after considering the advice of the Independent Financial Adviser and excluding the CNHTC Interested Directors) is of the view that the transactions contemplated under the 2026 Provision of Financial Services Agreement are on normal commercial terms, or on terms which are no more favourable than those the Group offers to independent third parties under prevailing local market conditions, the 2026 Provision of Financial Services Agreement was entered into in the ordinary and usual course of business of the Group, and the terms of the transactions under 2026 Provision of Financial Services Agreement (including the proposed New Caps) are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

6. 2026 Provision of Interest Subsidy Agreement

The terms of the 2026 Provision of Interest Subsidy Agreement and the transactions contemplated thereunder are as follows:

| | | |
|---------|---|---|
| Date | : | 31 March 2023 |
| Parties | : | (i) Strong Leasing (ii) The Company |
| Term | : | Three years from 1 January 2024 to 31 December 2026 (both days inclusive) |

Subject matter:

Pursuant to the 2026 Provision of Interest Subsidy Agreement, the Group has agreed to provide subsidies to its customers on the interest accrued on the Underlying Sinotruk Customer Loans that is payable by the Sinotruk Customers to the Strong Leasing Group, by way of the Group paying certain interest amount to the Strong Leasing Group directly. For details of the lease arrangements involved in the sales of the Group's products, please refer to the section headed II.7 above.

With an aim to facilitate the sale of its products, members of the Group may at times and pursuant to the terms of the 2026 Provision of Interest Subsidy Agreement, provide financial assistance to the Strong Leasing Group (who is qualified to provide, and is providing finance lease services to the Sinotruk Customers) by providing subsidies on the interest accrued on the Underlying Sinotruk Customer Loans that is payable by the Sinotruk Customers by paying certain interest amount to the member(s) of the CNHTC Group (which is qualified to provide the relevant finance lease services) directly on behalf of the Sinotruk Customers, such that the total interest amount payable by the relevant Sinotruk Customers will be reduced accordingly.

Other terms and details:

The 2026 Provision of Interest Subsidy Agreement is a framework agreement that substantially reflects the framework of the continuing connected transactions under the 2023 Provision of Interest Subsidy Agreements.

Pursuant to the 2026 Provision of Interest Subsidy Agreement, as part of the Group's sales solutions, members of the Group that, as part of their ordinary business operations, directly or through their distributors, sell their products to the Sinotruk Customers, will enter into separate agreements with the relevant members of the CNHTC Group (which has been designated by the Sinotruk Customer(s) to provide the relevant finance lease services), which will further specify details of the proportion of the interest payments that the relevant member(s) of the Group shall provide subsidy to.

The extent of interest subsidy is determined by the Group with reference of the sales campaign to be undertaken by the Group, which is organised upon considering the prevailing market sentiment and the Sinotruk Customers' interest in purchasing the Group's products, as well as the profit margin of the sale of the Group's products.

Existing annual caps

The following table summarises the existing annual caps (on an aggregated basis) for the two years ending 31 December 2023, under the Supplemented 2023 Provision of Interest Subsidy Agreements:

| | For the year ended 31 December 2022 | For the year ending 31 December 2023 |
|---------------------|--|---|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Existing annual cap | 1,200 | 60,000 ^(Note) |

Note:

The Revised Cap under the 2023 Provision of Interest Subsidy Agreements as supplemented by the relevant Supplemental Agreements is set out herein. Please refer to the section headed "II. Supplemental Agreements to certain existing Continuing Connected Transactions 7. 2023 Provision of Interest Subsidy Agreements" for further details.

Historical transaction amounts

The following table summarises the actual transaction amount (on an aggregated basis), for the year ended 31 December 2022 and the two months ended 28 February 2023, under the Supplemented 2023 Provision of Interest Subsidy Agreements, respectively:

| | For the year ended 31 December 2022 RMB'000 | For the two months ended 28 February 2023 RMB'000 |
|--------------------------------|--|--|
| Historical transaction amounts | 206 | 231 |

New Caps and basis

The following table shows the New Caps for the three years ending 31 December 2026 for the transactions contemplated under the 2026 Provision of Interest Subsidy Agreement:

| | For the year ending 31 December 2024 RMB'000 | For the year ended 31 December 2025 RMB'000 | For the year ending 31 December 2026 RMB'000 |
|----------|---|--|---|
| New Caps | 87,000 | 129,000 | 142,000 |

The New Caps for the three years ending 31 December 2026 for the transactions contemplated under the 2026 Provision of Interest Subsidy Agreement were determined after considering the following factors:

- (i) the Revised Caps under the Supplemented 2023 Provision of Interest Subsidy Agreements;
- (ii) the expected interest amount payable by the Sinotruk Customers based on the prevailing interest rate and the expected amount of Underlying Sinotruk Customer Loans that will be incurred from the relevant finance lease arrangements; and

(iii) the interest subsidy payable by the Group to the CNHTC Group on behalf of the Sinotruk Customers is determined based on the subsidy ratio, which represents the proportion of the interest payments that the Group shall provide subsidy to. Based on the sales campaign expected to be made by the Group to the Sinotruk Customer for the three years ending 31 December 2026, which is formulated after considering the prevailing market conditions, the type of vehicles involved, the target sales amount during the designated promotional period, and the profit margin of the Group in the sale of such products, such subsidy amount is expected to grow by approximately 45% to 48% for the years ending 31 December 2024 and 2025, and at a lower rate of approximately 10% for the year ending 31 December 2026.

Internal control procedures

The Company has established procedures for monitoring the Continuing Connected Transactions under this sub-section IV.A.6 in which various departments of the Group will be responsible for the implementation, monitoring and review of such procedures. The Board Office carries out Regular CCT Meetings to monitor and ensure all the relevant Continuing Connected Transactions are in compliance with the relevant rules and regulations. The Group Finance Department prepares the Monthly CCT Transactions Summary 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 Internal Audit Department will conduct Quarterly Internal Review and assess the effectiveness of the internal controls. In addition, the Company will engage the external auditors of the Company to conduct Annual CCT Review Reporting.

Reasons for and benefits of entering into the 2026 Provision of Interest Subsidy Agreement

In view of the prevailing market conditions which required additional efforts to be made on the promotion of sales of vehicle products, the Group has been providing the relevant interest subsidies to financial institutions. With the relevant interest subsidy arrangement in place,

the total interest amount payable by the relevant Sinotruk Customers in the course of purchasing the Group's vehicles will be reduced, which, in turn, forms an addition attraction for Sinotruk Customers in purchasing the Group's vehicles. The continuation of such arrangements is expected to facilitate the sales of the Group's products to its end customers, and is therefore expected to contribute to an increase in the sales revenue of the Group as a whole. The Board also noticed that such arrangement has been welcomed by the Sinotruk Customers and has in recent years become a popular means of promoting sales within the industry.

The terms of the 2026 Provision of Interest Subsidy Agreement were made after arm's length negotiations between the Company and Strong Leasing.

The Board (including the independent non-executive Directors but excluding the CNHTC Interested Directors) is of the view that the transactions contemplated under the 2026 Provision of Interest Subsidy Agreement are on normal commercial terms, or on terms which are no more favourable than those the Group offers to independent third parties under prevailing local market conditions, the 2026 Provision of Interest Subsidy Agreement was entered into in the ordinary and usual course of business of the Group, and the terms of the transactions under the 2026 Provision of Interest Subsidy Agreement (including the New Caps) are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

7. *2026 Receipt of Guarantee Agreement*

The principal terms of the 2026 Receipt of Guarantee Agreement and the transactions contemplated thereunder are as follows:

| | | |
|---------|---|---|
| Date | : | 31 March 2023 |
| Parties | : | (i) CNHTC (ii) The Company |
| Term | : | Three years from 1 January 2024 to 31 December 2026 (both days inclusive) |

Subject matter:

- (a) *Guarantee from the CNHTC Group in connection with the grant of Underlying CNHTC Customer Loans by the Group to the CNHTC Customers*

Certain subsidiaries of the Company are principally engaged in the provision of financial services (including providing loans and customer credit) in the PRC, and as part of the ordinary and usual course of business of the Group, the Group would grant loans to third parties, with the principal amount and interest rate determined after arm's length negotiations between the Group and the borrowers with reference to the loan prime rate published by the People's Bank of China and the interest rates charged by major and independent commercial banks in adjacent areas in the normal course of business for similar types of loan services and the credibility of the relevant borrowers.

