



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)

**Supplemental announcement to the preview announcement of
the 2007 annual results**

This announcement is made pursuant to the requirement of Rule 13.09 of the Listing Rules of Hong Kong Stock Exchange.

The Company and all members of the board of directors warrant that the information disclosed herein is true, accurate, complete and does not contain any false contents, misleading representations or material omission.

Summary:

Weichai Power Co., Ltd. (the “Company”), after publishing its preview announcement of its 2007 annual results on the websites of Hong Kong Stock Exchange and Shenzhen Stock Exchange concurrently on 28 January 2008, and subsequent to the communications and consultations with the relevant experts and the PRC regulatory bodies, has re-evaluated and redefined the time when the Company obtained actual control of Torch Automobile Group Co., Ltd. (the “TAGC”) after the initial public offering of A shares and the merger with TAGC via share exchange and absorption (the “Merger”) by the Company. The board of directors (the “Board”) of the Company are of the view that, the Company had actual control (“Actual Control”) on TAGC in major aspects such as production, operation and financial decisions since the approval of the issues related to the Agreement of Merger by Absorption at the relevant general meetings (“General Meetings”) of TAGC and the Company on 29 December 2006. Accordingly, the Company considered TAGC as a subsidiary with an equity interest of 28.12% and consolidated it into the Company’s financial statements since the date of the approvals at the General Meetings. The A shares issuance and the merger with TAGC via share exchange and absorption on 23 April 2007, and the listing of the A shares on Shenzhen Stock Exchange and completion of acquisition of the remaining 71.88% of TAGC’s equity interests on 30 April 2007 were deemed to be an acquisition of minority interests (the aforesaid changes are referred to as “Accounting Adjustment” hereafter). The Accounting Adjustment would be made accordingly to the accounting methods for the merger with TAGC via

share exchange and absorption in the 2007 annual financial reports prepared under the Hong Kong Financial Reporting Standards (“HKFRSs”) and the Accounting Standards for Business Enterprise of the PRC, and the audited 2006 PRC and Hong Kong annual financial reports would be adjusted in accordance with the Accounting Adjustment method. The management of the Company considers that changes to the audited financial reports for the year 2006 in accordance with the Accounting Adjustment would not have major impact on the PRC and Hong Kong 2006 audited net profit attributable to the equity owners of the parent company and net assets announced by the Company.

The management of the Company estimates that, subsequent to such Accounting Adjustment, the (unaudited) combined net profit attributable to the equity owners of the parent company for 2007 prepared in accordance with the HKFRSs will increase by approximately 100% (100%) (the percentage in parenthesis represents the corresponding data in the preview announcement of the 2007 annual results concurrently published by the Company on 28 January 2008 on the websites of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange), as compared to the pro forma combined forecast net profit attributable to the equity owners of the parent company for the year ended 31 December 2007 prepared in accordance with the HKFRSs (being not less than RMB924.4 million, as disclosed in the announcement of the Company headed “Very substantial acquisition involving a merger by absorption of TAGC and continuing connected transactions, A share issue, profit forecast and other financial information” dated 26 March 2007 published on the website of the Hong Kong Stock Exchange).

In addition, the management of the Company estimates that, the (unaudited) combined net profit attributable to the equity owners of the parent company for 2007 prepared in accordance with the PRC Accounting Standards for Business Enterprises is expected to increase by approximately 100% (100%), as compared to the net profit attributable to the equity owners of the parent company of approximately RMB1,010,790,000 in the pro forma combined profit forecast of the Company for 2007 prepared in accordance with the PRC Accounting Standards for Business Enterprises (see the preview announcement of the 2007 annual results published by the Company on 28 January 2008 on the website of the Shenzhen Stock Exchange for details; such profit forecast figure was derived from the “Prospectus in relation to Weichai Power Co., Ltd.’s A Share Public Offering and the Report Statement in relation to the Merger with Torch Automobile Group Co.,Ltd by Share Exchange and Absorption” (hereafter referred to as the “A Share Prospectus”) published by the Company on 31 March 2007); and is expected to increase by approximately 134% (140%), as compared to the pro forma combined net profit of the Company for 2006 of approximately RMB862,993,415.25 (see the “Pro forma combined income statement for 2006” as set out in the above mentioned A Share Prospectus for details). (The percentages in parenthesis represent the corresponding data of the preview announcement of 2007 annual results concurrently published by the Company on 28 January 2008 on the websites of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange.)

For details of issue of A shares and the merger with TAGC via share exchange and absorption by the Company, please refer to the A Share Prospectus and the Circular to shareholders published by the Company on the website of Hong Kong Stock Exchange on 12 November 2006 (the “Hong Kong Circular”. Terms used herein, unless the context requires otherwise, shall bear the same meanings as defined in the Hong Kong Circular).

