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WEICHAI

潍柴动力股份有限公司

WEICHAI POWER CO., LTD.

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

(Stock Code: 2338)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Reference is made to an announcement made by Weichai Power Co., Ltd. (the "Company") on the website of Shenzhen Stock Exchange dated 25 October 2013, which is for information only. The full text of the announcement in Chinese is published on the websites of the Stock Exchange and the Company.

By order of the Board of Directors

Tan Xuguang

Chairman and CEO

Weifang, Shandong, PRC

25 October 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.

Stock code: 000338

Stock Name: Weichai Power

Announcement No.: 2013-037

WEICHAI POWER CO., LTD. THIRD QUARTERLY REPORT FOR 2013



SECTION 1 IMPORTANT NOTICE

The board of directors, the Supervisory Committee and the directors, supervisors and senior management of the Company warrant that no false presentations or misleading statements are contained herein, nor with any material omissions, and severally and jointly accept responsibilities for the authenticity, accuracy and completeness of the contents of this quarterly report.

All directors have attended the Board meeting in respect of reviewing this quarterly report.

Tan Xuguang, principal of the Company, Kwong Kwan Tong, principal in-charge of accounting and Ling Yun, head of accounting department (in-charge person of accounting), warrant that the financial statements contained in the quarterly report are true, accurate and complete.

SECTION 2 MAJOR FINANCIAL DATA AND CHANGES IN SHAREHOLDERS

2.1 Major accounting data and financial indicators

Whether the Company has made retrospective adjustment or restatement of accounting data of the prior years due to changes in accounting policies and corrections of accounting errors

☐ Yes ☒ No

	As at the end of the reporting period		As at the end of last year		Change as at the end of the reporting period over the end of last year (%)	
Total assets (RMB)	78,387,918,134.93		66,320,362,850.69		18.2%	
Net assets attributable to shareholders of listed company (RMB)	27,111,565,359.73		24,869,351,223.95		9.02%	
	Reporting period	Change for the reporting period over the corresponding period of last year (%)	From the beginning of the year to the end of the reporting period	Change for the period from the beginning of the year to the end of the reporting period over the corresponding period of last year (%)		
Revenue (RMB)	12,411,050,920.93	34.78%	43,332,669,954.88	19.48%		

Net profit attributable to shareholders of listed company (RMB)	619,908,314.23	21.19%	2,704,875,729.26	12.29%
Net profit attributable to shareholders of listed company after extraordinary gain/loss (RMB)	558,232,593.25	40.17%	2,520,585,287.01	15.03%
Net cash flows from operating activities (RMB)	--	--	709,374,105.28	-
Basic earnings per share (RMB/share)	0.31	19.23%	1.35	12.5%
Diluted earnings per share (RMB/share)	0.31	19.23%	1.35	12.5%
Weighted average return on net assets (%)	2.32%	0.28%	10.38%	0.34%

Extraordinary gain/loss items and amounts

√ Applicable □ N/A

Unit: RMB

Item	Amount from the beginning of the year to the end of the reporting period	Description
Gains or losses from disposal of non-current assets (including the part of assets impairment provision already made and written off)	-4,628,679.25	
Government subsidy accounted into profit and loss for the current period, excluding those closely associated with the business of the Company which were given in a fixed amount or volume in compliance with state standard	53,052,487.42	
Profit and loss from debt restructuring	3,088,073.71	
Gains or losses from fair value changes of financial assets held for trading and financial liabilities held for trading, and investment income from disposal of financial assets held for trading, financial liabilities held for trading and available-for-sale financial assets, except effective hedging activities related to the Company's normal operation	133,019,300.16	
Write back of the provision for impairment of accounts receivable that is individually tested for impairment	2,378,612.00	
Other non-operating income and expenses other than the above items	18,931,983.30	
Less: Effects of income tax	12,308,674.38	
Effects of minority interests (after tax)	9,242,660.71	
Total	184,290,442.25	--

Notes for the Company's extraordinary gain or loss items as defined in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 - Extraordinary Gains or Losses and the extraordinary gain or loss items as illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 - Extraordinary Gains or Losses defined as its recurring gain or loss items

□ Applicable √ N/A

2.2 Total number of shareholders and information on shareholdings of the top ten shareholders as at the end of the reporting period

