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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)

CONTINUING CONNECTED TRANSACTION

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Reference is made to the Company's announcement dated 30 December 2024 in respect of the guarantees granted by the Weichai Lovol Group in respect of certain loans made by the Huiyin Leasing Group to the Weichai Lovol Group's customers for their purchase of products from the Weichai Lovol Group.

As the Weichai Lovol Group intends to continue the abovementioned business model following expiry of the Existing Framework Agreement on 31 December 2025, the Board announces that on 19 December 2025, Weichai Lovol has entered into the New Framework Agreement with Huiyin Leasing in respect of the Continuing Connected Transaction, as more particularly described below.

LISTING RULES IMPLICATION

Huiyin Leasing is wholly owned by Shanzhong Leasing, which is in turn held as to approximately 56.74% by CNHTC, approximately 32.5% by Shandong Heavy Industry and approximately 10.76% by Weichai Heavy Machinery, where CNHTC and Weichai Heavy Machinery are, in turn, also subsidiaries of Shandong Heavy Industry. Huiyin Leasing is therefore an associate of Shandong Heavy Industry. Shandong Heavy Industry is a substantial shareholder of the Company, hence a connected person of the Company. Thus, Huiyin Leasing is a connected person of the Company.

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

I. INTRODUCTION

Reference is made to the Company's announcement dated 30 December 2024 in respect of the guarantees granted by the Weichai Lovol Group in respect of certain loans made by the Huiyin Leasing Group to the Weichai Lovol Group's customers for their purchase of products from the Weichai Lovol Group.

As the Weichai Lovol Group intends to continue the abovementioned business model by granting the guarantees following expiry of the Existing Framework Agreement on 31 December 2025, the Board announces that on 19 December 2025, Weichai Lovol has entered into the New Framework Agreement with Huiyin Leasing in respect of the Continuing Connected Transaction, as more particularly described below.

II. CONTINUING CONNECTED TRANSACTION

Details of the Continuing Connected Transaction and the New Framework Agreement

Information of the Company, Weichai Lovol and Huiyin Leasing

The Company

The Company is a joint stock company limited by shares established in the PRC whose shares are listed on the Main Board of the Stock Exchange (stock code: 02338) and on the Main Board of the Shenzhen Stock Exchange (stock code: 000338). The Company is principally engaged in the research and development, manufacture and sale of high-speed heavy-duty diesel engines and engine parts.

Weichai Lovol

Weichai Lovol is a joint stock company limited by shares established in the PRC. Weichai Lovol and its subsidiaries are principally engaged in the design, development, manufacture and sale of intelligent agriculture machinery and the supply of intelligent agriculture solutions, with the main products being tractors and different types of harvesting machinery and equipment.

Weichai Lovol is a subsidiary of the Company held as to approximately 61.1% by the Company and approximately 27.26% by Weichai Holdings (a connected person of the Company). Weichai Holdings is principally engaged in the management, investment and the provision of general services.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, Weichai Holdings is wholly-owned by Shandong Heavy Industry. Shandong Heavy Industry is one of the leading automobile and equipment groups in the PRC, and is a state-owned enterprise established under the laws of the PRC with limited liability, and is ultimately governed and controlled by the State-owned Assets Supervision and Administration Commission of the Shandong Provincial People's Government* (山東省人民政府國有資產監督管理委員會).

Huiyin Leasing

Huiyin Leasing is principally engaged in the leasing and financing of engineering machinery, diesel engines and heavy-duty vehicles.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, Huiyin Leasing is wholly owned by Shanzhong Leasing, which is in turn held as to approximately 56.74% by CNHTC, approximately 32.5% by Shandong Heavy Industry and approximately 10.76% by Weichai Heavy Machinery, where CNHTC and Weichai Heavy Machinery are, in turn, also subsidiaries of Shandong Heavy Industry. Huiyin Leasing is therefore an associate of Shandong Heavy Industry. Shandong Heavy Industry is a substantial shareholder of the Company, hence a connected person of the Company. Thus, Huiyin Leasing is a connected person of the Company.

Arrangements under the Existing Framework Agreement

As mentioned above, Weichai Lovol is principally engaged in the design, development, manufacture and sale of intelligent agriculture machinery and the supply of intelligent agriculture solutions, with the main products being tractors and different types of harvesting machinery and equipment.

