

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



潍柴動力股份有限公司

WEICHAI POWER CO., LTD.

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

(Stock Code: 2338)

ANNOUNCEMENT

RESULTS OF THE GRANT OF RESTRICTED SHARES TO THE INCENTIVE PARTICIPANTS UNDER THE RESTRICTED SHARE INCENTIVE SCHEME OF A SHARES

RESULTS OF THE GRANT OF RESTRICTED SHARES

The Board is pleased to announce that on 20 December 2023, the Company has completed the registration of the grant of Restricted Shares under the Incentive Scheme with Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. As of the date of this announcement, the Company has completed the grant of 78,270,000 Restricted Shares to 693 Incentive Participants at the Grant Price of RMB6.264 per A Share.

References are made to the announcement of Weichai Power Co., Ltd. (the “**Company**”) dated 24 October 2023, the circular dated 27 October 2023 in relation to the Incentive Scheme of the Company, the poll results announcement of the Company dated 13 November 2023 and the announcement of the Company dated 8 December 2023 on the grant of Restricted Shares to the Incentive Participants under the Restricted Share Incentive Scheme of A Shares.

Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

RESULTS OF THE GRANT OF RESTRICTED SHARES

The Board is pleased to announce that on 20 December 2023, the Company had, pursuant to the provisions of Administrative Measures on Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》) and in accordance with the relevant requirements of the Shenzhen Stock Exchange and Shenzhen Branch of the China Securities Depository and Clearing Corporation Limited, completed the registration of the grant of Restricted Shares.

As of 20 December 2023, being the date of completion of the registration of the grant of Restricted Shares, the Company has completed the grant of 78,270,000 Restricted Shares to 693 Incentive Participants at the Grant Price of RMB6.264 per A Share.

Particulars of the grant of the Restricted Shares

- (1) Grant Date: 8 December 2023
- (2) Number of Restricted Shares granted: 78,270,000 Restricted Shares
- (3) Number of Incentive Participants granted: 693 individuals
- (4) Grant Price: RMB6.264 per Share
- (5) Source of Shares: Ordinary A Shares repurchased by the Company from secondary market
- (6) Lock-up period and unlocking of the Incentive Scheme:

Lock-up periods of the Restricted Shares granted under the Incentive Scheme shall be for periods of 24 months, 36 months and 48 months, respectively, from the relevant completion date of registration of the Restricted Shares. The Restricted Shares granted to the Incentive Participants under the Incentive Scheme shall be subject to lock-up restrictions, and accordingly shall not be transferred or used to provide guarantee or used for repayment of debt during the lock-up periods.

The locked Shares acquired by the Incentive Participants as a result of conversion of capital reserve into share capital, distribution of script dividend, division of shares by virtue of holding the Restricted Shares shall be subject to lock-up pursuant to the Incentive Scheme. The lock-up restrictions attached to the granted Restricted Shares for the Incentive Participants shall be unlocked if the unlocking conditions imposed pursuant to the terms of the Incentive Scheme have been satisfied. In the event that the unlocking conditions have not been satisfied, the granted Restricted Shares shall be repurchased by the Company pursuant to the terms of the Incentive Scheme.

The unlocking periods and unlocking schedule are set out below:

Unlocking arrangement	Unlocking periods	Unlocking proportion to equity interests granted
The first unlocking period	Commencing from the first trading day upon the expiry of the 24-month period from the date of completion of registration of the Restricted Shares granted and ending on the last trading day falling within the period of 36 months from the date of completion of registration of the Restricted Shares granted	30%
The second unlocking period	Commencing from the first trading day upon the expiry of the 36-month period from the date of completion of registration of the Restricted Shares granted and ending on the last trading day falling within the period of the 48 months from the date of completion of registration of the Restricted Shares granted	30%
The third unlocking period	Commencing from the first trading day upon the expiry of the 48-month period from the date of completion of registration of the Restricted Shares granted and ending on the last trading day falling within the period of the 60 months from the date of completion of registration of the Restricted Shares granted	40%

The Restricted Shares which have not been unlocked during each of the relevant unlocking periods as stipulated above are not allowed to be deferred to be unlocked in the subsequent unlocking period(s).

Allocation of the Restricted Shares granted to the Incentive Participants

The allocation of the Restricted Shares granted among all Incentive Participants is set out in the table below:

Name	Position	Number of Restricted Shares to be granted (ten thousand shares)	Percentage in the total number of Restricted Shares to be granted	Percentage in existing total share capital
Wang Decheng (王德成)	Director, CEO, general manager	80	1.02%	0.009%
Wang Jian (王健)	Deputy general manager	60	0.77%	0.007%
Guo Shenggang (郭聖剛)	Deputy general manager	80	1.02%	0.009%
Zhi Baojing (支保京)	Deputy general manager	110	1.41%	0.013%
Jin Zhao (金釗)	Deputy general manager	60	0.77%	0.007%
Li Pengcheng (李鵬程)	Deputy general manager	30	0.38%	0.003%
Wang Lingjin (王令金)	Deputy general manager	60	0.77%	0.007%
Ling Yun (凌芸)	Deputy general manager	69	0.88%	0.008%
Qu Hongkun (曲洪坤)	Chief financial officer	30	0.38%	0.003%
Gao Tianchao (高天超)	Secretary to the Board	40	0.51%	0.005%
Other middle management, core technology (business) staff (683 persons in total)		7,208	92.09%	0.826%
Total		7,827	100.00%	0.897%

