



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)

PROPOSED NEW ELECTION AND RE-ELECTION OF THE DIRECTORS AND THE SUPERVISORS

On 8th October, 2005, the Board passed a resolution to convene the EGM for the purpose of re-electing the existing executive Directors, the existing non-executive Directors (save and except for Mr. Feng Gang who has not been nominated as candidate for re-election by 山東省企業托管經營股份有限公司 (Shandong Provincial Enterprises Trusteeship & Operation Co., Ltd.), a promoter of the Company), the existing independent non-executive Directors and the Supervisors (representing the Shareholders) for a term of three years commencing on 18th December, 2005 and ending on 17th December, 2008 (both days inclusive). 山東省企業托管經營股份有限公司 (Shandong Provincial Enterprises Trusteeship & Operation Co., Ltd.), a promoter of the Company, has nominated Ms. Han Xiaoqun as a non-executive Director. Subject to the approval of the Shareholders at the EGM, the term of office of Ms. Han Xiaoqun will be for a period of three years commencing on 18th December, 2005 and ending on 17th December, 2008 (both days inclusive). It was also resolved by the Board that the Supervisor (representing the employees of the Company) would be subject to re-election by the employees of the Company for a term of three years commencing on 18th December, 2005 and ending on 17th December, 2008 (both days inclusive).

The new election and re-election (as the case may be) of the Directors and the Supervisors (representing the Shareholders) are subject to the Shareholders' approval by way of ordinary resolution at the EGM. The re-election of the Supervisor (representing the employees of the Company) is subject to the approval of the employees of the Company.

The EGM will be held on 5th December, 2005. The notice convening the EGM will be despatched to Shareholders as soon as possible and in any event at least 45 days before the day of the EGM in accordance with the Articles of Association.

In accordance with the articles of association (the "**Articles of association**") of Weichai Power Co. Ltd. (the "**Company**"), the board of directors (the "**Board**") of the Company comprises fifteen directors (the "**Directors**"), including four executive Directors, eight non-executive Directors and three independent non-executive Directors while the supervisory committee (the "**Supervisory Committee**") of the Company comprises three supervisors (the "**Supervisors**") including two Supervisors representing the shareholders of the Company (the "**Shareholders**") and one Supervisor representing the employees of the Company.

The existing term of office of each of the executive Directors, the non-executive Directors and the Supervisors will expire on 17th December, 2005. Pursuant to the resolutions (the "**AGM Resolutions**") passed by the Shareholders at the annual general meeting of the Company held on 27th May, 2005 (the

“AGM”), the existing term of office of each of the independent non-executive Directors commenced on the conclusion of the AGM and will expire on (i) the conclusion of the next annual general meeting of the Company (the “Next AGM”); or (ii) the conclusion of the extraordinary general meeting of the Company convened prior to the Next AGM at which he is re-appointed as an independent non-executive Director for a term beyond the conclusion of the Next AGM (whichever is the earlier) (the “Existing INED Term”).

On 8th October, 2005, the Board passed a resolution to convene an extraordinary general meeting (the “EGM”) for the purpose of re-electing the existing executive Directors, the existing non-executive Directors (save and except for Mr. Feng Gang who has not been nominated as candidate for re-election by 山東省企業托管經營股份有限公司 (Shandong Provincial Enterprises Trusteeship & Operation Co., Ltd.), a promoter of the Company), the existing independent non-executive Directors and the Supervisors (representing the Shareholders) for a term of three years commencing on 18th December, 2005 and ending on 17th December, 2008 (both days inclusive). 山東省企業托管經營股份有限公司 (Shandong Provincial Enterprises Trusteeship & Operation Co., Ltd.), a promoter of the Company, has nominated Ms. Han Xiaoqun as a non-executive Director. Subject to the approval of the Shareholders at the EGM, the term of office of Ms. Han Xiaoqun will be for a period of three years commencing on 18th December, 2005 and ending on 17th December, 2008 (both days inclusive). If the independent non-executive Directors are re-elected at the EGM, then their new term of office will be for a period of three years commencing on 18th December, 2005 and ending on 17th December, 2008 (both days inclusive) while the Existing INED Term will, subject to the approval of the Shareholders, expire on 17th December, 2005. It was also resolved by the Board that the Supervisor (representing the employees of the Company) would be subject to re-election by the employees of the Company for a term of three years commencing on 18th December, 2005 and ending on 17th December, 2008 (both days inclusive).

