

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



WEICHAI

濰柴動力股份有限公司

WEICHAI POWER CO., LTD.

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

(Stock Code: 2338)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

Reference is made to an announcement made by Weichai Power Co., Ltd. (the “Company”) on the website of Shenzhen Stock Exchange dated 26 April 2010, which is for information only. The full text of the announcement in Chinese is published at the websites of the Stock Exchange and the Company.

By order of the Board of Directors

Tan Xuguang

Chairman and CEO

Weifang, Shandong, PRC

26 April 2010

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.



WEICHAI

濰柴動力股份有限公司

WEICHAI POWER CO., LTD.

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

(Stock Code: 2338)

FIRST QUARTERLY REPORT FOR 2010

§1 IMPORTANT NOTICE

1.1 The board of directors, the board of supervisors and its directors, supervisors and senior management of the Company warrant that no false presentations or misleading statements are contained herein, or with any material omissions, and severally and jointly accept responsibilities for the authenticity, accuracy and completeness of the information contained in this report.

1.2 All directors have attended the Board meeting in person in respect of reviewing this quarterly report except the following.

Name of director who being unable to attend in person	Position of director being unable to attend in person	Reason for being unable to attend in person	Name of proxy
Yeung Sai Hong	Director	On business	Tan Xuguang
Yao Yu	Director	On business	Tan Xuguang
Li San Yim	Director	On business	Xu Xinyu
Liu Huisheng	Director	On business	Sun Shaojun
Zhang Xiaoyu	Independent director	On business	Gu Linsheng

1.3 The first quarterly report of the Company was unaudited.

1.4 Mr. Tan Xuguang, principal of the Company, Mr. Cheung Tat Leung, Peter, principal of accounting and Mr. Wu Hongwei (In-charge person of accounting) have warranted that the financial statement of the quarterly report is true and complete.

§2 CORPORATE PROFILE

2.1 Major Accounting Data and Financial Indicators

Unit: (RMB)

	As at the end of the reporting period	As at the end of last year	Change (%)
Total assets (RMB)	44,018,292,486.95	36,218,151,152.79	21.54%
Equity attributable to shareholders of listed company (RMB)	13,386,812,991.79	11,754,617,799.84	13.89%
Share capital (shares)	833,045,683.00	833,045,683.00	
Net assets per share attributable to shareholders of listed company (RMB/ share)	16.07	14.11	13.89%
	Reporting period	Corresponding period of last year	Change (%)
Total income from operations (RMB)	15,173,412,696.73	6,165,982,561.53	146.08%
Net profit attributable to shareholders of listed company (RMB)	1,619,267,808.26	361,272,953.42	348.21%
Net cashflow from operating activities (RMB)	448,291,823.26	710,380,262.17	-36.89%
Net cashflow from operating activities (RMB/share)	0.54	0.85	-36.47%
Basic earnings per share (RMB/share)	1.94	0.43	351.16%
Diluted earnings per share (RMB/share)	1.94	0.43	351.16%
Weighted Average Return on net assets (%)	12.88%	4.40%	8.48%
Weighted Average Return on net assets after extraordinary gain/loss (%)	12.78%	4.23%	8.55%
Extraordinary gain/loss items			From beginning of the year to end of reporting period
Profit/loss from disposal of non-current assets			1,415,877.69
Government subsidy accounted into profit and loss for the current period, excluding those closely associated with the normal business of the Company which were given consistently in a fixed amount or volume on the basis of certain standard and in compliance with relevant state policies			27,796,090.92
Gains (loss) from debt restructuring			470,669.53
Other non-operating income and expenses excluding above items			-3,987,772.45
Other gain/loss items falling within the definition of extraordinary gain/loss items			1,177,565.68
Effects of minority interests			-14,317,157.27
Effects of income tax			-132,233.07
Total			12,423,041.03

Description on important extraordinary gain/loss items

None

2.2 Total number of shareholders and information of top ten shareholders not subject to lock-up terms at the end of reporting period

