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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)**

**DISCLOSEABLE TRANSACTION**

**SUBSCRIPTION OF STRUCTURED DEPOSIT PRODUCT**

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On 1 August 2022, the Company has agreed to subscribe from CMB the CMB Structured Deposit Product, being a structured deposit product with a principal amount of RMB1,440 million (equivalent to approximately HK\$1,675 million).

**LISTING RULES IMPLICATIONS**

In accordance with Rule 14.22 of the Listing Rules, the Subscription, the Announced CMB Subscriptions and the Previous CMB Subscriptions should be aggregated given that the counterparty for each of the transactions is the same (namely, CMB), and the relevant products under subscription are of a similar nature.

As (i) the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Subscription, when aggregated with the Previous CMB Subscriptions, exceeds 5% but all of which are less than 25%, and (ii) all of the applicable percentage ratio in respect of the Subscription, when aggregated with the Announced CMB Subscriptions and the Previous CMB Subscriptions, are less than 25% the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the announcement requirement under the Listing Rules.

**I. INTRODUCTION**

The Board is pleased to announce that on 1 August 2022, the Company has agreed to subscribe from CMB the CMB Structured Deposit Product, being a structured deposit product with a principal amount of RMB1,440 million (equivalent to approximately HK\$1,675 million).

## II. PRINCIPAL TERMS OF THE SUBSCRIPTION

The principal terms of the Subscription are as follows:

### **The CMB Structured Deposit Product with a principal amount of RMB1,440 million**

Date of subscription	:	1 August 2022
Parties	:	(1) The Company, as the subscriber (2) CMB, as the issuer
Name of product	:	Gold-linked Series Progressive Bullish Two-tier 85-day Structured Deposit of China Merchants Bank (Product Code: NQD00291) (招商銀行點金系列看漲兩層區間85天結構性存款(產品代碼：NQD00291))
Type of product	:	Guaranteed principal with floating return
Principal amount of the subscription	:	RMB1,440 million
Expected annualised return rate	:	1.65% or 3.00%
Term of the product	:	4 August 2022 to 28 October 2022 (85 days)
Risk level of the product (internal risk assessment by CMB)	:	R1 (cautious) (謹慎型)
Deposit link and return calculation	:	The linked indicator under this structured deposit product is the daily reference rate of gold price denominated in US dollars on the Bloomberg GOLDLNPM Index.

The observation date is 26 October 2022, with a target price (the “**Target Price**”) of 201 base points below the mid-price as announced on the Bloomberg XAU Curncy BFIX on 4 August 2022 at 14:00 Beijing time.

The actual annualised return rate will be determined depending on how the reference rate of the gold price denominated in US dollars as at the abovementioned observation date falls compares to the Target Price:

- (a) if the relevant reference rate is higher or equals to the Target Price, the actual annualised return rate shall be 3.00%; and
- (b) if the relevant reference rate is below the Target Price, the actual annualised return rate shall be 1.65%.

Right of early termination : The subscriber has no right of early redemption, and save for the occurrence of major adjustments in respect of the national financial policies which affects the normal operation of this product, the issuer is not entitled to terminate the product prior to the maturity date of the investment.

The terms of the Subscription were arrived at after arm's length negotiation between the Company and CMB, and the Subscription will be funded by the Group's temporarily idle funds from the proceeds of the non-public issuance of A shares (details of such proceeds are set out in the Company's announcement dated 26 May 2021).

### III. SUMMARY OF THE PREVIOUS CMB SUBSCRIPTIONS

A summary of the Previous CMB Subscriptions pursuant to which the Group had subscribed for certain structured deposit products issued by CMB is set out below:

No.	Term of the product	Parties	Name of product	Type of product	Principal amount of the subscription <i>RMB' million</i>	Actual return upon maturity of the product (or expected annualized return rate) <i>RMB' 000</i>
1.	8 February 2022 to 31 March 2022 (51 days)	The Company, as the subscriber CMB, as the issuer	Gold-linked Series Progressive Bullish Three-tier 51-day Structured Deposit of China Merchants Bank (Product Code: NQD00185) (招商銀行點金系列看漲三層區間51天結構性存款 (產品代碼: NQD00185))	Guaranteed principal with floating return	1,040.0	4,214.1

