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潍柴動力股份有限公司

WEICHAI POWER CO., LTD.

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

(Stock Code: 2338)

**FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

FINANCIAL HIGHLIGHTS

- Revenue was approximately RMB231,809 million, representing an increase of approximately 7.5%.
- Net profit attributable to the shareholders of the parent was approximately RMB10,931 million, representing a decrease of approximately 4.1%.
- Basic earnings per share was approximately RMB1.27 representing a decrease of approximately 3.1%.

(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 audited consolidated financial statements of the Company and its subsidiaries (the “Group”) prepared in accordance with the China Accounting Standards for Business Enterprises for the year ended 31 December 2025 (the “Year”), together with comparative figures for the corresponding period of 2024 as follows:

CONSOLIDATED INCOME STATEMENT

January to December 2025 (Expressed in Renminbi Yuan)

Item	Notes	2025	2024
I. Revenue	7	231,809,281,106.82	215,690,504,589.82
Less: Cost of sales	7	182,027,337,736.02	167,304,917,397.32
Taxes and surcharges	8	842,172,279.66	707,419,186.59
Distribution and selling expenses		13,621,489,980.86	12,485,159,751.87
General and administrative expenses		12,000,796,817.31	10,259,477,587.04
Research & development expenses		8,284,484,022.37	8,299,429,709.99
Finance (income)/expenses, net		(453,927,849.68)	230,701,630.23
Incl: Interest expenses		3,628,593,475.52	3,854,441,561.78
Interest income		3,560,864,589.70	3,780,650,274.56
Add: Other income		1,421,879,104.87	1,901,970,056.44
Investment income		450,056,588.58	420,734,589.54
Incl: Investment loss from associates and joint ventures		(50,608,511.81)	(45,080,665.87)
(Loss)/profit on change of fair value		(226,408,211.58)	123,174,589.54
Reversal/(loss) of impairment of credit		76,956,214.08	(507,399,360.78)
Impairment loss of assets		(1,256,461,203.96)	(1,067,912,050.82)
Gain on disposal of assets		120,639,736.51	153,987,544.64
II. Operating profit		16,073,590,348.78	17,427,954,695.34
Add: Non-operating income		430,884,867.64	314,139,169.88
Less: Non-operating expenses		290,564,926.41	420,571,567.37
III. Total profit		16,213,910,290.01	17,321,522,297.85
Less: Income tax expenses	9	2,533,591,046.62	3,043,840,327.46
IV. Net profit		13,680,319,243.39	14,277,681,970.39
(I) Breakdown by continuity of operations:			
Net profit from continuing operations		13,680,319,243.39	14,277,681,970.39
(II) Breakdown by attributable interests:			
1. Net profit attributable to shareholders of the parent		10,930,504,451.02	11,403,288,984.59
2. Minority interests		2,749,814,792.37	2,874,392,985.80

Item	Notes	2025	2024
V. Net other comprehensive income after tax	11	2,620,762,426.95	1,452,661,362.81
Net other comprehensive income attributable to shareholders of the parent after tax		<u>1,643,159,397.26</u>	<u>1,535,060,989.93</u>
(I) Those other comprehensive income not to be reclassified into profit or loss			
1. Changes arising from re-measuring of defined benefit plan		333,215,987.82	(15,739,188.83)
2. Other comprehensive income not to be reclassified into profit or loss using the equity method		(1,842,877.74)	(4,006,176.89)
3. Change in fair value of investment in other equity instruments		<u>1,677,937,499.17</u>	<u>1,709,743,990.92</u>
(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		(53,650,525.71)	(3,129,266.20)
2. Cashflow hedging reserve		44,609,323.35	(93,840,244.75)
3. Exchange differences on foreign currency translation		<u>(357,110,009.63)</u>	<u>(57,968,124.32)</u>
Net other comprehensive income attributable to minority interests after tax		<u>977,603,029.69</u>	<u>(82,399,627.12)</u>
VI. Total comprehensive income		16,301,081,670.34	15,730,343,333.20
Total comprehensive income attributable to the shareholders of the parent		12,573,663,848.28	12,938,349,974.52
Total comprehensive income attributable to minority interests		<u>3,727,417,822.06</u>	<u>2,791,993,358.68</u>
VII. Earnings per share:	10		
(I) Basic earnings per share		1.27	1.31
(II) Diluted earnings per share		<u>1.26</u>	<u>1.31</u>

CONSOLIDATED BALANCE SHEET

31 December 2025 (Expressed in Renminbi Yuan)

Item	Notes	31 December 2025	31 December 2024
Current assets:			
Cash at bank and on hand		68,712,656,654.45	72,066,926,728.68
Incl: Amount deposited in financial institution		28,550,885,836.09	28,400,969,254.10
Financial assets held for trading		14,791,671,486.18	16,488,504,978.97
Notes receivable	3	628,664,506.91	7,890,650,056.91
Accounts receivable	4	34,355,085,460.01	30,877,182,388.79
Receivable financing		15,521,610,222.50	7,182,103,394.41
Prepayments		1,645,311,135.28	1,368,159,871.96
Other receivables		1,412,445,050.01	1,356,048,339.69
Inventories		35,235,655,086.13	35,675,282,801.36
Contract assets		2,314,409,992.10	2,291,377,442.53
Assets held for sale		348,027.65	–
Non-current assets due within one year		6,482,104,401.50	5,447,139,288.50
Other current assets		5,423,936,062.81	4,106,309,416.32
Total current assets		186,523,898,085.53	184,749,684,708.12
Non-current assets:			
Long-term receivables		19,349,156,912.39	15,774,538,475.39
Long-term equity investments		5,435,158,558.53	4,914,614,355.00
Investment in other equity instruments		8,276,069,148.55	6,114,305,210.35
Other non-current financial assets		314,744,339.00	603,663,855.04
Investment property		651,742,247.17	646,133,155.60
Fixed assets		53,670,234,544.94	47,303,406,403.80
Construction in progress		4,668,142,790.84	6,500,353,163.16
Right-of-use assets		6,372,720,088.15	5,562,826,921.96
Intangible assets		22,063,340,288.62	22,205,299,328.21
Development expenditure		274,837,160.72	48,673,761.47
Goodwill		25,268,780,487.65	24,561,247,939.69
Long-term prepaid expenses		326,118,985.38	320,676,891.81
Deferred tax assets		5,690,820,620.89	5,800,746,699.31
Other non-current assets		28,589,832,415.30	18,773,241,678.63
Total non-current assets		180,951,698,588.13	159,129,727,839.42
Total assets		367,475,596,673.66	343,879,412,547.54

Item	<i>Notes</i>	31 December 2025	31 December 2024
Current liabilities:			
Short-term loans		2,872,538,288.49	1,741,795,558.78
Financial liabilities held for trading		151,104,954.00	308,561,225.70
Notes payable	5	36,120,055,432.40	34,125,863,390.70
Accounts payable	6	68,036,629,987.10	58,032,964,948.37
Contract liabilities		13,064,065,942.59	13,914,246,892.96
Payroll payable		8,232,633,056.43	6,969,134,215.22
Taxes payable		2,673,737,210.27	2,244,855,844.93
Other payables		8,359,226,336.57	8,636,538,731.70
Non-current liabilities due within one year		13,042,068,173.43	21,030,639,166.69
Other current liabilities		8,982,176,956.98	7,834,870,104.62
Total current liabilities		<u>161,534,236,338.26</u>	<u>154,839,470,079.67</u>
Non-current liabilities:			
Long-term borrowings		11,052,401,055.89	8,516,557,642.02
Bonds payable		7,195,545,766.50	7,116,572,845.20
Lease liabilities		5,346,222,316.27	4,831,598,870.97
Long-term payables		11,548,169,161.00	11,159,920,909.70
Long-term payroll payable		7,261,829,705.52	7,499,281,967.77
Accruals and provisions		1,054,419,352.35	873,151,560.22
Deferred income		4,494,450,726.98	4,587,960,893.43
Deferred tax liabilities		3,598,808,891.19	3,910,628,492.35
Other non-current liabilities		23,327,497,641.82	18,585,612,961.05
Total non-current liabilities		<u>74,879,344,617.52</u>	<u>67,081,286,142.71</u>
Total liabilities		<u>236,413,580,955.78</u>	<u>221,920,756,222.38</u>

Item	<i>Notes</i>	31 December 2025	31 December 2024
Shareholders' equity:			
Share capital		8,713,581,296.00	8,726,556,821.00
Capital reserve		11,777,569,431.25	11,218,072,681.51
Less: Treasury shares		1,049,495,352.37	546,248,538.39
Other comprehensive income	<i>11</i>	4,310,847,122.72	2,707,897,162.83
Special reserve		214,107,389.19	248,503,795.47
Surplus reserve		5,425,893,134.46	4,491,565,280.61
Retained earnings		63,797,708,497.77	59,850,011,345.94
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Total equity attributable to the shareholders of the parent		93,190,211,519.02	86,696,358,548.97
Minority interests		37,871,804,198.86	35,262,297,776.19
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Total shareholders' equity		131,062,015,717.88	121,958,656,325.16
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Total liabilities and shareholders' equity		367,475,596,673.66	343,879,412,547.54
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

1. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

a. Preparation basis of the financial statements

Preparation basis

The Group has adopted the Accounting Standards for Business Enterprises and relevant provisions promulgated by the MOF. In addition, the Group also disclosed relevant financial information in accordance with Compilation Rules No. 15 for Information Disclosure by Companies Offering Securities to the Public – General Requirements for Financial Reporting (2023 Revision), the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Continuing operations

The Group carried out an assessment on the going concern for the 12-month period commencing from 31 December 2025, and did not recognise any matters and situation leading to material doubt on the continuity of operation. Therefore, these financial statements have been prepared based on the going-concern assumption.

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. 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 the 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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Whether the fair value is observable or estimated using valuation techniques, the measurement and disclosure of fair value in these financial statements are all determined on this basis.

For financial assets for which the transaction price is used 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 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 is offset with the surplus reserve and then the 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 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 have the right to 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 evidence is obtained in respect of circumstances existed as of the date of acquisition, the amount previously included in 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 such 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, after taking into account the relevant deferred tax effects, the difference is recognised as goodwill as an asset, and initially measured at cost. Where the combination cost is lower than the portion of fair value of net identifiable assets of the acquiree acquired in the business combination, the measurement of the fair value of all identifiable assets, liabilities and contingent liabilities as well as the combination cost is first reassessed. If, after such reassessment, the combination cost still remains lower than the portion of the fair value of net identifiable assets of the acquiree acquired in the business combination, the difference is recognised in 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 occurred, 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 involving enterprises not 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 owners' equity of the subsidiary, the excess shall be allocated against minority interests.

Acquisition of minority interests or disposal of interests 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) manufacturing and sale of agricultural equipment (complete machineries), agricultural machineries, agricultural vehicles and related parts (“Agricultural equipment”);
- (d) forklift trucks production, warehousing technology and supply chain solution services (“Intelligent logistics”).

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 at bank and on hand, derivative instruments, financial assets held for trading, dividends receivable, interests receivable, fixed deposits and transferrable certificates of deposit under other non-current assets, 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 sale elimination	Total
Incurred during the year						
Segment revenue:						
Sale to external customers	52,929,645,139.95	69,014,135,370.87	18,788,699,730.23	91,076,800,865.77	-	231,809,281,106.82
Inter-segment sale	11,095,203,894.97	1,788,967,393.49	379,847,230.61	54,381,146.01	(13,318,399,665.08)	-
Total	<u>64,024,849,034.92</u>	<u>70,803,102,764.36</u>	<u>19,168,546,960.84</u>	<u>91,131,182,011.78</u>	<u>(13,318,399,665.08)</u>	<u>231,809,281,106.82</u>
Segment results	10,608,041,996.24	1,420,108,547.23	801,334,027.84	3,868,717,524.48	(1,302,187,973.69)	15,396,014,122.10
Adjustment:						
Interest income	-	-	-	-	-	3,560,864,589.70
Dividend income and unallocated income	-	-	-	-	-	654,533,244.64
Corporate and other unallocated expenses	-	-	-	-	-	(290,564,926.41)
Finance expenses	-	-	-	-	-	(3,106,936,740.02)
Profit before tax	-	-	-	-	-	16,213,910,290.01
31 December 2025						
Segment assets	84,651,318,270.51	57,169,449,537.18	11,184,476,574.70	129,255,303,675.94	(40,161,239,185.09)	242,099,308,873.24
Adjustment:						
Corporate and other unallocated assets	-	-	-	-	-	125,376,287,800.42
Total assets	-	-	-	-	-	<u>367,475,596,673.66</u>
Segment liabilities	43,672,187,028.43	67,388,679,345.47	16,799,617,149.98	77,645,101,079.00	(8,095,966,844.65)	197,409,617,758.23
Adjustment:						
Corporate and other unallocated liabilities	-	-	-	-	-	39,003,963,197.55
Total liabilities	-	-	-	-	-	<u>236,413,580,955.78</u>
Incurred during the year						
Other segment information:						
Share of profit and loss from:						
Gain/(loss) from associates and joint ventures	(48,710,397.07)	(57,679,020.56)	(35,164,328.78)	90,945,234.60	-	(50,608,511.81)
Gain/(loss) of impairment of inventories	66,587,805.51	(628,382,508.27)	(16,617,008.80)	(306,513,821.57)	-	(884,925,533.13)
(Loss)/reversal of credit impairment of receivables and lease receivable	(145,429,842.61)	379,414,250.12	(4,637,170.63)	(152,391,022.80)	-	76,956,214.08
Loss of impairment of assets	(3,443,496.62)	(9,067,145.38)	-	(359,025,028.83)	-	(371,535,670.83)
Depreciation and amortisation	(1,985,618,468.49)	(1,693,013,104.23)	(292,502,974.41)	(9,626,964,582.79)	-	(13,598,099,129.92)
Gain from disposal of fixed assets	1,285,833.75	8,125,553.56	47,290.10	111,181,059.10	-	120,639,736.51
Investment in associates and joint ventures	2,946,024,961.90	1,466,883,900.61	2,292,712.97	1,019,956,983.05	-	5,435,158,558.53
Capital expenditure	<u>3,106,784,899.58</u>	<u>1,635,049,806.35</u>	<u>907,569,224.98</u>	<u>13,100,145,299.78</u>	-	<u>18,749,549,230.69</u>

