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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 30 October 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

30 October 2014

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

Stock code: 000338

Stock Name: Weichai Power

Announcement No.: 2014-029

WEICHAI POWER CO., LTD.

THIRD 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

	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)	122,916,441,366.04	78,521,808,732.21	56.54%	
Net assets attributable to shareholders of listed company (RMB)	31,065,670,482.77	27,723,173,631.62	12.06%	
	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)	22,034,948,362.46	77.54%	56,146,382,930.78	29.57%
Net profit attributable to shareholders of listed company (RMB)	680,594,047.04	9.79%	4,445,430,278.90	64.35%
Net profit attributable to shareholders of listed company after extraordinary gain/loss (RMB)	757,971,537.33	35.78%	2,953,817,549.73	17.19%
Net cash flows from operating activities (RMB)	--	--	4,064,389,880.26	472.95%
Basic earnings per share (RMB/share)	0.34	9.68%	2.22	64.44%
Diluted earnings per share (RMB/share)	N/A	N/A	N/A	N/A
Weighted average return on net assets	2.17%	-0.15%	15.12%	4.74%

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)	1,590,061,302.73	
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	94,730,308.84	
Profit and loss from debt restructuring	-170,314.17	
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	-182,875,047.85	
Write back of the provision for impairment of accounts receivable that is individually tested for impairment	12,483,291.92	
Profit or loss from external entrusted loans	3,632.48	
Other non-operating income and expenses other than the above items	99,808,676.84	
Other profit and loss items falling within the definition of extraordinary profit and loss	3,746,005.24	
Less: Effects of income tax	27,522,557.86	
Effects of minority interests (after tax)	98,652,569.00	
Total	1,491,612,729.17	--

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

During the reporting period, the Company did not define any extraordinary gain or loss items as defined and illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 – Extraordinary Gains or Losses as its recurring gain or loss items.

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

1. Total number of shareholders of ordinary shares and information on shareholdings of the top ten shareholders of ordinary shares

Unit: Share

Total number of shareholders of ordinary shares as at the end of the reporting period	147,206					
Information on shareholdings of the top ten shareholders of ordinary shares						
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%	484,243,594	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	2.51%	50,228,303	0		
IVM Technical Consultants Wien Gesellschaft m.b.H	Foreign legal person	2.04%	40,780,000	0		
Shenzhen Chuangxin Investment Group Co., Ltd	Domestic non-state-owned legal person	1.68%	33,621,743	0		
Shandong Enterprise Trust Operation Company Limited	Domestic non-state-owned legal person	1.34%	26,800,000	0		
Guangxi Liugong Group Company Limited	State-owned legal person	0.86%	17,243,712	17,243,712		
Tan Xuguang	Domestic natural person	0.74%	14,710,649	14,710,649		
Information on shareholdings of the top ten non-restricted shareholders of ordinary shares						
Name of shareholder	Number of non-restricted ordinary shares held		Types of shares			
			Types of shares		Quantity	

HKSCC Nominees Limited	484,243,594	Overseas listed foreign shares	484,243,594
Peterson Holdings Company Limited	50,228,303	RMB ordinary shares	50,228,303
IVM Technical Consultants Wien Gesellschaft m.b.H	40,780,000	RMB ordinary shares	40,780,000
Shenzhen Chuangxin Investment Group Co., Ltd	33,621,743	RMB ordinary shares	33,621,743
Shandong Enterprise Trust Operation Company Limited	26,800,000	RMB ordinary shares	26,800,000
Zhuzhou State-owned Assets Investment Holding Group Company Limited	11,903,049	RMB ordinary shares	11,903,049
China Minsheng Bank 一銀華深證 100 指數分級證券投資基金	12,216,647	RMB ordinary shares	12,216,647
UBS AG	9,749,585	RMB ordinary shares	9,749,585
Platinum Investment Company Limited	8,188,294	RMB ordinary shares	8,188,294
高華—滙豐—GOLDMAN,SACHS & CO	8,083,812	RMB ordinary shares	8,083,812
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 the top ten non-restricted shareholders of ordinary shares involved in financing and securities lending businesses (if any)	Among the shareholders, Shandong Enterprise Trust Operation Company Limited held 26,800,000 shares through client account of collateral securities for margin trading at China Securities Co., Ltd.. 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, the actual consolidated shareholdings of which amounted to 11,903,049 shares.		