No.	Term of the product	Parties	Name of product	Type of product	Principal amount of the subscription <i>RMB' million</i>	Actual return upon maturity of the product (or expected annualized return rate) <i>RMB'000</i>
2.	8 February 2022 to 31 March 2022 (51 days)	The Company, as the subscriber CMB, as the issuer	Gold-linked Series Progressive Bullish Three-tier 51-day Structured Deposit of China Merchants Bank (Product Code: NQD00186) (招商銀行點金系列看漲三層區間51天結構性存款 (產品代碼: NQD00186))	Guaranteed principal with floating return	258.3	1,227.1
3.	1 April 2022 to 29 April 2022 (28 days)	The Company, as the subscriber CMB, as the issuer	Gold-linked Series Progressive Bullish Three-tier 28-day Structured Deposit of China Merchants Bank (Product Code: NQD00215) (招商銀行點金系列看漲三層區間28天結構性存款 (產品代碼: NQD00215))	Guaranteed principal with floating return	750.0	1,783.6
4.	1 April 2022 to 29 April 2022 (28 days)	The Company, as the subscriber CMB, as the issuer	Gold-linked Series Progressive Bearish Three-tier 28-day Structured Deposit of China Merchants Bank (Product Code: NQD00216) (招商銀行點金系列看跌三層區間28天結構性存款 (產品代碼: NQD00216))	Guaranteed principal with floating return	750.0	1,783.6
5.	1 April 2022 to 29 April 2022 (28 days)	Weichai Lovol, as the subscriber CMB, as the issuer	Gold-linked Series Progressive Bullish Three-tier 28-day Structured Deposit of China Merchants Bank (Product Code: NQD00215) (招商銀行點金系列看漲三層區間28天結構性存款 (產品代碼: NQD00215))	Guaranteed principal with floating return	50.0	118.9
6.	1 April 2022 to 29 April 2022 (28 days)	Weichai Lovol, as the subscriber CMB, as the issuer	Gold-linked Series Progressive Bearish Three-tier 28-day Structured Deposit of China Merchants Bank (Product Code: NQD00216) (招商銀行點金系列看跌三層區間28天結構性存款 (產品代碼: NQD00216))	Guaranteed principal with floating return	50.0	118.9

No.	Term of the product	Parties	Name of product	Type of product	Principal amount of the subscription <i>RMB' million</i>	Actual return upon maturity of the product (or expected annualized return rate) <i>RMB'000</i>
7.	5 May 2022 to 31 May 2022 (26 days)	Weichai Lovol, as the subscriber CMB, as the issuer	Gold-linked Series Progressive Bullish Three-tier 26-day Structured Deposit of China Merchants Bank (Product Code: NQD00235) (招商銀行點金系列看漲三層區間26天結構性存款 (產品代碼: NQD00235))	Guaranteed principal with floating return	50.0	110.4
8.	5 May 2022 to 31 May 2022 (26 days)	Weichai Lovol, as the subscriber CMB, as the issuer	Gold-linked Series Progressive Bearish Three-tier 26-day Structured Deposit of China Merchants Bank (Product Code: NQD00240) (招商銀行點金系列看跌三層區間26天結構性存款 (產品代碼: NQD00240))	Guaranteed principal with floating return	50.0	110.4
9.	6 May 2022 to 29 July 2022 (84 days)	The Company, as the subscriber CMB, as the issuer	Gold-linked Series Progressive Bearish Three-tier 84-day Structured Deposit of China Merchants Bank (Product Code: NQD00237) (招商銀行點金系列看跌三層區間84天結構性存款 (產品代碼: NQD00237))	Guaranteed principal with floating return	1,500.0	10,356.2
10.	10 May 2022 to 31 May 2022 (21 days)	Weichai Lovol, as the subscriber CMB, as the issuer	Gold-linked Series Progressive Bullish Three-tier 21-day Structured Deposit of China Merchants Bank (Product Code: NQD00247) (招商銀行點金系列看漲三層區間21天結構性存款 (產品代碼: NQD00247))	Guaranteed principal with floating return	50.0	86.3
11.	10 May 2022 to 31 May 2022 (21 days)	Weichai Lovol, as the subscriber CMB, as the issuer	Gold-linked Series Progressive Bearish Three-tier 21-day Structured Deposit of China Merchants Bank (Product Code: NQD00249) (招商銀行點金系列看跌三層區間21天結構性存款 (產品代碼: NQD00249))	Guaranteed principal with floating return	50.0	86.3

No.	Term of the product	Parties	Name of product	Type of product	Principal amount of the subscription <i>RMB' million</i>	Actual return upon maturity of the product (or expected annualized return rate) <i>RMB'000</i>
12.	12 May 2022 to 12 August 2022 (92 days)	SFGC, as the subscriber CMB, as the issuer	Gold-linked Series Progressive Bearish Three-tier 92-day Structured Deposit of China Merchants Bank (Product Code: NXA01264) (招商銀行點金系列看跌三層區間92天結構性存款 (產品代碼: NXA01264))	Guaranteed principal with floating return	20.0	1.65% to 3.51%
13.	2 June 2022 to 30 June 2022 (28 days)	Weichai Lovol, as the subscriber CMB, as the issuer	Gold-linked Series Progressive Bullish Two-tier 28-day Structured Deposit of China Merchants Bank (Product Code: NQD00267) (招商銀行點金系列看漲兩層區間28天結構性存款 (產品代碼: NQD00267))	Guaranteed principal with floating return	100.0	237.8
14.	2 June 2022 to 30 June 2022 (28 days)	Weichai Lovol, as the subscriber CMB, as the issuer	Gold-linked Series Progressive Bearish Two-tier 28-day Structured Deposit of China Merchants Bank (Product Code: NQD00261) (招商銀行點金系列看跌兩層區間28天結構性存款 (產品代碼: NQD00261))	Guaranteed principal with floating return	100.0	237.8

The structured deposit products subscribed by the Group pursuant to the Previous CMB Subscriptions as disclosed above with an aggregate principal amount of RMB4,818.3 million have variable annualised return rates linked to the price of gold, and are of a low risk level based on the internal risk assessment by CMB.