Item	Engines	Automobiles and automobile components	Agricultural equipment	Intelligent logistics	Inter-segment sale elimination	Total
Incurred in the previous year						
Segment revenue:						
Sale to external customers	48,972,192,927.71	59,647,184,888.63	18,345,130,488.57	88,725,996,284.91	-	215,690,504,589.82
Inter-segment sale	10,436,361,228.11	2,190,318,220.62	201,335,640.81	51,169,621.98	(12,879,184,711.52)	-
Total	59,408,554,155.82	61,837,503,109.25	18,546,466,129.38	88,777,165,906.89	(12,879,184,711.52)	215,690,504,589.82
Segment results	10,394,897,882.63	563,197,306.26	796,015,185.59	5,971,139,526.59	(610,502,754.58)	17,114,747,146.49
Adjustment:						
Interest income	-	-	-	-	-	3,780,650,274.56
Dividend income and unallocated income	-	-	-	-	-	858,048,348.96
Corporate and other unallocated expenses	-	-	-	-	-	(420,571,567.37)
Finance expenses	-	-	-	-	-	(4,011,351,904.79)
Profit before tax	-	-	-	-	-	17,321,522,297.85
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 during the year						
Other segment information:						
Share of profit and loss from:						
Gain/(loss) from associates and joint ventures	154,501,958.92	(316,296,110.22)	(40,797.17)	116,754,282.60	-	(45,080,665.87)
Loss of impairment of inventories	(104,607,343.93)	(474,502,457.21)	(24,588,094.49)	(318,523,000.42)	-	(922,220,896.05)
(Loss)/reversal of credit impairment of receivables and lease receivable	(87,148,761.26)	(304,223,938.47)	17,441,093.65	(133,467,754.70)	-	(507,399,360.78)
Loss of impairment of assets	(83,571,010.50)	(2,559,987.23)	(1,203,938.62)	(58,356,218.42)	-	(145,691,154.77)
Depreciation and amortisation	(1,895,732,977.95)	(1,698,560,147.14)	(210,706,979.15)	(8,921,116,760.40)	-	(12,726,116,864.64)
Gain from disposal of fixed assets	124,707,127.22	2,766,337.50	1,023,287.72	25,490,792.20	-	153,987,544.64
Investment in associates and joint ventures	2,579,954,824.02	1,403,892,475.34	37,457,041.75	893,310,013.89	-	4,914,614,355.00
Capital expenditure	2,667,753,409.23	1,504,522,437.41	903,212,928.63	14,587,030,715.91	-	19,662,519,491.18

Group information

Information about products and services

Revenue from external transactions

Item	Incurred during the year	Incurred in previous year
Powertrain, complete vehicles and machines and key components	100,410,725,808.64	89,779,256,123.59
Other components	11,876,205,617.81	10,089,167,679.70
Agricultural equipment	18,788,699,730.23	18,345,130,488.57
Intelligent logistics	91,076,800,865.77	88,725,996,284.91
Others	9,656,849,084.37	8,750,954,013.05
Total	<u>231,809,281,106.82</u>	<u>215,690,504,589.82</u>

Geographic information

Revenue from external transactions

Item	Incurred during the year	Incurred in previous year
Mainland China	108,926,310,982.49	95,916,941,684.73
Other countries and regions	122,882,970,124.33	119,773,562,905.09
Total	<u>231,809,281,106.82</u>	<u>215,690,504,589.82</u>

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

Total non-current assets

Item	31 December 2025	31 December 2024
Mainland China	34,904,897,928.44	33,414,927,263.01
Other countries and regions	84,925,292,748.68	79,642,533,973.14
Total	<u>119,830,190,677.12</u>	<u>113,057,461,236.15</u>

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

3. NOTES RECEIVABLE

(1) Classification of notes receivable

Item	31 December 2025	31 December 2024
Bank acceptance bills	660,000.00	6,141,640,667.29
Commercial acceptance bills	628,099,806.91	26,303,684.47
Acceptance bills of finance companies	–	1,723,136,575.27
	<hr/>	<hr/>
Subtotal	628,759,806.91	7,891,080,927.03
	<hr/>	<hr/>
Less: Provision for bad debts	95,300.00	430,870.12
	<hr/>	<hr/>
Total	628,664,506.91	7,890,650,056.91
	<hr/>	<hr/>

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

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

Item	31 December 2025	31 December 2024
Bank acceptance bills	–	4,654,171,277.21
	<hr/>	<hr/>

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

	31 December 2025		31 December 2024	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance bills	–	660,000.00	125,712,072.15	634,319.33
Commercial acceptance bills	–	564,836,500.00	387,515,500.00	–
	<hr/>	<hr/>	<hr/>	<hr/>

As at 31 December 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 bank acceptance bills held were issued by banks with relatively high credit ratings and the credit quality of acceptors of all commercial acceptance bills held by it was good, there was no significant credit risk.

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	31 December 2025	31 December 2024
Within 1 year	32,364,776,568.32	30,126,462,366.38
1 to 2 years	2,972,293,629.50	1,033,169,772.60
2 to 3 years	356,681,812.40	198,291,428.00
Over 3 years	2,027,346,765.69	3,046,247,372.71
Gross carrying amount	37,721,098,775.91	34,404,170,939.69
Less: Provision for credit loss	3,366,013,315.90	3,526,988,550.90
Carrying amount	34,355,085,460.01	30,877,182,388.79

(2) Disclosure by category of provision for bad debt:

Item	31 December 2025				Carrying amount
	Gross carrying amount	Proportion (%)	Provision for credit loss rates	Percentage of provision (%)	
Provision for bad debts on an individual basis	4,043,996,945.38	10.72	1,936,851,186.85	47.89	2,107,145,758.53
Provision for bad debts on a collective basis	33,677,101,830.53	89.28	1,429,162,129.05	4.24	32,247,939,701.48
– credit losses are provided for using impairment matrix based on aging analysis	15,771,233,331.77	41.81	1,233,135,784.30	7.82	14,538,097,547.47
– credit losses are provided for using overdue ages as credit risk characteristics	13,615,462,965.63	36.10	136,045,830.24	1.00	13,479,417,135.39
– accounts receivable portfolio with good credit history	4,290,405,533.13	11.37	59,980,514.51	1.40	4,230,425,018.62
Total	37,721,098,775.91	100.00	3,366,013,315.90	8.92	34,355,085,460.01

31 December 2024

Item	Gross carrying amount	Proportion (%)	Provision for credit loss rates	Percentage of provision (%)	Carrying amount
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

As at 31 December 2025, the Group's accounts receivable assessed for expected credit losses individually are presented as follows:

Customer	Gross carrying amount	Provision for credit loss	Percentage of provision (%)	Reasons
Customer 1	345,158,585.98	161,438,112.00	46.77	Bad repayment ability Provision for maximum risk exposure
Customer 2	277,952,842.74	16,083,437.96	5.79	
Customer 3	210,323,669.61	183,408,527.53	87.20	Bad repayment ability
Customer 4	111,041,976.88	111,041,976.88	100.00	Bad repayment ability
Customer 5	75,871,191.17	75,871,191.17	100.00	Bad repayment ability
Customer 6	71,318,205.18	35,659,102.59	50.00	Bad repayment ability
Customer 7	56,927,140.00	56,927,140.00	100.00	Long credit age
Customer 8	56,622,835.33	9,908,996.18	17.50	Risk category
Others	2,838,780,498.49	1,286,512,702.54	45.32	Long credit age, etc.
Total	4,043,996,945.38	1,936,851,186.85	47.89	

- (a) As at 31 December 2025, the Group's accounts receivable for which credit losses are provided for using impairment matrix based on aging analysis are presented as follows:

Age	31 December 2025		
	Gross carrying amount	Lifetime expected credit loss rate	Expected credit loss rate (%)
Within 1 year	12,784,430,923.07	362,346,047.54	2.83
1 to 2 years	2,405,566,968.17	387,031,792.19	16.09
2 to 3 years	127,037,036.05	48,987,912.78	38.56
3 to 4 years	40,645,990.81	23,851,895.22	58.68
4 to 5 years	119,697,821.29	117,063,544.19	97.80
Over 5 years	293,854,592.38	293,854,592.38	100.00
Total	15,771,233,331.77	1,233,135,784.30	7.82

- (b) As at 31 December 2025, the Group's accounts receivable for which credit losses are provided for using overdue ages as credit risk characteristics are presented as follows:

Overdue age	31 December 2025		
	Gross carrying amount	Lifetime expected credit loss rate	Expected credit loss rate (%)
Not yet overdue or overdue for less than 90 days	12,627,279,027.02	85,228,540.98	0.67
Overdue for more than 90 days but less than 180 days	558,096,031.76	20,291,325.85	3.64
Overdue for more than 180 days	430,087,906.85	30,525,963.41	7.10
Total	13,615,462,965.63	136,045,830.24	1.00

- (c) As at 31 December 2025, provisions for credit losses for the Group's accounts receivable with good credit history are presented as follows:

Item	31 December 2025		
	Gross carrying amount	Lifetime expected credit loss rate	Expected credit loss rate (%)
Accounts receivable portfolio with good credit history	4,290,405,533.13	59,980,514.51	1.40

- (3) As at 31 December 2025, the top five balances in respect of accounts receivable and contract assets 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 credit losses
First place	1,939,193,537.46	97,241,809.42	5.09	–
Second place	1,436,470,557.50	–	3.59	21,499,496.38
Third place	828,733,157.81	–	2.07	13,570,856.54
Fourth place	788,298,505.09	–	1.97	1,726,730.93
Fifth place	723,078,424.51	–	1.81	113,663,280.52
Total	5,715,774,182.37	97,241,809.42	14.53	150,460,364.37

- (4) Movements in provision for credit losses:

Provision for credit losses	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
Balance as at 31 December 2024 in the current year			
– Transferred to receivables with impairment of credit	(17,731,580.33)	17,731,580.33	–
Provision for the year	403,986,862.49	225,279,952.12	629,266,814.61
Reversal during the year	(21,504,778.40)	(737,437,333.05)	(758,942,111.45)
Written off during the year	–	(12,034,751.98)	(12,034,751.98)
Change in scope of consolidation	(2,262,863.46)	–	(2,262,863.46)
Other changes	7,123,541.69	–	7,123,541.69
Adjustment for exchange differences	(2,513,029.27)	(21,612,835.14)	(24,125,864.41)
Balance as at 31 December 2025	1,429,162,129.05	1,936,851,186.85	3,366,013,315.90

Provision for credit losses	Lifetime expected credit loss (without impairment of credit)	Lifetime expected credit loss (with impairment of credit)	Total
Balance as at 31 December 2023	864,639,896.31	2,670,973,400.91	3,535,613,297.22
Balance as at 31 December 2023 in the current year			
– Transferred to receivables with impairment of credit	(21,615,576.16)	21,615,576.16	–
Provision for the year	304,946,434.60	297,759,378.58	602,705,813.18
Reversal during the year	(74,756,060.86)	(40,200,164.18)	(114,956,225.04)
Written off during the year	–	(423,088,221.37)	(423,088,221.37)
Adjustment for exchange differences	(11,150,717.56)	(62,135,395.53)	(73,286,113.09)
	<u>1,062,063,976.33</u>	<u>2,464,924,574.57</u>	<u>3,526,988,550.90</u>

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

5. NOTES PAYABLE

Item	31 December 2025	31 December 2024
Bank acceptance bills	35,123,091,326.42	32,783,477,190.84
Commercial acceptance bills	15,442,455.62	6,766,199.72
Acceptance bills of finance companies	981,521,650.36	1,335,620,000.14
Total	36,120,055,432.40	34,125,863,390.70

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

6. ACCOUNTS PAYABLE

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

Item	31 December 2025	31 December 2024
Within 1 year	66,421,430,898.58	56,784,694,275.86
Over 1 year	1,615,199,088.52	1,248,270,672.51
Total	68,036,629,987.10	58,032,964,948.37

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

As at 31 December 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

Item	Incurred during the year		Incurred in previous year	
	Revenue	Cost	Revenue	Cost
Revenue from principal operations	229,924,949,864.93	180,884,996,336.95	213,844,852,068.03	166,072,361,184.03
Other revenue	1,884,331,241.89	1,142,341,399.07	1,845,652,521.79	1,232,556,213.29
Total	231,809,281,106.82	182,027,337,736.02	215,690,504,589.82	167,304,917,397.32

