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**SINOTRUK (HONG KONG) LIMITED**

**中國重汽(香港)有限公司**

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 03808)**

**REVISION OF ANNUAL CAPS OF  
EXISTING CONTINUING CONNECTED TRANSACTION**

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**IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, CNHTC is a substantial shareholder of the Company. Accordingly, the transactions between the Group and the CNHTC Group as contemplated under the 2026 Provision of General Services Agreement (as supplemented by the Supplemental Agreement) constitute continuing connected transactions of the Company.

Pursuant to Rule 14A.54, if the Company proposes to revise the annual caps for continuing connected transactions or if material changes are made to the terms of the continuing connected transactions, the Company will have to re-comply with the relevant provisions under Chapter 14A of the Listing Rules in relation to the relevant continuing connected transactions.

In respect of the Further Revised Caps, as the highest applicable percentage ratio (on an annual basis) exceeds 0.1% but all of which are less than 5%, the Further Revised Caps and the Supplemental Agreement are subject to the reporting, announcement and annual review requirements but exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **I. INTRODUCTION**

References are made to the Company's announcement dated 25 March 2024 and 31 March 2023 in respect of, *inter alia*, the Continuing Connected Transaction where the existing annual caps for such transactions were set.

Due to the operational needs of the Group, the Company expects that the existing annual caps for the two years ending 31 December 2026 under the 2026 Provision of General Services Agreement will be insufficient. The Company therefore entered into the Supplemental Agreement to the 2026 Provision of General Services Agreement with CNHTC to further revise the relevant annual caps to the Further Revised Caps, as more particularly detailed herein.

Further details of the Supplemental Agreement, the existing annual caps, the actual transaction amounts of the Continuing Connected Transaction for the relevant periods, and the Further Revised Caps (and their basis) are set out in the sections headed "II. Supplemental Agreement to the 2026 Provision of General Services Agreement" in this announcement.

## **II. SUPPLEMENTAL AGREEMENT TO THE 2026 PROVISION OF GENERAL SERVICES AGREEMENT**

References are made to the Company's announcements dated 25 March 2024 and 31 March 2023 in respect of the 2026 Provision of General Services Agreement.

Having taken into account the reasons as further elaborated in the sub-section headed "Reasons for and benefits of entering into the Supplemental Agreement to the 2026 Provision of General Services Agreement and basis for the Further Revised Caps" below, the Group expects that the annual caps for the two years ending 31 December 2026 under the 2026 Provision of General Services Agreement will be insufficient. Hence, the Company and CNHTC entered into the Supplemental Agreement on 27 March 2025 to further revise the annual caps for the two years ending 31 December 2026 under the 2026 Provision of General Services Agreement to the relevant Further Revised Caps, being RMB450,000,000, and RMB450,000,000, respectively.

Save for the said revision of the existing annual caps to the relevant Further Revised Caps, all other material terms of the 2026 Provision of General Services Agreement shall remain unchanged. Details of the principal terms of the Supplemented 2026 Provision of General Services Agreement are as follows:

Date : 31 March 2023 (as supplemented on 25 March 2024 and further by the Supplemental Agreement dated 27 March 2025)

Parties : (i) CNHTC  
(ii) The Company

Term : Three years from 1 January 2024 to 31 December 2026 (both days inclusive)

***Subject matter:***

Pursuant to the Supplemented 2026 Provision of General Services Agreement, the Group has agreed to provide the following services to the CNHTC Group:

- (i) leasing services to the CNHTC Group including lease of land, office buildings, factory premises, office devices, etc., together with the relevant utility connection and support services (including water, electricity, coal gas and natural gas), property management and ancillary services (such as conferencing and catering services); and
- (ii) technology support and services such as technology research and development, technology consultancy and support services, and design supervisory services.

***Other terms and details:***

Pursuant to the terms of the Supplemented 2026 Provision of General Services Agreement, separate agreements will be entered into by relevant members of the Group and relevant members of the CNHTC Group which will further provide the details of the services to be provided including the payment terms and service specifications. The payment terms for specific services will be based on normal commercial terms or industry practices provided that full payment shall be made by way of cash, cheques, notes or letters of credit within 90 days of provision of such services/date of entering into the separate agreement for the provision of such services.

