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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 27 October 2016, 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

27 October 2016

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 and Mr. Sun Shaojun; the non-executive Directors of the Company are Mr. Wang Yuepu, Mr. Jiang Kui and Mr. Gordon Riske; and the independent non-executive Directors of the Company are Mr. Loh Yih, Mr. Zhang Zhenhua, Mr. Zhang Zhong, Mr. Wang Gongyong and Mr. Ning Xiangdong.

Stock Code: 000338

Stock Name: Weichai Power

Announcement No: 2016-034

WEICHAI POWER CO., LTD.

THIRD QUARTERLY REPORT FOR 2016

(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 Li Xia, 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

	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)	124,635,520,969.09	114,873,387,806.95	8.50%	
Net assets attributable to shareholders of listed company (RMB)	31,166,892,914.66	31,729,455,671.11	-1.77%	
	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)	20,605,364,444.92	13.74%	62,891,875,654.10	15.25%
Net profit attributable to shareholders of listed company (RMB)	452,614,448.07	519.43%	1,504,130,464.12	44.32%
Net profit attributable to shareholders of listed company after extraordinary gain/loss (RMB)	490,985,951.70	785.80%	1,400,404,166.19	49.23%
Net cash flows from operating activities (RMB)	--	--	1,581,557,216.55	-29.84%
Basic earnings per share (RMB/share)	0.12	500.00%	0.38	46.15%
Diluted earnings per share	0.12	500.00%	0.38	46.15%

(RMB/share)				
Weighted average return on net assets	1.43%	1.20%	4.78%	1.51%

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)	1,517,417.69	
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	119,425,380.26	
Profit and loss from debt restructuring	454,306.61	
Profit and loss on the changes in fair value generated from financial assets and financial liabilities held for trading and investment income received from disposal of financial assets held for trading, financial liabilities held for trading and available-for-sale financial assets, other than effective hedging business relating to ordinary operating business of the Company	-106,834,455.81	
Write back of the provision for impairment of accounts receivable that is individually tested for impairment	42,977,779.38	
Effect on the current gains and losses from the one-off adjustment to the current gains and losses according to the taxation and accounting laws and regulations	75,126,254.04	
Other non-operating income and expenses other than the above items	187,087,141.19	
Less: Effects of income tax	69,522,902.96	
Effects of minority interests (after tax)	146,504,622.47	
Total	103,726,297.93	--

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 shareholders of preference shares with resumed voting rights and information on shareholdings of the top ten shareholders

Unit: Share

Total number of shareholders of ordinary shares as at the end of the reporting period		148,046	Total number of shareholders of preference shares with resumed voting rights as at the end of the reporting period, if any		0	
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%	968,514,868	0		
Weichai Group Holdings Limited	State-owned legal person	16.83%	672,952,800	672,952,800		
Weifang Investment Group Company Limited	State-owned legal person	3.71%	148,312,704	148,312,704		
China Securities Finance Corporation Limited	Domestic non-state-owned legal person	2.53%	101,160,734	0		
IVM Technical Consultants Wien Gesellschaft m.b.H	Overseas legal person	1.98%	79,200,000	0		
Central Huijin Assets Management Company Limited	State-owned legal person	1.36%	54,246,400	0		
Hong Zejun	Domestic natural person	1.25%	50,000,000	0		
Shenzhen Capital	Domestic	0.91%	36,418,569	0		

