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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 28 April 2015, 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

28 April 2015

As at the date of this announcement, the executive Directors of the Company are Mr. Tan Xuguang, Mr. Zhang Quan, Mr. Xu Xinyu, Mr. Li Dakai, Mr. Fang Hongwei and Mr. Sun Shaojun; 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.



WEICHAI POWER CO., LTD.

FIRST QUARTERLY REPORT FOR 2015

April 2015

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 Wang Junwei, 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 as compared to the corresponding period of last year
Revenue (RMB)	17,538,925,459.18	16,637,647,029.33	5.42%
Net profit attributable to shareholders of listed company (RMB)	600,188,448.35	1,054,956,335.34	-43.11%
Net profit attributable to shareholders of listed company after extraordinary gain/loss (RMB)	548,701,928.65	1,038,517,774.13	-47.16%
Net cash flows from operating activities (RMB)	-2,327,664,429.39	-1,415,840,994.30	-64.40%
Basic earnings per share (RMB/share)	0.30	0.53	-43.40%
Diluted earnings per share (RMB/share)	0.30	0.53	-43.40%
Weighted average return on net assets	1.87%	3.73%	-1.86%
	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)	114,355,030,189.34	120,411,751,686.07	-5.03%
Net assets attributable to shareholders of listed company (RMB)	31,589,396,566.86	32,467,729,524.56	-2.71%

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)	921,130.20	
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	10,087,042.24	
Profit and loss from debt restructuring	822,730.75	
Write back of the provision for impairment of accounts receivable that is individually tested for impairment	40,997,268.50	
Other non-operating income and expenses other than the above items	12,143,265.98	
Less: Effects of income tax	4,356,748.80	
Effects of minority interests (after tax)	9,128,169.17	
Total	51,486,519.70	--

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	149,278					
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	24.23%	484,374,374			
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		Frozen	65,100,000
Peterson Holdings Company Limited	Foreign legal person	2.12%	42,308,875			
IVM Technical Consultants Wien Gesellschaft m.b.H	Foreign legal person	1.99%	39,780,000			
Shenzhen Capital Group Co., Ltd	Domestic non-state-owned legal person	1.45%	28,927,846			
Shandong Enterprise Trust Operation Company Limited	Domestic non-state-owned legal person	1.11%	22,105,000			
Guangxi Liugong Group Company Limited	State-owned legal person	0.86%	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	484,374,374			Overseas listed foreign shares		484,374,374
Fujian Longyan Construction Machinery	65,100,240			RMB	ordinary	65,100,240

(Group) Company Limited		shares	
Peterson Holdings Company Limited	42,308,875	RMB ordinary shares	42,308,875
IVM Technical Consultants Wien Gesellschaft m.b.H	39,780,000	RMB ordinary shares	39,780,000
Shenzhen Capital Group Co., Ltd	28,927,846	RMB ordinary shares	28,927,846
Shandong Enterprise Trust Operation Company Limited	22,105,000	RMB ordinary shares	22,105,000
Guangxi Liugong Group Company	17,243,712	RMB ordinary shares	17,243,712
Credit Suisse (Hong Kong) Limited	10,696,796	RMB ordinary shares	10,696,796
MORGAN STANLEY & CO. INTERNATIONAL PLC.	9,170,250	RMB ordinary shares	9,170,250
Platinum Investment Management Limited	8,188,294	RMB ordinary shares	8,188,294
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 shareholders of ordinary shares involved in financing and securities lending businesses (if any)	Nil		

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

None of the top ten shareholders of ordinary shares or the top ten non-restricted shareholders of ordinary shares of the Company conducted any transactions on agreed repurchases during the reporting period

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	As at the end of the reporting period	As at the beginning of the reporting period	Percentage change	Reason
Accounts receivable	12,838,265,686.15	9,660,031,602.65	32.90%	It is mainly attributable to the settlement of accounts receivable from some customers of auxiliary products who generally pay according to credit period and tend to settle at year end.
Interest receivable	189,427,997.72	134,246,230.24	41.10%	It is mainly attributable to the interest accrued on the deposit placed with Shandong Heavy Industry Group Finance Co. Ltd. during the reporting period.
Non-current assets due within one year	1,033,044,000.00	1,509,870,834.00	-31.58%	It is mainly attributable to the change in long-term receivables due within one year arising from the finance lease business of overseas segments.
Short-term borrowings	4,049,801,658.35	2,765,864,402.35	46.42%	It is mainly attributable to the new borrowings for the increase of stake in KION for the period.
Other non-current liabilities	219,173,185.63	31,649,140.04	592.51%	It is mainly attributable to the increase in deferred income arising from the growth of finance lease business of overseas segments.
Capital reserve	240,087,975.24	1,288,252,938.51	-81.36%	It is mainly attributable to the further acquisition of 4.95% shares of KION during the period. According to Article 47 of "Accounting Standard for Business Enterprises No. 33 – Consolidated Financial Statements", in the consolidated financial statements, the capital reserve has been adjusted (capital premium or share premium) by the difference between the long-term equity investments obtained by way of acquisition of minority interests and the share of net assets of subsidiary as cumulated from the date of consolidation based on the proportion of new shareholding.