At times, certain Customers of the Weichai Lovol Group that have financing needs will seek financing from the Huiyin Leasing Group (which is principally engaged in the leasing and financing of engineering machinery, diesel engines and heavy-duty vehicles) in purchasing the Weichai Lovol Group's products, and the Huiyin Leasing Group, having considered the credibility of the relevant Customers, may grant financing to such Customers through a finance lease arrangement (the "**Underlying Customer Loans**"). The finance lease arrangement shall involve a grant of an Underlying Customer Loan by the Huiyin Leasing Group to such Customer, which grant is conditional upon the Customer transferring the ownership of the relevant product (the "**Leased Product**") to the Huiyin Leasing Group, and in respect of some of the Underlying Customer Loans, Huiyin Leasing Group shall provide entrusted payment services. The Customer shall make lease payments under such Underlying Customer Loan for the use of the relevant Leased Product, and upon fulfilment of all outstanding lease payment obligations, the Huiyin Leasing Group shall transfer the ownership of the Leased Product back to the Customer at a nominal value.

With an aim of facilitating the sale of its products, the Weichai Lovol Group had, pursuant to the Existing Framework Agreement, agreed to provide undertakings to repurchase the Leased Products (should the relevant distributors of the Leased Product fail to perform its repurchase obligations) from the Huiyin Leasing Group.

The Weichai Lovol Group intends to continue the said business model by granting the guarantees (in the form of the abovementioned repurchase undertakings) following expiry of the Existing Framework Agreement on 31 December 2025. Accordingly, the Board announces that on 19 December 2025, Weichai Lovol has entered into the New Framework Agreement with Huiyin Leasing in respect of the Continuing Connected Transaction, as more particularly described below.

Principal terms of the New Framework Agreement

Date: 19 December 2025

Parties: 1. Weichai Lovol

2. Huiyin Leasing

Term: 1 January 2026 to 31 December 2026

The terms of the New Framework Agreement are substantially the same as those of the Existing Framework Agreement.

Pursuant to the New Framework Agreement, the Weichai Lovol Group has agreed that, in respect of Underlying Customer Loans granted by the Huiyin Leasing Group to the Customers through a finance lease arrangement, the Weichai Lovol Group will provide guarantees to the Huiyin Leasing Group in the manner that, subject to the completion of appropriate approval procedures by the relevant parties, in the event of a default by a Customer on the repayment of the Underlying Customer Loan and should the relevant distributor fail to perform the repurchase obligations, the Weichai Lovol Group shall undertake the relevant repurchase obligation, which involves the repurchase from the Huiyin Leasing Group of the Leased Products at a price equivalent to the outstanding amount of the Underlying Customer Loan (including the lease payment(s) in default, default penalty, the forthcoming lease payments (being lease payments that would not fall due but for the default), the nominal value for the transfer of ownership under the finance lease arrangements, and the costs and expenses of the Huiyin Leasing Group relating to the enforcement of the relevant guarantee).

Pursuant to the New Framework Agreement, the relevant members of the Weichai Lovol Group and the relevant members of the Huiyin Leasing Group will enter into a separate agreement to provide for the detailed terms of the relevant guarantee arrangements in accordance with the principles set out in the New Framework Agreement.

Previous caps

The following table summaries the previous caps, being the maximum day-end guarantee balance of the total outstanding amount with respect to the Underlying Customer Loans under (i) the 2024 Framework Agreement for the year ended 31 December 2024, and (ii) under the Existing Framework Agreement for the period from 1 January 2025 to 31 December 2025, respectively:

	For the year ended 31 December 2024 *RMB*	**For the year ended 31 December 2025** *RMB*
Previous caps	2,000,000,000	4,000,000,000

Historical transaction amounts

The following table summarises the historical maximum day-end guarantee balance of the total outstanding amount with respect to the Underlying Customer Loans (the "**Historical Maximum Amount**") under (i) the 2024 Framework Agreement for the year ended 31 December 2024, and (ii) the Existing Framework Agreement for the period from 1 January 2025 to 17 December 2025, respectively:

	For the year ended 31 December 2024 *RMB* (audited)	**For the period from 1 January 2025 to 17 December 2025** *RMB* (unaudited)
Historical Maximum Amount	1,960,295,111	2,021,139,223

New Cap and basis

The New Cap, being the maximum day-end guarantee balance of the total outstanding amount with respect to the Underlying Customer Loans, for the year ending 31 December 2026 under the New Framework Agreement, was determined after considering the following factors:

