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濰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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

- Revenue amounted to approximately RMB113,152 million, an increase of approximately 0.6%.
- Net profit attributable to the shareholders of the parent amounted to approximately RMB5,643 million, a decrease of approximately 4.4%.
- Basic earnings per share was approximately RMB0.65, a decrease of approximately 4.4%.

(Important notice: This announcement is published in Chinese and English versions. In case of inconsistency, the Chinese version shall prevail.)

The board of directors (the "Board") of Weichai Power Co., Ltd. (the "Company") is pleased to announce the reviewed consolidated financial statements of the Company and its subsidiaries (the "Group") prepared in accordance with the China Accounting Standards for Business Enterprises for the six months ended 30 June 2025 (the "Period"), together with comparative figures for the corresponding period of 2024 as follows:

CONSOLIDATED INCOME STATEMENT

1 January to 30 June 2025
(Expressed in Renminbi Yuan)

	Notes	**Incurred during this period (Unaudited)**	Incurred in the previous period (Unaudited)
Revenue	*7*	**113,151,788,107.77**	112,489,707,254.78
Less: Cost of sales	*7*	**88,055,161,052.54**	88,023,910,362.36
Taxes and surcharges	*8*	**401,358,207.70**	373,192,847.42
Distribution and selling expenses		**6,626,890,187.59**	6,127,279,014.03
General and administrative expenses		**6,780,853,695.84**	5,094,705,510.10
Research & development expenses		**4,135,379,959.96**	4,301,552,536.66
Finance expenses		**(468,822,610.78)**	31,047,656.87
Incl: Interest expenses		**1,852,072,397.41**	1,875,413,726.54
Interest income		**1,772,204,867.60**	1,915,446,764.07
Add: Other income		**828,247,949.63**	630,423,486.34
Investment income		**230,833,785.96**	277,924,614.75
Incl: investment (loss)/income from associates and joint ventures		**(42,299,619.26)**	45,170,196.56
(Loss)/profit on change of fair value		**(308,292,117.67)**	105,689,167.07
Impairment loss of credit		**(317,412,298.56)**	(374,721,796.62)
Impairment loss of assets		**(786,848,692.38)**	(372,163,114.72)
Gain on disposal of assets		**23,779,654.48**	149,406,620.87
Operating profit		**7,291,275,896.38**	8,954,578,305.03
Add: Non-operating income		**164,315,308.25**	144,186,866.82
Less: Non-operating expenses		**65,200,268.30**	182,562,846.75
Total profit		**7,390,390,936.33**	8,916,202,325.10
Less: Income tax expenses	*9*	**826,907,570.00**	1,542,426,578.84
Net profit		**6,563,483,366.33**	7,373,775,746.26
(I) Breakdown by continuity of operations			
1. Net profit from continuing operations		**6,563,483,366.33**	7,373,775,746.26
(II) Breakdown by attributable interests			
1. Net profit attributable to shareholders of the parent		**5,643,452,988.90**	5,903,455,392.46
2. Minority interests		**920,030,377.43**	1,470,320,353.80

	Notes	Incurred during this period (Unaudited)	Incurred in the previous period (Unaudited)
Net other comprehensive income after tax		**1,347,313,266.87**	1,172,173,793.26
Net other comprehensive income attributable to shareholders of the parent after tax	*11*	**217,532,630.64**	1,198,837,222.74
(I) Those other comprehensive income not to be reclassified into profit or loss			
1. Changes arising from re-measuring of defined benefit plan		**180,053,188.51**	155,574,111.50
2. Other comprehensive income not to be reclassified into profit or loss using the equity method		**(897,703.12)**	3,281,591.20
3. Change in fair value of investment in other equity instruments		**(96,951,935.06)**	1,271,178,029.32
(II) Those other comprehensive income to be reclassified into profit or loss			
1. Other comprehensive income to be reclassified into profit or loss using the equity method		**3,260,943.90**	(2,899,652.20)
2. Cashflow hedging reserve		**49,226,233.54**	(43,307,414.30)
3. Exchange differences on foreign currency translation		**82,841,902.87**	(184,989,442.78)
Net other comprehensive income attributable to minority interests after tax		**1,129,780,636.23**	(26,663,429.48)
Total comprehensive income		**7,910,796,633.20**	8,545,949,539.52
Total comprehensive income attributable to the shareholders of the parent		**5,860,985,619.54**	7,102,292,615.20
Total comprehensive income attributable to minority interests		**2,049,811,013.66**	1,443,656,924.32
Earnings per share	*10*		
(I) Basic earnings per share		**0.65**	0.68
(II) Diluted earnings per share		**0.65**	0.68

CONSOLIDATED BALANCE SHEET

30 June 2025

(Expressed in Renminbi Yuan)

Assets	*Notes*	**30 June 2025 (Unaudited)**	31 December 2024 (Audited)
Current assets			
Cash at bank and on hand		**68,316,824,056.33**	72,066,926,728.68
Incl.: Amount deposited in financial institution		**25,107,401,130.60**	28,400,969,254.10
Financial assets held for trading		**14,729,612,348.27**	16,488,504,978.97
Notes receivable	*3*	**101,750,341.88**	7,890,650,056.91
Accounts receivable	*4*	**39,799,368,983.40**	30,877,182,388.79
Receivable financing		**14,332,053,045.37**	7,182,103,394.41
Prepayments		**1,339,246,690.76**	1,368,159,871.96
Other receivables		**1,643,601,353.43**	1,356,048,339.69
Inventories		**36,574,070,432.20**	35,675,282,801.36
Contract assets		**2,496,914,642.54**	2,291,377,442.53
Assets held for sale		**348,027.65**	–
Non-current assets due within one year		**6,304,522,377.60**	5,447,139,288.50
Other current assets		**5,669,738,597.03**	4,106,309,416.32
Total current assets		**191,308,050,896.46**	184,749,684,708.12
Non-current assets			
Long-term receivables		**18,704,947,581.72**	15,774,538,475.39
Long-term equity investments		**5,708,333,184.52**	4,914,614,355.00
Investment in other equity instruments		**6,069,705,514.40**	6,114,305,210.35
Other non-current financial assets		**339,851,872.80**	603,663,855.04
Investment property		**655,508,747.83**	646,133,155.60
Fixed assets		**50,900,800,246.60**	47,303,406,403.80
Construction in progress		**6,564,744,003.37**	6,500,353,163.16
Right-of-use assets		**6,247,764,556.22**	5,562,826,921.96
Intangible assets		**23,081,146,034.55**	22,205,299,328.21
Development expenditure		**70,577,608.95**	48,673,761.47
Goodwill		**25,597,635,048.71**	24,561,247,939.69
Long-term prepaid expenses		**323,140,282.32**	320,676,891.81
Deferred tax assets		**6,114,501,941.77**	5,800,746,699.31
Other non-current assets		**23,632,460,271.31**	18,773,241,678.63
Total non-current assets		**174,011,116,895.07**	159,129,727,839.42
Total assets		**365,319,167,791.53**	343,879,412,547.54

Liabilities and shareholders' equity	*Notes*	**30 June 2025 (Unaudited)**	31 December 2024 (Audited)
Current liabilities			
Short-term loans		**3,420,756,200.57**	1,741,795,558.78
Financial liabilities held for trading		**82,811,118.84**	308,561,225.70
Notes payable	*5*	**34,164,338,122.56**	34,125,863,390.70
Accounts payable	*6*	**64,000,292,994.20**	58,032,964,948.37
Contract liabilities		**11,867,714,034.19**	13,914,246,892.96
Payroll payable		**8,661,787,410.97**	6,969,134,215.22
Taxes payable		**1,895,551,572.32**	2,244,855,844.93
Other payables		**11,341,840,729.53**	8,636,538,731.70
Non-current liabilities due within one year		**22,284,382,148.24**	21,030,639,166.69
Other current liabilities		**8,719,863,198.64**	7,834,870,104.62
Total current liabilities		**166,439,337,530.06**	154,839,470,079.67
Non-current liabilities			
Long-term borrowings		**8,105,603,851.53**	8,516,557,642.02
Bonds payable		**7,546,859,229.60**	7,116,572,845.20
Lease liabilities		**5,312,803,721.72**	4,831,598,870.97
Long-term payables		**11,977,028,278.79**	11,159,920,909.70
Long-term payroll payable		**7,570,205,247.84**	7,499,281,967.77
Accruals and provisions		**981,268,666.93**	873,151,560.22
Deferred income		**4,597,244,590.10**	4,587,960,893.43
Deferred tax liabilities		**4,012,554,513.13**	3,910,628,492.35
Other non-current liabilities		**22,487,225,073.47**	18,585,612,961.05
Total non-current liabilities		**72,590,793,173.11**	67,081,286,142.71
Total liabilities		**239,030,130,703.17**	221,920,756,222.38
Shareholders' equity			
Share capital		**8,715,671,296.00**	8,726,556,821.00
Capital reserve		**11,201,235,591.52**	11,218,072,681.51
Less: Treasury shares		**517,024,870.19**	546,248,538.39
Other comprehensive income	*11*	**2,925,429,793.47**	2,707,897,162.83
Special reserve		**242,338,740.98**	248,503,795.47
Surplus reserve		**4,491,565,280.61**	4,491,565,280.61
Retained earnings		**62,472,263,752.25**	59,850,011,345.94
Total equity attributable to the shareholders of the parent		**89,531,479,584.64**	86,696,358,548.97
Minority interests		**36,757,557,503.72**	35,262,297,776.19
Total shareholders' equity		**126,289,037,088.36**	121,958,656,325.16
Total liabilities and shareholders' equity		**365,319,167,791.53**	343,879,412,547.54

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

30 June 2025

1. SIGNIFICANT ACCOUNTING POLICIES

a. Preparation Basis of the Financial Statements

Preparation basis

These interim financial statements have been prepared in accordance with Accounting Standards for Business Enterprises – No. 32 Interim Financial Reporting issued by the Ministry of Finance.

In addition, the Group also disclosed relevant financial information in accordance with relevant disclosure requirements of Compilation Rules No. 15 for Information Disclosure by Companies Offering Securities to the Public – General Requirements for Financial Reporting (2023 Revision) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These interim financial statements include selected explanatory notes, which are provided for easy understanding of the Group's important events and transactions leading to its financial position and change of results of operations since the financial statements for the year 2024. These selected notes do not include all information and disclosures required under the Accounting Standards for Business Enterprises for a full set of financial statements. As such, these statements shall be read in conjunction with the financial statements of the Group for the year 2024.

Continuing operations

The interim financial statements are presented on a going concern basis.

Basis of book-keeping and principle of measurement

The Group adopts the accrual basis as the basis of book-keeping in accounting. Other than certain financial instruments, these financial statements have been prepared at historical costs. A disposal group held-for-sale is carried at the lower of carrying amount or the net value of fair value less selling expenses. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant provisions.

Under historical cost method, the amount of assets was measured at the fair value of cash or cash equivalents or consideration paid at the time of purchase. Liabilities were measured at the amount of money or assets due to the current obligations actually received, or a present obligation of the contract amount, or the measurement of cash or cash equivalents in accordance with daily activities to repay the liabilities of the amount expected to be paid.

The fair value refers to the amount, at which both willing parties engaged to an orderly transaction who are familiar with the condition sell their assets or transfer their liabilities. Whether the fair value is observable or measured by valuation techniques, the measurement and disclosure of the fair value in these financial statements were all based on it.

For financial assets with transaction prices as the fair value upon initial recognition and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equals to the transaction price.

Fair value measurements are categorised into three levels based on the degree to which the inputs of the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

- Level 3 inputs are unobservable inputs for the asset or liability.

b. The accounting treatment of business combinations involving enterprises under common control and business combinations involving enterprises not under common control

Business combinations include business combinations involving enterprises under common control and business combinations involving enterprises not under common control.

Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities that are obtained in a business combination shall be measured at the carrying amounts on the financial statements of the acquiree as at the combination date. The difference between the carrying amount of the net assets obtained by the acquirer and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) shall be adjusted to share premium under capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss when incurred.

Business combinations involving enterprises not under common control and goodwill

A business combination involving enterprises not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination.

Combination cost refers to the fair value of assets paid, liabilities incurred or assumed and equity instruments issued by the acquirer for acquiring control of the acquiree. For business combinations of enterprises not under common control achieved in stages through multiple transactions, the combination cost shall be the sum of the consideration paid on the date of acquisition and the fair value, as at the date of acquisition, of the equity interests in the acquiree held prior to the date of acquisition.