Notes:

1. The Incentive Participants under the Incentive Scheme shall not participate in two or more share incentive schemes of any listed companies.
2. The Incentive Participants will not include external directors, supervisors, or Shareholders or actual controllers holding, individually or collectively, more than 5% of the total shareholding of the Company and their spouses, parents and children.
3. The value of the grant to directors and members of the senior management shall be determined as 40% of their total respective remuneration (including the value of the grant), whereas the value of the grant to other Incentive Participants such as the middle management, personnel and core technology (business) key personnel shall be determined by the board of directors of the Company.
4. The aggregate number of Shares granted under the Company's incentive schemes during the validity period of the Incentive Scheme shall not exceed 10% of the Company's total share capital. The aggregate number of the Restricted Shares granted to any of the Incentive Participants under the Incentive Scheme through all of the Company's incentive schemes during the validity period shall not exceed 1% of the Company's total share capital.

Verification of the subscription proceeds of the Restricted Shares

Hexin Accountants LLP issued a capital verification report, which verified that as of 8 December 2023, the Company had received the subscription proceeds from 693 Incentive Participants in respect of 78,270,000 Restricted Shares, which were ordinary A Shares repurchased by the Company from the secondary market. The Grant Price is RMB6.264 per A Share and the total funds amount to RMB490,283,280.00. The total number of shares of the Company remained unchanged before and after the relevant grant, with the capital of the Restricted Shares having increased by RMB78,270,000 and the capital of the shares without lock-up restrictions having decreased by RMB78,270,000.

Plan for the use of proceeds

All the proceeds raised from the grant will be used to replenish the Company's working capital.

Impact on the de facto controller of the Company before and after the grant

As the shares granted under the Incentive Scheme were ordinary A Shares repurchased by the Company from the secondary market, the completion of the registration of the grant will not result in the Company's shareholding structure becoming not being in compliant with the listing conditions, and will not result in any change in the de facto controllers and the right of control of the Company.

Changes in the shareholding structure of the Company

The changes in the Company's share capital before and after the grant of the relevant Restricted Shares are as follows:

Type of shares	Before the change		Increase/ decrease	After the change	
	(shares)	(percentage)		(shares)	(percentage)
1. Restricted circulating shares	1,737,041,201	19.90%	+78,270,000	1,815,311,201	20.80%
(1) RMB ordinary shares	1,737,041,201	19.90%	+78,270,000	1,815,311,201	20.80%
2. Non-restricted circulating shares	6,989,515,620	80.10%	-78,270,000	6,911,245,620	79.20%
(1) RMB ordinary shares	5,046,475,620	57.83%	-78,270,000	4,968,205,620	56.93%
(2) Overseas listed foreign shares	1,943,040,000	22.27%	0	1,943,040,000	22.27%
Total	8,726,556,821	100%	0	8,726,556,821	100%

Note: Please refer to the shareholding structure issued by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited for the actual figures.

Impact of the grant of Restricted Shares on the financial position and operation of the Company

Under the requirements of the Accounting Standards for Business Enterprises No. 11 – Share-based Payment, at each balance sheet date within the lock-up period, the Company shall revise the number of the Restricted Shares which are expected to be unlocked according to the change in the latest available number of persons eligible to unlock the Restricted Shares, completion of the performance targets and other subsequent information, and recognise the services acquired during such period in relevant costs or expenses and capital reserve at the fair value of the Restricted Shares on the Grant Date.

The Board has determined that the Grant Date of the Incentive Scheme shall be 8 December 2023. The total costs to be recognised for the 78,270,000 Restricted Shares granted shall be approximately RMB599,235,100, which shall be confirmed by the Company in phases based on the unlocking proportions in the corresponding year and charged to the recurring profits and losses. The table below provides for further details:

Total expenses <i>(RMB0'000)</i>	2023 <i>(RMB0'000)</i>	2024 <i>(RMB0'000)</i>	2025 <i>(RMB0'000)</i>	2026 <i>(RMB0'000)</i>	2027 <i>(RMB0'000)</i>
59,923.51	1,747.77	20,973.23	20,224.19	11,485.34	5,492.99

Note: The above result does not represent the final accounting cost. In addition to the Grant Date, Grant Price and number of Restricted Shares granted, the accounting cost also relates to the actual number of Shares that are effective and lapsed. The final result of the impact of the implementation of the above on the operating performance of the Company shall be subject to the annual audited report issued by the accounting firm.

After the grant of the Restricted Shares, the Company will announce in its annual reports the audited costs of the Incentive Scheme and the confirmed cost expenses amount for each year.

Statement on trading of Shares by Incentive Participants who are Directors or members of the senior management of the Company within six months prior to the completion date of registration of the Restricted Shares

Upon self-inspection by the Company, the Incentive Participants who are Directors or members of the senior management did not purchase or sell the Shares of the Company within six months prior to the completion date of registration of the Restricted Shares.

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

The PRC, 20 December 2023

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