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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)**

**ANNOUNCEMENT**

**(1) ADJUSTMENT OF THE REPURCHASE PRICE OF RESTRICTED SHARES UNDER THE RESTRICTED SHARE INCENTIVE SCHEME OF A SHARES**

**(2) PROPOSED REPURCHASE AND CANCELLATION OF PART OF THE RESTRICTED SHARES UNDER THE RESTRICTED SHARE INCENTIVE SCHEME OF A SHARES**

**(3) PROPOSED CANCELLATION OF THE SHARES HELD IN THE COMPANY'S SECURITIES ACCOUNT DESIGNATED FOR REPURCHASED SHARES**

**AND**

**(4) PROPOSED CHANGE OF REGISTERED CAPITAL AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

**ADJUSTMENT OF THE REPURCHASE PRICE OF RESTRICTED SHARES UNDER THE RESTRICTED SHARE INCENTIVE SCHEME OF A SHARES**

On 30 December 2024, the Board has approved the adjustment of the repurchase price for the Restricted Shares under the Incentive Scheme from RMB6.264 per Share to RMB5.599 per Share pursuant to the authorisation of the Shareholders and in accordance with the requirements under the relevant PRC laws and regulations and the Incentive Scheme.

## **PROPOSED REPURCHASE AND CANCELLATION OF PART OF THE RESTRICTED SHARES UNDER THE RESTRICTED SHARE INCENTIVE SCHEME OF A SHARES**

On 30 December 2024, the Board has approved the proposed repurchase and cancellation of all of the granted but not unlocked Restricted Shares held by the eight Incentive Participants in the total number of 1,590,000 Shares, given that such Incentive Participants have been subject to circumstances specified in the Incentive Scheme such as re-designation or resignation. The total amount of funding for the repurchase of the relevant Restricted Shares will be approximately RMB8,902,400 plus the relevant interests accrued with reference to the bank deposit rate for the same period, which amount will be funded by internal resources of the Company. The proposed Repurchase and Cancellation are subject to the consideration and approval at the EGM and Class Meetings.

## **PROPOSED CANCELLATION OF THE SHARES HELD IN THE COMPANY'S SECURITIES ACCOUNT DESIGNATED FOR REPURCHASED SHARES**

On 30 December 2024, the Board has approved the proposed cancellation of the 8,995,525 Shares held in the Company's securities account designated for repurchased shares, and to complete the relevant cancellation procedures in accordance with the requirements under relevant laws and regulations. The proposed Cancellation of Shares held in Designated Account is subject to the consideration and approval at the EGM and Class Meetings.

## **PROPOSED CHANGE OF REGISTERED CAPITAL AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

After the completion of the proposed (i) Repurchase and Cancellation and (ii) Cancellation of Shares held in Designated Account, the registered capital of the Company will be changed from RMB8,726,556,821 to RMB8,715,971,296, and the total number of Shares in issue will be changed from 8,726,556,821 Shares to 8,715,971,296 Shares, and the Articles of Association of the Company will be required to be amended accordingly. On 30 December 2024, subject to the completion of (i) the Repurchase and Cancellation and (ii) the Cancellation of Shares held in Designated Account, the Board has approved the proposed change of registered capital and the making of the relevant amendments to the Articles of Association, which are further subject to the consideration and approval at the EGM.

## **GENERAL**

A circular containing, among other things, (i) further details of the proposed Repurchase and Cancellation, the proposed Cancellation of Shares held in Designated Account and the proposed change of registered capital of the Company and the related amendments to the Articles of Association of the Company; and (ii) the notices convening the EGM and the Class Meetings, shall be despatched to the Shareholders in due course.

