



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)

Announcement Of The Fifth Provisional Meeting Of The Board Of Directors Of 2007

Overseas Regulatory Announcement

The Company and all members of the board of directors warrant that the information disclosed herein are true, accurate, complete and without any false contents, misrepresentations or material omission.

The Fifth Provisional Meeting of the Board of Directors of 2007 (hereinafter referred to as the “Meeting”) of Weichai Power Co., Ltd. (hereinafter referred to as the “Company”) was held on 4th November 2007 at the conference room of Shanghai Tong Mao Hotel (上海通茂大酒店會議室) at 357 Songlin Road, Pudong District, Shanghai (上海市浦東新區松林路357號). The notice of the Meeting was delivered by hand and by facsimile on 1st November 2007.

The Meeting was convened and chaired by Mr. Tan Xuguang, Chairman of the Company. Altogether 18 directors should be present at the Meeting, of which 11 directors were present, Liu Huisheng, Julius G. Kiss, Chen Xuejian, Yeung Sai Hong, being directors, were represented by Tan Xuguang by proxy, Yao Yu, being a director, was represented by Xu Xinyu by proxy, Koo Fook Sun, Zhang Xiaoyu, being directors, were represented by Fang Zhongchang by proxy. Ding Yingdong, being a supervisor, was also present. As the directors present at the Meeting was more than half of the number of the members of the board, complying with the relevant requirements of “Company Law” and the Articles and hence, the convening and holding of the Meeting were legal and valid. The resolutions of the Meeting were resolved by a show of hands and the following resolutions were duly passed:

1. To review and approve the resolution regarding the restructuring report of fortifying the corporate governance exclusive activity

Total actual number of voting persons is 18, of which 18 are for, 0 is against, 0 is abstained. The resolution was resolved and passed.

2. To review and approve the resolution regarding the proposal to issue additional A Shares of the Company

(1) Class And Nominal Value Of Shares To Be Issued:

Class of shares to be issued additionally in public: Domestic Listed Ordinary Shares in Renminbi (A Shares), Nominal Value: RMB1 each.

(2) Issue Quantity:

The total additional shares to be issued in public by the Company shall not be more than 60,000,000 A Shares. The final number of shares to be issued shall be determined by the Board of Directors, to be authorized in general meeting, and the sponsors (the lead underwriter) after considering the overall conditions and subject to negotiation.

(3) Method of Price Determination:

The issue price of additional shares to be issued in public shall not be lower than the higher of the average share price of the Company in the last 20 trading days or the average price in the last trading day prior to the announcement regarding the letter of intent of share issue, and the issue price will be presented in general meeting which shall authorize the Board of Directors of the Company and the sponsors (the lead underwriter) to determine after negotiation.

(4) Target Investors To Be Issued

The target investors of the additional shares to be issued in public are domestic natural persons, legal persons and securities investment fund who have opened shareholder accounts of RMB ordinary shares, A Shares, with China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (中國證券登記結算有限責任公司深圳分公司); and other investors who have complied with the requirements of China Securities Regulatory Commission (中國證監會), excluding those not allowed by national laws, regulations, rules and policies.

(5) Mode Of Issue:

The mode of issuing shares in public for this issue (issuing additional shares in public) is to undesignated target investors. For those A Shares shareholders whose name have appeared on the share register after the closing date of the additional issue of A Shares in public shall have the pre-emptive rights to subscribe additional shares in proportion to the number of shares held. The details regarding the mode of issue, issue price and the mandate to the directors of the Company regarding the pre-emptive rights shall be determined based on market conditions.

(6) Location Of Listing:

The additional shares to be issued in public shall be listed on Shenzhen Stock Exchange (深圳證券交易所).

(7) Use Of Proceeds:

The net proceeds raised for the additional shares to be issued in public by the Company shall not be more than RMB5,580,000,000, net of issuing expenses, and shall be used for the following projects:

1. *Landking Engine Construction Project*

The Company plans to invest RMB2,000,000,000 of the funds raised for this project to construct a production line with an annual production capacity of 100,000 units of Landking Engine and its respective ancillary facilities.

2. *Overall Engine, Full Automobile Testing And Computing Analytical Centre Construction Project*

The Company plans to invest RMB1,500,000,000 of the funds raised for this project to construct the facilities and their respective ancillary facilities for Overall Engine, Full Automobile Development, Experimenting And Computing Analytical Equipment, which primarily include a computing analytical centre, system testing workshops, experimenting and testing workshops etc.