The fees paid to intermediaries including audit, legal services, appraisal and so forth and other related administrative expenses incurred by the acquirer for the business combination are charged to profit or loss for the current period when incurred.

The identifiable assets, liabilities and contingent liabilities of acquiree qualifying for the conditions of recognition acquired by the acquirer in the business combination are measured at fair value on the date of acquisition. When the business combination contract provides that, upon the occurrence of multiple future contingencies, the acquirer shall require the return of consideration paid for the business combination, such contingent consideration as set out in the contract shall be recognised as an asset by the Group as a part of the aggregate consideration transferred in the business combination, and be included in the cost of combination at the fair value at the date of acquisition. Within twelve months after the acquisition, if the contingent consideration needs to be adjusted as new or further evidences are obtained in respect of circumstances existed as of the date of acquisition, the amount previously included in the goodwill shall be adjusted. A change in or adjustment to the contingent consideration under other circumstances shall be measured in accordance with Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and Accounting Standards for Business Enterprises No. 13 – Contingencies. Any change or adjustment is included in profit or loss for the current period.

Where the combination cost is larger than the portion of fair value of net identifiable assets of acquiree acquired in the business combination, the difference is recognised as goodwill as an asset, and initially measured at cost. For those with combination cost lower than the portion of fair value of net identifiable assets of acquiree acquired in the business combination, re-verification is first carried out on the measurement of the fair value of all identifiable assets, liabilities and contingent liabilities as well as the combination cost. For those with combination cost lower than the portion of fair value of net identifiable assets of acquiree acquired in the business combination after re-verification, they are charged to profit or loss for the current period.

If either the fair values of identifiable assets, liabilities and contingent liabilities acquired in a combination or the cost of business combination can be determined only provisionally by the end of the period in which the business combination was effected, the acquirer recognises and measures the combination using those provisional values. Any adjustments to those provisional values within 12 months after the acquisition date are treated as if they had been recognised and measured on the acquisition date.

Goodwill arising from the business combination shall be recognised separately in the consolidated financial statements and measured at cost less accumulated impairment losses.

c. Judgment criteria for control and basis for preparation of consolidated financial statements

The consolidation scope of consolidated financial statements is determined on the basis of control. Control refers to the power of an investor over an investee, and exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of its returns. Once the relevant facts and situation which alters the elements that define control change, the Group shall perform re-evaluation.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the date of acquisition (the date when the control is obtained) are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control or the party being absorbed under merger by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

The effect of all intra-group transactions between the Company and its subsidiaries and among subsidiaries on the consolidated financial statements is eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "minority interests" in the consolidated balance sheet within shareholders' equity. The portion of net profits or losses of subsidiaries attributable to minority interests is presented as "minority interests" in the consolidated income statement below the net profit line item.

Where the amount of losses of a subsidiary attributable to the minority shareholders exceeds their share of the opening balance of owner's equity of the subsidiary, the excess shall be allocated against minority interests.

Acquisition of minority interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as an equity transaction. The carrying amounts of the interests attributable to the parent and minority interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the minority interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

2. SEGMENT REPORTING

Operating segments

The Group organises and manages its operating business in accordance with the nature of business and provision of products and services. Each operating segment of the Group is one operating group, providing products and services with risks and rewards different from those of other operating segments.

The details of operating segments are as follows:

(a) manufacturing and sale of engines and related parts ("Engines");

(b) manufacturing and sale of automobiles and automobile components other than Engines ("Automobiles and automobile components");

(c) forklift trucks production, warehousing technology and supply chain solution services ("Intelligent logistics");

(d) manufacturing and sale of agricultural equipment (complete machineries), agricultural machineries, agricultural vehicles and related parts ("Agricultural equipment").

Management monitors the results of operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reported segment profit, which is a measure of adjusted total profits. The adjusted total profits are measured consistently with the Group's total profits, except that finance expenses, investment income, profit or loss on change of fair value as well as other unallocated income or expense are excluded from such measurement.

Segment assets exclude cash and bank, derivative instruments, dividends receivable, interests receivable, investment in other equity instruments, deferred tax assets and other unallocated head office assets.

Segment liabilities exclude derivative instruments, borrowings, income tax payable, deferred tax liabilities and other unallocated head office liabilities.

Inter-segment transfers are transacted with reference to the prices used in the transactions carried out with third parties.

Item	Engines	Automobiles and automobile components	Agricultural equipment	Intelligent logistics	Inter-segment elimination	Total
Incurred during this period						
Segment revenue:						
Sale to external customers	25,704,534,833.02	33,966,054,559.84	10,298,632,782.46	43,182,565,932.45	–	113,151,788,107.77
Inter-segment sale	6,767,081,665.24	1,046,825,546.94	175,390,411.97	–	(7,989,297,624.15)	–
Total	32,471,616,498.26	35,012,880,106.78	10,474,023,194.43	43,182,565,932.45	(7,989,297,624.15)	113,151,788,107.77
Segment results	5,554,652,138.03	252,210,375.95	538,131,650.37	960,169,815.11	(405,252,362.15)	6,899,911,617.31
Adjustment:						
Interest income						1,772,204,867.60
Dividend income and unallocated income						86,856,976.54
Corporate and other unallocated expenses						(65,200,268.30)
Finance expenses						(1,303,382,256.82)
Profit before tax						7,390,390,936.33

Item	Engines	Automobiles and automobile components	Agricultural equipment	Intelligent logistics	Inter-segment sale elimination	Total
30 June 2025						
Segment assets	83,979,378,604.41	61,070,655,869.61	11,058,471,502.99	131,378,667,193.58	(40,181,822,908.58)	247,305,350,262.01
Adjustment:						
Corporate and other unallocated assets	–	–	–	–	–	118,013,817,529.52
Total assets	–	–	–	–	–	365,319,167,791.53
Segment liabilities	43,853,062,771.63	64,103,191,930.11	14,794,404,443.35	78,242,014,476.00	(7,966,503,035.23)	193,026,170,585.86
Adjustment:						
Corporate and other unallocated liabilities	–	–	–	–	–	46,003,960,117.31
Total liabilities	–	–	–	–	–	239,030,130,703.17
Incurred in this period						
Other segment information:						
Share of profit and loss from:						
Gain/(loss)from associates and joint ventures	(3,227,309.70)	(69,917,932.07)	(19,196,433.49)	50,042,056.00	–	(42,299,619.26)
Loss of impairment of inventories	(39,768,702.75)	(548,860,203.68)	(5,399,355.60)	(182,431,700.45)	–	(776,459,962.48)
Loss of credit impairment of receivables and lease receivable	(86,708,050.30)	(77,956,127.34)	(34,174,861.02)	(118,573,259.90)	–	(317,412,298.56)
Loss of impairment of assets	–	(8,448.85)	–	(10,380,281.05)	–	(10,388,729.90)
Depreciation and amortisation	(1,006,371,167.71)	(784,017,950.87)	(142,426,440.72)	(4,778,259,890.10)	–	(6,711,075,449.40)
Gain from disposal of fixed assets	4,338,494.15	273,655.09	(74,609.36)	19,242,114.60	–	23,779,654.48
Investment in associates and joint ventures	3,157,894,617.37	1,543,646,555.14	18,260,608.26	988,531,403.75	–	5,708,333,184.52
Capital expenditure	1,773,149,194.07	712,439,102.49	729,678,804.31	5,889,356,460.00	–	9,104,623,560.87

Item	Engines	Automobiles and automobile components	Agricultural equipment	Intelligent logistics	Inter-segment elimination	Total
Incurred in the previous period						
Segment revenue:						
Sale to external customers	24,904,188,894.04	32,775,983,600.40	10,617,814,287.84	44,191,720,472.50	–	112,489,707,254.78
Inter-segment sale	7,463,239,631.75	1,548,211,008.46	78,020,375.12	23,752,064.60	(9,113,223,079.93)	–
Total	32,367,428,525.79	34,324,194,608.86	10,695,834,662.96	44,215,472,537.10	(9,113,223,079.93)	112,489,707,254.78
Segment results	4,906,384,048.04	320,717,090.32	532,807,522.51	2,883,255,600.38	(41,152,081.17)	8,602,012,180.08
Adjustment:						
Interest income						1,915,446,764.07
Dividend income and unallocated income						527,800,648.64
Corporate and other unallocated expenses						(182,562,846.75)
Finance expenses						(1,946,494,420.94)
Profit before tax						8,916,202,325.10

Item	Engines	Automobiles and automobile components	Agricultural equipment	Intelligent logistics	Inter-segment sale elimination	Total
31 December 2024						
Segment assets	79,522,224,424.39	55,345,350,777.43	8,558,506,520.73	119,699,628,297.76	(37,863,902,898.28)	225,261,807,122.03
Adjustment:						
Corporate and other unallocated assets	–	–	–	–	–	118,617,605,425.51
Total assets	–	–	–	–	–	343,879,412,547.54
Segment liabilities	42,972,514,701.24	58,858,707,287.78	15,041,251,019.65	69,086,655,992.90	(7,674,051,276.40)	178,285,077,725.17
Adjustment:						
Corporate and other unallocated liabilities	–	–	–	–	–	43,635,678,497.21
Total liabilities	–	–	–	–	–	221,920,756,222.38
Incurred in the previous period						
Other segment information:						
Share of profit and loss from:						
(Loss)/gain from associates and joint ventures	55,192,777.02	(86,108,426.13)	126,724.07	75,959,121.60	–	45,170,196.56
Loss of impairment of inventories	(64,400,265.43)	(141,394,939.24)	(18,284,527.87)	(144,034,411.96)	–	(368,114,144.50)
(Loss)/gain of credit impairment of receivables and lease receivable	(70,427,339.81)	(222,136,212.21)	(12,624,716.30)	(69,533,528.30)	–	(374,721,796.62)
Loss of impairment of assets	–	(2,546,594.92)	(815,652.06)	(686,723.24)	–	(4,048,970.22)
Depreciation and amortisation	(934,877,014.57)	(783,585,042.14)	(93,811,664.27)	(4,394,576,526.44)	–	(6,206,850,247.42)
Gain from disposal of fixed assets	127,163,404.12	872,768.60	571,592.95	20,798,855.20	–	149,406,620.87
Investment in associates and joint ventures	2,835,419,150.44	1,294,626,813.41	37,602,840.22	892,490,922.16	–	5,060,139,726.23
Capital expenditure	1,058,278,241.51	609,624,631.96	376,929,063.53	6,779,400,523.50	–	8,824,232,460.50

Group information

Information about products and services

Revenue from external transactions

Item	**From 1 January 2025 to 30 June 2025**	From 1 January 2024 to 30 June 2024
Powertrain, complete vehicles and machineries and key components	**47,932,214,952.35**	46,683,679,092.03
Other components	**6,742,026,300.63**	6,490,004,596.74
Intelligent logistics	**43,182,565,932.45**	44,191,720,472.50
Agricultural equipment	**10,298,632,782.46**	10,617,814,287.84
Others	**4,996,348,139.88**	4,506,488,805.67
Total	**113,151,788,107.77**	112,489,707,254.78

Geographic information

Revenue from external transactions

Item	**From 1 January 2025 to 30 June 2025**	From 1 January 2024 to 30 June 2024
China	**55,660,427,411.05**	53,637,199,484.30
Other countries and regions	**57,491,360,696.72**	58,852,507,770.48
Total	**113,151,788,107.77**	112,489,707,254.78

Revenue from external transactions is attributable to the areas where customers are located.

Total non-current assets

Item	**30 June 2025**	31 December 2024
China	**34,719,438,614.02**	33,414,927,263.01
Other countries and regions	**85,503,862,863.38**	79,642,533,973.14
Total	**120,223,301,477.40**	113,057,461,236.15

Non-current assets are attributable to the areas where the assets are located, excluding long-term receivables, financial assets and deferred tax assets.

3. NOTES RECEIVABLE

(1) Classification of notes receivable

Item	30 June 2025	31 December 2024
Bank acceptance bills	**418,000.00**	6,141,640,667.29
Commercial acceptance bills	**101,474,883.76**	26,303,684.47
Acceptance bills of finance companies	**–**	1,723,136,575.27
Subtotal	**101,892,883.76**	7,891,080,927.03
Less: Provision for bad debts	**142,541.88**	430,870.12
Total	**101,750,341.88**	7,890,650,056.91

All of the above notes receivable are due within one year.