(2) Details of revenue

Item	Incurred during the year	Incurred in previous year
Revenue from principal operations		
Sales of goods and others	120,226,698,527.38	106,973,691,994.10
Revenue from forklift trucks production and sales and warehousing technology	66,531,162,347.87	66,294,017,242.08
Revenue from supply chain solution	24,545,638,517.90	22,429,008,014.52
Agricultural equipment	18,621,450,471.78	18,148,134,817.33
Sub-total	229,924,949,864.93	213,844,852,068.03
Other revenue		
Sales of materials	1,092,612,819.95	1,108,621,108.59
Lease income	112,665,437.59	112,138,234.25
Provision of non-industrial labour	96,576,710.54	74,284,473.64
Others	582,476,273.81	550,608,705.31
Sub-total	1,884,331,241.89	1,845,652,521.79
Total	231,809,281,106.82	215,690,504,589.82

(3) Reporting segment

Item	Engines and automobiles and automobile components		Intelligent logistics		Agricultural equipment		Total	
	Revenue	Cost of sales	Revenue	Cost of sales	Revenue	Cost of sales	Revenue	Cost of sales
Major regions of operation								
Incl: Mainland China	87,469,459,213.07	69,051,928,937.73	5,050,933,629.20	3,695,389,755.18	16,405,918,140.22	14,108,903,736.94	108,926,310,982.49	86,856,222,419.85
Other countries and regions	34,474,321,297.75	29,983,396,358.46	86,025,867,236.57	63,187,191,887.02	2,382,781,590.01	2,000,527,070.69	122,882,970,124.33	95,171,115,316.17
Total	121,943,780,510.82	99,035,325,296.19	91,076,800,865.77	66,882,581,642.20	18,788,699,730.23	16,109,430,797.63	231,809,281,106.82	182,027,337,736.02
Categorised by time for recognition of revenue								
Incl: transferred at a certain point of time	121,585,321,345.81	98,809,486,655.74	44,719,839,578.77	32,966,665,814.15	18,786,604,156.88	16,107,643,025.74	185,091,765,081.46	147,883,795,495.63
Provided over a certain period of time	236,805,534.08	180,485,325.76	27,047,413,199.64	19,788,566,031.46	-	-	27,284,218,733.72	19,969,051,357.22
Subtotal of revenue arising from contracts with customers								
Revenue under the Standard on Leases	121,822,126,879.89	98,989,971,981.50	71,767,252,778.41	52,755,231,845.61	18,786,604,156.88	16,107,643,025.74	212,375,983,815.18	167,852,846,852.85
	121,653,630.93	45,353,314.69	19,309,548,087.36	14,127,349,796.59	2,095,573.35	1,787,771.89	19,433,297,291.64	14,174,490,883.17
Total	121,943,780,510.82	99,035,325,296.19	91,076,800,865.77	66,882,581,642.20	18,788,699,730.23	16,109,430,797.63	231,809,281,106.82	182,027,337,736.02

(4) Performance of obligations

The supply chain solution projects 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 project contracts. As at 31 December 2025, some of the Group's supply chain solution project 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 project contract, and will be recognised as revenue in the future performance period of each supply chain solution project contract based on the performance progress.

(5) Allocation to the outstanding performance obligations

The aggregate transaction price corresponding to the performance obligations under contracts which had been entered into but had not been performed or fully performed as at the end of the Year was RMB34,331,633,563.50. Information related to revenue expected to be recognised in respect of outstanding performance obligations under contracts is set out below:

Term	31 December 2025	31 December 2024
Within 1 year	14,103,466,695.50	12,781,731,662.70
1 to 2 years	11,438,887,141.50	8,840,372,058.70
2 to 3 years	4,027,118,322.50	3,437,544,091.80
3 to 4 years	2,687,927,196.50	1,709,131,624.20
4 to 5 years	1,383,695,768.00	1,242,079,156.50
Over 5 years	690,538,439.50	869,842,983.10
Total	<u>34,331,633,563.50</u>	<u>28,880,701,577.00</u>

8. TAXES AND SURCHARGES

Item	Incurred during the year	Incurred in previous year
Property tax	301,356,161.62	279,954,266.93
City maintenance and construction tax	165,365,490.60	124,289,561.35
Educational surtax	101,895,889.89	90,985,554.12
Stamp duty	126,983,078.85	118,220,069.53
Others	146,571,658.70	93,969,734.66
Total	<u>842,172,279.66</u>	<u>707,419,186.59</u>

9. INCOME TAX EXPENSES

Item	Incurred during the year	Incurred in previous year
Current tax expenses	3,280,983,578.77	3,171,744,847.82
Deferred tax expenses	<u>(747,392,532.15)</u>	<u>(127,904,520.36)</u>
Total	<u>2,533,591,046.62</u>	<u>3,043,840,327.46</u>

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

Item		Incurred during the year	Incurred in previous year
Total profit		16,213,910,290.01	17,321,522,297.85
Tax at statutory tax rate	<i>Note 1</i>	4,053,477,572.50	4,330,380,574.48
Effect of different tax rates applicable to the Company and some subsidiaries	<i>Note 2</i>	(1,253,494,141.34)	(1,161,456,945.55)
Effect of tax rate change on opening balance of deferred income tax		(315,158,186.00)	(1,113,948.00)
Adjustments to current tax of previous periods		75,355,899.82	(45,941,606.76)
Effect of profits and losses attributable to associates and joint ventures		6,763,703.78	19,239,133.13
Effect of income not subject to tax		(91,902,004.49)	(150,645,056.44)
Effect of expenses not deductible for tax		250,106,664.84	391,765,743.18
Effect of tax incentives on eligible expenditures		(681,018,664.08)	(843,184,070.83)
Effect of utilisation of deductible losses and deductible temporary difference of unrecognised deferred tax assets from prior years		(45,480,205.83)	(63,019,678.97)
Effect of unrecognised deductible losses and deductible temporary difference		453,321,464.26	548,965,376.93
Others		<u>81,618,943.16</u>	<u>18,850,806.29</u>
Tax expense at the Group's effective tax rate		<u>2,533,591,046.62</u>	<u>3,043,840,327.46</u>

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.

10. EARNINGS PER SHARE (EPS)

(1) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of the Company for the year by the weighted average number of ordinary shares in issue.

The calculation of basic earnings per share is as follows:

Item	Current year	Previous year
Earnings		
Net profit attributable to ordinary shareholders of the Company for the year	<u>10,930,504,451.02</u>	<u>11,403,288,984.59</u>
Shares		
Weighted average number of ordinary shares in issue	<u>8,618,922,777</u>	<u>8,717,561,296</u>
Basic earnings per share (RMB/share)	<u>1.27</u>	<u>1.31</u>

(2) Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of the Company for the year by the weighted average number of ordinary shares in issue (diluted).

Due to the impact of share options, the weighted average number of the ordinary shares outstanding of the Company was adjusted by 24,548,085 shares during the Year. After adjustment, the weighted average number of ordinary shares (diluted) at year end was 8,643,470,862 shares, and the diluted earnings per share of the Year was RMB1.26/share.

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:

Item	Balance as at 31 December 2024	Incurred during the year				Less: Amount recognised in other comprehensive income in previous period and recognised in profit or loss in current period	Less: Amount recognised in other comprehensive income in previous period and recognised in profit or loss in current period	Balance as at 31 December 2025
		Incurring before the current year	Less: Income tax expenses	Attributable to parent company after tax	Attributable to minority interests after tax			
I. Those other comprehensive income not to be reclassified into profit or loss								
Changes arising from re-measuring of defined benefit plan	3,330,656,653.12	2,880,922,368.21	-	2,009,310,609.25	345,840,418.76	(40,209,437.37)	(40,209,437.37)	5,299,757,825.00
Other comprehensive income not to be reclassified into profit or loss using the equity method	551,511,006.93	865,315,743.18	-	333,215,987.82	308,422,666.67	(40,209,437.37)	(40,209,437.37)	844,517,557.38
Change in fair value of investment in other equity instruments	(118,504,747.04)	3,792,744.00	-	(1,842,877.74)	5,635,621.74	-	-	(120,407,624.78)
Other comprehensive income to be reclassified into profit or loss	2,897,710,393.23	2,011,813,881.03	-	1,677,937,499.17	31,782,130.35	-	-	4,575,647,892.40
Other comprehensive income to be reclassified into profit or loss using the equity method	(622,759,490.29)	331,400,757.07	30,649,202.04	(366,151,211.99)	631,762,610.93	-	-	(988,910,702.28)
Cashflow hedging reserve	(12,706,221.72)	(53,650,525.71)	-	(53,650,525.71)	-	-	-	(66,356,747.43)
Exchange differences on foreign currency translation	(26,346,867.00)	161,682,142.63	30,649,202.04	44,609,323.35	51,283,461.15	-	-	18,262,456.35
	(583,706,401.57)	223,369,140.15	-	(357,110,009.63)	580,479,149.78	-	-	(940,816,411.20)
Total of other comprehensive income	2,707,897,162.83	3,212,323,125.28	30,649,202.04	1,643,159,397.26	977,603,029.69	(40,209,437.37)	(40,209,437.37)	4,310,847,122.72

The Group transferred its cashflow hedging reserve to the initial recognition of inventories of RMB9,940,913.91 during the year.

12. DIVIDENDS

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Proposed final dividend – RMB0.374 (2024: RMB0.347) per ordinary share	3,239,642	3,021,201

On 26 March 2026, the Company's 2025 profit distribution proposal was approved by the Company's sixth meeting of the seventh session of the Board. Based on the total number of shares of 8,662,144,621 shares eligible for profit distribution as at 31 December 2025, the Company intended to distribute to all shareholders a cash dividend of RMB3.74 (including tax) for every 10 shares held, without bonus shares or any capitalisation of reserves. Implementation of the proposal is subject to the consideration and approval by the 2025 annual general meeting of the Company.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I would like to present the audited annual results of the Company for the year ended 31 December 2025.

I. REVIEW OF OPERATING CONDITIONS

Since 2025, global economic growth has been sluggish amid a complex and shifting geopolitical landscape. The Chinese economy forged ahead under pressure, and its performance was strong in the first half of the year before stabilising, with the economic structure continuing to improve. Gross domestic product exceeded RMB140 trillion for the first time, representing a year-on-year increase of 5.0%, demonstrating the economy's strong resilience. In 2025, the overall sales volume of the global heavy-duty truck industry increased significantly, with the proportion of new energy sales rising notably. The construction machinery industry saw a slight overall increase, and electrified products developed with strong momentum. The agricultural equipment industry was under overall pressure. However, large, high-end, and intelligent products maintained growth, and computing power infrastructure construction continued to intensify, driving rapid growth in high-power backup generator sets and gas distributed energy systems, and the power generation engine market entered a fast track of growth.

During the reporting period, despite a complex global situation, profound industry reformation, and intense market competition, the Company persisted in deepening its reforms and innovation, optimising its market presence, and reducing costs while improving quality and efficiency. We successfully achieved all our major targets and tasks, maintaining a momentum of steady development. Revenue for the year was approximately RMB231,809 million, representing an increase of approximately 7.5% as compared with that in the corresponding period last year. Net profit attributable to shareholders of the listed company amounted to approximately RMB10,931 million, representing a decrease of approximately 4.1% as compared with that in the corresponding period last year. Basic earnings per share was RMB1.27, representing a decrease of approximately 3.1% as compared with that in the corresponding period last year.

1. Power System Business

The Company remained committed to achieving high-level scientific and technological self-reliance. We consolidated our core competitive advantages in traditional powertrains while accelerating our new energy transition and unlocked new quality productive forces, thereby continuously strengthening our development momentum. **Our competitive advantages in core power systems were continuously reinforced.** The 16M33 dual-fuel and 12M55NG engines have been successfully integrated into mining truck powertrains. The 12M25 engine broke the long-standing foreign monopoly on engines for large-scale mining

equipment. Our non-road methanol engines also achieved the number one market share in the industry. We took the lead in driving preliminary research on the world's first international standards for hydrogen internal combustion engines, accelerating the industrialisation process. **We accelerated breakthroughs in our new energy transition and upgrade.** We developed a 600kWh battery pack that can be mounted under the chassis of heavy-duty trucks and operates reliably at temperatures as low as -20°C. We also introduced a 140 kWh fast-charging battery for light-duty trucks, saving customers over 100 hours of charging time per year. We developed a full range of range extenders for 90-180 ton mining trucks and specialised battery packs for multi-scenario applications. A new-generation motor controller was also launched, supporting both range-extenders and drive motors to meet the requirements of our entire vehicle portfolio. With the successful commencement of production of the first phase of the Yantai New Energy Power Industrial Park, we have achieved a quantum leap in our production capacity, sales volume, and delivery capabilities. In 2025, the Company filed 1,323 patent applications and was granted 1,488 patents. We also received 22 provincial or ministerial-level science and technology awards, including the Special Prize of the Science and Technology Award from the China Machinery Industry Federation. We were selected into the first national list of leading smart factory cultivation projects and won a level one prize in the 2025 National “Data Element x” Competition.

During the reporting period, the Company maintained its leading position in the industry, continuously optimised its product sales structure, and achieved explosive growth in strategic business. Our sales volume of engines amounted to 743,000 units, representing a year-on-year growth of 1.3%, of which export volume of engines reached 75,000 units, representing a year-on-year growth of 8%. The sales volume of Hande axles totaled 1,000,000 units, representing a year-on-year increase of 25% while sales of Fast Transmission gear boxes reached 911,000 units, representing a year-on-year increase of 7%. Our “three-electric” business achieved revenue of RMB3.04 billion, achieving double the growth, and among which, the sales volume of batteries increased by 162% year-on-year, the sales volume of autonomous motors rose by 219% year-on-year, and the sales volume of autonomous motor controllers grew by 56% year-on-year.

