



**WEICHAI**

**濰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)**

**VERY SUBSTANTIAL ACQUISITION INVOLVING  
A MERGER BY ABSORPTION OF TAGC  
AND  
CONTINUING CONNECTED TRANSACTIONS**

**SUMMARY**

It is proposed that Mr. Gu Linsheng (顧林生先生), Mr. Li Shihao (李世豪先生) and Mr. Liu Zheng (劉征先生) will be appointed as independent non-executive directors of the Company in order to comply with 《關於上市公司建立董事制度的指導意見》 (“Guiding Opinion on the Establishing Independent Director System by Listed Companies”) issued by the CSRC for the purposes of the Merger and the listing of the Weichai A Shares on the Shenzhen Stock Exchange.

The Board refers to the circular (the “**Circular**”) dated 12 November 2006 of Weichai Power Co., Ltd. (the “**Company**”) in respect of, inter alia, a very substantial acquisition involving a merger by absorption of TAGC. Terms and expressions defined in the Circular shall have the same meanings when used herein.

**PROPOSED APPOINTMENT OF DIRECTORS AT THE WEICHAI POWER SHAREHOLDERS’ EGM**

Pursuant to:

- (i) the notice of the Weichai Power Shareholders’ EGM dated 12 November 2006 contained in the Circular, which stated that the Weichai Power Shareholders’ EGM shall discuss, consider and, if appropriate, approve any matters with respect to the election of directors of the Company that may be proposed by any Shareholder for the purposes of the Merger and/or the listing of the Weichai A Shares on the Shenzhen Stock Exchange; and
- (ii) a notice received by the Board from Weichai Factory, the holder of 23.53% of the issued share capital in the Company, to propose that, for the purposes of the Merger and the listing of the Weichai A Shares on the Shenzhen Stock Exchange and in accordance with Rule 13.70 of and paragraphs 4(4) and (5) of Appendix 3 to the Listing Rules and article 94 of the Weichai Power Articles, Mr. Gu Linsheng (顧林生先生), Mr. Li Shihao (李世豪先生) and Mr. Liu Zheng (劉征先生) (together, the “**Nominee Directors**”) be nominated for election as independent non-executive directors of the Company for a term as from the date of completion of the Merger Proposal (if completed) until 17 December 2008, being the expiry of the term of the other existing Directors (both dates inclusive),

the Board hereby announces that in addition to the three resolutions proposed to be considered and, if thought fit, approved at the Weichai Power Shareholders' EGM, the following additional resolution will also be considered and, if thought fit, approved:

## AS ORDINARY RESOLUTION:

4. (a) “**THAT** the appointment of Mr. Gu Linsheng (顧林生先生) as an independent non-executive director of the Company for a term as from the date of completion of the Merger Proposal (as defined in the circular of the Company dated 12 November 2006) (if completed) until 17 December 2008 (both dates inclusive) be and is hereby approved”.
- (b) “**THAT** the appointment of Mr. Li Shihao (李世豪先生) as an independent non-executive Director of the Company for a term as from the date of completion of the Merger Proposal (as defined in the circular of the Company dated 12 November 2006) (if completed) until 17 December 2008 (both dates inclusive) be and is hereby approved”.
- (c) “**THAT** the appointment of Mr. Liu Zheng (劉征先生) as an independent non-executive Director of the Company for a term as from the date of completion of the Merger Proposal (as defined in the circular of the Company dated 12 November 2006) (if completed) until 17 December 2008 (both dates inclusive) be and is hereby approved”.

The biographies of the Nominee Directors are set out below:

**Mr. Gu Linsheng** (顧林生先生), aged 66, is a university graduate. Mr. Gu has held the positions of assistant to factory manager, deputy factory manager, executive deputy factory manager, deputy general manager, executive deputy general manager and a member of the standing committee to the party committee of 東風汽車公司 (Dongfeng Motor Corporation), vice chairman and director of 東風汽車股份有限公司 (Dongfeng Automobile Co., Ltd.) and director of 東風汽車工業投資公司 (Dongfeng Automotive Industry Investment Co., Ltd.). Mr. Gu is currently an independent director of TAGC.

**Mr. Li Shihao** (李世豪先生), aged 66, is a senior engineer. Mr. Li has held the positions of head of 城鄉建設部材料設備局 (Materials and Equipment Bureau under the Ministry of Urban and Rural Development), general manager of 中國城市車輛總公司 (China Urban Automotive General Corporation) and chairman of 中國城市車輛有限公司 (Zhongjian Urban Automobile Co., Ltd.). Mr. Li is currently an independent director of TAGC, director of 建設部科學技術委員會城市車輛專家委員會 (Urban Automobile Expert Committee of Science and Technology Committee of Ministry of Construction), director of 中國汽車工程學會 (China Vehicles Engineering Association), deputy director of 全國客車標準化委員會 (National Passenger Vehicle Standardisation Committee) and vice chairman of 中國公路學會客車學會 (Passenger Vehicle Society of China Highway and Transportation Society).

**Mr. Liu Zheng** (劉征先生), aged 58, is a senior economist and chartered accountant. Mr. Liu has held the positions of section head and deputy director of 濰坊市審計局 (Audit Bureau of Weifang Municipality), director of 濰坊市電力建設辦公室 (Power Infrastructure Office of Weifang Municipality), general manager of 濰坊市投資公司 (Weifang Investment Company) and non-executive director of the Company. He is currently an independent director of TAGC.

The Company's PRC legal advisers have advised that under the 《關於上市公司建立董事制度的指導意見》 (“Guiding Opinion on Establishing Independent Director System by Listed Companies”) issued by the CSRC, the independent non-executive directors on the board of a listed company in the PRC shall consist of no less than one-third of the total number of directors of such listed company, and the Company shall comply with the same upon its issue of the Weichai A Shares and listing on the Shenzhen Stock Exchange. Accordingly, the Directors are of the opinion that the proposed appointment of directors is in the interest of

the Shareholders as a whole. The Nominee Directors are proposed to be elected as independent non-executive directors of the Company for the purposes of complying with the Guiding Opinion on Establishing Independent Director System by Listed Companies issued by the CSRC.

Hong Kong, 14 December 2006

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

*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. Liu Huisheng, Ms. Zhang Fusheng, Mr. Julius G. Kiss and Ms. Han Xiaoqun and Mr. Chen Xue Jian; and 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**.*