Whether any of the top ten shareholders of ordinary shares and the top ten non-restricted shareholders of ordinary shares of the Company conducted any transactions on agreed repurchases during the reporting period

☒ Yes ☐ No

Zhuzhou State-owned Assets Investment Holding Group Company Limited, a shareholder of the Company, conducted earmarked repurchase transaction through agreed repurchase earmarked account at Guotai Junan Securities Company Limited. During the reporting period, there was no new initial transaction and repurchase transaction. At the end of the reporting period, the volume earmarked for repurchase amounted to 8,090,000 shares, accounting for 0.4% of the shares of the Company.

2. Total number of shareholders of preferential shares and information on shareholdings of the top ten shareholders of preferential shares as at the end of the reporting period

☐ Applicable ☒ N/A

SECTION 3 IMPORTANT EVENTS

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

√ Applicable □ N/A

Unit: RMB

Item on Statements	Reporting Period	Corresponding period of last year	Percentage change	Reason
Revenue	56,146,382,930.78	43,332,669,954.88	29.57%	It is mainly attributable to the consolidation of revenue of KION for the third quarter.
Cost of sales	52,134,006,712.37	40,066,091,898.39	30.12%	It is mainly attributable to the consolidation of cost of sales of KION for the third quarter.
Distribution and selling expenses	3,184,938,936.21	2,231,427,050.14	42.73%	It is mainly attributable to the consolidation of distribution and selling expenses of KION for the third quarter.
General and administrative expenses	3,789,449,295.38	2,629,036,541.57	44.14%	It is mainly attributable to the consolidation of general and administrative expenses of KION for the third quarter.
Impairment loss on assets	456,210,515.33	278,931,366.43	63.56%	It is mainly attributable to the larger growth of the balance of accounts receivable compared with the corresponding period, hence the increase in provision for bad debts.
Investment income	1,726,527,945.22	24,307,535.76	7002.85%	It is mainly attributable to the revaluation of the income generated from the original investment in associates on the date of purchase.
Item on Statements	As at the end of the reporting period	As at the end of last year	Percentage change	Reason
Financial assets held for trading	15,603,862.90	51,077,466.30	-69.45%	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	13,219,220,487.81	4,440,534,339.82	197.69%	It is mainly attributable to the settlement of accounts receivable from customers of auxiliary products who generally pay according to credit period and tend to settle at year end, and the consolidation of KION into consolidated financial statements for the period.
Prepayments	640,051,167.36	405,481,103.37	57.85%	It is mainly attributable to the consolidation of KION into consolidated financial statements and

				the increase in prepayments for purchases during the period.
Other current assets	1,161,647,552.02	471,818,015.98	146.21%	It is mainly attributable to the consolidation of KION into consolidated financial statements for the period.
Long-term equity investments	1,496,260,477.99	7,789,229,080.64	-80.79%	It is mainly attributable to the consolidation of KION into consolidated financial statements for the period, which offset the provisional fair value of its net assets by its long-term equity investments.
Intangible assets	11,502,845,613.83	2,273,431,309.49	405.97%	It is mainly attributable to the consolidation of KION into consolidated financial statements for the period.
Development expenses	2,390,591,742.03	497,418,862.34	380.60%	It is mainly attributable to the consolidation of KION into consolidated financial statements for the period.
Goodwill	8,693,809,228.87	1,430,849,833.51	507.60%	It is mainly attributable to the consolidation of KION into consolidated financial statements for the period, whereby goodwill was arisen from the difference between the consideration and the provisional fair value of its net assets.
Payroll payable	2,777,097,888.81	1,175,313,751.59	136.29%	It is mainly attributable to the consolidation of KION into consolidated financial statements for the period.
Non-current liabilities due within one year	3,149,067,701.84	352,375,772.74	793.67%	It is mainly attributable to the consolidation of KION into consolidated financial statements for the period.
Long-term borrowings	12,813,774,679.68	9,146,039,593.52	40.10%	It is mainly attributable to the consolidation of KION into consolidated financial statements for the period.
Long-term payables	5,136,400,631.01	8,847,480.34	57954.95%	It is mainly attributable to the consolidation of KION into consolidated financial statements for the period.