In the course of the Group's operations and in line with the abovementioned principles, the Group (through the abovementioned subsidiaries principally engaged in the provision of financial services) would at times provide loans (the "**Underlying CNHTC Customer Loan(s)**") to certain customers of the CNHTC Group (the "**CNHTC Customers**") for the purpose of such CNHTC Customer's purchasing of products from the CNHTC Group.

Pursuant to the 2026 Receipt of Guarantee Agreement, for each Underlying CNHTC Customer Loan, the CNHTC Group has agreed that, for a term of three years from 1 January 2024 to 31 December 2026, the relevant members of the CNHTC Group shall provide, without charging any guarantee fees from the Group, a credit guarantee to the Group for the repayment obligations of the relevant customer under the Underlying CNHTC Customer Loan (including the unpaid principal, interest payments, interest in arrears, default penalties, and the costs and expenses of the Group relating to the enforcement of the relevant guarantee).

(b) Guarantee from the CNHTC Group in connection with certain finance lease arrangements between the Group and the CNHTC Customers

Other than the provision of a credit guarantee to the Group for the repayment obligations of the CNHTC Customer in respect of the Underlying CNHTC Customer Loan as stipulated above, the scope of the guarantee provided by the CNHTC Group also covers any Underlying CNHTC Customer Loan that is granted by the Group to a CNHTC Customer through a finance lease arrangement.

The relevant finance lease arrangement shall involve a grant of an Underlying CNHTC Customer Loan by the Group to a CNHTC Customer, which grant is conditional upon the transfer of the ownership of the product (the “**CNHTC’s Leased Product**”) purchased by such CNHTC Customer to the Group. The amount of the Underlying CNHTC Customer Loan granted shall be determined with reference to the carrying value of the CNHTC’s Leased Product. The CNHTC Customer shall repay such Underlying CNHTC Customer Loan to the Group in the form of a lease payment for the use of the relevant CNHTC’s Leased Product, and upon fulfilment of all outstanding repayment obligations, the Group shall transfer the ownership of the CNHTC’s Leased Product back to the CNHTC Customer at a notional value.

Under the 2026 Receipt of Guarantee Agreement, in the event of a default on the CNHTC Customer’s part on the repayment of the Underlying CNHTC Customer Loan, the CNHTC Group guarantees that, for a term of three years from 1 January 2024 to 31 December 2026, without charging any guarantee fees from the Group, it shall repurchase from the Group the CNHTC’s Leased Products at a price equivalent to the outstanding amount of the Underlying CNHTC Customer Loan (including the unpaid principal, interest payments, interest in arrears, lease payments, default penalties, and the costs and expenses of the Group relating to the enforcement of the relevant guarantee).

Alternatively, depending on the credibility of the relevant CNHTC Customer, the amount of the Underlying CNHTC Customer Loan granted and the carrying value of the relevant CNHTC’s Leased Product, the CNHTC Group has agreed that it shall, for a term of three years from 1 January 2024 to 31 December 2026, upon request by the Group, provide, without charging any guarantee fees from the Group, a credit guarantee to the Group for the repayment obligations of the relevant customer under the Underlying CNHTC

Customer Loan (including the unpaid principal, interest payments, interest in arrears, lease payments, default penalties, and the costs and expenses of the Group relating to the enforcement of the relevant guarantee).

Other terms and details:

The terms of the 2026 Receipt of Guarantee Agreement are substantially the same as those of the 2023 CNHTC Guarantee Agreement.

Pursuant to the 2026 Receipt of Guarantee Agreement, the relevant Group members and the relevant members of the CNHTC Group will enter into a separate agreement to provide for the detailed terms of each single transaction and the relevant guarantee arrangement in accordance with the principles set out in the 2026 Receipt of Guarantee Agreement, such as the exact amount of the relevant Underlying CNHTC Customer Loan subject to the guarantee and the repayment mechanism (such as the repayment schedule) when the guarantee is enforced.

Existing annual caps

The following table summarises (i) the existing annual caps, being the maximum day-end guarantee balance of the total outstanding principal amount of the Underlying CNHTC Customer Loans (inclusive of those arising under the finance lease agreement), for the transactions contemplated under the 2026 Receipt of Guarantee Agreement for the two years ending 31 December 2023, respectively, and (ii) the annual cap of the relevant transaction contemplated under the 2021 CNHTC Guarantee Agreement for the year ended 31 December 2021.

| | For the year ended 31 December 2021 (RMB'000) | For the year ended 31 December 2022 (RMB'000) | For the year ending 31 December 2023 (RMB'000) |
|--|--|--|---|
| Existing annual caps <i>(being the maximum day-end guarantee balance)</i> | 350,000 | 790,000 | 850,000 |

Historical transaction amounts

The following table summarises the approximate historical transaction amounts, being the maximum day-end guarantee balance of the total outstanding principal amount of the Underlying CNHTC Customer Loans, (i) under the 2021 CNHTC Guarantee Agreement for the year ended 31 December 2021, and (ii) under the 2023 CNHTC Guarantee Agreement for the year ended 31 December 2022 and the two months ended 28 February 2023, respectively:

| | For the year ended 31 December 2021 <i>(RMB'000)</i> | For the year ended 31 December 2022 <i>(RMB'000)</i> | For the two months ended 28 February 2023 <i>(RMB'000)</i> |
|--|--|--|--|
| Historical transaction amounts <i>(being the maximum day-end guarantee balance)</i> | 95,296 | 87,515 | 38,121 |

New Caps and basis

The following table shows the New Caps, being the maximum day-end guarantee balance of the total outstanding principal amount of the Underlying CNHTC Customer Loans (inclusive of those arising under the finance lease arrangement), for the three years ending 31 December 2026 for the transactions contemplated under the 2026 Receipt of Guarantee Agreement:

| | For the year ending 31 December 2024 <i>(RMB'000)</i> | For the year ending 31 December 2025 <i>(RMB'000)</i> | For the year ending 31 December 2026 <i>(RMB'000)</i> |
|--|---|---|---|
| New Caps <i>(being the maximum day-end guarantee balance)</i> | 371,000 | 388,000 | 388,000 |

The New Caps for the three years ending 31 December 2026 for the transactions contemplated under 2026 Receipt of Guarantee Agreement were determined after considering the following factors:

- (i) the historical transaction amounts under the 2021 CNHTC Guarantee Agreement for the year ended 31 December 2021, and under the 2023 CNHTC Guarantee Agreement for the year ended 31 December 2022 and the two months ended 28 February 2023;
- (ii) the Group's business strategy in strengthening the operations of its financial services subsidiaries with a view to further support the operational needs of the Group whilst controlling risks by obtaining sufficient guarantees;
- (iii) the expected outstanding balances of the current Underlying CNHTC Customer Loans (including the unpaid principal, interest payments, interest in arrears, lease payments, default penalties, and the costs and expenses of the Group relating to the enforcement of the relevant guarantee);
- (iv) the credit ability and repayment history of these customers of the CNHTC Group; and
- (v) the maximum guarantee limit to be granted by the CNHTC Group.

Taking into account and on the basis of the aforesaid factors, in particular, the relatively low utilisation of the annual cap for the year ended 31 December 2022, the annual cap under the 2026 Receipt of Guarantee Agreement for the year ending 31 December 2024 has been adjusted to RMB371 million from the annual cap for the year ended 31 December 2022 of RMB790 million, and it is estimated that the maximum day-end guarantee balance will increase mildly to RMB388 million for each of the two years ending 31 December 2026.