## **I. INTRODUCTION**

References are made to (i) the announcement of the Company dated 24 October 2023, the circular of the Company dated 27 October 2023 and the poll results announcement of the Company dated 13 November 2023 in respect of the adoption of the Restricted Share Incentive Scheme of A Shares; (ii) the announcement of the Company dated 8 December 2023 on the grant of Restricted Shares to the Incentive Participants under the Restricted Share Incentive Scheme of A Shares; and (iii) the announcement of the Company dated 20 December 2023 on the results of the grant of Restricted Shares to the Incentive Participants under the Restricted Share Incentive Scheme of A Shares.

Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the above announcements and circular.

## **II. ADJUSTMENT OF THE REPURCHASE PRICE OF RESTRICTED SHARES UNDER THE RESTRICTED SHARE INCENTIVE SCHEME OF A SHARES**

References are made to the announcements of the Company dated 20 May 2024 and 6 September 2024 in respect of the distribution of final dividend by the Company for the year ended 31 December 2023 and interim dividend by the Company for the six months ended 30 June 2024, respectively. The distribution of the final dividend for the year ended 31 December 2023 of RMB2.93 (tax inclusive) per every 10 Shares has been completed on 28 June 2024, whereas the distribution of the interim dividend for the six months ended 30 June 2024 of RMB3.72 (tax inclusive) per every 10 Shares has been completed on 18 October 2024.

Pursuant to the requirements under the Incentive Scheme, following the completion of registration of the Restricted Shares held by the Incentive Participants, in the event of a conversion of capital reserve into share capital, distribution of script dividend, division of shares, rights issue, share consolidation or distribution of dividends by the Company which may cause an effect on the Company's total share capital or the Company's share price, the repurchase price of the Restricted Shares which are not yet unlocked shall be adjusted accordingly. The adjustment method in the event of distribution of dividends is set out below:

$$P = P_0 - V$$

Where:  $P_0$  represents the repurchase price per Restricted Share prior to adjustment;  $V$  represents the amount of distributed dividends per share;  $P$  represents the repurchase price per Restricted Share after adjustment.  $P$  must remain greater than 1 after adjustment.

In light of the abovementioned completion of distribution of dividends on 28 June 2024 and 18 October 2024, on 30 December 2024, the Board has approved the adjustment of the repurchase price for the Restricted Shares under the Incentive Scheme from RMB6.264 per Share to RMB5.599 per Share (calculated by adopting the above formula, i.e.  $\text{RMB6.264} - \text{RMB0.293} - \text{RMB0.372} = \text{RMB5.599}$ ) pursuant to the authorisation of the Shareholders at the general meeting held on 13 November 2023. Mr. Wang Decheng, a Director, being one of the Incentive Participants under the Incentive Scheme, has abstained from voting in respect of the resolution approving the adjustment to the repurchase price of the Restricted Shares. The same has also been approved by the Remuneration Committee on 26 December 2024.

The adjustment of the repurchase price is made in accordance with the requirements under the relevant PRC laws and regulations and the terms of the Incentive Scheme, and will not impose any material impact on the financial position and operations of the Company.

The Supervisory Committee has also considered and approved the adjustment of the repurchase price for the Restricted Shares under the Incentive Scheme from RMB6.264 per Share to RMB5.599 per Share, and is of the opinion that the said adjustment is made in accordance with the requirements under the relevant PRC regulations and the terms of the Incentive Scheme, and does not involve any circumstances detrimental to the interests of the Company or its Shareholders.

### **III. PROPOSED REPURCHASE AND CANCELLATION OF PART OF THE RESTRICTED SHARES UNDER THE RESTRICTED SHARE INCENTIVE SCHEME OF A SHARES**

#### **The proposed Repurchase and Cancellation and its reasons**

As eight of the Incentive Participants have been subject to re-designation, resignation or other circumstances, pursuant to the relevant terms of the Incentive Scheme, on 30 December 2024, the Board has approved the proposed repurchase and cancellation (the “**Repurchase and Cancellation**”) of all of the granted but not unlocked Restricted Shares held by the aforementioned eight Incentive Participants in the total number of 1,590,000 Shares. The same has also been approved by the Remuneration Committee on 26 December 2024.

