WEICHAI

濰柴動力股份有限公司

WEICHAI POWER CO., LTD.

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

(Stock Code: 2338)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

FINANCIAL HIGHLIGHTS

- Revenue amounted to approximately RMB30,922 million, increased by approximately 14.3%.
- Net Profit Attributable to the Shareholders of the Parent amounted to approximately RMB2,085 million, increased by approximately 9.9%.
- Basic Earnings Per Share was approximately RMB1.04, increased by approximately 9.5%.

(Important notice: This announcement is published in Chinese and English versions. In case of inconsistency, the Chinese version shall prevail.)

The board of directors (the "Board") of Weichai Power Co., Ltd. (the "Company") is pleased to announce the reviewed consolidated financial statements of the Company and its subsidiaries (the "Group") prepared in accordance with the Mainland Accounting Standards for the six months ended 30 June 2013 (the "Period"), together with comparative figures for the corresponding period of 2012 as follows:

CONSOLIDATED INCOME STATEMENT

January to June 2013 (Expressed in Renminbi Yuan)

	Notes	**January to June 2013 (Reviewed)**	January to June 2012 (Audited)
Revenue	*7*	**30,921,619,033.95**	27,059,675,619.87
Cost of sales	*7*	**24,639,987,069.30**	21,870,178,160.78
Taxes and surcharges	*8*	**141,314,886.82**	113,704,474.09
Distribution and selling expenses		**1,535,460,534.86**	1,284,413,946.81
General and administrative expenses		**1,749,371,137.22**	1,394,743,831.63
Financial expenses		**63,849,988.00**	471,591.80
Impairment loss of assets		**225,290,766.47**	71,855,297.93
Gain on fair value changes		**132,974,506.91**	–
Investment income		**11,820,004.38**	75,086,612.90
Incl: Share of profit of associates and jointly controlled enterprises		**5,694,427.50**	25,027,666.32
Operating profit		**2,711,139,162.57**	2,399,394,929.73
Add: Non-operating income		**57,517,399.66**	125,940,533.41
Less: Non-operating expenses		**15,148,512.80**	17,236,368.59
Incl: Loss on disposal of non-current assets		**7,038,956.17**	9,101,848.85
Total profit		**2,753,508,049.43**	2,508,099,094.55
Less: Income tax expense	*9*	**464,046,511.72**	419,256,443.44
Net profit		**2,289,461,537.71**	2,088,842,651.11
Net profit attributable to the shareholders of the parent		**2,084,967,415.03**	1,897,252,608.20
Minority interests		**204,494,122.68**	191,590,042.91
Earnings per share	*10*		
Basic earnings per share		**1.04**	0.95
Other comprehensive income	*11*	**(72,157,503.72)**	(1,752,990.83)
Total comprehensive income		**2,217,304,033.99**	2,087,089,660.28
Incl:			
Total comprehensive income attributable to the shareholders of the parent		**2,002,770,768.89**	1,895,493,462.48
Total comprehensive income attributable to minority owners		**214,533,265.10**	191,596,197.80

CONSOLIDATED BALANCE SHEET

30 June 2013 (Expressed in Renminbi Yuan)

ASSETS	*Notes*	**30 June 2013 (Reviewed)**	31 December 2012 (Audited)
Current assets			
Cash and cash equivalents		**14,818,038,689.14**	16,726,970,096.00
Financial assets held for trading		**267,379,520.00**	137,050,693.51
Notes receivable	*3*	**17,359,033,633.37**	9,242,232,142.39
Accounts receivable	*4*	**6,132,041,642.75**	4,168,525,397.14
Prepayments		**428,201,252.80**	365,397,070.50
Dividends receivable		**10,615,000.00**	70,540,000.00
Interests receivable		**761,994.52**	7,418,831.76
Other receivables		**459,323,787.03**	444,105,891.14
Inventories		**8,087,758,275.29**	7,509,902,216.33
Other current assets		**608,676,362.09**	487,991,597.21
Total current assets		**48,171,830,156.99**	39,160,133,935.98
Non-current assets			
Available-for-sale financial assets		**204,000,000.00**	269,200,000.00
Long-term equity investments		**7,672,873,460.54**	4,951,543,932.62
Investment property		**322,041,380.08**	329,994,770.86
Fixed assets		**12,292,946,884.79**	11,526,489,430.20
Construction in progress		**4,237,927,245.21**	5,175,099,417.99
Materials used in construction		**1,800.00**	–
Disposal of fixed assets		**2,550,019.27**	3,493,436.95
Intangible assets		**2,275,457,062.19**	2,160,257,108.86
Development expenditure		**425,681,605.40**	431,692,444.28
Goodwill		**1,392,104,692.50**	1,443,114,787.31
Long-term prepaid expenses		**156,755,289.77**	169,123,071.48
Deferred tax assets		**726,929,048.07**	700,119,807.88
Other non-current assets		**23,602.70**	100,706.28
Total non-current assets		**29,709,292,090.52**	27,160,228,914.71
Total assets		**77,881,122,247.51**	66,320,362,850.69

LIABILITIES AND EQUITY	*Notes*	**30 June 2013 (Reviewed)**	31 December 2012 (Audited)
Current liabilities			
Short-term loans		**1,450,500,846.69**	2,742,091,634.05
Notes payable	*5*	**6,219,348,005.75**	5,244,310,106.70
Accounts payable	*6*	**15,312,081,937.48**	9,962,420,973.54
Advances from customers		**1,209,496,523.23**	872,835,717.97
Payroll payable		**970,634,704.11**	1,026,722,757.02
Taxes payable		**282,963,271.03**	239,380,723.63
Interests payable		**164,126,977.88**	61,680,626.43
Dividends payable		**466,015,345.66**	33,103,222.12
Other payables		**3,279,995,944.77**	2,535,764,374.58
Non-current liabilities due within one year		**261,073,360.00**	352,604,906.92
Other current liabilities		**965,055,770.01**	852,860,219.00
Total current liabilities		**30,581,292,686.61**	23,923,775,261.96
Non-current liabilities			
Long-term borrowings		**8,618,563,439.99**	6,344,249,958.75
Bonds payable		**3,492,692,501.06**	2,691,489,273.21
Long-term payables		**5,500,000.00**	5,500,000.00
Special payables		**53,000,000.00**	43,000,000.00
Deferred tax liabilities		**188,799,495.73**	168,154,335.44
Other non-current liabilities		**1,776,997,931.71**	1,744,958,243.83
Total non-current liabilities		**14,135,553,368.49**	10,997,351,811.23
Total liabilities		**44,716,846,055.10**	34,921,127,073.19
Shareholders' equity			
Share capital		**1,999,309,639.00**	1,999,309,639.00
Capital reserve		**807,196,057.20**	842,375,982.05
Special reserve		**31,940,029.52**	23,089,542.52
Surplus reserve		**2,300,128,466.82**	2,300,128,466.82
Retained earnings		**21,362,745,738.87**	19,737,619,540.81
Exchange differences on foreign currency translation		**(73,440,309.61)**	(33,171,947.25)
Total equity attributable to the shareholders of the parent		**26,427,879,621.80**	24,869,351,223.95
Minority interests		**6,736,396,570.61**	6,529,884,553.55
Total shareholders' equity		**33,164,276,192.41**	31,399,235,777.50
Total liabilities and shareholders' equity		**77,881,122,247.51**	66,320,362,850.69

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
30 June 2013

1. SIGNIFICANT ACCOUNTING POLICIES

a. Preparation basis of the financial statements

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises-Basic Standard and 38 specific accounting standards issued in February 2006, and the implementation guidance, interpretations and other relevant provisions issued subsequently by the Ministry of Finance of the People's Republic of China (collectively referred to as "Accounting Standards for Business Enterprises").

The financial statements are presented on a going concern basis.

In preparing these financial statements, all the assets (other than certain financial instruments) are carried at historical cost. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant provisions.

b. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements present, fairly and fully, the financial position of the Company and the Group as at 30 June 2013 and the results of operations and the cash flows for the six months then ended in accordance with Accounting Standards for Business Enterprises.

c. Business combination

A business combination is a transaction or event that brings together two or more separate entities into one reporting entity. Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. For a business combination involving entities under common control, the party that, on the combination date, obtains control of another entity participating in the combination is the absorbing party, while that other entity participating in the combination is a party being absorbed. Combination date is the date on which the absorbing party effectively obtains control of the party being absorbed.

Assets and liabilities that are obtained by the absorbing party in a business combination shall be measured at their carrying amounts at the combination date as recorded by the party being absorbed. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) shall be adjusted to share premium under capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Business combinations not involving entities under common control

A business combination not involving entities under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination. For a business combination not involving entities under common control, the party that, on the acquisition date, obtains control of another entity participating in the combination is the acquirer, while that other entity participating in the combination is the acquiree. Acquisition date refers to the date on which the acquirer effectively obtains control of the acquiree.

The acquirer shall measure the acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination not involving entities under common control at their fair values on the acquisition date.

The excess of the sum of the consideration paid (or equities securities issued) for business combination and equity interests in the acquiree held prior to the date of acquisition over the share of the attributable net identifiable assets of the acquiree, measured at fair value, was recognized as goodwill, which is subsequently measured at cost less cumulative impairment loss. In case the fair value of the sum of the consideration paid (or equities securities issued) and equity interests in the acquiree held prior to the date of acquisition is less than the fair value of the share of the attributable net identifiable assets of the acquiree, a review of the measurement of the fair values of the identifiable assets, liabilities and contingent liabilities, the consideration paid for the combination (or equity securities issued) and the equity interests in the acquiree held prior to the date of acquisition is conducted. If the review indicates that the fair value of the sum of the consideration paid (or equities securities issued) and equity interests in the acquiree held prior to the date of acquisition is indeed less than the fair value of the share of the attributable net identifiable assets of the acquiree, the difference is recognized in current profit or loss.

d. Consolidated financial statements

The consolidation scope of consolidated financial statements is determined on the basis of control, including the financial statements for the half year ended 30 June 2013 of the Company and all of its subsidiaries. A subsidiary is an enterprise or entity that is controlled by the Company.

In preparation of consolidated financial statements, the subsidiaries use the same accounting period as those of the Company. When the accounting policies of a subsidiary are different from those of the Company, the Company shall make adjustments to the financial statements of the subsidiary based on its own accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Where the amount of losses of a subsidiary attributable to the minority shareholders in the current period exceeds their share of the opening balance of owner's equity of the subsidiary, the excess shall be allocated against minority interests. A change in the minority interests, without a loss of control, is accounted for as an equity transaction.

For subsidiaries acquired through business combinations not involving entities under common control, the operating results and cash flows of the acquiree shall be included in the consolidated financial statements, from the day on which the Group gains control, till the Group ceases the control of it. While preparing the consolidated financial statements, the acquirer shall adjust the subsidiary's financial statements, on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities recognized on the acquisition date.

