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**WEICHAI**

**潍柴动力股份有限公司**

**WEICHAI POWER CO., LTD.**

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

**(Stock Code: 2338)**

## **OVERSEAS REGULATORY ANNOUNCEMENT**

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

Reference is made to an announcement made by Weichai Power Co., Ltd. (the “**Company**”) on the website of Shenzhen Stock Exchange dated 30 October 2018, which is for information only. The full text of the announcement in Chinese is published on the websites of the Stock Exchange and the Company.

By order of the Board of Directors

**Tan Xuguang**

*Chairman and CEO*

Weifang, Shandong, PRC

30 October 2018

*As at the date of this announcement, the executive Directors of the Company are Mr. Tan Xuguang, Mr. Zhang Quan, Mr. Xu Xinyu, Mr. Sun Shaojun, Mr. Yuan Hongming and Mr. Yan Jianbo; the non-executive Directors of the Company are Mr. Wang Yuepu, Mr. Jiang Kui, Mr. Gordon Riske and Mr. Michael Martin Macht; and the independent non-executive Directors of the Company are Mr. Zhang Zhong, Mr. Wang Gongyong, Mr. Ning Xiangdong, Mr. Li Hongwu and Mr. Wen Daocai.*

**WEICHAI POWER CO., LTD.**  
**THIRD QUARTERLY REPORT FOR 2018**



**October 2018**

## **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 BASIC INFORMATION OF THE COMPANY

### 2.1 Major accounting data and financial indicators

Whether the Company has made retrospective adjustment or restatement of accounting data of the prior years

Yes  No

Reasons for retrospective adjustment or restatement

Change in accounting policies

Unit: RMB

	As at the end of the reporting period	As at the beginning of the reporting period		Change for the end of reporting period as compared to beginning of the reporting period
		Before adjustment	After adjustment	After adjustment
Total assets (RMB)	199,293,322,056.94	189,638,166,629.52	188,230,582,430.17	5.88%
Net assets attributable to shareholders of listed company (RMB)	37,379,718,831.97	35,239,522,902.94	35,476,066,186.84	5.37%
	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)	35,918,554,341.41	-8.46%	118,182,461,250.29	5.95%
Net profit attributable to shareholders of listed company (RMB)	1,608,704,023.13	-17.63%	6,001,291,382.62	30.37%
Net profit attributable to shareholders of listed company after extraordinary gain/loss (RMB)	1,508,673,097.89	-22.12%	5,687,566,721.18	27.06%
Net cash flows from operating activities (RMB)	--	--	6,491,451,894.12	8.25%
Basic earnings per share (RMB/share)	0.20	-17.63%	0.75	30.37%
Diluted earnings per share (RMB/share)	0.20	-17.63%	0.75	30.37%
Weighted average return on net assets	4.33%	-0.73%	16.47%	3.31%

Reason for the change in accounting policies:

In 2017, the Ministry of Finance issued the amended Accounting Standards for Business Enterprises No. 14 – Revenue (the “New Standard on Revenue”); Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments; Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets; Accounting Standards for Business Enterprises No. 24 – Hedge Accounting; and Accounting Standards for Business Enterprises No. 37 – Presentation of Financial

Instruments (the “New Standard on Financial Instruments”). With effect from 1 January 2018, the Group has adopted the newly amended accounting standards set out above for accounting treatment. According to the transitional requirements, no adjustment is made to information for the comparative period. Adjustments arising from the difference in first adopting the new standards and the original standards will be dealt with in the opening retained earnings or other comprehensive income.

