

SUPPLEMENTARY INFORMATION

DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th June, 2006, the interests (and short positions) of the Directors, chief executive and Supervisors in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"), were as follows:

Name of Director	Capacity	Number of domestic shares or foreign shares held	Percentage of the issued share capital of the Company
Tan Xuguang	Beneficial owner	4,300,000 (Note 1)	1.3%
Xu Xinyu	Beneficial owner	1,000,000 (Note 1)	0.3%
Sun Shaojun	Beneficial owner	1,000,000 (Note 1)	0.3%
Zhang Quan	Beneficial owner	1,000,000 (Note 1)	0.3%
Liu Huisheng	Beneficial owner	600,000 (Note 1)	0.2%
Yeung Sai Hong (Note 3)	Held by controlled corporation	23,500,000 (Note 2)	7.1%
Li San Yim (Note 4)	Held by spouse and controlled corporation	21,500,000 (Note 1)	6.5%
Julius G. Kiss (Note 5)	Held by controlled corporation	10,750,000 (Note 2)	3.3%
Name of Supervisor			
Wang Yong	Beneficial owner	350,000 (Note 1)	0.1%

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.

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3. Yeung Sai Hong, a Non-Executive Director, was directly and indirectly interested in 90% of the issued share capital of Peterson Holdings Company Limited ("Peterson"), which in turn held 23,500,000 foreign shares of the Company.
4. Li San Yim, a Non-Executive Director, and his spouse, Ni Yinying, were interested in 69.16% and 30.84%, respectively in the registered capital of 福建龍岩工程機械(集團)有限公司 (Fujian Longgong Construction Machinery (Group) Company Limited ("Fujian Longgong")), which in turn held 21,500,000 domestic shares of the Company, and therefore Li San Yim was deemed to be interested in these shares of the Company.
5. Julius G. Kiss, a Non-Executive Director, was indirectly interested in the entire issued share capital of IVM Technical Consultants Wien Gesellschaft m.b.H. ("IVM"), which in turn held 10,750,000 foreign shares of the Company.

Save as disclosed above, none of the Directors, Supervisors or chief executives had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30th June, 2006.

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SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, as at 30th June, 2006, other than the Directors and chief executive of the Company, the following shareholders had notified the Company of their relevant interests in the issued share capital of the Company.

Name	Capacity	Number of domestic shares (Note 7) or foreign shares (Note 8) held	Percentage of share capital comprising only domestic shares and foreign shares	Number of H shares held (Note 9)	Percentage of share capital comprising only H shares	Percentage of total issued share capital
濰坊柴油廠 (Weifang Diesel Engine Works) ("Weichai Factory")	Beneficial owner	77,647,900	38.16%	Nil	—	23.53%
山東省國有資產監督管理委員會 State-owned Assets Supervision and Administration of Shandong province (Note 1)	Beneficial owner	77,647,900	38.16%	Nil	—	23.53%
Peterson Holdings Company Limited ("Peterson") (Note 2)	Beneficial owner	23,500,000	11.55%	Nil	—	7.12%
Tingho Nominees Limited (Note 2)	Held by controlled corporation	23,500,000	11.55%	Nil	—	7.12%
Fujian Longgong	Beneficial owner	21,500,000	10.57%	Nil	—	6.52%
Ni Yinying (Note 3)	Held by controlled corporation and spouse	21,500,000	10.57%	Nil	—	6.52%
濰坊市投資公司 ("Weifang Investment Company") (Note 4)	Beneficial owner	19,311,550	9.49%	Nil	—	5.85%
深圳市創新投資集團有限公司 ("Shenzhen Chuangxin Investment Group Company Limited")	Beneficial owner	21,500,000	10.57%	Nil	—	6.52%
深圳市投資管理公司 ("Shenzhen Investment Management Company") (Note 5)	Held by controlled corporation	21,500,000	10.57%	Nil	—	6.52%

