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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)

ANNOUNCEMENT

**WITHHOLDING AND PAYMENT OF
ENTERPRISE INCOME TAX
FOR NON-RESIDENT ENTERPRISES
IN RESPECT OF 2008 FINAL DIVIDEND**

SUMMARY

Pursuant to the relevant PRC laws and regulations, the Company is required to withhold and pay enterprise income tax at the rate of 10% when distributing the 2008 Final Dividend, if the same is approved at the forthcoming 2008 AGM, to offshore non-resident enterprise holders of H Shares of the Company.

Shareholders of the Company should read this announcement carefully.

Reference is made to the announcement of the final results for the year ended 31 December 2008 dated 27 April 2009 of Weichai Power Co., Ltd. (the “Company”) and the notice (the “AGM Notice”) convening the annual general meeting (the “2008 AGM”) for the year ended 31 December 2008 of the Company dated 29 April 2009. The board of directors of the Company (the “Board”) proposed to distribute final dividend for the year ended 31 December 2008 of RMB0.13 per share (the “2008 Final Dividend”) to the shareholders of the Company. The 2008 Final Dividend is subject to the approval at the 2008 AGM to be held on 19 June 2009.

According to the regulations in the *Enterprise Income Tax Law of the People's Republic of China, Implementation Regulations on Enterprise Income Tax Law of People's Republic of China* which came into effect in 2008 and the *Notice of Withholding and Payment of Enterprise Income Tax Regarding China Resident Enterprise Paying Dividend to Non-Resident Enterprise Holders of Overseas H-Share*

(No. 897 GSH[2008]) issued by China's State Administration of Taxation on 6 November 2008 (collectively, the "Tax Law"), any domestic enterprise of the People's Republic of China (the "PRC") which pays dividends to non-resident enterprise shareholders (as defined in the *Tax Law*) for the year of 2008 and subsequent years shall withhold and pay enterprise income tax as a withholding agent.

As stated in the AGM Notice, the Company will not process registration of transfers of H shares (being overseas listed foreign shares and ordinary shares) in the share capital of the Company with a Renminbi denominated par value of RMB1.00 each, which are subscribed and/or paid for in Hong Kong dollars and listed on The Stock Exchange of Hong Kong Limited ("H Shares") from 19 May 2009 to 19 June 2009 (both days inclusive). Holders of H Shares of the Company whose names appear on the register of H Shares of the Company kept at Computershare Hong Kong Investor Services Limited at the end of 19 May 2009 are entitled to attend and vote at the 2008 AGM and for the 2008 Final Dividend (if any) following completion of the registration procedures. To qualify for attendance and voting at the 2008 AGM and for the 2008 Final Dividend, documents on transfers of H Shares of the Company, accompanied by the relevant share certificates, must be lodged with the Company's H-Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited, at Room 1712-1716, 17/F Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 18 May 2009.

In accordance with the Tax Law, the Company is obliged to withhold and pay enterprise income tax at the rate of 10% on behalf of the non-resident enterprise holders of H Shares whose names appear on the register of members for H Shares of the Company on 19 May 2009 when distributing final dividend and special dividend to them. For holders of H Shares who are registered in the name of non-natural person registered shareholders (including HKSCC (Nominees) Limited, other corporate nominees, trustees, or other organisations or groups which shall be treated as "non-resident enterprises" shareholders) on the register of members for H Shares of the Company on 19 May 2009, the Company will distribute the 2008 Final Dividend, if the same is approved at the 2008 AGM, after withholding for payment of 10% enterprise income tax. For all natural persons whose names are registered on the register of members for H Shares of the Company on 19 May 2009, no enterprise income tax will be withheld and paid by the Company.

Investors should read this announcement carefully. If anyone would like to change the identity of the holders in the register of members, please enquire about the relevant procedures with the nominees or trustees. The Company will withhold for payment of the enterprise income tax for its non-resident enterprise shareholders strictly in accordance with the relevant laws and requirements of the relevant

government departments and adhere strictly to the information set out in the Company's register of members on 19 May 2009. The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the shareholders or any disputes over the mechanism of the above withholding and payment.

Hong Kong, 14 May 2009

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 Shaojun and Mr. Zhang Quan; the non-executive Directors of the Company are Ms. Zhang Fusheng, Mr. Liu Huisheng, Mr. Yao Yu, Mr. Yeung Sai Hong, Mr. Chen Xuejian, Mr. Li San Yim, Mr. Julius G. Kiss, Ms. Han Xiaoqun, 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.