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**WEICHAI**

**潍柴动力股份有限公司**

**WEICHAI POWER CO., LTD.**

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

**(Stock Code: 2338)**

## **OVERSEAS REGULATORY ANNOUNCEMENT**

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

Reference is made to an announcement made by Weichai Power Co., Ltd. (the “**Company**”) on the website of Shenzhen Stock Exchange dated 29 April 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

29 April 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.*

**WEICHAI POWER CO., LTD.**  
**FIRST QUARTERLY REPORT FOR 2016**



**April 2016**

## **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 Tian Renju, 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)	18,879,310,046.73	17,538,925,459.18	7.64%
Net profit attributable to shareholders of listed company (RMB)	442,563,793.80	600,188,448.35	-26.26%
Net profit attributable to shareholders of listed company after extraordinary gain/loss (RMB)	380,507,695.77	548,701,928.65	-30.65%
Net cash flows from operating activities (RMB)	179,179,477.15	-2,327,664,429.39	-107.70%
Basic earnings per share (RMB/share)	0.11	0.15	-26.67%
Diluted earnings per share (RMB/share)	0.11	0.15	-26.67%
Weighted average return on net assets	1.39%	1.87%	-0.48%
	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)	119,739,666,131.60	114,873,387,806.95	4.24%
Net assets attributable to shareholders of listed company (RMB)	31,980,880,730.68	31,729,455,671.11	0.79%

## 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)	11,119,638.79	
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	48,050,929.37	
Profit and loss from debt restructuring	50,331.00	
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	316,838.34	
Other non-operating income and expenses other than the above items	46,307,246.21	
Other items of gains and losses falling within the definition of non-recurring gains and losses	8,397,572.92	
Less: Effects of income tax	19,470,726.58	
Effects of minority interests (after tax)	32,715,732.02	
Total	62,056,098.03	--

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. 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		167,703	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%	968,487,828	0		
Weichai Group Holdings Limited	State-owned legal person	16.83%	672,952,800	672,952,800		
Weifang Investment Company	State-owned legal person	3.71%	148,312,704	148,312,704		
China Securities Finance Corporation Limited	Domestic non-state-owned legal person	2.84%	113,711,054	0		
IVM Technical Consultants Wien Gesellschaft m.b.H	Overseas legal person	1.98%	79,200,000	0		
Peterson Holdings Company Limited	Overseas legal person	1.66%	66,335,964	0		
Central Huijin Assets Management Company Limited	Domestic non-state-owned legal person	1.36%	54,246,400	0		
Shenzhen Capital Group Co., Ltd	Domestic non-state-owned legal person	1.23%	49,323,824	0		
Hong Zejun	Domestic natural person	1.22%	48,840,000	0		
Shandong Enterprise Trust Operation Company Limited	Domestic non-state-owned legal person	1.05%	42,140,000	0		

Information on shareholdings of the top ten non-restricted shareholders			
Name of shareholder	Number of non-restricted shares held	Types of shares	
		Types of shares	Quantity
HKSCC Nominees Limited	968,487,828	Overseas listed foreign shares	968,487,828
China Securities Finance Corporation Limited	113,711,054	RMB ordinary shares	113,711,054
IVM Technical Consultants Wien Gesellschaft m.b.H	79,200,000	RMB ordinary shares	79,200,000
Peterson Holdings Company Limited	66,335,964	RMB ordinary shares	66,335,964
Central Huijin Assets Management Company Limited	54,246,400	RMB ordinary shares	54,246,400
Shenzhen Capital Group Co., Ltd	49,323,824	RMB ordinary shares	49,323,824
Hong Zejun	48,840,000	RMB ordinary shares	48,840,000
Shandong Enterprise Trust Operation Company Limited	42,140,000	RMB ordinary shares	42,140,000
Zhuzhou State-owned Assets Investment Holding Group Co., Ltd	26,280,283	RMB ordinary shares	26,280,283
Guangxi Liugong Group Co., Ltd	17,243,712	RMB ordinary shares	17,243,712
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 top ten shareholders, Hong Zejun held 640,000 shares through general account and 48,200,000 shares through client account of collateral securities for margin trading at China Galaxy Securities Company Limited, totaling 48,840,000 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