Other comprehensive income	-779,091,676.24	-342,209,472.70	-127.67%	It is mainly attributable to the exchange difference arising from the translation of foreign currency financial statements of overseas segments as well as the remeasurement of defined benefit schemes of KION during the period.
Item on Statements	Reporting Period	Corresponding period of last year	Percentage change	Reason
Distribution and selling expenses	1,367,457,555.25	824,881,364.51	65.78%	It is mainly attributable to the consolidation of KION into consolidated financial statements.
General and administrative expenses	1,690,049,080.27	1,113,701,954.63	51.75%	
Finance expenses	-111,911,138.58	35,464,743.99	-415.56%	It is mainly attributable to the increase in exchange gain during the period.
Investment income	-6,235,538.89	133,500,078.89	-104.67%	It is mainly attributable to the investment income from KION which was treated as an associate during the corresponding period of last year.
Net cash flows from operating activities	-2,327,664,429.39	-1,415,840,994.30	-64.40%	It is mainly attributable to the increase in cash paid for the purchase of goods and services by our companies in the PRC during the period.
Net cash flows from financing activities	1,230,367,721.85	513,639,023.26	139.54%	It is mainly attributable to the increase in cash received for borrowings during the period.

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

√ Applicable □ N/A

As at 31 March 2015, the Company and its controlling subsidiaries maintained a deposit balance of RMB10,798,933,030.26 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

√ 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	Shandong Heavy Industry Group Co., Ltd.	First, According to its strategic planning for development and industry deployment, Shandong Heavy Industry has designated Weichai Power as the sole platform for the operation and integration of its business of engines for vehicles and construction machinery in future. Second, Shandong Heavy Industry will cause Weichai Group to establish a dedicated task force to actively communicate with Deutz and Weichai Power, and discuss relevant proposals for reorganization and integration	14 September 2011	Three years	Implementation of commitments was not yet complete

the Company		for further avoiding future potential business competition between Weichai Deutz and Weichai Power, and put it to implementation pursuant to the relevant requirements under the legal requirements and the Listing Rules regarding the governance of subsidiaries, based on the operating conditions of the assets and businesses of Weichai Deutz, recognition on the capital market and in the interest of all shareholders. Thirdly, in the course of completion of the aforesaid reorganization and integration, Shandong Heavy Industry warrants that the controlling relationship with Weichai Power will not be made use of in such a way as shall be detrimental to the interests of the listed company and its shareholders. Lawful measures will be taken, where necessary and possible, to avoid businesses or activities which would be create competition or conflict of interest between Shandong Heavy Industry and Weichai Deutz and Weichai Power. Any business opportunity which may potentially give rise to competition or conflict of interest with the principal businesses of the listed company shall be offered to the listed company first.			d.
	Weichai Group Holdings Limited	With confidence in the future development of the Company, Weichai Group Holdings Limited, a promoter of the Company, voluntarily gave its irrevocable undertaking that the 336,476,400 restricted shares of the Company held by it shall be put under lock-up arrangements for a further period of three years upon expiration on 30 April 2013. In other words, those shares will not be listed and traded on any securities trading system or transferred or entrusted to others during a period of 36 months from the date of expiration of the moratorium period on 30 April 2013, nor shall the Company repurchase such shares.	30 April 2013	Three years	The above commitments were strictly implemented.
	Weichai Power Co., Ltd.	In absorbing Torch, Weichai Power built some properties on a parcel of land acquired by way of land grant, allocation and leasing which is to the west of Weizhou Road and to the south of Min Sheng Road East Street where Weifang Diesel Engine Factory (currently named Weichai Group Holdings, and hereinafter "Weichai Group") is located. Application has been made by Weichai Power for the grant (transfer) of six parcels of land under Weichai Group where the aforesaid buildings are located, to obtain the land use rights by way of land grant to the aforesaid land parcels.	1 December 2006	One year	Implementation of commitments was not yet completed.
	Shaanxi Automotive Group Co., Ltd., Shaanxi Heavy-duty Motor Company Limited	1. Shaanxi Zhongqi leased from Shaanxi Automotive Group Co., Ltd. (hereinafter "Shaanxi Automotive") land parcels and buildings located in No. 39 and No. 71 of Xingfu Bei Road in Xincheng District, Xi'an City and Caojia Town in Qishan County. 2. Shaanxi Automotive failed to provide the relevant title documents including property ownership certificates, land use certificates or leasing registration certificates. 3. Shaanxi Automotive and Shaanxi Zhongqi undertook that they shall fully negotiate and communicate with local governments to seek elimination of the	9 April 2007	Before 30 June 2007	Implementation of commitments was not yet completed.