3. *Computerized Information Platform For Business Support Construction Project*

The Company plans to invest RMB500,000,000 of the funds raised for this project to construct a computerized information platform to support the overall co-ordination development of operation chain for full automobile, engines and spare parts, which primarily include six main platforms like technical support platform, enterprise management platform, after-sales service platform, supply chain platform, decision support platform and office automation platform; and a rationalized and efficient production system and an information centre.

4. The Company shall invest in the relevant projects of its subsidiaries through additional capital investments in its subsidiaries, with the purpose of supporting the development of its subsidiaries and to bring out the overall synergy effect of its overall operation chain. The details are as follows:

(1) *Shaanxi Heavy Duty Truck Co., Ltd. (陝西重型汽車有限公司) — Heavy Duty Commercial Truck New Product Industrialization Project*

The Company plans to invest RMB690,000,000 of the funds being raised into this project, and both the Company and Shaanxi Automobile Co., Ltd. intend to increase the capital in Shaanxi Heavy Duty Truck Co., Ltd. in proportion to their percentages of shareholdings held. The capital increase shall be used for the development of heavy duty commercial truck new product industrialization project.

The total investment planned of this project is RMB1,550,000,000, of which RMB900,000,000 will be used as construction investment and RMB650,000,000 as working capital (including a back-up working capital of RMB460,000,000). The amount of investment attributed to the Company based the proportion of shareholding held is approximately RMB690,000,000.

(2) *Shaanxi Fast Gear Co., Ltd. (陝西法士特齒輪有限責任公司) — Multi-gear Heavy Duty Transmission Industrialization Project*

The Company plans to invest RMB510,000,000 of the funds being raised into this project, and both the Company and Shaanxi Auto Gear General Works intend to increase the capital in Shaanxi Fast Gear Co., Ltd. in proportion to their percentages of shareholdings held. The capital increase shall be used for the multi-gear heavy duty transmission industrialization project.

The total investment planned of this project is RMB1,260,000,000, of which RMB910,000,000 will be used as construction investment and approximately RMB350,000,000 as working capital (including a back-up working capital of RMB100,000,000). The amount of investment attributed to the Company based on the proportion of shareholding held is approximately RMB510,000,000.

(3) *Zhuzhou Gear Co., Ltd. (株洲齒輪有限責任公司) — Passenger Vehicle Gear Box Technical Re-engineering Project*

The Company plans to invest RMB380,000,000 of the funds being raised into this project, and both the Company and 株洲齒輪股份有限公司 intend to increase the capital in Zhuzhou Gear Co., Ltd. in proportion to their percentages of shareholdings held. The capital increase shall be used for the passenger vehicle transmission technical re-engineering project.

The total investment planned of this project is RMB670,000,000, of which RMB500,000,000 will be used as construction investment and approximately RMB170,000,000 as working capital. The amount of investment attributed to the Company based on the proportion of shareholding held is approximately RMB380,000,000.

The total amount of fund required to be raised for the above projects is RMB5,580,000,000. In the event that insufficient fund is raised in the issue of additional shares, the Company will be responsible in finding alternative solutions to raise the fund. Any surplus fund balance shall be used as working capital of the Company. In the event of time mismatching between the amount of fund raised in the issue of additional shares and the needs of project fund, the Company shall raise on its own the initial amount of fund required based on actual circumstances and shall be reimbursed by the fund being raised in future.

The Company shall place the fund being raised as a deposit in a designated account of the Company in accordance with the “Administrative Measures Regarding The Used Of Proceeds Raised” (募集資金使用管理辦法).

(8) Validity Period Of The Resolution To Issue Additional Shares:

The validity period of the resolution to issue additional shares shall be within twelve months from the date this resolution is being reviewed and passed in general meeting, at the same time, it shall also be presented in general meeting to grant a mandate to the Board of Directors to have the discretion to postpone the implementation of proposal of issuing additional shares in the event of occurrence of force majeure events and other incidents that may prevent the implementation of the issuance of additional shares or may cause adverse effects to the Company even though the issue of shares is implemented.

(9) Distribution Of Accumulated Profits Prior To The Completion Of Issuing Additional Share:

For the purpose of looking after the interests of both the new and existing shareholders, the undistributed accumulated profits prior to the issuance of additional A Shares of the Company shall be jointly attributed to the new and existing shareholders after the share issue.

The proposal of issuing additional shares is subject to review and approval in general meeting, and its implementation requires obtaining the consent of those shareholders present in the meeting and holding at least two-thirds of the voting rights to pass the resolution; and be reviewed and approved by China Securities and Regulatory Commission (中國證券監督管理委員會). However, the proposal to be implemented is subject to the finalized version approved by China Securities Regulatory Commission (中國證券監督管理委員會).