(2) Notes receivable pledged by the Group as at the end of period/year:

Item	30 June 2025	31 December 2024
Bank acceptance bills	**–**	4,654,171,277.21

(3) Notes receivable endorsed or discounted as at period end/year and not yet expired as at the balance sheet date:

	30 June 2025		31 December 2024	
	Derecognised	**Not derecognised**	Derecognised	Not derecognised
Bank acceptance bills	**–**	**–**	125,712,072.15	634,319.33
Commercial acceptance bills	**520,624,662.83**	**360,000.00**	387,515,500.00	–

As at 30 June 2025, the Group had not transferred any notes into accounts receivable due to issuers' failure in performance (31 December 2024: Nil).

As the Group considered that the credit rating of the bank acceptance bills was relatively high and the credit quality of acceptors of all commercial acceptance bills held by it was good, there was no significant credit risk or material losses due to a default by the bank.

4. ACCOUNTS RECEIVABLE

The Group trades with its customers primarily on credit terms, and generally requires prepayments or cash on delivery for new customers. Credit period for credit customers is generally one to twelve months. Accounts receivable is non-interest bearing.

(1) An aging analysis of accounts receivable based on invoice dates is presented as follows:

Age	30 June 2025	31 December 2024
Within 1 year	**38,444,941,363.39**	30,126,462,366.38
1 to 2 years	**2,022,353,321.89**	1,033,169,772.60
2 to 3 years	**360,730,651.36**	198,291,428.00
Over 3 years	**2,840,169,625.51**	3,046,247,372.71
Sub-total	**43,668,194,962.15**	34,404,170,939.69
Less: Provision for bad debts	**3,868,825,978.75**	3,526,988,550.90
Total	**39,799,368,983.40**	30,877,182,388.79

(2) Disclosure of accounts receivable by category of provision for bad debts:

	30 June 2025				
	Gross carrying amount		Provision for Bad debts		Carrying amount
Category	Amount	Proportion (%)	Amount	Percentage of provision (%)	
Provision for bad debts on an individual basis	**5,065,982,043.07**	**11.60**	**2,535,492,305.60**	**50.05**	**2,530,489,737.47**
Provision for bad debts on a collective basis	**38,602,212,919.08**	**88.40**	**1,333,333,673.15**	**3.45**	**37,268,879,245.93**
– credit losses are provided for using impairment matrix based on aging analysis	**18,116,301,064.78**	**41.49**	**1,097,240,868.37**	**6.06**	**17,019,060,196.41**
– credit losses are provided for using overdue ages as credit risk characteristics	**14,208,976,426.02**	**32.54**	**162,310,641.76**	**1.14**	**14,046,665,784.26**
– Accounts receivable portfolio with good credit history	**6,276,935,428.28**	**14.37**	**73,782,163.02**	**1.18**	**6,203,153,265.26**
Total	**43,668,194,962.15**	**100.00**	**3,868,825,978.75**	**8.86**	**39,799,368,983.40**

	31 December 2024				
	Gross carrying amount		Provision for Bad debts		Carrying amount
Category	Amount	Proportion *(%)*	Amount	Percentage of provision *(%)*	
Provision for bad debts on an individual basis	4,920,615,490.06	14.30	2,464,924,574.57	50.09	2,455,690,915.49
Provision for bad debts on a collective basis	29,483,555,449.63	85.70	1,062,063,976.33	3.60	28,421,491,473.30
– credit losses are provided for using impairment matrix based on aging analysis	13,517,827,032.89	39.29	898,618,446.20	6.65	12,619,208,586.69
– credit losses are provided for using overdue ages as credit risk characteristics	13,414,493,242.52	38.99	137,433,366.20	1.02	13,277,059,876.32
– Accounts receivable portfolio with good credit history	2,551,235,174.22	7.42	26,012,163.93	1.02	2,525,223,010.29
Total	34,404,170,939.69	100.00	3,526,988,550.90	10.25	30,877,182,388.79

(a) As at 30 June 2025, the Group's accounts receivable assessed for expected credit losses individually are presented as follows:

Customers	**Gross carrying amount**	**Provision for Bad debts**	**Percentage of provision** *(%)*	**Reasons**
Customer 1	884,110,501.11	541,400,179.86	61.24	Bad repayment ability
Customer 2	213,323,741.41	183,408,527.53	85.98	Bad repayment ability
Customer 3	198,313,637.23	127,866,453.99	64.48	Significant decrease in recovery rate
Customer 4	195,225,230.67	161,438,112.00	82.69	Bad repayment ability
Customer 5	111,041,976.88	111,041,976.88	100.00	Bad repayment ability
Customer 6	92,727,457.88	10,806,138.06	11.65	Risk category
Customer 7	75,871,191.17	75,871,191.17	100.00	Bad repayment ability
Customer 8	56,927,140.00	56,927,140.00	100.00	Long credit age
Others	3,238,441,166.72	1,266,732,586.11	39.12	Long credit age, etc.
Total	5,065,982,043.07	2,535,492,305.60	50.05	

(b) As at 30 June 2025, the Group's accounts receivable for which credit losses are provided for using impairment matrix based on aging analysis are presented as follows:

	30 June 2025		
Age	**Gross carrying amount**	**Lifetime expected credit loss**	**Expected credit loss rate** *(%)*
Within 1 year	**16,625,877,838.34**	**441,359,210.09**	**2.65**
1 to 2 years	**864,981,671.11**	**148,044,738.62**	**17.12**
2 to 3 years	**136,484,449.99**	**55,874,149.66**	**40.94**
3 to 4 years	**84,571,202.06**	**74,469,802.51**	**88.06**
4 to 5 years	**105,725,456.31**	**78,832,520.52**	**74.56**
Over 5 years	**298,660,446.97**	**298,660,446.97**	**100.00**
Total	**18,116,301,064.78**	**1,097,240,868.37**	**6.06**

(c) As at 30 June 2025, the Group's accounts receivable for which credit losses are provided for using overdue ages as credit risk characteristics are presented as follows:

	30 June 2025		
Overdue ages	**Gross carrying amount**	**Lifetime expected credit loss**	**Expected credit loss rate** *(%)*
Not yet overdue or overdue for less than 90 days	**13,187,575,280.26**	**96,491,279.54**	**0.73**
Overdue for more than 90 days but less than 180 days	**611,727,819.48**	**26,926,102.73**	**4.40**
Overdue for more than 180 days	**409,673,326.28**	**38,893,259.49**	**9.49**
Total	**14,208,976,426.02**	**162,310,641.76**	**1.14**

(d) As at 30 June 2025, provisions for credit losses for the Group's accounts receivable with good credit history are presented as follows:

	30 June 2025		
Item	**Gross carrying amount**	**Lifetime expected credit loss**	**Expected credit loss rate** *(%)*
Accounts receivable portfolio with good credit history	**6,276,935,428.28**	**73,782,163.02**	**1.18**

(3) Movements in provision for bad debts:

Provision for bad debts	Lifetime expected credit loss (without impairment of credit)	Lifetime expected credit loss (with impairment of credit)	Total
Balance as at 31 December 2024	**1,062,063,976.33**	**2,464,924,574.57**	**3,526,988,550.90**
– Transferred to receivables with impairment of credit	**(8,337,209.92)**	**8,337,209.92**	**–**
Provision for the period	**300,063,292.86**	**93,406,715.88**	**393,470,008.74**
Reversal during the period	**(41,086,791.31)**	**(48,917,625.73)**	**(90,004,417.04)**
Written-off during the period	**–**	**(12,321,097.04)**	**(12,321,097.04)**
Other increases	**4,561,406.68**	**–**	**4,561,406.68**
Adjustment for exchange differences	**16,068,998.51**	**30,062,528.00**	**46,131,526.51**
Balance as at 30 June 2025	**1,333,333,673.15**	**2,535,492,305.60**	**3,868,825,978.75**

(4) As at 30 June 2025, the top five balances in respect of accounts receivable by closing balance are presented as follows:

Name of entity	Gross carrying amount of accounts receivable	Gross carrying amount of contract assets	Proportion *(%)*	Provision for bad debts
First place	**1,471,863,527.62**	**174,853,944.00**	**3.57**	**–**
Second place	**1,350,250,407.78**	**–**	**2.92**	**4,925,128.21**
Third place	**1,231,686,815.19**	**–**	**2.67**	**26,973,941.25**
Fourth place	**1,162,175,383.23**	**–**	**2.52**	**17,410,172.66**
Fifth place	**1,139,131,897.45**	**–**	**2.46**	**15,463,807.38**
Total	**6,355,108,031.27**	**174,853,944.00**	**14.14**	**64,773,049.50**

As at 30 June 2025, the Group had no restricted accounts receivable (31 December 2024: RMB63,859,494.19).

5. NOTES PAYABLE

Item	**30 June 2025**	31 December 2024
Bank acceptance bills	**33,538,537,024.50**	32,783,477,190.84
Commercial acceptance bills	**9,766,492.19**	6,766,199.72
Acceptance bills of finance companies	**616,034,605.87**	1,335,620,000.14
Total	**34,164,338,122.56**	34,125,863,390.70

As at 30 June 2025, the Group had no outstanding notes payable which were due (31 December 2024: Nil).

6. ACCOUNTS PAYABLE

An aging analysis of accounts payable based on invoice dates is presented as follows:

Item	**30 June 2025**	31 December 2024
Within 1 year	**62,763,739,798.26**	56,784,694,275.86
Over 1 year	**1,236,553,195.94**	1,248,270,672.51
Total	**64,000,292,994.20**	58,032,964,948.37

Accounts payable are non-interest bearing, and are generally settled within three to six months.

As at 30 June 2025, there was no accounts payable which was material and aged over one year (31 December 2024: Nil).

7. REVENUE AND COST OF SALES

(1) Revenue and cost of sales

	From 1 January 2025 to 30 June 2025		From 1 January 2024 to 30 June 2024	
Item	**Revenue**	**Cost**	Revenue	Cost
Revenue from principal operations	**112,331,489,788.30**	**87,574,844,769.52**	111,665,352,186.47	87,487,206,001.56
Other revenue	**820,298,319.47**	**480,316,283.02**	824,355,068.31	536,704,360.80
Total	**113,151,788,107.77**	**88,055,161,052.54**	112,489,707,254.78	88,023,910,362.36

(2) Reporting segment

Item	Engines and automobiles and automobile components		Intelligent logistics		Agricultural equipment		Total	
	Revenue	Cost	Revenue	Cost	Revenue	Cost	Revenue	Cost
Classified by major regions of operation								
Including: Mainland China	44,019,336,164.64	34,765,588,066.01	2,493,279,495.86	1,803,509,833.81	9,147,811,750.55	8,002,291,252.60	55,660,427,411.05	44,571,389,152.42
Other countries and regions	15,651,253,228.22	13,066,928,378.22	40,689,286,436.59	29,554,551,444.48	1,150,821,031.91	862,292,077.42	57,491,360,696.72	43,483,771,900.12
Total	59,670,589,392.86	47,832,516,444.23	43,182,565,932.45	31,358,061,278.29	10,298,632,782.46	8,864,583,330.02	113,151,788,107.77	88,055,161,052.54
Classified by time for recognition of revenue								
Including: Transferred at a certain point of time	59,532,298,115.05	47,800,603,639.82	26,556,593,363.89	19,331,689,957.38	10,292,286,515.77	8,860,060,569.51	96,381,177,994.71	75,992,354,166.71
Provided over a certain period of time	74,057,933.77	25,658,041.79	11,894,350,355.70	8,603,759,774.58	5,329,343.12	4,455,446.90	11,973,737,632.59	8,633,873,263.27
Sub-total of revenue arising from the contracts with customers	59,606,356,048.82	47,826,261,681.61	38,450,943,719.59	27,935,449,731.96	10,297,615,858.89	8,864,516,016.41	108,354,915,627.30	84,626,227,429.98
Revenue under the Standard on Lease	64,233,344.04	6,254,762.62	4,731,622,212.86	3,422,611,546.33	1,016,923.57	67,313.61	4,796,872,480.47	3,428,933,622.56
Total	59,670,589,392.86	47,832,516,444.23	43,182,565,932.45	31,358,061,278.29	10,298,632,782.46	8,864,583,330.02	113,151,788,107.77	88,055,161,052.54

(3) Performance of obligations

The supply chain solution services provided by the Group belong to the performance obligation satisfied over a certain period of time. The performance costs actually incurred on a cumulative basis as a percentage of estimated total costs is used to ascertain progress of performance of supply chain solution services contracts. As at 30 June 2025, some of the Group's supply chain solution services contracts were still in the process of performance, the transaction price allocated to the outstanding (or partially unperformed) performance obligations is related to the performance progress of each supply chain solution services contract, and will be recognised as revenue in the future performance period of each supply chain solution services contracts based on the performance progress.