For subsidiaries acquired through business combinations involving entities under common control, the operating results and cash flows of the acquiree shall be included in the consolidated financial statements from the beginning of the period in which the combination occurs. While preparing the comparative financial statements, adjustments are made to related items in the financial statements for the prior period as if the reporting entity established through combination has been existing since the ultimate controller begins to exercise control.

2. SEGMENT REPORTING

Operating segments

The Group organizes and manages its operating business in accordance with the nature of business and provision of products and services. Each operating segment of the Group is one operating group, providing products and services with risks and rewards different from those of other operating segments.

The details of operating segments are as follows:

(a) manufacturing and sale of diesel engines and related parts ("Diesel engines");

(b) manufacturing and sale of automobiles and major automobile components other than diesel engines ("Automobiles and other major automobile components");

(c) manufacturing and sale of other automobile components ("Other automobile components"); and

(d) provision of import and export services ("Import & export services")

Management monitors the results of operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted total profits. The adjusted total profits are measured consistently with the Group's total profits, except that interest income, financial expenses, dividend income, gains from changes in fair value of financial instruments as well as head office expenses are excluded from such measurement.

Segment assets exclude equity investments at fair value through profit or loss for the current period, derivative instruments, dividends receivable, interests receivable, available-for-sale financial assets, long-term equity investments, goodwill, deferred tax assets and other unallocated head office assets as these assets are managed on a group basis.

Segment liabilities exclude derivative instruments, borrowings, income tax payable, deferred tax liabilities and other unallocated head office liabilities as these liabilities are managed on a group basis.

Inter-segment transfers are transacted with reference to the prices used in the transactions carried out with third parties.

January-June 2013 (Reviewed)

	Diesel engines	Automobiles and other major automobile components	Other automobile components	Import & export services	Total
Segment revenue:					
Sale to external customers	**11,972,364,977.37**	**17,296,054,743.43**	**1,613,983,726.96**	**39,215,586.19**	**30,921,619,033.95**
Inter-segment sale	**2,594,759,838.62**	**–**	**58,925,998.45**	**19,716,980.61**	**2,673,402,817.68**
Total	**14,567,124,815.99**	**17,296,054,743.43**	**1,672,909,725.41**	**58,932,566.80**	**33,595,021,851.63**
Adjustment:					
Elimination of inter-segment sale					**(2,673,402,817.68)**
Revenue					**30,921,619,033.95**
Segment results	**2,198,084,985.11**	**493,016,069.75**	**63,819,224.03**	**(12,921,846.98)**	**2,741,998,431.91**
Adjustment:					
Elimination of inter-segment results					**32,990,718.66**
Interest income					**166,943,761.39**
Dividend income and unallocated income					**57,517,399.66**
Corporate and other unallocated expenses					**(15,148,512.80)**
Finance cost					**(230,793,749.39)**
Profit before tax					**2,753,508,049.43**

30 June 2013 (Reviewed)

	Diesel engines	Automobiles and other major automobile components	Other automobile components	Import & export services	Total
Segment assets	**27,486,553,907.26**	**26,047,811,733.78**	**11,129,707,419.13**	**7,311,974,999.96**	**71,976,048,060.13**
Adjustment:					
Elimination of inter-segment receivables					**(9,718,376,788.77)**
Corporate and other unallocated assets					**15,623,450,976.15**
Total assets					**77,881,122,247.51**
Segment liabilities	**15,455,306,775.98**	**15,096,471,894.93**	**8,829,865,013.92**	**1,104,482,630.01**	**40,486,126,314.84**
Adjustment:					
Elimination of inter-segment payables					**(9,918,911,315.68)**
Corporate and other unallocated liabilities					**14,149,631,055.94**
Total liabilities					**44,716,846,055.10**

January-June 2013 (Reviewed)

	Diesel engines	Automobiles and other major automobile components	Other automobile components	Import & export services	Total
Other segment information:					
Share of profit and loss from:					
Gain/(loss) from associates	**7,910,723.39**	**(9,634,844.79)**	**11,101,720.00**	**(3,683,171.10)**	**5,694,427.50**
Impairment reversal/(loss) of inventories	**(3,676,325.83)**	**(82,005,919.86)**	**(9,239,783.97)**	**–**	**(94,922,029.66)**
Impairment reversal/(loss) of account receivables and other receivables	**(63,434,691.78)**	**(65,253,937.96)**	**(1,486,331.73)**	**(152,101.99)**	**(130,327,063.46)**
Depreciation and amortization	**(383,949,107.86)**	**(482,476,324.87)**	**(124,395,045.76)**	**(10,452,619.93)**	**(1,001,273,098.42)**
Gain/(loss) from disposal of fixed assets	**(484,208.87)**	**(4,484,295.94)**	**(319,401.47)**	**–**	**(5,287,906.28)**
Gain from disposal of intangible assets	**–**	**–**	**–**	**–**	**–**
Investment in associates	**569,398,767.85**	**534,303,851.77**	**6,436,326,383.00**	**42,527,031.37**	**7,582,556,033.99**
Capital expenditure	**(1,083,637,578.70)**	**(665,886,388.32)**	**(57,352,065.99)**	**(10,845,793.85)**	**(1,817,721,826.86)**

January – June 2012 (Audited)

	Diesel engines	Automobiles and other major automobile components	Other automobile components	Import & export services	Total
Segment revenue:					
Sale to external customers	9,468,724,121.94	16,981,084,602.87	534,360,726.16	75,506,168.90	27,059,675,619.87
Inter-segment sale	2,281,431,861.56	156,262.01	39,194,948.82	–	2,320,783,072.39
Total	11,750,155,983.50	16,981,240,864.88	573,555,674.98	75,506,168.90	29,380,458,692.26
Adjustment:					
Elimination of inter-segment sale					(2,320,783,072.39)
Revenue					27,059,675,619.87
Segment results	1,762,308,354.85	853,183,207.72	40,771,076.49	(8,226,161.36)	2,648,036,477.70
Adjustment:					
Elimination of inter-segment results					(323,256,569.06)
Interest income					162,279,026.57
Dividend income and unallocated income					201,027,146.30
Corporate and other unallocated expenses					(17,236,368.59)
Finance cost					(162,750,618.37)
Profit before tax					2,508,099,094.55

31 December 2012 (Audited)

	Diesel engines	Automobiles and other major automobile components	Other automobile components	Import & export services	Total
Segment assets	19,919,255,144.62	21,002,990,818.11	8,835,477,497.68	6,395,999,165.88	56,153,722,626.29
Adjustment:					
Elimination of inter-segment receivables					(7,597,274,404.97)
Corporate and other unallocated assets					17,763,914,629.37
Total assets					66,320,362,850.69
Segment liabilities	10,500,167,195.06	11,419,252,703.59	8,248,373,872.44	35,405,087.52	30,203,198,858.61
Adjustment:					
Elimination of inter-segment payables					(7,623,734,586.90)
Corporate and other unallocated liabilities					12,341,662,801.48
Total liabilities					34,921,127,073.19

January – June 2012 (Audited)

	Diesel engines	Automobiles and other major automobile components	Other automobile components	Import & export services	Total
Other segment information:					
Share of profit and loss from:					
Gain/(loss) from associates	40,496,514.43	(15,538,731.91)	–	69,883.80	25,027,666.32
Impairment loss of inventories	2,909,736.53	(5,185,467.51)	(632,461.50)	–	(2,908,192.48)
Impairment reversal/(loss) of account receivables and other receivables	(36,534,995.39)	(29,494,445.81)	(3,366,037.01)	448,372.76	(68,947,105.45)
Depreciation and amortization	(278,858,364.34)	(405,889,686.09)	(15,730,653.34)	(12,970,737.55)	(713,449,441.32)
Gain/(loss) from disposal of fixed assets	1,529,170.51	2,319,319.31	294,962.32	–	4,143,452.14
Gain from disposal of intangible assets	1,912,519.00	–	–	–	1,912,519.00
Investment in associates	783,756,862.96	222,965,650.34	–	47,071,211.14	1,053,793,724.44
Capital expenditure	(1,036,671,421.94)	(1,549,162,954.14)	(35,652,658.55)	(10,540,384.52)	(2,632,027,419.15)

Group information

Information about products and services

Revenue from external transactions

	January-June 2013 (Reviewed)	January-June 2012 (Audited)
Diesel engines	**11,972,364,977.37**	9,468,724,121.94
Automobiles and other major automobile components	**17,296,054,743.43**	16,981,084,602.87
Other automobile components	**1,613,983,726.96**	534,360,726.16
Import & export services	**39,215,586.19**	75,506,168.90
	30,921,619,033.95	27,059,675,619.87

Geographic information

Revenue from external transactions

	January-June 2013 (Reviewed)	January-June 2012 (Audited)
Mainland China	**29,708,201,575.05**	26,942,035,581.75
Other countries and regions	**1,213,417,458.90**	117,640,038.12
	30,921,619,033.95	27,059,675,619.87

Revenue from external transactions is attributable to the areas where customers are located.

Total non-current assets

	30 June 2013 (Reviewed)	31 December 2012 (Audited)
Mainland China	**19,378,117,693.15**	19,269,480,687.65
Other countries and regions	**9,359,044,641.75**	6,917,880,832.49
	28,737,162,334.90	26,187,361,520.14

Non-current assets are attributable to the areas where the assets are located, excluding financial assets and deferred tax assets.

Information about major customers

Revenue of RMB3,349,655,861.41 (January to June 2012: RMB2,570,469,892.69) was derived from sales by the Diesel engines segment and the Automobiles and other major automobile components segment to a single customer, including sales to all entities which are known to be under common control by that customer.

3. NOTES RECEIVABLE

	30 June 2013 (Reviewed)	31 December 2012 (Audited)
Bank acceptance bills	**17,337,170,501.28**	9,218,491,108.06
Commercial acceptance bills	**21,863,123.09**	23,741,034.33
	17,359,033,633.37	9,242,232,142.39

As at 30 June 2013, top 5 notes receivable that were pledged are presented as follows:

Issuer	**Issuing date**	**Expiry date**	**Amount**	**Issued by**
Nanjing Iveco Motor Company Ltd.	2013/5/24	2013/11/24	45,000,000.00	China CITIC Bank
Pang Da Automobile Trade Co., Ltd	2013/3/28	2013/9/28	10,000,000.00	China Minsheng Bank
Nanjing Iveco Motor Company Ltd.	2013/3/29	2013/9/29	10,000,000.00	China CITIC Bank
Nanjing Iveco Motor Company Ltd.	2013/3/29	2013/9/29	10,000,000.00	China CITIC Bank
Nanjing Iveco Motor Company Ltd.	2013/3/29	2013/9/29	10,000,000.00	China CITIC Bank
			85,000,000.00	

As at 31 December 2012, top 5 notes receivable that were pledged are presented as follows:

Issuer	**Issuing date**	**Expiry date**	**Amount**	**Issued by**
Dongfeng Motor Co., Ltd (Commercial Vehicle Company)	2012/9/17	2013/3/17	20,000,000.00	Industrial Bank
Dongfeng Motor Co., Ltd (Commercial Vehicle Company)	2012/9/17	2012/3/17	20,000,000.00	Industrial Bank
Dongfeng Motor Co., Ltd (Commercial Vehicle Company)	2012/7/17	2013/1/17	10,000,000.00	China Construction Bank
Dongfeng Motor Co., Ltd (Commercial Vehicle Company)	2012/7/17	2013/1/17	10,000,000.00	China Construction Bank
Dongfeng Motor Co., Ltd (Commercial Vehicle Company)	2012/7/17	2013/1/17	10,000,000.00	China Construction Bank
			70,000,000.00	

As at 30 June 2013 and 31 December 2012, the Group has not transferred any notes into accounts receivable due to issuers' failure in performance.