Group Co., Ltd	non-state-owned legal person					
Tan Xuguang	Domestic natural person	0.74%	29,421,298	22,065,973		
Platinum Investment Company Limited	Overseas legal person	0.71%	28,429,271	0		
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				
HKSCC Nominees Limited	968,514,868	Overseas listed foreign shares		968,514,868		
China Securities Finance Corporation Limited	101,160,734	RMB ordinary shares		101,160,734		
IVM Technical Consultants Wien Gesellschaft m.b.H	79,200,000	RMB ordinary shares		79,200,000		
Central Huijin Assets Management Company Limited	54,246,400	RMB ordinary shares		54,246,400		
Hong Zejun	50,000,000	RMB ordinary shares		50,000,000		
Shenzhen Capital Group Co., Ltd	36,418,569	RMB ordinary shares		36,418,569		
Platinum Investment Company Limited	28,429,271	RMB ordinary shares		28,429,271		
Shandong Enterprise Trust Operation Company Limited	28,316,700	RMB ordinary shares		28,316,700		
ICBC Credit Suisse Fund – ICBC – Asset Management for Specific Clients (工银瑞信基金—工商银行—特定客户资产管理)	22,897,015	RMB ordinary shares		22,897,015		
Zhuzhou State-owned Assets Investment Holding Group Co., Ltd	21,228,582	RMB ordinary shares		21,228,582		

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)	Among the shareholders of the Company, Hong Zejun held 50,000,000 shares of the Company through client account of collateral securities for margin trading at China Galaxy Securities Company Limited.

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 preference shares and information on shareholdings of the top ten shareholders of preference 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	Balance as at the end of the reporting period	Balance as at the beginning of the reporting period	Percentage change	Reason
Financial assets at fair value through profit or loss	101,537,280.00	37,867,082.40	168.14%	It is mainly attributable to the changes in fair value of derivatives of the overseas business during the reporting period.
Accounts receivable	12,977,876,391.55	8,976,615,257.47	44.57%	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.
Short-term borrowing	4,031,289,920.00	2,961,108,213.46	36.14%	It is mainly attributable to the new borrowings for the increase of stake in KION for the reporting period.
Financial liabilities at fair value through profit or loss	303,251,243.67	92,014,803.10	229.57%	It is mainly attributable to the changes in fair value of derivatives of the overseas business during the reporting period.
Long-term borrowing	11,328,151,623.45	7,283,743,346.45	55.53%	It is mainly attributable to the new borrowings of overseas segment company for repaying medium term notes during the reporting period.
Bond payable	2,652,084,232.42	5,985,529,194.60	-55.69%	It is mainly attributable to the overseas segment company repaying medium term notes during the reporting period.
Other comprehensive income	-1,204,234,221.50	-502,508,673.78	139.64%	It is mainly attributable to the change in net liabilities or net assets upon the remeasurement of defined benefit schemes of overseas segment company during the reporting period.
Surplus reserve	624,798,716.73	1,207,988,900.22	-48.28%	It is mainly attributable to the acquisition of additional shares of KION during the reporting period. Upon the completion of the acquisition, the shareholding of KION held by the Company increased from 38.25% to 40.23%. According to Articles 47 and 52 of "Accounting Standard for Business Enterprises No. 33", in the consolidated financial statements, the surplus reserve has been adjusted by the difference between the long-term equity investments obtained and the share of net assets of subsidiary as cumulated from the date of consolidation based on the proportion of new shareholding.
Item on Statements	From the beginning of year to the end of the reporting period	Corresponding period of last year	Percentage change	Reason
Taxes and surcharges	207,843,180.08	133,590,775.63	55.58%	It is mainly attributable to the increase in value-added tax with the enhancement in sales performance for the reporting period over the corresponding period of last year.
Impairment loss on assets	716,271,571.05	309,040,668.64	131.77%	It is mainly attributable to the increase in provisions for bad debts with the increase in the balance of accounts receivable for the reporting period.
Gains from change in fair value	-108,377,777.59	-15,383,761.00	604.49%	It is mainly attributable to the change in fair value of derivatives of foreign operations due to the change in exchange rates for the reporting period.