Internal control procedures

The Company has established procedures for monitoring the Continuing Connected Transactions under this sub-section IV.A.7 in which various departments of the Group will be responsible for the implementation, monitoring and review of such procedures. The Board Office carries out Regular CCT Meetings to monitor and ensure all the relevant Continuing Connected Transactions are in compliance with the relevant rules and regulations. The Group Finance Department prepares the Monthly CCT Transactions Summary 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 Internal Audit Department will conduct Quarterly Internal Review and assess the effectiveness of the internal controls. In addition, the Company will engage the external auditors of the Company to conduct Annual CCT Review Reporting.

Reasons for and benefits of entering into the 2026 Receipt of Guarantee Agreement

The CNHTC Group has been providing credit guarantee to the Group in respect of the repayment obligations of loans of the CNHTC Customers under the Underlying CNHTC Customer Loan pursuant to the 2023 CNHTC Guarantee Agreement. Further, the CNHTC Group has also been providing guarantee to the Group in respect of the repurchase of CNHTC's Leased Products and repayment obligations of the CNHTC Customers in respect of the Underlying CNHTC Customer Loan. The 2023 CNHTC Guarantee Agreement will expire by the end of 2023 and the Group intends to continue such arrangements with the CNHTC Group.

Due to the Group's business strategies in strengthening the operations of its financial services subsidiaries with a view to further support the operational needs of the Group, the Board contemplates that in addition to the increase in the amount of Underlying CNHTC Customer Loans to be granted to the customers of the CNHTC Group as stipulated under the 2026 Receipt of Guarantee Agreement, the demand for guarantee arrangements between CNHTC Group and the Group arising from the relevant finance lease arrangements between the Group and the customers of the CNHTC Group is also expected to grow.

Whilst the Group will conduct credit checks and assess the credibility of the customers of the CNHTC Group before advancing each Underlying CNHTC Customer Loan (inclusive of those arising under the finance lease arrangement), the credit risk faced by the Group will be further reduced by accepting the guarantee provided by the CNHTC Group associated with each Underlying CNHTC Customer Loan. The Underlying CNHTC Customer Loans (inclusive of those arising under the finance lease arrangement) will support further expansion of the

automobile financing business of the Group and enhance the interest income of the Group. In addition, the availability of the Underlying CNHTC Customer Loans (inclusive of those arising under the finance lease arrangement) may facilitate the sales of the CNHTC Group to its customers which may in turn lead to an increase in demand for the Group's products as members of the CNHTC Group are distributors of the Group's products and increase the purchase of parts for manufacturing such products. This may further increase the sales revenue of the Group. Accordingly, the Board (including the independent non-executive Directors but excluding the CNHTC Interested Directors) believes that it is in the best interest of the Company to enter into the relevant transactions.

The terms of the 2026 Receipt of Guarantee Agreement were made after arm's length negotiations between the Company and CNHTC. The Board (including the independent non-executive Directors but excluding the CNHTC Interested Directors) is of the view that the transactions contemplated under the 2026 Receipt of Guarantee Agreement are on normal commercial terms, or on terms which are no less favourable than those offered to the Group by independent third parties under prevailing local market conditions, the 2026 Receipt of Guarantee Agreement was entered into in the ordinary and usual course of business of the Group, and the terms of the transactions under 2026 Receipt of Guarantee Agreement (including the New Caps) are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

B. MTB Continuing Connected Transactions

In order to continue the existing Continuing Connected Transactions with the MTB Group following expiry of the 2023 MTB Parts Sales Agreement, on 31 March 2023, the Company (for itself and on behalf of its subsidiaries) and MAN Truck & Bus (for itself and on behalf of its associates) entered into 2026 MTB Parts Sales Agreement. The terms of the 2026 MTB Parts Sales Agreement are substantially the same as those of the 2023 MTB Parts Sales Agreement. The 2026 MTB Parts Sales Agreement has a term of three years commencing on 1 January 2024 and ending on 31 December 2026.

Set out below are the details of the aforesaid renewed agreement.

2026 MTB Parts Sales Agreement

The principal terms of the 2026 MTB Parts Sales Agreement and the transactions contemplated thereunder are as follows:

Date : 31 March 2023

Parties : (i) MAN Truck & Bus
(ii) The Company

Term : Three years from 1 January 2024 to 31 December 2026 (both days inclusive)

Subject matter:

Pursuant to the 2026 MTB Parts Sales Agreement, the Group agreed to supply raw materials, auxiliary materials, parts and spare parts, semi-finished products for production and operation and moulds for the purposes of production of these spare parts, etc. (the “**MTB Sale Parts**”) to the MTB Group.

Other terms and details:

Pursuant to the 2026 MTB Parts Sales Agreement, separate agreements will be entered into between the Group and the MTB Group which will further provide the details of the parts to be sold including quantity, specifications, price, delivery and acceptance method, means of transportation, location of delivery and payment terms. The payment terms for each batch of parts shall be based on normal commercial terms or industry practices as specified in the relevant separate agreement(s) provided that full payment shall be made within 90 days from the date of bill of lading.

Pricing

Pursuant to the 2026 Parts Sales Agreement, the Group will supply the MTB Sale Parts to the MTB Group stipulated therein on terms which are no more favourable than those the Group offers to independent third parties.

The price of the MTB Sale Parts shall be determined based on the following:

(a) price list products

The price of the MTB Sale Parts to be sold to the MTB Group by the Group shall be determined through good faith negotiations by reference to the same price lists which are applicable to sales of MTB Sale Parts to both of the MTB Group and independent third parties. Such prices offered to both the MTB Group and independent third parties will also take into consideration the market conditions at the relevant time and the size of orders. Such price lists are same as the Parts Price List offered to both the CNHTC Group and independent third parties.

(b) for unique and proprietary parts

Since there is no prevailing market price for such parts, a cost plus profit margin approach is adopted for determining the prices for such parts. The profit margins of the MTB Sale Parts to be supplied by the Group under the 2026 MTB Parts Sales Agreement will be between 5% to 20% which were determined with reference to (i) the historical profit margins of similar products sold by the automotive manufacturers owned by the SASAC and suppliers to independent third parties which were summarised in the Performance Appraisal Index, and (ii) the historical profit margins of similar products sold by the Group to independent third parties.

國務院國資委考核分配局 (Bureau of Performance Evaluation and Remuneration of SASAC*) prepared the Performance Appraisal Index in accordance with the relevant national regulations of the PRC and compiled the performance indicators including the profit margins of different industries including the automobile industry in 2021. These performance indicators were determined by mathematical statistics methods with reference to the financial statements of the state-owned enterprises of the relevant industries, the statistics data provided by the relevant statistics authorities of the PRC, the performance information of the relevant industrial associations and the objective analysis of the operation status of the various industries of national economy in the PRC in 2021. The sales profit margins published in the Performance Appraisal Index are neither government-prescribed price nor guidance price. For the past three years, sales profit margins of the relevant parts subject to the 2026 MTB Parts Sales Agreement remain in the range of 5% to 20%.

Existing annual caps

The following table summarises the existing annual caps for the transactions contemplated under the 2021 MTB Parts Sales Agreement and the 2023 MTB Parts Sales Agreement for each of the three years ending 31 December 2023, respectively:

| | For the year ended 31 December 2021 <i>RMB'000</i> | For the year ended 31 December 2022 <i>RMB'000</i> | For the year ending 31 December 2023 <i>RMB'000</i> |
|----------------------|---|---|--|
| Existing annual caps | 600,000 | 621,000 | 657,000 |

Historical transaction amounts

The following table summarises the approximate historical amounts under the 2021 MTB Parts Sales Agreement and the 2023 MTB Parts Sales Agreement for the two years ended 31 December 2022 and the two months ended 28 February 2023, respectively:

| | For the year ended 31 December 2021 <i>RMB'000</i> | For the year ended 31 December 2022 <i>RMB'000</i> | For the two months ended 28 February 2023 <i>RMB'000</i> |
|-----------------------------------|---|---|---|
| Historical transaction amounts | 32,428 | 130,819 | 2,265 |

