



WEICHAI

潍柴动力股份有限公司

WEICHAI POWER CO., LTD.

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2338)

VOLUNTARY ANNOUNCEMENT

SUMMARY

This is a voluntary announcement made by the Company.

Reference is made to announcement of the Company dated 12 March 2008. The Company has since received further information from MAT in relation to certain inter-company balances (as referred to in the said announcement) it had as at 31 December 2007 with certain entities which were related to Mr. Wang, who is a substantial shareholder of MAT and, hence, a connected person of the Company.

This is a voluntary announcement made by Weichai Power Co., Ltd. (the “Company”).

Reference is made to the very substantial acquisition of the Company involving a merger by absorption by the Company of TAGC (the “Merger”), the particulars of which were contained in the circular of the Company dated 12 November 2006 (the “Circular”; unless the context requires otherwise, the terms and expressions defined in the Circular shall have the same meanings when used herein). The Merger involved the issue by the Company of Weichai A Shares to the then shareholders of TAGC (other than Weifang Investment). The Merger was only completed on 23 April 2007 (“Merger Completion Date”) and the Weichai A Shares have been listed on the Shenzhen Stock Exchange since 30 April 2007. When the Merger became effective, TAGC then ceased to exist and the companies that were formerly subsidiaries of TAGC became subsidiaries of the Company.

As stated in the Company’s announcement dated 12 March 2008 (the “Previous Announcement”), it had only then come to the attention of the Company that MAT Automotive, Inc. (“MAT”, a company incorporated in the United States and which only became a subsidiary of the Company after the Merger; MAT and its subsidiaries shall be referred to as the “MAT Group”) might have entered into transactions with certain entities which were related to Mr. Wang Wei (“Mr. Wang”). MAT is owned by the Company and Mr. Wang as to 75% and 25%, respectively of its issued shares. Accordingly, Mr. Wang is a connected person of the Company under the Listing Rules.

It was also stated in the Previous Announcement that the Company had been requesting information from MAT since the completion of the Merger, but had only begun to receive some preliminary information from MAT shortly before the Previous Announcement.

The Company has since received further information from MAT concerning transactions between the MAT Group and certain of its connected persons, the details of the relevant of which are set out below:

A. Continuing transactions in ordinary course of business from Merger Completion Date to 31 December 2007

Name of counterparty/ connected person	Nature of transaction	Approximate transaction amount from Merger Completion Date to 31 December 2007
1. Roulunds Braking Holdings ApS, a company incorporated in Denmark (<i>Note 1</i>)	Sale of brake shims for automotive brake pads at market price by the MAT Group to this counterparty (<i>Note 3</i>)	US\$21,000 (HK\$162,000)
2. Roulunds Braking (India) Pvt. Ltd. , a company incorporated in India (<i>Note 1</i>)	Sale of brake shims and backplates at market price by the MAT Group to this counterparty (<i>Note 3</i>)	US\$737,000 (HK\$5,742,000)
3. TMD Friction Europe GmbH (“TMD”), a company incorporated in Germany (<i>Note 2</i>)	Sale of brake shims and backplates at market price by the MAT Group to this counterparty (<i>Note 3</i>)	US\$7,637,000 (HK\$59,522,000)
4. GRI Engineering and Development, LLC, a company incorporated in the United States (<i>Note 1</i>)	Sale of automotive brake rotors at market price by the MAT Group to this counterparty (<i>Note 3</i>)	US\$6,585,000 (HK\$51,324,000)
5. Shenyang Honbase Machinery Co. Ltd., a company incorporated in the PRC (<i>Note 1</i>)	Purchase of automotive brake drums and rotors at market price by the MAT Group from this counterparty (<i>Note 3</i>)	US\$68,000 (HK\$533,000)