Unit: Share

Total number of shareholders at the end of reporting period		44,893
Information of top ten tradable share holders not subject to lock-up terms		
Name of shareholder (full name)	Number of tradable shares held not subject to Lock up terms at the end of the period	Types of shares
HKSCC Nominees Limited	201,837,098	Overseas listed foreign shares
Bank of China — 大成藍籌穩健證券投資基金	11,600,000	RMB Ordinary shares
大成價值增長證券投資基金	7,700,000	RMB Ordinary shares
Industrial and Commercial Bank of China — 易方達價值成長混合型證券投資基金	6,550,000	RMB Ordinary shares
Agricultural Bank of China — 中郵核心成長股票型證券投資基金	6,152,672	RMB Ordinary shares
China Construction Bank — 富國天博創新主題股票型證券投資基金	5,500,000	RMB Ordinary shares
Bank of China — 易方達深證100交易型開放式指數證券投資基金	5,316,831	RMB Ordinary shares
China Construction Bank — 華夏優勢增長股票型證券投資基金	5,053,737	RMB Ordinary shares
Bank of China — 大成財富管理2020生命週期證券投資基金	4,686,189	RMB Ordinary shares
全國社保基金一零四組合	4,000,000	RMB Ordinary shares

§3 IMPORTANT EVENTS

3.1 Information on and reasons for the material changes of major accounting items and financial indicators

✓ Applicable ☐ N/A

Unit: (RMB)

Items	As at the end of the reporting period	As at the end of last year	Change (%)	Reason
Bills receivables	11,284,070,402.97	8,032,144,322.26	40.49	Mainly attributable to the increased sales volume, most bills are paid in the form of bank acceptances.
Accounts receivables	6,437,184,420.95	3,320,801,077.73	93.84	Sales increased and undue credit terms accounts receivables increased significantly.
Investment properties	139,683,679.02	90,798,838.41	53.84	The increase of Leased properties.
Short-term loans	1,554,239,793.76	1,041,583,872.39	49.22	Liquidity loans increased.
Accounts received in advance	977,027,504.49	747,092,843.79	30.78	Attributable to the increase of prepayment from our customers.
Tax payables	1,342,720,178.31	922,435,367.99	45.56	Tax payables increased due to income growth.
Interest payables	39,318,510.58	23,018,065.50	70.82	Mainly attributable to rising interest rate of mid-term bills.
Dividend payables	86,271,915.17	42,621,678.80	102.41	Due to unpaid dividend of subsidiaries.
Other payables	3,204,292,053.49	1,849,261,601.46	73.27	The increase of sales discount, transportation fee and amount of construction-in-progress project at the end of period.
Expected liabilities	686,143,450.31	481,368,045.71	42.54	Sales volume increased, and the after sales expenses are expected to be increased.

Items	As at the end of the reporting period	Corresponding period of last year	Change (%)	Reason
Income from operations	15,173,412,696.73	6,165,982,561.53	146.08	The increase of sales volume.
Operating costs	11,363,836,593.44	4,953,903,595.42	129.39	The increase of sales volume.
Operating taxes and surcharges	92,844,351.32	24,799,060.28	274.39	The increase of sales volume and income.
Selling expenses	730,617,024.35	284,567,312.31	156.75	The increase of sales volume.
Administration expenses	500,910,015.41	270,773,057.12	84.99	Mainly attributable to the increase of technical developing expense.
Impairment loss on assets	204,917,367.26	136,313,242.64	50.33	The increase of balance of amounts receivables and provision for bad debts.
Income tax expenses	336,231,187.99	76,481,295.95	339.63	The increase of income and profit.
Net profit attributable to equity holders of parent company	1,619,267,808.26	361,272,953.42	348.21	The increase of income and profit.
Net cash flow generated from operating activities	448,291,823.26	710,380,262.17	-36.89	The increase of income and various taxes payable.
Net cash flow generated from financing activities	581,506,300.99	56,746,889.36	924.74	Mainly attributable to amounts payable relating to certain short-term financing facilities at maturity of corresponding period of last year.

