

WEICHAI POWER<02338> – Results Announcement

Weichai Power Co., Limited announced on 26/08/2005:

(stock code: 02338 )

Year end date: 31/12/2005

Currency: RMB

Auditors' Report: N/A

Interim report reviewed by: Both Audit Committee and Auditors

	(Unaudited ) Current Period from 01/01/2005 to 30/06/2005 Note ( ' 000 )	(Unaudited and Restated) Last Corresponding Period from 01/01/2004 to 30/06/2004 ( ' 000 )
Turnover	: 3, 228, 268	2, 801, 788
Profit/(Loss) from Operations	: 408, 596	382, 589
Finance cost	: (15, 438)	(31, 296)
Share of Profit/(Loss) of Associates	: N/A	N/A
Share of Profit/(Loss) of Jointly Controlled Entities	: N/A	N/A
Profit/(Loss) after Tax & MI	: 250, 223	242, 973
% Change over Last Period	: +2.98 %	
EPS/(LPS)–Basic (in dollars)	: 0.76	0.85
–Diluted (in dollars)	: N/A	N/A
Extraordinary (ETD) Gain/(Loss)	: N/A	N/A
Profit/(Loss) after ETD Items	: 250, 223	242, 973
Interim Dividend per Share	: RMB0.165	RMB0.15
(Specify if with other options)	: N/A	N/A
B/C Dates for Interim Dividend	: 11/09/2005	to 16/09/2005 bdi.
Payable Date	: 30/09/2005	
B/C Dates for (–) General Meeting	: N/A	
Other Distribution for Current Period	: N/A	
B/C Dates for Other		

Distribution : N/A

Remarks:

### 1. GENERAL

Weichai Power Co., Ltd. ("The Company") was incorporated on 23rd December, 2002 as a joint stock limited company with limited liability in the People's Republic of China (the "PRC").

The principal activities of the Company are the manufacture and sale of diesel engines.

The H shares of the Company were listed on The Stock Exchange of Hong Kong Limited with effect from 11th March, 2004.

### 2. PRINCIPAL ACCOUNTING POLICIES

In the current period, the Company has applied, for the first time, a number of new Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are effective for accounting periods beginning on or after 1st January, 2005.

### 3. INCOME TAX EXPENSE

	Six months ended	
	30. 6. 2005	30. 6. 2004
	RMB' 000	RMB' 000
	(unaudited)	(unaudited)
PRC Enterprise Income Tax	142,935	137,706
Tax credit	-	(29,386)
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	142,935	108,320
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PRC Enterprise Income Tax is calculated at the statutory income tax rate of 33% (six months ended 30th June, 2004: 33%) of the assessable profit. During the current period, the assessable profit that is derived from the production in the high technology development zone is taxed at a

preferential rate of 15% pursuant to the Notice of the Ministry of Finance and the State Administration of Taxation concerning certain preferential policies on enterprise income tax and the Notice of the State Administration of Taxation concerning the proper implementation of the continuing administrative work after the cancellation and delegation of the examination and approval procedure for enterprise income tax.

The Company's Chongqing branch is subject to PRC Enterprise Income Tax at a preferential rate of 15% (six months ended 30th June, 2004: 15%).

The Company's Hong Kong branch is subject to Hong Kong Profits Tax at 17.5% (six months ended 30th June, 2004: 17.5%) on its estimated assessable profit. No provision for Hong Kong Profits Tax has been made as the branch had no assessable profit for the period.

Pursuant to notice dated 29th February, 2004 issued by Weifang Municipal Tax Bureau, the Company is entitled to a total tax credit of approximately RMB29,386,000 in respect of eligible additions of domestic machinery and equipment for production use.

There was no significant unprovided deferred taxation during the period or at the balance sheet date.

#### 4. DIVIDEND

In June 2005, a dividend of RMB0.15 per share (six months ended 30th June, 2004: RMB0.105) amounting to RMB49,500,000 (six months ended 30th June, 2004: RMB22,575,000) was paid to shareholders as the final dividend for 2004.

The Directors have determined that an interim dividend of RMB0.165 (six months ended 30th June, 2004: RMB0.15) per share should be paid to the shareholders of the Company whose names appear in the Register of Members on 16th September, 2005.

#### 5. BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit for the period of approximately RMB250,223,000 (six months ended 30th June, 2004: RMB242,973,000 as restated) and on the weighted average number of 330,000,000 (six months ended 30th June, 2004: 285,769,231) ordinary shares in issue during the period.

The adjustment to comparative basic earnings per share, arising from adoption of new HKFRSs is as follows:

	RMB
Reconciliation of 2004 basic earnings per share	
Reported figure before adjustment	0.87
Adjustment arising from the adoption of HKAS 32	(0.02)
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Restated	0.85
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The effects of the adoption of new HKFRSs on the results for the current and prior period are as follows:

	Six months ended	
	30.6.2005	30.6.2004
	RMB' 000	RMB' 000
Net profit after tax before taken up the effects	256,291	248,599
Increase in administrative expenses:		
Listing expenses		(5,626)
Increase in finance costs:		
Interest on amount due to a related party	(6,068)	-
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Net profit for the period	250,223	242,973
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