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	YoY change	Reason
Accounts receivable	12,132,195,278.56	8,976,615,257.47	35.15%	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	79,257,807.00	53,906,611.07	47.03%	It is mainly attributable to the interest accrued on the deposit placed with Shandong Heavy Industry Group Finance Co. Ltd. during the reporting period.
Other current assets	1,570,183,534.25	970,236,409.05	61.84%	It is mainly attributable to the increase in outstanding wealth management products for this reporting period.
Financial liabilities at fair value through profit or loss	208,965,944.88	92,014,803.10	127.10%	It is mainly attributable to the change in fair value of cross currency swap business for this reporting period.
Long-term borrowing	11,256,887,652.25	7,283,743,346.45	54.55%	It is mainly attributable to the new borrowings of overseas segment company for repaying medium term notes during the reporting period.
Bond payable	2,563,889,004.01	5,985,529,194.60	-57.17%	It is mainly attributable to the overseas segment company repaying medium term notes during the reporting period.
Other comprehensive income	-697,683,698.73	-502,508,673.78	38.84%	It is mainly attributable to the change in net liabilities or net assets upon the re-measurement of defined benefit schemes of overseas segment company during the reporting period.



Item on Statements	Reporting Period	Corresponding period of last year	YoY change	Reason
Gain or loss on change of fair value	-114,233,363.71	-2,223,963.00	5036.48%	It is mainly attributable to the loss arising from change in fair value of cross currency swap business for this reporting period.
Net cash flows from operating activities	179,179,477.15	-2,327,664,429.39	-107.70%	It is mainly attributable to the decrease in cash paid for the purchase of goods and services and other cash paid in relation to operating activities during the period.
Net cash flows from investing activities	-1,553,426,511.38	-2,244,801,347.53	-30.80%	It is mainly attributable to the decrease in cash paid for investment during the reporting period.
Net cash flows from financing activities	-101,517,064.03	1,230,367,721.85	-108.25%	It is mainly attributable to the increase in cash paid for repaying debts during 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	59 natural-person shareholders including Tan Xuguang	Relating to share lock-up	With confidence in the future development of the Company, natural-person shareholders including Tan Xuguang voluntarily gave their irrevocable undertaking that the aggregate of 113,664,000 non-restricted shares held by them in the Company shall be voluntarily put under lock-up arrangements for a period from 21 May 2013 to 30 April 2016. During the lock-up period, those shares will not be listed and traded on any securities trading system or transferred or entrusted to others, nor shall the Company repurchase such shares.	21 May 2013	Up to 30 April 2016	The above commitments were strictly implemented.
	Weichai Group Holdings Limited; Weifang Investment Company	Relating to share lock-up	With confidence in the future development of the Company, Weichai Group Holdings Limited and Weifang Investment Company, promoters of the Company, voluntarily gave their irrevocable undertakings that the respective 672,952,800 and 148,312,704 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.
	Shaanxi	Other	I. Issues relating to the qualification of Shaanxi	9 April 2007	Before 30	Implementation

	Automotive Group Co., Ltd., Shaanxi Heavy-duty Motor Company Limited	commitments	<p>Zhongqi: 1. The business scope of Shaanxi Zhongqi covers the production and sale of full-set automobiles ("Sale and export trade (licenced operation) of automobiles (excluding sedans), auto parts and components and engines produced by the company" as stated in its Business Licence of Corporate Legal Person). According to the announcement "Vehicle Manufacturers and Products" made by the State Development and Reform Commission (the "SDRC"), Shaanxi Automotive, the other shareholder of Shaanxi Zhongqi, remained as the manufacturer of the "Shaan-qi" branded automobiles. 2. In establishing Shaanxi Zhongqi jointly with TAGC, the contribution from Shaanxi Automotive was represented by the operating assets relating to the operation of heavy-duty automobile production, whereas the corresponding undertakings and human resources were taken over by Shaanxi Zhongqi. Whilst the qualification of Shaanxi Automotive for producing and selling heavy-duty full-set automobile products shall obviously be succeeded by Shaanxi Zhongqi, the formalities for the change of qualification have not been completed under the influence of the "Delong-league" crisis and other factors. Shaanxi Automotive has committed to be cooperative in procuring the change of qualification as mentioned above in a lawful manner. II. Issues relating to land lease: 1. Shaanxi Zhongqi leased from 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.</p>		June 2007	of commitments was not yet completed.
	Shaanxi Fast Gear Co., Ltd.	Other commitments	<p>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</p>	1 December 2006	One year	Implementation of commitments was not yet completed.