3.2 Analysis and description on the progress of important events, their impacts and solutions

☐ Applicable ☒ N/A

3.3 The implementation of commitments by the Company, shareholders and beneficial controller

✓ Applicable □ N/A

The commitment items	By	Contents of commitments	Implementation situation
Commitments on share reform	Shareholders	<p>Under the commitments of the 8 legal person promoter shareholders (including Weichai Group Holdings Limited) and Zhuzhou State-owned Assets and subject to such commitments, no shares of Weichai Power held by them shall be transferred or managed by other person or repurchased by Weichai Power within 36 months commencing from Weichai Power's listing on the Shenzhen Stock Exchange.</p> <p>Under the commitments of the 24 nature person shareholders (including Tan Xuguang) and subject to such commitments, no shares of Weichai Power held by them shall be beneficially transferred or repurchased by Weichai Power within 36 months commencing from Weichai Power's listing on the Shenzhen Stock Exchange.</p>	Above commitments are strictly implemented.
Commitments on sales restriction of share	—	—	—
Commitments under the reports of purchase or equity changes	—	—	—
Commitments upon the restructure of significant asset	—	—	—
Commitments upon issuance of shares	Shareholders	<p>Under the commitments of the 8 legal person promoter shareholders (including Weichai Group Holdings Limited) and Zhuzhou State-owned Assets and subject to such commitments, no shares of Weichai Power held by them shall be transferred or managed by other person or repurchased by Weichai Power within 36 months commencing from Weichai Power's listing on the Shenzhen Stock Exchange.</p> <p>Under the commitments of the 24 nature person shareholders (including Tan Xuguang) and subject to such commitments, no shares of Weichai Power held by them shall be beneficially transferred or repurchased by Weichai Power within 36 months commencing from Weichai Power's listing on the Shenzhen Stock Exchange.</p>	Above commitments are strictly implemented.
Others (including additional commitments)	—	—	—

3.4 Warnings and reasons on forecasting possible losses of accumulated net profit from beginning of year to end of next reporting period or significant changes as compared with same period of preceding year.

□ Applicable ✓ N/A

Result Forecast	Increased significantly.			
	Beginning of the year to the end of next reporting period	Corresponding period of last year	Change (%)	
Forecast of accumulated net profit (ten thousand)	Approximately 256,000.00–317,000.00	122,203.00	Increased	110–160
Basic earnings per share (RMB/share)	Approximately 3.08–3.80	1.47	Increased	110–160
Information on result forecast	Market demand increased, resulted in sales of the major products of the Company improved significantly as compared to corresponding period of last year.			

3.5 Information on other important events required disclosure

3.5.1 Investment in securities

☐ Applicable ☒ N/A

3.5.2 Meetings with researchers, public relations and interviews during the reporting period

Time	Venue	Way of reception	Guests received	Major topics discussed and information provided
14 January 2010	Company Conference room	On-site research	Sinolink Securities CO.LTD. (國金證券股份有限公司)	<ol style="list-style-type: none"> General operation of the Company; Business development of the industry in the future; Development strategic positioning of the Company.
21 January 2010	Company Conference room	On-site research	Caitong Securities Limited Liability Company (財通證券經紀有限責任公司)	
27 January 2010	Company Conference room	On-site research	Xiangcai Securities Co., Ltd (湘財證券有限責任公司)	
4 February 2010	Company Conference room	On-site research	China Everbright Limited (中國光大控股有限公司)	
25 February 2010	Company Conference room	On-site research	Visiting team of Orient Securities Company Limited (東方證券股份有限公司)	
9 March 2010	Company Conference room	On-site research	Deutsche Bank (德意志銀行)	
10 March 2010	Company Conference room	On-site research	Macquarie Group (麥格里證券)	
17 March 2010	Company Conference room	On-site research	Changjiang Securities Co., Ltd. (長江證券有限責任公司)	

3.5.3 Description on other important events

☐ Applicable ☒ N/A

3.6 Investment in derivatives

☐ Applicable ☒ N/A

3.6.1 Information of holdings of derivatives investment at the end of reporting period

☐ Applicable ☒ N/A

§4 APPENDIX

4.1 Balance Sheet

Prepared by WEICHAI POWER CO., LTD

31 March 2010

Unit: (RMB)