The top 5 notes receivable outstanding as at 30 June 2013 that had been endorsed to other parties are presented as follows:

Issuer	Issuing date	Expiry date	Amount
Pang Da Automobile Trade Co., Ltd	2013/3/28	2013/9/28	10,000,000.00
Xinjiang Puzhao Technology Development Co., Ltd	2013/5/7	2013/11/7	10,000,000.00
Saic-iveco Hongyan Commercial Vehicle Co., Ltd.	2013/3/1	2013/9/1	10,000,000.00
Saic-iveco Hongyan Commercial Vehicle Co., Ltd.	2013/3/1	2013/9/1	10,000,000.00
Saic-iveco Hongyan Commercial Vehicle Co., Ltd.	2013/3/1	2013/9/1	10,000,000.00
			50,000,000.00

The top 5 notes receivable outstanding as at 31 December 2012 that had been endorsed to other parties are presented as follows:

Issuer	Issuing date	Expiry date	Amount
Zoomlion Heavy Industry Science and Technology Co., Ltd	2012/8/27	2013/2/21	20,000,000.00
Zoomlion Heavy Industry Science and Technology Co., Ltd	2012/8/27	2013/2/21	20,000,000.00
Zhengzhou Yutong Heavy Industries Co., Ltd.	2012/12/27	2013/6/26	13,444,365.00
Hebei Zhongkai Auto Sales Co., Ltd.	2012/9/28	2013/3/28	13,000,000.00
Zoomlion Heavy Industry Science and Technology Co., Ltd	2012/7/26	2013/1/26	10,000,000.00
			76,444,365.00

As at 30 June 2013, notes receivable amounting to RMB1,970,077,125.67 (31 December 2012: RMB294,400,473.38) was pledged to banks for establishment of bank acceptance bills. None of the notes receivable were pledged for short-term loans (31 December 2012: RMB92,280,926.01).

4. ACCOUNTS RECEIVABLE

The Group trades with its customers primarily on credit terms, and generally requires prepayments or cash on delivery for new customers. Credit period is generally one month, extending up to six months for major customers. Accounts receivable is non-interest bearing.

An aging analysis of accounts receivable based on invoice dates is presented as follows:

	30 June 2013 (Reviewed)	31 December 2012 (Audited)
Within 3 months	**4,274,118,242.15**	2,876,869,314.13
3 to 6 months	**1,156,599,436.60**	453,279,212.41
6 months to 1 year	**552,914,459.05**	534,382,562.75
1 to 2 years	**277,350,596.27**	359,823,287.48
2 to 3 years	**188,303,152.62**	251,164,319.41
Over 3 years	**487,376,028.06**	364,675,665.77
	6,936,661,914.75	4,840,194,361.95
Less: provision for bad debt in respect of accounts receivable	**804,620,272.00**	671,668,964.81
	6,132,041,642.75	4,168,525,397.14

Changes in provision for bad debts in respect of accounts receivable are presented as follows:

	30 June 2013 (Reviewed)	31 December 2012 (Audited)
Opening balance	**671,668,964.81**	711,679,522.34
Provision for the period/year	**153,018,063.81**	34,509,963.52
Increase in scope of consolidation	**–**	202,512.08
Decrease during the period/year:		
Reversal	**(20,899,716.14)**	(44,343,652.97)
Write-off	**–**	(10,794,080.00)
Disposal of subsidiaries	**–**	(19,585,300.16)
Adjustment for exchange differences	**832,959.52**	–
Closing balance	**804,620,272.00**	671,668,964.81

	30 June 2013 (Reviewed)			
	Gross carrying amount	**Proportion (%)**	**Provision for bad debt**	**Percentage (%)**
Individually significant items for which provision for bad debt is recognized separately	**687,780,416.59**	**9.92**	**316,614,982.67**	**46.03**
Items for which provision for bad debt is recognized by group	**5,895,271,053.27**	**84.98**	**396,804,102.81**	**6.73**
Not individually significant items for which provision for bad debt is recognized separately	**353,610,444.89**	**5.10**	**91,201,186.52**	**25.79**
	6,936,661,914.75	**100.00**	**804,620,272.00**	**11.60**

	31 December 2012 (Audited)			
	Gross carrying amount	Proportion (%)	Provision for bad debt	Percentage (%)
Individually significant items for which provision for bad debt is recognized separately	911,583,071.67	18.83	323,077,870.81	35.44
Items for which provision for bad debt is recognized by group	3,716,373,644.35	76.79	267,913,983.54	7.21
Not individually significant items for which provision for bad debt is recognized separately	212,237,645.93	4.38	80,677,110.46	38.01
	4,840,194,361.95	100.00	671,668,964.81	13.88

Items for which provision for bad debt is recognized by group are presented as follows:

	30 June 2013 (Reviewed)				31 December 2012 (Audited)			
	Gross carrying amount	**Proportion (%)**	**Provision for bad debt**	**Percentage (%)**	Gross carrying amount	Proportion (%)	Provision for bad debt	Percentage (%)
Within 1 year	**5,523,864,845.78**	**93.69**	**252,607,924.45**	**4.57**	3,288,601,793.34	88.49	126,176,583.18	3.84
1 to 2 years	**203,405,745.82**	**3.45**	**30,586,936.11**	**15.04**	268,350,030.16	7.23	34,021,313.10	12.68
2 to 3 years	**41,019,205.12**	**0.70**	**11,588,816.94**	**28.25**	48,804,662.16	1.31	14,261,982.58	29.22
3 to 4 years	**35,757,642.38**	**0.61**	**15,133,915.15**	**42.32**	26,045,630.58	0.70	13,042,669.89	50.08
4 to 5 years	**21,314,569.48**	**0.36**	**16,977,465.47**	**79.65**	20,840,216.64	0.56	16,680,123.32	80.04
Over 5 years	**69,909,044.69**	**1.19**	**69,909,044.69**	**100.00**	63,731,311.47	1.71	63,731,311.47	100.00
	5,895,271,053.27	**100.00**	**396,804,102.81**	**6.73**	3,716,373,644.35	100.00	267,913,983.54	7.21

From January to June 2013, the reversal or recovery of significant accounts receivables are presented as follows:

	Reason for reversal or recovery	Basis for recognition of provision for original bad debts	Accumulated amount of provision for bad debts before the reversal or recovery	Amount reversed or recovered
Anhui Anyu Engineering Machinery Sales Co., Ltd	Partial or wholly recovery	Estimated recoverable amount	50,532,996.15	10,387,195.65
Datong City Yi Fu Commercial and Trading Co., Ltd	Partial or wholly recovery	Estimated recoverable amount	22,878,618.07	3,569,172.01
Qingdao CAIEC Special Automobile Co., Ltd.	Partial or wholly recovery	Estimated recoverable amount	3,631,191.30	3,418,050.00
Loudi City Yong Tong Automobile Trading Co., Ltd.	Partial or wholly recovery	Estimated recoverable amount	1,139,003.67	1,139,003.67
Dalian Shaanxi Automobile Sales Co., Ltd	Partial or wholly recovery	Estimated recoverable amount	24,972,976.55	687,240.00
			103,154,785.74	19,200,661.33

In 2012, the reversal or recovery of significant accounts receivables are presented as follows:

	Reason for reversal or recovery	Basis for recognition of provision for original bad debts	Accumulated amount of provision for bad debts before the reversal or recovery	Amount reversed or recovered
Shaanxi Rong Chang Yuan Trading Co., Ltd	Partial or wholly recovery	Estimated recoverable amount	41,447,542.08	6,524,888.75
Shanxi Tong Tai Automobile Sales Services Co., Ltd	Partial or wholly recovery	Estimated recoverable amount	56,634,426.00	5,400,000.00
Datong City Yi Fu Commercial and Trading Co., Ltd	Partial or wholly recovery	Estimated recoverable amount	26,575,080.39	3,696,462.32
Dalian Shaanxi Automobile Sales Co., Ltd	Partial or wholly recovery	Estimated recoverable amount	27,947,821.55	2,974,845.00
Zhejiang Tong Yue Industrial Co., Ltd	Partial or wholly recovery	Estimated recoverable amount	3,044,136.00	2,848,224.00
			155,649,006.02	21,444,420.07

For the period from January to June 2013, no accounts receivable was written off (2012: RMB10,794,080.00).

As at 30 June 2013, within the aforesaid balance of accounts receivable, there was no amount due from shareholders that held 5% or more of the Company's voting shares (31 December 2012: Nil). Balance of accounts receivable with other related parties are set out in Note VI.6 to the financial statements of the Company's 2013 Interim Report.

As at 30 June 2013, the top 5 accounts receivable are presented as follows:

	Amount	Age	Percentage of total accounts receivable	Relationship with the Group
Dongfeng Motor Co., Ltd (Commercial Vehicle Company)	453,994,835.14	Within 1 year	6.54	Non-related parties
Zoomlion Heavy Industry Science and Technology Co., Ltd	409,129,156.80	Within 1 year	5.90	Non-related parties
Beijing Foton Daimler Automotive Co., Ltd	330,402,755.65	Within 1 year	4.76	Non-related parties
Shanxi Dayun Automobile Manufacturing Co., Ltd	152,902,402.00	Within 1 year	2.20	Non-related parties
Shaanxi Automobile Group Changsha Huantong Automobile Manufacturing Co., Ltd	118,223,541.30	Within 2 years	1.70	Related parties
	1,464,652,690.89		21.10	

As at 31 December 2012, the top 5 accounts receivable are presented as follows:

	Amount	Age	Percentage of total accounts receivable	Relationship with the Group
Dongfeng Motor Co., Ltd (Commercial Vehicle Company)	177,880,036.81	Within 1 year	3.68	Non-related parties
Beijing Foton Daimler Automotive Co., Ltd	170,529,974.09	Within 1 year	3.52	Non-related parties
Faw Jiefang Qingdao Automotive Co., Ltd	150,749,459.02	Within 1 year	3.11	Non-related parties
Shaanxi Automobile Group Changsha Huantong Automobile Manufacturing Co., Ltd	115,539,069.88	Within 1 year	2.39	Related parties
Zoomlion Heavy Industry Science and Technology Co., Ltd	100,451,540.00	Within 1 year	2.08	Non-related parties
	715,150,079.80		14.78	

Accounts receivable denominated in foreign currencies are as follows:

	30 June 2013 (Reviewed)			31 December 2012 (Audited)		
	Original currency	**Exchange rate**	**RMB equivalent**	Original currency	Exchange rate	RMB equivalent
Accounts receivable						
– USD	**54,036,056.45**	**6.1787**	**333,872,581.99**	121,018,009.66	6.2855	760,658,699.71
– EUR	**37,430,454.44**	**8.0536**	**301,449,907.88**	7,172,677.75	8.3176	59,659,464.42
– HKD	**3,079.16**	**0.7966**	**2,452.86**	115.98	0.8109	94.05
– GBP	**115.98**	**9.4213**	**1,092.68**	2,905.80	10.1611	29,526.08
– Indian Rupee	**2,821,256.00**	**0.1036**	**292,282.12**	–	0.1139	–
			635,618,317.53			820,347,784.26

5. NOTES PAYABLE

	30 June 2013 (Reviewed)	31 December 2012 (Audited)
Bank acceptance bill	**6,215,309,690.49**	5,244,310,106.70
Commercial acceptance bills	**4,038,315.26**	–
Total	**6,219,348,005.75**	5,244,310,106.70

As at 30 June 2013, the amount of notes payable falling due in the next 12 months was RMB6,219,348,005.75 (31 December 2012: RMB5,244,310,106.70).