#### 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)	24,607,230.56	
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	108,571,869.00	
Gain or loss on entrusted investments or asset management	43,838,822.88	
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 investment in other equity instruments, other than effective hedging business relating to ordinary operating business of the Company	173,817,427.66	
Reversal of impairment provision in respect of receivables for which impairment test is conducted separately	48,650,573.86	
Other non-operating income and expenses other than the above Items	87,324,262.72	
Less: Effects of income tax	91,637,428.73	
Effects of minority interests (after tax)	81,448,096.51	
Total	313,724,661.44	--

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	163,930	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	24.23%	1,937,945,656			
Weichai Group Holdings Limited	State-owned legal person	17.28%	1,381,870,050	1,345,905,600		
Weifang Investment Group Company Limited	State-owned legal person	3.71%	296,625,408	296,625,408		
Hong Kong Securities Clearing Company Limited	Overseas legal person	3.48%	277,978,290			
China Securities Finance Corporation Limited	Domestic non-state-owned legal person	2.05%	163,608,906			
IVM Technical Consultants Wien Gesellschaft m.b.H	Overseas legal person	1.78%	142,510,000			
Central Huijin Assets Management Company Limited	State-owned legal person	1.36%	108,492,800			
Shandong Enterprise Trust Operation Company Limited	Domestic non-state-owned legal person	0.85%	67,606,360			
Tan Xuguang	Domestic natural person	0.74%	58,842,596	44,131,947		
National Social Security Fund – 102 Portfolio (全国社保基金一零二组合)	Fund, wealth management products, etc.	0.63%	49,999,898			
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	1,937,945,656	Overseas listed foreign shares	1,937,945,656			
Hong Kong Securities Clearing Company Limited	277,978,290	RMB ordinary shares	277,978,290			
China Securities Finance Corporation Limited	163,608,906	RMB ordinary shares	163,608,906			

IVM Technical Consultants Wien Gesellschaft m.b.H	142,510,000	RMB	ordinary shares	142,510,000
Central Huijin Assets Management Company Limited	108,492,800	RMB	ordinary shares	108,492,800
Shandong Enterprise Trust Operation Company Limited	67,606,360	RMB	ordinary shares	67,606,360
National Social Security Fund – 102 Portfolio(全国社保基金一零二组合)	49,999,898	RMB	ordinary shares	49,999,898
China Merchants Bank Co., Ltd. – Orient Hong Rui Feng Flexible Allocation Mixed Securities Investment Fund (LOF) (招商银行股份有限公司－东方红睿丰灵活配置混合型证券投资基金(LOF))	48,999,954	RMB	ordinary shares	48,999,954
National Social Security Fund – 105 Portfolio (全国社保基金一零五组合)	47,620,783	RMB	ordinary shares	47,620,783
Weichai Group Holdings Limited	35,964,450	RMB	ordinary shares	35,964,450
Statement on the connected relationship or acting in concert relationship among the aforementioned shareholders	Among the aforesaid shareholders, Mr. Tan Xuguang is the chairman of Weichai Group Holdings Limited. 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.			

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 financial statistics 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
Investment in other equity instruments	1,674,218,221.28	438,106,427.08	282.15%	It is mainly attributable to the shares of XCMG Construction Machinery Co., Ltd. held indirectly through investment in Huzhou Yingcan Investment Partnership (Limited Partnership) pursuant to its non-public issue conducted during the reporting period.
Construction in progress	2,498,903,544.81	1,218,747,351.06	105.04%	It is mainly attributable to the new items for the reporting period.
Item on Statements	From the beginning of year to the end of the reporting period	Corresponding period of last year	Percentage change	Reason
Finance expenses	99,589,936.90	600,487,543.48	-83.42%	It is mainly attributable to the decrease in interest expenses and exchange gains and losses and the increase in interest income.
Other income	108,571,869.00	63,802,867.36	70.17%	It is mainly attributable to the increase in government grant received.
Cashflows from financing activities	-3,102,158,278.30	923,981,551.20	-435.74%	It is mainly attributable to the decrease in cash inflow from financing activities.