		irregularities existing in the leased land and properties, within the shortest possible timeframe. Where losses are suffered by Shaanxi Zhongqi in this regard, Shaanxi Automotive shall bear the full compensation.			
	Shaanxi Fast Gear Co., Ltd.	1. Shaanxi Fast Gear Co., Ltd., a controlling subsidiary of the Company (hereinafter "SFGC") leased from Shaanxi Auto Gear General Works (currently named Shaanxi Fast Gear Automotive Transmission Co., Ltd., and hereinafter "Fast Transmission") two parcels of land located in Daqing Road, Lianhu District, Xi'an City and Wu Zhang Yuan Town in Qishan County and Shucang Village in Baoji County, both in Shaanxi Province. The aforesaid two parcels of land were acquired by Fast Transmission by way of allocation, but Fast Transmission failed to provide competent government authorities with documents testifying agreed leasing of the land use rights concerning such allocated land. 2. SFGC leased from Fast Transmission buildings located in the west section of Daqing Road, Lianhu District, Xi'an City and Wu Zhang Yuan Town in Qishan County and Shucang Village in Baoji County. For some of the buildings, title documents including property ownership certificates, corresponding land use right certificates and leasing registration etc. have not yet been obtained. 3. Fast Transmission and SFGC undertook to fully negotiate and communicate with the local governments to seek lawful and effective regulations or adjustments to the leasing of land and properties and seek elimination of the existing unregulated leasing of land parcels and properties.	1 December 2006	One year	Implementation of commitments was not yet completed.
	Shanghai He Da Auto Accessory Co., Ltd.	1. Shanghai He Da Auto Accessory Co., Ltd. (hereinafter "Shanghai He Da"), a controlling subsidiary of the Company, is a foreign-invested enterprise and is not entitled to the right to use collective land under the law, nor is it entitled to property ownership certificate of properties attached to such collective land. 2. Shanghai Housing and Land Administration Bureau has issued to Shanghai He Da a "Shanghai Property Ownership Certificate" to confer the right to use the collective land located in Xinqiao Village, Daying Town, Qingpu District, and the title to 9 buildings attached to such land. 3. Shanghai He Da undertook to fully negotiate and communicate with local governments, villages and towns in a collective way, to seek to resolve the problems of unregulated construction or use of some properties or land now.	1 December 2006	One year	Implementation of commitments was not yet completed.
Whether the commitments have been implemented timely	No				

Detailed reasons for not completing implementation of commitments and next plan (if any)	<p>1. Regarding the commitments made by Shandong Heavy Industry Group Co., Ltd.</p> <p>Shandong Heavy Industry has taken the lead to organize the establishment of dedicated task forces under Weichai Group to actively cause Weichai Group to coordinate and communicate with foreign investment parties and Weichai Power and work out proposals. At present, preliminary proposals have been reached with foreign investment parties and it is proposed that 50% stake in Weichai Deutz held by the foreign investment party shall be transferred. Regarding the specific transferee parties and detailed terms of agreement, the relevant parties are in the course of further negotiations. The Company will actively negotiate with the relevant parties and foster the sooner completion of the transaction, to safeguard the interest of the Company and medium and minority shareholders.</p>
	<p>2. Regarding the commitments made by Weichai Power Co., Ltd.</p> <p>The 6 parcels of land proposed to be granted have been listed by Weifang People's Government as part of the overall planning for land use under the government's "from city to industrial park" initiative, and legal procedures for granting land to Weichai Power will no longer proceed. During the transitional period under the staged implementation of the overall planning of the "from city to industrial park" initiative, Weichai Power shall continue to lease those land parcels under the original approach. According to the further communication between the Company and the government, the Company shall implement, by stages, the overall planning of the government's "from city to industrial park" initiative.</p>
	<p>3. Regarding the commitments made by Shaanxi Automotive Group Co., Ltd. and Shaanxi Heavy-duty Motor Company Limited</p> <p>According to the Decision Concerning the Administrative and Regulatory Measures under No. (2014) 9 issued by Shandong Regulatory Bureau of China Securities Regulatory Commission (《中国证券监督管理委员会山东监管局(2014)9号行政监管措施决定书》), Shaanxi Automotive Group, through Weichai Power Co., Ltd., issued announcements in designated media on 13 August 2014, stating the reasons for not implementing the commitments, updates on progress, next solutions and relevant risk factors as follows:</p> <p>"The land and buildings located at No. 39 and No. 71 of Xingfu Bei Road in Xincheng District, Xi'an City, Shaanxi Province are listed under the "Comprehensive Renovation Work Plan for the Neighborhood at Xingfu Road (《幸福路地区综合改造工作方案》)" in accordance with the Notice Concerning the Issuance of Comprehensive Renovation Work Plan for the Neighborhood at Xingfu Road (《关于印发幸福路地区综合改造工作方案的通知》) under Shi Zheng Bang Fa No. (2013) 89 issued by the General Office of Xi'an People's Government, requiring enterprises to complete removal by the due date, and the relevant matters shall be implemented according to the government's arrangements. Shaanxi Heavy-duty Motor Company Limited moved to its registered address namely Jingwei Industrial Park, Economic and Technological Development Zone, Xi'an in 2006 and obtained state-owned land use right in respect of land parcels occupying approximately 2,700 mu, satisfying its operation and development needs.</p> <p>Regarding the aforesaid matters, the company will lawfully issue announcement in a timely manner through Weichai Power Co., Ltd."</p>
	<p>4. Regarding the commitments made by Shaanxi Fast Gear Co. Ltd.</p> <p>According to the Decision Concerning the Administrative and Regulatory Measures under No. (2014) 10 issued by Shandong Regulatory Bureau of China Securities Regulatory Commission (《中国证券监督管理委员会山东监管局(2014)10号行政监管措施决定书》), Fast Transmission, through Weichai Power Co., Ltd., stated the reasons for not implementing the commitments, updates on progress, next solutions and relevant risk factors as follows:</p> <p>" 1. Regarding the regulations on the land and parcels and buildings located in Daqing Road, Lianhu District, Xi'an City and Wu Zhang Yuan Town in Qishan County and Shucang Village in Baoji County, both in Shaanxi Province, which were originally committed by the group for leasing to Shaanxi Fast Gear Co., Ltd., a controlling subsidiary of Weichai Power Co., Ltd., to date, the land use right certificates and property ownership certificates for the buildings located in Wu Zhang Yuan Town in Qishan County and Shucang Village in Baoji County, both in Shaanxi Province have been completed. The land use right certificate for the land parcels in Daqing Road, Lianhu District, Xi'an City has been completed, but the property ownership certificate is on hold as suggested by the government because Lianhu District is located in the zone that has been designated as part of the government's removal area.</p>