Items	Balance as at the end of period		Balance as at the beginning of year	
	Combined	Parent Company	Combined	Parent Company
Current asset:				
Monetary assets	7,170,632,056.79	2,134,332,804.99	6,578,271,206.10	2,098,115,617.72
Settlement provisions				
Capital lent to other financial institutions				
Finance assets held for trading				
Bills receivables	11,284,070,402.97	8,727,528,160.70	8,032,144,322.26	7,040,815,856.75
Accounts receivables	6,437,184,420.95	2,903,618,801.39	3,320,801,077.73	178,807,026.91
Prepayments	1,090,588,306.71	60,204,176.79	885,107,586.37	80,984,595.10
Insurance receivable				
Reinsurance receivables				
Contract reserve of reinsurance receivable				
Interest receivables				
Dividend receivable	4,293,065.19	79,579,876.24	4,293,065.19	39,976,808.00
Other receivables	487,625,037.01	636,401,536.17	493,917,821.67	601,864,636.09
Purchase restituted finance asset				
Inventory	5,977,154,744.16	1,007,729,541.04	5,806,642,424.91	1,679,295,163.85
Non-current assets due within one year				
Other current assets	4,907,610.72	0.00	1,990,097.42	
Total current assets	32,456,455,644.50	15,549,394,897.32	25,123,167,601.65	11,719,859,704.42

Items	Balance as at the end of period		Balance as at the beginning of year	
	Combined	Parent Company	Combined	Parent Company
Non-current assets:				
Granted loans and advances				
Finance asset available for sale	413,196,731.05	408,200,000.00	385,996,731.05	381,000,000.00
Held-to-maturity investment				
Long-term receivable	29,080,586.89	0.00	29,090,809.00	
Long-term equity investment	307,876,506.59	3,921,060,026.06	287,267,413.63	3,921,443,440.91
Investment property	139,683,679.02		90,798,838.41	
Fixed assets	7,164,191,779.93	1,758,449,924.81	7,015,898,801.60	1,777,100,217.98
Construction in progress	1,353,105,545.65	981,707,052.56	1,207,412,884.85	818,753,197.41
Engineering material	989,642.06	0.00	558,675.50	
Disposal of fixed assets	1,176,350.32	717,323.07	1,839,890.41	708,406.36
Productive biological assets				
Oil and gas assets				
Intangible assets	905,852,516.75	403,784,841.29	911,047,399.78	404,986,172.49
Expense on research and development	1,860.01	1,860.01	585,759.46	585,759.46
Goodwill	538,016,278.33	579,145,043.76	538,016,278.33	579,145,043.76
Long-term expenses to be apportioned	193,936,717.21		188,031,111.85	
Deferred income tax assets	513,415,531.36	224,449,664.40	434,763,241.41	187,356,682.52
Other non-current assets	1,313,117.28		3,675,715.86	
Total non-current assets	11,561,836,842.45	8,277,515,735.96	11,094,983,551.14	8,071,078,920.89
Total assets	44,018,292,486.95	23,826,910,633.28	36,218,151,152.79	19,790,938,625.31

Items	Balance as at the end of period		Balance as at the beginning of year	
	Combined	Parent Company	Combined	Parent Company
Current liabilities:				
Short-term loans	1,554,239,793.76	148,263,000.00	1,041,583,872.39	148,282,000.00
Loans from central bank				
Absorbing deposit and interbank deposit				
Capital borrowed from other financial institutions				
Finance liabilities held for trading				
Bills payable	4,422,552,319.03	1,667,572,415.26	3,474,708,825.62	1,456,933,155.14
Accounts payables	10,540,276,903.81	4,306,895,882.64	8,382,340,533.54	3,501,041,695.04
Accounts received in advance	977,027,504.49	32,924,012.29	747,092,843.79	45,638,597.51
Selling financial assets of repurchase				
Handling charge and commission payable				
Salaries payables	628,091,753.49	344,905,757.72	673,282,170.00	357,338,946.43
Tax payables	1,342,720,178.31	1,121,865,831.84	922,435,367.99	755,613,525.32
Interest payables	39,318,510.58	37,537,500.00	23,018,065.50	21,450,000.00
Dividend payables	86,271,915.17	6,833.18	42,621,678.80	6,833.18
Other payables	3,204,292,053.49	2,124,002,338.05	1,849,261,601.46	1,201,682,135.40
Reinsurance payables				
Insurance contract reserve				
Security trading commission				
Security underwriting fees				
Non-current liabilities due within one year	554,720,083.60	500,000,000.00	474,080,000.00	400,000,000.00
Other current liabilities	54,905,287.14		42,011,464.85	
Total current liabilities	23,404,416,302.87	10,283,973,570.98	17,672,436,423.94	7,887,986,888.02