			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.			
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 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.
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 unregulated construction or use of some properties or land now.	1 December 2006	One year	Implementation of commitments was not yet completed.
Shandong Heavy Industry Group Co., Ltd.	Relating to competition		I. 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. II. 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. III. 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.	14 September 2011	Three years	Implementation of commitments was not yet completed.

			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.			
Whether the commitments have been implemented timely	No					
If implementation of commitments is not yet completed, state detailed reasons for not completing implementation of commitments and next plan	<p><b>1. Regarding the commitments made by Shaanxi Automotive Group Co., Ltd. and Shaanxi Heavy-duty Motor Company Limited</b></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: “I. Since 2007, Shaanxi Automotive has striven to transfer the qualification for producing full-set heavy-duty vehicles to Shaanxi Heavy-duty Motor Company Limited, a controlling subsidiary of Weichai Power. However, in actual practice, due to the change of austerity measures and industry policies of the state, competent authorities including the State Development and Reform Commission and the Ministry of Industry and Information Technology do not permit the segregation and partial transfer of qualification with respect to full-set automobile. As such, the “change of holder of sale and production qualification in respect of full-set heavy-duty vehicle products to Shaanxi Heavy-duty Motor Company Limited, a controlling subsidiary of Weichai Power Co., Ltd.” as stated in the Decision Concerning the Administrative and Regulatory Measures under No. (2014) 92 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)92号行政监管措施决定书》) has not been completed due to the aforesaid policy ground albeit efforts made by various parties. Going forward, the Company will actively trace the changes of state policies applicable to the automobile industry. Once permitted under policies, we commit that transfer of sale and production qualification in respect of full-set heavy-duty vehicles will be completed within half a year. II. Since its establishment in 2002, Shaanxi Heavy-duty Motor Company Limited has undergone rapid and healthy development and fully safeguarded the interests of investors. The qualification issue has never had any impact on the normal operation and development of the company. This management approach has also won recognition from competent state authorities. Shareholders from both sides and relevant regulatory bodies have been satisfied with the operation, development and result of performance of the company. III. 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><b>2. Regarding the commitments made by Shaanxi Fast Gear Co. Ltd.</b></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: “ I. 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</p>					

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. II. 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. "

**3. Regarding the commitments made by Weichai Power**

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.

**4. The commitments made by Shanghai He Da Auto Accessory Co., Ltd.**

The company shall actively communicate and negotiate with the local government and the authority of village and town, to undergo legal procedures.

**5. Regarding the commitments made by Shandong Heavy Industry Group Co., Ltd.**

Regarding the aforesaid, 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. 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.

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

**3.4 Operating results forecast for the period from January to June 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%	40,000,000	1.20%	217,600,000.00	0.00	Available-for-sale financial assets	Internal funding
Total			194,000,000.00	40,000,000	--	40,000,000	--	217,600,000.00	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%	-11,151.37
Total				0	--	--	0	0	0	0	0	0.00%	-11,151.37
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 (1 January to 31 March 2016), the change in fair value was RMB -111.5137 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	No material changes.
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
19 January 2016	On-site research	Corporation	For details, please refer to the logbook of investor relations activities disclosed by the Company on CNINFO website.
22 January 2016	On-site research	Corporation	
15 February 2016	On-site research	Corporation	
22 February 2016	On-site research	Corporation	

### 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.

## SECTION 4 FINANCIAL STATEMENTS

### 4.1 Financial Statements

#### 4.1.1 Consolidated balance sheet

Prepared by: WEICHAI POWER CO., LTD.

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	22,376,774,310.11	24,601,345,959.52
Settlement provisions		
Capital lent to other financial institutions		
Financial assets at fair value through profit or loss	46,992,992.00	37,867,082.40
Derivative financial assets		
Notes receivable	9,249,468,559.16	8,927,939,101.91
Accounts receivable	12,132,195,278.56	8,976,615,257.47
Prepayments	427,745,172.16	401,642,433.45
Insurance receivables		
Reinsurance receivables		
Contract reserve of reinsurance receivables		
Interests receivable	79,257,807.00	53,906,611.07
Dividends receivable	6,480,000.00	6,480,000.00
Other receivables	763,032,475.26	645,771,489.45
Purchase restituted financial assets		
Inventories	13,581,492,012.25	11,841,614,673.51
Classified as held-for-sale assets		
Non-current assets due within one year	1,363,603,200.00	1,289,424,886.40
Other current assets	1,570,183,534.25	970,236,409.05
Total current assets	61,597,225,340.75	57,752,843,904.23
Non-current assets:		
Granted loans and advances		
Available-for-sale financial assets	495,880,646.11	650,293,280.51