2. Commercial Vehicle Business

The Company adhered to the leading strategy of driving development through complete vehicles and machinery, deepened R&D, manufacturing, and market synergy, and propelled the high-end, intelligent, and green upgrades of the commercial vehicle segment. Shaanxi Heavy-duty Motor Company Limited (“Shaanxi Zhongqi”), a subsidiary of the Company, actively captured market opportunities and accelerated structural optimisation. We achieved annual vehicle sales of 153,000 units, representing a year-on-year increase of 29.4%, and maintained a leading market share in the heavy-duty truck sector. **We deepened our presence in key market segments and continuously optimised our product portfolio.** Domestic vehicle sales reached 94,000 units for the year, representing a year-on-year increase of 60.2%. Focusing on the high-end logistics market, we launched the X6000 Extraordinary Flagship model, setting new industry benchmarks for intelligent features and fuel efficiency. We also launched several new energy products, including the G6000E and M5000E models, providing electric solutions for a wide range of applications and increasing our new energy market share by 3.3 percentage points year-on-year. We completed our export strategy for the entire product range, with the high-end X6000 model successfully obtaining EU WVTA certification. Full-year exports reached 59,000 units. **We fostered the deep integration of technological and industrial innovation to build differentiated competitiveness.** We launched the industry’s first intelligent cockpit powered by a large AI model, achieving a leapfrog upgrade in human-machine interaction. Continuous progress in pure electric vehicle control and battery thermal management technologies enhanced Shaanxi Zhongqi’s comprehensive competitiveness in energy efficiency, lightweighting, and cost. We independently developed an intelligent, highly functional and safe wire-controlled chassis. Its “dual-redundancy” design ensures safety and reliability, and it has already commenced benchmark demonstration operations in enclosed parks, building our capabilities for future commercial applications of intelligent driving.

3. Agricultural Equipment Business

The Company thoroughly implemented the national comprehensive rural revitalisation strategy, closely aligned with the needs of agricultural modernisation development, and drove the expansion, strengthening, and optimisation of its agricultural equipment segment to help keep the “Chinese rice bowl” firmly in our own hands. Our subsidiary, Weichai Lovol Intelligent Agricultural Technology Co., Ltd. (“Weichai Lovol Intelligent Agricultural”), resolutely executed its four core strategies of business focus, innovation-driven development, quality upgrading, and globalisation. By actively responding to and effectively overcoming challenges including sluggish domestic market and volatile international markets, its market share for major products increased across the board, further consolidating its industry leadership. **Our innovation-driven approach forged strong technological capabilities.** Our power-shift tractors established a dominant market position, with our full range of 2-speed power-shift products (80-320

horsepower) being made available across the market. We successfully launched a new large harvester with a 16 kg/s throughput and developed several energy-efficient models based on our wheat and corn harvester platforms, reducing overall fuel consumption by 15%. Through forward-looking deployment of smart agriculture initiatives, we became the first in China to implement an AI-based large model for smart agriculture. This solution supports precision farm management, improves operational efficiency, and optimises production costs, providing the technological foundation for increased grain yields and income. **We accelerated intelligent manufacturing upgrades, solidifying the foundation for high-quality development.** We built a world-class, high-horsepower tractor factory that is high-end, intelligent, and green. This facility was recognised as one of the first “Excellent Intelligent Factories” in China. Putting the concept of “integrated supply chain innovation” into practice, we vigorously advanced the development of a high-end supply chain and an R&D consortium. As a result, we achieved steady improvements in product quality and performance, driving the entire agricultural machinery and equipment industry toward high-end, intelligent, and green development.

4. Intelligent Logistics Business

The Company operates the world’s leading intelligent logistics business segment. KION Group AG, an overseas controlling subsidiary based in Germany, is a globally leading supplier in the area of intelligent logistics, and is dedicated to providing advanced intelligent logistics solutions for factories, warehouses, and distribution centers. In 2025, KION Group AG achieved revenue of EUR11.3 billion among which, its forklift business (represented by Linde and STIHL) realised a revenue of EUR8.27 billion, while its supply chain solution business (represented by the Dematic Group) realised a revenue of EUR3.07 billion. **We deepened strategic collaborations and spearheaded technological innovation.** We established strategic partnerships with Accenture, and others to jointly develop physical AI-based industrial vehicle solutions and digital twin technologies, solidifying our leadership in next-generation intelligent logistics technology. **We deployed intelligent technologies to drive business transformation.** We developed and deployed AI predictive models and introduced generative AI to support decision-making and process optimisation. These technologies have been key in effectively addressing challenges such as increasing supply chain complexity and fluctuating customer demand, and have advanced our intelligent business transformation. **We deepened our sustainability initiatives and actively fulfilled our global responsibilities.** Our sustained investments in environmental, social, and governance (ESG) initiatives yielded significant results, earning us the EcoVadis Gold Rating. Our record high score also secured us a place in the Dow Jones Best-in-Class Europe Index.

5. Power Energy Business

The Company seized the growth opportunities in electricity demand arising from the wave of artificial intelligence, and accelerated technology R&D and market expansion for power generation products. Currently, its core business covers power generation equipment and solid oxide fuel cells (SOFC), etc., which are widely used in key segmented scenarios such as data centers, oil fields and mines, and industrial parks. The Company is committed to providing global customers with safe, reliable, efficient, low-carbon, intelligent, and flexible integrated power solutions. In 2025, the sales volume of the Company's data center backup power products increased by 259% year-on-year. Among these, the annual sales volume of the M-series large-diameter engines exceeded 10,000 units for the first time, representing a year-on-year increase of 32%, while revenue grew by 65% year-on-year. The Company launched the world's first 5 MW high-speed diesel generator product, the 20M61, which achieved the highest power per liter in the industry, with core parameters such as startup speed and load-bearing capacity reaching world-class levels. The SOFC power generation system successfully obtained EU CE certification, achieving a maximum power generation efficiency of over 65%, with performance indicators reaching internationally leading levels. In November 2025, Weichai Power further strengthened its collaboration with Ceres Power in the UK, achieving a full industrial chain layout for SOFC cells, stacks, and systems, and is currently accelerating the construction of cell and stack production lines. Power Solutions International, Inc. ("PSI"), a key subsidiary, offers power generation products covering gas and diesel engines with displacements ranging from 22L to 110L. In 2025, PSI seized opportunities in the North American power and energy market, achieving significant growth in both revenue and profit, with power generation products contributing 81% of its revenue, thereby strengthening its competitiveness in overseas data center markets and driving the steady advancement of the power and energy business towards high-end and international development.

II. DIVIDENDS AND CAPITALISATION OF RESERVES

On 26 March 2026, the Company's 2025 profit distribution proposal was considered and approved by the Company's sixth meeting of the seventh session of the Board. Based on 8,662,144,621 shares currently eligible for profit distribution (being the Company's total share capital of 8,712,397,096 shares less 50,252,475 shares held in the securities account designated for repurchased shares), the Company intended to distribute to all shareholders a cash dividend of RMB3.74 (including tax) for every 10 shares held, without bonus shares or any capitalisation of reserves. Upon the implementation of the 2025 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. This proposal is subject to the consideration and approval at the 2025 annual general meeting. The expected payment date for the cash dividend as well as the relevant record date on the entitlements to the payment of the cash dividend will be determined by the Board and announced no later than two months after the date of obtaining the said shareholders' approval.

III. OUTLOOK AND PROSPECTS

Looking ahead to 2026, the complex geopolitical evolution, accelerated technological breakthroughs, and continuous government policy support will be key factors shaping the macroeconomic and industrial landscape. Artificial intelligence is spearheading a new wave of industrial transformation, and the green economy is becoming a powerful new growth engine. The government will continue to implement more proactive fiscal policies and appropriately accommodative monetary policies, comprehensively deepen reforms and opening-up, and make deep and practical progress in building a unified national market. These efforts will inject strong momentum into the development of the real economy.

The year 2026 marks the beginning of the 15th Five-Year Plan period. The Company will remain committed to its strategy, focus on promoting innovation, and deepen its reforms. We will comprehensively consolidate our core competitive advantages, continuously foster new growth drivers, and take all aspects of our business to a new level.

We aim to achieve targeted breakthroughs in key market segments to consolidate our leading advantages in the industry. By working synergistically across key areas including precise market expansion, accelerated R&D innovation, efficient production and delivery, and reliable service support, we will strive to optimise our product and business structure with the goal of achieving steady growth in core market share, the contribution of high-end products, and overall profitability, thereby laying a solid foundation for the Group's high-quality development during the 15th Five-Year Plan period. **We will accelerate the development of our electric power segment as a new strategic growth pole.** The electric power segment has become one of the Company's

core business areas. The Company will actively seize strategic opportunities, focusing on developing differentiated product portfolios for segment markets. We will continue to drive the iterative upgrading of our diesel electricity-generation products and expand the market for our gas electricity-generation products. We will also accelerate the industrialisation of our SOFC technology and the development of our manufacturing and sales capabilities, with the goal of establishing a leading industry brand and steadily advancing into the global top tier. **We will accelerate four major transformations to develop new, high-quality productive forces.** We will accelerate our green transformation by offering competitive, integrated new energy solutions and fast-tracking the industrialisation of alternative fuel engines, such as those running on methanol and hydrogen. We will accelerate our globalisation transformation by deepening our overseas market expansion and localising our operations, ensuring the secure and healthy development of our overseas businesses, and enhancing our global brand reputation and influence. We will accelerate our digital and intelligent transformation by steadily developing pilot smart factories and creating a series of replicable smart solutions. We will accelerate our ecosystem transformation by reforming our aftermarket business model, restructuring our components value chain, and fostering a vibrant industrial ecosystem. **We will focus our efforts on achieving breakthroughs in technological innovation to enhance our core competitiveness.** We will strengthen our top-level technological design and systematic product planning to build an independent, controllable, and highly integrated innovation system. We will optimise our engine portfolio, complete the upgrade to China VII standards, and accelerate the iteration of our M-series data center products. We will accelerate the development of electro-hydraulic products and drive the launch of high-end offerings, such as green excavators. We will complete the development of next-generation batteries, motors, and electronic controls, and continuously expand the range of applications for our SOFC and hydrogen fuel cell technologies. **We will conduct lean and efficient operations to enhance development quality and effectiveness.** We will deepen cost control and management across the entire value chain, extending to all business chains including R&D, production, supply chain, and after-sales service, to enhance the Group's overall profitability. We will establish a strategic planning and management and control system for our overseas subsidiaries characterised by a unified strategy, clear responsibilities and authorities, standardised processes, efficient collaboration, and controllable risks, to improve profitability and synergy. We will strengthen the Company's compliance management system, risk prevention and control system, and work safety system to safeguard and support high-quality development with a high level of security.

IV. APPRECIATION

Last but not least, I would like to express my sincere appreciation to all our shareholders, the general public and our customers for their care and support, as well as to all of our staff for their hard work and dedication!

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 year ended 31 December 2025 as follows:

I. INDUSTRY ANALYSIS

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

The Group's major products encompass a full series of engines for all applications, new energy powertrains and components, transmissions, axles, hydraulic products, heavy-duty trucks, forklifts, supply chain solutions, agricultural equipment, automotive electronics, and components. These products are exported to over 150 countries and regions worldwide. "Weichai Power Engines," "Fast Gear Transmissions," "Hande Axle," "SHAC" and "Weichai Lovol Smart Agricultural Equipment" are highly trusted by customers, creating a strong brand cluster effect.

1. Commercial Vehicles, Construction Machinery and Agricultural Equipment Industries

In 2025, the overall sales volume of the heavy-duty truck industry increased significantly, with the proportion of new energy sales rising notably. The strong performance of the heavy-duty truck industry was primarily driven by policy influence. In 2025, the "trade-in" subsidy program was expanded to cover vehicles of the China IV standard and below, which significantly accelerated the pace of phasing out and replacement of outdated China IV heavy-duty trucks. Additionally, natural gas-powered heavy-duty trucks were included in the subsidy for the first time, boosting domestic demand and reviving the market, thereby stimulating an increase in new vehicle sales. The construction machinery industry exhibited a steady and slightly growing trend. Supported by both the recovery of domestic infrastructure demand and expansion in overseas markets, the industry operated steadily. The optimisation of the industry structure accelerated, with the penetration rate of electric-powered products significantly increasing and the sales and scenario applications experiencing explosive growth, making electrification the core driving force for growth, transformation and upgrade. The agricultural equipment industry faced overall pressure and structural differentiation, with weak overall performance, while large-scale, high-end, and intelligent products experienced counter-trend growth, becoming the core driver for industry transformation and upgrading as well as profit growth. The transition of products towards high-efficiency, intelligent, green, and low-carbon accelerated. The continued increase in investment in computing infrastructure construction drove the rapid deployment of high-power backup generator sets and gas distributed energy systems, and the power generation engine market entered a track of rapid growth.

2. Industrial Trucks and Supply Chain Solutions

The pace of global economic growth remained moderate in 2025. In its January 2026 outlook, the International Monetary Fund (IMF) estimated that global economic output grew by 3.3 percent in 2025 and was comparable to the prior year. During the reporting period, economic conditions were influenced by a variety of factors, both positive and negative. Trade conflicts weighed heavily on the global economy, as did structural challenges such as high government debt in some countries. At the same time, however, active investment in technology and AI-related sectors, together with continued favorable financing conditions, supported economic growth.