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

√ Applicable □ N/A

1. As at 30 September 2014, the Company and its controlling subsidiaries maintained a deposit balance of RMB9,509,576,096.00 in Shandong Heavy Industry Group Finance Co., Ltd..
2. During the reporting period, with a view to solving the long-existing problem of odd lots, the Company and China Securities Depository and Clearing Company Limited, Shenzhen Branch (hereinafter referred to as "China Clearing Shenzhen Branch") entered

into an “Agreement on the Sale of Odd Lots by China Clearing Shenzhen Branch as Engaged by the Listed Company” pursuant to the requirements of China Securities Regulatory Commission, whereby the Company engaged China Clearing Shenzhen Branch to sell the odd lots totaling 22,066 shares which resulted from historical distribution. Net proceeds from such sale, inclusive of interest, in the amount of RMB456,857.26 was made available on 27 August 2014 and has been taken to capital reserve under shareholders’ equity.

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

√ Applicable □ N/A

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				

Note: For details of the relevant commitment items of 陝西法士特汽車傳動集團有限責任公司 (Shaanxi Fast Gear Automotive Transmission Co. Ltd.) and 陝西汽車集團有限責任公司 (Shaanxi Automobile Group Co. Ltd.), both of which are the related parties of the Company, please refer to the relevant announcements of the Company published on CNINF (www.cninfo.com.cn) on 12 August 2014 and 13 August 2014, respectively.

3.4 Investments in securities

Descriptions on holdings of equity interests in other listed companies

√ Applicable □ N/A

Name of Company	Investment cost (RMB)	No. of shares (Shares)	Investment income (RMB)	Fair value change (RMB)
KION Group AG	8,817,405,193.14	32,933,700	1,718,245,793.27	—
Beiqi Foton Motor Co., Ltd.	194,000,000.00	40,000,000	—	26,000,000.00

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

√ Applicable □ N/A

Time	Venue	Way of reception	Type of guests	Guest	Major topics discussed and information provided
1 July 2014	Company conference room	On-site research	Corporation	Jarislowsky Fraser 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
11 July 2014	Company conference room	On-site research	Corporation	Fund group organized by Morgan Stanley Asia Limited	
16 July 2014	Company conference room	On-site research	Corporation	Fund group organized by China International Capital Corporation Hong Kong Securities Limited	
17 July 2014	Company conference room	On-site research	Corporation	Guotai Junan Securities Co., Ltd.	

3.6 Effect of new or revised accounting standards on the consolidated financial statements of the Company

√ Applicable □ N/A

From January to March 2014, the Ministry of Finance issued Accounting Standards for Business Enterprises No. 39 – Fair Value Measurement and Accounting Standards for Business Enterprises No. 40 – Joint Arrangements, and the amendments to Accounting Standards for Business Enterprises No.30 – Presentation of Financial Statements, Accounting Standards for Business Enterprises No. 9 – Employee Benefits, Accounting Standards for Business Enterprises No. 33 – Consolidated Financial Statements and Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investments. The above six accounting standards was effective from 1 July 2014, and companies listed overseas are encouraged to adopt them in advance. As an overseas listed company, the Company has adopted the above six accounting standards in the preparation of the 2013 financial statements in accordance with the relevant regulations for the transition period. For the major effects, please refer to the financial statements of the Company for the year ended 31 December 2013.

Effect of the amendments to Accounting Standards for Business Enterprises No. 30 – Presentation of Financial Statements on the consolidated financial statements:

Unit: RMB

Balance Sheet Item	31 December 2013	
	Before adjustments	After adjustments based on new standards
Capital reserves	703,970,229.92	714,707,163.85
Other comprehensive income	-	25,790,785.56
Exchange difference on foreign currency translation	36,527,719.49	Such item was excluded in the presentation of balance sheet and was reclassified to “Other comprehensive income”.

Other accounting standards for business enterprises which were newly promulgated or amended in 2014 have no significant impact on the third quarterly report of the Company.

WEICHAI POWER CO., LTD.
The Board of Directors
Tan Xuguang, Chairman
30 October 2014