Items	Balance as at the end of period		Balance as at the beginning of year	
	Combined	Parent Company	Combined	Parent Company
Non-current liabilities:				
Long-term loans	1,016,280,000.00	100,000,000.00	942,200,000.00	200,000,000.00
Debentures payable	1,282,546,316.62	1,282,546,316.62	1,281,669,323.78	1,281,669,323.78
Long-term payables	36,935,420.00		36,877,700.00	
Specific payables	45,090,000.00		45,090,000.00	
Provisions for contingent liabilities	686,143,450.31	515,000,000.00	481,368,045.71	357,000,000.00
Deferred income tax liabilities	75,726,165.71	42,046,950.37	73,816,354.08	39,727,861.40
Other non-current liabilities	18,371,111.51	232,500.00	23,378,611.51	240,000.00
Total non-current liabilities	3,161,092,464.15	1,939,825,766.99	2,884,400,035.08	1,878,637,185.18
Total liabilities	26,565,508,767.02	12,223,799,337.97	20,556,836,459.02	9,766,624,073.20
Equity holders' interests (or Shareholder's interests):				
Paid-up capital (or share capital)	833,045,683.00	833,045,683.00	833,045,683.00	833,045,683.00
Capital reserves	2,463,425,024.31	2,026,697,273.62	2,440,305,024.30	2,003,577,273.62
Less: Treasury Stock				
Specific reserves				
Surplus reserves	847,388,713.39	847,388,713.39	847,388,713.39	847,388,713.39
General risk provision				
Undistributed profit	9,260,872,342.02	7,895,979,625.30	7,641,604,533.76	6,340,302,882.10
Exchange difference in foreign currency statements	-17,918,770.93		-7,726,154.61	
Total equity attributable to equity holders of parent company	13,386,812,991.79	11,603,111,295.31	11,754,617,799.84	10,024,314,552.11
Minority interests	4,065,970,728.14		3,906,696,893.93	
Total equity holders' equity	17,452,783,719.93	11,603,111,295.31	15,661,314,693.77	10,024,314,552.11
Total liabilities and equity holders' interests	44,018,292,486.95	23,826,910,633.28	36,218,151,152.79	19,790,938,625.31

4.2 Income Statement

Prepared by WEICHAI POWER CO., LTD

From January to March 2010

Unit: (RMB)

Items	Current Period		Corresponding period of last year	
	Combined	Parent Company	Combined	Parent Company
1. Total income from operations	15,173,412,696.73	7,327,475,370.91	6,165,982,561.53	3,071,202,836.43
Including: Operating income	15,173,412,696.73	7,327,475,370.91	6,165,982,561.53	3,071,202,836.43
Interests income				
Premium income earned				
Handling charge and commission income				
2. Total costs from operations	12,934,145,913.09	5,683,376,539.01	5,705,692,620.93	2,732,595,863.12
Including: Operating costs	11,363,836,593.44	4,909,692,972.74	4,953,903,595.42	2,323,608,888.28
Interests expenses				
Handling charge and commission expenses				
Payments on surrenders				
Claim expenses-net				
Provision for insurance contract reserve-net				
Policyholder dividends				
Expenses for Reinsurance accepted				
Operating taxes and surcharges	92,844,351.32	67,483,107.86	24,799,060.28	15,080,089.35
Selling expenses	730,617,024.35	326,968,215.33	284,567,312.31	132,641,379.96
Administration expenses	500,910,015.41	203,481,986.42	270,773,057.12	121,327,340.37
Financial costs	41,020,561.31	29,535,600.36	35,336,353.16	12,252,771.49
Impairment loss on assets	204,917,367.26	146,214,656.30	136,313,242.64	127,685,393.67
Add: Gains from change in fair value (losses are indicated with “-”)				
Investment gains (losses are indicated with “-”)	-1,257,447.18	152,464,228.60	-3,119,505.57	45,833,075.69