The proposed Repurchase and Cancellation are subject to the consideration and approval at the EGM and Class Meetings.

#### **Repurchase price and basis for the determination of the repurchase price**

Four of the Incentive Participants discharged their labour relationship with the Company due to objective reasons such as re-designation. Pursuant to the terms of the Incentive Scheme, the Company shall repurchase the Restricted Shares from these Incentive Participants at RMB5.599 per Share plus the interests accrued with reference to the bank deposit rate for the same period.

Four other Incentive Participants resigned due to personal reasons. Pursuant to the requirements of the Incentive Scheme, the Company shall repurchase the Restricted Shares from these Incentive Participants at the lower of RMB5.599 per Share and the market price of the A Shares at the time of the repurchase. Based on the market price of the A Shares on the trading date prior to the date of the Board resolution approving the relevant Repurchase and Cancellation, the repurchase price of the Restricted Shares from such Incentive Participant is determined as RMB5.599 per Share.

#### **Quantity of the Restricted Shares to be repurchased and cancelled, the total amount and source of funding for the repurchase**

The Company intends to repurchase and cancel the granted but not unlocked Restricted Shares held by the abovementioned eight Incentive Participants in the total number of 1,590,000 Shares (which represents approximately 2.03% of the total number of Restricted Shares granted under the Incentive Scheme, and approximately 0.02% of the existing share capital of the Company), and shall pay interests accrued with reference to the bank deposit rate for the same period to four of such Incentive Participants pursuant to the requirements of the Incentive Scheme in the manner as referred to above under the sub-section headed “Repurchase price and basis for the determination of the repurchase price”.

Accordingly, the total amount of funding for the repurchase of the relevant Restricted Shares will be approximately RMB8,902,400 plus the relevant interests accrued with reference to the bank deposit rate for the same period, which amount will be funded by internal resources of the Company.

#### **IV. PROPOSED CANCELLATION OF THE SHARES HELD IN THE COMPANY’S SECURITIES ACCOUNT DESIGNATED FOR REPURCHASED SHARES**

Pursuant to the requirements under relevant PRC laws and regulations, for companies repurchasing shares to implement share schemes, such repurchased shares shall be transferred out or cancelled within three years from the disclosure of repurchase results (i.e. the announcement on change of share capital). On 12 October 2022, the Company published the announcement on the progress (results of implementation) of repurchase of A Shares (《濰柴動力股份有限公司關於回購A股股份進展暨實施結果的公告》). As of 11 October 2022, the Company has completed the repurchase of A Shares, and has repurchased A Shares in the total number of 87,265,525 Shares through its securities account designated for repurchased shares by centralised price bidding for the purpose of the implementation of the Incentive Scheme. On 20 December 2023, the Company has completed the registration of the grant under the Incentive Scheme. The Company has granted 78,270,000 Restricted Shares to the Incentive Participants, and 8,995,525 Shares remain with the Company’s securities account designated for repurchased shares.

Accordingly, in accordance with the requirements under relevant PRC laws and regulations and the repurchase plan of the Company, the Company intends to cancel all the 8,995,525 Shares held in the Company’s securities account designated for repurchased shares and complete the relevant cancellation procedures in accordance with the requirements under relevant laws and regulations. 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 (the “**Cancellation of Shares held in Designated Account**”).

The proposed Cancellation of Shares held in Designated Account is subject to the consideration and approval at the EGM and Class Meetings.

## V. SHARE CAPITAL STRUCTURE OF THE COMPANY AFTER COMPLETION OF THE REPURCHASE AND CANCELLATION AND CANCELLATION OF SHARES HELD IN DESIGNATED ACCOUNT

Upon the completion of (i) the Repurchase and Cancellation, and (ii) the Cancellation of Shares held in Designated Account, the total number of issued Shares of the Company will decrease by a total number of 10,585,525 Shares, and the Company will have a total number of 8,715,971,296 issued Shares.