Held-to-maturity investments		
Long-term receivables	3,468,390,720.00	3,348,884,733.60
Long-term equity investments	1,456,774,372.36	1,447,150,166.18
Investment property	598,078,038.14	588,890,842.52
Fixed assets	23,937,182,967.85	23,665,762,793.11
Construction in progress	2,437,701,569.60	2,589,410,278.91
Material used in construction	627,851.14	1,200.00
Disposal of fixed assets	1,975,774.61	1,846,883.91
Productive biological assets		
Oil and gas assets		
Intangible assets	13,187,848,430.24	12,860,379,962.34
Development expenditure	485,536,602.48	466,068,766.97
Goodwill	8,246,442,037.60	7,786,251,491.45
Long-term prepaid expenses	296,861,635.13	314,381,969.58
Deferred tax assets	3,382,491,318.55	3,152,666,737.05
Other non-current assets	146,648,827.04	248,554,796.59
Total non-current assets	58,142,440,790.85	57,120,543,902.72
Total assets	119,739,666,131.60	114,873,387,806.95
Current liabilities:		
Short-term loans	3,395,110,206.40	2,961,108,213.46
Loans from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed from other financial institutions		
Financial liabilities at fair value through profit or loss	208,965,944.88	92,014,803.10
Derivative financial liabilities		
Notes payable	5,446,878,779.67	5,283,915,078.21
Accounts payable	16,098,884,307.91	14,264,753,447.71
Advance from customers	1,530,847,915.11	1,637,474,054.56
Selling financial assets of repurchase		
Handling fees and commission payable		
Payroll payables	3,169,544,310.64	3,129,536,423.85
Taxes payable	1,607,835,207.13	1,235,566,698.13
Interests payable	225,776,949.72	208,738,518.56
Dividends payable	5,129,313.52	5,129,313.52
Other payables	4,004,513,068.15	3,786,905,225.80
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	4,948,289,803.15	5,246,338,509.59
Other current liabilities	2,115,767,789.44	2,018,326,655.18
Total current liabilities	42,757,543,595.72	39,869,806,941.67
Non-current liabilities:		
Long-term borrowings	11,256,887,652.25	7,283,743,346.45
Bonds payable	2,563,889,004.01	5,985,529,194.60
Incl: Preference shares		
Perpetual bonds		

Long-term payables	6,896,461,440.00	6,604,099,856.80
Long-term payroll payable	7,724,899,135.12	6,928,175,204.92
Special payables	43,000,000.00	43,000,000.00
Provisions	272,940,576.00	286,177,796.80
Deferred income	2,327,262,548.15	2,279,402,483.75
Deferred tax liabilities	3,832,769,716.82	3,825,631,719.50
Other non-current liabilities	42,343,142.29	41,337,675.89
Total non-current liabilities	34,960,453,214.64	33,277,097,278.71
Total liabilities	77,717,996,810.36	73,146,904,220.38
Equity holders' interest:		
Share capital	3,998,619,278.00	3,998,619,278.00
Other equity instruments		
Incl: Preference shares		
Perpetual bonds		
Capital reserves	25,105,108.92	27,883,109.16
Less: Treasury stock		
Other comprehensive income	-697,683,698.73	-502,508,673.78
Special reserves	85,653,728.52	78,839,437.56
Surplus reserves	1,207,988,900.22	1,207,988,900.22
General risk provision		
Retained earnings	27,361,197,413.75	26,918,633,619.95
Total equity attributable to equity holders of parent company	31,980,880,730.68	31,729,455,671.11
Minority interests	10,040,788,590.56	9,997,027,915.46
Total equity holders' interests	42,021,669,321.24	41,726,483,586.57
Total liabilities and equity holders' interests	119,739,666,131.60	114,873,387,806.95

Legal representative: Tan Xuguang Principal in charge of accounting: Kwong Kwan Tong Head of accounting department: Tian Renju