The order numbers in the global market for industrial trucks increased noticeably year-on-year during the Year. Based on official figures (World Industrial Trucks Statistics, January 2026), the EMEA region recorded a slight increase in order numbers in the period from January to September 2025. The APAC region saw significant growth, while the Americas region achieved a strong rise. The order numbers in the electric forklift market rose sharply year-on-year, while order numbers for internal combustion forklifts grew marginally. New orders for warehouse trucks registered strong growth, mainly due to exceptional demand for entry-level models. Overall, order numbers in the worldwide market were significantly higher in the first nine months of 2025 than in the corresponding period in the last year.

According to a study from the research institute, Interact Analysis, the global market for warehouse automation solutions (measured by order intake) expanded markedly in 2025. In the Americas region, the overall market saw a strong growth. The EMEA region recorded a noticeable increase, while the APAC region remained at the prior-year level owing to the slower recovery of the Chinese market for automation solutions. The market for warehouse automation solutions performed particularly well in the customer segments of general merchandise and food and beverages, whereas demand in the customer segments of durable goods, parcel delivery services, and grocery retail increased only slightly year-on-year.

II. THE GROUP'S BUSINESS

The Group has always adhered to the principle of “customer satisfaction as our mission”. Based on precise market segmentation research and leveraging leading product R&D capabilities, an excellent smart manufacturing system and a global business layout, we have provided differentiated products with the most competitive advantages for diverse fields, markets, and customers, meeting global customer demands with high efficiency. 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. Engines Segment

In 2025, in the face of a complex and severe external environment, the Group adhered to the in-depth implementation of its innovation-driven strategy, with its core competitive strengths becoming increasingly prominent, and strategic business segments achieved explosive growth. During the Year, the Group's engine segment recorded an R&D intensity of 6%, ranking among the highest in the global industry. The Company has always adhered to the concept of green and low-carbon development, continuously optimising its energy structure and product portfolio to form multi-domain power solutions encompassing “traditional energy + clean energy + new energy.” On one hand, we actively built our advantages in clean power by developing a new generation of gas engines and deploying alternative fuel engines, such as methanol and hydrogen engines, fully leveraging the dual advantages of green and low-carbon as well as economic practicality. On the other hand, we steadfastly pursued the path of new energy transformation, completing product layouts across three major new energy technology routes, namely pure electric, hybrid, and fuel cell, and establishing a full-scenario new energy industry chain from complete vehicles and machineries to power systems. In March 2025, the first battery rolled off the production line at Weichai Yantai New Energy Power Industrial Park, marking the acceleration of the new energy transformation.

The engines segment contributed approximately RMB52,930 million to the sales revenue of the Group during the Year, representing a year-on-year increase of approximately 8.1%, which was primarily driven by increased demand for engines used in power generation, fueled by a surge in global energy and electricity demands.

2. Automobiles and Automobile Components Segment

During the Year, the Group adhered to the leading strategy with complete vehicles and machineries, deepened the synergy among R&D, manufacturing, and marketing, and promoted the high-end, intelligent, and green upgrade of commercial vehicles. Shaanxi Zhongqi, a subsidiary of the Company, proactively captured market opportunities and accelerated structural optimisation, achieving an annual sales volume of complete vehicles of 153,000 units, representing a year-on-year increase of 29.4%. Of these, domestic sales of complete vehicles amounted to 94,000 units, representing a year-on-year increase of 60.2%, with market share steadily rising and demonstrating core competitiveness. The market share of heavy-duty trucks maintained a leading position in the industry. Over recent years, Shaanxi Zhongqi has continuously deepened its product iteration and upgrade. Leveraging solid R&D capabilities and precise market insights, it has developed a series of technologically leading benchmark products. In the field of new energy, it has launched multiple new energy vehicle models, with its market share in the sector increasing by 3.3 percentage points year-on-year. During the Year, the sales of Hande Axle amounted to 1,000,000 units, representing a year-on-year increase of 25%. The sales of Fast gear boxes reached 911,000 units, representing a year-on-year increase of 7%.

The automobiles and automobile components segment contributed approximately RMB69,014 million to the sales revenue of the Group during the Year, representing an increase of approximately 15.7% compared with the corresponding period last year, which was mainly attributable to the support of the “trade-in” policy for old trucks, as well as the anticipatory purchase effect brought by the adjustment of the purchase tax exemption policy for new energy vehicles effective from 1 January 2026.

3. Agricultural Equipment Segment

The Group thoroughly implemented the national rural comprehensive revitalisation strategy, closely aligned with the needs of agricultural modernisation development, and drove the expansion, strengthening, and optimisation of its agricultural equipment segment to help keep the “Chinese rice bowl” firmly in hand. Our subsidiary, Weichai Lovol Intelligent Agricultural, focused on making breakthroughs in key technologies for intelligent agricultural machinery and smart agriculture, continuously achieving advancements in critical core technology areas such as high-end high-horsepower tractors, large-feeding-capacity harvesting machinery, and large-scale precision seeders, leading China’s agricultural machinery industry toward innovation, intelligence, and green transformation, contributing “Chinese agricultural machinery power” to safeguarding food security. In 2025, amid global agricultural machinery market fluctuations and upgrades in demands for agricultural production, Weichai Lovol Intelligent Agricultural seized market opportunities, achieving a new record high in revenue and establishing a differentiated comprehensive competitive edge, thereby consolidating its industry-leading position, and maintaining a sound trajectory of high-quality development. Through our “whole-scenario smart agriculture solutions”, we continued to chart a new blueprint for modern agriculture and consistently drove the Chinese agricultural machinery industry to leap toward higher efficiency and greater intelligence.

During the Year, the agricultural equipment business contributed approximately RMB18,789 million to the sales revenue of the Group, representing a year-on-year increase of approximately 2.4%, mainly due to the increase in income from sales of overseas products.

4. Intelligent Logistics Segment

During the Year, the intelligent logistics segment maintained stable operations. The industrial trucks and services business experienced a year of transition and adjustment as anticipated. The supply chain solutions business continued its sustainable path of continuous improvement, achieving steady performance growth.

Revenue from industrial trucks and services decreased by 3.9% to EUR8,272 million (2024: EUR8,609 million), mainly attributable to the normalisation of delivery cycles in 2024. The adjusted EBIT for the industrial trucks and services business declined to EUR721.8 million (2024: EUR917.5 million), with an adjusted EBIT margin of 8.7% (2024: 10.7%). This was primarily impacted by decreased sales volumes and a decline in gross margin in the new vehicle business due to changes in pricing and product mix.

Revenue from supply chain solutions increased by 4.4% year-on-year to EUR3,071 million (2024: EUR2,943 million). The adjusted EBIT for supply chain solutions improved significantly to EUR183.2 million (2024: EUR112.9 million), with an adjusted EBIT margin of 6% (2024: 3.8%). The increase in profit was mainly driven by the steady growth of service business and an improvement in gross profit levels from project business (commercial solutions).

During the Year, the intelligent logistics business contributed approximately RMB91,077 million to the sales revenue of the Group, representing a year-on-year increase of approximately RMB2,351 million compared to approximately RMB88,726 million in the prior year.

Last year, the Company expected that its sales revenue in 2025 would increase by approximately 5% to 10% to approximately RMB226.5 billion to RMB237.3 billion. The actual sales revenue amounted to approximately RMB231.8 billion, representing a year-on-year increase of approximately 7.5%.

The year 2026 marks the beginning of the 15th Five-Year Plan period. Guided by its mission of “Technology Empowers Equipment for a Better Life”, the Group will comprehensively accelerate its strategic transformation toward green, global, digital-intelligent, and ecological orientations, and expedite the building of a technology-leading, green and world-class multinational group of high-end equipment. It is estimated that the Group’s sales revenue in 2026 would be approximately RMB250.4 billion to RMB259.6 billion, representing an overall growth of approximately 8% to 12% as compared with the corresponding period in 2025.

III. FINANCIAL REVIEW

1. The Group's Results of Operations

a. Revenue

In 2025, the Group's revenue amounted to approximately RMB231,809 million, representing an increase of approximately RMB16,118 million or approximately 7.5% from approximately RMB215,691 million in the corresponding period in 2024, benefiting on one hand from the overall positive trend in the heavy-duty truck industry in 2025, which drove the growth of the Group's heavy-duty truck sales, and on the other hand from the surge in global energy and electricity demand, which increased the need for high-power generators, thereby driving the growth of the Group's generator-related business revenue. Revenue from principal operations amounted to approximately RMB229,925 million, representing an increase of approximately RMB16,080 million or approximately 7.5% from approximately RMB213,845 million in the corresponding period last year.

b. Gross Operating Margin

During the Year, the Group realised a gross profit of approximately RMB49,782 million, and a gross operating margin of approximately 21.5%, representing a slight decrease compared with the corresponding period last year. In the domestic segment, the gross operating margin was approximately 18.9%, representing a year-on-year decrease of 2.2 percentage points, which was mainly due to the higher proportion of new energy vehicle sales, which had a lower gross operating margin during the Year. For the overseas segment, the gross operating margin was comparable to that in the corresponding period last year.

c. Distribution and Selling Expenses

Distribution and selling expenses increased by approximately 9.1% to approximately RMB13,621 million in the Year from approximately RMB12,485 million in the corresponding period of 2024. The increase in distribution and selling expenses was mainly due to the impact from the increased cost of the sales staff, delivery fees and packaging fees. The distribution and selling expenses as a percentage of revenue for the Year was approximately 5.9%, remaining flat compared to the corresponding period of last year.

d. General and Administrative Expenses

General and administrative expenses increased by approximately RMB1,742 million or approximately 17.0% from approximately RMB10,259 million in the corresponding period of 2024 to approximately RMB12,001 million in the Year. The increase 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 reporting period as a result of its efficiency programme. The general and administrative expenses as a percentage of revenue increased from approximately 4.8% in the corresponding period of last year to approximately 5.2% during the Year.

e. Earnings before Interest and Tax (EBIT)

The Group's EBIT decreased from approximately RMB21,176 million in the corresponding period of 2024 to approximately RMB19,843 million in the Year, representing a year-on-year decrease of approximately RMB1,333 million or 6.3%, 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 reporting period. EBIT margin decreased from approximately 9.8% last year to approximately 8.6% during the Year.

f. Finance Expenses

During the reporting period, finance expenses shifted from a net expense of approximately RMB231 million in the corresponding period last year to a net income of approximately RMB454 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 and relevant provisions of the Company's accounting policies, based on the principle of prudence, in 2025, the Company has conducted impairment tests on the accounts receivable, other receivables, inventories, goodwill, intangible assets with indefinite useful lives, and fixed assets, intangible assets and long-term equity investment that showed signs of impairment, in respect of the Company and its subsidiaries. The Company has performed adequate assessments and analyses on the expected credit losses of receivables, the net realisable value of all types of inventories and the recoverable amounts of fixed assets, intangible assets, goodwill, and long-term equity investments, and made corresponding impairment provisions for assets that may incur impairment losses. According to the test results, provision made for the impairment by the Company in 2025 amounted to approximately RMB1,180 million, of which reversal of provision for credit losses amounted to approximately RMB77 million, provision for decline in value of inventories amounted to approximately RMB885 million, provision for impairment of contracts amounted to approximately RMB9 million, provision for impairment of fixed assets, intangible assets and construction in progress amounted to approximately RMB353 million, provision for impairment of long-term investments amounted to approximately RMB3 million and provision for impairment of right-of-use assets amounted to approximately RMB7 million.

h. Income Tax Expenses

The Group's income tax expenses decreased from approximately RMB3,044 million in the corresponding period in 2024 to approximately RMB2,534 million during the Year, representing a year-on-year decrease of approximately 16.8%. The Group's average effective tax rate decreased from approximately 17.6% in the corresponding period last year to approximately 15.6% during the Year, which was primarily attributable to KION, a subsidiary of the Company, recalculating its deferred income tax following a reduction in the tax rate from 15% to 10% between 2028 and 2032 under German income tax law, which led to a decrease in the effective tax rate.

i. Net Profit and Net Profit Margin

The Group's net profit decreased from approximately RMB14,278 million in the corresponding period of 2024 to approximately RMB13,681 million during the Year, representing a year-on-year decrease of approximately 4.2%. The Group's net profit margin for the Year was approximately 6.0%, which decreased by approximately 0.6 percentage points from approximately 6.6% in the corresponding period last year.

j. Liquidity and Cash Flow

During the Year, net cash inflows generated from the Group's operating activities amounted to approximately RMB28,682 million, representing a year-on-year increase of approximately RMB2,588 million as compared with the net operating cash inflows of the corresponding period last year. During the reporting period, the amounts received from sales of goods or rendering of services increased by approximately RMB17,642 million year-on-year, whilst amounts paid for goods and services, paid to employees and paid for all types of taxes increased by approximately RMB15,745 million year-on-year.

During the Year, net cash outflows generated from investing activities amounted to RMB16,628 million, representing a decrease in expense of approximately RMB12,283 million compared to the corresponding period last year. During the Year, amounts received by the Group from return of investments increased by approximately RMB22,589 million year-on-year, and amounts paid for investments increased by approximately RMB10,763 million year-on-year.