As at 30 June 2013, within the aforesaid balance of notes payable, there was no amount due to shareholders that held 5% or more of the Company's voting shares (31 December 2012: nil). Please refer to Note VI. 6 to the financial statements of the Company's 2013 Interim Report for the balance of notes payable between the Group and other related parties.

6. ACCOUNTS PAYABLE

Accounts payable are non-interest bearing, and are generally settled within three to four months.

	30 June 2013 (Reviewed)	31 December 2012 (Audited)
Accounts payable	**15,312,081,937.48**	9,962,420,973.54

As at 30 June 2013, the aging analysis of accounts payable based on the invoice date is presented as follows:

	30 June 2013 (Reviewed)	31 December 2012 (Audited)
Within 3 months	**13,485,693,344.79**	9,181,115,720.64
3 to 6 months	**987,756,019.42**	315,893,898.34
6 months to 1 year	**433,387,273.04**	154,647,071.71
Over 1 year	**405,245,300.23**	310,764,282.85
Total	**15,312,081,937.48**	9,962,420,973.54

As at 30 June 2013, there was no material accounts payable which aged over one year (31 December 2012: nil).

As at 30 June 2013, within the aforesaid balance of accounts payable, there was no amount due to shareholders that held 5% or more of the Company's voting shares (31 December 2012: RMB283,674.76). Please refer to Note VI. 6 to the financial statements of the Company's 2013 Interim Report for the balance of accounts payable between the Group and other related parties.

Accounts payable denominated in foreign currencies are set out as follows:

	30 June 2013 (Reviewed)			31 December 2012 (Audited)		
	Original currency	**Exchange rate**	**RMB equivalent**	Original currency	Exchange rate	RMB equivalent
Accounts payable						
– USD	**5,515,689.52**	**6.1787**	**34,079,790.84**	7,790,199.71	6.2855	48,965,300.28
– EUR	**21,101,314.27**	**8.0536**	**169,941,544.60**	5,224,142.04	8.3176	43,452,323.83
– Indian Rupee	**2,445,903.00**	**0.1036**	**253,395.55**		0.1139	–
			204,274,730.99			92,417,624.11

7. REVENUE AND COST OF SALES

The revenue is listed as follows:

Revenue includes turnover and other revenue that arise in the course of the Group's ordinary activities. The Group's turnover, which arises from the principal activities of the Group, represents the net invoiced value of goods sold, after allowances for returns, trade discounts and the value of services rendered; and gross rental income received and receivable from investment properties.

	January-June 2013 (Reviewed)	January-June 2012 (Audited)
Revenue from principal operations	**29,813,363,870.79**	25,726,945,253.85
Other revenue	**1,108,255,163.16**	1,332,730,366.02
	30,921,619,033.95	27,059,675,619.87

Cost of sales is listed as follows:

	January-June 2013 (Reviewed)	January-June 2012 (Audited)
Cost of sales for principal operations	**23,622,091,754.99**	20,638,053,845.37
Other cost of sales	**1,017,895,314.31**	1,232,124,315.41
	24,639,987,069.30	21,870,178,160.78

Information related to principal operations is listed by sector as follows:

	January-June 2013 (Reviewed)		January-June 2012 (Audited)	
	Revenue	**Cost**	Revenue	Cost
Manufacturing of transportation equipment	**29,680,686,306.86**	**23,493,011,478.78**	25,540,142,195.95	20,458,261,502.77
Others	**132,677,563.93**	**129,080,276.21**	186,803,057.90	179,792,342.60
	29,813,363,870.79	**23,622,091,754.99**	25,726,945,253.85	20,638,053,845.37

Information related to principal operations is listed by regions as follows:

	January-June 2013 (Reviewed)		January-June 2012 (Audited)	
	Revenue	**Cost**	Revenue	Cost
Domestic	**27,434,549,908.98**	**21,452,057,848.29**	24,389,530,987.78	19,482,068,385.00
Overseas	**2,378,813,961.81**	**2,170,033,906.70**	1,337,414,266.07	1,155,985,460.37
	29,813,363,870.79	**23,622,091,754.99**	25,726,945,253.85	20,638,053,845.37

Information related to principal operations is listed by product type as follows:

	January-June 2013 (Reviewed)		January-June 2012 (Audited)	
	Revenue	**Cost**	Revenue	Cost
Complete vehicles and key components	**23,375,559,155.13**	**18,603,127,682.87**	20,793,947,013.67	16,569,207,942.64
Non-automobile engines	**2,110,443,082.22**	**1,657,755,129.46**	1,832,994,095.81	1,424,480,783.29
Other automobile components	**3,936,632,350.60**	**3,043,047,799.04**	2,773,827,076.08	2,339,405,297.24
Others	**390,729,282.84**	**318,161,143.62**	326,177,068.29	304,959,822.20
	29,813,363,870.79	**23,622,091,754.99**	25,726,945,253.85	20,638,053,845.37

From January to June 2013, revenue from the top 5 customers is presented as follows:

	Amount	**Proportion of revenue (%)**	**Relationship with the Group**
Beijing Foton Daimler Automotive Co., Ltd	**3,349,655,861.41**	**10.83**	Non-related parties
Weichai Power Westport New Energy Engine Co., Ltd.	**820,595,494.69**	**2.65**	Related parties
Faw Jiefang Qingdao Automotive Co., Ltd	**704,660,784.04**	**2.28**	Non-related parties
Saic-iveco Hongyan Commercial Vehicle Co., Ltd.	**674,604,055.80**	**2.18**	Non-related parties
Dongfeng Motor Co., Ltd (Commercial Vehicle Company)	**630,645,652.37**	**2.04**	Non-related parties
	6,180,161,848.31	**19.98**	

From January to June 2012, revenue from the top 5 customers is presented as follows:

	Amount	Proportion of revenue (%)	Relationship with the Group
Beiqi Foton Motor Co., Ltd	2,570,469,892.69	9.50	Related parties
Zoomlion Heavy Industry Science and Technology Co., Ltd	891,180,391.95	3.29	Non-related parties
Baotou Northern Benz Heavy Truck Company Limited	646,205,731.63	2.39	Non-related parties
Pang Da Automobile Trade Co., Ltd	634,149,760.42	2.34	Non-related parties
Faw Jiefang Qingdao Automotive Co., Ltd	617,652,130.16	2.28	Non-related parties
	5,359,657,906.85	19.80	

Revenue is listed as follows:

	January-June 2013 (Reviewed)	January-June 2012 (Audited)
Revenue from principal operations		
Sales of goods and others	**29,813,363,870.79**	25,726,945,253.85
Other revenue		
Sales of materials	**848,606,774.34**	924,890,065.99
Sales of power	**15,896,641.61**	23,704,776.29
Lease income	**28,636,276.75**	40,249,331.14
Provision of non-industrial labour	**–**	320,512.82
Others	**215,115,470.46**	343,565,679.78
	1,108,255,163.16	1,332,730,366.02
	30,921,619,033.95	27,059,675,619.87

8. TAXES AND SURCHARGES

	January-June 2013 (Reviewed)	January-June 2012 (Audited)
Business tax	**4,890,729.00**	7,064,688.02
City construction tax	**74,900,726.18**	57,024,936.09
Educational surtax	**52,244,505.71**	42,363,751.34
Others	**9,278,925.93**	7,251,098.64
	141,314,886.82	113,704,474.09

Please refer to Note III. Taxes to the financial statements of the Company's 2013 Interim Report for tax rates.

9. INCOME TAX EXPENSES

	January-June 2013 (Reviewed)	January-June 2012 (Audited)
Current tax expenses	**459,804,018.09**	329,366,921.82
Deferred tax expenses	**4,242,493.63**	89,889,521.62
	464,046,511.72	419,256,443.44

The relationship between income tax expenses and the total profit is listed as follows:

		January-June 2013 (Reviewed)	January-June 2012 (Audited)
Total profit		**2,753,508,049.43**	2,508,099,094.55
Tax at statutory tax rate	*Note*	**691,682,698.78**	624,698,609.04
Effect of different tax rates applicable to parent company and some subsidiaries		**(283,740,576.27)**	(254,309,384.83)
Adjustments to current tax of previous periods		**(461,397.39)**	(1,763,777.41)
Profits and losses attributable to associates		**(2,432,828.71)**	(3,754,149.95)
Income not subject to tax		**(1,200,000.00)**	(990,000.00)
Expenses not deductible for tax		**12,434,401.93**	17,555,821.41
Tax incentives on eligible expenditures		**(26,408,191.36)**	(23,239,274.86)
Utilization of deductible losses from prior years		**(18,399,676.45)**	(865,019.82)
Unrecognized deductible losses		**88,547,106.86**	60,352,856.17
Effect of unrecognized deductible temporary difference		**4,024,974.33**	1,570,763.69
Tax expense at the Group's effective tax rate		**464,046,511.72**	419,256,443.44

Note: The income tax of the Group is calculated based on the estimated taxable income gained in the PRC and applicable tax rate. Tax arising from the taxable income in other regions is calculated at applicable tax rate according to existing laws, interpretations and practices of the country in which the Group operates.

No provision for Hong Kong profit tax has been made as the Group had no taxable profits arising in Hong Kong for the period.

10. EARNINGS PER SHARE (EPS)

The basic EPS is calculated by dividing the net profit of the current period attributable to the ordinary shareholders of the Company by the weighted average number of outstanding ordinary shares.