Unit: Share

Total number of shareholders as at the end of the reporting period		150,142				
Information on shareholdings of the top ten shareholders						
Name of shareholder	Nature of shareholder	Shareholding ratio (%)	Number of shares held	Number of restricted shares held	Pledged or frozen	
					Status of shares	Quantity
HKSCC Nominees Limited	Foreign shareholder	24.22%	484,198,474	0		

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	Foreign legal person	3.16%	63,168,000	0		
IVM Technical Consultants Wien Gesellschaft m.b.H	Foreign legal person	2.06%	41,260,000	0		
Shenzhen Chuangxin Investment Group Co., Ltd	Domestic non-state-owned legal person	1.97%	39,379,153	0		
Shandong Enterprise Trust Operation Company Limited	Domestic non-state-owned legal person	1.49%	29,740,000	0		
Boshi Value Growth Fund	Other	1.13%	22,645,545	0		
Zhuzhou State-owned Assets Investment Holding Group Company Limited	State-owned legal person	1%	19,993,049	19,993,049	Pledged	19,100,000
Information on shareholdings of the top ten non-restricted shareholders						
Name of shareholder	Number of non-restricted shares held	Types of shares		Quantity		
		Types of shares	Quantity			
HKSCC Nominees Limited	484,198,474	Overseas listed foreign shares	484,198,474			
Peterson Holdings Company Limited	63,168,000	RMB ordinary shares	63,168,000			
IVM Technical Consultants Wien Gesellschaft m.b.H	41,260,000	RMB ordinary shares	41,260,000			
Shenzhen Chuangxin Investment Group Co., Ltd	39,379,153	RMB ordinary shares	39,379,153			
Shandong Enterprise Trust Operation Company Limited	29,740,000	RMB ordinary shares	29,740,000			
Boshi Value Growth Fund	22,645,545	RMB ordinary shares	22,645,545			
China Minsheng Bank—銀華深證 100 指數分級證券投資基金	12,093,639	RMB ordinary shares	12,093,639			
UBS AG	11,746,868	RMB ordinary shares	11,746,868			
Bank of China—易方達深證 100 交易型開放式指數證券投資基金	9,793,555	RMB ordinary shares	9,793,555			
Industrial and Commercial Bank of China—融通深證 100 指數證券投資基金	9,714,109	RMB ordinary shares	9,714,109			
Statement on the connected relationship or acting in concert relationship among the aforementioned shareholders	The Company is not aware whether there is any connected relationship among the aforementioned shareholders, or whether there is any acting in concert relationship among them.					
Description of shareholders involved in financing and securities lending businesses (if any)	Nil					

Whether any of the shareholders of the Company conducted any transactions on agreed repurchases during the reporting period

☐ Yes ☒ No

SECTION 3 IMPORTANT EVENTS

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

Unit: RMB

Item	As at the end of the reporting period	As at the end of last year	Change (%)	Reason
Financial assets held for trading	275,503,560.00	137,050,693.51	101.02%	It is mainly attributable to the change in fair value of the call options of the minority interest in equity of Linde Hydraulics GmbH & Co. KG.
Accounts receivable	7,753,509,327.48	4,168,525,397.14	86.00%	It is mainly attributable to the improvement and gradual recovery of the macro-economic environment, which resulted in the increase in revenue and in turns accounts receivable.
Notes receivable	16,645,387,763.82	9,242,232,142.39	80.10%	It is mainly attributable to the increase in revenue and received payments on goods sold.
Long-term equity investments	7,873,709,465.64	4,951,543,932.62	59.02%	It is mainly attributable to the exercise of call options to acquire 5% of equity interests in KION Group AG.
Short-term loans	1,607,609,810.19	2,742,091,634.05	-41.37%	It is mainly attributable to the repayment of loans during the current period.
Accounts payable	14,130,032,438.28	9,962,420,973.54	41.83%	It is mainly attributable to the corresponding increase in purchase due to the growth of sales during the current period.
Advances from customers	1,333,053,243.15	872,835,717.97	52.73%	It is mainly attributable to the increase in advance receipts from sales of goods during the current period.
Taxes payable	501,852,045.41	239,380,723.63	109.65%	It is mainly attributable to the increase in value-added tax payable during the current period.
Interests payable	124,678,204.61	61,680,626.43	102.14%	It is mainly attributable to the medium-term notes, which are not yet mature to pay interest during the current period.
Non-current liabilities due within one year	860,948.63	352,604,906.92	-99.76%	It is mainly attributable to the repayment of long-term borrowings that are due within one year.
Long-term borrowings	9,133,916,376.22	6,344,249,958.75	43.97%	It is mainly attributable to the increase in bank borrowings.
Item	Reporting period	Corresponding period of last year	Change (%)	Reason
Finance expenses	148,661,698.64	-14,487,854.93	-	It is mainly attributable to the increase in interest expenses on borrowings.
Impairment loss on assets	278,931,366.43	116,190,244.75	140.06%	It is mainly attributable to the growth of revenue during the current period, the larger growth of the balance of accounts receivable compared with the corresponding period, hence the increase in provision for bad debts, and the decrease in expected net realizable value of part of the Company's inventory, which leads to the additional provision for the impairment loss of inventory.
Investment income	24,307,535.76	215,473,046.28	-88.72%	It is mainly attributable to the higher investment income of the corresponding period of last year, which was resulted from the disposal of a subsidiary.
Net cash flows from operating activities	709,374,105.28	-217,528,520.70	-	It is mainly attributable to the larger decrease in cash outflow from operations than that in cash inflow from operations.
Net cash flows from investing activities	-3,739,476,769.98	-1,452,416,411.78	-157.47%	It is mainly attributable to the increase in investment outflow during the current period.
Net cash flows from financing activities	1,217,745,575.93	-1,050,793,206.40	-	It is mainly attributable to the increase in borrowings during the current period.

