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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 PRODUCTS

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On 9 September 2022, the Company has agreed to subscribe from ICBC Weifang Dongguan Branch, the ICBC Structured Deposit Products, being structured deposit products with a total principal amount of RMB3,000 million (equivalent to approximately HK\$3,408 million).

LISTING RULES IMPLICATIONS

In accordance with Rule 14.22 of the Listing Rules, the Subscriptions and the Previous ICBC Subscriptions should be aggregated given that the counterparties for the transactions are all branches of ICBC, and the relevant products under subscription are of a similar nature.

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

I. INTRODUCTION

The Board is pleased to announce that on 9 September 2022, the Company has agreed to subscribe from ICBC Weifang Dongguan Branch, the ICBC Structured Deposit Products, being structured deposit products with a total principal amount of RMB3,000 million (equivalent to approximately HK\$3,408 million).

II. PRINCIPAL TERMS OF THE SUBSCRIPTIONS

The principal terms of the Subscriptions are as follows:

A. The ICBC Structured Deposit Product with a principal amount of RMB3,000 million

Date of subscription	:	9 September 2022
Parties	:	(1) The Company, as the subscriber (2) ICBC Weifang Dongguan Branch, as the issuer
Name of product	:	ICBC accumulated exchange rate range linked legal person Renminbi structured deposit product – Designated account 2022 No. 338 Type D (中國工商銀行掛鈎匯率區間累計型法人人民幣結構性存款產品－專戶型2022年第338期D款)
Type of product	:	Guaranteed principal with floating return
Principal amount of the subscription	:	RMB3,000 million
Expected annualized return rate	:	1.20% to 3.30%
Term of the product	:	From 13 September 2022 to 15 December 2022 (93 days)
Risk level of the product (internal risk assessment by ICBC)	:	Very low

Deposit link and return calculation : The linked indicator under this structured deposit product is the daily reference rate of US dollar against Japanese Yen on the Bloomberg FX Fixings as at 3:00 pm Tokyo Time.

The observation period is from 13 September 2022 to 13 December 2022, with a target range of 1,040 base points above and below the reference rate of US dollar against Japanese Yen on the Bloomberg FX Fixings as at 3:00 pm Tokyo Time on 13 September 2022.

The formula for calculating the return: subscription amount x actual annualised return rate x actual investment days/365.

The actual annualised return rate will be calculated by: $1.20\% + 2.10\% \times N/M$, with N being the actual number of days on which the daily reference rate is within the target range, and M being the actual number of dates of the observation period.

Right of early termination : The subscriber has no right of early redemption and the issuer is not entitled to terminate the product prior to the maturity date of the investment.

The terms of the Subscriptions were arrived at after arm's length negotiation between the Company and ICBC Weifang Dongguan Branch, and the Subscriptions 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 ICBC SUBSCRIPTIONS

A summary of the Previous ICBC Subscriptions pursuant to which the Group has subscribed for certain structured deposit products issued by ICBC (via its various branches) is set out below:

No.	Date of subscription	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 annualised return rate) <i>RMB' 000</i>	Term of the product
1	10 September 2021	Shaanxi Zhongqi as the subscriber ICBC Xi'an Beidajie Branch as the issuer	ICBC accumulated exchange rate range linked legal person Renminbi structured deposit product – Designated account 2021 No. 267 Type D (中國工商銀行掛鈎匯率區間累計型法人人民幣結構性存款產品－專戶型2021年第267期D款)	Guaranteed principal with floating return	400	979.1	13 September 2021 to 15 October 2021 (32 days)
2	26 September 2021	Hande Axle as the subscriber ICBC Baoji Caijiapo Branch as the issuer	ICBC accumulated exchange rate range linked legal person Renminbi structured deposit product – Designated account 2021 No. 289 Type D (中國工商銀行掛鈎匯率區間累計型法人人民幣結構性存款產品－專戶型2021年第289期D款)	Guaranteed principal with floating return	150	1,178.3	28 September 2021 to 29 December 2021 (92 days)