The calculation of basic EPS is detailed as follows:

	January-June 2013 (Reviewed)	January-June 2012 (Audited)
Earnings		
Net profit of the current period attributable to ordinary shareholders of the Company	**2,084,967,415.03**	1,897,252,608.20
Shares		
Weighted average number of the ordinary shares outstanding of the Company	**1,999,309,639.00**	1,999,309,639.00
EPS (RMB/share)	**1.04**	0.95

The Company holds no potential shares that are dilutive.

Note: With the approval by the Company's annual general meeting 2011 on 29 June 2012, the first general meeting of A Shares shareholders in 2012 and the first general meeting of H Shares shareholders in 2012, the Company proposed to distribute 2 bonus shares for every 10 shares held by shareholders and a cash dividend of RMB1.00 (including tax) for every 10 shares based on the total share capital of 1,666,091,366 shares on the record date namely 31 December 2011, without transfer from capital reserve. Upon completion of the bonus issue, the total share capital of the Company was 1,999,309,639 shares.

In order to maintain the comparability of accounting indicators in the previous and future periods, earnings per share for January-June 2012 has been restated based on the adjusted number of shares.

11. OTHER COMPREHENSIVE INCOME

	January-June 2013 (Reviewed)	January-June 2012 (Audited)
Gain/(loss) from changes in fair value of available-for-sale financial assets	**(65,200,000.00)**	54,465,346.41
Less: Income tax effects of changes in fair value of available-for-sale financial assets	**(9,780,000.00)**	8,256,336.60
	(55,420,000.00)	46,209,009.81
Share of investee's other comprehensive income under equity method	**13,813,749.44**	(42,010,385.84)
Exchange differences on foreign currency translation of foreign operations	**(30,551,253.16)**	(5,951,614.80)
	(72,157,503.72)	(1,752,990.83)

12. DIVIDEND

The Board proposed on 29 August 2013 to distribute a 2013 interim cash dividend of RMB1.00 (including tax) for every 10 shares based on the total share capital of 1,999,309,639 shares of the Company (six months ended 30 June 2012: cash dividend of RMB1.00 for every 10 shares (including tax)). Please refer to the further announcement to be issued by the Company for details on the closure of registers of members in determining the shareholders who are eligible for the 2013 interim dividend.

Pursuant to an annual general meeting of shareholders of the Company held on 24 June 2013, a mandate has been given to the Board for the payment of the 2013 interim dividend.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I would like to present the reviewed interim results of the Company for the Period.

I. Review of Operations

In the first half of 2013, amidst the complex and changing domestic and overseas economic conditions, the Central Committee of the Communist Party of China and the State Council adhered to the main theme of making steady work progress and the pivotal aim of enhancing the quality of economic growth and efficiency and continued to implement its pro-active fiscal policies and robust monetary policies. The national economy was steady in general, with economic development being fuelled by adjusting and fine-tuning policies which were in turn in tandem with the government's reform initiatives. In short, economic development of the nation was steady, structural adjustment and fine-tuning attained steady progress, and economic transformation had quality enhancement while remaining steady. In the first half of the year, gross domestic product reached RMB24.8 trillion, representing a year-on-year growth of 7.6%. In particular, it grew by 7.7% in the first quarter and 7.5% in the second quarter of the year, demonstrating a trend of slowdown in the pace of growth.

During the Period, the heavy-duty truck industry reported aggregate sales of 402,700 units, representing a year-on-year growth of 8.4%. The recovery of the heavy-duty truck market was primarily attributable to three factors: Firstly, the first half of the year witnessed recovery of fixed-asset investments which drove the demand for new purchases of heavy-duty trucks from ultimate users in the heavy-duty truck market. Secondly, it was attributable to the growth driven by the anticipated implementation of the China IV Emission Standards, which drove early utilization. Thirdly, the Period saw the beginning of a cycle of whole-truck replacement which was derived from the trucks sold in 2010 and 2011, resulting in new demand for replacement of trucks. During the Period, thanks to the growth of heavy-duty truck market in the PRC, the Company's aggregate sales of heavy-duty truck engines amounted to 155,100 units, representing a year-on-year increase of 22.7%. The Company's share in the auxiliary market for heavy-duty trucks with a gross weight of above 14 tonnes reached 38.5%, maintaining the Company's absolute leading position in the industry. Shaanxi Heavy-duty Motor Company Limited (陜西重型汽車有限公司), a controlling subsidiary of the Company, was ranked the 5th among its heavy-duty truck peers in China, reporting an aggregate sales of 47,000 units of heavy-duty trucks for the first half of the year, representing a year-on-year increase of 0.5%. Shaanxi Fast Gear Co. Ltd. (陜西法士特齒輪有限責任公司), a controlling subsidiary of the Company, maintained its stable leading position in the industry, reporting an aggregate sales of 320,400 units of gear boxes, representing a year-on-year increase of 23.1%.

2013 represents a year of intensified reform for China's industry of construction machinery. In the first half of the year, fixed-asset investments of China reached RMB18.13 trillion, representing a year-on-year growth of 20.1%, a drop of 0.3 percentage points year-on-year. The total planned investments for newly-commenced construction projects reached RMB17.3 trillion, representing a year-on-year growth of 15.1%. Investments in property development reached RMB3.68 trillion, representing a year-on-year growth of 20.3%. The rebound of the property projects and infrastructure projects was nevertheless weak. Amidst such backdrop, the construction machinery industry pressed ahead amidst substantial adversity but had yet to come out from a trough during the first half of the year. During the Period, the construction machinery market of China reported a total sales of 401,200 units, representing a year-on-year drop of 1.3%. In particular, for the market of wheel loaders with a load capacity of 5 tonnes, the sale volume was 62,500 units, representing a year-on-year decrease of 1.7%. Leveraging on its product advantage, the Company sold 41,900 units of engines for wheel loaders with a load capacity of 5 tonnes, representing a year-on-year growth of 5.9% and the Company's market share in the market of wheel loaders with a load capacity of 5 tonnes reached 67%, signifying the Company's leading position in this market is maintained.

During the Period, China's passenger vehicle market achieved growth while maintaining stability. Benefiting from favorable factors including the development of municipal transportation, China's passenger vehicle market reported an aggregate sales figure of 267,500 units, representing a year-on-year growth of 12.7%. School-buses, gas-fuelled passenger vehicles and those passenger vehicles using new energy modes reported excellent performance. Under favorable market conditions, our engines for use in passenger vehicles reported a sales figure of 9,076 units for the Period, representing a year-on-year growth of 3.8%. It represented steady growth for the three consecutive years, and a 11.6% market share in the market of medium-sized and large-sized passenger vehicles.

During the Period, with our technology innovation, the Company continued to lead the technology development trend in the equipment manufacturing industry. For the Period, the Company reported a sales figure of 210,700 units of 10L, 12L and 13L engines, maintaining the stable leading position of heavy-duty engine products in the heavy-duty truck market and the market of wheel loaders with a load capacity of 5 tonnes (and above). Meanwhile, the Company further explored the markets of excavating machinery and passenger vehicles in respect of its self-researched and self-developed "Landking" WP5 and WP7 engines, to which it owns intellectual property rights, and generated a total sales of 4,205 units in the first half of the year, representing a year-on-year growth of 55.3%. In particular, 3,542 units were used in passenger vehicles, representing a year-on-year growth of 48.7%. This demonstrated more prominent competitive advantages of our integrated engine product and the wider prospects of the development of the Company. During the Period, Shaanxi Heavy-duty Motor Company Limited (陝西重型汽車有限公司) and Shaanxi Fast Gear Co. Ltd. (陝西法士特齒輪有限責任公司), both controlling subsidiaries of the Company, successfully launched their double-fuel-driven vehicle 德龍M3000X4, which is diesel–/methanol – driven, and new gearbox product with 20-level fully-aluminum-alloy shells, which was an important step in their adjustment of product mix.

During the Period, the Company remained committed to reforms and innovations and adhered to the scientific approach of "Grow organically and driven by innovation" for its development, by continuously enhancing its level of management through adjustment of its model and structure, and boosting its steady and healthy development. Firstly, the Company was persistently uplifting its capability in scientific research and innovation. The Company was granted a National Grade II Award for Technological Advancement in respect of its "Landking" WP10/WP12 projects. It also succeeded in its self-research and self-development of a model of vehicle utilizing new energy sources, and its "S-gearbox", and successfully passed the on-site inspection conducted by the National Engineering Research Centre, which further boosted the research and development capability of the Company. Secondly, the Company commenced its intensified "Implementation of Betterment Initiatives" campaign. Revolving around the main theme of "smoothing processes, enhancing systems, uplifting management and sustaining improvement", the Company fine-tuned its management mechanism, and mobilized full-force participation from all of its staff members. The first half of the year reported completion of more than 18,000 items of improvement, with a gain of RMB88 million. Thirdly, it pushed ahead projects of innovation being arranged by its technology centres. By introducing cutting-edge human resources management concepts, the Company established a Key Performance Indicator assessment system covering all posts, and also a scientific mechanism for promoting, incentivizing and dismissing staff members, which essentially motivated research staff members in their work. Fourthly, the Company successfully conducted a trial-run for the mechanism of "Production Volume by Teams and Wages by Day" in the respective professional teams, and fully reformed the approach to production arrangement and workers' remuneration system, which would in turn contribute to the more scientific management of factories, more orderly linkage between production, supply and sale, and more closely-aligned interests between individuals and the team. Fifthly, the Company increased its shareholding in KION Group AG ("KION") to 30% and supported KION's successful listing on the Frankfurt Stock Exchange in Germany. It also successfully sponsored Ferrari's Formula One races, organized a campaign and product fair on the theme of "Serving Indonesia for 30 Years by Weichai" in Jakarta in Indonesia. All these contributed to the positive brand image of the Company and vastly raised the Company's worldwide influence, which in turn expedited the international development of the Company.

During the Period, the Company's revenue increased by 14.3% over the same period of 2012 to approximately RMB30,922 million. The net profit attributable to shareholders of the Parent was approximately RMB2,085 million, representing an increase of approximately 9.9% over the same period of 2012. The basic earnings per share was RMB1.04, representing an increase of approximately 9.5% over the same period in 2012.

II. Dividends and Transfer of Capital Reserve

On 24 June 2013, the 2012 profit distribution scheme was reviewed and approved at the 2012 annual general meeting of the Company. Based on the 1,999,309,639 shares, representing the total share capital of the Company, all shareholders were entitled to cash dividend of RMB2.30 (incl. tax) for every 10 shares held.

On 29 August 2013, pursuant to the authority granted by the shareholders of the Company, the Board reviewed and approved the distribution of cash dividend of RMB1.00 (incl. tax) for every 10 shares held, based on the total number of shares of 1,999,309,639 shares, without any transfer of capital reserve to capital. For details on the closure of registers of members in determining the shareholders who are eligible for the 2013 interim dividend, please refer to the further announcement to be issued by the Company.