The Agreement of Merger by Absorption of the Company regarding the A share public offering and the share segregation reform by means of merger with TAGC via share exchange and absorption and the related issues were approved by the relevant general meetings of TAGC and the Company on 29 December 2006, and was completed on 23 April 2007. The A shares of the Company were listed on the Shenzhen Stock Exchange on 30 April 2007. The closing price of the A shares of the Company for the first day of trading was RMB64.93 per share, representing a premium of 217.20% over the issue price of RMB20.47 per share under the share exchange. If the merger with TAGC via share exchange and absorption were treated as an acquisition of subsidiary using the purchase method of accounting, and the closing price per A share on the date of listing were to be used by the Company as the reference price to account for the fair value of the goodwill arising from the Merger, substantial goodwill impairment would be incurred. After deducting such goodwill impairment, the management of the Company estimated that there would be substantial loss in the net profit attributable to the equity owners of the parent company after the Merger for 2007 prepared in accordance with the HKFRSs. As advised by our Hong Kong auditors and determined by the Board, the Company had published a results warning announcement for the 2007 annual results under the HKFRSs on the Hong Kong Stock Exchange on 25 January 2008, which set out the above events and explained that the above relevant information was just a preliminary estimate and had not been audited by the auditors, and since such goodwill was a non-cash item, the accounting treatment of its impairment would not have any impact on the Company’s cashflow.

Following the publication of the above 2007 results warning announcement by the Company and the suspension of the trading of the A shares of the Company, the board of the Company had actively engaged in communications and consultations with the relevant experts and the PRC regulatory bodies. Taking into account the actual control and operating status after the acquisition of TAGC since the General Meetings, the board of the Company is of the view that, the Company had actual control on TAGC in major aspects such as production, operation and financial decisions since the approval of the issues related to the Agreement of Merger by Absorption at the relevant General Meetings of TAGC and the Company on 29 December 2006 and therefore, the adoption of the Accounting Adjustment on the basis that the Company had Actual Control on TAGC for such merger with TAGC via share exchange and absorption can more objectively and truly reflect the Company’s actual control on TAGC and the Company’s actual operating status after such General Meetings.

Accordingly, the Company’s share exchange and absorption by merger of TAGC and acquisition of the remaining 71.88% equity interests are in fact the acquisition of minority interests beyond the 28.12% equity interest in TAGC held by the Company. Subsequent to such Accounting Adjustment, neither goodwill nor goodwill impairment would appear in the 2007 annual financial report prepared under the HKFRSs.

As such, the management of the Company estimates that, subsequent to the abovementioned Accounting Adjustment, the (unaudited) combined net profit attributable to the equity owners of the parent company for 2007 prepared in accordance with the HKFRSs will increase by approximately 100% (100%) (the percentage in parenthesis represents the corresponding data of the preview announcement for 2007 annual results concurrently published by the Company on 28 January 2008 on the websites of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange), as compared to the pro forma combined forecast net profit attributable to the equity owners of the parent company for the year ended 31 December 2007 prepared in accordance with the HKFRSs (being not less than RMB924.4 million, as disclosed in the announcement of the Company headed “Very substantial acquisition involving a merger by absorption of TAGC and continuing connected transactions, A share issue, profit forecast and other financial information” dated 26 March 2007 published on the website of the Hong Kong Stock Exchange).

In addition, the management of the Company estimates that, the (unaudited) combined net profit attributable to the equity owners of the parent company for 2007 prepared in accordance with the PRC Accounting Standards for Business Enterprises is expected to increase by approximately 100% (100%), as compared to the net profit attributable to the equity owners of the parent company of approximately RMB1,010,790,000 in the pro forma combined profit forecast of the Company for 2007 prepared in accordance with the PRC Accounting Standards for Business Enterprises (see the preview announcement of the 2007 annual results published by the Company on 28 January 2008 on the website of the Shenzhen Stock Exchange for details; such profit forecast was derived from the A Share Prospectus published by the Company on 31 March 2007); and is expected to increase by approximately 134% (140%), as compared to the pro forma combined net profit of the Company for 2006 of approximately RMB862,993,415.25 (see the “Pro forma combined income statement for 2006” as set out in the above A Share Prospectus for details). (The percentages in parenthesis represent the corresponding data in the 2007 results preview concurrently published by the Company on 28 January 2008 on the websites of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange.)

Having enquired with the PRC and Hong Kong auditors of the Company, the Audit Committee of the Company considers that, subsequent to the abovementioned Accounting Adjustment, the 2007 annual results prepared in accordance with the HKFRSs and the PRC Accounting Standards for Business Enterprises can more objectively and truly reflect the actual condition of the acquisition of the remaining 71.88% equity interests of TAGC upon the Company’s merger with TAGC by share exchange and absorption.

Up to the date of this announcement, the audited financial reports of 2007 of the Company have yet been finalised. The Company will announce its audited financial reports of 2007 on 29 April 2008. As to the further details of the financial information of the Company, the information to be disclosed in the audited financial reports of 2007 shall prevail.

Potential investors and shareholders of the Company should exercise caution when dealing in the shares of the Company.

By order of the Board of
Weichai Power Co., Ltd.
Tan Xuguang
Chairman and CEO

28 April 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.