The new election and re-election (as the case may be) of the Directors and the Supervisors (representing the Shareholders) are subject to the Shareholders’ approval by way of ordinary resolution at the EGM. The re-election of the Supervisor (representing the employees of the Company) is subject to the approval of the employees of the Company.

DIRECTORS

The names, profiles and proposed remuneration of the Directors to be appointed or re-elected (as the case may be) at the EGM:

Out of the existing fifteen Directors, fourteen Directors, namely Mr. Tan Xuguang, Mr. Xu Xinyu, Mr. Sun Shaojun, Mr. Zhang Quan, Mr. Yeung Sai Hong, Mr. Yao Yu, Mr. Li San Yim, Mr. Tong Jingen, Ms. Zhang Fusheng, Mr. Julius G. Kiss, Mr. Chen Xue Jian, Mr. Zhang Xiaoyu, Mr. Koo Fook Sun, Louis and Mr. Fang Zhong Chang, have been nominated as candidates for re-election as members of the Board as from 18th December, 2005 up to 17th December, 2008 (both days inclusive). Mr. Feng Gang has not been nominated as candidate for re-election by 山東省企業托管經營股份有限公司 (Shandong Provincial Enterprises Trusteeship & Operation Co., Ltd.), a promoter of the Company. 山東省企業托管經營股份有限公司 (Shandong Provincial Enterprises Trusteeship & Operation Co., Ltd.) has instead nominated Ms. Han Xiaoqun as a non-executive Director.

Each of the executive Directors, namely Mr. Tan Xuguang, Mr. Xu Xinyu, Mr. Sun Shaojun and Mr. Zhang Quan will enter into a new service contract with the Company for a term of three years commencing on 18th December, 2005 and ending on 17th December, 2008 (both days inclusive). Terms of the service contracts of such executive Directors are in all material respects the same.

The non-executive Directors and the independent non-executive Directors will not enter into any service contract with the Company. It is proposed that the new term of appointment of each of the non-executive Directors and the independent non-executive Directors shall for a period of three years commencing on 18th December, 2005 and ending on 17th December, 2008 (both days inclusive).

The Directors' remunerations are to be fixed by the remuneration committee of the Company pursuant to the authority to be granted by the Shareholders at the EGM provided that the remuneration of each of the Directors to be so fixed by the remuneration committee shall not exceed RMB600,000 per annum. Bonus (if any) will be paid to the executive and non-executive Directors based on the operating results of the Company and at the Company's discretion. No bonus will be paid to the independent non-executive Directors.

The biographical details of each of the Directors who stand for new election or re-election (as the case may be) at the EGM are set out below to enable the Shareholders to make an informed decision on their new election or re-election (as the case may be).

Save as disclosed herein, each of the Directors who stand for new election or re-election (as the case may be) does not have any relationship with any other Directors, Supervisors, senior management or substantial or controlling shareholders of the Company. Save as disclosed herein, each of them does not have any interest in the shares of the Company (the "Shares") within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

Brief biographical details of the Directors proposed to be appointed or re-elected (as the case may be) at the EGM:

Executive Directors

Mr. Tan Xuguang (譚旭光先生), aged 44, is the chairman of the Board and an executive Director of the Company. Mr. Tan joined the Company in 1977 and had held various positions including the deputy director of the import and export department, assistant to general manager, deputy general manager and general manager of Weichai Factory. Mr. Tan is a senior economist and holds a master's degree in 動力工程 (power engineering) from Tianjin University. Mr. Tan is the general manager of Weichai Factory and a director and a deputy general manager of 中國重型汽車集團有限公司 (China Heavy Duty Truck Group Co., Ltd.) ("CHDTGL"). Mr. Tan is responsible for formulating the overall business development strategies for the Company.