(i) the Historical Maximum Amount;

(ii) the estimated outstanding balances with respect to the current Underlying Customer Loans (including the costs of the Huiyin Leasing Group relating to the enforcement of the guarantees with respect to the lease payments and other expenses); and

(iii) based on the Weichai Lovol Group's sales plan for the year ending 31 December 2026 which estimates that up to approximately 37,000 units of products will be supported by the relevant finance lease arrangements involving an average financing of RMB100,000 per unit, the relevant guarantee that is estimated to be made by the Weichai Lovol Group in 2026 (in addition to the estimated outstanding balances as referred to in sub-paragraph (ii) above) will amount to approximately RMB3.7 billion.

Insofar as the Company is aware, the amount of the Underlying Customer Loans and the amount and terms of the lease payments are determined after arm's length negotiations between Huiyin Leasing and the Customers with reference to the sale price of the Leased Products, the loan prime rate published by the People's Bank of China and the rates charged by major and independent commercial banks in the normal course of business for similar types of financing services and the credibility of the relevant Customers.

Taking into account and on the basis of all the aforesaid factors, it is estimated that the maximum day-end guarantee balance of the total outstanding amount with respect to the Underlying Customer Loans, for the year ending 31 December 2026 under the New Framework Agreement will amount to RMB3,910,000,000, representing an increase of approximately 93.46% as compared with the Historical Maximum Amount for the period from 1 January 2025 to 17 December 2025, and such amount has accordingly been set as the New Cap for the Continuing Connected Transaction.

The following table shows the New Cap, being the maximum day-end guarantee balance of the total outstanding amount with respect to the Underlying Customer Loans, for the year ending 31 December 2026 under the New Framework Agreement:

	For the year ending 31 December 2026 *RMB*
New Cap (being the maximum day-end guarantee balance)	3,910,000,000

III. REASONS FOR THE CONTINUING CONNECTED TRANSACTION AND THE LISTING RULES IMPLICATIONS

Reference is made to the Company's announcement dated 30 December 2024 in respect of the guarantees (in the form of repurchase undertakings) granted by the Weichai Lovol Group in respect of certain loans made by the Huiyin Leasing Group to the Weichai Lovol Group's customers for their purchase of products from the Weichai Lovol Group.

As the Weichai Lovol Group has cooperated with the Huiyin Leasing Group on financing arrangements for many years and Weichai Lovol has built up a long term strategic and solid business relationship with the Huiyin Leasing Group, the Directors (including the independent non-executive Directors) consider that it is beneficial to the Weichai Lovol Group to continue to conduct the Continuing Connected Transaction in order to ensure and maximise the operating efficiency and stability of the Weichai Lovol Group, hence, in turn, benefit the Group.

Further, taking into account the positive responses received from end customers as a whole on the adoption of finance lease arrangements which facilitates their purchase of products from the Weichai Lovol Group, as well as the current market conditions and industry trend, the Board contemplates that the demand of the Weichai Lovol Group's customers for finance lease arrangements is expected to grow. The Continuing Connected Transaction is also in line with the Group's business strategy in strengthening its cooperation with financial services and leasing companies with a view to further supporting the financing needs of the end customers of the Group. Accordingly, the Group intends to continue to conduct the Continuing Connected Transaction to cater to the market demand.

In light of the above, the Directors (including the independent non-executive Directors) consider that the Continuing Connected Transaction has been subject to arm's length negotiation between Weichai Lovol and Huiyin Leasing and entered into by the Group in the ordinary and usual course of business, and the New Framework Agreement is on normal commercial terms or better, and the transactions contemplated thereunder and the relevant New Cap are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

At the Board meeting held on 19 December 2025 approving, inter alia, the Continuing Connected Transaction, Mr. Ma Changhai has abstained from voting in respect of the resolution approving the Continuing Connected Transaction in view of his positions in the relevant connected person(s). Save as disclosed above, none of the Directors has a material interest in the Continuing Connected Transaction.