	<p>The factories located in Lianhu District, Xi'an City, Shaanxi Province has been, in accordance with the Notice by Xi'an People's Government Concerning the Administration of the Construction Projects in the Comprehensive Renovation Zone in Tumen Area (《西安市人民政府关于加强土门地区综合改造区域建设项目管理的通告》) under Shi Zheng Gao No. (2013) 4 issued by Xi'an People's Government, the land parcel has been included under the Working Plan of the Comprehensive Renovation of Tumen Area, requiring enterprises to complete removal by the due date, and the relevant matters shall be implemented according to the government's arrangements. The company shall remove on a planned and step-by-step basis and this will not affect the production operation and development of Shaanxi Fast Gear Co. Ltd.</p> <p>2. The group is a wholly state-owned enterprise and its reform and development has been strongly supported by Shaanxi Government and the local government for its region. Its land and properties have been endorsed by the local government and are not subject to risks. The group commits, once again, that it shall bear all losses to be incurred as a result of any failure to normally use/ failure to use those land parcels and buildings by Shaanxi Fast Gear Co. Ltd. which is in turn due to any claim of rights over those land parcels and buildings made by any third parties or imposition of any penalty by the relevant government bodies during the leasing period.</p> <p>Regarding the aforesaid matters, the group will lawfully issue announcement in a timely manner through Weichai Power Co., Ltd. “</p> <p>5. The commitments made by Shanghai He Da Auto Accessory Co., Ltd.</p> <p>The company shall actively communicate and negotiate with the local government and the authority of village and town, to undergo legal procedures.</p>
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3.4 Operating results forecast for the period from January to June 2015

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

☐ Applicable ☒ N/A

3.5 Investments in securities

√ Applicable □ N/A

Type of securities	Stock code	Short name	Initial investment cost (RMB)	No. of shares at the beginning of period	Percentage of shareholding at the beginning of period	No. of shares at the end of period	Percentage of shareholding at the end of period	Carrying amount at the end of period (RMB)	Gains/losses during the period (RMB)	Accounted for under	Securities listed on
Equity	600166	Foton Motor	194,000,000.00	40,000,000	1.42%	40,000,000	1.20%	302,000,000.00	0.00	Available-for-sale financial assets	Shanghai Stock Exchange
Other securities investments held as at the end of period			0.00	0	--	0	--	0.00	0.00	--	--
Total			194,000,000.00	40,000,000	--	40,000,000	--	302,000,000.00	0.00	--	--

3.6 Descriptions of shareholding in other listed companies

√ Applicable □ N/A

The Company, through its indirectly wholly-owned subsidiary Weichai Lux, completed acquisition of 25% shareholding in KION Holding 1 GmbH on 27 December 2012, at a consideration of EUR467,000,000. On 8 March 2013, the Company exercised option to increase its shareholding in KION GROUP AG to 30%, at a consideration of EUR328,380,000, and the registration of this additional acquisition of shares with the competent company registry was completed on 27 June 2013. On 27 June 2013, KION Holding 1 GmbH was renamed as KION GROUP AG, and its publicly issued shares were listed and commenced trading on Frankfurt Stock Exchange on 28 June 2013. On 18 December 2013, the Company decided to exercise the call option to acquire shares representing 3.3% interests in KION GROUP AG from another shareholder of KION GROUP AG. Weichai Lux served a notice on Superlift on the same day to exercise the call option, at a consideration of EUR95,333,723. Upon exercise of the option, the Company's shareholding in KION GROUP AG increased to 33.3%. Further, in June 2014, Superlift reduced its shareholding in KION GROUP AG from 34.5% to 26.9%. Under the Bundled Arrangement reached by Weichai Lux and Superlift, Superlift would follow the Company's voting decisions for important matters and accordingly, regarding important matters, the Company essentially held 60.2% voting rights of and thus obtained effective control over KION GROUP AG and included it under our consolidated financial statements.

To enhance our core competence and raise our level of international development, and in view of the recent sound business performance of KION Group AG, on 31 March 2015, the Company acquired, through its indirect wholly-owned subsidiary Weichai Lux, 4.9 million shares of KION Group AG held by Superlift representing approximately 4.95% of the total issued shares of KION Group AG, at a consideration of EUR38.15 per share or EUR186,935,000 in total, and borne the relevant transaction costs. Upon completion of the transaction on 31 March 2015, the Company's indirect interest in KION Group AG increased to 38.25%.

3.7 Investments in derivatives

□ Applicable √ N/A

3.8 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
15 January 2015	Company conference room	On-site research	Corporation	CITIC-Prudential Fund Management Company Ltd.	1. General operation of the Company 2. Business development trend of the Company in the future 3. Strategic positioning of the development of the Company
4 February 2015	Company conference room	On-site research	Corporation	Hainan Clearwater Bay Buffett Investment Research Institute	
11 February 2015	Company conference room	On-site research	Corporation	HarTech Technologies Ltd.	