III. Acquisition and Consolidation

In June 2013, the Company supported the successful listing of KION on the Frankfurt Stock Exchange in Germany. By exercising a call option to subscribe for new shares in KION (the "KION Call Option"), the Company acquired additional shares in KION so that its shareholding increased to 30% of KION's total issued share capital. The enhanced control in KION represents the Company's important step in the progress of its international development.

IV. Outlook and Prospects

At present, in view of the complex domestic and overseas economic conditions, it is anticipated that China's economic growth will enter an important period which is characterized by the gradual transformation from a stage of rapid pace to one of medium pace and the pursuit of a new balance on a global basis. Economic development will focus more on quality and uplifting of efficiency, as opposed to the previous stress on pace. In the second half of the year, "structural adjustment" will be the main theme in China's economic policies. The possibility of launching policies to stimulate economic growth on a large scale will be remote, and GDP growth is expected to be around 7.5% on a full year basis. Having said that, urbanization of rural areas, modernization of cities, railway construction and infrastructure construction in Western China will still be the drivers of investment and consumption, presenting enormous opportunities for enterprises. On a global basis, economic outlook is mingled with both positive and negative ingredients. The United States' economy is starting to recover albeit with risks. Eurozone states are expected to remain a recessive landscape. Japan is expected to experience short-term rebound in its economy, but the possibility of a substantial recovery is remote. Emerging markets will experience slowdown in their pace of economic growth. Generally speaking, the global economy will experience a period of weak recovery, with lots of uncertainties and complexities. Annual GDP growth is estimated at around 3%.

The Company is cautiously optimistic about the development trend of its related industries. In the second half of 2013, supply and demand conditions will further improve in China's heavy-duty truck market with year-on-year growth in the sales volume of heavy-duty trucks for the following major reasons: Firstly, details of urbanization proposals are expected to be rolled out during the year, which will bring forth investment returns and add to the demand for heavy-duty trucks. Secondly, development of municipal rail transports, affordable housings and the expedition of redevelopment of shack-dwellers areas will stimulate the utilization of heavy-duty trucks. Thirdly, policies fuelling domestic demand are being formulated on an ongoing basis, leading to stronger flow of goods and thus rising demand for heavy-duty trucks for logistics purposes.

With regard to the construction machinery market, in the second half of the year, recovery is expected to be driven by the steady investment in infrastructure and properties, the robust demand for housing for self-use purposes, urbanization construction and the commencement of municipal construction projects on transportation as well as hydraulic projects. According to the latest data released by the Ministry of Railways of China, in 2013, the planned investment in fixed assets in the railway sector is RMB650 billion, among which only 33.22% were completed in the first half of the year. The second half of the year is therefore expected to weigh more in railway investment, which will further gain pace and deliver sustainable momentum for the growth of the construction machinery industry. In general, the construction machinery market is expected to perform better in the second half of the year.

Implementation of China IV Emission Standards, which had been scheduled on 1 July 2013 as required under the laws and regulations in relation to emission, was once again deferred. In 20 regions and cities in China, however, registration of heavy-duty trucks had been officially required to meet China IV Emission Standards. Leveraging on our advanced technology, large-scale and high quality production, synergy presented by the availability of global resources and a strong loyal customer base, we are now ready to meet China IV Emission Standards and will maintain our leading position in the market of high-power engines, high-duty gear boxes and complete heavy-duty vehicles. The Directors have full confidence in the development prospect of the Company.

In 2013, the Company identified the ambitious target of realizing its "Weichai Dream", by becoming a pillar to support the revitalization of the Chinese nation, a driver for technological advancement, a cornerstone upon which employees' values lie, and a compass directing the Company's new round of reforms and innovative development. In the second half of 2013, the Company will see product strategy as the core strategy of the Company. The main theme will be on delivering products with top-notch competitiveness in terms of cost, core technological sophistication and product quality. Efforts will be made in preparing for production and marketing of products in compliance with China IV Emission Standards, and will continue on technological innovation, service enhancement, uplifting of product performance, with a view to fully equipping the Company with everything needed for this new stage of emission requirements. We will keep fostering cost saving and efficiency enhancement, for boosting profitability through cutting down expenses and tightening control over operational efficiency by adopting measures for scaling down administrative expenses, raising inventory turnover rate and strengthening technological processes that favour cost reduction. With the promotion of our "Vehicles' Link with Me" project, the establishment of the catalogue for after-sales electronic components (SBOM) program, and innovation of supply chain arrangements, we will achieve new breakthroughs in marketing. For the segment of heavy-duty vehicles, research of the new generation of heavy-duty trucks will be expedited to enhance the technological contents of such products and get prepared for subsequent growth. On the back of the successful formulation of the "S-gearbox", companies producing gear boxes will continue to intensify their efforts in research and development of strategic products with a view to achieving new breakthroughs. For the components segment, we will intensify our research and innovation, enhance core competence of our products, and take full advantage of the synergies interplay between the component business segment and the engine business segment.

At the same time, under the principle of "unified strategy, independent operation, resources sharing", we will continue to coordinate the needs for expanding the domestic and international markets and international business development, accelerate the coordinated development of our business in complete vehicles, power chains, hydraulics controlling parts and other automobile components, in order to fully utilize the synergetic advantage of the brands, technology, resources and management of the domestic and overseas companies, enhance international brand image, and boost the overall capability to manage risks. Identifying our century-spanning "Weichai Dream", and aiming at fostering the new round of reforms and innovative development, we will make every effort to win the battle in this second building-up process, and ultimately rank ourselves among the top global 500 enterprises.

V. Appreciation

Last but not least, I would like to take this opportunity to express my sincere appreciation to all our shareholders, the general public and our customers for their care and support, as well as all of our staff for their hard work and dedication in the last six months!

MANAGEMENT DISCUSSION AND ANALYSIS

The Directors are pleased to present a management discussion and analysis of the results of operations of the Group for the Period as follows:

I. Industry Analysis

The Company is one of the largest manufacturers of high-speed heavy-duty diesel engines in the PRC and a leading company in the power chains market. It is equipped with the most comprehensive supply chain of engines, gear boxes and axles.

1. Heavy-duty Vehicle Industry

The first half of the year witnessed steady development in the national economy. Gross domestic product reached RMB24.8 trillion, representing a year-on-year growth of 7.6%, or a growth of 7.7% for the first quarter and 7.5% for the second quarter, illustrating a downward trend of growth from the first to the second quarter.

The recovery of fixed asset investment in the PRC, together with the early utilization in anticipation of implementation of China IV Emissions Standard, and the favourable factors such as the heavy-duty truck complete vehicle market gradually entering into the replacement cycle, and the stock clearance processes of the industry during the last two years having been completed, the heavy-duty truck industry in China has started to recover. During the Period, the aggregate sales of heavy-duty trucks in the PRC were approximately 402,700 units, representing a year-on-year increase of 8.4%.

2. Construction Machinery

During the Period, the total fixed asset investment in the PRC amounted to RMB18.13 trillion, representing a year-on-year increase of 20.1% but the rate of increase showed a decrease of 0.3 percentage points from the corresponding period last year. Investment in real estate developments amounted to RMB3.68 trillion, representing a year-on-year growth of 20.3%. The industry of construction machinery is bottoming-out and thus still facing challenges in the market. During the Period, the aggregate sales in the PRC's construction machinery market were approximately 401,200 units, representing a year-on-year decrease of 1.3%. In particular, 62,500 units of wheel loaders with a load capacity of 5 tonnes were sold, representing a year-on-year decrease of 1.7%.

II. The Group's Business

An analysis of the Group's business segments is set out in Note 2 to the reviewed consolidated financial statements. The following are the highlights of the operations conditions of the major products of the Group:

1. Sale of Diesel Engines

For use in Heavy-duty Trucks

With the growth of the heavy-duty truck market, the Company's aggregate sales of heavy-duty truck engines amounted to approximately 155,100 units during the Period, representing a year-on-year increase of approximately 22.7%. The Company's market share in the heavy-duty truck with a gross weight of above 14 tonnes reached 38.5%, maintaining the Company's absolute leading position in the industry.

For use in Construction Machinery

The Group is also the largest supplier of diesel engines to major manufacturers of construction machinery (mainly wheel loaders) with a load capacity of 5 tonnes (and above) in the PRC. During the Period, the Group's sales of engines for wheel loader with a load capacity of 5 tonnes (and above) were approximately 41,900 units, representing a year-on-year increase of approximately 5.9%. According to the information published on the website of China Construction Machinery Network (中國工程機械信息網), the Company's market share in the market of wheel loader with a load capacity of 5 tonnes (and above) reached up to 67%, maintaining the Company's leading position in the market.

2. Sale of Heavy-duty Trucks

The Group reported an aggregate sales of approximately 47,000 units of heavy-duty trucks for the Period. Shaanxi Heavy-duty Motor Company Limited, a controlling subsidiary of the Company, was ranked No. 5 among the heavy-duty truck enterprises in China. Before elimination of intra-group sales, the heavy-duty trucks business contributed sales revenue of approximately RMB13,119 million to the Group during the Period.

3. Sale of Heavy-duty Gear Boxes

During the Period, the Group sold approximately 320,400 units of heavy-duty gear boxes, representing an increase of approximately 23.1% compared to approximately 260,200 units sold in the corresponding period of 2012, and maintaining its leading position in the industry. Before elimination of intra-group sales, the gear boxes business contributed sales revenue of approximately RMB4,478 million to the Group during the Period.

4. Sale of Parts and Components of Engines and Heavy-duty Trucks

Apart from the production and sale of diesel engines for trucks and construction machinery, heavy-duty trucks and heavy-duty gear boxes, the Group is also engaged in the production and sales of engine parts and components and other truck parts and components such as: spark plugs, axles, chassis, air-conditioner compressors, hydraulics controlling parts etc. Through the Company's acquisition of shares in KION and 70% majority stake in Linde Hydraulics GmbH & Co. KG, the Company was brought into the globally leading field of high-end hydraulics sector. Before elimination of intra-group sales, the business of parts and components of engines and trucks contributed sales revenue of approximately RMB2,091 million for the Period, representing an increase of 95.8% from approximately RMB1,068 million for the corresponding period of last year.

