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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)

VOLUNTARY ANNOUNCEMENT

POSSIBLE SPIN-OFF AND SEPARATE LISTING OF THE SHARES OF WEICHAI LOVOL

Reference is made to the announcement of Weichai Power Co., Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) dated 30 August 2022, in respect of the commencement of preparatory works in respect of a possible spin-off and separate listing of the shares of Weichai Lovol Intelligent Agricultural Technology Co., Ltd.* (潍柴雷沃智慧農業科技股份有限公司) (“**Weichai Lovol**”, formerly known as Weichai Lovol Heavy Industry Co., Ltd.* (潍柴雷沃重工股份有限公司)) on the ChiNext Board of the Shenzhen Stock Exchange (the “**Possible Spin-off**”).

UPDATES IN RESPECT OF THE POSSIBLE SPIN-OFF

The board of directors (the “**Board**”) of the Company would like to announce that it has considered and approved the Possible Spin-off at the Board meeting held at the date hereof. It is proposed that the Possible Spin-off will be conducted through a combination of off-market placement to price inquiry targets and on-market public offering to public investors that satisfy the relevant conditions at a fixed offer price, and the total number of shares to be issued by the spin-off company (the “**Offer Shares**”) will not be less than 25% of the number of shares of the spin-off company in issue immediately following completion of the issuance (prior to the exercise of the relevant over-allotment option of not exceeding 15% of the Offer Shares).

Reasons for and benefits of the Possible Spin-Off

Weichai Lovol and its subsidiaries is principally engaged in the development, manufacture and sale of intelligent agriculture machinery and is committed to provide full-process intelligent agriculture solutions to its customers, with the main products being tractors and harvest machinery.

The Board considers that the listing of the shares in Weichai Lovol on the ChiNext Board of the Shenzhen Stock Exchange will unlock the internal value of Weichai Lovol and allow the Company to capitalise the value of its existing investment in Weichai Lovol. The Possible Spin-off is expected to provide the Weichai Lovol with direct access to capital markets, diversifying its financing channels and improving its operational capability, thereby bringing stable return to its investors and contributing to its sustainable development. In addition, the Possible Spin-off is expected to enhance the influence of Weichai Lovol over the market and strengthen its competitive advantages and position in the market. Given that the Company will continue to be the holding company of Weichai Lovol after the Possible Spin-off, the above are expected to add overall value to the Group and further the interests of the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

Meanwhile, for the purpose of the Possible Spin-off, the Company has submitted the proposal in relation to the Possible Spin-off to The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) pursuant to Practice Note 15 (“**PN15**”) to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) for its review and approval.

In the event that the Company proceeds with the Possible Spin-off, it will constitute a spin-off of Weichai Lovol by the Company pursuant to PN15 and will also be a deemed disposal of an interest in Weichai Lovol by the Company under Rule 14.29 of the Listing Rules. Based on the information currently available to the Company, the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Possible Spin-off may reach 5% but is expected to be less than 25%. Therefore, the Possible Spin-off may constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and be subject to the announcement requirement under the Listing Rules. Hence, the Possible Spin-off is subject to the approval of the Stock Exchange, but is not subject to the approval by the shareholders of the Company pursuant to the Listing Rules.

However, to comply with relevant laws and regulations of the PRC, the Company is required to obtain approval(s) regarding the Possible Spin-off at the general meeting of the Company. Please refer to the announcements issued by the Company on the website of the Shenzhen Stock Exchange dated 23 November 2022 and the notice to the extraordinary general meeting to be issued by the Company for further details.

The Proposed Spin-off and Listing is conditional upon, among others, the approval of the general meeting of the Company, the approval of the board of directors and general meeting of Weichai Lovol, the Shenzhen Stock Exchange, the China Securities Regulatory Commission, and the Hong Kong Stock Exchange. No final decision has been made by the Board as to whether and when the Proposed Spin-off will proceed. The Company will make further announcement(s) in connection with the Possible Spin-off as and when appropriate or as required under the Listing Rules.

Shareholders of the Company and potential investors should note that the Possible Spin-off is subject to, among others, approvals from the relevant regulatory authorities and market conditions. There is no assurance that the Possible Spin-off will proceed or as to when it may take place. Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the securities of the Company.

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

The PRC, 23 November 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.

* *For identification purposes only*