8. TAXES AND SURCHARGES

Item	**From 1 January 2025 to 30 June 2025**	From 1 January 2024 to 30 June 2024
City maintenance and construction tax	**74,625,902.41**	71,754,856.02
Educational surtax	**53,539,884.56**	52,547,184.05
Property tax	**147,533,870.90**	138,688,338.14
Stamp duty	**64,630,379.46**	63,225,497.87
Others	**61,028,170.37**	46,976,971.34
Total	**401,358,207.70**	373,192,847.42

9. INCOME TAX EXPENSES

Item	**From 1 January 2025 to 30 June 2025**	From 1 January 2024 to 30 June 2024
Current tax expenses	**1,123,191,914.91**	1,713,614,653.58
Tax filing differences	**40,474,423.86**	(28,960,453.81)
Deferred tax expenses	**(336,758,768.77)**	(142,227,620.93)
Total	**826,907,570.00**	1,542,426,578.84

The relationship between income tax expenses and the total profit is listed as follows:

Item	From 1 January 2025 to 30 June 2025	From 1 January 2024 to 30 June 2024
Total profit	**7,390,390,936.33**	8,916,202,325.10
Tax at statutory tax rate *(Note 1)*	**1,847,597,734.08**	2,229,050,581.28
Effect of different tax rates applicable to the Company and some subsidiaries *(Note 2)*	**(631,650,623.75)**	(617,436,335.83)
Adjustments to current tax of previous periods	**40,474,423.87**	(28,960,453.81)
Profits and losses attributable to associates and joint ventures	**17,714,292.04**	16,237,620.31
Income not subject to tax	**(25,585,330.96)**	(10,763,625.77)
Expenses not deductible for tax	**113,845,815.51**	149,046,923.72
Effect of tax incentives on eligible expenditures	**(450,028,451.29)**	(354,749,072.86)
Effect of utilisation of deductible losses and deductible temporary difference of unrecognised deferred tax assets from prior years	**(208,235,827.91)**	(52,845,442.92)
Effect of unrecognised deductible losses and deductible temporary difference	**122,775,538.41**	212,846,384.72
Tax expense at the Group's effective tax rate	**826,907,570.00**	1,542,426,578.84

Note 1: The Company is subject to a statutory tax rate of 25%.

Note 2: The PRC income tax of the Group is calculated based on the estimated taxable income gained in the PRC and applicable tax rate. Tax arising from the taxable income in other regions is calculated at applicable tax rate according to existing laws, interpretations and practices of the country in which the Group operates.

No provision for Hong Kong profit tax has been made as the Group had no taxable profits arising in Hong Kong for the Period.

10. EARNINGS PER SHARE (EPS)

The basic EPS is calculated by dividing the net profit of the current period attributable to the ordinary shareholders of the Company by the weighted average number of outstanding ordinary shares.

The calculation of basic EPS is detailed as follows:

Item	From 1 January 2025 to 30 June 2025	From 1 January 2024 to 30 June 2024
Earnings		
Net profit of the current period attributable to ordinary shareholders of the Company	**5,643,452,988.90**	5,903,455,392.46
Shares		
Weighted average number of the ordinary shares outstanding of the Company	**8,638,202,266.83**	8,639,291,296.00
Basic EPS (RMB/share)	**0.65**	0.68

The Group holds no potential shares that are significantly dilutive.

11. OTHER COMPREHENSIVE INCOME

Other comprehensive income, on a cumulative basis, attributable to the parent as shown in the consolidated balance sheet is as follows:

		Incurred during this period						
Item	31 December 2024	Incurred before the income tax for the current period	Less: Amount recognised in other comprehensive income in previous period and recognised in profit or loss in current period	Less: Income tax expenses	Attributable to parent company after tax	Attributable to minority interests after tax	Less: Amount recognised in other comprehensive income in previous period and recognised in retained earnings in current period	**30 June 2025**
I. Those other comprehensive income not to be reclassified into profit or loss	3,330,656,653.12	465,113,187.86	–	120,837,682.97	82,203,550.33	262,071,954.56	–	**3,412,860,203.45**
Changes arising from re-measuring of defined benefit plan	551,511,006.93	514,056,754.71	–	150,013,210.36	180,053,188.51	183,990,355.84	–	**731,564,195.44**
Other comprehensive income not to be reclassified into profit or loss using the equity method	(118,564,747.04)	1,071,361.30	–	–	(897,703.12)	1,969,064.42	–	**(119,462,450.16)**
Change in fair value of investment in other equity instruments	2,897,710,393.23	(50,014,928.15)	–	(29,175,527.39)	(96,951,935.06)	76,112,534.30	–	**2,800,758,458.17**
II. Other comprehensive income to be reclassified into profit or loss	(622,759,490.29)	1,065,480,207.69	22,330,619.19	40,111,826.52	135,329,080.31	867,708,681.67	–	**(487,430,409.98)**
Other comprehensive income to be reclassified into profit or loss using the equity method	(12,706,221.72)	3,260,943.90	–	–	3,260,943.90	–	–	**(9,445,277.82)**
Cashflow hedging reserve	(26,346,867.00)	168,304,805.67	22,330,619.19	40,111,826.52	49,226,233.54	56,636,126.42	–	**22,879,366.54**
Exchange differences on foreign currency translation	(583,706,401.57)	893,914,458.12	–	–	82,841,902.87	811,072,555.25	–	**(500,864,498.70)**
Total of other comprehensive income	2,707,897,162.83	1,530,593,395.55	22,330,619.19	160,949,509.49	217,532,630.64	1,129,780,636.23	–	**2,925,429,793.47**

The Group transferred cashflow hedging reserve to inventory with an initial recognition amount of RMB14,685,407.20 in the current period.

12. DIVIDENDS

On 29 August 2025, the Company passed a board resolution to distribute to all shareholders a cash dividend of RMB3.58 (including tax) for every 10 shares held, without bonus shares or any capitalisation of reserve, based on 8,674,438,821 shares currently eligible for profit distribution (calculated by deducting 39,142,475 shares in the securities account designated for repurchase shares and 2,090,000 restricted A shares to be repurchased and cancelled from the total share capital of the Company of 8,715,671,296 shares). Please refer to the further announcement to be issued by the Company for details on the closure of registers of members in determining the shareholders who are eligible for the interim dividend for 2025.

The interim dividend distribution for 2025 has been pre-authorised at the annual general meeting held on 13 June 2025, and will be implemented after the Board has considered and approved the dividend distribution plan.

MANAGEMENT DISCUSSION AND ANALYSIS

The Directors are pleased to present a management discussion and analysis of the results of operations of the Group for the six months ended 30 June 2025 (the "Period" or the "reporting period") as follows:

I. Industry Analysis

The Company is one of the vehicle and equipment manufacturing conglomerates in the PRC with the best comprehensive strengths. Our development vision is to build a technology-leading, green and world-class multinational group of high-end equipment. Over the years, the Company has been dedicated to product management and capital operation and striving to develop competitive products in terms of three key aspects: quality, technology and cost-effectiveness, thereby developing an industrial landscape of synergetic development among segments including powertrains, commercial vehicles, agricultural equipment and intelligent logistics.

1. Commercial Vehicles, Construction Machinery and Agricultural Equipment Industries

In the first half of 2025, global economic growth was sluggish, with the external environment remaining complicated and challenging. The domestic economy continued to recover and improve with prominent resilience, maintaining steady progress amid stability. In the first half of the year, the gross domestic product in China reached RMB66.1 trillion, representing a year-on-year increase of 5.3%. The heavy-duty truck industry delivered a sales volume of 539,000 units, representing a year-on-year increase of 6.9%. Among which, the domestic sales volume of new energy heavy-duty trucks amounted to 79,000 units, representing a year-on-year increase of 186%. The sales volume of the construction machinery industry amounted to 362,000 units (excluding mini excavators and pure electric units), remaining the same level year-on-year. The sales volume of the agricultural equipment industry amounted to 218,000 units, representing a year-on-year decrease of 7%.

2. Industrial Trucks and Supply Chain Solutions

According to the forecast published by the World Bank in June 2025, global economic growth will further weaken throughout 2025. Following global economic growth of 2.8% in the year 2024, the World Bank currently expects a growth rate slowing down to only 2.3%. This revision is primarily due to increasing trade barriers, ongoing geopolitical uncertainties, and subdued investment activity by companies. Global inflation is expected to maintain at an average level of 2.9% owing to persistent wage pressures and increasing trade costs. In the first half of 2025, the order intake of the global industrial vehicle market increased as compared with the corresponding period last year.

According to data from the market research institute Interact Analysis, the global market for warehouse automation solutions was inactive in the first half of 2025. Capital expenditure on automated distribution centers and the modernisation of existing warehouses and storage facilities had a positive impact on demand. At the same time, economic uncertainties, delayed investment decisions, and weaker demand for mobile automation solutions led to noticeable hesitancy. Moreover, customers had brought forward the awarding of projects in 2024, which depressed order intake in the reporting period.

II. The Group's Business

During the reporting period, facing complicated and evolving development conditions, the Company proactively formulated plans and strategic layout, scientifically coordinated resource allocation, optimised product structure, undertook business transformation and upgrading, and further expanded into overseas markets. Leveraging technological innovation and optimisation of industrial chains, the Company continuously enhanced its core competitiveness, and maintained sound development momentum. In the first half of the year, the Company's revenue amounted to approximately RMB113,152 million, representing an increase of approximately 0.6% as compared with that in the corresponding period of 2024. Net profit attributable to the shareholders of the Company amounted to approximately RMB5,643 million, representing a decrease of approximately 4.4% as compared with that in the corresponding period of 2024. Basic earnings per share was RMB0.65, representing a decrease of approximately 4.4% as compared with that in the corresponding period of 2024. An analysis of the Group's business segments is set out in Note 2 to the consolidated financial statements. The following is an overview of the operating conditions of the major products of the Group:

1. Power System Business

The Company has consistently adhered to the philosophy of innovation-driven development, advancing simultaneously in both the upgrading of traditional power systems and breakthroughs in new energy, and achieving the comprehensive iteration of products and multidimensional leaps in technology. **Adhering to innovation-driven development, our powertrain products underwent iterative upgrades.** By promoting the profound integration of digital intelligence technology, big data models, and product manufacturing, the "data-driven high-end engine intelligent factory" has been successfully selected as one of the first batch of outstanding intelligent factories by the Ministry of Industry and Information Technology of China. The Company launched the WP16NG4.0 gas-powered engines, setting industry-leading standards with powerful performance, high efficiency, reliability, durability and safety and introduced the all-new H/T 2.0 high-efficiency and high-horsepower engine, significantly reducing fuel consumption to lower operational costs for users. The Company also advanced the upgrade of high-value and large diameter products such as rigid mining trucks, mining excavators and data centers, with notable advantages in high reliability, low fuel consumption and intelligence. **New energy products achieved multi-dimensional breakthroughs, establishing a diversified "three-electric" technology matrix**. Weichai (Yantai) New Energy Power Industrial Park Phase I (濰柴(煙台)新能源動力產業園一期) has officially commenced operations, with the first power battery product featuring blade battery technology rolling off the production line, providing high-end power solutions for new energy commercial vehicles and construction machinery. The full range of heavy-duty truck power batteries has achieved comprehensive technological upgrades in terms of "high capacity, fast charging, and broad compatibility". Light-duty truck batteries lead the industry with an ultra-high capacity of 140kWh, ultra-fast charging at 2C, and an ultra-long cycle life of 4,500 cycles.

During the reporting period, the Company maintained its leading market position across various products, while continually optimising the structure of product mix, leading to an explosive growth in our strategic businesses. Our sales volume of engines amounted to 362,000 units, among which the cumulative sales for M-series large-diameter engines reached more than 5,000 units, representing a year-on-year growth of 41%, and sales volume of engines for data centers reached nearly 600 units, representing a year-on-year growth of 491%. Sales volume of power batteries reached 2.3GWh, representing a year-on-year growth of 91%.