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

Applicable    N/A

At the fourth extraordinary board meeting of 2018 convened on 13 July 2018, the first extraordinary general meeting of 2018 and the first A shareholders class meeting convened on 14 September 2018, relevant resolutions including the Resolution Regarding the Consideration and Approval of the Repurchase of A Shares of the Company were approved, pursuant to which it was agreed that the Company shall repurchase part of its A shares in public hands with internal funds by way of centralized price bidding. On 29 September 2018, the Company prepared and disclosed the Report on the Repurchase of A Shares of the Company in accordance with relevant rules. Given the completion of the implementation of the Company's 2018 interim profit distribution plan, the repurchase price was adjusted to RMB14.57 per share. On the basis of the maximum repurchase amount, it is expected that not less than 34,317,089 shares would be repurchased, representing more than approximately 0.43% of the total issued share capital of the Company. As at the date of disclosure, the Company had repurchased a total of 11,898,000 A shares on a cumulative basis, representing approximately 0.15% of the total share capital of the Company, and the aggregate amount paid by the Company was RMB99,997,314.28, exclusive of transaction fee. As this matter is in progress, the Company will



implement the repurchase plan and perform its information disclosure obligations in strict compliance with laws and regulations and in accordance with its share repurchase plan.

Summary of significant events	Date of disclosure	Search index of the tentative announcement disclosure website
Repurchase of A shares of the Company	14 July 2018	<i>China Securities Journal, Shanghai Securities News, Securities Daily</i> and the website of CNINFO ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
	1 August 2018	<i>China Securities Journal, Shanghai Securities News, Securities Daily</i> and the website of CNINFO ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
	11 September 2018	<i>China Securities Journal, Shanghai Securities News, Securities Daily</i> and the website of CNINFO ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
	15 September 2018	<i>China Securities Journal, Shanghai Securities News, Securities Daily</i> and the website of CNINFO ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
	29 September 2018	<i>China Securities Journal, Shanghai Securities News, Securities Daily</i> and the website of CNINFO ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
	9 October 2018	<i>China Securities Journal, Shanghai Securities News, Securities Daily</i> and the website of CNINFO ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
	24 October 2018	<i>China Securities Journal, Shanghai Securities News, Securities Daily</i> and the website of CNINFO ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )

### 3.3 Commitments made by the Company's de facto controllers, shareholders, connected parties, acquirers entities and other related committing parties not yet implemented during 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	Shaanxi Automotive Group Co., Ltd., Shaanxi Heavy-duty Motor Company Limited	Other commitments	I. Issues relating to the automotive qualification of Shaanxi Heavy-duty Motor Company Limited (hereinafter "Shaanxi Zhongqi"): 1. The business scope of Shaanxi Zhongqi covers the production and sale of full-set automobiles ("Sale and export trade (licensed operation) of automobiles (excluding sedans), auto parts and components and engines produced by the	9 April 2007	Before 30 June 2007	Implementation of commitments was not yet completed.

		<p>company” as stated in its Business License of Corporate Legal Person). According to the announcement “Vehicle Manufacturers and Products” made by the State Development and Reform Commission (the “SDRC”), Shaanxi Automotive Group Co., Ltd (hereinafter “Shaanxi Automotive”), the other shareholder of Shaanxi Zhongqi, remained as the manufacturer of the “Shaan-qi” branded automobiles.</p> <p>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</p>			
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			possible timeframe. Where losses are suffered by Shaanxi Zhongqi in this regard, Shaanxi Automotive shall bear the full compensation.			
	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.
	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	1 December 2006	One year	Implementation of commitments was not yet completed.

			Limited, 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.			
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</p>					

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. 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.

### 3.4 Operating results forecast for the Year 2018

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: in RMB

Type of securities	Stock code	Short name	Initial Investment cost	Accounting method	Carrying value at the beginning of period	Fair value losses/gain arising during the period	Accumulated fair value changes included in equity	Purchase amount for the period	Sale amount for the period	Gain/loss for the period	Carrying value at the end of period	Accounted For under	Source
Domestic and overseas equity	600166	Foton Motor	194,000,000.00	Fair value measurement	224,800,000.00	-75,200,000.00	-44,400,000.00	0.00	0.00	408,000.00	149,600,000.00	Investment in other equity instruments	Internal funding
Domestic and overseas equity	000425	XCMG	1,133,307,990.69	Fair value measurement	0.00	0.00	0.00	1,133,307,990.69	0.00	66,232,282.45	1,199,540,273.14	Investment in other equity instruments	Internal funding
Total			1,327,307,990.69	--	224,800,000.00	-75,200,000.00	-44,400,000.00	1,133,307,990.69	0.00	66,640,282.45	1,349,140,273.14	--	--