Items	Current Period		Corresponding period of last year	
	Combined	Parent Company	Combined	Parent Company
Including: Gains on investment in associated companies and joint ventures	-1,257,447.18	-383,414.85	-3,119,505.57	-209,983.02
Foreign exchange gains (losses are indicated with “-”)				
3. Operating profit (losses are indicated with “-”)	2,238,009,336.46	1,796,563,060.50	457,170,435.03	384,440,049.00
Add: Non-operating income	33,108,647.94	1,678,615.56	33,104,468.41	585,619.53
Less: Non-operating expenses	6,236,216.57	4,158,624.22	5,747,477.32	277,312.62
Including: Losses on disposal of non-current assets	92,897.89	3,645.23	4,798,868.17	—
4. Total profits (Total losses are indicated with “-”)	2,264,881,767.83	1,794,083,051.84	484,527,426.12	384,748,355.91
Less: Income tax expenses	336,231,187.99	238,406,308.64	76,481,295.95	47,890,869.04
5. Net profits (Net losses are indicated with “-”)	1,928,650,579.84	1,555,676,743.20	408,046,130.17	336,857,486.87
Net profit attributable to equity holders of parent company	1,619,267,808.26	1,555,676,743.20	361,272,953.42	336,857,486.87
Profit and loss of minority shareholders	309,382,771.58		46,773,176.75	
6. Earnings per share:				
(1) Basic earnings per share	1.94	1.87	0.43	0.40
(2) Diluted earnings per share	1.94	1.87	0.43	0.40
7. Other comprehensive income	12,927,383.69	23,120,000.00	76,950,101.44	82,280,000.00
8. Total comprehensive income	1,941,577,963.53	1,578,796,743.20	484,996,231.61	419,137,486.87
Total comprehensive income attributable to equity holders of parent company	1,632,195,191.95	1,578,796,743.20	438,223,054.86	419,137,486.87
Total comprehensive income attributable to minority shareholders	309,382,771.58		46,773,176.75	

4.3 Cash Flow Statement

Prepared by WEICHAI POWER CO., LTD

From January to March 2010

Unit: (RMB)

Items	Current Period		Corresponding period of last year	
	Combined	Parent Company	Combined	Parent Company
1. Cash flow generated from operating activities:				
Cash received from sale of goods and provision of labour services	9,248,269,802.43	5,346,089,895.27	5,657,078,475.87	2,616,190,887.17
Net increase in cash received from customers' deposit and interbank deposit				
Net increase in loans received from central bank				
Net increase of capital borrowed from other financial institutions				
Premiums received from original insurance contract				
Cash received from reinsurance, net				
Net increase in cash received on policyholder deposit and investment				
Net increase in cash received from disposal of finance assets held for trading				
Interests, handling charges and commission received				
Net increase of capital borrowed from other financial institutions				
Net increase in cash received under repurchasing				
Tax rebate received	70,637,277.01		168,739,882.79	
Cash received from other operating activities	74,698,113.53	223,419,445.19	90,167,171.82	95,867,290.15
Cash inflow from operating activities — subtotal	9,393,605,192.97	5,569,509,340.46	5,915,985,530.48	2,712,058,177.32
Cash paid for purchase of goods and labour service	6,799,523,481.05	4,236,623,165.81	4,396,245,014.17	1,787,093,056.59