2. Commercial Vehicle Business

The Company adhered to its strategy of leading with complete vehicles and machineries, continuously enhanced its product competitiveness, and accelerated industrial chain collaboration. Shaanxi Heavy-duty Motor Company Limited ("Shaanxi Zhongqi"), a subsidiary of the Company, adhered to a dual-pronged strategy driven by market-orientation and technology innovation, and achieved vehicle sales of 73,000 units in the first half of the year, representing a 14.6% year-on-year increase, with the scale of production and sales consistently improved. **The transition and upgrading of new energy vehicles accelerated, and overseas market development yielded significant results.** In the first half of the year, new energy vehicle sales exceeded 10,000 units, representing a year-on-year increase of 255%. We accelerated overseas market expansion efforts, with significant increase in mature markets. Sales volume in markets such as Guinea, Saudi Arabia and Algeria achieved doubled year-on-year growth. **We continued to deepen business synergies, and consistently enhanced the competitiveness of our flagship products.** The Company and Shaanxi Zhongqi joined forces to launch the flagship X6000 16NG 720-horsepower natural gas heavy-duty truck, setting a new high-horsepower value benchmark in China's heavy-duty truck industry. Targeting market segments including agricultural byproducts, cold chain and express freight, we introduced the Delong M5000-series mid-to-high-end products, leading the industry in reliability and fuel efficiency. The fully automatic new energy "Zhihui" brand released in collaboration with the Company had its performance metrics such as complete vehicle economy and safety ranking among the industry's best.

3. *Agricultural Equipment Business*

The Company actively implemented the national rural revitalisation strategy, proactively integrating into and serving the national food security agenda, and mobilised the full strength of the Group to strengthen, optimise, and expand its agricultural equipment business. Our subsidiary, Weichai Lovol Intelligent Agricultural, strives to become an outstanding provider of comprehensive smart agricultural solutions and build the top brand of agricultural machinery in China. **Our business performance was stable with outstanding strategic market expansion results.** In the first half of the year, we effectively overcame the impact of industry downturn and achieved revenue of RMB9.86 billion, with export revenue reaching RMB1.15 billion, representing a year-on-year increase of 18.6%. Our strategic high-end products achieved excellent market performance. The structural share of power-shift tractors and GM-series wheat harvesters increased significantly year-on-year; the 18-row electric drive seeder ended foreign monopolies; air-suction precision seeders successfully entered the high-end Northeast China market. **Driven by technological innovation, our strategic achievements were prominent, and the technological competitiveness of high-end products continued to rise.** We launched the new fuel-saving and yield-boosting corn machine CE and CF series models, reducing fuel consumption by 15% and kernel loss rate by 75%, redefining corn harvesting standards. We released comprehensive smart agricultural solutions, empowering modern agriculture with digital intelligence to achieve precision farm management, significantly improving operational efficiency, reducing production costs, and efficiently facilitating increase in yields and harvests. The completion and commissioning of the Lovol Smart Agriculture Intelligent Tractor Manufacturing Base provided continuous new quality productivity for the high-end transformation and high-quality development of China's agricultural machinery equipment.

4. *Intelligent Logistics Business*

In the first half of 2025, KION Group AG ("KION"), our overseas subsidiary based in Germany, secured new orders worth EUR6.21 billion, representing a year-on-year increase of 22.2%, realising total revenue of EUR5.5 billion. Among which its forklift business contributed revenue of EUR4.13 billion, while the supply chain solution business generated revenue of EUR1.37 billion. The Group realised a net profit of EUR47.9 million. **Core businesses achieved innovative breakthroughs, with market competitiveness continuously rising.** The forklift business deepened market demand exploration to consolidate its industry-leading position. Through in-depth collaboration with leading companies including Accenture, it developed AI-driven industrial vehicles and digital twin models, upgraded the center of excellence for automation in the Asia-Pacific region (in Xiamen), and expanded market share by leveraging "German technology + Chinese innovation". The supply chain solution business focused on intelligent innovation, pioneering the adoption of physical AI technology to develop smart warehousing systems. **Sustainability efforts yielded significant results, with core value gaining industry-wide recognition.** In respect of sustainability, it earned a gold rating in world-leading corporate sustainability assessment system in recognition of its exceptional sustainable development and long-term value creation capabilities, and achieved its highest historical score to secure a place in the Dow Jones Europe's Best Corporate Index, earning high-value industry recognition for its economic, social and environmental values.

III. Financial Review

1. The Group's Results of Operations

a. Revenue

In the first half of 2025, the Group's revenue amounted to approximately RMB113,152 million, representing an increase of approximately RMB662 million or approximately 0.6% from approximately RMB112,490 million in the corresponding period in 2024, indicating a marginal increase overall. Among which, in the domestic business segments, during the first half of 2025, the Group further increased its market share in each segment market. Meanwhile, the domestic market saw a recovery driven by environmental protection policies, effectively stimulating demand for new heavy-duty truck purchases and the development of the new energy heavy-duty truck industry chain. Sales of key products, including powertrains, complete vehicles, and critical components, all experienced growth. The overseas business segments saw a slight year-on-year decline in revenue due to factors such as decreased downstream demand and order volumes at the beginning of the year, as well as intense price competition. Revenue from principal operations amounted to approximately RMB112,331 million, representing an increase of approximately RMB666 million or approximately 0.6% from approximately RMB111,665 million in the corresponding period last year.

b. Gross Operating Margin

During the Period, the Group's gross operating margin was approximately 22.2%, representing a rebound of 0.4 percentage points as compared with that of the corresponding period last year. The improvement in gross margin was primarily due to the fact that the sales of products with high profit margin such as generator engine sets increased in the first half of 2025, and the Company promoted cost reduction measures in manufacturing and reduced production cost through lowering material procurement costs and optimised production processes, which contributed to an increase in gross margin. On the other hand, the increased export proportion of products with higher profit margin across business segments also contributed to a slight increase in the overall gross profit margin during the Period.

c. Distribution and Selling Expenses

The distribution and selling expenses increased by approximately RMB500 million or 8.2% from approximately RMB6,127 million in the corresponding period of 2024 to approximately RMB6,627 million during the Period, mainly resulting from the increase in staff costs of sales personnel, freight and packaging expenses and marketing expenses. During the Period, the proportion of distribution and selling expenses to revenue was approximately 5.9%, representing a slight increase as compared with that of the corresponding period last year.

d. General and Administrative Expenses

General and administrative expenses increased by approximately RMB1,686 million or 33.1% from approximately RMB5,095 million in the corresponding period of 2024 to approximately RMB6,781 million during the Period. The increase in general and administrative expenses was primarily attributable to the increase in staff costs resulting from provision made by KION, a controlling subsidiary of the Company, for relevant expenses during the Period as a result of its efficiency programme. During the Period, the proportion of general and administrative expenses to revenue was approximately 6.0%, representing an increase of approximately 1.5 percentage points as compared with approximately 4.5% in the corresponding period last year.

e. Earnings before Interest and Tax (EBIT)

During the Period, the Group's EBIT was approximately RMB9,242 million, representing a decrease of approximately RMB1,550 million or 14.4% from approximately RMB10,792 million in the corresponding period last year, primarily attributable to the signing of an efficiency improvement plan agreement by KION, a subsidiary of the Company, during the reporting period to strengthen long-term competitiveness and capital investment capabilities. The expenditures of such plan primarily consisted of payroll, which resulted in a reduction in total profit for the Period.

f. Finance Expenses

During the Period, finance expenses shifted from a net expense of approximately RMB31 million in the corresponding period last year to a net income of approximately RMB469 million, which was primarily attributable to the significant increase in foreign exchange gains resulting from continual increase in Euro exchange rate.

g. Provision for Impairment

In accordance with the Accounting Standards for Business Enterprises, Stock Listing Rules of the Shenzhen Stock Exchange and the relevant provisions of the Company's accounting policies, based on the principle of prudence, the Company has conducted impairment tests on its assets with indicators of impairment within the scope of the consolidated financial statements as at 30 June 2025 and made corresponding impairment provisions for assets with indicators of impairment. According to the test results, provision made for the impairment by the Company during the Period amounted to approximately RMB1,103 million, of which the provision for credit losses amounted to approximately RMB317 million, provision for decline in value of inventories amounted to approximately RMB776 million and provision for impairment of fixed assets, intangible assets and contract assets amounted to approximately RMB10 million.

h. Income Tax Expenses

The Group's income tax expenses decreased from approximately RMB1,542 million in the corresponding period in 2024 to approximately RMB827 million during the Period, representing a year-on-year decrease of approximately 46.4%, which was mainly attributable to the corresponding decrease in income tax expenses as a result of the decrease in total profit for the Period which was attributable to the efficiency programme of KION, a controlling subsidiary of the Company during the Period. The Group's average effective tax rate decreased from approximately 17.3% in the corresponding period last year to approximately 11.2% during the Period, which was mainly attributable to the decline in the proportion of profit derived from high-tax-rate overseas subsidiaries during the year.

i. Net Profit and Net Profit Margin

The Group's net profit for the Period was approximately RMB6,563 million, representing a decrease of approximately RMB811 million or 11.0% from approximately RMB7,374 million in the corresponding period last year. Net profit margin for the Period was approximately 5.8%, which decreased by approximately 0.8 percentage points from approximately 6.6% in the corresponding period last year.

j. Liquidity and Cash Flow

During the Period, net cash inflows generated from the Group's operating activities amounted to approximately RMB6,838 million, representing a year-on-year decrease of approximately RMB5,964 million, mainly attributable to the decrease in cash received from sales of goods or rendering of services, and the increase in amount paid for purchase of goods and receiving services.

During the Period, net cash outflows generated from investing activities amounted to approximately RMB9,012 million, representing a decrease in expense of approximately RMB9,027 million compared to the corresponding period last year. During the Period, amounts received by the Group from return of investments increased by RMB15,632 million year-on-year. On the other hand, amounts paid for investment increased by RMB6,113 million year-on-year.

During the Period, net cash outflows from financing activities amounted to approximately RMB2,894 million, representing a decrease in expense of approximately RMB2,045 million compared to the corresponding period last year. During the Period, amounts received from new borrowings decreased by approximately RMB2,639 million year-on-year, while amounts paid for repayment of borrowings decreased by approximately RMB2,334 million year-on-year, and amounts paid for distribution of dividends, profits or interest expenses also decreased by approximately RMB2,263 million year-on-year.

As of 30 June 2025, the Group's cash and cash equivalents amounted to approximately RMB50,512 million (as of 31 December 2024: RMB54,594 million). The cash and cash equivalents held by the Group were mainly in Renminbi and Euro.

As at 30 June 2025, the Group's debt to asset ratio (total liabilities/total assets) was approximately 65.4% (as at 31 December 2024: 64.5%), and the gearing ratio (interest-bearing liabilities/(shareholders' equity + interest-bearing liabilities)) was approximately 32.6% (as at 31 December 2024: approximately 30.9%).

2. *Financial Position*

a. *Assets and Liabilities*

As at 30 June 2025, the Group had total assets of approximately RMB365,319 million, of which approximately RMB191,308 million were current assets. As at 30 June 2025, the Group had cash at bank and on hand of approximately RMB68,317 million (as at 31 December 2024: approximately RMB72,067 million). As at the same date, the Group's total liabilities amounted to approximately RMB239,030 million, of which approximately RMB166,439 million were current liabilities. The current ratio was approximately 1.15x (as at 31 December 2024: 1.19x).

b. *Capital Structure*

As at 30 June 2025, the Group had total equity of approximately RMB126,289 million, of which approximately RMB89,531 million was attributable to equity holders of the Company and the remaining balance was minority interests.

The interest-bearing liabilities of the Group as at 30 June 2025 amounted to approximately RMB61,132 million (as at 31 December 2024: RMB54,458 million), which included bonds of approximately RMB12,149 million, bank borrowings of approximately RMB19,062 million and other current liabilities and other non-current liabilities of approximately RMB29,921 million.

The bank borrowings included fixed interest rate bank borrowings of approximately RMB249 million and floating interest rate bank borrowings of approximately RMB18,813 million. The bonds payable included fixed interest rate bonds payable of approximately RMB8,370 million and floating interest rate bonds payable of approximately RMB3,779 million.

Bank borrowings repayable within a period not exceeding one year or on demand were approximately RMB10,957 million, bank borrowings repayable within a period of more than one year but not exceeding two years were approximately RMB6,619 million, bank borrowings repayable within a period of more than two years but not exceeding five years were approximately RMB1,447 million, and bank borrowings repayable within a period of more than 5 years were approximately RMB40 million; bonds payable within a period not exceeding one year were approximately RMB4,602 million and bonds payable within a period of more than two years but not exceeding five years were approximately RMB7,547 million. Other than Euro-denominated borrowings and USD-denominated borrowings equivalent to approximately RMB10,699 million and approximately RMB680 million respectively, other bank borrowings were Renminbi-denominated borrowings.