### *Pricing*

Pursuant to the Supplemented 2026 Provision of General Services Agreement, the Group and the CNHTC Group have agreed that, among other things, the price of the general services to be provided to the CNHTC Group by the Group shall be determined based on the following:

(i) market price basis

The relevant service fee will be determined with reference to the prevailing market price, which is decided with reference to (a) the price prescribed by the government or any regulatory authority or the government-guided price, and (b) if there is no available government-prescribed price or government-guided price, with reference to the prevailing market price charged by independent third parties that are within the proximity of the relevant member of the Group in their provision of similar services, and (c) if the independent third parties set out in sub-paragraph (b) above cannot be identified, the price charged by independent third parties that operate in the same industry as the Group in their provision of similar services, taking into consideration of the particular circumstances of the support and services, the overall market prices, industry practices and other factors, including average prices of similar types of properties in comparable locations for rental receivables.

(ii) cost plus basis

If the prevailing market price cannot be determined based on the above, the relevant services fee will be determined on a cost plus reasonable margin basis. The reasonable margin will be determined with reference to the average profit margin in respect of the provision of similar services within the same region and the past pricing, which would be in principle within the range of 5% to 20%.

In light of the above, the terms of the services offered by the Group to the CNHTC Group under the Supplemented 2026 Provision of General Services Agreement shall be no more favourable than those made available by the Group to the independent third parties with similar terms.

### *Internal control procedures*

The Company has established procedures for monitoring the Continuing Connected Transaction under this sub-section in which various departments of the Group will be responsible for the implementation, monitoring and review of such procedures. The Company's Securities Management Department ("**Securities Management Department**") carries out regular meetings on the

management and control of connected transactions to monitor and ensure all the relevant Continuing Connected Transactions are in compliance with the relevant rules and regulations. The Group's Finance & Operation Management Department prepares, on a monthly basis, the maximum day-end balance and/or the accumulated annual transaction amount (as the case may be) of each Continuing Connected Transaction and checks the maximum day-end balance and/or the accumulated annual transaction amount (as the case may be) of each Continuing Connected Transaction against the respective pre-approved cap. If any maximum day-end balance and/or the accumulated annual transaction amount (as the case may be) exceeds 70% of the pre-approved annual cap, the relevant Continuing Connected Transaction will be reported to the Securities Management Department for monitoring, follow-up and, if necessary, revision of the annual cap in accordance with the requirements of the Listing Rules. The Group's internal audit department will conduct semi-annual and annual reviews to check whether these transactions are conducted in accordance with the established procedures and internal controls and assess the effectiveness of the internal controls. In addition, the Company will engage the external auditors of the Company to conduct an annual review of the relevant Continuing Connected Transaction of the Group to report the Board whether there are any unapproved Continuing Connected Transaction or any non-compliance, in all material respects, of the pricing policies and terms of the Continuing Connected Transaction, including any exceeding of the pre-approved annual caps.

***Existing annual caps, historical transaction amounts and the Further Revised Caps***

The following table summarises the approximate historical amounts in respect of the provision of general services by the Group to the CNHTC Group for each of the three years ended 31 December 2024, respectively:

	<b>For the year ended 31 December 2022 RMB'000</b>	<b>For the year ended 31 December 2023 RMB'000</b>	<b>For the year ended 31 December 2024 RMB'000</b>
Historical transaction amounts	54,419	122,544	236,873

The following table summarises (i) the existing annual caps for the transactions contemplated under the 2026 Provision of General Services Agreement for the three years ending 31 December 2026, (ii) the actual transaction amount for the year ended 31 December 2024 and the two months ended 28 February 2025, and (iii) the Further Revised Caps for the two years ending 31 December 2026 as set out in the relevant Supplemental Agreement, respectively:

	<b>Existing annual cap</b> <i>RMB'000</i>	<b>Actual transaction amount</b> <i>RMB'000</i>	<b>Further Revised Cap</b> <i>RMB'000</i>
For the year ending 31 December 2024	285,000	236,873	N/A
For the year ending 31 December 2025	300,000	71,510 <sup>(note)</sup>	450,000
For the year ending 31 December 2026	320,000	N/A	450,000

*Note: This refers to the actual transaction amount under the 2026 Provision of General Services Agreement for the two months ended 28 February 2025.*

As at the date of this announcement, the existing annual cap for the year ending 31 December 2025 under the 2026 Provision of General Services Agreement has not been exceeded.

