



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)

CLARIFICATION ANNOUNCEMENT

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

With regard to the contents of certain news reports on 20 December 2007 contained in several newspapers in Hong Kong, such as “Hong Kong Economic Times”, “The Sun”, etc. (the “Hong Kong Media”), regarding the alleged infringement of certain diesel engine technology patents of Weichai Power Co., Ltd. (the “Company”) by Sinotruk (Hong Kong) Limited (Stock Code: 3808) (Sinotruk (Hong Kong) Limited and its subsidiaries shall hereinafter be referred to as “Sinotruk HK”) and the letter of enquiry dated 21 December 2007 from the Hong Kong Stock Exchange, the Company would like to clarify and comment as follows:

The said reports of the Hong Kong Media are inaccurate. Following the announcement of the Company dated 1 November 2007, the Company immediately issued legal letters to the companies, including Sinotruk HK, that were alleged of infringing the patents. Among such companies alleged of infringing the patents, except two companies, namely, Shandong Qianlong Special Vehicle Co., Ltd. (山東乾龍專用汽車有限公司) (Civil Mediation Order (2007) Wei Min San Chu Zi No. 120 issued by the Intermediate People's Court of Weifang in Shandong Province (山東省濰坊市中級人民法院民事調解書(2007)濰民三初字第120號)) and Weifang Huadong Engine Co., Ltd. (濰坊華東發動機有限公司) (Civil Mediation Order (2007) Wei Min San Chu Zi No. 121 issued by the Intermediate People's Court of Weifang in Shandong Province (山東省濰坊市中級人民法院民事調解書(2007)濰民三初字第121號)) which have admitted that their acts constituted infringements of the patents, and which, through the co-ordination of the relevant local court, have reached settlement agreement with the Company out of court for a compensation of RMB5,000 for every unit of diesel engine, as of the date of this announcement, the Company has not received any reply from Sinotruk HK in respect of any particular arrangement regarding the issues concerning compensation, etc. relating to the patent infringements of the relevant diesel engines and there has not been any discussion between Sinotruk HK and the Company regarding the said alleged patent infringements.

The Company confirms that it has not reached nor is it about to reach any written or verbal settlement agreement with Sinotruk HK regarding the alleged infringements of the patents. The Company shall, in accordance with the advice of its legal advisers retained in this regard and the requirements of its

relevant internal procedures, reserve its rights to carry out all measures for protecting the interests of the Company and its shareholders, including but not limited to all possible rights of legal proceedings and claims.

By order of the Board
Tan Xuguang
Chairman and CEO

Hong Kong, 2 January 2008

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.