III. Financial Review

1. The Group's Results of Operations

a. Revenue

The Group's revenue increased by 14.3% from approximately RMB27,060 million in the corresponding period of 2012 to approximately RMB30,922 million for the Period. In particular, the revenue from principal operations increased by approximately 15.9%, from approximately RMB25,727 million in the corresponding period of 2012 to approximately RMB29,813 million for the Period, which was mainly attributable to the recovery of the heavy-duty truck industry in China and the sales contribution from the hydraulics controlling parts. During the Period, the Group's sales of heavy-duty truck engines and gear boxes were 155,100 units and 320,400 units, representing a year-on-year increase of 22.7% and 23.1%, respectively. Other revenue decreased by approximately 16.8%, from approximately RMB1,333 million in the corresponding period of 2012 to approximately RMB1,108 million for the Period, which was primarily attributable to the decrease in revenue generated from the sales of raw materials.

b. *Profit from Principal Operations*

During the Period, the Group generated gross profit from principal operations in the amount of approximately RMB6,191 million, representing an increase of approximately RMB1,102 million or 21.7% as compared to approximately RMB5,089 million recorded in the corresponding period of 2012. Gross profit margin of principal operations was approximately 20.8%, increased by approximately 1 percentage point as compared to approximately 19.8% recorded in the corresponding period of 2012, which was mainly attributable to the optimization of product mix sales that highlighted the competitive advantages of the product mix, as well as the increase of gross profit margin of non-automobile engines and other components.

c. *Distribution and Selling Expenses*

Distribution and selling expenses increased by approximately 19.5% to approximately RMB1,535 million in the Period from approximately RMB1,284 million in the corresponding period of 2012, mainly attributable to the increase of market development expenses and cost of sales staff as the Group stepped up its effort in marketing promotions. As a percentage of revenue, distribution and selling expenses slightly increased from approximately 4.7% in the corresponding period of 2012 to approximately 5.0% during the Period.

d. *General and Administrative Expenses*

General and administrative expenses increased by approximately 25.4% from approximately RMB1,395 million in the corresponding period of 2012 to approximately RMB1,749 million in the Period, which was mainly due to the increase in staff costs and the increase of external support and travel expenses in relation to the internationalization of the Group.

e. *Total Profit before Finance and Income Tax Expenses*

During the Period, the Group's total profit before finance and income tax expenses increased by approximately RMB308 million or approximately 12.3% to approximately RMB2,817 million in the Period from approximately RMB2,509 million in the corresponding period of the last year. During the Period, the Group's operating margin was approximately 9.1%, which was slightly lower than the corresponding period of 2012 of approximately 9.3%.

f. *Finance Expenses*

Finance expenses substantially increased to approximately RMB64 million in the Period from approximately RMB0.5 million in the corresponding period of 2012. The substantial increase was mainly attributable to the special borrowings of EUR738 million (equivalent to approximately RMB6,144 million) by the Group at the end of December 2012, which was used for the investment in KION Group AG (formerly known as KION Holding 1 GmbH) and Linde Hydraulics GmbH & Co. KG.

g. *Income Tax Expenses*

The Group's corporate income tax expenses increased by 10.7% from approximately RMB419 million in the corresponding period of 2012 to approximately RMB464 million in the Period. During the Period, the Group's average effective tax rate increased to approximately 16.9%, as compared to approximately 16.7% in the corresponding period of the last year.

h. *Net Profit and Net Profit Margin*

The Group's net profit for the Period increased by approximately 9.6% from approximately RMB2,089 million in the corresponding period of 2012 to approximately RMB2,289 million in the Period. Net profit margin for the Period was approximately 7.4%, a decrease from approximately 7.7% in the corresponding period of the last year.

i. *Liquidity and Cash Flow*

During the Period, the Group generated net operating cash flows of approximately RMB735 million and net financing cash flows of approximately RMB1,701 million. A portion of such proceeds was applied in the long-term equity investment and acquisition of property, plant and equipment for the expansion of the Group's business. As at 30 June 2013, the gearing ratio of the Group was 57.4% (as at 31 December 2012: N/A). As at 31 December 2012, the Group's cash and cash equivalents, net of interest-bearing debts, amounted to a net cash position, therefore, the gearing ratio is not applicable.

2. Financial Position

a. Pursuant to the Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong published by the Hong Kong Stock Exchange in December 2010, Mainland-incorporated issuers listed in Hong Kong shall be allowed to prepare their financial statements using Accounting Standards for Business Enterprises. As such, on the annual general meeting 2010 of the Company held on 18 May 2011, it was resolved that with effect from 2011, the Company would only adopt Mainland accounting standards in its preparation of financial statements and would no longer use Hong Kong accounting standards at the same time in preparing financial statements.

b. Assets and Liabilities

As at 30 June 2013, the Group had total assets of approximately RMB77,881 million, of which approximately RMB48,172 million were current assets. As at 30 June 2013, the Group had cash and cash equivalents of approximately RMB14,818 million (as at 31 December 2012: RMB16,727 million). On the same date, the Group's total liabilities amounted to approximately RMB44,717 million, of which approximately RMB30,581 million were current liabilities. The current ratio was approximately 1.58 (as at 31 December 2012: 1.64).

c. Capital Structure

As at 30 June 2013, the Group had total equity of approximately RMB33,164 million, of which approximately RMB26,428 million was attributable to equity holders of the Company and the balance was minority equity holders' interests. The Group currently does not rely heavily on borrowings. The borrowings of the Group as at 30 June 2013 amounted to approximately RMB13,823 million, including debenture of approximately RMB3,493 million and bank borrowings of approximately RMB10,330 million. The bank borrowings included approximately RMB1,191 million of fixed interest rate bank borrowings and approximately RMB9,139 million of floating interest rate bank borrowings. The Group's borrowings maturing within one year from 30 June 2013 amounted to approximately RMB1,712 million and borrowings maturing in more than one year from 30 June 2013 amounted to approximately RMB12,111 million. Other than approximately RMB8,601 million and RMB43 million which are Euro-denominated and US dollar-denominated borrowings, other borrowings are RMB-denominated. The revenue of the Group is mainly RMB-denominated and the Euro-denominated borrowings are mainly for financing of overseas equity investment. The Group does not consider its foreign exchange risk significant. As a policy, the Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debts and equity balance. The Group's overall strategy remains unchanged from prior years.

d. Pledge of Assets

As at 30 June 2013, bank deposits and notes receivables of approximately RMB3,963 million (as at 31 December 2012: RMB2,922 million) were pledged to banks to secure the Group's notes payables and notes receivables issued by banks. The pledged bank deposits carry prevailing bank interest rates. The pledge will be released upon the settlement of the relevant bank borrowings. The fair value of the bank deposits at the balance sheet date approximates the carrying amount. Certain other assets were also pledged by the Group to secure the Group's borrowings. Details are set out in Note V. 22 to the financial statements of the Company's 2013 Interim Report.

e. Contingencies

As at 30 June 2013, the Group provided to certain distributors and agents bank guarantee amounting to approximately RMB1,893 million (as at 31 December 2012: approximately RMB785 million) to secure their obtaining and use of banking facilities. As at 30 June 2013, the Group provided guarantee for joint liabilities in respect of failure of the leasee under finance lease to settle instalment payments plus interest. Risk exposure in respect of possible guarantee for joint liabilities amounted to approximately RMB966 million (as at 31 December 2012: approximately RMB586 million).

Details are set out in Note VII to the financial statements of the Company's 2013 Interim Report.

f. Commitments

As at 30 June 2013, the Group had approximately RMB1,963 million capital commitments (as at 31 December 2012: approximately RMB1,668 million), all of which are contracted capital commitments and principally for the capital expenditure in respect of acquisition of property, plant and equipment.

As at 30 June 2013, the Group had no investment commitments (as at 31 December 2012: nil). Details are set out in Note VIII to the financial statement of the Company's 2013 Interim Report.

All the above commitments are expected to be funded from the Group's internal resources.

3. Other Financial Information

a. Employees

As at 30 June 2013, the Company had approximately 40 thousand employees. During the Period, the Group had paid remuneration of approximately RMB2,176 million. The emolument policy of the employees of the Group is set up by the Remuneration Committee of the Company (the "Remuneration Committee") on the basis of their merits, qualifications and competence.

b. Major Investment

During the Period, Weichai Power (Luxembourg) Holding S.à r.l., a wholly-owned subsidiary of the Company, has exercised the KION Call Option in full and subscribed for 13,682,500 new KION shares at a total consideration of EUR328,380,000 on the basis of EUR24 per KION share.

c. Major Acquisition and Disposal

The Group did not make any major acquisition or disposal during the Period.

OTHER INFORMATION

Directors' and Supervisors' Interests in Shares and Underlying Shares

As at 30 June 2013, the interests and short position (if any) of the directors, the chief executive and the supervisors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

Name of Director	Capacity	Number of "A" shares held	Number of "H" shares held	Percentage of the issued share capital of the Company
Tan Xuguang	Beneficial owner	16,512,000 *(Note 1)*	–	0.83%
Xu Xinyu	Beneficial owner	3,840,000 *(Note 1)*	–	0.19%
Sun Shaojun	Beneficial owner	3,840,000 *(Note 1)*	–	0.19%
Zhang Quan	Beneficial owner	3,840,000 *(Note 1)*	–	0.19%
Yeung Sai Hong *(Note 3)*	Held by controlled corporation	63,168,000 *(Note 2)*	–	3.16%
Julius G. Kiss *(Note 4)*	Held by controlled corporation	41,280,000 *(Note 2)*	–	2.06%
Zhang Zhenhua *(Note 5)*	Interest held by spouse	25,300	–	0.001%

Notes:

1. These shares were derived from the previous domestic shares of the Company. The domestic shares were ordinary shares issued by the Company, with a Renminbi-denominated par value of RMB1.00 each, which were subscribed for and paid up in Renminbi or credited as fully paid up. These shares became "A" shares of the Company upon the "A" share listing of the Company on the Shenzhen Stock Exchange.

2. These were previously foreign shares of the Company. The foreign shares were ordinary shares issued by the Company, with a Renminbi-denominated par value of RMB1.00 each, which were subscribed for and paid up in a currency other than Renminbi. These shares became "A" shares of the Company upon the "A" share listing of the Company on the Shenzhen Stock Exchange.

3. Yeung Sai Hong, a non-executive Director, was directly and indirectly interested in the issued share capital of Peterson Holdings Company Limited ("Peterson"), which in turn held 63,168,000 "A" shares in the Company.

4. Julius G. Kiss, a non-executive Director, was indirectly interested in the entire issued share capital of IVM Technical Consultants Wien Gesellschaft m.b.H. ("IVM"), which in turn held 41,280,000 "A" shares in the Company.

5. Zhang Zhenhua, an independent non-executive Director, was deemed to be interested in 25,300 "A" shares in the Company which were beneficially held by his wife, Ms. Wu Miaodi.

6. All the shareholding interests listed in the above table are "long" position.

Interests in the shares of associated corporations of the Company

Name of Director	Name of associated corporation	Nature of interest	Class and number of securities interested or deemed to be interested	Approximate percentage interest in the entire issued share capital of associated corporations as at the Latest Practicable Date
Gordon Riske *(Note)*	KION Group AG	Beneficial owner	365,250 ordinary shares	0.37%
		Interest held by spouse	3,000 ordinary shares	0.003%

Note: Gordon Riske, a non-executive Director, was the beneficial owner of 365,250 shares in KION Group AG and he was also deemed to be interested in 3,000 shares in KION Group AG which were beneficially held by his wife, Ms. Benita Riske.

Save as disclosed above, as at 30 June 2013, none of the Directors, the chief executive nor the supervisors had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was recorded in the register required to be kept pursuant to Section 352 of the SFO, or as otherwise notified to the Company pursuant to the Model Code.

