



WEICHAI

**潍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)

ANNOUNCEMENT

Reference is made to the announcement of the Company dated 2nd March, 2005 (the “Announcement”) in relation to the change of its registered address.

As the Company is a high technology enterprise and its new production facilities and registered address are situated in the high technology development zone administered by the State (the “State Industrial Park”), after it commences production at the State Industrial Park, the Company will be entitled to enjoy preferential enterprise income tax treatment at a reduced tax rate of 15% in respect of the taxable profit generated from the new production facilities at the State Industrial Park. It is expected that the Company will commence production at the State Industrial Park around April 2005.

This announcement is made pursuant to rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Reference is made to the Announcement in relation to the change of the registered address of the Company to 中國山東省濰坊市高新技術產業開發區福壽東街197號甲(郵政編號:261061) (197, Section A, Fu Shou East Street, High Technology Industrial Development Zone, Weifang City, Shandong Province, the PRC (Postal Code: 261061)).

According to the Notice of the Ministry of Finance and the State Administration of Taxation concerning certain preferential policies on enterprise income tax (財政部、國家稅務總局《關於企業所得稅若干優惠政策的通知》) and the Notice of the State Administration of Taxation concerning the proper implementation of the continuing administrative work after the cancellation and delegation of the examination and approval procedure for enterprise income tax (國家稅務總局《關於做好已取消和下放管理的企業所得稅審批項目後續管理工作的通知》) (together the “Notices”), as the Company is a high technology enterprise and its new production facilities and registered address are situated in the State Industrial Park, after it commences production at the State Industrial Park, the Company will be entitled to enjoy preferential enterprise income tax treatment at a reduced tax rate of 15% in respect of the taxable profit generated from the new production facilities at the State Industrial Park without the need to obtain any prior approval from PRC authorities (as compared to the 33% taxation rate charged on the Company’s taxable profit made at its existing production facilities at its previous registered address). It is expected that the Company will commence production at the State Industrial Park around April 2005.

Although the above-mentioned preferential tax treatment under the Notices is currently in force, there is no assurance that such Notices will not be amended, changed or revoked in the future, or that the Company's entitlement to preferential tax treatment will not be subject to review, or that the Company will not become subject to different taxation policies or rates or methods of taxation in the PRC.

This announcement is made pursuant to rule 13.09(1) of the Listing Rules.

By Order of the Board
Weichai Power Co., Ltd.

Tan Xuguang
Chairman and Chief Executive Officer

Hong Kong, 17th March, 2005

As at the date of this announcement, the executive Directors are: Mr. Tan Xuguang, Mr. Xu Xinyu, Mr. Sun Shaojun and Mr. Zhang Quan; the non-executive Directors are: Mr. Yeung Sai Hong, Mr. Chen Xuejian, Mr. Yao Yu, Mr. Li San Yim, Mr. Tong Jingen, Ms. Zhang Fusheng, Mr. Julius G. Kiss and Mr. Feng Gang; and the independent non-executive Directors 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 (South China Morning Post)