The changes in the Company’s share capital before and after (i) the Repurchase and Cancellation, and (ii) the Cancellation of Shares held in Designated Account are as follows:

Type of Shares	Before the relevant events			After the relevant events	
	Number of Shares	Percentage in total issued Shares (%)	Increase (+)/ Decrease (-)	Number of Shares	Percentage in total issued Shares (%)
A Shares	6,783,516,821	77.73%	-10,585,525	6,772,931,296	77.71%
– Shares subject to selling restrictions	1,801,370,420	20.64%	-1,590,000	1,799,780,420	20.65%
– Shares not subject to selling restrictions	4,982,146,401	57.09%	-8,995,525	4,973,150,876	57.06%
H Shares	1,943,040,000	22.27%	–	1,943,040,000	22.29%
<b>Total</b>	<b>8,726,556,821</b>	<b>100.00%</b>	<b>-10,585,525</b>	<b>8,715,971,296</b>	<b>100.00%</b>

## VI. IMPACT OF THE REPURCHASE AND CANCELLATION AND CANCELLATION OF SHARES HELD IN DESIGNATED ACCOUNT ON THE COMPANY

The Repurchase and Cancellation and Cancellation of Shares held in Designated Account will be conducted in accordance with the requirements under the relevant PRC laws and regulations and the actual circumstances of the Company, and will not impose any material impact on the financial position and operations of the Company.

## **VII. OPINION OF THE SUPERVISORY COMMITTEE**

The Supervisory Committee has considered the proposed Repurchase and Cancellation and is of the opinion that the Repurchase and Cancellation are in accordance with the requirements under the relevant PRC regulations and the Incentive Scheme, and do not involve any circumstances detrimental to the interests of the Company or its Shareholders. The Supervisory Committee has verified the number of Restricted Shares to be repurchased and cancelled and the list of Incentive Participants, and approved the Repurchase and Cancellation. Further, the Supervisory Committee is of the opinion that the proposed Cancellation of Shares held in Designated Account is in accordance with the requirements under the relevant PRC laws and regulations, and does not involve any circumstances detrimental to the interests of the Company or its Shareholders, and approved the proposed Cancellation of Shares held in Designated Account.

## **VIII. LEGAL OPINION OF THE PRC LEGAL ADVISOR**

The PRC legal advisor of the Company is of the opinion that the adjustment of the repurchase price and the proposed Repurchase and Cancellation have obtained the necessary authorisation and approval at the current stage; the adjustment of the repurchase price and the proposed Repurchase and Cancellation by the Company are in accordance with the requirements under the relevant PRC laws, regulations and regulatory documents and the Incentive Scheme. The proposed Repurchase and Cancellation by the Company is subject to the approval of the general meeting of the Company, and requires the completion of procedures on reduction of capital and cancellation of shares in accordance with the relevant laws and regulations and the Articles of Association.

## **IX. FOLLOW-UP ARRANGEMENTS FOR THE PROPOSED REPURCHASE AND CANCELLATION AND CANCELLATION OF SHARES HELD IN THE COMPANY'S SECURITIES ACCOUNT DESIGNATED FOR REPURCHASED SHARE**

Upon obtaining the approval for the proposed Repurchase and Cancellation and Cancellation of Shares held in Designated Account at the EGM and Class Meetings, the Company will complete the relevant procedures for cancellation of relevant Shares in accordance with the relevant requirements of the Shenzhen Stock Exchange and Shenzhen Branch of the China Securities Depository and Clearing Corporation Limited and perform the relevant information disclosure obligations as appropriate.

## **X. PROPOSED CHANGE OF REGISTERED CAPITAL AND AMENDMENTS TO ARTICLES OF ASSOCIATION**

After the completion of the proposed Repurchase and Cancellation and Cancellation of Shares held in Designated Account, the registered capital of the Company will be changed from RMB8,726,556,821 to RMB8,715,971,296, and the total number of Shares in issue will be changed from 8,726,556,821 Shares to 8,715,971,296 Shares, and the Articles of Association will be required to be amended accordingly.