No.	Date of subscription	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 annualised return rate) <i>RMB' 000</i>	Term of the product
3	18 October 2021	The Company as the subscriber ICBC Weifang Dongguan Branch as the issuer	ICBC accumulated exchange rate range linked legal person Renminbi structured deposit product – Designated account 2021 No. 306 Type R (中國工商銀行掛鈎匯率區間累計型法人人民幣結構性存款產品－專戶型2021年第306期R款)	Guaranteed principal with floating return	500	7,702.8	20 October 2021 to 18 April 2022 (180 days)
4	22 October 2021	Shaanxi Zhongqi as the subscriber ICBC Xi'an Beidajie Branch as the issuer	ICBC accumulated exchange rate range linked legal person Renminbi structured deposit product – Designated account 2021 No. 311 Type B (中國工商銀行掛鈎匯率區間累計型法人人民幣結構性存款產品－專戶型2021年第311期B款)	Guaranteed principal with floating return	200	1,017.0	25 October 2021 to 22 December 2021 (58 days)
5	25 January 2022	Hande Axle as the subscriber ICBC Baoji Caijiapo Branch as the issuer	ICBC accumulated exchange rate range linked legal person Renminbi structured deposit product – Designated account 2022 No. 048 Type L (中國工商銀行掛鈎匯率區間累計型法人人民幣結構性存款產品－專戶型2022年第048期L款)	Guaranteed principal with floating return	100	485.1	27 January 2022 to 8 April 2022 (71 days)

No.	Date of subscription	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 annualised return rate) <i>RMB' 000</i>	Term of the product
6	26 January 2022	SFGC, as the subscriber ICBC Xi'an Greenland Century City Branch as the issuer	ICBC accumulated exchange rate range linked legal person Renminbi structured deposit product – Designated account 2022 No. 054 Type G (中國工商銀行掛鈎匯率區間累計型法人人民幣結構性存款產品－專戶型2022年第054期G款)	Guaranteed principal with floating return	100	512.1	28 January 2022 to 8 April 2022 (70 days)
7	18 February 2022	SFGC, as the subscriber ICBC Xi'an Greenland Century City Branch as the issuer	ICBC accumulated exchange rate range linked legal person Renminbi structured deposit product – Designated account 2022 No. 073 Type V (中國工商銀行掛鈎匯率區間累計型法人人民幣結構性存款產品－專戶型2022年第073期V款)	Guaranteed principal with floating return	130	1,176.4	22 February 2022 to 25 August 2022 (184 days)
8	21 February 2022	SFGC, as the subscriber ICBC Xi'an Greenland Century City Branch as the issuer	ICBC accumulated exchange rate range linked legal person Renminbi structured deposit product – Designated account 2022 No. 075 Type G (中國工商銀行掛鈎匯率區間累計型法人人民幣結構性存款產品－專戶型2022年第075期G款)	Guaranteed principal with floating return	100	439.4	23 February 2022 to 24 May 2022 (90 days)

No.	Date of subscription	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 annualised return rate) <i>RMB' 000</i>	Term of the product
9	1 March 2022	Shaanxi Zhongqi as the subscriber ICBC Xi'an Beidajie Branch as the issuer	ICBC accumulated exchange rate range linked legal person Renminbi structured deposit product – Designated account 2022 No. 083 Type Z (中國工商銀行掛鈎匯率區間累計型法人人民幣結構性存款產品－專戶型2022年第083期Z款)	Guaranteed principal with floating return	150	771.4	2 March 2022 to 11 July 2022 (131 days)
10	19 April 2022	The Company as the subscriber ICBC Weifang Dongguan Branch as the issuer	ICBC accumulated exchange rate range linked legal person Renminbi structured deposit product – Designated account 2022 No. 162 Type G (中國工商銀行掛鈎匯率區間累計型法人人民幣結構性存款產品－專戶型2022年第162期G款)	Guaranteed principal with floating return	500	1.30% to 3.41%	21 April 2022 to 18 October 2022 (180 days)
11	9 June 2022	The Company as the subscriber ICBC Weifang Dongguan Branch as the issuer	ICBC accumulated exchange rate range linked legal person Renminbi structured deposit product – Designated account 2022 No. 214 Type J (中國工商銀行掛鈎匯率區間累計型法人人民幣結構性存款產品－專戶型2022年第214期J款)	Guaranteed principal with floating return	1,000	1.30% to 3.41%	13 June 2022 to 9 December 2022 (179 days)