IV. DEFINITIONS

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

"0.1% Threshold"	the thresholds referred to in Rule 14A.76(1)(a) of the Listing Rules
"2024 Framework Agreement"	the agreement entered into between Weichai Lovol and Huiyin Leasing on 29 December 2023 pursuant to which the Weichai Lovol Group has agreed to provide guarantees (in the form of repurchase undertakings) to Huiyin Leasing (and its associates) in respect of the Underlying Customer Loans, details of which are disclosed in the Company's announcement dated 29 December 2023
"5% Threshold"	the thresholds referred to in Rule 14A.76(2)(a) of the Listing Rules
"associate(s)"	has the meaning ascribed to an "associate" under Rule 14A.06(2) of the Listing Rules
"Board"	the board of Directors
"CNHTC"	中國重型汽車集團有限公司 (China National Heavy Duty Truck Group Company Limited), a state-owned enterprise established under the laws of the PRC with limited liability and a connected person of the Company
"Company"	濰柴動力股份有限公司 (Weichai Power Co., Ltd.), a company established in the PRC with limited liability
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Continuing Connected Transaction"	the transactions between the Weichai Lovol Group and the Huiyin Leasing Group as set out in the section headed "II. Continuing Connected Transaction" in this announcement
"Customer(s)"	independent third party customer(s) of the Weichai Lovol Group
"Director(s)"	the director(s) of the Company

"Existing Framework Agreement"	the agreement entered into between Weichai Lovol and Huiyin Leasing on 30 December 2024 pursuant to which the Weichai Lovol Group has agreed to provide guarantees (in the form of repurchase undertakings) to Huiyin Leasing (and its associates) in respect of the Underlying Customer Loans, details of which are disclosed in the Company's announcement dated 30 December 2024
"Group"	the Company and its subsidiaries
"Historical Maximum Amount"	has the meaning ascribed to it in the section headed "II. Continuing Connected Transaction – Details of the Continuing Connected Transaction and the New Framework Agreement – Historical transaction amounts" in this announcement
"Huiyin Leasing"	匯銀融資租賃有限公司 (Huiyin Finance Leasing Co., Ltd.), a company established in the PRC and a wholly-owned subsidiary of Shanzhong Leasing
"Huiyin Leasing Group"	Huiyin Leasing and its associates
"Independent Third Parties"	third parties independent of and not connected with the Company and its connected persons
"Leased Product"	has the meaning ascribed to it in the section headed "II. Continuing Connected Transaction – Details of the Continuing Connected Transaction and the New Framework Agreement – Arrangements under the Existing Framework Agreement" in this announcement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Cap"	the annual cap to the Continuing Connected Transaction as set out in the section headed "II. Continuing Connected Transaction" in this announcement
"New Framework Agreement"	the agreement entered into between Weichai Lovol and Huiyin Leasing on 19 December 2025 as more particularly set out in section II. of this announcement
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Shandong Heavy Industry"	山東重工集團有限公司 (Shandong Heavy Industry Group Co., Ltd.*), a substantial shareholder and connected person of the Company holding the entire capital of Weichai Holdings

"Shanzhong Leasing"	山重融資租賃有限公司 (Shanzhong Finance Leasing Co., Ltd.*), a company established in the PRC and a connected person of the Company
"Shareholder(s)"	holder(s) of the shares in the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Underlying Customer Loan(s)"	has the meaning ascribed to it in the section headed "II. Continuing Connected Transaction – Details of the Continuing Connected Transaction and the New Framework Agreement – Arrangements under the Existing Framework Agreement" in this announcement
"Weichai Heavy Machinery"	濰柴重機股份有限公司 (Weichai Heavy-duty Machinery Co., Ltd.*) (formerly known as 山東巨力股份有限公司 (Shandong Juli Company Limited*)), a company established in the PRC and a connected person of the Company
"Weichai Holdings"	濰柴控股集團有限公司 (Weichai Group Holdings Limited*) (formerly known as 濰坊柴油機廠 (Weifang Diesel Engine Works*)), a legal person established in the PRC, a substantial shareholder of the Company, and a connected person of the Company
"Weichai Lovol"	濰柴雷沃智慧農業科技股份有限公司 (Weichai Lovol Intelligent Agricultural Technology Co., Ltd.*), a joint stock company limited by shares established in the PRC and a non-wholly owned subsidiary of the Company
"Weichai Lovol Group"	Weichai Lovol and its subsidiaries
"%"	per cent.

By order of the Board of Directors
Weichai Power Co., Ltd.
Ma Changhai
Chairman

The PRC, 19 December 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Ma Changhai, Mr. Wang Decheng, Mr. Sun Shaojun, Mr. Yuan Hongming and Mr. Ma Xuyao; the employee representative Director of the Company is Mr. Huang Weibiao; 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.

* *For identification purposes only*