New Caps and basis

The following table shows the New Caps for the three years ending 31 December 2026 for the transactions contemplated under the 2026 MTB Parts Sales Agreement:

| | For the year ending 31 December 2024 <i>RMB'000</i> | For the year ending 31 December 2025 <i>RMB'000</i> | For the year ending 31 December 2026 <i>RMB'000</i> |
|----------|--|--|--|
| New Caps | 525,000 | 560,000 | 560,000 |

The New Caps for the three years ending 31 December 2026 for the transactions contemplated under the 2026 MTB Parts Sales Agreement were determined after considering the following factors:

- (i) the historical transaction amounts under the 2021 MTB Parts Sales Agreement and the 2023 MTB Parts Sales Agreement for the two years ended 31 December 2022 and the two months ended 28 February 2023, in particular, the significant growth in the transaction amounts for the year ended 31 December 2022 compared to that of the year ended 31 December 2021 due to the significant growth of export volume of the Group in 2022, and the expectation that such a growth trend will continue in the subsequent years;
- (ii) the low utilisation rate of the annual caps for the years 2021 and 2022, leading to an overall reduction in the annual caps for the three years ending 31 December 2026 compared to that of the three years ending 31 December 2023;
- (iii) the preliminary indication by the MTB Group on the demand of the MTB Sale Parts under the 2026 MTB Parts Sales Agreement; and
- (iv) allowance for any unexpected increase in demand and selling prices during the term of the 2026 MTB Parts Sales Agreement.

Internal control procedures

In order to ensure that the prices of each of the transactions made under this sub-section IV.B are determined in accordance with the pricing policy applicable to the 2026 Parts Sales Agreement and that the prices are no more favourable to the MTB Group than those offered to independent third parties, the prices of the transactions will be determined by the same parts price list available to all customers of the Group including independent customers and the MTB Group, which is approved by the responsible management or executive Directors. The relevant parts price list is reviewed on an annual basis. Hence, as the same parts price list is applicable to all of the Group's customers, the prices offered to the MTB Group will be no more favourable than those offered to independent customers. The final price is determined by the contracting parties' business teams with reference to the parts price list, the overall market circumstances, size of the order and payment methods which is based on the principles of fairness and reasonableness, and such price will be ultimately approved by the senior management of the Company or its relevant subsidiaries. The senior management of the Group first approves the sales promotional programs which are applicable to all customers including independent third parties.

The business department will update the promotion prices to the sales and operating systems and the internal audit departments of the subsidiaries or the Group will carry out periodic sample-testing over such promotion prices.

Further, the Company has established procedures for monitoring the Continuing Connected Transactions under this sub-section IV.B in which various departments of the Group will be responsible for the implementation, monitoring and review of such procedures. The Board Office carries out Regular CCT Meetings to monitor and ensure all the relevant Continuing Connected Transactions are in compliance with the relevant rules and regulations. The Group Finance Department prepares the Monthly CCT Transactions Summary 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 Internal Audit Department will conduct Quarterly Internal Review and assess the effectiveness of the internal controls. In addition, the Company will engage the external auditors of the Company to conduct Annual CCT Review Reporting.

Reasons for and benefits of entering into the 2026 MTB Parts Sales Agreement

The MTB Group has been purchasing parts such as cabins, axles, engines, components, semi-finished products, moulds, etc. which are manufactured based on the technology of the MTB Group from the Group since 2014. The 2023 MTB Parts Sales Agreement will expire by the end of 2023 and the Group intends to continue such transactions with the MTB Group.

The 2026 MTB Parts Sales Agreement was entered into between the parties thereto as a framework agreement to govern and regulate the supply of the MTB Sale Parts by the Group to the MTB Group, with a view to expand the scale of the Group's export businesses and respond to the preliminary indication from the MTB Group of its increasing demand from the Group during the term of the 2026 MTB Parts Sales Agreement. The Board (including the independent non-executive Directors but excluding the MAN Interested Directors) believes that it is in the best interest of the Group to

continue supplying the MTB Sale Parts to the MTB Group as this will optimise the utilisation rate of the Group's production facilities, increase the sales of parts manufactured by the Group and hence provide business growth opportunity to the Group.

The terms of the 2026 MTB Parts Sales Agreement were made after arm's length negotiations between the Company and MAN Truck & Bus. The Board (including the independent non-executive Directors but excluding the MAN Interested Directors) is of the view that the transactions contemplated under the 2026 MTB Parts Sales Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group, and that the terms of the transactions under the 2026 MTB Parts Sales Agreement (including the New Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

V. INFORMATION ON THE PARTIES TO THE SUPPLEMENTAL AGREEMENTS, THE 2025 PROVISION OF REPURCHASE GUARANTEE (NEW ENERGY VEHICLES) AGREEMENT, THE 2026 CNHTC CCT AGREEMENTS AND THE 2026 MTB PARTS SALES 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, buses, 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*).

CNHTC

As at the date of this announcement, CNHTC holds the entire issued share capital of Sinotruk (BVI) Limited, which in turn is the holder of 51% of the Shares. CNHTC is therefore a connected person of the Company for the purpose of the Listing Rules. CNHTC is a commercial vehicles manufacturer and a controlling shareholder of the Company. It is a state-owned enterprise organised under the laws of the PRC with limited liability and is held as to approximately 65% by SHIG which is in turn ultimately governed and controlled by 山東省人民政府 (Shandong Provincial People's Government*).

Strong Leasing

As at the date of this announcement, Strong Leasing is held as to approximately 56.74% by CNHTC, approximately 10.76% by Weichai Heavy Machinery, and approximately 32.5% by SHIG. Strong Leasing is accounted for as a non-wholly owned subsidiary of SHIG which is in turn ultimately governed and controlled by 山東省人民政府 (Shandong Provincial People's Government*). Strong Leasing is principally engaged in the provision of finance leasing services. To the best knowledge, information and belief of the Directors, Weichai Heavy Machinery is held as to approximately 30.59% by its single largest shareholder Weichai Group Holdings Limited which is in turn wholly-owned by SHIG.

As at the date of this announcement, MAN Finance and Holding S.A. is the holder of 25% of the entire issued share capital of the Company plus one Share. MAN Finance and Holding S.A. is a 100% subsidiary of TRATON International S.A., which itself is wholly owned by TRATON SE. MAN Truck & Bus is a wholly owned subsidiary of TRATON SE (the shares of which are listed on the Frankfurt Stock Exchange and NASDAQ STOCKHOLM (stock code: ISIN DE000TRATON7, WKN TRATON and symbol 8TRA)). Both MAN Truck & Bus and the MTB Group are principally engaged in the commercial vehicles business.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, MAN Truck & Bus is ultimately beneficially owned by FPFPS, an Austrian private foundation (Privatstiftung) (trust) which is ultimately managed by (i) the foundation management board comprising Louise Kiesling, Günther Horvath and Mark Philipp Porsche, and (ii) the foundation advisory board comprising Louise Kiesling, Peter Daniell Porsche, Christian Porsche, Mark Philipp Porsche and Geraldine Porsche.

VI. IMPLICATIONS UNDER THE LISTING RULES

CNHTC is a substantial shareholder of the Company and a connected person of the Company. Accordingly, the transactions between the Group and the CNHTC Group as contemplated under (i) the 2023 Existing CCT Agreements as supplemented by the Supplemental Agreements as set out in sections II.1 to II.6 of this announcement, and (ii) the 2026 CNHTC CCT Agreements as set out in sections IV.A.1 to IV.A.5 and IV.A.7 of this announcement, constitute continuing connected transactions of the Company.

Strong Leasing is a non-wholly owned subsidiary of SHIG which is, in turn, the holding company of CNHTC and a substantial shareholder of the Company. Thus, Strong Leasing is an associate of CNHTC and a connected person of the Company. Accordingly, the transactions between the Group and Strong Leasing as contemplated under (i) the 2023 Existing CCT Agreements as supplemented by the Supplement Agreements as set out in section II.7 of this announcement, (ii) the 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement, and (iii) the 2026 CNHTC CCT Agreement as set out in section IV.A.6 of this announcement, constitute continuing connected transactions of the Company.