Details of Changes in Share Capital and Substantial Shareholders' Shareholdings

(I) Changes in share capital

Changes in share capital (as at 30 June 2013)

	Before the movement		Increase/decrease in the movement (+, –)					After the movement	
	No. of shares	Percentage (%)	New shares issued	Bonus issue	Transfer of surplus to capital	Others	Sub-total	No. of shares	Percentage (%)
I. Restricted circulating shares	684,221,513	34.22%	–	–	–	–	–	684,221,513	34.22%
1. State-owned shares	–	–	–	–	–	–	–	–	–
2. State-owned legal person shares	447,869,513	22.40%	–	–	–	–	–	447,869,513	22.40%
3. Shares held by other domestic entities	142,224,000	7.11%	–	–	–	–	–	142,224,000	7.11%
including: Shares held by domestic non-state-owned legal persons	85,392,000	4.27%	–	–	–	–	–	85,392,000	4.27%
Shares held by domestic natural persons	56,832,000	2.84%	–	–	–	–	–	56,832,000	2.84%
4. Shares held by foreign entities	94,128,000	4.71%	–	–	–	–	–	94,128,000	4.71%
including: Shares held by overseas legal persons	94,128,000	4.71%	–	–	–	–	–	94,128,000	4.71%
Shares held by overseas natural persons	–	–						–	–
			–	–	–	–	–		
II. Non-restricted circulating shares	1,315,088,126	65.78%	–	–	–	–	–	1,315,088,126	65.78%
1. RMB ordinary shares	829,328,126	41.48%	–	–	–	–	–	829,328,126	41.48%
2. Domestic listed foreign shares	–	–	–	–	–	–	–	–	–
3. Overseas listed foreign shares	485,760,000	24.30%	–	–	–	–	–	485,760,000	24.30%
4. Others	–	–						–	–
III. Total number of shares	1,999,309,639	100%	–	–	–	–	–	1,999,309,639	100%

(II) Shareholdings of the Substantial Shareholders (as at 30 June 2013)

Total number of Shareholders The number of shareholders is 156,212 among which 155,927 are shareholders of "A" shares and 285 are shareholders of "H" shares.

Shareholdings of the top ten shareholders

Name of shareholder	Type of Shareholder	Approximate percentage of shares held (%)	Total number of shares held	Number of restricted shares held	Number of shares pledged or frozen
HKSCC Nominees Limited	Foreign shareholder	24.22%	484,199,234	–	N/A
Weichai Group Holdings Limited	State-owned legal person	16.83%	336,476,400	336,476,400	–
Weifang Investment Company	State-owned legal person	3.71%	74,156,352	74,156,352	–
Fujian Longyan Construction Machinery (Group) Company Limited	Domestic non-state-owned legal person	3.26%	65,100,240	57,792,000	–
Peterson Holdings Company Limited	Overseas legal person	3.16%	63,168,000	63,168,000	–
IVM Technical Consultants Wien Gesellschaft m.b.H	Overseas legal person	2.06%	41,280,000	30,960,000	–
Shenzhen Chuangxin Investment Group Co., Ltd	Domestic non-state-owned legal person	1.97%	39,379,153	–	–
Shandong Enterprise Trust Operation Company Limited	Domestic non-state-owned legal person	1.49%	29,740,000	27,600,000	–
Boshi Value Growth Fund	Others	1.13%	22,645,545	–	–
Zhuzhou State-owned Assets Investment Holding Group Co., Ltd	State-owned legal person	1.00%	19,993,049	19,993,049	19,100,000

Shareholdings of the top ten non-restricted shareholders

Name of shareholder	Number of the non-restricted shares held	Types of shares
HKSCC Nominees Limited	484,199,234	Overseas listed foreign shares
Shenzhen Chuangxin Investment Group Co., Ltd	39,379,153	RMB ordinary shares
Boshi Value Growth Fund	22,645,545	RMB ordinary shares
China Minsheng Banking Corp－銀華深證100指數分級證券投資基金	12,437,073	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	11,154,655	RMB ordinary shares
IVM Technical Consultants Wien Gesellschaft m.b.H	10,320,000	RMB ordinary shares
Industrial and Commercial Bank of China－融通深證100指數證券投資基金	9,676,024	RMB ordinary shares
China Construction Bank－博時價值增長貳號證券投資基金	7,548,207	RMB ordinary shares
Fujian Longyan Construction Machinery (Group) Company Limited	7,308,240	RMB ordinary shares
PICC Property and Casualty Company Limited－傳統－普通保險產品	7,073,384	RMB ordinary shares

Note:

1. Among the aforesaid shareholders, Boshi Value Growth Fund shared the same fund manager as that of China Construction Bank – 博時價值增長貳號證券投資基金.

2. Save as mentioned in the above, it is not certain whether there is any connected relationship among the top ten holders of non-restricted and circulating shares or between them and the top ten shareholders of the Company, or whether there is any acting in concert relationship among or between these persons.

Substantial Shareholders

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO (including interests filed with the Hong Kong Stock Exchange) shows that as at 30 June 2013, the following persons (other than the directors, chief executive and supervisors) had the following interests and the short positions (if any) in the shares and underlying shares of the Company:

Name	Capacity	Long/ Short position	Number of A shares	Percentage of share capital comprising only A shares	Number of H shares	Percentage of share capital comprising only H shares	Percentage of total issued share capital
Weichai Group Holdings Limited	Beneficial owner	Long	336,476,400	22.23%	–	–	16.83%
Shandong Heavy Industry Group Co., Ltd. *(Note 1)*	Held by controlled corporation	Long	336,476,400	22.23%	–	–	16.83%
State-owned Assets Supervision and Administration Commission of Shandong Province ("Shandong SASAC") *(Note 1)*	Held by controlled corporation	Long	336,476,400	22.23%	–	–	16.83%
Brandes Investment Partners, LP	Investment manager	Long	–	–	78,578,612	18.99%	3.93%
Lazard Asset Management LLC	Investment manager	Long	–	–	62,668,076	12.90%	3.13%
JPMorgan Chase & Co.	Beneficial owner	Long	–	–	4,470,638	0.92%	0.22%
	Custodian – Corporation/ approved lending agent	Long	–	–	39,303,373	8.09%	1.97%
					43,774,011	9.01%	2.19%
	Beneficial owner	Short	–	–	1,968,200	0.41%	0.10%
Schroder Investment Management Limited	Investment manager	Long	–	–	38,851,199	7.99%	1.94%
The Capital Group Companies, Inc. *(Note 2)*	Interest of corporation controlled by the substantial shareholders	Long	–	–	27,669,400	6.84%	1.66%
Lazard Emerging Markets Equity Portifolio *(Note 2)*	Investment manager	Long	–	–	23,707,500	5.86%	1.42%
Barclays PLC	Person having a security interest in shares	Long	–	–	525,552	0.11%	0.03%
	Interest of corporation controlled by the substantial shareholder	Long	–	–	24,453,050	5.24%	1.27%
					25,978,602	5.35%	1.30%
	Interest of corporation controlled by the substantial shareholder	Short	–	–	24,102,475	4.96%	1.21%

Notes:

1. State-owned Assets Supervision and Administration Commission of Shandong Province ("Shandong SASAC") held the entire capital of Shandong Heavy Industry Group Co., Ltd., which in turn held the entire capital of Weichai Group Holdings Limited (formerly known as Weifang Diesel Engine Works).

2. The number of H shares reported above held by the relevant substantial shareholder does not take into consideration the Company's bonus share issuance on 17 August 2012 as there is no disclosure of interest obligation under the SFO where there is no change in percentage of shareholdings for a substantial shareholder.

Save as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 June 2013.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regarded to the Group's operating results, individual performance and comparable market statistics.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Period was the Company and any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the PRC, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales during the Period attributable to the Group's five largest customers were less than 30% of the Group's total sales during the Period.

The aggregate purchase during the Period attributable to the Group's five largest suppliers were less than 30% of the Group's total purchases during the Period.

Save as disclosed above, at no time during the Period did a director, a supervisor, an associate of a director or a shareholder of the Company, which to the knowledge of the directors, own more than 5% of the Company's share capital, have an interest in any of the Group's five largest suppliers or customers.

AUDIT COMMITTEE

The Audit Committee of the Company (the "Audit Committee") comprises six Independent Non-executive Directors of the Company. The Chairman of the Audit Committee is Mr. Liu Zheng, an Independent Non-executive Director. Mr. Liu has appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules for the purpose of this appointment. During the Period, the Audit Committee discharged its responsibilities, reviewed and discussed the financial results and internal control matters of the Company. In accordance with the requirements of Appendix 16 to the Listing Rules, the Audit Committee has reviewed the reviewed consolidated financial statements for the Period.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE IN APPENDIX 14 OF THE LISTING RULES

Throughout the Period, other than the roles of the Chairman and the Chief Executive Officer being performed by Mr. Tan Xuguang ("Mr. Tan"), and that the directors of the Company did not attend each of the Company's annual general meeting and extraordinary general meeting during the Period due to other essential business engagements, the Company has complied with all the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules.

Mr. Tan is in charge of the overall management of the Company. The Company considers that the combination of the roles of the Chairman and the Chief Executive Officer can promote the efficient formulation and implementation of the Company's strategies which will enable the Group to grasp business opportunities efficiently and promptly. The Company considers that through the supervision of its board and its independent non-executive Directors, there is adequate balance of power and authority in place.

COMPLIANCE WITH THE MODEL CODE

During the Period, the Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all Directors, the Directors have confirmed that they have complied with the required standard set out in the Model Code for the Period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, the Company has maintained the prescribed public float under the Listing Rules as at the date of this announcement.

APPROVAL OF THE FINANCIAL STATEMENTS

The reviewed consolidated financial statements for the Period were approved by the Board on 29 August 2013.

PUBLICATION OF THE INTERIM REPORT ON THE WEBSITES OF THE HONG KONG STOCK EXCHANGE AND THE COMPANY

The 2013 interim report will be despatched to the shareholders as well as made available on the Hong Kong Stock Exchange's website at www.hkexnews.hk and the Company's website at www.weichai.com in due course.

Tan Xuguang
Chairman and Chief Executive Officer

Hong Kong, 29 August 2013

As at the date of this announcement, the executive Directors of the Company are Mr. Tan Xuguang, Mr. Xu Xinyu, Mr. Sun Shaojun, Mr. Zhang Quan, Mr. Li Dakai and Mr. Fang Hongwei; the non-executive Directors of the Company are Mr. Jiang Kui, Mr. Yeung Sai Hong, Mr. Chen Xuejian, Mr. Julius G. Kiss, Ms. Han Xiaoqun and Mr. Gordon Riske; and the independent non-executive Directors of the Company are Mr. Liu Zheng, Mr. Li Shihao, Mr. Loh Yih, Mr. Chu, Howard Ho Hwa, Mr. Zhang Zhenhua and Mr. Li Luwen.