During the Year, net cash outflows from financing activities amounted to RMB18,320 million, representing an increase in expense of approximately RMB4,482 million compared to the corresponding period last year. During the Year, amounts paid for repayment of borrowings increased by approximately RMB1,480 million year-on-year, and amounts paid for distribution of dividends and profits and for interest expenses also increased by approximately RMB341 million year-on-year.

As at 31 December 2025, the cash and cash equivalents of the Group amounted to RMB49,117 million, representing a decrease of approximately RMB5,837 million compared with that as at 31 December 2024. The cash and cash equivalents held by the Group were mainly in Renminbi, USD and Euro.

As at 31 December 2025, the Group's debt to asset ratio (total liabilities/total assets) was approximately 64.3% (as at 31 December 2024: 64.5%), and the gearing ratio (interest-bearing liabilities/(shareholders' equity + interest-bearing liabilities)) was approximately 29.88% (as at 31 December 2024: 30.87%).

2. Financial Position

a. *Assets and Liabilities*

As at 31 December 2025, the Group had total assets of approximately RMB367,476 million (as at 31 December 2024: RMB343,879 million), of which approximately RMB186,524 million (as at 31 December 2024: RMB184,750 million) were current assets. As at 31 December 2025, the Group had cash and cash equivalents of approximately RMB68,713 million (as at 31 December 2024: RMB72,067 million). As at the same date, the Group's total liabilities amounted to approximately RMB236,413 million (as at 31 December 2024: RMB221,921 million), of which approximately RMB161,534 million (as at 31 December 2024: RMB154,839 million) were current liabilities. The current ratio was approximately 1.15x (as at 31 December 2024: 1.19x).

b. *Capital Structure*

As at 31 December 2025, the Group had total equity of approximately RMB131,062 million, of which approximately RMB93,190 million was attributable to equity holders of the Company and the remaining balance represented minority interests.

The interest-bearing liabilities of the Group as at 31 December 2025 amounted to approximately RMB55,838 million (as at 31 December 2024: RMB54,458 million), which included bonds payable of approximately RMB7,401 million, bank borrowings of approximately RMB16,363 million and other current and other non-current liabilities of approximately RMB32,074 million.

Bank borrowings repayable on demand or within a period not exceeding one year were approximately RMB5,310 million, borrowings repayable within a period of more than one year but not exceeding two years were approximately RMB616 million, borrowings repayable within a period of more than two years but not exceeding five years were approximately RMB9,752 million, and borrowings repayable within a period of more than five years were approximately RMB685 million. Bonds payable within a period not exceeding one year were approximately RMB206 million, bonds payable within a period of more than one year but not exceeding five years were approximately RMB7,195 million.

The bank borrowings included fixed interest rate bank borrowings of approximately RMB1,061 million and floating interest rate bank borrowings of approximately RMB15,302 million. Fixed interest rate bonds payable were approximately RMB4,622 million and floating interest rate bonds payable were approximately RMB2,779 million. Other than Euro-denominated bank borrowings equivalent to approximately RMB10,828 million and USD-denominated bank borrowings equivalent to approximately RMB668 million, bank borrowings were primarily Renminbi-denominated borrowings. All bonds payable were denominated in Euro.

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 shareholders' value. The Group's overall strategy remains unchanged from prior years.

c. *Pledge of Assets*

As at 31 December 2025, bank deposits, notes receivables, accounts receivable and receivable financing of approximately RMB13,562 million (as at 31 December 2024: approximately RMB20,121 million) were pledged to banks to secure the Group's notes payable, letter of guarantee, acceptance bills, letter of credit and bank borrowings, 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 of approximately RMB25,405 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 benefits and use in asset securitisation financing.

d. *Contingencies*

As at 31 December 2025, the Group provided certain distributors and agents with bank guarantee amounting to approximately RMB655 million (as at 31 December 2024: approximately RMB347 million) to secure their obtaining and use of banking facilities.

As at 31 December 2025, the Group provided guarantee for repurchase liabilities in respect of failure of the lessees under finance leases to settle instalment payments plus interest. Risk exposure in respect of possible guarantee for repurchase liabilities amounted to approximately RMB2,495 million (as at 31 December 2024: approximately RMB3,641 million).

e. Commitments

As at 31 December 2025, the Group had capital commitments of approximately RMB2,717 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 31 December 2025, the Group had no other investment commitments (as at 31 December 2024: nil).

f. Intangible assets

As at 31 December 2025, total intangible assets of the Group amounted to approximately RMB22,063 million, of which land use rights amounted to approximately RMB2,760 million, trademark use rights amounted to approximately RMB8,573 million, relationship with customers amounted to approximately RMB2,716 million, proprietary technologies amounted to approximately RMB985 million, patents and licenses, software and others amounted to approximately RMB7,029 million. Intangible assets formed through internal research and development as at the end of the Year accounted for 25.37% of the balance of intangible assets.

g. Hedging arrangements

KION, a subsidiary of the Company, entered into forward currency contracts designated as cash flow hedges against the multi-currency exchange rate risk of forecast sales, forecast purchases and firm commitment. The total cash flow of the hedged item amounted to RMB4,655,783,450.50 (EUR565,331,000.00), of which the amount due within 1 year was RMB3,740,382,919.00 (EUR454,178,000.00), and the remaining portion will mature in 2027. In 2025, the pre-tax amount of fair value changes of the hedging instrument included in the other comprehensive income amounted to RMB151,265,624.20 (EUR19,401,000.00) and the pre-tax amount transferred to profit or loss for the Period amounted to RMB14,650,178.23 (EUR1,879,000.00). The hedged items would affect the profit or loss for the period from 2026 to 2027. There was no material hedge ineffectiveness hedging during the Year.

Since 2025, KION, a subsidiary of the Company, has designated a portion of its amortising interest rate swap contract as hedging instruments, and has designated the future cash flows of certain borrowings from leasing institutions subject to floating interest rates as hedged items, to conduct cash flow hedging. The total cash flow of the hedged item amounted to RMB11,680,846,131.50 (EUR1,418,353,000.00), of which the amount due within 1 year was RMB166,959,833.19 (EUR20,273,187.20), and the remaining portion will become due in 2027 and onwards. In 2025, the gain on fair value changes of the hedging instrument included in the other comprehensive income amounted to RMB20,357,432.34 (EUR2,611,000.00) and the pre-tax gain transferred to profit or loss for the Period amounted to RMB15,999,023.81 (EUR2,052,000.00). The hedged items would affect the profit and loss for the period of 2026 and onwards. There was no material invalid hedging during the Period.

KION, a subsidiary of the Company, 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 2034. Overall, this fair value hedge exposes lease receivables 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. As at 31 December 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 RMB25,827,656,263.50 (EUR3,136,137,000.00), and the accumulative adjustment of the fair value change of the hedged item included in the carrying amount of the hedged item amounted to RMB45,336,427.50 (EUR5,505,000.00). The change in fair value of the ineffective portion of the hedged item during the Year amounted to RMB21,313,474.00 (EUR2,588,000.00).

3. Other Financial Information

a. Employees

As at 31 December 2025, the Group had 101,440 employees (including 42,175 employees of KION). During the Year, the Group paid remuneration of approximately RMB41,038 million. By evaluating the position value of all kinds of personnel and benchmarking against the market remuneration level, the Group has 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. In 2025, the Company's training initiatives were closely aligned with its strategic objectives, focusing on the development and optimisation of the workforce. A series of training programs were extensively implemented for employees at all levels, providing intellectual support for the Group's four major strategic transformations. 42,000 training sessions were conducted throughout the year, and the total learning hours per participant reached 119 hours, with 11,990 online courses and 6,542 internally developed courses.

On 13 November 2023, the extraordinary general meeting of the Company considered and approved the adoption of the restricted share incentive scheme of A shares (the "Incentive Scheme") of the Company. Further details are provided in the section headed "The Restricted Share Incentive Scheme of A Shares" in this announcement.

b. Material Investment, Major Acquisition and Disposal

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

c. Subsequent Events after the Balance Sheet Date

1. Profit distribution

On 26 March 2026, the Board of the Company considered and approved the distribution to all shareholders of a cash dividend of RMB3.74 (including tax) for every 10 shares held, without bonus shares or any capitalisation of reserves, based on the total number of shares eligible for profit distribution on the record date at the time of the implementation of the distribution plan in the future.

2. *Repurchase and cancellation of shares*

On 26 March 2026, the Board approved the resolution on the repurchase and cancellation of part of the restricted A Shares. As the performance appraisal targets at the Company level for the second unlocking period under the 2023 Restricted A Share Incentive Scheme were not fulfilled, the Company proposed to repurchase and cancel the corresponding portion of restricted A Shares.

3. *Bond issuance*

On 17 March 2026, KION, a subsidiary of the Company, successfully placed a corporate bond with a total volume of EUR500 million. The proceeds will be used to refinance existing liabilities in leasing businesses.

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 raising funds for the specific investments projects detailed in the table below and replenishing 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 who 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 31 December 2025 is set out below:

Name of investment project		Total amount of proceeds proposed to be applied to the relevant project	Total amount of proceeds applied as of 31 December 2025	Amount of unutilised proceeds ("Unutilised Proceeds") as of 31 December 2025	Application plan of Unutilised Proceeds ^(note 1)	
					Year 2026	Year 2027
Name of project	Name of subproject					
(1) Fuel Cell Industry Chain Development Project	(a) Hydrogen-fueled cell and key components industrialisation project	500.00	334.53	165.47	85.42	42.21
	(b) Solid oxide fuel cell and key components industrialisation project	500.00	179.63	320.37	120.46	46.38
	(c) Key components of fuel cell powertrain research and development and construction capabilities project	1,000.00	620.71	379.29	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	1,757.28	1,242.72	674.92	209.79
	(b) H platform engines intelligent manufacturing upgrade project	1,000.00	997.30	2.70	29.83	–
(3) Large Diameter High-end Engine Industrialisation Project	(a) Large diameter high-end engine laboratory project	1,075.00	847.10	227.90	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	1,033.28	206.72	191.91	60.79
(4) Full Series hydraulic pressure powertrain and large-scale continuously variable transmission (CVT) powertrain industrialisation project		3,000.00	1,622.83	1,377.17	250.44	–
(5) Replenishment of working capital		1,000.00	800.72	199.28	<i>Expected to be applied by the end of 2027</i>	
Total		13,000.00	8,867.10	4,132.90 ^(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 2025 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 commercialisation planning of SOFC was later than expected, and the payment schedule for the production line construction was postponed accordingly.
 - (b) Key components of fuel cell powertrain research and development and construction capabilities project and large diameter high-end engine laboratory project: Payment is primarily made through bank acceptance drafts, letters of credit, or foreign currency payments. According to regulatory requirements, the Company can use raised funds to make equivalent replacements within six months after making payments with its own funds, resulting in a timing difference in fund expenditures compared to the original plan.
 - (c) H platform engines intelligent manufacturing upgrade project: The project progress was ahead of schedule, and a portion of the funds were paid in previous years.
 - (d) Full-series hydraulic powertrain and large CVT powertrain industrialisation project: Industry development fell short of expectations, and processes such as technical alignment for certain equipment, commercial negotiations, manufacturer delivery, and equipment acceptance took longer than anticipated, resulting in delays in the payment schedule.

- (2) (a) The total amount of proceeds invested during the year did not include the amount of RMB444.1494 million paid by the Company for the investment projects using bank acceptance bills, letters of credit or foreign currency, which has not yet been reimbursed.
- (b) The large diameter high-end engine laboratory project was ready for its intended use at the end of June 2025 and estimated benefit calculation was not applicable. The project's committed investment amount was RMB1,075 million. As of 31 December 2025, a total of RMB847.1004 million was applied, and the ratio of proceeds applied reached 78.80%. The amount of unutilised proceeds was RMB227.8996 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 shortfall not covered by the proceeds with its own funds.
- (c) The committed investment amount of the high efficiency and high speed self-owned brand engine industrialisation project is RMB685 million. As of 31 December 2025, a total of RMB673.7354 million was applied, and the ratio of proceeds applied reached 98.36%. The amount of unutilised proceeds was RMB11.2646 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 shortfall not covered by the proceeds with its own funds.
- (3) 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 year from 2026 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), (3)(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 RMB4,120.96 million.

It is expected that the remaining proceeds, being approximately RMB4.974 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. 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 materially along the timeline of proposed use of proceeds as disclosed in the Circular (with the 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 a material 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 implementation of the Company’s future strategic planning. Going forward, the Company will explore other capital market operations 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 of the Company, pursuant to which the Company will apply RMB500 million to RMB1,000 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 registered capital of the Company. As at the date of this announcement, the Company had cumulatively repurchased 50,252,475 A Shares through its securities account designated for repurchased shares, with an aggregated price of RMB761,492,999.13 (excluding transaction fees). The aforementioned repurchased A shares have not been cancelled as at the date of this announcement.