Name of counterparty/ connected person	Nature of transaction	Approximate transaction amount from Merger Completion Date to 31 December 2007
6. Laizhou Hongyuan Bench Vise, a company incorporated in the PRC (<i>Note 1</i>)	Purchase of automotive brake drums, hubs and truck parts at market price by the MAT Group from this counterparty. (<i>Note 3</i>)	US\$569,000 (HK\$4,431,000)
7. Shinning Gold Machinery Manufactory (Dalian) Co. Ltd., a company incorporated in the PRC (<i>Note 1</i>)	Purchase of automotive brake rotors and industrial pumps and parts at market price by the MAT Group from this counterparty. (<i>Note 3</i>)	US\$1,675,000 (HK\$13,057,000)
8. Hangzhou Hongyuan Machinery Manufacture Co Ltd (acting through a trading agent), a company incorporated in the PRC (<i>Note 1</i>)	Purchase of lawn motor seats and mirror supports at market price by the MAT Group from this counterparty. (<i>Note 3</i>)	US\$32,000 (HK\$250,000)

B. Loan

Name of counterparty/ connected person	Nature of transaction	Loan principal outstanding as at 31 December 2007
9. Roulunds Braking Holdings ApS, a company incorporated in Denmark (<i>Note 1</i>)	Loans due from Roulunds Braking Holdings ApS to a subsidiary of MAT with interest at 1% above N-BOR (Nordea — Bank Offering Rate). The first loan was made in January 2006 and the second loan was made in December 2006, i.e. both were made before the Merger Completion Date. The loans arose as a result of the single loan agreement of a subsidiary of MAT with Nordea bank in Denmark. These were one- off transactions.	Danish Kroners 7,172,000 (HK\$11,920,000)

C. Management and other services

Name of counterparty/ connected person	Nature of transaction	Approximate service fee paid to connected person from Merger Completion Date to 31 December 2007
10. Midwest Air Technologies Inc., a company incorporated in the United States (<i>Note 1</i>)	MAT used warehouse and logistics services of Midwest Air Technologies Inc. for storing inventory and shipping products to customers. The expenses incurred by Midwest Air Technologies Inc. were shared between the MAT Group and Midwest Air Technologies Inc. based on the value of the products shipped by the relevant parties.	US\$342,000 (HK\$2,668,000)
11. MAT Holdings, Inc., a company incorporated in the United States (<i>Note 1</i>)	MAT Holdings, Inc. provided IT, accounting, human resources and administrative services and office space to the MAT Group.	US\$846,000 (HK\$6,592,000)
	With respect to the provision of IT, accounting, human resources and administrative services, the expenses incurred by MAT Holdings, Inc. were shared between the MAT Group and MAT Holdings, Inc. based on the net sales of the relevant parties. With respect to the provision of office space, the expenses incurred by MAT Holdings, Inc. were shared between the MAT Group and MAT Holdings, Inc. based on the floor area occupied.	

Name of counterparty/ connected person	Nature of transaction	Approximate service fee paid to connected person from Merger Completion Date to 31 December 2007
12. GRI Engineering and Development, LLC, a company incorporated in the United States (<i>Note 1</i>)	MAT used management services provided by GRI Engineering and Development, LLC. The expenses incurred by GRI Engineering and Development, LLC were shared between the MAT Group and GRI Engineering and Development, LLC based on the net sales of the relevant parties.	US\$216,000 (HK\$1,686,000)

Notes:

1. This entity is an associate of Mr. Wang.
2. TMD is a substantial shareholder of a non-wholly owned subsidiary of MAT.
3. These transactions were entered into by the relevant member of the MAT Group and the counterparty in their respective ordinary course of business.
4. The information in the above table and these notes is based solely on the information supplied by MAT.

The information contained in this announcement is solely based on the information that the Company has received from MAT to-date and such information has not been verified by the Company.

Hong Kong, 25 April 2008

By order of the Board
Tan Xuguang
Chairman and CEO

As at the date of this announcement, the executive Directors of the Company are Mr. Tan Xuguang, Mr. Xu Xinyu, Mr. Sun ShaoJune 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,.

For use in this announcement and for illustration purpose only, conversion of United States dollar into Hong Kong dollar is based on the approximate exchange rate of US\$1.00 to HK\$7.794 as at 23 April 2008; and conversion of Danish Kroner (DKK) into Hong Kong dollar is based on the approximate exchange rate of DKK1.00 to HK\$1.662 as at 23 April 2008. No representation is made that any amount in Hong Kong dollar, United States dollar and Danish Krone could be converted at such rates or any other rates.