Items	Current Period		Corresponding period of last year	
	Combined	Parent Company	Combined	Parent Company
Net increase of customers' loans and advances				
Net increase of fund deposited in central bank and interbank				
Cash paid for claims under original insurance contract				
Cash paid for Interests, handling charges and commission				
Dividends paid to policyholders in cash				
Cash paid to and for staff	616,653,050.48	200,911,945.59	385,311,576.02	153,475,955.43
Cash paid for various taxes	1,138,350,940.21	761,104,933.03	224,081,552.33	146,040,425.23
Cash paid for other operating activities	390,785,897.97	381,780,697.79	199,967,125.79	178,845,567.48
Cash outflow from operating activities subtotal	8,945,313,369.71	5,580,420,742.22	5,205,605,268.31	2,265,455,004.73
Net cash flow generated from operating activities	448,291,823.26	-10,911,401.76	710,380,262.17	446,603,172.59

Items	Current Period		Corresponding period of last year	
	Combined	Parent Company	Combined	Parent Company
2. Cash flow generated from investing activities:				
Cash received from recovery of investments				
Cash from gains on investments		3,463,743.15		
Net cash received on disposal of fixed assets, intangible assets and other long-term assets	3,878,019.27		649,708.92	213,000.00
Net cash received on disposal of subsidiaries and other business units				
Cash received from other investing activities				
Cash inflow from investing activities — subtotal	3,878,019.27	3,463,743.15	649,708.92	213,000.00
Cash paid on acquisition and installation of fixed assets, intangible assets and other long-term assets	295,073,843.53	72,508,002.52	373,663,820.88	78,986,152.07
Cash paid on investment	101,400,000.00	129,174,940.00	3,654,800.00	26,487,000.00
Net increase of cash used in pledged loans				
Net cash received from subsidiaries and other business units				
Cash paid for other investing activities				
Cash outflow from investing activities subtotal	396,473,843.53	201,682,942.52	377,318,620.88	105,473,152.07
Net cash flow generated from investing activities	-392,595,824.26	-198,219,199.37	-376,668,911.96	-105,260,152.07

Items	Current Period		Corresponding period of last year	
	Combined	Parent Company	Combined	Parent Company
3. Cash flow generated from financing activities:				
Cash received from investments	85,301,887.04			
Including: Cash received by subsidiaries from investment by minority shareholders	85,301,887.04			
Cash received from borrowings	994,773,765.90		1,652,660,000.00	900,000,000.00
Cash received from issuing debentures				
Cash received from other financing activities	95,143,075.16		104,735,572.70	
Cash inflow from financing activities subtotal	1,175,218,728.10		1,757,395,572.70	900,000,000.00
Cash paid for repayment of debts	386,667,536.12		1,535,350,000.00	600,000,000.00
Cash paid for distribution of dividends, profit or interest	72,240,531.78	8,588,630.57	77,276,242.56	12,560,163.13
Including: Dividends and profit distributed to minority shareholders by subsidiaries	17,653,964.88			
Cash paid for other financing activities	134,804,359.21		88,022,440.78	
Cash outflow from financing activities subtotal	593,712,427.11	8,588,630.57	1,700,648,683.34	612,560,163.13
Net cash flow generated from financing activities	581,506,300.99	-8,588,630.57	56,746,889.36	287,439,836.87

Items	Current Period		Corresponding period of last year	
	Combined	Parent Company	Combined	Parent Company
4. Effects of changes in exchange rates on cash and cash equivalents	-1,922,796.04	31.79	-615.55	-14.51
5. Net increase in cash and cash equivalents	635,279,503.95	-217,719,199.91	390,457,624.02	628,782,842.88
Add: the balances of cash and cash equivalents at beginning of period	3,869,058,240.98	1,528,977,735.27	3,356,359,181.39	773,679,005.21
6. The balances of cash and cash equivalents at end of period	4,504,337,744.93	1,311,258,535.36	3,746,816,805.41	1,402,461,848.09

4.4 Auditors' report

Auditor's opinion: Unaudited

Weichai Power Co., Ltd.
Tan Xuguang
Chairman

26 April 2010