OTHER INFORMATION

Directors' and Supervisors' Interests in Shares and Underlying Shares

As at 31 December 2025, the interests and short position (if any) of the directors, the chief executives 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%
Yuan Hongming	Beneficial owner	1,000,440	–	0.011%
	Interest held by spouse	444	–	0.000005%
		<u>1,000,884</u>		<u>0.011%</u>

Notes:

- 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.
- All the shareholding interests listed in the above table are “long” position.
- The percentages disclosed in the above table were calculated based on the total number of issued shares of the Company as at 31 December 2025, i.e. 8,713,581,296 shares (comprised of 6,770,541,296 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 31 December 2025, none of the Directors, the chief executives 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

1. Changes in share capital (as at 31 December 2025)

	Before the movement		Increase/decrease in the movement (+, -)				After the movement		
	No. of shares	Percentage	New shares issued	Bonus Issue	Transfer of surplus to capital	Others	Sub-total	No. of shares	Percentage
I. Restricted circulating shares	1,807,485,604	20.71%				-43,865,255	-43,865,255	1,763,620,349	20.24%
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%				-43,814,255	-43,814,255	120,970,341	1.39%
Incl.: Shares held by domestic natural persons	164,784,596	1.89%				-43,814,255	-43,814,255	120,970,341	1.39%
3. Shares held by other foreign entities	170,000	0.00%				-51,000	-51,000	119,000	0.00%
Incl.: Shares held by foreign natural persons	170,000	0.00%				-51,000	-51,000	119,000	0.00%
II. Non-restricted circulating shares	6,919,071,217	79.29%				30,889,730	30,889,730	6,949,960,947	79.76%
1. RMB ordinary shares	4,976,031,217	57.02%				30,889,730	30,889,730	5,006,920,947	57.46%
2. Overseas listed foreign shares	1,943,040,000	22.27%						1,943,040,000	22.30%
III. Total number of shares	8,726,556,821	100.00%				-12,975,525	-12,975,525	8,713,581,296	100.00%

(II) Shareholdings of the Substantial Shareholders (as at 31 December 2025)

Total number of Shareholders The number of shareholders is 186,441 among which 186,160 are shareholders of “A” shares and 281 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 as at the end of the reporting period	Number of restricted shares held	Pledged, marked or frozen
HKSCC Nominees Limited	Foreign shareholder	22.25%	1,938,887,490		
Weichai Group Holdings Limited	State-owned legal person	16.33%	1,422,550,620	1,345,905,600	
Hong Kong Securities Clearing Company Limited	Overseas legal person	8.64%	753,176,541		
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 product – 005L – CT001 Hu	Funds, wealth management products, etc.	1.49%	129,570,753		
IVM Technical Consultants Wien Gesellschaft m.b.H	Overseas legal person	1.26%	109,953,700		
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Trading Open-ended ETF	Funds, wealth management products, etc.	1.03%	89,463,386		
China Construction Bank Corporation – E Fund CSI 300 Trading Open-ended Initiating ETF	Funds, wealth management products, etc.	0.73%	63,810,846		
Tan Xuguang	Domestic natural person	0.68%	58,842,596	44,131,947	

Shareholdings of the top ten non-restricted shareholders

Name of shareholder	Number of the non-restricted shares held as at the end of the reporting period	Types of shares
HKSCC Nominees Limited	1,938,887,490	Overseas listed foreign shares
Hong Kong Securities Clearing Company Limited	753,176,541	RMB ordinary shares
China Securities Finance Corporation Limited	163,608,906	RMB ordinary shares
China Life Insurance Company Limited – Traditional – General insurance product – 005L – CT001 Hu	129,570,753	RMB ordinary shares
IVM Technical Consultants Wien Gesellschaft m.b.H	109,953,700	RMB ordinary shares
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Trading Open-ended ETF	89,463,386	RMB ordinary shares
Weichai Group Holdings Limited	76,645,020	RMB ordinary shares
China Construction Bank Corporation – E Fund CSI 300 Trading Open-ended Initiating ETF	63,810,846	RMB ordinary shares
Ping An Life Insurance Company of China, Ltd. – proprietary fund	57,471,678	RMB ordinary shares
Industrial and Commercial Bank of China Limited – ChinaAMC CSI 300 Index ETF	48,692,733	RMB ordinary shares

Notes:

1. As at the end of the reporting period, the Company's securities account designated for repurchased shares holds 50,252,475 shares of the Company, representing 0.58% 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 31 December 2025, the following persons (other than directors, chief executives and supervisors) had the following interests and 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	21.01%	–	–	16.33%
Shandong Heavy Industry Group Co., Ltd. (Note 1)	Interest of corporation controlled by you	Long	1,422,550,620	21.01%	–	–	16.33%
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%
					<u>25,978,602</u>	<u>5.35%</u>	<u>1.19%</u>
	Interest of corporation controlled by you	Short	–	–	24,102,475	4.96%	1.11%
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%
JPMorgan Chase & Co.	Beneficial owner	Long	–	–	24,341,107	1.25%	0.28%
	Investment manager	Long	–	–	36,606,129	1.88%	0.42%
	Person having a security interest in shares	Long	–	–	15,281,024	0.79%	0.18%
	Approved lending agent	Long	–	–	<u>90,101,362</u>	<u>4.64%</u>	<u>1.03%</u>
					<u>166,329,622</u>	<u>8.56%</u>	<u>1.91%</u>

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
	Beneficial owner	Short	-	-	21,712,123	1.11%	0.25%
BlackRock, Inc.	Interest of corporation controlled by you	Long	-	-	138,497,766	7.13%	1.59%
		Short	-	-	2,859,000	0.15%	0.03%
Pzena Investment Management, LLC	Investment manager	Long	-	-	134,441,996	6.92%	1.54%
		Beneficial owner	Long	-	441,318	0.02%	0.01%
					<u>134,883,314</u>	<u>6.94%</u>	<u>1.55%</u>
Citigroup Inc.	Interest of corporation controlled by you	Long	-	-	14,836,860	0.76%	0.17%
		Approved lending agent	Long	-	93,730,105	4.82%	1.08%
					<u>108,566,965</u>	<u>5.58%</u>	<u>1.25%</u>
	Interest of corporation controlled by you	Short			14,035,884	0.72%	0.16%

Notes:

1. Shandong Heavy Industry Group Co., Ltd., a subsidiary of 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 reported above held 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 reported above held by the relevant substantial shareholder does not take into consideration the Company's bonus share issuance on 20 August 2015 and 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.
4. The number of H shares reported above held by the relevant substantial shareholder does not take into consideration the Company's bonus share issuance on 17 August 2012, 20 August 2015 and 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.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 December 2025.

DETAILS OF THE APPOINTMENT OR RESIGNATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1. Mr. Li Pengcheng resigned as an executive president of the Company due to changes in work arrangements. Such resignation took effect from 10 January 2025.
2. At the extraordinary general meeting convened on 10 February 2025, Mr. Huang Weibiao was appointed as an executive Director of the Company for a term from 10 February 2025 to the conclusion of the annual general meeting of the Company for the year ending 31 December 2026.
3. The Company established the Environmental, Social and Governance (ESG) Committee on 27 March 2025. The Environmental, Social and Governance (ESG) Committee comprises three executive Directors, namely Mr. Ma Changhai, Mr. Wang Decheng, Mr. Huang Weibiao, and two independent non-executive Directors, namely Ms. Jiang Yan and Mr. Chi Deqiang. Mr. Ma Changhai was appointed as the chairman of the Environmental, Social and Governance (ESG) Committee. The term of appointment of the members of the Environmental, Social and Governance (ESG) Committee shall be until the conclusion of the annual general meeting of the Company for the year ending 31 December 2026.
4. Following the approval by the shareholders at the annual general meeting for the year ended 31 December 2024 of a resolution on the dissolution of the supervisory committee of the Company (the “Supervisory Committee”) and the proposed amendments to the Articles of Association of the Company, the Supervisory Committee has been dissolved with effect from 13 June 2025. Each of the supervisors of the Company (the “Supervisor(s)”) ceased to be a Supervisor with effect from 13 June 2025.
5. At the staff delegation meeting convened on 4 December 2025, Mr. Huang Weibiao, an executive Director of the Company, was elected as an Employee Representative Director (and ceased to be an executive Director), for a term from 4 December 2025 to the conclusion of the annual general meeting of the Company for the year ended 31 December 2026.

EMOLUMENT POLICY

The Group is strictly in compliance with laws and regulations such as the Labour Law and the Labour Contract Law, 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.

DIVIDEND POLICY

Acknowledging the importance of shareholders' interest and return, the Company has always adopted a policy of stable dividend distribution. Prior to proposing dividend distribution, the Board considers a multitude of factors including the Company's financial performance, distributable reserve, capital expenditure, expected financial performance, expected working capital requirement and such other factors as the Board may consider relevant.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Year was the Company or any of its subsidiaries a party to any arrangements that enabled 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

Cancellation of the A Shares repurchased under the 2022 A shares repurchase plan

Reference is made to the Company's announcement dated 19 May 2022 and 26 August 2022.

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 such shares were cancelled on 15 April 2025.

Repurchases made under the Restricted Share Incentive Scheme of A Shares

Reference is made to the Company's Incentive Scheme as further detailed in the section headed "The Restricted Share Incentive Scheme of A shares" below and the Company's announcements dated 30 December 2024, 10 January 2025, 2 July 2025, 8 August 2025 and 19 December 2025. During the Year, the Company repurchased certain granted but not unlocked A shares held by certain incentive participants pursuant to the terms of the Incentive Scheme, as the Incentive Participants had been subject to certain circumstances as specified in the Incentive Scheme such as re-designation, retirement, resignation, being unable to reach the unlocking conditions for appraisal at individual level, etc.

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 RMB10,707,807.60 (inclusive of corresponding interests accrued with reference to the bank deposit rate for the same period).

On 2 July 2025 and 8 August 2025, the Board approved the proposed repurchase and cancellation of all of the granted but not unlocked A shares held by 14 Incentive Participants pursuant to the relevant terms of the Incentive Scheme in the total number of 2,090,000 shares pursuant to the authorisation of the shareholders at the general meeting and class meetings held on 10 February 2025. All of such shares were repurchased and cancelled on 30 September 2025. The aggregated price paid to repurchase these shares on the Shenzhen Stock Exchange was RMB11,418,137.99 (inclusive of corresponding interests accrued with reference to the bank deposit rate for the same period).

On 19 December 2025, the Board approved the repurchase and cancellation of all of the granted but not unlocked A shares held by 34 Incentive Participants pursuant to the relevant terms of the Incentive Scheme in the total number of 1,184,200 Shares pursuant to the authorisation of the shareholders at the general meeting and class meetings held on 10 February 2025. All of such shares were repurchased and cancelled on 16 March 2026. The aggregated price paid to repurchase these shares on the Shenzhen Stock Exchange was RMB6,026,203.70 (inclusive of corresponding interests accrued with reference to the bank deposit rate for the same period).

Repurchases made under the 2025 A shares repurchase plan

Reference is made to the Company's announcement dated 29 April 2025.

On 29 April 2025, the Board 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 RMB1,000 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 registered capital of the

Company. Such repurchase plan was formulated based on the confidence in the Company's future development prospects and in recognition of the Company's value, for the purpose of protecting the interest of the shareholders as a whole and strengthen market confidence. As at 31 December 2025, the Company had cumulatively repurchased 50,252,475 A Shares through its securities account designated for repurchased shares, with an aggregated price of RMB761,492,999.13 (excluding transaction fees). The aforementioned repurchased A Shares have not been cancelled as at the date of this announcement.

The table below provides details of the monthly breakdown of the repurchase of A Shares during the Year:

Month of the Year	Number of A Shares repurchased on Shenzhen Stock Exchange	Highest price paid for such repurchase during the month (RMB)	Lowest price paid for such repurchase during the month (RMB)	Aggregate price paid (excluding transaction fees) for such repurchase during the month (RMB)
1 April to 30 April	1,890,000 ^{Note 1}	5.599	5.599	10,707,807.60 ^{Note 3}
1 June to 30 June	6,534,175	15.43	15.05	99,987,513.55
1 July to 31 July	13,151,300	15.29	15.11	199,992,213.00
1 August to 31 August	19,457,000	15.36	15.13	296,370,137.28
1 September to 30 September	11,110,000	15.00	14.57	165,143,135.30
1 September to 30 September	2,090,000 ^{Note 2}	5.252	5.252	11,418,137.99 ^{Note 3}
Total	54,232,475			783,618,944.72

Note 1: the repurchase and cancellation of all of the granted but not unlocked A shares held by the nine Incentive Participants in the total number of 1,890,000 A shares

Note 2: the repurchase and cancellation of all of the granted but not unlocked Restricted Shares held by the fourteen Incentive Participants in the total number of 2,090,000 A shares

Note 3: the relevant amount is inclusive of corresponding interests accrued with reference to the bank deposit rate for the same period

Note 4: Unless otherwise stated as above, the repurchase of A shares was made pursuant to the A Share Repurchase Plan approved by the Board on 29 April 2025.

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

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.

INCOME TAX FOR H SHAREHOLDERS

According to the regulations in the Enterprise Income Tax Law of the People's Republic of China, Implementation Regulations on Enterprise Income Tax Law of People's Republic of China which came into effect in 2008 and the Notice of Withholding and Payment of Enterprise Income Tax Regarding China Resident Enterprise Paying Dividend to Non-Resident Enterprise Holders of Overseas H-Share (Guo Shui Han [2008] No. 897) issued by China's State Administration of Taxation on 6 November 2008 (collectively, the "Tax Law"), any domestic enterprise of the PRC which pays dividends to non-resident enterprise shareholders (as defined in the Tax Law) for the year of 2008 and subsequent years shall withhold and pay enterprise income tax as a withholding agent.