MAN Truck & Bus is a non-wholly owned subsidiary of FPFPS, which is, in turn, a substantial shareholder of the Company. As such, MAN Truck & Bus is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the 2026 MTB Parts Sales Agreement constitute continuing connected transactions of the Company.

Supplemental Agreements to the 2023 Existing CCT Agreements

Pursuant to Rule 14A.54, if the Company proposes to revise the annual caps for continuing connected transactions or if material changes is made to the terms of the continuing connected transactions, the Company will have to re-comply with the relevant provisions under Chapter 14A of the Listing Rules in relation to the relevant continuing connected transactions.

In respect of each of the Revised Reporting Caps, as the highest applicable percentage ratio (on an annual basis) exceeds 0.1% but all of which are less than 5%, the Revised Reporting Caps and the relevant Reporting Supplemental Agreements are subject to the reporting, announcement and annual review requirements but are exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In respect of each of the Revised Non-exempt Caps, as the highest applicable percentage ratio (on an annual basis) exceeds 5%, the proposed Revised Non-exempt Caps and the relevant Non-exempt Supplemental Agreements are subject to the reporting, announcement, annual review, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

New continuing connected transactions and renewal of existing Continuing Connected Transactions

As the highest applicable percentage ratio calculated pursuant to the Listing Rules in respect of the transactions contemplated under each of the 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement, the 2026 CNHTC Reporting CCT Agreements and the 2026 MTB Parts Sales Agreement (on an annual basis) exceeds 0.1% but all of which are less than 5%, such transactions are subject to the reporting, announcement and annual review requirements but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

For the purposes of ascertaining whether the highest applicable percentage ratio of the New Caps for the Continuing Connected Transactions contemplated under each of the 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement would exceed 5%, the New Cap for the year ending 31 December 2023 has been aggregated with the total annual cap for the same period under the Existing Provision of Repurchase Guarantee Agreements (details of which are disclosed in the section headed "III. New Continuing Connected Transaction — 2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement — Historical transaction amounts").

As the highest percentage ratio calculated pursuant to the Listing Rules in respect of the transactions contemplated under the 2026 CNHTC Non-exempt CCT Agreements (on an annual basis) exceeds 5%, such transactions constitute Non-exempt Continuing Connected Transactions of the Company and accordingly the 2026 CNHTC Non-exempt CCT Agreements and their proposed New Caps will be 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 held on 30 March 2023 approving, inter alia, the Supplement Agreements, the 2026 CNHTC CCT Agreements and 2026 MTB Parts Sales Agreement, in view of their respective positions in the relevant connected persons, (i) the CNHTC Interested Directors, namely Mr. Wang Zhijian, Mr. Wang Chen, Mr. Liu Wei, Mr. Zhang Wei, Ms. Li Xia, Ms. Zhao Hong, and Mr. Sun Shaojun have abstained from voting on the resolutions approving the Supplemental Agreements and the 2026 CNHTC CCT Agreements (as well as the supplemental agreement to the 2024 CNHTC Parts Purchase Agreement), and the transactions contemplated thereunder, and (ii) the MAN Interested Directors, namely Mr. Richard von Braunschweig, Mr. Alexander Albertus Gerhardus Vlaskamp, Mr. Karsten Oellers, and Mr. Mats Lennart Harborn, have abstained from voting on the resolutions approving the transactions contemplated under the 2026 MTB Parts Sales Agreement. Save as disclosed above, none of the Directors has a material interest in the Continuing Connected Transactions.

VII. APPROVAL BY INDEPENDENT SHAREHOLDERS AND DESPATCH OF CIRCULAR

According to Chapter 14A of the Listing Rules, the Company will seek approval from the Independent Shareholders for the Non-exempt Supplemental Agreements and the 2026 CNHTC Non-exempt CCT Agreements and the transactions contemplated thereunder, at the general meeting of the Company. CNHTC and its associates will abstain from voting in relation to the relevant resolutions.

The Independent Board Committee (consisting of all 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 formed to advise the Independent Shareholders with respect to the Non-exempt Continuing Connected Transactions (including the Non-exempt Supplemental Agreements, the 2026 CNHTC Non-exempt CCT Agreements and the relevant proposed Revised Non-exempt Caps and New Caps). First Shanghai Capital Limited has been appointed as the independent financial adviser to make recommendations to the Independent Board Committee and the Independent Shareholders regarding the same.

A circular containing, among other things, further details in relation to the Non-exempt Continuing Connected Transactions (including the Non-exempt Supplemental Agreements and the 2026 CNHTC Non-exempt CCT Agreements, and the relevant proposed Revised Non-exempt Caps and New Caps), a letter from the Independent Board Committee, the recommendations of the Independent Financial Adviser, together with a notice of the general meeting will be despatched to the Shareholders on or about 26 April 2023.

VIII. DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless the context requires otherwise:

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| “2021 CNHTC Guarantee Agreement” | the guarantee agreement entered into between the Company (for itself and on behalf of its subsidiaries) and CNHTC (for itself and on behalf of the CNHTC Group) on 26 March 2018, under which the relevant member of the CNHTC Group agreed to provide credit guarantee to the Company in respect of the payment obligations under each Underlying CNHTC Customer Loan |
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| “2021 Products Purchase Agreement” | the products purchase agreement entered into between the Company (for itself and on behalf of its subsidiaries) as purchaser and CNHTC (for itself and on behalf of the CNHTC Group) as supplier on 26 March 2018, under which the CNHTC Group agreed to sell products including refitted trucks, etc. to the Group |
| “2021 Products Sales Agreement” | the products sales agreement entered into between the Company (for itself and on behalf of its subsidiaries) as supplier and CNHTC (for itself and on behalf of the CNHTC Group) as purchaser on 26 March 2018, under which the Group agreed to supply products including trucks, chassis, semi-tractor trucks, etc. to the CNHTC Group for the three years ended 31 December 2021 |
| “2021 Financial Services Agreement” | the financial services agreement entered into between the Company (for itself and on behalf of its subsidiaries and CNHTC (for itself and on behalf of the CNHTC Group) on 26 March 2018, under which the Group agreed to provide a range of financial services to the CNHTC Group |
| “2021 MTB Parts Sales Agreement” | the agreement dated 10 December 2020 entered into between MAN Truck & Bus and the Company pursuant to which the Group agreed to sell raw materials, auxiliary materials, parts and spare parts, semi-finished products for production and operation and moulds for the purposes of production of these spare parts, etc. to MAN Truck & Bus and its subsidiaries |
| “2021 Parts Purchase Agreement” | the parts purchase agreement entered into between the Company (for itself and on behalf of its subsidiaries) as purchaser and CNHTC (for itself and on behalf of the CNHTC Group) as supplier on 26 March 2018, under which the CNHTC Group has agreed to supply raw materials, parts, components, semi-finished products, etc. to the Group |

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| “2021 Parts Sales Agreement” | the parts sales agreement entered into between the Company (for itself and on behalf of its subsidiaries) as supplier and CNHTC (for itself and the CNHTC Group) as purchaser on 26 March 2018, under which the Group agreed to supply raw materials, parts, components, semi-finished products, etc. to the CNHTC Group |
| “2021 Provision of Ancillary Services Agreement” | the provision of ancillary services agreement entered into between the Company (for itself and on behalf of its subsidiaries) and CNHTC (for itself and on behalf of the CNHTC Group) on 26 March 2018, under which the Group agreed to provide utility support and related services to the CNHTC Group |
| “2021 Property Rent Out Agreement” | the leasing framework entered into between the Company (for itself and on behalf of its subsidiaries) and CNHTC (for itself and on behalf of the CNHTC Group) on 26 March 2018, under which the Group agreed to provide leasing services including lease of land, office buildings, factory premises, etc. to the CNHTC Group |
| “2021 Receipt of General Services Agreement” | the service agreement entered into between the Company (for itself and on behalf of its subsidiaries) as purchaser and CNHTC (for itself and on behalf of the CNHTC Group) as service provider on 26 March 2018, under which the CNHTC Group agreed to provide services such as property management, transportation, medical services, products testing and improvement services, and other services to the Group |
| “2021 Technology Support and Services Agreement” | the agreement entered into between the Company (for itself and on behalf of its subsidiaries) and CNHTC (for itself and the CNHTC Group) on 26 March 2018, under which the Group agreed to provide technology support and services to the CNHTC Group |

