



WEICHAI

**潍柴动力股份有限公司
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**

ANNOUNCEMENT

Reference is made to the circular (the “**Circular**”) of Weichai Power Co., Ltd. (the “**Company**”) dated 12 November 2006 of in respect of, *inter alia*, the very substantial acquisition involving a merger by absorption of TAGC. Unless the context requires otherwise, the terms and expressions defined in the Circular shall have the same meanings when used herein.

Reference is made to the conditions precedent set out in the section headed “I. The Merger Proposal — 3. The Merger Agreement” in the “Letter from the Board” in the Circular. The Board is pleased to announce that the approval of the CSRC on the Merger Proposal was obtained on 30 March 2007, and the approval of the MOC on the Merger Proposal and the TAGC Share Reform was obtained on and 13 April 2007.

The Board is also pleased to announce that the Weichai A Shares have been issued and deposited to the accounts of the relevant Shareholders on the date of this announcement and the assets and liabilities of TAGC have been absorbed and taken over by the Company.

The Company is still awaiting the Shenzhen Stock Exchange’s approval for the listing of and dealings in the Weichai A Shares on the Shenzhen Stock Exchange. Further announcement will be made when the said condition is satisfied.

By order of the Board
Tan Xuguang
Chairman and CEO

Hong Kong, 23 April 2007

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 Xuejian; and the independent non-executive Directors of the Company are Mr. Zhang Xiaoyu, Mr. Koo Fook Sun, Louis and Mr. Fang Zhongchang.

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