In accordance with the Tax Law, the Company is obliged to withhold and pay enterprise income tax at the rate of 10% on behalf of the non-resident enterprise holders of H Shares whose names appear on the register of members for H Shares of the Company on the Record Date when distributing dividends to them. For holders of H Shares who are registered in the name of non-natural person registered shareholders (including HKSCC (Nominees) Limited, other corporate nominees, trustees, or other organisations or groups which shall be treated as "non-resident enterprises" shareholders) on the register of members for H Shares of the Company on the Record Date, the Company will distribute the Cash Dividends, after withholding for payment of 10% enterprise income tax. For all natural persons shareholders whose names are registered on the register of members for H Shares of the Company on the Record Date, no personal income tax will be withheld and paid by the Company.

If anyone would like to change the identity of the holders in the register of members, please enquire about the relevant procedures with the nominees or trustees. The Company will withhold for payment of the enterprise income tax for its non-resident enterprise shareholders strictly in accordance with the relevant laws and requirements of the relevant government departments and adhere strictly to the information set out in the Company's register of members on the Record Date. The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the shareholders or any disputes over the mechanism of the above withholding and payment.

Investors of Southbound Trading

For investors investing in the H Shares through the Shenzhen Stock Exchange and the Shanghai Stock Exchange (including enterprises and individuals) (the "Southbound Trading"), the Company has entered into the Agreement on Appropriation of Cash Dividends of H Shares for Southbound Trading (《港股通H股股票現金紅利派發協議》) with the Shenzhen Branch and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, respectively, pursuant to which, China Securities Depository and Clearing Corporation Limited, as the nominee of the holders of H Shares for Southbound Trading, will receive the cash dividends distributed by the Company and distribute the cash dividends to the relevant

investors of H Shares of Southbound Trading through its depository and clearing system. The cash dividends for the investors of H Shares of Southbound Trading will be paid in Renminbi. Pursuant to the relevant requirements under the “Notice on the Tax Policies Related to the Pilot Program of the Shenzhen – Hong Kong Stock Connect” (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)) and the “Notice on the Tax Policies Related to the Pilot Program of the Shanghai – Hong Kong Stock Connect” (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Southbound Trading, the H shares company shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Southbound Trading, the tax payable shall be the same as that for individual investors. The H shares company will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Investors of Northbound Trading

For investors (including enterprises and individuals) investing in the A Shares of the Company listed on the Shenzhen Stock Exchange through the Hong Kong Stock Exchange (the “Northbound Trading”), their dividends will be distributed in Renminbi by the Company through the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominees holding such shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the tax authorities for such withholding. For investors of Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may apply to the competent tax authorities for the entitlement of the rate under such tax treaty by themselves. Upon approval by the tax authorities, the paid amount in excess of the tax payable by such enterprises and individuals based on the tax rate according to such tax treaty will be refunded.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the aggregate sales attributable to the Group’s five largest customers were less than 30% of the Group’s total sales.

During the Year, the aggregate purchase attributable to the Group’s five largest suppliers were less than 30% of the Group’s total purchases.

THE RESTRICTED SHARE INCENTIVE SCHEME OF A SHARES

Principal Terms of the Incentive Scheme

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 the Incentive Scheme 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 does not involve the issuance of any new shares of the Company. The eligible incentive participants include directors, senior management officers, middle management officers, and core technology (business) staff of the Group. The number of shares granted to each incentive participant is fixed at the grant, which is the maximum entitlement of each participant should the conditions for unlocking the lock-up restrictions be satisfied upon the expiration of the unlocking periods.

The shares granted (the “Restricted Shares”) under the Incentive Scheme are subject to lock-up periods for periods of 24 months, 36 months and 48 months, respectively, from the relevant completion date of registration of the Restricted Shares. During the lock-up periods, the Restricted Shares granted shall not be transferred, used to provide guarantee or used for repayment of debt. The unlocking periods and unlocking schedule are as follows:

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

The unlocking of the Restricted Shares is also subject to the satisfaction of certain conditions, including the satisfaction of certain performance appraisal targets at the Company level as well as the level of incentive participants, as detailed below:

(i) Performance appraisal targets at the Company level

Unlocking periods	Performance appraisal targets
The first unlocking period	The operating revenue in 2024 is not less than RMB210,200 million, and the profit margin in 2024 shall not be less than 8%, and the above indicators shall not be lower than the average performance level of the same industry for such year, and not be lower than the industry level at the time of the relevant grant
The second unlocking period	The operating revenue in 2025 is not less than RMB231,200 million, and the profit margin in 2025 shall not be less than 9%, and the above indicators shall not be lower than the average performance level of the same industry for such year, and not be lower than the industry level at the time of the relevant grant
The third unlocking period	The operating revenue in 2026 is not less than RMB258,900 million, and the profit margin in 2026 shall not be less than 9%, and the above indicators shall not be lower than the average performance level of the same industry for such year, and not be lower than the industry level at the time of the relevant grant

(ii) Comprehensive appraisal at the level of incentive participants

The comprehensive appraisal at the level of incentive participants is associated with the business unit appraisal result and the individual annual performance appraisal result.

The Restricted Shares to be unlocked during an unlocking period = the Restricted Shares that are expected to be unlocked during the unlocking period × the unlocking proportion from a business unit perspective (Proportion A) × the unlocking proportion from an individual perspective (Proportion B).

The relevant performance appraisal in respect of each of the business unit shall be implemented in accordance with the terms of the grant agreement entered into between the Company and the incentive participant, and pursuant to which the unlocking proportion from a business unit perspective (Proportion A) shall be determined. For incentive participants who need not take part in the business unit appraisal, the unlocking proportion from a business unit perspective (Proportion A) shall be treated as 100% as long as the corresponding performance appraisal target at the Company level has been met.

The relevant performance appraisal in respect of the incentive participants shall be implemented in accordance with appraisal management measures and the appraisal measures internally announced by the Company, and the unlocking proportion from an individual perspective (Proportion B) shall be determined as follows:

Performance appraisal result	Qualified				Unqualified
	S	A	B	C	D
The unlock proportion from an individual perspective (Proportion B)	100%			80%	0

In the event that the performance appraisal targets under the Incentive Scheme are not achieved during an unlocking period, the Company shall repurchase all the Restricted Shares subject to unlocking in the corresponding unlocking period at the grant price or the market price of the A Shares, whichever the lower.

On 8 December 2023, the Board considered and approved the resolutions in relation to adjustments to the list of incentive participants under the Incentive Scheme, the number of restricted shares to be granted and the grant price, and the resolution in relation to the grant of a total of 78,270,000 Restricted Shares to 693 incentive participants at the grant price of RMB6.264 per A Share. On 20 December 2023, the Company completed the registration of the grant of the aforementioned Restricted Shares with Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The relevant grant price has been paid by each of the incentive participants by 8 December 2023.

The Incentive Scheme shall be valid from the date of the completion of registration of the grant of the Restricted Shares, to the unlocking of the lock-up restrictions attached to all of the granted Restricted Shares (excluding those subject to reduction restriction over directors and senior management) or the completion of the repurchase of the granted Restricted Shares by the Company, which period shall not exceed 60 months. Accordingly, based on the date of the completion of registration of the grant of the Restricted Shares which falls on 20 December 2023, the Incentive Scheme shall remain valid until no later than 20 December 2028. The remaining life of the Incentive Scheme is approximately 32 months.

The final grant price of RMB6.264 per A Share was determined after applying an adjustment of the interim dividend per share of RMB0.226 for the six months ended 30 June 2023 to the grant price stipulated under the Incentive Scheme of RMB6.49 approved at the extraordinary general meeting of the Company held on 13 November 2023. The original grant price of RMB6.49 (before the aforementioned adjustment pursuant to the terms of the Incentive Scheme) was proposed by the Board on the basis that such price was not less than 50% of the fair market price of A Shares and not less than the nominal value of such Shares, while the fair market price was the higher of (i) the average trading price of the A Shares for the last trading day immediately preceding the date of the announcement of the draft Incentive Scheme on 24 October 2023, which is RMB12.96 per A Share; and (ii) the average trading price of the A Shares for the last 20 trading days immediately preceding the date of the announcement of the draft Incentive Scheme, which is RMB12.93 per A Share.

Details of awards granted to participants during the Year

A summary of the movements of the Restricted Shares granted under the Incentive Scheme during the year ended 31 December 2025 is as follows:

Name/Category of Grantees	Changes in the number of the Restricted Shares granted/locked-up under the Incentive Scheme during the Year							Unlocking period	
	Number of Restricted Shares granted as at 1 January 2025 <i>(Note 1 and 2)</i>	Number of Restricted Shares granted during the Year	Date of Grant <i>(Note 3)</i>	Grant Price	Unlocked during the Year	Lapsed during the Year	Cancelled during the Year <i>(Note 3)</i>		Number of Restricted Shares granted but locked-up as at 31 December 2025
Mr. Wang Decheng (王德成), Director and general manager	240,000	Not applicable	8 December 2023	RMB6.264	240,000	-	-	-	22 December 2025 to 18 December 2026 <i>(Note 9)</i>
	240,000	Not applicable	8 December 2023	RMB6.264	-	-	-	240,000	21 December 2026 to 17 December 2027 <i>(Note 10)</i>
	320,000	Not applicable	8 December 2023	RMB6.264	-	-	-	320,000	20 December 2027 to 19 December 2028
Subtotal	800,000	Not applicable	-	-	240,000	-	-	560,000	-
The five highest paid individuals <i>(Note 5)</i>	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Other grantees in aggregate	23,241,000	Not applicable	8 December 2023	RMB6.264	21,709,800	1,531,200	1,194,000	-	22 December 2025 to 18 December 2026 <i>(Note 9)</i>
	23,241,000	Not applicable	8 December 2023	RMB6.264	-	1,557,000	1,194,000	21,684,000	21 December 2026 to 17 December 2027 <i>(Note 10)</i>
	30,988,000	Not applicable	8 December 2023	RMB6.264	-	2,076,000	1,592,000	28,912,000	20 December 2027 to 19 December 2028
Subtotal	77,470,000	Not applicable	-	-	21,709,800	5,164,200	3,980,000	50,596,000	-
Total	78,270,000	Not applicable	-	-	21,949,800	5,164,200	3,980,000	51,156,000	

Notes:

1. The Incentive Scheme was adopted on 13 November 2023. There was no grant of Restricted Shares during the financial year ended 31 December 2025.
2. The Board approved the adjustments to the list of incentive participants under the Incentive Scheme, the number of Restricted Shares to be granted and the grant price pursuant to the Incentive Scheme on 8 December 2023. For further details, please refer to the Company's announcement dated 8 December 2023.
3. The Restricted Shares cancelled during the Year constitute a portion of Restricted Shares which lapsed during the Year.
4. In respect of the grant under the Incentive Scheme which was made on 8 December 2023, the relevant registration with Shenzhen Branch of China Securities Depository and Clearing Corporation Limited of the grant of Restricted Shares to the relevant incentive participants has been completed on 20 December 2023.
5. The five highest paid individuals of the Company during the financial year ended 31 December 2025 are not incentive participants under the Incentive Scheme.
6. The performance appraisal targets for all incentive participants to be satisfied for unlocking the Restricted Shares are provided above under the sub-section headed "Principal Terms of the Incentive Scheme".
7. The closing price of the A Shares immediately before the date on which the Restricted Shares were granted, i.e. the closing price of A Shares on 7 December 2023, was RMB13.99.
8. The fair value of the Restricted Shares at the date of the grant is, pursuant to the applicable accounting policy, represented by the closing price of A Shares as at the date of the grant, which was RMB13.92 per A share.
9. As the unlocking conditions for the first unlocking period under the Incentive Scheme have been fulfilled, on 19 December 2025, the Board approved the resolution in relation to the Fulfillment of the Unlocking Conditions for the First Unlocking Period under the Restricted Share Incentive Scheme of A Shares. The date of listing and circulation of the Restricted Shares unlocked was 26 December 2025. For further details, please refer to the Company's announcements dated 19 December 2025 and 24 December 2025.
10. On 26 March 2026, the Board approved the proposed repurchase and cancellation of the granted but not unlocked Restricted Shares that have been held by the incentive participants for the second unlocking period, as the performance appraisal targets at the Company level for the second unlocking period were not fulfilled. For further details, please refer to the Company's announcement dated 26 March 2026.

SUBSEQUENT EVENTS

Save as the subsequent events after the balance sheet date as disclosed in the section Management Discussion and Analysis above, there are no other significant subsequent events.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) comprises all 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), for the purpose of this appointment. Throughout the Year, 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 the audited consolidated financial statements for the Year.

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

During the Year, other than certain directors not being able to attend the annual general meeting or all extraordinary general meetings due to other important work-related affairs, 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 Year, the Company adopted a code of conduct regarding securities transactions by directors on terms no less 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 during the Year.

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.

AUDITORS

The Company appointed KPMG Huazhen LLP (畢馬威華振會計師事務所(特殊普通合夥)) as the Company’s auditors on 28 June 2023 in place of Deloitte Touche Tohmatsu Certified Public Accountants LLP. KPMG Huazhen LLP will retire, and the Company will propose a resolution on the re-appointment of it as the Company’s auditor for the year 2026 at the forthcoming annual general meeting.

APPROVAL OF THE FINANCIAL STATEMENTS

The audited consolidated financial statements for the Year were approved by the Board on 26 March 2026.

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

The 2025 annual report of the Company 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, 26 March 2026

As at the date of this announcement, the executive Directors of the Company are Mr. Ma Changhai, Mr. Wang Decheng, 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. Wang Yanlei, 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. Xu Bing, Mr. Tao Huaan and Ms. Zhang Weili.