SECTION 4 FINANCIAL STATEMENTS

4.1 Financial Statements

4.1.1 Consolidated balance sheet

Prepared by: WEICHAI POWER CO., LTD.

31 March 2015

Unit: RMB

Item	Balance as at the end of the period	Balance as at the beginning of the period
Current assets:		
Cash and cash equivalents	19,813,675,236.03	24,434,414,214.89
Settlement provisions		
Capital lent to other financial institutions		
Financial assets at fair value through profit or loss	113,101,656.00	66,996,021.60
Derivative financial assets		
Notes receivable	10,660,368,805.78	13,780,880,376.52
Accounts receivable	12,838,265,686.15	9,660,031,602.65
Prepayments	543,172,548.62	487,985,072.32
Insurance receivables		
Reinsurance receivables		
Contract reserve of reinsurance receivables		
Interests receivable	189,427,997.72	134,246,230.24
Dividends receivable	3,040,000.00	3,040,000.00
Other receivables	987,306,341.59	871,642,626.76
Purchase restituted financial assets		
Inventories	14,107,552,155.58	12,614,740,002.08
Classified as held-for-sale assets	35,770,735.32	35,770,735.32
Non-current assets due within one year	1,033,044,000.00	1,509,870,834.00
Other current assets	997,835,117.84	772,177,588.25
Total current assets	61,322,560,280.63	64,371,795,304.63
Non-current assets:		

Granted loans and advances		
Available-for-sale financial assets	473,870,783.11	431,617,288.51
Held-to-maturity investments		
Long-term receivables	2,808,546,720.00	2,574,098,089.20
Long-term equity investments	1,452,413,750.17	1,477,725,658.30
Investment property	534,705,007.16	522,163,315.32
Fixed assets	21,187,754,101.68	22,219,357,185.13
Construction in progress	3,283,250,292.98	3,421,243,155.61
Material used in construction	3,333.33	2,692.31
Disposal of fixed assets	2,256,262.99	1,965,332.73
Productive biological assets		
Oil and gas assets		
Intangible assets	11,534,467,373.02	12,715,477,787.47
Development expenditure	452,004,681.96	533,706,390.76
Goodwill	7,519,205,311.70	8,347,260,453.97
Long-term prepaid expenses	162,304,113.78	168,785,139.70
Deferred tax assets	3,475,078,333.94	3,453,989,113.43
Other non-current assets	146,609,842.89	172,564,779.00
Total non-current assets	53,032,469,908.71	56,039,956,381.44
Total assets	114,355,030,189.34	120,411,751,686.07
Current liabilities:		
Short-term loans	4,049,801,658.35	2,765,864,402.35
Loans from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed from other financial institutions		
Financial liabilities at fair value through profit or loss	68,647,440.00	76,807,591.20
Derivative financial liabilities		
Notes payable	7,781,017,142.05	10,867,683,844.51
Accounts payable	16,011,298,258.71	15,922,080,225.78
Advance from customers	1,480,269,591.06	1,479,206,814.82

Selling financial assets of repurchase		
Handling fees and commission payable		
Payroll payables	2,700,769,389.46	3,115,024,045.45
Taxes payable	1,024,959,840.24	1,249,956,877.43
Interests payable	237,020,895.60	196,311,317.66
Dividends payable	34,772,276.45	34,772,276.45
Other payables	3,775,160,106.64	4,235,819,685.51
Reinsurance payables		
Insurance contract reserve		
Security trading commission		
Security underwriting fees		
Liabilities classified as that of held-for-sale		
Non-current liabilities due within one year	4,762,497,206.96	5,634,124,985.20
Other current liabilities	2,307,479,385.68	2,482,364,929.13
Total current liabilities	44,233,693,191.20	48,060,016,995.49
Non-current liabilities:		
Long-term borrowings	6,574,058,474.60	7,271,880,584.20
Bonds payable	5,435,287,805.75	5,834,582,252.32
Incl: Preference shares		
Perpetual bonds		
Long-term payables	5,508,891,952.00	5,185,606,146.40
Long-term payroll payable	7,419,547,949.96	7,073,983,911.20
Special payables	43,000,000.00	43,000,000.00
Provisions	397,222,080.00	444,249,381.60
Deferred income	1,857,321,584.80	1,983,761,896.93
Deferred tax liabilities	3,215,308,784.99	3,628,608,697.29
Other non-current liabilities	219,173,185.63	31,649,140.04
Total non-current liabilities	30,669,811,817.73	31,497,322,009.98
Total liabilities	74,903,505,008.93	79,557,339,005.47
Equity holders' interest:		
Share capital	1,999,309,639.00	1,999,309,639.00

Other equity instruments		
Incl: Preference shares		
Perpetual bonds		
Capital reserves	240,087,975.24	1,288,252,938.51
Less: Treasury stock		
Other comprehensive income	-779,091,676.24	-342,209,472.70
Special reserves	57,552,532.87	51,026,772.11
Surplus reserves	3,051,742,591.19	3,051,742,591.19
General risk provision		
Retained earnings	27,019,795,504.80	26,419,607,056.45
Total equity attributable to equity holders of parent company	31,589,396,566.86	32,467,729,524.56
Minority interests	7,862,128,613.55	8,386,683,156.04
Total equity holders' interests	39,451,525,180.41	40,854,412,680.60
Total liabilities and equity holders' interests	114,355,030,189.34	120,411,751,686.07