#### IV. REASONS AND BENEFITS FOR THE SUBSCRIPTION

Following the completion of the non-public issuance of A shares as set out in the Company's announcement dated 26 May 2021, whilst the Group intends to apply the relevant proceeds in accordance with the proposed uses as set out in the Company's circular dated 11 January 2021 (with the timeline for the application of proceeds adjusted in the manner as set out in the Company's announcement dated 30 March 2022), with the actual utilisation of such proceeds being based on the overall progress and actual circumstances of the relevant projects, part of such proceeds has been temporary left idle.

Considering that the risk in connection with the Subscription is low, and that the Group can enjoy a higher return compared with fixed term deposits in commercial banks in the PRC, the Board is of the view that the Subscription represents a reasonable and efficient use of such temporarily idle funds which will enhance the overall capital gain of the Group, and is in line with the Management Measures on the Use of Raised Proceeds of Weichai Power Co., Ltd. (《濰柴動力股份有限公司募集資金使用管理辦法》) adopted by the Company on 29 January 2021.

In light of the above, the Directors (including the independent non-executive Directors) consider that the Subscription is fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

## **V. INFORMATION ON THE PARTIES TO THE SUBSCRIPTION**

The Company is principally engaged in the research and development, manufacture and sale of high-speed heavy-duty diesel engines and engine parts.

CMB is a licensed bank established under the laws of the PRC and principally engages in the provision of corporate and personal banking and other financial services. Its A shares and H shares are listed on the Shanghai Stock Exchange (stock code: 600036) and the Main Board of the Stock Exchange (stock code: 3968), respectively.

The Directors, after making all reasonable inquiries, to the best of their knowledge and belief, each of CMB and their ultimate beneficial owners is a third party independent of the Company and its connected persons.

## **VI. THE LISTING RULES IMPLICATIONS**

With respect to the total subscription amount of the Previous CMB Subscriptions, all applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules), on an aggregated basis, are below 5%. As such, the Previous CMB Subscriptions do not constitute discloseable transactions of the Company.

In accordance with Rule 14.22 of the Listing Rules, the Subscription, the Announced CMB Subscriptions and the Previous CMB Subscriptions should be aggregated given that the counterparty for each of the transactions is the same (namely, CMB), and that the relevant products under subscription are of a similar nature.

As (i) the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Subscription, when aggregated with the Previous CMB Subscriptions, exceeds 5% but all of which are less than 25%, and (ii) all of the applicable percentage ratio in respect of the Subscription, when aggregated with the Announced CMB Subscriptions and the Previous CMB Subscriptions, are less than 25% the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the announcement requirement under the Listing Rules.

## VII. DEFINITIONS

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

“Announced CMB Subscriptions”	certain structured deposit products subscribed by the Group from CMB as announced in the Company’s announcement dated 13 January 2022 that were subscribed within a 12 month period prior to the Subscription
“Board”	the board of Directors
“CMB”	China Merchants Bank Co., Ltd. (招商銀行股份有限公司), a joint stock limited company incorporated in the PRC with limited liability
“CMB Structured Deposit Product”	the structured deposit product subscribed by the Company from CMB on 1 August 2022, details of which are disclosed in the section headed “II. Principal terms of the Subscription” in this announcement
“Company”	濰柴動力股份有限公司 (Weichai Power Co., Ltd.), a company established in the PRC with limited liability
“connected person”	has the meaning as ascribed to it under the Listing Rules
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Previous CMB Subscriptions”	the subscription of structured deposit products by the Group from CMB between 8 February 2022 to 2 June 2022, details of which are set out in the section headed “III. Summary of the Previous CMB Subscriptions” of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“SFGC”	陝西法士特齒輪有限責任公司 (Shaanxi Fast Gear Co. Ltd.), a company established in the PRC and a 51% subsidiary of the Company



“Shareholder(s)”	holder(s) of the shares in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the CMB Structured Deposit Product
“Weichai Lovol”	濰柴雷沃重工股份有限公司 (Weichai Lovol Heavy Industry Co., Ltd.*), a joint stock limited company established in the PRC and a subsidiary of the Company
“%”	per cent.

\* For identification purposes only

*(The exchange rate used for the purpose of this announcement is HK\$1 = RMB0.85948.)*

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

The PRC, 1 August 2022

*As at the date of this announcement, the executive Directors of the Company are Mr. Tan Xuguang, Mr. Zhang Quan, Mr. Xu Xinyu, Mr. Sun Shaojun, Mr. Yuan Hongming and Mr. Yan Jianbo; the non-executive Directors of the Company are Mr. Zhang Liangfu, Mr. Jiang Kui, Mr. Gordon Riske and Mr. Michael Martin Macht; and the independent non-executive Directors of the Company are Mr. Li Hongwu, Mr. Wen Daocai, Ms. Jiang Yan, Mr. Yu Zhuoping and Ms. Zhao Huifang.*