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| “2023 CNHTC CCT Agreements” | the 2023 CNHTC Products Sales Agreement, the 2023 CNHTC Parts Sales Agreement, the 2023 CNHTC Products Purchase Agreement, the 2024 CNHTC Parts Purchase Agreement, the 2023 Provision of Ancillary Services Agreement, the 2023 Property Rent Out Agreement, the 2023 Technology Support and Services Agreement, the 2023 Receipt of General Services Agreement, the 2023 Financial Services Agreement, the 2023 Provision of Interest Subsidy Agreements and the 2023 CNHTC Guarantee Agreement |
| “2023 CNHTC Guarantee Agreement” | the guarantee agreement entered into between the Company (for itself and on behalf of its subsidiaries) and CNHTC (for itself and on behalf of the CNHTC Group) on 31 March 2021 (as amended and supplemented by a supplemental agreement dated 31 March 2022), under which the relevant member of the CNHTC Group agreed to provide guarantee to the Group in respect of the repurchase obligations of the Group and/or the repayment obligations of the CNHTC Group’s customer(s) in respect of the Underlying CNHTC Customer Loan(s), details of which are set out in the Company’s announcement dated 31 March 2022 |
| “2023 CNHTC Parts Sales Agreement” | the parts sales agreement entered into between the Company (for itself and on behalf of its subsidiaries) as supplier and CNHTC (for itself and on behalf of the CNHTC Group) as purchaser on 31 March 2021, under which the Group agreed to supply raw materials, parts, components, semi-finished products, etc. to the CNHTC Group, details of which are set out in the Company’s announcement dated 31 March 2021 |
| “2023 CNHTC Products Purchase Agreement” | the products purchase agreement entered into between CNHTC (for itself and on behalf of the CNHTC Group) as supplier and the Company (for itself and on behalf of its subsidiaries) as purchaser on 31 March 2021, under which the CNHTC Group agreed to sell products including refitted trucks, etc. to the Group, details of which are set out in the Company’s announcement dated 31 March 2021 |

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| <p>“2023 CNHTC Products Sales Agreement”</p> | <p>the products sales agreement entered into between the Company (for itself and on behalf of its subsidiaries) as supplier and CNHTC (for itself and on behalf of the CNHTC Group) as purchaser on 31 March 2021, under which the Group agreed to supply products including trucks, chassis, semi-tractor trucks, etc. to the CNHTC Group, details of which are set out in the Company’s announcement dated 31 March 2021</p> |
| <p>“2023 Existing CCT Agreements”</p> | <p>the 2023 CNHTC Products Sales Agreement, the 2023 CNHTC Products Purchase Agreement, the 2023 Provision of Ancillary Services Agreement, the 2023 Property Rent Out Agreement, the 2023 Receipt of General Services Agreement, the 2023 Financial Services Agreement, and the 2023 Provision of Interest Subsidy Agreements, and “2023 Existing CCT Agreement” means any one of them</p> |
| <p>“2023 Financial Services Agreement”</p> | <p>the financial services agreement entered into between the Company (for itself and on behalf of its subsidiaries) and CNHTC (for itself and on behalf of the CNHTC Group) on 31 March 2021, under which the Group agreed to provide a range of financial services to the CNHTC Group, details of which are set out in the Company’s announcement dated 31 March 2021</p> |
| <p>“2023 MTB Parts Sales Agreement”</p> | <p>the agreement dated 31 March 2021 entered into between MAN Truck & Bus and the Company, pursuant to which the Group agreed to sell raw materials, auxiliary materials, parts and spare parts, semi-finished products for production and operation and moulds for the purposes of production of these spare parts, etc. to MAN Truck & Bus and its subsidiaries</p> |

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| <p>“2023 Property Rent Out Agreement”</p> | <p>the leasing framework agreement entered into between the Company (for itself and on behalf of its subsidiaries) and CNHTC (for itself and on behalf of the CNHTC Group) on 31 March 2021, under which the Group agreed to provide leasing services including lease of land, office buildings, factory premises, etc. to the CNHTC Group</p> |
| <p>“2023 Provision of Interest Subsidy Agreements”</p> | <p>(i) an interest subsidy agreement entered into between Ji’nan Truck and Strong Leasing on 18 October 2022 (as supplemented and amended by a supplemental agreement dated the same day), and</p> <p>(ii) an interest subsidy agreement entered into between Ji’nan Commercial Truck and Strong Leasing on 18 October 2022 (as supplemented and amended by a supplemental agreement dated 23 December 2022),</p> |
| | <p>under which each of Ji’nan Truck and Ji’nan Commercial Truck has been providing subsidies to its customers on the interest accrued on the loans owned by such customers to Strong Leasing under certain finance lease arrangement for the purchase of vehicles, by Ji’nan Truck and/or Ji’nan Commercial Truck paying certain interest amount to Strong Leasing directly, and “2023 Provision of Interest Subsidy Agreement” means any one of them</p> |
| <p>“2023 Provision of Ancillary Services Agreement”</p> | <p>the provision of ancillary services agreement entered into between the Company (for itself and on behalf of its subsidiaries) and CNHTC (for itself and on behalf of the CNHTC Group) on 31 March 2021, under which the Group agreed to provide utility support and related services to the CNHTC Group</p> |

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| “2023 Receipt of General Services Agreement” | the service agreement entered into between the Company (for itself and on behalf of its subsidiaries) as purchaser and CNHTC (for itself and on behalf of the CNHTC Group) as service provider on 31 March 2021 (as amended and supplemented by a supplemental agreement dated 31 March 2022), under which the CNHTC Group agreed to provide services such as property management, products testing and improvement services, and other services to the Group |
| “2023 Technology Support and Services Agreement” | the agreement dated 31 March 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 agreed to provide technology support and services to the CNHTC Group, details of which are set out in the Company’s announcement dated 31 March 2021 |
| “2024 CNHTC Parts Purchase Agreement” | the parts purchase agreement entered into between CNHTC (for itself and on behalf of the CNHTC Group) as supplier and the Company (for itself and on behalf of its subsidiaries) as purchaser on 3 November 2021, under which the CNHTC Group agreed to supply raw materials, parts, components, semi-finished products, etc. to the Group, details of which are set out in the Company’s announcement dated 3 November 2021 |
| “2025 Provision of Repurchase Guarantee (New Energy Vehicles) Agreement” | the agreement dated 31 March 2023 entered into between the Company (for itself and on behalf of its subsidiaries) and Strong Leasing (for itself and on behalf of the Strong Leasing Group), details of which are set out in section III in this announcement |
| “2026 CNHTC CCT Agreements” | the 2026 CNHTC Sale of Goods Agreement, 2026 CNHTC Purchase of Goods Agreement, the 2026 Provision of General Services Agreement, the 2026 Receipt of General Services Agreement, the 2026 Provision of Financial Services Agreement, the 2026 Provision of Interest Subsidy Agreement and the 2026 Receipt of Guarantee Agreement |