## 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
<b>Current assets:</b>		
Cash and cash equivalents	10,905,328,510.29	12,447,686,804.26
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	7,052,602,210.23	6,890,636,874.68
Accounts receivable	3,764,119,762.81	640,602,324.45
Prepayments	57,334,231.05	56,961,089.44
Interests receivable	77,799,500.00	51,793,725.00
Dividends receivable	3,060,000.00	3,060,000.00
Other receivables	1,880,719,929.95	1,872,128,429.70
Inventories	1,368,395,410.37	1,337,322,763.36
Classified as held-for-sale assets		
Non-current assets due within one year		
Other current assets	-10,576.62	146,838,123.25
<b>Total current assets</b>	<b>25,109,348,978.08</b>	<b>23,447,030,134.14</b>
<b>Non-current assets:</b>		
Available-for-sale financial assets	249,280,000.00	284,880,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	10,031,510,006.66	10,020,852,579.69
Investment property	1,168,969,528.61	1,143,364,666.55
Fixed assets	2,635,396,386.48	2,644,294,727.19
Construction in progress	1,316,628,864.93	1,460,455,895.55
Material used in construction		
Disposal of fixed assets	83,797.19	83,797.19
Productive biological assets		
Oil and gas assets		
Intangible assets	353,587,780.41	330,215,232.45
Development expenditure		
Goodwill	579,145,043.76	579,145,043.76
Long-term prepaid expenses	3,944,089.00	4,566,838.00
Deferred tax assets	295,158,472.44	215,366,868.45
Other non-current assets	481,925,368.89	481,925,368.89
<b>Total non-current assets</b>	<b>17,115,629,338.37</b>	<b>17,165,151,017.72</b>
<b>Total assets</b>	<b>42,224,978,316.45</b>	<b>40,612,181,151.86</b>
<b>Current liabilities:</b>		
Short-term loans		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable	2,114,887,513.82	2,555,177,304.09
Accounts payable	4,453,904,607.39	3,299,797,871.61
Advance from customers	14,817,711.03	20,789,783.81
Payroll payables	429,005,369.10	471,742,106.21
Taxes payable	285,174,723.63	38,446,967.23
Interests payable	52,733,333.52	32,958,333.51

Dividends payable		
Other payables	1,913,195,157.03	1,599,009,547.04
Liabilities classified as that of held-for-sale		
Non-current liabilities due within one year	1,398,754,574.55	1,398,153,360.39
Other current liabilities	486,165,510.90	474,669,460.90
Total current liabilities	11,148,638,500.97	9,890,744,734.79
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Incl: Preference shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payable	31,760,345.24	28,208,354.88
Special payables	20,000,000.00	20,000,000.00
Provisions		
Deferred income	329,076,040.68	324,194,404.72
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	380,836,385.92	372,402,759.60
Total liabilities	11,529,474,886.89	10,263,147,494.39
Equity holders' interests:		
Share capital	3,998,619,278.00	3,998,619,278.00
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	20,060,000.00	50,320,000.00
Special reserves	45,808,092.90	43,771,198.92
Surplus reserves	1,221,269,763.04	1,221,269,763.04
Retained earnings	24,398,314,404.98	24,023,621,526.87
Total equity holders' interests	30,695,503,429.56	30,349,033,657.47
Total liabilities and equity holders' interests	42,224,978,316.45	40,612,181,151.86

## 4.1.3 Consolidated income statement

Unit: RMB

Item	Amount for current Period	Amount for corresponding period of last year
1. Total revenue	18,879,310,046.73	17,538,925,459.18
Including: Revenue	18,879,310,046.73	17,538,925,459.18
Interest income		
Premium income earned		
Handling fees and commission income		
2. Total cost of sales	18,023,735,178.67	16,641,553,730.64
Including: Cost of sales	14,556,618,481.65	13,445,717,322.77
Interest expenses		
Handling fees and commission expenses		
Payments on surrenders		
Claim expenses-net		
Provision for insurance contract reserve-net		
Policyholder dividends		
Expenses for reinsurance		
Taxes and surcharges	73,256,114.84	44,577,728.20
Distribution and selling expenses	1,508,196,916.60	1,367,457,555.25
General and administrative expenses	1,744,618,779.01	1,690,049,080.27
Finance expenses	-114,251,445.52	-111,911,138.58
Impairment loss on assets	255,296,332.09	205,663,182.73
Add: Gains arising from fair value changes (losses are indicated with "-")	-114,233,363.71	-2,223,963.00
Investment income (losses are indicated with "-")	-2,705,868.22	-6,235,538.89
Including: Share of profit of associated companies and joint ventures	-2,372,848.00	22,328,324.01
Foreign exchange gains (losses are indicated with "-")		
3. Operating profit (losses are indicated with "-")	738,635,636.13	888,912,226.65
Add: Non-operating income	139,191,281.11	119,351,240.18
Including: Gain on disposal of non-current assets	12,569,945.93	1,670,850.05
Less: Non-operating expenses	24,964,280.97	41,793,749.66
Including: Losses on disposal of non-current assets	1,831,224.41	891,248.43
4. Total profits (total losses are indicated with "-")	852,862,636.27	966,469,717.17
Less: Income tax expenses	157,710,963.75	205,742,548.92
5. Net profits (net losses are indicated with "-")	695,151,672.52	760,727,168.25