Mr. Tan was honoured "第二屆中國經濟十大新聞人物" (One of the Top Ten News Makers in China Economy in 2004), the "most admired and outstanding manager by PRC users in 2004" in December 2004, the "best CEO/president of the engine sector within the PRC car industry" in February 2005, and the "most distinguished founding PRC entrepreneur" in March 2005.

Mr. Xu Xinyu (徐新玉先生), aged 42, is an executive Director and General Manager — Operations of the Company. Mr. Xu joined the Company in 1986 and had held the positions of director of corporate affairs office, director of human resources department, assistant to general manager, deputy general manager and executive deputy general manager of Weichai Factory. Mr. Xu is a senior economist and was graduated from 聊城師範學院 (Liaocheng Institute of Education) in 1986 with a bachelor's degree in science. Mr. Xu is responsible for implementing the business strategies and overseeing the operations of the Company.

Mr. Sun Shaojun (孫少軍先生), aged 40, is an executive Director and General Manager — Technology of the Company. Mr. Sun joined the Company in 1988 and had held the positions of assistant supervisor and supervisor of the engineering department, assistant to general manager and the chief engineer of Weichai Factory. Mr. Sun is a senior engineer and was graduated from 北京航空學院 (Beijing Aviation College) in 1988 with a master's degree in 工學 (engineering). Mr. Sun is responsible for overseeing the improvement and research and development of the Company's products and other technical matters.

Mr. Zhang Quan (張泉先生), aged 42, is an executive Director and General Manager — Marketing of the Company. Mr. Zhang joined the Company in 1986 and had held the positions of directors of the quality control department, the production department and the marketing management department, assistant to general manager and deputy general manager of Weichai Factory. Mr. Zhang is an engineer and was

graduated from 山東工業大學 (Shandong Industrial University) in 1986 with a bachelor's degree in 工學 (engineering). Mr. Zhang is responsible for formulating and implementing the marketing activities of the Company.

Non-executive Directors

Mr. Yeung Sai Hong (楊世杭先生), aged 52, is currently a director of Peterson Holdings Company Limited which is a promoter of the Company. He is also a member of the 9th Shandong Provincial Committee of the Chinese People's Consultative Conference.

Mr. Chen Xue Jian (陳學儉先生), aged 50, is the general manager and legal representative of Weifang Investment Company, Mr. Chen served as deputy director of 濰坊市財政局 (Finance Bureau of Weifang City) and deputy director of 濰坊市地方稅務局 (Tax Bureau of Weifang City).

Mr. Yao Yu (姚宇先生), aged 35, is an investment manager of Shenzhen Investment. He holds an MBA degree from the China Europe International Business School in 2000.

Mr. Li San Yim (李新炎先生), aged 54, founded 福建龍岩工程機械(集團)有限公司 (Fujian Longyan Construction Machinery (Group) Company Limited) ("Fujian Longgong") (a promoter of the Company) in 1993, of which he is the chairman. Fujian Longgong is principally engaged in the manufacture and sale of, among others, wheel-loaders.

Mr. Tong Jingen (童金根先生), aged 43, is the engineer of the supply office, director of quality control office of ancillary components department, and deputy director of the corporate management department of 濟汽總廠 (Jiqi Factory), deputy director of the corporate management office of CHDTGL, deputy general manager of treasury department of 重汽銷售公司 (Jiqi Sales Company), and deputy chief economist and manager of treasury department, and he is currently the chief economist, of CHDTGL. He holds a master's degree in 工學 (engineering) from Tsinghua University in 1989.

Ms. Zhang Fusheng (張伏生女士), aged 48, joined Weichai Factory in 1975. She was deputy director of audit department, director of finance department, deputy chief accountant and assistant to general manager, and she is now the chief accountant and financial controller of Weichai Factory. She is a senior accountant.

Mr. Julius G. Kiss, aged 78, is the chairman of IVM Technical Consultants Wien G.m.b.H. which is a promoter of the Company.

Ms. Han Xiaoqun (韓小群女士), aged 55, is the general manager of 山東省外商投資服務公司 (Shandong Foreign Investment Service Company) and is the chairperson of 山東省企業托管經營股份有限公司 (Shandong Provincial Enterprises Trusteeship & Operation Co., Ltd.) which is a promoter of the Company.