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| “2026 CNHTC Purchase of Goods Agreement” | the agreement dated 31 March 2023 entered into between the Company (for itself and on behalf of its subsidiaries) and CNHTC (for itself and on behalf of the CNHTC Group), details of which are set out in section IV.A.2 in this announcement |
| “2026 CNHTC Reporting CCT Agreements” | 2026 Provision of General Services Agreement, 2026 Receipt of General Services Agreement, and 2026 Provision of Interest Subsidy Agreement and 2026 Receipt of Guarantee Agreement |
| “2026 CNHTC Non-exempt CCT Agreements” | 2026 CNHTC Sale of Goods Agreement, 2026 CNHTC Purchase of Goods Agreement and 2026 Provision of Financial Services Agreement |
| “2026 CNHTC Sale of Goods Agreement” | the agreement dated 31 March 2023 entered into between the Company (for itself and on behalf of its subsidiaries) and CNHTC (for itself and on behalf of the CNHTC Group), details of which are set out in section IV.A.1 in this announcement |
| “2026 MTB Parts Sales Agreement” | the agreement dated 31 March 2023 entered into between the Company and MAN Truck & Bus, details of which are set out in section IV.B in this announcement |
| “2026 Provision of Financial Services Agreement” | the agreement dated 31 March 2023 entered into between the Company (for itself and on behalf of its subsidiaries) and CNHTC (for itself and on behalf of the CNHTC Group), details of which are set out in section IV.A.5 in this announcement |
| “2026 Provision of General Services Agreement” | the agreement dated 31 March 2023 entered into between the Company (for itself and on behalf of its subsidiaries) and CNHTC (for itself and on behalf of the CNHTC Group), details of which are set out in section IV.A.3 in this announcement |
| “2026 Provision of Interest Subsidy Agreement” | the agreement dated 31 March 2023 entered into between the Company (for itself and on behalf of its subsidiaries) and Strong Leasing (for itself and on behalf of the Strong Leasing Group), details of which are set out in section IV.A.6 in this announcement |

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| “2026 Receipt of General Services Agreement” | the agreement dated 31 March 2023 entered into between the Company (for itself and on behalf of its subsidiaries) and CNHTC (for itself and on behalf of the CNHTC Group), details of which are set out in section IV.A.4 in this announcement |
| “2026 Receipt of Guarante Agreement” | the agreement dated 31 March 2023 entered into between the Company (for itself and on behalf of its subsidiaries) and CNHTC (for itself and on behalf of the CNHTC Group), details of which are set out in section IV.A.7 in this announcement |
| “Annual CCT Review Reporting” | has the meaning ascribed thereto under the section headed “II. Supplemental Agreements to certain existing Continuing Connected Transactions — 3. 2023 Provision of Ancillary Services Agreement — Internal control procedures” in this announcement |
| “associate(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Board” | the board of Directors |
| “Board Office” | has the meaning ascribed thereto under the section headed “II. Supplemental Agreements to certain existing Continuing Connected Transactions — 3. 2023 Provision of Ancillary Services Agreement — Internal control procedures” in this announcement |
| “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 |
| “CNHTC Continuing Connected Transaction(s)” | the continuing connected transaction(s) between the Group and the CNHTC Group as described under sections II.1 to II.7, III and IV.A.1 to IV.A.7 in this announcement |
| “CNHTC Customers” | has the meaning as ascribed to it in the section headed “IV. Renewal of existing Continuing Connected Transactions — A.7. 2026 Receipt of Guarantee Agreement — Subject matters” in this announcement |

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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 |
| “CNHTC Interested Director(s)” | Mr. Wang Zhijian, Mr. Wang Chen, Mr. Liu Wei, Mr. Zhang Wei, Ms. Li Xia, Ms. Zhao Hong and Mr. Sun Shaojun |
| “CNHTC’s Leased Product” | has the meaning as ascribed to it in the section headed “IV. Renewal of existing Continuing Connected Transactions — A.7. 2026 Receipt of Guarantee Agreement — Subject matter” in this announcement |
| “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 set out in this announcement, comprising the CNHTC Continuing Connected Transaction(s) and the MTB Continuing Connected Transaction(s) |
| “controlling shareholder” | has the meaning ascribed thereto under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Eligible Member” | has the meaning ascribed thereto under the section headed “IV. Renewal of existing continuing connected transaction — A.5. 2026 Provision of Financial Services Agreement — Subject matter” in this announcement |
| “Eligible Member Finance Department” | has the meaning ascribed thereto under the section headed “IV. Renewal of existing continuing connected transaction — A.5. 2026 Provision of Financial Services Agreement — Internal control procedures” in this announcement |

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| “Existing Provision of Repurchase Guarantee Agreements” | <p>(i) a repurchase guarantee agreement entered into between Ji’nan Truck and Strong Leasing on 31 March 2021, and</p> <p>(ii) a repurchase guarantee agreement entered into between Ji’nan Commercial Truck and Strong Leasing on 31 March 2021,</p> <p>under which each of Ji’nan Truck and Ji’nan Commercial Truck (as the case may be) has provided Strong Leasing a guarantee to repurchase certain products in the event of a default by the relevant customers of the Group under certain finance lease arrangement.</p> |
| “FPFPS” | Ferdinand Porsche Familien-Privatstiftung, an Austrian private foundation (Privatstiftung) (trust), being the beneficial owner of 25% of the entire issued share capital of the Company plus 1 Share |
| “Goods For Purchase” | has the meaning ascribed thereto under the section headed “IV. Renewal of existing Continuing Connected Transactions — A.2. 2026 CNHTC Purchase of Goods Agreement and amendments to the 2024 CNHTC Parts Purchase Agreement — Subject matter” in this announcement |
| “Goods For Sale” | has the meaning ascribed thereto under the section headed “IV. Renewal of existing Continuing Connected Transactions — A.1. 2026 CNHTC Sale of Goods Agreement — Subject matter” in this announcement |
| “Group” | the Company and its subsidiaries |
| “Group Finance Department” | has the meaning ascribed thereto under the section headed “II. Supplemental Agreements to certain existing Continuing Connected Transactions — 3. 2023 Provision of Ancillary Services Agreement — Internal control procedures” in this announcement |

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| “Group Internal Audit Department” | has the meaning ascribed thereto under the section headed “II. Supplemental Agreements to certain existing Continuing Connected Transactions — 3. 2023 Provision of Ancillary Services Agreement — Internal control procedures” in this announcement |
| “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 activity 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 Non-exempt Supplemental Agreements and the 2026 CNHTC Non-exempt CCT Agreements |
| “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 Non-exempt Supplemental Agreements and the 2026 CNHTC Non-exempt CCT Agreements |
| “Ji’nan Commercial Truck” | 中國重汽集團濟南商用車有限公司 (Sinotruk Ji’nan Commercial Truck Co., Ltd.*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company |
| “Ji’nan Truck” | 中國重汽集團濟南卡車股份有限公司 (Sinotruk Jinan Truck Co., Ltd.), a joint stock company incorporated under the laws of the PRC with limited liability, being a non-wholly owned subsidiary of the Company and the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000951) |

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| “Leased Products” | has the meaning as ascribed to it in the section headed “II. Supplemental Agreements to certain existing Continuing Connected Transactions — 7. 2023 Provision of Interest Subsidy Agreements — The finance lease arrangements” in this announcement |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “MAN Interested Director(s)” | being (i) Mr. Richard von Braunschweig, who is also the head of corporate development of MAN Truck & Bus, (ii) Mr. Alexander Albertus Gerhardus Vlaskamp, who is also the chairman of the executive board of MAN Truck & Bus and a member of the executive board of TRATON SE, (iii) Mr. Karsten Oellers, who is also the Head of Group Finance of TRATON SE, and (iv) Mr. Mats Lennart Harborn, who is also the president of Scania China Group, a subsidiary of TRATON SE |
| “MAN Truck & Bus” | MAN Truck & Bus SE (formerly known as “MAN Truck & Bus AG”), a company incorporated under the laws of Germany and is a wholly-owned subsidiary of MAN SE |
| “Monthly CCT Transactions Summary” | has the meaning ascribed thereto under the section headed “II. Supplemental Agreements to certain existing Continuing Connected Transactions — 3. 2023 Provision of Ancillary Services Agreement — Internal control procedures” in this announcement |
| “MTB Continuing Connected Transactions” | the continuing connected transactions between the Group and the MTB Group as described under section IV.B. in this announcement |
| “MTB Group” | MAN Truck & Bus and its associates |
| “MTB Sale Parts” | has the meaning ascribed thereto under the section headed “IV. Renewal of existing Continuing Connected Transactions — B. 2026 MTB Parts Sales Agreement — Subject matter” in this announcement |