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Name	Capacity	Number of domestic shares (Note 7) or foreign shares (Note 8) held	Percentage of share capital comprising only domestic shares and foreign shares	Number of H shares held (Note 9)	Percentage of share capital comprising only H shares	Percentage of total issued share capital
IVM	Beneficial owner	10,750,000	5.28%	Nil	—	3.26%
ADTECH Advanced Technologies AG ("ADTECH") (Note 6)	Held by controlled corporation	10,750,000	5.28%	Nil	—	3.26%
The Capital Group Companies Inc.	Investment manager	Nil	—	12,669,000	10.02%	3.84%
Fidelity International Limited	Investment manager	Nil	—	11,379,000	8.99%	3.45%
Commonwealth Bank of Australia	Investment manager	Nil	—	9,136,000	7.22%	2.77%
JP Morgan Chase & Co.	Investment manager	Nil	—	7,771,100	6.14%	2.35%
FMR Corp.	Investment manager	Nil	—	7,321,000	5.79%	2.22%
Government of Singapore Investment Corporate Pte Ltd.	Investment manager	Nil	—	6,336,687	5.01%	1.92%

Notes:

1. State-owned Assets Supervision and Administration Commission of Shandong Province ("Shangdong SASAC") held the entire registered capital of Weichai Factory. For details, please refer to the announcement of the Company dated 22nd March, 2006.
2. Yeung Sai Hong, a Non-Executive Director, was beneficially interested in the entire issued share capital of Tingho Nominees Limited, which in turn held 100% of Advantage Investment Corporation Limited, which was interested in 90% of the issued share capital of Peterson. Peterson was the registered owner of these shares.
3. The registered capital of Fujian Longgong was held as to 69.16% by Li San Yim, a Non-Executive Director, and as to 30.84% by Ni Yinying, the spouse of Li San Yim, and therefore Ni Yinying was deemed to be interested in the shares of the Company held by Fujian Longgong.
4. Weifang Investment Company was a State-owned enterprise.
5. Shenzhen Investment Management Company was interested in approximately 33.73% of the registered capital of Shenzhen Chuangxin Investment Group Company Limited.
6. ADTECH was wholly owned by Julius G. Kiss, a Non-Executive Director, and ADTECH was interested in the entire issued share capital of IVM.

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7. 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 other currencies or credited as fully paid up.
8. 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.
9. H shares are overseas listed shares in the share capital of the Company, with a Renminbi-denominated par value of RMB1.00 each and are subscribed for and traded in Hong Kong dollars, and they are currently listed on the Main Board of the Stock Exchange.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 18th September, 2006 to 22nd September, 2006 (both days inclusive) during which no transfer of shares will be registered. In order to qualify for the interim dividend, all documents on transfer of H Shares of the Company, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong H-Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited at 46/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on 17th September, 2006.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the People's Republic of China, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

During the Period under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities.

AUDIT COMMITTEE

The Audit Committee comprises all three independent non-executive directors of the Company. The Chairman of the Audit Committee is Mr. Koo Fook Sun, Louis, an independent non-executive director. Mr. Koo is an experienced investment banker with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the purpose of such appointment.

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Throughout the Period, the Audit Committee discharged its responsibilities, reviewed and discussed the financial results and internal control system of the Company. In accordance with the requirements of Appendix 16 of the Listing Rules, the Audit Committee has reviewed the consolidated financial statements for the Period. The non-PRC auditors of the Company, Messrs. Deloitte Touche Tohmatsu have reviewed the consolidated financial statements and stated that they are not aware of any material modifications that should be made to the interim report for the Period.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES IN APPENDIX 14 OF THE LISTING RULES

The Company complied with the code provisions of the Code on Corporate Governance Practices in Appendix 14 to the Listing Rules throughout the Period. None of the Directors is aware of any information that would reasonably indicate that the Company was not for any time during the Period under review in compliance with the code provisions of the Code on Corporate Governance Practices in Appendix 14 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE

During the Period under review, the Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”). Having made specific enquiry of all Directors, the Directors have confirmed that they complied with the required standard set out in the Model Code for the Period under review.

APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements for the Period were approved by the Board on 31st August, 2006.

PUBLICATION OF THE RESULTS ON WEBSITE

The financial information required to be disclosed under paragraphs 46 (1) to 46 (6) of Appendix 16 of the Listing Rules will be published on the website of the Stock Exchange at www.hkex.com.hk in due course.