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

□ Applicable √ N/A

3.3 Commitments made by the Company, shareholders, de facto controller, acquirer, directors, supervisors, senior management or other connected parties and performed during the reporting period and not yet performed as of the end of the reporting period

√ Applicable □ N/A

The commitment	Commitments by	Type of commitment	Contents of commitments	Time of commitments	Period of commitments	Implementation situation
Other commitments to medium and minority shareholders of the Company	Shandong Heavy Industry Group Co., Ltd.	Other commitments	1. 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. 2. 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 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 within the next 36 months. 3. 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.	14 September 2011	Three years	Implementation of commitments was completed.
	Weichai Group Holdings Limited	Other commitments	With confidence in the future development of the Company, Weichai Group Holdings Limited, a promoter of the Company, voluntarily gave its irrevocable undertakings that the 672,952,800 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.	Other commitments	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	1 December 2006	One year	Implementation of commitments was not yet completed.

			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.			
	Shaanxi Automotive Group Co., Ltd., Shaanxi Heavy-duty Motor Company Limited	Other commitments	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 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.	9 April 2007	30 June 2007	Implementation of commitments was not yet completed.
	Shaanxi Fast Gear Co., Ltd.	Other commitments	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 within one year 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.	Other commitments	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	1 December 2006	One year	Implementation of commitments was not yet completed.

			unregulated construction or use of some properties or land now.			
Whether the commitments have been implemented timely	No					
Detailed reasons for not completing implementation of commitments and next plan	<p>1. 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>2. 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: "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. Regarding the aforesaid matters, the company will lawfully issue announcement in a timely manner through Weichai Power Co., Ltd."</p> <p>3. 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: "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. 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. 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. Regarding the aforesaid matters, the group will lawfully issue announcement in a timely manner through Weichai Power Co., Ltd."</p> <p>4. 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>					

Note 1: Weifang Weichai Deutz Diesel Engine Co., Ltd. has been renamed as "Weichai (Weifang) Medium-duty Diesel Engine Co., Ltd."

Note 2: The implementation of commitments made by Shandong Heavy Industry Group Co., Ltd. was completed on 26 October 2016.

For details, please refer to notification announcement of Weichai Power Co., Ltd. on the completion of acquisition of equity interests and implementation of commitments which was published on China Securities Journal, Shanghai Securities News, Securities Daily and CNINFO website (www.cninfo.com.cn) by the Company.

3.4 Operating results forecast for 2016

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

Unit: RMB

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	Source
Equity	600166	Foton Motor	194,000,000.00	40,000,000	1.20%	80,000,000	1.20%	213,600,000.00	0.00	Available for-sale financial assets	Shanghai Stock Exchange
Total			194,000,000.00	40,000,000	--	80,000,000	--	213,600,000.00	0.00	--	--

3.6 Investments in derivatives

√ Applicable □ N/A

Unit: 'ten thousand RMB

Name of operators of derivatives investment	Connection	Whether or not a connected transaction	Type of Derivatives investment	Initial Investment amount of derivatives investment	Effective Date	Expiry Date	Investment at the beginning of the Period	Amount acquired during the reporting period	Amount disposed of during the reporting period	Amount of provision for impairment (if any)	Investment at the end of the Period	Proportion of investment to the net asset of the Company at the end of the reporting period	Actual amount of profit and loss during the reporting period
The Hong Kong and Shanghai Banking Corporation Limited, the Bank of China, Barclays	No	No	Cross Currency Swap Business	0	30 September 2015	30 September 2020	0	0	0	0	0	0.00%	-2,307.6
Total				0	--	--	0	0	0	0	0	0.00%	-2,307.6
Source of derivatives investment funding				Internal funding									
Litigation involved (if applicable)				Not applicable									
Date of the announcement disclosing the approval by the board of directors of derivatives investment by the Board (if any)				23 September 2015									
Risk analysis of positions in derivatives during the reporting period and explanations of risk control measures (including but not limited to market risk, liquidity risk, credit risk, operation risk, legal risk etc.)				There is appropriate internal control system for the management of the Company to control the relevant risks. At the end of reporting period, there was no significant exposure for the positions in derivatives of the Company.									
Changes in market price or product fair value of invested derivatives during the reporting period, where specific methods and relevant assumptions and parameters used shall be disclosed in the analysis of derivatives' fair value				The effective date of cross currency swap business was 30 September 2015. During the reporting period (January to September 2016), the change in fair value was RMB -23.076 million. In the course of valuation, the Company adopted the valuation technique which was applicable under the circumstances and which was supported by sufficient usable data and other information, selecting inputs which were consistent with the characteristics of the assets and liabilities contemplated by market participants under the relevant assets or liabilities transactions. Priorities should be given to the use of relevant observable inputs. Where the relevant observable inputs cannot be obtained in a practicable manner or at all, unobservable inputs would be used instead. Key parameters of assumption include interest payment ratio; interest receipt ratio; frequency of interest receipt; frequency of interest payment; USD interest rate curve; EUR interest rate curve; USD/EUR exchange rate curve etc.									