Legal representative: Tan Xuguang Principal in charge of accounting: Kwong Kwan Tong Head of accounting department: Wang Junwei

4.1.2 Balance sheet of the parent company

Unit: RMB

Item	Balance as at the end of period	Balance as at the beginning of period
Current assets:		
Cash and cash equivalents	11,385,679,523.52	13,471,590,469.50
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	7,218,571,727.63	9,387,204,158.36
Accounts receivable	3,915,963,050.28	1,026,365,645.31
Prepayments	41,621,401.10	52,697,084.17
Interests receivable	188,694,869.72	133,399,138.89
Dividends receivable	34,167,062.06	34,167,062.06
Other receivables	1,875,654,092.87	1,863,144,593.87
Inventories	2,113,776,644.27	1,952,477,318.55
Classified as held-for-sale assets		

Non-current assets due within one year		
Other current assets	300,000,000.00	
Total current assets	27,074,128,371.45	27,921,045,470.71
Non-current assets:		
Available-for-sale financial assets	333,680,000.00	282,080,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	10,105,514,409.28	10,055,462,694.26
Investment property	1,083,818,297.03	993,797,538.54
Fixed assets	2,626,139,548.35	2,620,753,452.52
Construction in progress	1,478,744,053.61	1,680,803,418.53
Material used in construction		
Disposal of fixed assets	253,508.42	244,955.71
Productive biological assets		
Oil and gas assets		
Intangible assets	334,060,071.95	335,448,373.29
Development expenditure		
Goodwill	579,145,043.76	579,145,043.76
Long-term prepaid expenses	6,435,085.00	7,057,834.00
Deferred tax assets	274,633,029.76	319,596,572.97
Other non-current assets	383,161,196.00	383,161,196.00
Total non-current assets	17,205,584,243.16	17,257,551,079.58
Total assets	44,279,712,614.61	45,178,596,550.29
Current liabilities:		
Short-term loans		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable	4,381,649,263.77	6,095,957,306.04
Accounts payable	4,614,974,833.21	4,426,815,259.81
Advance from customers	150,314,408.48	35,614,863.96
Payroll payables	539,136,234.10	542,818,361.66
Taxes payable	161,559,551.99	183,907,771.93
Interests payable	52,733,333.48	32,958,333.47

Dividends payable		
Other payables	2,281,017,060.50	2,098,746,409.80
Liabilities classified as that of held-for-sale		
Non-current liabilities due within one year		
Other current liabilities	722,824,200.00	722,824,200.00
Total current liabilities	12,904,208,885.53	14,139,642,506.67
Non-current liabilities:		
Long-term borrowings		
Bonds payable	1,398,901,560.47	1,398,219,228.23
Incl: Preference shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payable	14,137,960.40	15,815,305.29
Special payables	20,000,000.00	20,000,000.00
Provisions		
Deferred income	255,628,200.93	259,363,246.49
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	1,688,667,721.80	1,693,397,780.01
Total liabilities	14,592,876,607.33	15,833,040,286.68
Equity holders' interests:		
Share capital	1,999,309,639.00	1,999,309,639.00
Other equity instruments		
Incl: Preference shares		
Perpetual bonds		
Capital reserves	1,011,431,890.64	1,011,431,890.64
Less: Treasury stock		
Other comprehensive income	91,800,000.00	47,940,000.00
Special reserves	34,354,323.56	31,283,539.94
Surplus reserves	3,051,742,591.19	3,051,742,591.19
Retained earnings	23,498,197,562.89	23,203,848,602.84
Total equity holders' interests	29,686,836,007.28	29,345,556,263.61
Total liabilities and equity holders' interests	44,279,712,614.61	45,178,596,550.29

4.1.3 Consolidated income statement

Unit: RMB

Item	Amount for current Period	Amount for corresponding period of last year
1. Total revenue	17,538,925,459.18	16,637,647,029.33
Including: Revenue	17,538,925,459.18	16,637,647,029.33
Interest income		
Premium income earned		
Handling fees and commission income		
2. Total cost of sales	16,641,553,730.64	15,430,378,834.30
Including: Cost of sales	13,445,717,322.77	13,076,301,686.00
Interest expenses		
Handling fees and commission expenses		
Payments on surrenders		
Claim expenses-net		
Provision for insurance contract reserve-net		
Policyholder dividends		
Expenses for reinsurance accepted		
Taxes and surcharges	44,577,728.20	86,932,510.48
Distribution and selling expenses	1,367,457,555.25	824,881,364.51
General and administrative expenses	1,690,049,080.27	1,113,701,954.63
Finance expenses	-111,911,138.58	35,464,743.99
Impairment loss on assets	205,663,182.73	293,096,574.69
Add: Gains arising from fair value changes (losses are indicated with "-")	-2,223,963.00	-8,530,681.81
Investment income (losses are indicated with "-")	-6,235,538.89	133,500,078.89
Including: Share of profit of associated companies and joint	22,328,324.01	133,500,078.89