Independent non-executive Directors

Mr. Zhang Xiaoyu (張小虞), aged 61, served as the Deputy Director of 中國國家機械工業局 (State Mechanic Industry Bureau of the PRC). He is a senior engineer with professor-grade treatment. Mr. Zhang is the vice-chairman of 中國機械工業聯合會 (China Machinery Industrial Association), chairman of 中國汽車工程學會 (China Vehicles Engineering Association) and chairman of 中國內燃機學會 (China Internal Combustion Engine Association).

Mr. Koo Fook Sun, Louis (顧福身先生), aged 49, is the managing director of Hercules Capital Limited, a corporate finance advisory firm. Mr. Koo has many years of experience in investment banking and professional accounting. He was the managing director and head of the corporate finance department of a major international bank, a director and chief executive officer of a main board listed company. He currently also serves as an independent non-executive director of another two companies listed on the main board. Mr. Koo graduated with a bachelor's degree in business administration from the University of California at Berkeley and is a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Fang Zhong Chang (房忠昌先生), aged 63, was graduated from Harbin Industrial University, where he majored in Precision Instruments Studies (精密儀器專業). He previously served as engineer at Shandong Anqiu County Glasswork (山東安邱縣玻璃廠), Deputy Mayor of Anqiu County (安邱縣), Deputy Mayor of Weifang Municipal Government (濰坊市政府副市長), Secretary to the Municipal Disciplinary Committee of the Standing Committee of Weifang Municipal Committee (濰坊市委常委市紀委書記), and Deputy Director of the Standing Committee of Weifang Municipal People's Congress (濰坊市人大常委會副主任). He was also a visiting researcher at the Chinese Academy of Management Science (中國管理科學院特邀研究員) and a member of the People's Congress for the Shandong Province (山東省人大代表). He retired from civil service in 2002.

SUPERVISORS

The names, profiles and proposed remuneration of the Supervisors to be re-elected:

The existing Supervisory Committee consists of three members, two of whom (namely, Mr. Sun Chengping and Ms. Jiang Jianfang) were elected by the Shareholders, whereas one (namely, Mr. Wang Yong) was elected by the employees of the Company. The term of office of all the three Supervisors will expire on 17th December, 2005. Mr. Sun Chengping, Ms. Jiang Jianfang and Mr. Wang Yong have been nominated for re-election as members of the Supervisory Committee.

The Supervisors will not enter into any service contract with the Company. It is proposed that the new term of office of each of the Supervisors shall for a period of three years commencing on 18th December, 2005 and ending on 17th December, 2008 (both days inclusive). The Supervisors' remunerations are to be fixed by the remuneration committee of the Company pursuant to the authority to be granted by the Shareholders at the EGM provided that the remuneration of each of the Supervisors to be so fixed by the remuneration committee shall not exceed RMB600,000 per annum. Bonus (if any) will be paid to the Supervisors based on the operating results of the Company and at the Company's discretion.

The biographical details of each of the Supervisors (representing Shareholders) who stand for re-election at the EGM are set out below to enable the Shareholders to make an informed decision on their re-election.

Save as disclosed herein, each of the Supervisors who stand for re-election does not have any relationship with any other Directors, Supervisors, senior management or substantial or controlling shareholders of the Company. Save as disclosed herein, each of them does not have any interest in the Shares within the meaning of Part XV of the SFO.

Brief biographical details of the Supervisors proposed to be re-elected at the EGM:

Mr. Sun Chengping (孫承平先生), aged 58, is a the chairman of the supervisory committee of the Company. He joined Weichai Factory in 1969 and was the refinement workshop supervisor, deputy general manager of Weichai Factory. Mr. Sun is a senior economist.

Ms. Jiang Jianfang (蔣建芳女士), aged 42, is a supervisor of the Company. She is the deputy chief of the financial audit committee of 廣西柳工集團有限公司 (Guangxi Liugong Group Company Limited) and a supervisor of 廣西柳工機械股份有限公司 (Guangxi Liugong Machinery Company Limited, a company listed on the Shenzhen Stock Exchange). Ms. Jiang is an accountant.