No.	Date of subscription	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 annualised return rate) <i>RMB' 000</i>	Term of the product
12	6 July 2022	Weichai Lovol as the subscriber ICBC Weifang Dongguan Branch as the issuer	ICBC accumulated exchange rate range linked legal person Renminbi structured deposit product – Designated account 2022 No. 251 Type R (中國工商銀行掛鈎匯率區間累計型法人人民幣結構性存款產品－專戶型2022年第251期R款)	Guaranteed principal with floating return	500	1.30% to 3.41%	8 July 2022 to 29 December 2022 (174 days)

The structured deposit products subscribed by the Group pursuant to the Previous ICBC Subscriptions as disclosed above with an aggregate principal amount of RMB3,830 million have variable annualised return rates linked to the exchange rate of US dollars against Japanese Yen, and are of a very low risk level based on the internal risk assessment by ICBC.

IV. REASONS AND BENEFITS FOR THE SUBSCRIPTIONS

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 Subscriptions 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 Subscriptions 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 Subscriptions are 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.

ICBC 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: 601398) and the Main Board of the Stock Exchange (stock code: 1398), respectively. ICBC Weifang Dongguan Branch is a sub-branch of ICBC.

The Directors, after making all reasonable inquiries, to the best of their knowledge and belief, ICBC 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 ICBC 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 ICBC Subscriptions do not constitute discloseable transactions of the Company.

In accordance with Rule 14.22 of the Listing Rules, the Subscriptions and the Previous ICBC Subscriptions should be aggregated given that the counterparties for the transactions are all branches of ICBC, and that the relevant products under subscription are of a similar nature.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Subscriptions, when aggregated with the Previous ICBC Subscriptions, exceeds 5% but all of which are less than 25%, the Subscriptions constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are 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:

“Board”	the board of Directors
“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

“Hande Axle”	陝西漢德車橋有限公司 (Shaanxi Hande Axle Co., Ltd.*), a company established in the PRC and is held as to approximately 3.06% by the Company and as to approximately 94% by Shaanxi Zhongqi, and, in turn, a subsidiary of the Company
“ICBC”	Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司), a joint stock limited company incorporated in the PRC with limited liability
“ICBC Baoji Caijiapo Branch”	the Caijiapo sub-branch of ICBC at Baoji City (中國工商銀行股份有限公司寶雞蔡家坡支行)
“ICBC Structured Deposit Product(s)”	the structured deposit product(s) subscribed by the Company from ICBC Weifang Dongguan Branch on 8 September 2022, details of which are disclosed in the section headed “II. Principal terms of the Subscriptions” in this announcement
“ICBC Weifang Dongguan Branch”	the Dongguan sub-branch of ICBC at Weifang City (中國工商銀行股份有限公司濰坊東關支行)
“ICBC Xi’an Beidajie Branch”	the Beidajie sub-branch of ICBC at Xi’an City (中國工商銀行股份有限公司西安北大街支行)
“ICBC Xi’an Greenland Century City Branch”	The Greenland Century City sub-branch of ICBC at Xi’an City (中國工商銀行股份有限公司西安綠地世紀城支行)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Previous ICBC Subscriptions”	the subscription of structured deposit products by the Group from ICBC (via its various branches) between 10 September 2021 and 6 July 2022, details of which are set out in the section headed “III. Summary of the Previous ICBC 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
“Shaanxi Zhongqi”	陝西重型汽車有限公司 (Shaanxi Heavy Duty Motor Company Limited*), 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
“Subscriptions”	the subscription of the ICBC Structured Deposit Products
“Weichai Lovol”	Weichai Lovol Heavy Industry Co., Ltd.* (濰柴雷沃重工股份有限公司), a company which completed the relevant industrial and commercial registration to change its name to Weichai Lovol Intelligent Agricultural Technology Co., Ltd.* (濰柴雷沃智慧農業科技股份有限公司) on 30 August 2022, a joint stock limited company established in the PRC with limited liability and an approximately 62% subsidiary of the Company
“%”	per cent

* For identification purposes only

(The exchange rate used for the purpose of this announcement is HK\$1 = RMB0.88031.)

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

The PRC, 9 September 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.