ventures		
Foreign exchange gains (losses are indicated with “-”)		
3. Operating profit (losses are indicated with “-”)	888,912,226.65	1,332,237,592.11
Add: Non-operating income	119,351,240.18	40,250,165.90
Including: Gain on disposal of non-current assets	1,670,850.05	1,173,643.76
Less: Non-operating expenses	41,793,749.66	4,734,243.59
Including: Losses on disposal of non-current assets	891,248.43	2,572,766.83
4.Total profits (total losses are indicated with “-”)	966,469,717.17	1,367,753,514.42
Less: Income tax expenses	205,742,548.92	211,172,450.76
5. Net profits (net losses are indicated with “-”)	760,727,168.25	1,156,581,063.66
Net profit attributable to equity holders of parent company	600,188,448.35	1,054,956,335.34
Minority interest	160,538,719.90	101,624,728.32
6. Net other comprehensive income after tax	-1,065,628,430.94	-47,635,169.93
Net other comprehensive income attributable to shareholders of the parent after tax	-436,882,203.54	-48,494,201.39
(1) Those other comprehensive income not to be reclassified into profit or loss in subsequent periods	-221,937,840.00	-83,309,776.87
1. Changes arising from re-measuring net assets or net liabilities of defined benefit plan	-221,937,840.00	
2. Share of investee’s other comprehensive income not to be reclassified into profit or loss using the equity method		-83,309,776.87
(2) Those other comprehensive income to be reclassified into profit or loss in subsequent periods	-214,944,363.54	34,815,575.48
1. Share of investee’s other		20,133,485.51

comprehensive income to be reclassified into profit or loss using the equity method		
2. Change of fair value of available-for-sale financial assets	43,860,000.00	5,440,000.00
3. Gains or losses on reclassification of held-to-maturity investments to financial assets available for sale		
4. Effective portion of cashflow from hedging Instrument		
5. Exchange differences on foreign currency translation	-258,804,363.54	9,242,089.97
6. Others		
Net other comprehensive income attributable to minority owners after tax	-628,746,227.40	859,031.46
7. Total comprehensive income	-304,901,262.69	1,108,945,893.73
Total comprehensive income attributable to equity holders of parent company	163,306,244.81	1,006,462,133.95
Total comprehensive income attributable to minority shareholders	-468,207,507.50	102,483,759.78
8. Earnings per share:		
(1) Basic earnings per share	0.30	0.53
(2) Diluted earnings per share	0.30	0.53

Legal representative: Tan Xuguang Principal in charge of accounting: Kwong Kwan Tong Head of accounting department: Wang Junwei

4.1.4 Income statement of the parent company

Unit: RMB

Item	Amount for current Period	Amount for corresponding period of last year
1. Revenue	3,853,512,726.02	7,536,023,217.23
Less: Cost of sales	3,028,905,001.76	5,200,188,007.37

Taxes and surcharges	17,390,821.53	55,075,154.79
Distribution and selling expenses	84,166,674.48	336,243,411.24
General and administrative expenses	318,151,171.69	519,241,095.60
Finance expenses	-70,754,923.00	-27,679,591.51
Impairment loss on assets	153,129,165.36	251,860,485.84
Add: Gain arising from fair value changes (losses are indicated with "-")		
Investment income (losses are indicated with "-")	8,763,249.66	9,811,754.91
Including: Share of profit of associated companies and joint ventures	8,763,249.66	9,811,754.91
2. Operating profit (losses are indicated with "-")	331,288,063.86	1,210,906,408.81
Add: Non-operating income	4,792,345.81	3,161,789.65
Including: Gain on disposal of non-current assets	265,273.74	372,675.39
Less: Non-operating expenses	53,865.03	191,051.47
Including: Losses on disposal of non-current assets	235.00	86,131.47
3. Total profits (total losses are indicated with "-")	336,026,544.64	1,213,877,146.99
Less: Income tax expenses	41,677,584.59	169,935,167.04
4. Net profits (net losses are indicated with "-")	294,348,960.05	1,043,941,979.95
5. Net other comprehensive income after tax	43,860,000.00	5,440,000.00
(1) Those other comprehensive income not to be reclassified into profit or loss in subsequent periods		
1. Changes arising from re-measuring net assets or net liabilities of defined benefit plan		
2. Share of investee's other comprehensive income not to be reclassified into profit or loss		

using the equity method		
(2) Those other comprehensive income to be reclassified into profit or loss in subsequent periods	43,860,000.00	5,440,000.00
1. Share of investee's other comprehensive income to be reclassified into profit or loss using the equity method		
2. Change of fair value of available-for-sale financial assets	43,860,000.00	5,440,000.00
3. Gains or losses on reclassification of held-to-maturity investments to financial assets available for sale		
4. Effective portion of cashflow from hedging Instrument		
5. Exchange differences on foreign currency translation		
6. Others		
6. Total comprehensive income	338,208,960.05	1,049,381,979.95
7. Earnings per share:		
(1) Basic earnings per share	0.15	0.52
(2) Diluted earnings per share	0.15	0.52

4.1.5 Consolidated cash flow statement

Unit: RMB

Item	Amount for current Period	Amount for corresponding period of last year
1. Cash flows from operating activities:		
Cash received from sale of goods and provision of services	15,420,269,345.57	8,420,553,587.66
Net increase in customers' deposit and interbank deposit		
Net increase in loans from central bank		
Net increase in capital borrowed from other financial institutions		