The revenue of the Group is mainly in Renminbi and Euro and the Group does not consider its currency risk significant. The key objectives of the Group's capital management are to maintain the Group's going concern and a sound capital ratio so as to support business development and maximise the value to shareholders. The Group's overall strategy remains unchanged from prior years.

c. *Pledge of Assets*

As at 30 June 2025, bank deposits and receivable financing of approximately RMB16,038 million (as at 31 December 2024: approximately RMB20,121 million) were pledged to banks to secure the Group's notes payable, letters of guarantee, acceptance bills and letters of credit, etc. issued by banks. The pledged bank deposits carry prevailing bank interest rates. The pledge will be released upon the settlement of the relevant bank borrowings. The fair value of the bank deposits as at the balance sheet date was approximately the same as the carrying amount. Fixed assets, long-term receivables and other non-current assets amounting to approximately RMB18,196 million (as at 31 December 2024: approximately RMB19,912 million) were also pledged by the Group to secure bank borrowings, guarantee its liabilities under the staff retirement benefit and use in asset securitisation financing, etc.

d. *Contingencies*

As at 30 June 2025, the Group provided certain distributors and agents bank guarantee amounting to approximately RMB489 million (as at 31 December 2024: approximately RMB347 million) to secure their obtaining and use of banking facilities.

As at 30 June 2025, the Group provided buy-back guarantee liability in respect of potential failure of the leasees under finance leases to settle instalment payments plus interest with a risk exposure of buy-back guarantee liability amounted to approximately RMB2,782 million (as at 31 December 2024: approximately RMB3,641 million).

e. *Commitments*

As at 30 June 2025, the Group had capital commitments of approximately RMB4,969 million (as at 31 December 2024: approximately RMB4,930 million), principally for the capital expenditure in respect of acquisition of property, plant and equipment. The capital expenditure will be financed by internal resources.

As at 30 June 2025, the Group had no external investment commitments (as at 31 December 2024: nil).

f. *Intangible assets*

As at 30 June 2025, the Group's total intangible assets amounted to approximately RMB23,081 million, of which land use rights amounted to approximately RMB2,842 million, trademark rights amounted to approximately RMB8,730 million, customer relationship amounted to approximately RMB3,074 million, technology know-how amounted to approximately RMB1,069 million, and license and software etc. amounted to approximately RMB7,366 million. Intangible assets arising from in-house research and development as at the end of the Period accounted for 26.79% of the balance of intangible assets.

g. *Hedging arrangements*

Cash flow hedging

KION, a subsidiary of the Company, conducted cash flow hedging on forward currency contracts designated to the multi-currency exchange rate risk of forecast sale, forecast purchase and firm commitment. The total cash flow of the hedged item amounted to RMB3,277,111,972.87 (EUR390,020,943.17), of which the amount due within 1 year was RMB3,018,336,316.66 (EUR359,223,116.81), and the remaining portion will mature in 2026. The hedged items would affect the profit and loss in 2025 and 2026. There was no material hedge ineffectiveness during the Period. During the period from 1 January to 30 June 2025, the gain on fair value changes of the hedging instrument included in the other comprehensive income amounted to RMB153,902,099.68 (EUR19,589,000.00) and the loss transferred to profit or loss for the Period amounted to RMB1,272,892.44 (EUR162,000.00).

Weichai Singapore PTE.LTD, a subsidiary of the Company, conducted cash flow hedging on forward currency contracts designated to the exchange rate risk of forecast sale. The total cash flow of the hedged item amounted to RMB17,178,493.17, all of which was due within 1 year. The loss on fair value changes of the hedging instrument included in the other comprehensive income amounted to RMB39,147.94.

Since 2025, KION, a subsidiary of the Company, designated a part of its previously undesignated amortising interest rate swap contract from prior years as hedging instruments, and designated the future cash flows from certain leasing institution's borrowings subject to floating interest rates as hedged items, to conduct cash flow hedging. The total cash flow of the hedged item amounted to RMB11,019,729,008.50 (EUR1,311,497,787.36), of which the amount due within 1 year was RMB331,126,557.61 (EUR39,408,568.70), and the remaining portion will become due in 2026 and onwards. The hedged items would affect the profit and loss for the period of 2025 and onwards. There was no material hedge ineffectiveness during the Period. From 1 January to 30 June 2025, the loss on change in fair value of the hedging instrument included in the other comprehensive income amounted to RMB243,553.27 (EUR31,000.00) and the income transferred to profit or loss for the Period amounted to RMB23,603,511.63 (EUR3,004,000.00).

Fair value hedging

On 31 December 2018, KION, a subsidiary of the Group, entered into interest rate swap contracts to conduct fair value hedging on the interest rate risk of fixed-rate medium-term notes issued with par value of EUR100,000,000.00. As at 30 June 2025, the aforesaid hedged items of the Group have matured. There was no material hedge ineffectiveness during the Period.

KION, a subsidiary of the Group, signed an amortised interest rate swap contract to hedge the interest rate risk of lease receivables at fair value. The interest rate swap contract as a hedging instrument reflects the notional amount and maturity of the portfolio of hedged items and will mature in 2029. Overall, this fair value hedge exposes the lease receivable to a variable interest rate consistent with its relevant currency zone. Therefore, from an economic perspective, this variable rate is equivalent to the variable rate for refinancing the portfolio of hedged items. On 30 June 2025, the abovementioned hedged items of the Group were accounted for in the financial statements as long-term receivables and non-current assets due within one year, with a carrying amount of RMB24,996,484,612.80 (EUR2,974,922,000.00), and the accumulative adjustment of the fair value change of the hedged item included in the carrying amount of the hedged item amounted to RMB81,158,781.60 (EUR9,659,000.00). The change in fair value of the ineffective portion of the hedged item during the Period amounted to RMB54,130,778.06 (EUR6,796,000.00).

3. *Other Financial Information*

a. Employees

As at 30 June 2025, the Group had approximately 97,000 employees (including approximately 43,000 employees of KION). During the Period, the Group paid remuneration of approximately RMB20,709 million. The Group has established and refined a remuneration incentive policy to promote the high quality and rapid development of the enterprise by evaluating the value of various types of personnel and referencing the market remuneration levels, setting competitive remuneration standards, reasonably setting personnel remuneration levels, determining the salary scale based on position and performance, and adjusting salary based on performance appraisals. During the Period, training expenses of approximately RMB22 million in total were incurred.

For the purpose of improving the long-term incentive mechanism of the Company, attracting and retaining talents, motivating the core and key employees and effectively aligning the interests of the shareholders, the Company and its employees, the Company has adopted a restricted share incentive scheme (the "Incentive Scheme") of A Shares at its extraordinary general meeting convened on 13 November 2023. The Incentive Scheme is funded by existing A Shares of the Company repurchased from the secondary market by the Company, and the eligible incentive participants include directors, senior management officers, middle management officers, and core technology (business) staff of the Group. The number of shares to be granted to each of the incentive participants is fixed at the time of the grant, which represents the maximum entitlement of each participant upon fulfillment of the unlocking conditions upon expiry of the unlocking period. For details of the Incentive Scheme, please refer to the Company's announcements dated 24 October 2023, 13 November 2023, 8 December 2023 and 20 December 2023, the Company's circular dated 27 October 2023 and the Company's annual report for the year ended 31 December 2024.

b. Major Investment, Acquisition and Disposal

The Group did not have any major investment, acquisition or disposal during the Period.

c. Subsequent Events

On 29 August 2025, the Company announced its profit distribution implementation plan. Based on the Company's total existing share capital of 8,715,671,296 shares, after deducting 39,142,475 shares held in the Company's securities account designated for repurchased shares and 2,090,000 restricted A shares to be repurchased and cancelled, a cash dividend of RMB3.58 (including tax) for every 10 shares held will be distributed to shareholders holding 8,674,438,821 shares currently eligible for profit distribution (comprising 6,731,398,821 A shares and 1,943,040,000 H shares), without bonus shares or any capitalisation of reserve.

d. Use of proceeds

Reference is made to the announcements of the Company dated 24 December 2020, 25 January 2021, 26 January 2021, 29 January 2021, 12 April 2021, 23 April 2021 and 26 May 2021, and the circular (the "Circular") of the Company dated 11 January 2021, in respect of, inter alia, the non-public issuance of A Shares of the Company ("A Shares").

The reasons for the non-public issuance of A Shares include to raise funds for the specific investments projects detailed in the table below and to replenish working capital, which will strengthen the capital capability of the Group and lay a sound foundation for the Group's further expansion of its operations, and, in turn, enable it to realise breakthrough in its development and enhance its competitive strength.

The non-public issuance of A Shares of the Company was completed on 31 May 2021 and the relevant new A Shares were listed on the Shenzhen Stock Exchange on 1 June 2021. A total of 792,682,926 A Shares of RMB1.00 each (with an aggregate nominal value of RMB792,682,926) were issued to 25 subscribers which are in compliance with the relevant requirements of the "Measures for Administration of Issuance of Securities by Listed Companies" (《上市公司證券發行管理辦法》) and the "Implementation Rules for the Non-public Issuance of Shares by Listed Companies" (《上市公司非公開發行股票實施細則》) and are third parties independent of the Company and its connected persons at the issue price of RMB16.40 (and net price of approximately RMB16.38) per A Share.

The issue price of RMB16.40 per A Share represents a premium of approximately 9.26% to the benchmarked price of HK$18.02 (equivalent to approximately RMB15.01), such benchmarked price being the closing price of H Shares on the date of the Company's acceptance of the subscriptions involving the non-public issuance of A Shares under the relevant general mandate. The total proceeds of the non-public issuance of A Shares amounted to RMB12,999,999,986.40. The status of the use of such proceeds as of 30 June 2025 is set out below:

RMB million

Name of investment project		Total amount of proceeds proposed to be applied to the relevant project	Total amount of proceeds applied as of 30 June 2025	Amount of unutilised proceeds ("Unutilised Proceeds") as of 30 June 2025	Application plan of Unutilised Proceeds (Note 1)		
Name of project	**Name of subproject**				**1 July 2025 to 31 December 2025**	**Year 2026**	**Year 2027**
(1) Fuel Cell Industry Chain Development Project	(a) Hydrogen-fueled cell and key components industrialisation project	500.00	298.99	201.01	64.34	85.42	42.21
	(b) Solid oxide fuel cell and key components industrialisation project	500.00	159.63	340.37	122.50	120.46	46.38
	(c) Key components of fuel cell powertrain research and development and construction capabilities project	1,000.00	554.70	445.30	149.83	122.35	47.32
(2) Full Series of H Platform High-end Road-going Engines of China VI or above Emission Standards Project	(a) New million units digitalised power industry base stage I project	3,000.00	1,558.48	1,441.52	395.54	674.92	209.79
	(b) H platform engines intelligent manufacturing upgrade project	1,000.00	997.30	2.70	104.26	29.83	–
(3) Large Diameter High-end Engine Industrialisation Project	(a) Large diameter high-end engine laboratory project	1,075.00	793.66	281.34	136.18	150.76	72.89
	(b) High efficiency and high speed self-owned brand engine industrialisation project	685.00	673.74	11.26	–	–	–
	(c) Large diameter high-end engine development project	1,240.00	938.12	301.88	161.70	191.91	60.79
(4) Full Series hydraulic pressure powertrain and large-scale continuously variable transmission (CVT) powertrain industrialisation project		3,000.00	1,489.23	1,510.77	821.28	250.44	–
(5) Replenishment of working capital		1,000.00	800.72	199.28	*Expected to be fully utilised by the end of 2027*		
	Total	**13,000.00**	**8,264.55**	**4,735.45** (Note 2)			

Notes:

1. The application plan of Unutilised Proceeds as disclosed herein reflects the adjusted timeline for the application of proceeds from the non-public issuance of A Shares that was approved by the Board on 30 March 2023.

   (1) With regard to certain investment projects of the Company, the specific reasons for the discrepancies between the actual use of proceeds in 2024 and the expected use of proceeds under the latest disclosed application plan for the same year are as follows:

      (a) Solid oxide fuel cell (SOFC) and key components industrialisation project: The Company remains optimistic about the development prospects of SOFC technology and will strategically expand its global market presence to accelerate commercialisation readiness. However, constrained by policy factors and the pace of industry development falling short of expectations, current applications remain primarily demonstration-oriented. The Company will adjust the planning and implementation of corresponding production capacity based on the progress of industry development.

      (b) Key components of fuel cell powertrain research and development and construction capabilities project: New energy is one of the Company's key strategic businesses. The Company continues to increase R&D investments to enhance product differentiation advantages and advance industrialisation implementation. Currently, the project's construction and investments are progressing in line with the Company's strategic plans, but laboratory construction and equipment investments have experienced delays compared to the original schedule.