On 30 December 2024, subject to the completion of (i) the Repurchase and Cancellation and (ii) the Cancellation of Shares held in Designated Account, the Board has approved the proposed change of registered capital and the making of the relevant amendments to the Articles of Association. The aforementioned changes are subject to the consideration and approval at the EGM.

The details of the proposed amendments to the Articles of Association will be set out in Company's circular containing the notice convening the EGM, which will be despatched to the Shareholders in due course.

## **XI. GENERAL**

An EGM will be convened for the purpose of, amongst other things, considering, and if thought fit, approving (i) the proposed Repurchase and Cancellation, (ii) the proposed Cancellation of Shares held in Designated Account, and (iii) the proposed change of registered capital and related amendments to the Articles of Association.

An A Shareholders' Class Meeting and an H Shareholders' Class Meeting will be convened for the purpose of, amongst other things, considering, and if thought fit, approving (i) the proposed Repurchase and Cancellation, and (ii) the proposed Cancellation of Shares held in Designated Account.

A circular containing, among other things, (i) further details of the proposed Repurchase and Cancellation, the proposed Cancellation of Shares held in Designated Account, the proposed change of registered capital of the Company and the related amendments to the Articles of Association; and (ii) the notices convening the EGM and the Class Meetings, shall be despatched to the Shareholders in due course.



## XII. DEFINITIONS

“A Share(s)”	the A Share(s), being ordinary share(s) issued, in the capital of the Company with a RMB denominated par value of RMB1.00 each and are listed on the Shenzhen Stock Exchange
“A Shareholders’ Class Meeting”	the class meeting of the holders of A Shares to be held for the purpose of approving the Repurchase and Cancellation and the Cancellation of Shares held in Designated Account
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Cancellation of Shares held in Designated Account”	has the meaning ascribed thereto under the section headed “IV. Proposed cancellation of the Shares held in the Company’s securities account designated for Repurchased Shares” in this announcement
“China” or “PRC”	the People’s Republic of China
“Class Meeting(s)”	the H Shareholders’ Class Meeting and/or the A Shareholders’ Class Meeting (as the case may be)
“Company”	濰柴動力股份有限公司 (Weichai Power Co., Ltd.), a company established in the PRC with limited liability
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve, inter alia, the Repurchase and Cancellation, the Cancellation of Shares held in Designated Account and the change of registered capital of the Company and related amendments to the Articles of Association
“H Share(s)”	the H Share(s), being the overseas listed foreign share(s) issued, in the capital of the Company with a RMB denominated par value of RMB1.00 each and are listed on the main board of the Hong Kong Stock Exchange
“H Shareholders’ Class Meeting”	the class meeting of the holders of H Shares to be held for the purpose of approving the Repurchase and Cancellation and the Cancellation of Shares held in Designated Account

“Repurchase and Cancellation”	has the meaning ascribed thereto under the section headed “III. Proposed Repurchase and Cancellation of part of the Restricted Shares under the Restricted Share Incentive Scheme of A Shares – The proposed Repurchase and Cancellation and its reasons” of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the share(s) in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Supervisor(s)”	supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“%”	per cent

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

The PRC, 30 December 2024

*As at the date of this announcement, the executive Directors of the Company are Mr. Ma Changhai, Mr. Wang Decheng, Mr. Sun Shaojun, Mr. Yuan Hongming and Mr. Ma Xuyao; the non-executive Directors of the Company are Mr. Zhang Liangfu, Mr. Richard Robinson Smith and Mr. Michael Martin Macht; and the independent non-executive Directors of the Company are Ms. Jiang Yan, Mr. Chi Deqiang, Mr. Zhao Fuquan, Mr. Xu Bing and Mr. Tao Huaan.*