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| “New Cap(s)” | the new annual cap(s) for the Continuing Connected Transactions as set out in sections III and IV in this announcement |
| “Non-exempt Continuing Connected Transaction(s)” | being the Continuing Connected Transaction(s) as set out in sections II.1, II.2, II.6, IV.A.1, IV.A.2 and IV.A.5 in this announcement, which are subject to reporting, announcement, annual review, and the Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules |
| “Non-exempt Supplemental Agreements” | the supplemental agreements to (i) the 2023 CNHTC Products Sales Agreement, (ii) the 2023 CNHTC Products Purchase Agreement, and (iii) the 2023 Financial Services Agreement, details of which are set out in sections II.1, II.2 and II.6 in this announcement, and “Non-exempt Supplemental Agreement” means any one of them |
| “Parts For Purchase” | has the meaning ascribed thereto under the section headed “IV. Renewal of existing Continuing Connected Transactions — A.2. 2026 CNHTC Purchase of Goods Agreement and amendments to the 2024 CNHTC Parts Purchase Agreement — Subject matter” in this announcement |
| “Parts For Sale” | has the meaning ascribed thereto under the section headed “IV. Renewal of existing Continuing Connected Transactions — A.1. 2026 CNHTC Sale of Goods Agreement — Subject matter” in this announcement |
| “Parts Price List” | has the meaning ascribed thereto under the section headed “IV. Renewal of existing Continuing Connected Transactions — A.1. 2026 CNHTC Sale of Goods Agreement — Other terms and details — Pricing” in this announcement |
| “Performance Appraisal Index” | has the meaning ascribed thereto under the section headed “IV. Renewal of existing Continuing Connected Transactions — A.1. 2026 CNHTC Purchase of Goods Agreement — Other terms and details — Pricing” in this announcement |

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| “Products For Purchase” | has the meaning ascribed thereto under the section headed “IV. Renewal of existing Continuing Connected Transactions — A.2. 2026 CNHTC Purchase of Goods Agreement and amendments to the 2024 CNHTC Parts Purchase Agreement — Subject matter” in this announcement |
| “Products For Sale” | has the meaning ascribed thereto under the section headed “IV. Renewal of existing Continuing Connected Transactions — A.1. 2026 CNHTC Sale of Goods Agreement — Subject matter” in this announcement |
| “Products Price List” | has the meaning ascribed thereto under the section headed “IV. Renewal of existing Continuing Connected Transactions — A.1. 2026 CNHTC Sale of Goods Agreement — Other terms and details — Pricing” in this announcement |
| “PRC” | the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region and Taiwan |
| “Quarterly Internal Review” | has the meaning ascribed thereto under the section headed “II. Supplemental Agreements to certain existing Continuing Connected Transactions — 3. 2023 Provision of Ancillary Services Agreement — Internal control procedures” in this announcement |
| “Refitted Products” | has the meaning ascribed thereto under the section headed “IV. Renewal of existing Continuing Connected Transactions — A.2. 2026 CNHTC Purchase of Goods Agreement and amendments to the 2024 CNHTC Parts Purchase Agreement — Other terms and details — Pricing” in this announcement |
| “Regular CCT Meetings” | has the meaning ascribed thereto under the section headed “II. Supplemental Agreements to certain existing Continuing Connected Transactions — 3. 2023 Provision of Ancillary Services Agreement — Internal control procedures” in this announcement |

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| “Reporting Supplemental Agreements” | the supplemental agreements to (i) the 2023 Provision of Ancillary Services Agreement, (ii) the 2023 Property Rent Out Agreement, (iii) the 2023 Receipt of General Services Agreement, and (iv) the 2023 Provision of Interest Subsidy Agreements, details of which are set out in sections II.3, II.4, II.5 and II.7 in this announcement, and “Reporting Supplemental Agreement” means any one of them |
| “Revised Caps” | the Revised Reporting Caps and the Revised Non-exempt Caps |
| “Revised Non-exempt Caps” | the respective revised annual caps applicable to the transactions under (i) the 2023 CNHTC Products Sales Agreement, (ii) the 2023 CNHTC Products Purchase Agreement, and (iii) the 2023 Financial Services Agreement, as supplemented by the relevant Non-exempt Supplemental Agreements |
| “Revised Reporting Caps” | the respective revised annual caps applicable to the transactions under (i) the 2023 Provision of Ancillary Services Agreement, (ii) the 2023 Property Rent Out Agreement, (iii) the 2023 Receipt of General Services Agreement, and (iv) the 2023 Provision of Interest Subsidy Agreements, as supplemented by the relevant Reporting Supplemental Agreements |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “SASAC” | State-owned Assets Supervision and Administration Commission of the State Council of the PRC |
| “Share(s)” | ordinary share(s) in the capital of the Company |
| “Shareholder(s)” | holder(s) of the shares in the Company |
| “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 and a controlling shareholder of the Company |

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| “Sinotruk Customer(s)” | has the meaning as ascribed to it in the section headed “II. Supplemental Agreements to certain existing Continuing Connected Transactions — 7. 2023 Provision of Interest Subsidy Agreements — The finance lease arrangements” in this announcement |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Strong Leasing” | 山重融資租賃有限公司 Strong Financial Leasing Co., Ltd. (formerly known as 山推租賃有限公司 Shantui Leasing Co., Ltd.), a company established in the PRC and a non-wholly owned subsidiary of SHIG |
| “Strong Leasing Group” | Strong Leasing and its associates |
| “substantial shareholder(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Supplemental Agreements” | the Reporting Supplemental Agreements and the Non-exempt Supplemental Agreements, and “Supplemental Agreement” means any one of them |
| “Supplemented 2023 Property Rent Out Agreement” | has the meaning as ascribed to it in the section headed “II. Supplemental Agreements to certain existing Continuing Connected Transactions — 4. 2023 Property Rent Out Agreement” in this announcement |
| “Supplemented 2023 Provision of Interest Subsidy Agreements” | has the meaning as ascribed to it in the section headed “II. Supplemental Agreements to certain existing Continuing Connected Transactions — 7. 2023 Provision of Interest Subsidy Agreements” in this announcement |
| “Supplemented 2023 Provision of Ancillary Services Agreement” | has the meaning as ascribed to it in the section headed “II. Supplemental Agreements to certain existing Continuing Connected Transactions — 3. 2023 Provision of Ancillary Services Agreement” in this announcement |
| “Supplemented 2023 Receipt of General Services Agreement” | has the meaning as ascribed to it in the section headed “II. Supplemental Agreements to certain existing Continuing Connected Transactions — 5. 2023 Receipt of General Services Agreement” in this announcement |

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| “TRATON SE” | a company incorporated under the laws of Germany with limited liability, being an indirect non-wholly owned subsidiary of FPFPS and the shares of which are listed on the Frankfurt Stock Exchange and NASDAQ STOCKHOLM (stock code: ISIN DE000TRAT0N7, WKN TRAT0N and symbol 8TRA) |
| “Underlying CNHTC Customer Loan(s)” | has the meaning ascribed thereto under the section headed “IV. Renewal of existing Continuing Connected Transactions — A.7. 2026 Receipt of Guarantee Agreement — Subject matters” in this announcement |
| “Underlying Sinotruk Customer Loan(s)” | has the meaning as ascribed to it in the section headed “II. Supplemental Agreements to certain existing Continuing Connected Transactions — 7. 2023 Provision of Interest Subsidy Agreements — The finance lease arrangements” in this announcement |
| “Weichai Heavy Machinery” | 潍柴重機股份有限公司 (Weichai Heavy-duty Machinery Co., Ltd.*), a company organised under the laws of the PRC with limited liability and whose shares are listed on the Shenzhen Stock Exchange (stock code: 000880) |
| “%” | per cent |

By order of the Board
Sinotruk (Hong Kong) Limited
Wang Zhijian
Chairman of the Board

Ji’nan, the PRC, 31 March 2023

As at the date of this announcement, the board of the Company consists of seven executive directors of the Company including Mr. Wang Zhijian, Mr. Wang Chen, Mr. Liu Wei, Mr. Zhang Wei, Ms. Li Xia, Ms. Zhao Hong and Mr. Richard von Braunschweig; four non-executive Directors of the Company including Mr. Sun Shaojun, 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.

** For identification purposes only*