      (c) New million units digitalised power industry base stage I project: The overall construction progress of the project is proceeding as scheduled. To meet the needs of product technology upgrades and competitiveness enhancement, compatibility and adaptability upgrades have been implemented for certain production lines and equipment. At the same time, delays in delivery of some equipment have resulted in postponed payment progress.

      (d) High efficiency and high speed self-owned brand engine industrialisation project: The project was completed and commenced production in 2024. However, the payment progress has been delayed due to prolonged processes in equipment technical coordination, commercial negotiations, and equipment acceptance, which took longer than planned.

      (e) Full-series hydraulic powertrain and large CVT powertrain industrialisation project: The project implementation progress has been slower than expected due to factors such as market expansion efforts and delays in the delivery of certain equipment.

   (2) The total amount of proceeds proposed to be applied to the high efficiency and high speed self-owned brand engine industrialisation project is RMB685 million. As of 30 June 2025, a total of RMB673.74 million was applied, and the ratio of proceeds applied reached 98.36%. The amount of unutilised proceeds was RMB11.26 million, mainly attributable to the fact that part of the contract sum was not yet due at the time of project completion and commencement of production. The project has no remaining balance of proceeds, and the Company will make payment for any surplus not covered by the proceeds with its own funds.

   (3) The large diameter high-end engine laboratory project was ready for its intended use at the end of June 2025. The project's committed investment amount was RMB1,075 million. As of 30 June 2025, a total of RMB793.66 million was applied, and the ratio of proceeds applied reached 73.83%. The amount of unutilised proceeds was RMB281.34 million, mainly attributable to the fact that part of the contract sum was not yet due at the time of project completion and commencement of production. The project has no remaining balance of proceeds, and the Company will make payment for any surplus not covered by the proceeds with its own funds.

(4) In light of the progress of the implementation of the relevant investment projects mentioned above, the actual amount to be utilised for each of the years from 2025 to 2027 is expected to be adjusted slightly, and the Board further confirms that:

- the proceeds proposed to be applied to the projects numbered (1)(a), (1)(b), (1)(c), (2)(a) and (3)(c) above are expected to be fully utilised by the end of 2027;

- the proceeds proposed to be applied to the projects numbered (2)(b) and (4) above are expected to be fully utilised by the end of 2026.

2. Taking into account the expenses for the non-public issuance of A Shares (including the sponsor and underwriting fees, accounting and capital verification fees etc.) which amounted to RMB11.94 million, the total Unutilised Proceeds net of such expenses amounted to RMB4,725.51 million.

It is expected that the remaining proceeds, being approximately RMB5.54 billion in aggregate (including accumulated interest received from bank deposits and wealth management income net of bank handling fees), would continue to be used for the relevant investment projects as set out above and any shortfall in the investment amounts for such projects will be made up by utilising the internal funds of the Company or through other financing methods. The Board considers that the proceeds from the issuance of A shares had been and will be applied in accordance with the specific uses and timeline of proposed use of proceeds as disclosed in the Circular (with adjusted timeline approved by the Board on 30 March 2022 and 30 March 2023).

e. Other Significant Events

On 17 March 2025, the Company announced its decision to temporarily terminate the possible spin-off and listing of its controlling subsidiary, Weichai Torch Technology Co., Ltd. ("**Torch Technology**"), on the ChiNext Board of the Shenzhen Stock Exchange (the "**Temporary Termination of the Possible Spin-off**"). The Board is of the view that the Temporary Termination of the Possible Spin-off will not have substantive impact on the Company, will not have material adverse impact on the Company's operational activities, business or financial condition, and will not affect the future implementation of the strategic planning of the Company. Going forward, the Company will explore other routes of operations within the capital market based on the market conditions and its future business plans. The Temporary Termination of the Possible Spin-off has been approved by the general meeting of the Company. For further details, please refer to the Company's announcements dated 17 March 2025 and 13 June 2025 and the Company's circular dated 23 May 2025.

On 8 April 2025, the Company announced the possible spin-off and separate listing of the shares of Weichai Lovol Intelligent Agricultural Technology Co., Ltd.* (濰柴雷沃智慧農業科技股份有限公司) ("**Weichai Lovol**") on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"). On 20 June 2025, Weichai Lovol submitted, through its sole sponsor, a listing application to the Hong Kong Stock Exchange to apply for the listing of, and permission to deal in, the shares of Weichai Lovol on the Main Board of the Hong Kong Stock Exchange (the "**Proposed Spin-off and Listing**"). The Proposed Spin-off and Listing is subject to, among other things, the approval of relevant regulatory authorities and market conditions. For further details, please refer to the Company's announcements dated 8 April 2025 and 20 June 2025.

On 29 April 2025, the Board has approved the A Share Repurchase Plan in respect of the A shares of the Company, pursuant to which the Company will apply RMB500 million to 1,000 million to repurchase not less than 2,121.34 ten thousand and not more than 4,242.68 ten thousand A shares of the Company (calculated based on the cap of the price of the A share repurchase) through centralised price bidding on the trading system of the Shenzhen Stock Exchange. The repurchased shares shall be cancelled to reduce the capital of the Company. As at the date of this announcement, the Company had cumulatively repurchased 39,142,475 A Shares through its securities account designated for repurchased shares, with an aggregated price of RMB596,349,863.83 (excluding transaction fees). The aforementioned repurchased A shares have not been cancelled as at the date of this announcement.

IV. Outlook and Prospects

Looking ahead to the second half of 2025, although multiple factors including major-power rivalry, geopolitical conflicts, and trade frictions may intensify the uncertainty, instability, imbalance, and unpredictability of future development, emerging economies are expected to display robust growth momentum with expanding potential in the global market. Accelerated by new energy and artificial intelligence, the technological revolution and industrial transformation will accelerate, driving the industry toward high-end, intelligent, and green transformation, with new quality productive forces gaining momentum. With sustained infrastructure investment driving force and the release of demand for obsolete vehicle replacement, the commercial vehicle industry is expected to enter a period of development opportunities in the second half of the year.

In the second half of the year, the Company will intensify market expansion, focus on developing strategic emerging businesses, optimize operational efficiency, and strengthen innovation-driven growth. By strategically positioning ourselves to leverage emerging trends, we will enhance foresight, predictability, and precision across all operations, continually consolidate our competitive advantages, and resolutely achieve our full-year targets.

We will remain firmly committed to our full-year targets and resolutely win the battle for market share. We will seize opportunities from domestic infrastructure investment and equipment renewal policies, deepen our presence in core product segments, and expand market share. We will boost exports of large-diameter engines and data center generator sets, accelerate channel deployment and service upgrades, and achieve exponential growth in export volume. We will implement precise marketing and targeted strategies for specific market segments to maintain our advantages in the natural gas engine market. **We will maintain unwavering commitment to innovation-driven growth, underpinning product quality with technological breakthroughs.** We will strengthen product competitiveness through differentiated technological advantages, optimise market structure by benchmarking against competitors, and continuously increase penetration in high-end markets. We will ramp up R&D investment in cutting-edge fields such as hydrogen fuel cells, solid oxide fuel cell (SOFC) and pure electric drive systems, while improving technology commercialisation mechanisms. We will systematically enhance quality control systems and implement full-chain, full-lifecycle management to ensure product reliability. **We will remain steadfast in deepening cost reduction and efficiency enhancement, and forge robust momentum for sustained profitability.** We will implement cost reduction through targeted, benchmarked and collaborative cost reduction measures, concentrate resources on core strategic investments, continuously drive cost optimisation, and enhance profitability and cost competitiveness. We will maintain a dual focus on internal management improvement and external market expansion, clarify product positioning through value engineering and competitive strategies, and precisely plan target costs. We will strengthen rigid cost control, enforce strict budget execution, practice frugality and eliminate waste to maximise capital utilisation efficiency. **We will unwaveringly advance the strategic transformation of our three core businesses to ignite new engines for high-quality growth.** We will continue breaking through core technologies of new energy products, focus on performance upgrades and efficiency enhancement in power batteries, and develop high-end, multi-scenario battery products. We will deepen the integration and application of digital and intelligent technologies, unleash data value in the full-process intelligent upgrading, and build a high-efficiency, collaborative digital-intelligent development framework. We will intensify efforts to expand post-sales market capabilities across the value chain, strengthening service model innovation and value mining, and construct a high-quality services ecosystem covering the entire lifecycle.

OTHER INFORMATION

Directors' and Supervisors' Interests in Shares and Underlying Shares

As at 30 June 2025, the interests and short position (if any) of the directors, the chief executive and the supervisors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

Name of Director	Capacity	Number of "A" shares held	Number of "H" shares held	Percentage of the issued share capital of the Company
Wang Decheng	Beneficial owner	800,000	–	0.01%
Sun Shaojun	Beneficial owner	13,684,324 *(Note 1)*	–	0.16%
Yuan Hongming	Beneficial owner	1,000,440	–	0.011%
	Interest held by spouse	444	–	0.000005%
		1,000,884	–	0.011%

Notes:

1. These shares were derived from the previous domestic shares of the Company. The domestic shares were ordinary shares issued by the Company, with a Renminbi-denominated par value of RMB1.00 each, which were subscribed for and paid up in Renminbi or credited as fully paid up. These shares became "A" shares of the Company upon the "A" share listing of the Company on the Shenzhen Stock Exchange.

2. All the shareholding interests listed in the above table are "long" position.

3. The percentage shareholding is calculated on the basis of 8,715,671,296 issued shares of the Company as at 30 June 2025 (comprising 6,772,631,296 "A" shares and 1,943,040,000 "H" shares).

Interests in the shares of associated corporations of the Company

Name of director	Name of associated corporation	Nature of interest	Class and number of securities interested or deemed to be interested	Approximate percentage interest in the entire issued share capital of associated corporation
Richard Robinson Smith	KION Group AG (“KION”)	Beneficial owner	50,000 ordinary shares	0.04%

Save as disclosed above, as at 30 June 2025, none of the Directors, the chief executive nor the supervisors had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was recorded in the register required to be kept pursuant to Section 352 of the SFO, or as otherwise notified to the Company pursuant to the Model Code.

Details of Changes in Share Capital and Substantial Shareholders’ Shareholdings

(I) Changes in share capital

Changes in share capital (as at 30 June 2025)

	Before the movement		Increase/decrease in the movement (+, –)					After the movement	
	No. of shares	Percentage	New shares issued	Bonus issue	Capitalisation of reserve	Others	Sub-total	No. of shares	Percentage
I. Restricted circulating shares	1,807,485,604	20.71%				–20,020,080	–20,020,080	1,787,465,524	20.51%
1. State-owned legal person shares	1,642,531,008	18.82%						1,642,531,008	18.85%
2. Shares held by other domestic entities	164,784,596	1.89%				–20,020,080	–20,020,080	144,764,516	1.66%
including: Shares held by domestic natural persons	164,784,596	1.89%				–20,020,080	–20,020,080	144,764,516	1.66%
3. Shares held by other foreign entities	170,000	0.00%						170,000	0.00%
including: Shares held by foreign natural persons	170,000	0.00%						170,000	0.00%
II. Non-restricted circulating shares	6,919,071,217	79.29%				9,134,555	9,134,555	6,928,205,772	79.49%
1. RMB ordinary shares	4,976,031,217	57.02%				9,134,555	9,134,555	4,985,165,772	57.20%
2. Overseas listed foreign shares	1,943,040,000	22.27%						1,943,040,000	22.29%
III. Total number of shares	8,726,556,821	100.00%				–10,885,525	–10,885,525	8,715,671,296	100.00%

(II) Shareholdings of the Substantial Shareholders (as at 30 June 2025)

Total number of Shareholders The number of shareholders is 221,494 among which 221,270 are shareholders of "A" shares and 224 are shareholders of "H" shares.