Explanations of any significant changes in the Company's accounting policies and specific accounting and auditing principles on derivatives between the reporting period and the last reporting period	There were changes in the accounting treatment for cross currency swap business during the reporting period. For foreign-currency-denominated debentures, in order to avoid the risks of change in cashflow arising from the change in forward exchange rate, the cross currency swap instruments were designated as hedging instruments since 1 July 2016. The debentures denominated in USD was hedged and treated by using hedge accounting. Since 1 July, the effective hedging portion of fair value change of cross currency swap instruments would be recognized in other comprehensive income in accordance with hedging accounting principles. It would be reclassified to the income statement and offset against the exchange gains or losses of debentures denominated in USD when the hedged items affect the income statement.
Specific opinions of independent Directors on the derivatives investment and risk control of the Company	Not applicable

3.7 Meetings with researchers, public relations and interviews during the reporting Period

√ Applicable □ N/A

Time	Way of reception	Type of guests	Basic information of research
1 July 2016	On-site research	Corporation	For details, please refer to the logbook of investor relations activities dated 1 July 2016 disclosed by the Company on CNINFO website.
26 July 2016	On-site research	Corporation	For details, please refer to the logbook of investor relations activities dated 26 July 2016 disclosed by the Company on CNINFO website.
8 September 2016	On-site research	Corporation	For details, please refer to the logbook of investor relations activities dated 8 September 2016 disclosed by the Company on CNINFO website.
12 September 2016	On-site research	Corporation	For details, please refer to the logbook of investor relations activities dated 12 September 2016 (1) disclosed by the Company on CNINFO website.
12 September 2016	On-site research	Corporation	For details, please refer to the logbook of investor relations activities dated 12 September 2016 (2) disclosed by the Company on CNINFO website.
23 September 2016	On-site research	Corporation	For details, please refer to the logbook of investor relations activities dated 23 September 2016 disclosed by the Company on CNINFO website.
27 September 2016	On-site research	Corporation	For details, please refer to the logbook of investor relations activities dated 27 September 2016 (1) disclosed by the Company on CNINFO website.
27 September 2016	On-site research	Corporation	For details, please refer to the logbook of investor relations activities dated 27 September 2016 (2) disclosed by the Company on CNINFO website.
28 September 2016	On-site research	Corporation	For details, please refer to the logbook of investor relations activities dated 28 September 2016 (1) disclosed by the Company on CNINFO website.
28 September 2016	On-site research	Corporation	For details, please refer to the logbook of investor relations activities dated 28 September 2016 (2) disclosed by the Company on CNINFO website.

3.8 External guarantees in violation of regulations

☐ Applicable ☒ N/A

The Company did not have external guarantees in violation of regulations during the reporting period.

3.9 Non-operating funds of the listed company occupied by its controlling shareholders and their associates

☐ Applicable ☒ N/A

There were no non-operating funds of the listed company occupied by its controlling shareholders and their associates during the reporting period.

WEICHAI POWER CO., LTD.

Tan Xuguang, Chairman

27 October 2016