Total actual number of voting persons is 18, of which 18 are for, 0 is against, 0 is abstained. The resolution was resolved and passed.

3. To review and approve the resolution regarding the feasibility of issuing additional shares of the Company to raise fund used in the projects

Total actual number of voting persons is 18, of which 18 are for, 0 is against, 0 is abstained. The resolution was resolved and passed.

4. To review and approve the resolution present in general meeting to grant a mandate to the Board of Directors to have full authority to manage the relevant matters regarding the issue of A Shares in public;

For the purpose of accomplishing the additional issue of shares of the Company (hereinafter referred to as the “Issue”) effectively and successfully, the Board of Directors of the Company shall present in general meeting to grant a mandate to the Board of Directors to have full authority to manage the relevant matters regarding the Issue within the scope permitted by the relevant laws and regulations:

1. To engage intermediary institutions such as the sponsor institution to manage the reporting matters of the Issue with full authority;
2. To adjust and implement the detailed proposal of the Issue according to particular circumstances, including (but not limited to) all matters regarding the proposal of the Issue such as the timing of the Issue, the number of shares of the Issue, the closing time of the Issue, the issue price, the pre-emptive subscription proportion of original shareholders, the proportion of the Issue on-line and off-line, the detailed plan of the subscription;
3. According to the circumstances of the actual amount of fund raised, the approval requirements of the project by respective departments as well as market changes, appropriate adjustments shall be made to the detailed arrangements of the investment projects that are within the scope that were resolved regarding the raising of fund at general meeting, this shall include adjusting the detailed amounts of each investment project, the timing of implementing the projects, the progress and priority, adjustment and cancellation of projects and the cap of the fund being raised. In the event of time mismatching between the amount of fund raised in the issue of additional shares and the needs of project fund, the Company will raise on its own the initial amount of fund required based on actual circumstances and shall be reimbursed by the fund being raised in future;
4. To execute the material contracts of the Issue and the implementation process of the investment projects regarding the raising of fund;
5. Upon the completion of the Issue, the respective provisions of the Memorandum and Articles of Association shall be amended according to the results of the Issue and to conduct matters regarding any changes at the Administration of Industry and Commercial Bureau;
6. To manage the listing matters regarding the Issue of shares in public;

7. In the event of changes in policies and regulations of securities regulatory departments regarding the issue of additional A Shares or changes in market conditions, apart from those matters related to the requirements of relevant laws, regulations and Memorandum and Articles of Association of the Company which shall be voted again in general meeting, respective adjustments regarding proposal of the Issue of additional A Shares in public shall be effected;
8. Pursuant to respective requirements of relevant laws, regulations and Memorandum and Articles of Association of the Company as well as the resolutions and mandate of general meeting, it is hereby confirm and to manage other matters related of the Issue;
9. The mandate shall be valid for a period of 12 months from the date this mandate is being reviewed and passed in general meeting, it is also presented in general meeting to grant to the Board of Directors the discretion to postpone the implementation of proposal of issuing additional shares in the event of occurrence of force majeure events and other incidents that may prevent the implementation of the issuance of additional shares or cause adverse effects to the Company even though the issue of shares is implemented.

Total actual number of voting persons is 18, of which 18 are for, 0 is against, 0 is abstained. The resolution was resolved and passed.

5. To review and approve the resolution regarding the Rules for Management on Use of Proceeds of Weichai Power Co., Ltd.

Total actual number of voting persons is 18, of which 18 are for, 0 is against, 0 is abstained. The resolution was resolved and passed.

6. To review and approve the resolution regarding the explanation of the previous use of proceeds by the Board of Directors of the Company

Total actual number of voting persons is 18, of which 18 are for, 0 is against, 0 is abstained. The resolution was resolved and passed.

7. To review and approve the Resolutions of Convening the Second Extraordinary General Meeting of 2007 of the Company

Total actual number of voting persons is 18, of which 18 are for, 0 is against, 0 is abstained. The resolution was resolved and passed.

The announcement is hereby made.

**By the board of directors of
Weichai Power Co., Ltd.**

Tan Xuguang
Chairman and CEO

4th November 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, Ms. Han Xiaoqun, Mr. Chen Xuejian, Mr. Gu Linsheng, Mr. Li Shihao and Mr. Liu Zheng; and the independent non-executive Directors of the Company are Mr. Zhang Xiaoyu, Mr. Koo Fook Sun, Louis and Mr. Fang Zhongchang.