Shareholdings of the top ten shareholders

Name of shareholder	Type of Shareholder	Percentage of shares held	Total number of shares held	Number of restricted shares held	Number of shares pledged or frozen
HKSCC Nominees Limited	Foreign shareholder	22.25%	1,938,864,475		–
Weichai Group Holdings Limited	State-owned legal person	16.32%	1,422,550,620	1,345,905,600	–
Hong Kong Securities Clearing Company Limited	Overseas legal person	6.93%	604,209,658		–
Weifang Investment Group Company Limited	State-owned legal person	3.40%	296,625,408	296,625,408	–
China Securities Finance Corporation Limited	Domestic non-state-owned legal person	1.88%	163,608,906		–
China Life Insurance Company Limited – Traditional – General insurance products – 005L – CT001 Hu	Funds, wealth management products, etc.	1.47%	128,431,779		
IVM Technical Consultants Wien Gesellschaft m.b.H	Overseas legal person	1.29%	112,153,700		
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 ETF	Funds, wealth management products, etc.	1.11%	96,565,086		
China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Index Sponsored Securities Investment Fund	Funds, wealth management products, etc.	0.79%	68,818,619		
Shandong Enterprise Trust Operation Company Limited	Domestic non-state-owned legal person	0.70%	61,409,960		

Shareholdings of the top ten non-restricted shareholders

Name of shareholder	Number of the non-restricted shares held	Types of shares
HKSCC Nominees Limited	1,938,864,475	Overseas listed foreign shares
Hong Kong Securities Clearing Company Limited	604,209,658	RMB ordinary shares
China Securities Finance Corporation Limited	163,608,906	RMB ordinary shares
China Life Insurance Company Limited – Traditional – General insurance products – 005L – CT001 Hu	128,431,779	RMB ordinary shares
IVM Technical Consultants Wien Gesellschaft m.b.H	112,153,700	RMB ordinary shares
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 ETF	96,565,086	RMB ordinary shares
Weichai Group Holdings Limited	76,645,020	RMB ordinary shares
China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Index Sponsored Securities Investment Fund	68,818,619	RMB ordinary shares
Shandong Enterprise Trust Operation Company Limited	61,409,960	RMB ordinary shares
Industrial and Commercial Bank of China Limited – ChinaAMC CSI 300 Index ETF	50,448,233	RMB ordinary shares

Notes:

1. It is not certain whether there is any connected relationship among the top ten shareholders and the other top ten non-restricted shareholders or whether there is any acting in concert relationship among them.

2. As at the end of the reporting period, the Company's securities account designated for repurchased shares holds 6,534,175 shares of the Company, representing 0.07% of the total share capital of the Company.

Substantial Shareholders

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO (including interests filed with the Hong Kong Stock Exchange) shows that as at 30 June 2025, the following persons (other than the directors, chief executive and supervisors) had the following interests and the short positions (if any) in the shares and underlying shares of the Company:

Name	Capacity	Long/Short position	Number of A shares	Percentage of share capital comprising only A shares	Number of H shares	Percentage of share capital comprising only H shares	Percentage of total issued share capital
Weichai Group Holdings Limited	Beneficial owner	Long	1,422,550,620	21.00%	–	–	16.32%
Shandong Heavy Industry Group Co., Ltd. *(Note 1)*	Interest of corporation controlled by you	Long	1,422,550,620	21.00%	–	–	16.32%
Brandes Investment Partners, LP *(Note 3)*	Investment manager	Long	–	–	78,578,612	16.18%	3.61%
Lazard Emerging Markets Equity Portfolio *(Note 4)*	Investment manager	Long	–	–	23,707,500	5.86%	1.31%
Barclays PLC *(Note 3)*	Person having a security interest in shares	Long	–	–	525,552	0.11%	0.02%
	Interest of corporation controlled by you	Long	–	–	25,453,050	5.24%	1.17%
					25,978,602	5.35%	1.19%
	Interest of corporation controlled by you	Short	–	–	24,102,475	4.96%	1.10%
Morgan Stanley *(Note 2)*	Interest of corporation controlled by you	Long	–	–	49,335,508	5.08%	1.13%
	Interest of corporation controlled by you	Short	–	–	42,078,545	4.33%	0.97%
Pzena Investment Management, LLC	Investment manager	Long	–	–	171,391,446	8.82%	1.97%
	Beneficial owner	Long	–	–	464,318	0.02%	0.01%
			–	–	171,855,764	8.84%	1.97%

Name	Capacity	Long/Short position	Number of A shares	Percentage of share capital comprising only A shares	Number of H shares	Percentage of share capital comprising only H shares	Percentage of total issued share capital
JPMorgan Chase & Co.	Beneficial owner	Long	–	–	24,762,557	1.27%	0.28%
	Investment manager	Long	–	–	53,438,145	2.75%	0.61%
	Person having a security interest in shares	Long	–	–	7,068,050	0.36%	0.08%
	Approved lending agent	Long	–	–	77,840,877	4.01%	0.89%
			–	–	163,109,629	8.39%	1.87%
	Beneficial owner	Short	–	–	23,355,503	1.20%	0.27%
Citigroup Inc.	Interest of corporation controlled by you	Long	–	–	3,209,901	0.16%	0.04%
	Approved lending agent	Long	–	–	136,638,961	7.03%	1.57%
			–	–	139,848,862	7.19%	1.60%
	Interest of corporation controlled by you	Short	–	–	5,102,979	0.26%	0.06%
BlackRock, Inc	Interest of corporation controlled by you	Long	–	–	100,042,227	5.15%	1.15%
	Interest of corporation controlled by you	Short	–	–	1,854,000	0.10%	0.02%
Lazard Asset Management LLC	Investment manager	Long	–	–	97,282,596	5.01%	1.12%

Notes:

1. Shandong Heavy Industry Group Co., Ltd., being a subsidiary of the State-owned Assets Supervision and Administration Commission of Shandong Province, held the entire share capital of Weichai Group Holdings Limited (formerly known as Weifang Diesel Engine Works).

2. The number of H shares (and the relevant shareholding percentages) reported above by the relevant substantial shareholder does not take into consideration the Company's bonus share issuance on 21 July 2017 as there is no disclosure of interest obligation under the SFO where there is no change in percentage of shareholdings for a substantial shareholder.

3. The number of H shares (and the relevant shareholding percentages) reported above by the relevant substantial shareholder does not take into consideration the Company's bonus share issuance on 21 July 2017 and 20 August 2015 as there is no disclosure of interest obligation under the SFO where there is no change in percentage of shareholdings for a substantial shareholder.

4. The number of H shares (and the relevant shareholding percentages) reported above by the relevant substantial shareholder does not take into consideration the Company's bonus share issuance on 21 July 2017, 20 August 2015 and 17 August 2012 as there is no disclosure of interest obligation under the SFO where there is no change in percentage of shareholdings for a substantial shareholder.

Save as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 June 2025.

EMOLUMENT POLICY

The Group is strictly in compliance with laws and regulations such as the Labour Law and the Labour Contract Law of the PRC, and formulates a remuneration system and incentive policies that suit the actual situation of the enterprise by combining the development strategy of the enterprise, the characteristics of the industry and the ability to pay for labour costs.

The Group adopts a differentiated and standardised annual salary system and a non-annual salary system according to different job positions such as management, research and development and production, where the non-annual salary system is subdivided into salary systems such as performance-based salary system, piece-rate (hourly) salary system and shift production daily salary system.

By evaluating the position value of all kinds of personnel and referencing the market remuneration level, we have set the salary standard with competitive advantages by reasonably setting the salary level hierarchy of personnel, determining the salary level by position and the salary distribution plan by performance, and adjusting the salary according to the performance appraisal, increasing the incentives for talents in key positions such as research and development, marketing and technical staffs. At the same time, we have implemented incentive mechanisms for innovation projects, patent specialisation, management innovation and other subsidies for overseas positions and staff housing, and established a sound salary incentive policy to promote high-quality and rapid development of enterprises.

The emoluments of the directors of the Company are decided by the Remuneration Committee of the Company, having regard to the Group's operating results, individual performance and comparable market statistics.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Period was the Company and any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

The Board approved the A shares repurchase plan on 19 May 2022 and such repurchase plan has ended on 11 October 2022. A total of 87,265,525 ordinary A shares were repurchased during 24 May 2022 to 11 October 2022, among which 78,270,000 of the repurchased A shares had been granted pursuant to the Company's restricted share incentive scheme of A shares. On 30 December 2024, the Board approved the proposed cancellation of 8,995,525 shares held in the Company's securities account designated for repurchased shares, which was further considered and approved by the general meeting and class meetings of the Company on 10 February 2025. All of these shares were cancelled on 15 April 2025.

On 30 December 2024 and 10 January 2025, the Board approved the proposed repurchase and cancellation of all of the granted but not unlocked A shares held by nine Incentive Participants pursuant to the terms of the Incentive Scheme in the total number of 1,890,000 Shares, which was further considered and approved by the general meeting and class meetings of the Company on 10 February 2025. All of such shares were repurchased and cancelled on 15 April 2025. The aggregated price paid to repurchase these shares on the Shenzhen Stock Exchange was RMB10,582,110 (excluding transaction fees).

On 29 April 2025, the Board has approved the A Share Repurchase Plan in respect of the A shares of the Company, pursuant to which the Company will apply RMB500 million to 1,000 million to repurchase not less than 2,121.34 ten thousand and not more than 4,242.68 ten thousand A shares of the Company (calculated based on the cap of the price of the A share repurchase) through centralised price bidding on the trading system of the Shenzhen Stock Exchange. The repurchased shares shall be cancelled to reduce the capital of the Company. As at 30 June 2025, the Company had cumulatively repurchased 6,534,175 A Shares through its securities account designated for repurchased shares, with an aggregated price of RMB99,987,513.55 (excluding transaction fees). The aforementioned repurchased A shares have not been cancelled as at the date of this announcement.

Other than as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the reporting period.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the PRC, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DIVIDENDS AND CAPITALISATION OF RESERVE

On 13 June 2025, the Company's 2024 annual general meeting considered and approved the 2024 profit distribution plan of the Company to distribute to all shareholders a cash dividend of RMB3.47 (including tax) for every 10 shares held, without bonus shares or any capitalisation of reserve, based on 8,715,671,296 shares eligible for profit distribution.

During the period from the disclosure to the implementation of the 2024 profit distribution plan, the Company conducted certain repurchases of A shares. Accordingly, based on the the total share capital of 8,715,671,296 shares at the time of the implementation, after deducting 9,041,375 shares held in the Company's securities account designated for repurchased shares, the 2024 profit distribution plan distributed to the shareholders of 8,706,629,921 shares eligible for distribution (including 6,763,589,921 A shares and 1,943,040,000 H shares) a cash dividend of RMB3.47 (including tax) for every 10 shares held, without bonus shares or any capitalisation of reserve.

On 29 August 2025, pursuant to the authority granted by the shareholders' meeting of the Company, the Board intended to distribute to all shareholders a cash dividend of RMB3.58 (including tax) for every 10 shares held, without bonus shares or any capitalisation of reserve, based on 8,674,438,821 shares currently eligible for profit distribution (calculated by deducting 39,142,475 shares held in the Company's securities account designated for repurchased shares and 2,090,000 restricted A shares to be repurchased and cancelled from the total share capital of the Company of 8,715,671,296 shares). Upon the implementation of the 2025 interim dividends distribution plan, if there is a change in the total amount of shares eligible for profit distribution, the Company will adjust the total amount of profit distribution in accordance with the principle that "the distribution proportion shall remain unchanged" on the basis of the total number of shares eligible for profit distribution as at the record date for the implementation of the distribution plan for A shares. Please refer to the further announcement to be issued by the Company for details on the closure of registers of members in determining the shareholders who are eligible for the 2025 interim dividends.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises five independent non-executive Directors of the Company. The Chairman of the Audit Committee is Ms. Jiang Yan, an independent non-executive Director. Ms. Jiang has appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules for the purpose of this appointment. During the Period, the Audit Committee discharged its responsibilities, reviewed and discussed the financial results and internal control matters of the Company. In accordance with the requirements of Appendix D2 to the Listing Rules, the Audit Committee has reviewed with the Company's auditors the reviewed consolidated financial statements for the Period.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE IN APPENDIX C1 OF THE LISTING RULES

Throughout the Period, other than certain directors of the Company not being able to attend the Company's annual general meeting or extraordinary general meeting(s) held during the Period due to other essential business engagements, the Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE

During the Period, the Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all Directors, the Directors have confirmed that they have complied with the required standard set out in the Model Code and the aforementioned code of conduct of the Company for the Period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, the Company has maintained the prescribed public float under the Listing Rules as at the date of this announcement.

APPROVAL OF THE FINANCIAL STATEMENTS

The reviewed consolidated financial statements for the Period were approved by the Board on 29 August 2025.

PUBLICATION OF THE INTERIM REPORT ON THE WEBSITES OF THE HONG KONG STOCK EXCHANGE AND THE COMPANY

The 2025 interim report will be despatched to the shareholders as well as made available on the Hong Kong Stock Exchange's website at www.hkexnews.hk and the Company's website at www.weichaipower.com in due course.

Ma Changhai
Chairman

Hong Kong, 29 August 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Ma Changhai, Mr. Wang Decheng, Mr. Huang Weibiao, 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. Chi Deqiang, Mr. Zhao Fuquan, Mr. Xu Bing and Mr. Tao Huaan.