The Supplemental Agreement to the 2026 Provision of General Services Agreement and the relevant Further Revised Caps are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

***Reasons for and benefits of entering into the Supplemental Agreement to the 2026 Provision of General Services Agreement and basis for the Further Revised Caps***

Pursuant to the 2026 Provision of General Services Agreement, the existing annual caps for the provision of general services by the Group to the CNHTC Group for the two years ending 31 December 2026 are RMB300,000,000 and RMB320,000,000.

The Group has been providing general services to the CNHTC Group to enhance operation efficiency and productivity through the benefits of scale operation and optimise the utilisation of the Group's resources. The provision of such services has also improved the cashflow and strengthened the financial position of the Group.

Leveraging on the practical experience and professional skills of members of the Group in terms of the provision of management and related services, the Group has increased cooperation with the CNHTC Group and, in turn, expect to generate an increase in provision of more general services to the CNHTC Group during the term of the 2026 Provision of General Services Agreement. Further, with the maturity of the technology support and services provided by the Group, the Group noticed that there has been an increased demand on the provision of consultancy and design services by the Group to the CNHTC Group, which is expected to lead to more technology support and services provided to the CNHTC Group by the Group.

In light of the above, given that the actual transaction amount for the two months ended 28 February 2025, the annualised transaction amount may be at approximately RMB429 million for the year ending 31 December 2025 which is 43% more than the existing cap for the year ending 31 December 2025. The Company estimates that the annual caps for this Continuing Connected Transaction for the two years ending 31 December 2026 will be insufficient. Taking into account and on the basis of the aforesaid reasons, it is estimated that the annual cap for the year ending 31 December 2025 be adjusted upwards by 50% from the existing annual cap of RMB300,000,000 to RMB450,000,000, whilst the annual cap for the year ending 31 December 2026 shall maintain consistent with that for the year ending 31 December 2025. Accordingly, the Further Revised Caps for this Continuing Connected Transaction for each of the two years ending 31 December 2026 have been set as RMB450,000,000 and RMB450,000,000, respectively.

The terms of the Supplemental Agreement regarding the revision of the annual caps for the two years ending 31 December 2026 were made after arm's length negotiations between the Company and CNHTC. The Board (including the independent non-executive Directors but excluding the CNHTC Interested Directors) is of the view that such terms are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and the Supplemental Agreement has been entered into in the ordinary and usual course of business of the Group.

### **III. INFORMATION ON THE PARTIES TO THE SUPPLEMENTAL AGREEMENT**

#### *The Company*

The Company is principally engaged in investment holding. The Group primarily specialises in the research, development and manufacturing of heavy duty trucks, medium-heavy duty trucks, light duty trucks, etc. and related key assemblies, parts and components including engines, cabins, axles, steel frames and gearboxes as well as the provision of financial services. The Company is ultimately governed and controlled by 山東省人民政府國有資產監督管理委員會 (Shandong Provincial State-owned Assets Supervision and Administration Commission\*).

#### *CNHTC*

As at the date of this announcement, CNHTC and its associates are the holder of 51% of the Shares. CNHTC is therefore a connected person of the Company for the purpose of the Listing Rules. CNHTC is a commercial vehicles manufacturer and a controlling shareholder of the Company. It is a state-owned enterprise organised under the laws of the PRC with limited liability and is held as to approximately 65% by SHIG which is in turn ultimately governed and controlled by 山東省人民政府國有資產監督管理委員會 (Shandong Provincial State-owned Assets Supervision and Administration Commission\*).

### **IV. IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, CNHTC is a substantial shareholder of the Company. Accordingly, the transactions between the Group and the CNHTC Group as contemplated under the 2026 Provision of General Services Agreement (as supplemented by the Supplemental Agreement) constitute continuing connected transactions of the Company.