Net profit attributable to equity holders of parent company	442,563,793.80	600,188,448.35
Minority interest	252,587,878.72	160,538,719.90
6. Net other comprehensive income after tax	-408,316,067.19	-1,065,628,430.94
Net other comprehensive income attributable to shareholders of the parent after tax	-195,175,024.95	-436,882,203.54
(1) Those other comprehensive income not to be reclassified into profit or loss in subsequent periods	-240,834,316.85	-221,937,840.00
1. Changes arising from re-measuring net assets or net liabilities of defined benefit plan	-240,834,316.85	-221,937,840.00
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	45,659,291.90	-214,944,363.54
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	-30,260,000.00	43,860,000.00
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	75,919,291.90	-258,804,363.54
6. Others		
Net other comprehensive income attributable to minority owners after tax	-213,141,042.24	-628,746,227.40
7. Total comprehensive income	286,835,605.33	-304,901,262.69
Total comprehensive income attributable to equity holders of parent company	247,388,768.85	163,306,244.81
Total comprehensive income attributable to minority shareholders	39,446,836.48	-468,207,507.50
8. Earnings per share:		
(1) Basic earnings per share	0.11	0.15
(2) Diluted earnings per share	0.11	0.15

Legal representative: Tan Xuguang Principal in charge of accounting: Kwong Kwan Tong Head of accounting department: Tian Renju

## 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	4,160,408,183.35	3,853,512,726.02
Less: Cost of sales	3,188,799,030.25	3,028,905,001.76
Taxes and surcharges	41,313,120.56	17,390,821.53
Distribution and selling expenses	76,135,928.58	84,166,674.48
General and administrative expenses	314,681,847.03	318,151,171.69
Finance expenses	-35,759,589.94	-70,754,923.00
Impairment loss on assets	166,332,610.50	153,129,165.36
Add: Gain arising from fair value changes (losses are indicated with "-")		
Investment income (losses are indicated with "-")	10,657,426.97	8,763,249.66
Including: Share of profit of associated companies and joint ventures	10,657,426.97	8,763,249.66
2. Operating profit (losses are indicated with "-")	419,562,663.34	331,288,063.86
Add: Non-operating income	17,007,455.20	4,792,345.81
Including: Gain on disposal of non-current assets	6,697,231.69	265,273.74
Less: Non-operating expenses	2,611,041.69	53,865.03
Including: Losses on disposal of non-current assets	5,101.69	235.00
3. Total profits (total losses are indicated with "-")	433,959,076.85	336,026,544.64
Less: Income tax expenses	59,266,198.74	41,677,584.59
4. Net profits (net losses are indicated with "-")	374,692,878.11	294,348,960.05
5. Net other comprehensive income after tax	-30,260,000.00	43,860,000.00
(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	-30,260,000.00	43,860,000.00
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	-30,260,000.00	43,860,000.00
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	344,432,878.11	338,208,960.05
7. Earnings per share:		
(1) Basic earnings per share	0.09	0.07
(2) Diluted earnings per share	0.09	0.07