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

As at 30 September 2013, the Company and its controlling subsidiaries maintained a deposit balance (including interests) of RMB1,582,440,952.21 in Shandong Heavy Industry Group Finance Co., Ltd..

3.3 Commitments by the Company or shareholders holding more than 5% of interests during the reporting period or in prior periods but subsisting during the reporting period

The commitment item	Commitments by	Contents of commitments	Time of commitments	Period of commitments	Implementation situation
Commitments on share reform					
Commitments under the report of purchase or equity changes					
Commitments upon the reorganization of assets					
Commitments upon initial public offering or re-financing					
Other commitments to medium and minority shareholders of the Company	Shareholders	Under the commitments of Weichai Group Holdings Limited and subject to such commitments, none of the 336,476,400 shares of the Company held by it shall be listed and traded on any stock exchange system or otherwise transferred or managed by other person on trust or repurchased by the Company within 36 months commencing from 30 April 2013.	30 April 2013	Three years	Above commitments were strictly implemented.
The commitments have been implemented timely	Yes				

3.4 Operating results forecast for the year 2013

☐ Applicable ☒ N/A

3.5 Investments in securities

Descriptions on holdings of equity interests in other listed companies

☒ Applicable ☐ N/A

1. As at 30 September 2013, the Company held 40,000,000 shares of Beiqi Foton Motor Co., Ltd.. On 30 September 2013, the closing price of such shares was RMB5.3 per share, and the recognized fair value as at the end of the period was RMB212,000,000.
 2. As at 30 September 2013, the Company held 29,670,000 shares of KION Group AG ("KION") through Weichai Power (Luxembourg) Holding S.à r.l., its wholly-owned subsidiary. In view of the fact that, as at the date of this report, KION has yet to disclose its 2013 third quarterly report, and therefore the Company has recognized 50% of the actual results of KION in the first half of 2013 as its net profits or losses for the third quarter when recognizing its investment income from KION during the reporting period. In the consolidated financial statement of the 2013 interim report of Weichai Power, investment income from KION only accounted for 0.04% of consolidated total revenue and 0.48% of consolidated net profits of Weichai Power, hence it does not impose material impacts on the consolidated statements of Weichai Power.

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

Time	Venue	Way of reception	Type of guests	Guest	Major topics discussed and information provided
15 July 2013	Company conference room	On-site research	Corporation	Japaninvest KK	1. General operation of the Company; 2. Business development trend of the industry in the future; 3. Strategic positioning of the development of the Company.
19 July 2013	Company conference room	On-site research	Corporation	Joho Capital, L.L.C.	
5 September 2013	Company conference room	On-site research	Corporation	Wellington Management Company	
23 September 2013	Company conference room	On-site research	Corporation	Macquarie Capital Securities Limited	
25 September 2013	Company conference room	On-site research	Corporation	Fund group organized by China Investment Securities Co., Ltd.	

Weichai Power Co., Ltd.

Tan Xuguang, Chairman

25 October 2013