



**WEICHAI**

**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**

Reference is made to the announcement of Weichai Power Co., Ltd. (the “Company”) dated 27th September, 2004, in which it was announced that the Company entered into a framework agreement (the “Framework Agreement”) with 中國重型汽車集團有限公司 (China Heavy Duty Truck Group Co., Ltd.) (“CHDTGL”) on 27th September, 2004 in relation to the proposed acquisition of 杭州汽車發動機廠 (Hangzhou Motor Engine Factory) (“Hangqi”). Under the Framework Agreement, CHDTGL permitted the Company to conduct due diligence in relation to Hangqi, and granted, and undertook to procure that Hangqi would grant, an irrevocable and exclusive right to the Company to acquire the assets of Hangqi, which right would expire on 31st December, 2005. Under the Framework Agreement, the Company paid a refundable deposit of RMB80,000,000 to CHDTGL and commenced due diligence work. The Company has completed its due diligence and related work.

The reorganisation of CHDTGL is in progress, and the Company is still in discussion with CHDTGL in relation to the Company’s request for CHDTGL and Hangqi to proceed with the matters relating to the Framework Agreement. The Company will make further announcement upon the conclusion of the aforesaid discussions.

By order of the Board  
**Tan Xuguang**  
*Chairman*

Hong Kong 3rd January, 2006

*As at the date of this announcement, the executive directors of the Company are, Mr. Tan Xuguang, Mr. Xu Xinyu, Mr. Sun Shaojun and Mr. Zhang Quan; the non-executive directors of the Company are, Mr. Yeung Sai Hong, Mr. Yao Yu, Mr. Li San Yim, Mr. Tong Jingen, Ms. Zhang Fusheng, Mr. Julius G. Kiss and Ms. Han Xiaoqun and Mr. Chen Xue Jian; the independent non-executive directors of the Company are: Mr. Zhang Xiaoyu, Mr. Koo Fook Sun, Louis and Mr. Fang Zhong Chang.*

*Please also refer to the published version of this announcement in **The Standard**.*