## 4.1.5 Consolidated cash flow statement

Unit: RMB

Item	Amount for current Period	Amount for corresponding period of last year
<b>1. Cash flows from operating activities:</b>		
Cash received from sale of goods and provision of services	14,071,888,557.88	15,420,269,345.57
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	93,163,943.39	124,784,426.75
Other cash received relating to operating activities	311,568,523.96	283,170,406.97
<b>Subtotal of cash inflows from operating activities</b>	<b>14,476,621,025.23</b>	<b>15,828,224,179.29</b>
Cash paid for purchase of goods and receiving of services	8,336,707,125.33	11,747,819,768.56
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	3,614,309,595.45	3,384,437,533.77
Cash paid for all types of taxes	620,792,547.01	767,403,285.89
Other cash paid relating to operating activities	1,725,632,280.29	2,256,228,020.46
Subtotal of cash outflows from operating activities	14,297,441,548.08	18,155,888,608.68
Net cash flows from operating activities	179,179,477.15	-2,327,664,429.39
<b>2. Cash flows from investing activities:</b>		
Cash received from disposal of investments	113,000,000.00	10,000,000.00
Cash from return on investments	1,028,506.64	2,601,137.10
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	158,943,546.85	151,633,122.22
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	272,972,053.49	164,234,259.32
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	887,064,403.18	872,726,254.49
Cash paid for investment	727,223,294.00	1,451,586,952.36
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units	187,543,200.00	
Other cash paid relating to investing activities	24,567,667.69	84,722,400.00
Subtotal of cash outflows from investing activities	1,826,398,564.87	2,409,035,606.85
Net cash flows from investing activities	-1,553,426,511.38	-2,244,801,347.53
<b>3. Cash flows from financing activities:</b>		
Cash received from capital contribution	1,889,711.51	14,597,658.36
Including: Cash received by subsidiaries from capital contribution of minority shareholders		
Cash received from borrowings	7,655,326,800.00	4,028,106,760.60
Cash received from issuance of debentures		
Other cash received relating to financing activities	3,844,635.60	32,623,380.37
Subtotal of cash inflows from financing activities	7,661,061,147.11	4,075,327,799.33
Cash paid for repayment of borrowings	7,341,341,690.07	2,718,024,212.81

Cash paid for distribution of dividends, profit or for interest repayment	231,856,510.20	96,808,781.07
Including: Dividends and profit distributed to minority shareholders by subsidiaries	50,775,980.21	62,357,183.04
Other cash paid relating to financing activities	189,380,010.87	30,127,083.60
Subtotal of cash outflows from financing activities	7,762,578,211.14	2,844,960,077.48
Net cash flows from financing activities	-101,517,064.03	1,230,367,721.85
4. Effects of changes in exchange rates on cash and cash equivalents	20,314,363.32	-46,104,765.45
5. Net increase in cash and cash equivalents	-1,455,449,734.94	-3,388,202,820.52
Add: balances of cash and cash equivalents as at the beginning of the period	21,014,266,005.49	20,494,618,118.42
6. Balances of cash and cash equivalents as at the end of the period	19,558,816,270.55	17,106,415,297.90

## 4.1.6 Cash flow statement of the parent company

Unit: RMB

Item	Amount for current Period	Amount for corresponding period of last year
<b>1. Cash flows from operating activities:</b>		
Cash received from sale of goods and provision of services	1,452,017,588.21	3,406,257,622.62
Refund of taxes		
Other cash received relating to operating activities	107,306,488.15	132,029,598.60
Subtotal of cash inflows from operating activities	1,559,324,076.36	3,538,287,221.22
Cash paid for purchase of goods and receiving of services	2,378,919,101.47	4,664,444,259.99
Cash paid to and for staff	342,470,001.15	278,308,102.45
Cash paid for all types of taxes	220,077,107.75	185,761,509.67
Other cash paid relating to operating activities	145,561,808.86	97,414,337.38
Subtotal of cash outflows from operating activities	3,087,028,019.23	5,225,928,209.49
Net cash flows from operating activities	-1,527,703,942.87	-1,687,640,988.27
<b>2. Cash flows from investing activities:</b>		
Cash received from disposal of investments	100,000,000.00	
Cash from return on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
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	100,000,000.00	
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	111,863,548.58	39,961,845.90
Cash paid for investment		341,288,465.36
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid relating to investing activities	42,787.69	
Subtotal of cash outflows from investing activities	111,906,336.27	381,250,311.26
Net cash flows from investing activities	-11,906,336.27	-381,250,311.26

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		
Subtotal of cash outflows from financing activities		
Net cash flows from financing activities		
4. Effects of changes in exchange rates on cash and cash equivalents	6,959.42	-12,838.80
5. Net increase in cash and cash equivalents	-1,539,603,319.72	-2,068,904,138.33
Add: balances of cash and cash equivalents as at the beginning of the period	12,429,369,847.65	13,418,614,444.43
6. Balances of cash and cash equivalents as at the end of the period	10,889,766,527.93	11,349,710,306.10

#### 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  
29 April 2016