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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 29 April 2014, 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

29 April 2014

*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.:2014-011

**WEICHAI POWER CO., LTD.**  
**FIRST QUARTERLY REPORT FOR 2014**  
**(MAIN TEXT)**



## **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 Zhang Zhiqiang, 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

Unit: RMB

	Reporting period	Corresponding period of last year	Change for the reporting period over the corresponding period of last year
Revenue	16,637,647,029.33	13,156,331,910.03	26.46%
Net profit attributable to shareholders of listed company	1,054,956,335.34	813,370,664.89	29.7%
Net profit attributable to shareholders of listed company after extraordinary gain/loss	1,038,517,774.13	805,050,578.59	29%
Net cash flows from operating activities	-1,415,840,994.30	-1,266,158,954.56	11.82%
Basic earnings per share (RMB/share)	0.53	0.41	29.27%
Diluted earnings per share (RMB/share)	N/A	N/A	-
Weighted average return on net assets	3.73%	3.22%	0.51%
	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	85,425,711,361.00	78,521,808,732.21	8.79%
Net assets attributable to shareholders of listed company	28,798,797,597.01	27,723,173,631.62	3.88%

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)	-1,147,065.13	
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)	29,678,373.61	
Profit and loss from debt restructuring	2,049,583.33	
Write back of the provision for impairment of accounts receivable that is individually tested for impairment	1,299,959.20	
Other non-operating income and expenses other than the above items	4,958,106.10	
Less: Effects of income tax	4,053,178.68	
Effects of minority interests (after tax)	16,347,217.22	
Total	16,438,561.21	--

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		153,425				
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%	484,267,754			
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			
IVM Technical Consultants Wien Gesellschaft m.b.H	Foreign legal person	2.06%	41,260,000			
Shenzhen Chuangxin Investment Group Co., Ltd	Domestic non-state-owned legal person	1.87%	37,397,553			
Shandong Enterprise Trust Operation Company Limited	Domestic non-state-owned legal person	1.47%	29,440,000			
Guangxi Liugong Group Company Limited	State-owned legal person	0.86%	17,243,712	17,243,712		
Tan Xuguang	Domestic natural person	0.83%	16,512,000	16,512,000		

Information on shareholdings of the top ten non-restricted shareholders			
Name of shareholder	Number of non-restricted shares held	Types of shares	
		Types of shares	Quantity
HKSCC Nominees Limited	484,267,754	Overseas listed foreign shares	484,267,754
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	37,397,553	RMB ordinary shares	37,397,553
Shandong Enterprise Trust Operation Company Limited	29,440,000	RMB ordinary shares	29,440,000
Zhuzhou State-owned Assets Investment Holding Group Company Limited	11,903,049	RMB ordinary shares	11,903,049
China Minsheng Bank—銀華深證 100 指數分級證券投資基金	11,501,022	RMB ordinary shares	11,501,022
高華—滙豐—GOLDMAN, SACHS & CO	8,821,014	RMB ordinary shares	8,821,014
Industrial and Commercial Bank of China—融通深證 100 指數證券投資基金	8,757,885	RMB ordinary shares	8,757,885
DEUTSCHE BANK AKTIENGESELLSCHAFT	8,565,040	RMB ordinary shares	8,565,040
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 Top Ten shareholders involved in financing and securities lending businesses (if any)	Among the shareholders, Zhuzhou State-owned Assets Investment Holding Group Co., Ltd held 3,049 shares through general account, 11,900,000 shares through client account of collateral securities for margin trading at Guotai Junan Securities Company Limited, totaling 11,903,049 shares.		

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

√ Yes □ No

Zhuzhou State-owned Assets Investment Holding Group Co., Ltd, a shareholder of the Company, conducted earmarked repurchase transaction through Guotai Junan Securities Company Limited. At the end of the reporting period, the volume earmarked for repurchase amounted to 8,090,000 shares, accounting for 0.4% of the total shares of listed company.

## 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	-	51,077,466.30	-	It is mainly attributable to the completion of the exercise of KION options, which are subsequently accounted for as long-term equity investments.
Accounts receivable	9,399,790,220.22	4,440,534,339.82	111.68%	It is mainly attributable to the settlement of accounts receivable from customers of auxiliary products who pay according to credit period and tend to settle at year end.
Prepayments	564,468,549.84	405,481,103.37	39.21%	It is mainly attributable to the increase in prepayments for purchases during the period.
Other current assets	1,044,964,433.51	471,818,015.98	121.48%	It is mainly attributable to the increased purchase of structured deposits.
Other non-current asset	412,941,950.72	259,807,862.57	58.94%	It is mainly attributable to the fact that the exercise window in respect of the call options with respect to minority interests for Linde Hydraulics GmbH & Co. KG. exceeded one year, and it was re-classified from financial assets held for trading to other non-current assets.
Taxes payable	882,759,167.91	552,024,065.76	59.91%	It is mainly attributable to the increase in value-added tax payable for the period.
Interests payable	194,610,037.82	132,089,773.25	47.33%	It is mainly attributable to the increase in interests on bank borrowings.
Item	Reporting period	Corresponding period of last year	Change	Reason
General and administrative expenses	1,113,701,954.63	852,011,816.94	30.71%	It is mainly attributable to the increase in general and administrative expenses as a result of sales growth.



Finance expenses	35,464,743.99	-11,662,551.51	404.09%	It is mainly attributable to the increase in interest expenses for the period.
Impairment loss on assets	293,096,574.69	220,020,863.12	33.21%	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.
Investment income	133,500,078.89	-2,822,582.91	4829.71%	It is mainly attributable to the gain on investment in KION.
Other comprehensive income	15,726,940.77	-113,927,509.04	113.80%	It is mainly attributable to the change in translation differences due to change in exchange rate.
Net cash flows from investing activities	-1,896,435,422.85	-501,518,820.40	-278.14%	It is mainly attributable to the decrease in sale of investment and the increase in cash paid in acquiring investments.
Net cash flows from financing activities	513,639,023.26	40,488,744.64	1168.60%	It is mainly attributable to the increase in cash received from capital contribution and the decrease in cash paid for repayment of debts.

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

As at 31 March 2014, the Company and its controlling subsidiaries maintained a deposit balance of RMB6,679,013,084.79 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
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 Investments in securities

Descriptions on holdings of equity interests in other listed companies

√ Applicable □ N/A

Unit: RMB

Name of listed company	Investment cost	No. of shares (Shares)	Investment income	Fair value change
Beiqi Foton Motor Co., Ltd.	194,000,000.00	40,000,000.00	--	6,400,000.00
KION Group AG	7,580,844,081.29	32,933,700	129,269,378.27	--

Note: As at the date of this report, KION has yet to disclose its 2014 first quarterly report, and therefore the Company has recognized the actual results of KION in the fourth quarter of 2013 as its net profits or losses for the first quarter of 2014 when recognizing its investment income from KION during the reporting period. In the first quarterly consolidated financial statement 2014 of Weichai Power, investment income from KION accounted for 0.78% of consolidated total revenue and 11.18% of consolidated net profits of Weichai Power.

**3.5 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
19 February 2014	Company conference room	On-site research	Corporation	Fund group organized by Morgan Stanley Asia Limited	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.
20 February 2014	Company conference room	On-site research	Corporation	CICC	

WEICHAI POWER CO., LTD.

Tan Xuguang, Chairman

29 April 2014