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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)

**ANNOUNCEMENT
ISSUE OF SHORT-TERM DEBENTURES**

SUMMARY

The Board is pleased to announce that Company has mandated the China Construction Bank Corporation to arrange for the issue of the Debentures on 23 January 2007 in the PRC in an aggregate principal amount of RMB900 million without guarantee.

This announcement is issued pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

At the annual general meeting of the Company held on 30 June 2006, the Board was granted, from the conclusion of such annual general meeting up to the conclusion of the next following annual general meeting of the Company, a general mandate to issue short-term debenture with a principal amount not more than RMB900 million.

After the Board obtained the above general mandate, the Company entered into a short-term debentures underwriting agreement on 10 July 2006 with the China Construction Bank Corporation, under which it has agreed, inter alia, to act as the lead underwriter in respect of the Company's issue of short-term debentures up to an aggregate principal amount of RMB900 million and form an underwriting syndicate for such issue, subject to the satisfaction of various conditions (the “**Conditions**”) (including, but not limited to, all requisite approvals and consents in respect of such issue under the relevant laws and regulations of the People's Republic of China (the “**PRC**”), including the approval by the People's Bank of China, and the approvals or filings of the relevant documents regarding such issue by or at the relevant governmental and/or administrative authorities and/or the PRC inter-bank debenture market administrative organisations).

According to 《中國人民銀行關於濰柴動力股份有限公司發行短期融資券的通知》(銀發[2006]427號) (“Notification of the People's Bank of China regarding the Issue of Short-term Debentures by Weichai Power Co., Ltd.” (Yin Fa No. [2006] 427)) dated 6 December 2006 issued by the People's Bank of China, the issue of short-term debentures by the Company up to an aggregate principal amount of RMB900 million prior to the end of November 2007 was approved.

The Board is pleased to announce that the Company has formally mandated the China Construction Bank Corporation to form a syndicate for and underwrite the issue of short-term debentures (the “**Debentures**”) in an aggregate principal amount of RMB900 million without guarantee on 23 January 2007 (the “**Issue**”). The Debentures shall be marketed through book-building and the unit face value of each debenture shall be RMB100. The subscription amount of the Debentures shall be a multiple of RMB1 million and not less

than RMB5 million. The maturity period of the Debentures shall be 365 days from 25 January 2007. The Debentures shall be listed and transferable on the inter-bank debenture market in the PRC, with the redemption date falling on 25 January 2008. The Issue shall be subject to the Conditions and market response and may or may not be proceeded with. For further details of the Issue, please refer to the relevant documents posted on the website of China Money (中國貨幣網) at www.chinamoney.com.cn and the website of China Bond (中國債券信息網) at www.chinabond.com.cn.

The Issue will not constitute any transaction under Chapter 14 and Chapter 14A of the Listing Rules.

The proceeds from the Issue will be used as working capital of the Company for its production and operational needs. The Debentures will be issued to institutional investors in the PRC banking industry and not to any public investors.

The results of the Issue, if proceeded, will be further announced by the Board.

By order of the Board
Tan Xuguang
Chairman and CEO

Hong Kong, 17 January 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 and Mr. Chen Xue Jian; and the independent non-executive Directors of the Company 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 Standard**.*