Pursuant to Rule 14A.54, if the Company proposes to revise the annual caps for continuing connected transactions or if material changes are made to the terms of the continuing connected transactions, the Company will have to re-comply with the relevant provisions under Chapter 14A of the Listing Rules in relation to the relevant continuing connected transactions.



In respect of the Further Revised Caps, as the highest applicable percentage ratio (on an annual basis) exceeds 0.1% but all of which are less than 5%, the Further Revised Caps and the Supplemental Agreement are subject to the reporting, announcement and annual review requirements but exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

At the Board meeting held on 27 March 2025 approving, *inter alia*, the Supplemental Agreement, in view of their respective positions in the relevant connected persons, the CNHTC Interested Directors, Mr. Liu Zhengtao, Mr. Wang Chen, Mr. Liu Wei and Ms. Li Xia, have abstained from voting on the resolution approving the Supplemental Agreement to the 2026 Provision of General Services Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has a material interest in the Continuing Connected Transaction.

## V. DEFINITIONS

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

“2026 Provision of General Services Agreement”	the provision of general services agreement dated 31 March 2023 entered into between the Company (for itself and on behalf of its subsidiaries) and CNHTC (for itself and on behalf of the CNHTC Group) as supplemented on 25 March 2024, details of which are set out in section II.A.3. in the Company's announcement dated 25 March 2024
“Associate(s)”	has the meaning ascribed to an “associate” under Rule 14A.06(2) of the Listing Rules, and further includes any company that constitutes a connected subsidiary of the Company pursuant to Rule 14A.16 of the Listing Rules due to such associate's shareholding therein
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors

“CNHTC”	中國重型汽車集團有限公司 (China National Heavy Duty Truck Group Company Limited*), a state-owned enterprise organised under the laws of the PRC with limited liability, being the substantial shareholder of the Company
“CNHTC Group”	CNHTC and its Associates but excluding any member of the Group which constitutes an associate of CNHTC solely due to CNHTC’s interest in the shares of the Company
“CNHTC Interested Director”	being Mr. Wang Zhijian, Mr. Liu Zhengtao, Mr. Wang Chen, Mr. Liu Wei and Ms. Li Xia; Mr. Wang Zhijian did not attend the Board meeting; Mr. Wang Chen and Mr. Liu Wei resigned as directors of the Company after the Board meeting
“Company”	Sinotruk (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Continuing Connected Transaction”	the continuing connected transaction of the Group set out in this announcement
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Further Revised Caps”	the revised annual caps applicable to the transactions under the 2026 Provision of General Services Agreement, as supplemented by the relevant Supplemental Agreement, and a “Further Revised Cap” means any one of them
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region and Taiwan

“RMB”	Renminbi, the lawful currency of the PRC
“Securities Management Department”	has the meaning ascribed thereto under the section headed “II. Supplemental Agreement to the 2026 Provision of General Services Agreement — Internal control procedures” in this announcement
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares in the Company
“SHIG”	山東重工集團有限公司 (Shandong Heavy Industry Group Co., Ltd.), a company established in the PRC with limited liability and a controlling shareholder of the Company
“Supplemental Agreement”	the supplemental agreement to the 2026 Provision of General Services Agreement dated 27 March 2025, details of which are set out in section II in this announcement
“Supplemented 2026 Provision of General Services Agreement”	the 2026 Provision of General Services Agreement as supplemented by the Supplemental Agreement
“%”	per cent

By order of the Board  
**Sinotruk (Hong Kong) Limited**  
**Wang Zhijian**  
*Chairman of the Board*

Ji’nan, the PRC, 27 March 2025

*As at the date of this announcement, the board of the Company consists of six executive directors of the Company including Mr. Wang Zhijian, Mr. Liu Zhengtao, Mr. Wang Dechun, Ms. Li Xia, Mr. Zhao Hua and Ms. Han Xing; three non-executive directors of the Company including Mr. Cheng Guangxu, Mr. Karsten Oellers and Mr. Mats Lennart Harborn; and six independent non-executive directors of the Company including Dr. Wang Dengfeng, Mr. Zhao Hang, Mr. Liang Qing, Mr. Lyu Shousheng, Mr. Zhang Zhong and Dr. Liu Xiaolun.*

\* *For identification purposes only*