DISCLOSURE OF INTERESTS

As at the date of this announcement, the interests and short positions of the Directors and Supervisors in the shares, underlying shares and debentures of the Company notified to the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to Divisions 7 and 8 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (as if it were applicable also to the Supervisors) were as follows:

Name of Director	Personal interest	Corporate interest	Total	Capacity	Type of interest
Tan Xuguang	4,300,000 (Note 1)	Nil	4,300,000	Beneficial owner	Long
Xu Xinyu	1,000,000 (Note 1)	Nil	1,000,000	Beneficial owner	Long
Sun Shaojun	1,000,000 (Note 1)	Nil	1,000,000	Beneficial owner	Long
Zhang Quan	1,000,000 (Note 1)	Nil	1,000,000	Beneficial owner	Long
Yeung Sai Hong (Note 3)	Nil	23,500,000 (Note 2)	23,500,000	Interest of corporation controlled by this person	Long
Li San Yim (Note 4)	Nil	21,500,000 (Note 1)	21,500,000	Interest of corporation controlled by this person	Long
Julius G. Kiss (Note 5)	Nil	10,750,000 (Note 2)	10,750,000	Interest of corporation controlled by this person	Long
Name of Supervisor					
Wang Yong (representing employees of the Company)	350,000 (Note 1)	Nil	350,000	Beneficial owner	Long

Notes:

- These are Domestic Shares of the Company. Domestic Shares are ordinary shares issued by the Company, with a Renminbi-denominated par value of RMB1.00 each, which are subscribed for and paid up in Renminbi or credited as fully paid up.
- These are Foreign Shares of the Company. Foreign Shares are ordinary shares issued by the Company, with a Renminbi-denominated par value of RMB1.00 each, which are subscribed for and paid up in a currency other than Renminbi.
- Yeung Sai Hong, a Director, was directly and indirectly interested in the entire issued share capital of Peterson Holdings Company Limited (培新控股有限公司), which in turn held 23,500,000 Domestic Shares.

4. Li San Yim, a Director, and his wife, Ni Yinying, were interested in 69.16% and 30.84%, respectively in the capital of 福建龍岩工程機械(集團)有限公司 (Fujian Longyan Construction Machinery (Group) Company Limited) (“Fujian Longgong”), which in turn held 21,500,000 Domestic Shares, and therefore Li San Yim was deemed to be interested in Ni Yinying’s entire interest in Fujian Longgong.
5. Julius G. Kiss, a Director, was indirectly interested in the entire capital of IVM Technical Consultants Wien G.m.b.H., which in turn held 10,750,000 Foreign Shares of the Company.

EGM

The EGM will be held at 26 Minsheng East Street, Weifang, Shandong Province, the People’s Republic of China, at 10:00 a.m. on Monday, 5th December, 2005. The notice convening the EGM will be despatched to Shareholders as soon as possible and in any event at least 45 days before the day of the EGM in accordance with the Articles of Association. At the EGM, resolutions will be proposed for the Shareholders to approve the new appointment and re-appointment (as the case may be) of the Directors and the Supervisors (representing the Shareholders) and to authorize the remuneration committee of the Company to fix their remuneration for an amount not exceeding RMB600,000 per annum for each of the Directors and the Supervisors. Further, resolutions will also be proposed for the independent shareholders of the Company to consider, and if thought fit, to approve the variation of the existing continuing connected transactions, the new non-exempt continuing connected transactions agreements and the annul caps as more particularly set out in the announcement of the Company dated 21st September, 2005.

CLOSURE OF REGISTERS OF SHAREHOLDERS

The registers of shareholders of the Company will be closed from 5th November, 2005 (Saturday) to 5th December, 2005 (Monday) (both days inclusive) during which no transfer of Share will be registered. In order to qualify to vote at the EGM, all transfers of H Shares, accompanied by the relevant share certificates, must be lodged with the Company’s Hong Kong registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on 4th November, 2005 (Friday).

By Order of the Board
Weichai Power Co., Ltd.
Tan Xuguang
Chairman

Hong Kong, 10th October, 2005

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

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