Cash received from premiums of original insurance contract		
Net cash received from reinsurance		
Net increase in policyholder deposit and investment		
Net increase in disposal of financial assets at fair value through profit or loss		
Cash received from interests, handling fees and commission		
Net increase in capital borrowed		
Net increase in cash received under repurchasing		
Refund of taxes	124,784,426.75	62,738,372.78
Other cash received relating to operating activities	283,170,406.97	407,013,986.74
Subtotal of cash inflows from operating activities	15,828,224,179.29	8,890,305,947.18
Cash paid for purchase of goods and receiving of services	11,747,819,768.56	6,970,725,132.51
Net increase in customers' loans and advances		
Net increase in fund deposited in central bank and interbank		
Cash paid for claims under original insurance contract		
Cash paid for interests, handling fees and commission		
Cash paid for dividends to policyholders		
Cash paid to and for staff	3,384,437,533.77	1,273,434,203.64
Cash paid for all types of taxes	767,403,285.89	876,524,241.70
Other cash paid relating to operating activities	2,256,228,020.46	1,185,463,363.63
Subtotal of cash outflows from operating activities	18,155,888,608.68	10,306,146,941.48

Net cash flows from operating activities	-2,327,664,429.39	-1,415,840,994.30
2. Cash flows from investing activities:		
Cash received from disposal of investments	10,000,000.00	
Cash from return on investments	2,601,137.10	1,987,500.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	151,633,122.22	205,208.59
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investing activities		27,316,682.14
Subtotal of cash inflows from investing activities	164,234,259.32	29,509,390.73
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	872,726,254.49	341,347,452.32
Cash paid for investment	1,451,586,952.36	1,584,597,361.26
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid relating to investing activities	84,722,400.00	
Subtotal of cash outflows from investing activities	2,409,035,606.85	1,925,944,813.58
Net cash flows from investing activities	-2,244,801,347.53	-1,896,435,422.85
3. Cash flows from financing activities:		
Cash received from capital contribution	14,597,658.36	490,000,000.00
Including: Cash received by subsidiaries from capital contribution of minority shareholders		490,000,000.00
Cash received from borrowings	4,028,106,760.60	339,710,182.00
Cash received from issuance of debentures		
Other cash received relating to financing activities	32,623,380.37	561,314.35

Subtotal of cash inflows from financing activities	4,075,327,799.33	830,271,496.35
Cash paid for repayment of borrowings	2,718,024,212.81	162,000,000.00
Cash paid for distribution of dividends, profit or for interest repayment	96,808,781.07	152,940,942.84
Including: Dividends and profit distributed to minority shareholders by subsidiaries	62,357,183.04	105,955,167.79
Other cash paid relating to financing activities	30,127,083.60	1,691,530.25
Subtotal of cash outflows from financing activities	2,844,960,077.48	316,632,473.09
Net cash flows from financing activities	1,230,367,721.85	513,639,023.26
4. Effects of changes in exchange rates on cash and cash equivalents	-46,104,765.45	24,881,172.35
5. Net increase in cash and cash equivalents	-3,388,202,820.52	-2,773,756,221.54
Add: balances of cash and cash equivalents as at the beginning of the period	20,494,618,118.42	16,596,941,296.20
6. Balances of cash and cash equivalents as at the end of the period	17,106,415,297.90	13,823,185,074.66

4.1.6 Cash flow statement of the parent company

Unit: RMB

Item	Amount for current Period	Amount for corresponding period of last year
1. Cash flows from operating activities:		
Cash received from sale of goods and provision of services	3,406,257,622.62	3,657,630,349.87
Refund of taxes		
Other cash received relating to operating activities	132,029,598.60	216,118,780.61
Subtotal of cash inflows from operating activities	3,538,287,221.22	3,873,749,130.48

Cash paid for purchase of goods and receiving of services	4,664,444,259.99	3,947,853,729.68
Cash paid to and for staff	278,308,102.45	335,082,906.88
Cash paid for all types of taxes	185,761,509.67	427,201,108.77
Other cash paid relating to operating activities	97,414,337.38	40,868,144.34
Subtotal of cash outflows from operating activities	5,225,928,209.49	4,751,005,889.67
Net cash flows from operating activities	-1,687,640,988.27	-877,256,759.19
2. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash from return on investments		43,075,603.72
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		64,228.80
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities		43,139,832.52
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	39,961,845.90	40,777,159.17
Cash paid for investment	341,288,465.36	923,635,200.00
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid relating to investing activities		
Subtotal of cash outflows from investing activities	381,250,311.26	964,412,359.17
Net cash flows from investing activities	-381,250,311.26	-921,272,526.65
3. Cash flows from financing activities:		
Cash received from capital contribution		
Cash received from borrowings		

Cash received from issuance of debentures		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities		
Cash paid for repayment of borrowings		
Cash paid for distribution of dividends, profit or for interest repayment		
Other cash paid relating to financing activities		1,650,000.00
Subtotal of cash outflows from financing activities		1,650,000.00
Net cash flows from financing activities		-1,650,000.00
4. Effects of changes in exchange rates on cash and cash equivalents	-12,838.80	5,232.58
5. Net increase in cash and cash equivalents	-2,068,904,138.33	-1,800,174,053.26
Add: balances of cash and cash equivalents as at the beginning of the period	13,418,614,444.43	11,252,295,276.97
6. Balances of cash and cash equivalents as at the end of the period	11,349,710,306.10	9,452,121,223.71

4.2 Auditors' report

Whether the first quarterly report is audited or not

☐ Yes ☒ No

The first quarterly report of the Company is not audited.

WEICHAI POWER CO., LTD.

Tan Xuguang, Chairman

28 April 2015