**3.6 Entrusted wealth management**

✓ Applicable □ N/A

Unit: in ten thousand RMB

Specific type	Source of funds for entrusted wealth management	Amount of entrusted wealth management	Outstanding balance	The amount due but not yet settled
Bank wealth management product	Internal funding	149,000.00	0.00	0.00
<b>Total</b>		<b>149,000.00</b>	<b>0.00</b>	<b>0.00</b>

The list of item with significant amount individually or low safety, poor liquidity, non-principal guaranteed high risk entrusted wealth management products

□ Applicable ✓ N/A

Entrusted wealth management is expected to fail to recover the principal or there may be other circumstances that may result in impairment

□ Applicable ✓ N/A

**3.7 Investments in derivatives**

✓ Applicable □ N/A

Unit: in 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	0.00	30 September 2015	30 September 2020	-30,328.79	0.00	0.00	0.00	-23,207.48	-0.39%	7,342.02
The Hong Kong and Shanghai Banking Corporation Limited, Australia and New Zealand Banking Group Limited, BNP Paribas, JP Morgan	No	No	Cross Currency Swap Business	0.00	14 September 2017	14 September 2022	-13,567.30	0.00	0.00	0.00	-8,880.39	-0.15%	4,984.18
Overseas non-connecting financial institutions etc.	No	No	Cash flow hedge in respect of forward exchange contracts	0.00	1 January 2018	2018-2019	20,692.48	0.00	0.00	0.00	9,521.99	0.16%	-6,143.77
Overseas non-connecting financial institutions etc.	No	No	Interest rate swaps hedging	0.00	21 February 2017	April 2027	-1,370.08	0.00	0.00	0.00	-8,376.41	-0.14%	-6,796.13
Overseas non-connecting financial institutions etc.	No	No	fair value hedging	0.00	June 2018	June 2025	0.00	0.00	0.00	0.00	4,513.45	0.08%	4,513.45
The Bank of East Asia, Limited, China CITIC Bank etc.	No	No	Structured deposit business	0.00	28 August 2018	27 December 2018	0.00	230,000.00	0.00	0.00	230,000.00	3.84%	0.00
<b>Total</b>				<b>0.00</b>	--	--	<b>-24,573.69</b>	<b>230,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>203,571.16</b>	<b>3.40%</b>	<b>3,899.75</b>
Source of derivatives investment	Internal funding												

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)	2015 bond cross currency swaps business: 23 September 2015 2017 bond cross currency swaps business: 31 August 2017 2018 Structured deposit business: 22 August 2018
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	<p>In the course of valuation, the Company adopted valuation techniques which were appropriate in the circumstances and for which sufficient data and other information were available for measurement, 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 could not be obtained in a practicable manner or at all, unobservable inputs would be used instead.</p> <p>(1) On 1 July 2016, Weichai International Hong Kong Energy Group Co., Limited ("Hong Kong Energy"), a subsidiary of the Company, used the 2015 bond cross currency swaps as hedging instrument, and conducted cash flow hedging on the foreign currency bond amounting to USD400 million against the cash flow fluctuation incurred by change in exchange rates. From January to September 2018, the gain on the changes in fair value of the hedging instruments recognized in other comprehensive income amounted to RMB73,420,206.63 (EUR9,902,448.90). The amount included in the statement of profit and loss for the current period was RMB24,936,800.32 (EUR4,035,453.84). There was no material invalid hedge for the period. Key parameters of assumption included 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.</p> <p>(2) The effective date of 2017 bond cross currency swaps contract of Weichai International Hong Kong Energy Group Co., Limited ("Hong Kong Energy"), a subsidiary of the Company, is 14 September 2017. The gain on the changes of fair value from January to September 2018 amounted to RMB 49,841,767.84 (EUR 6,303,738.33). Key parameters of assumption included 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.</p> <p>(3) At the commencement of the hedging, KION GROUP AG, a subsidiary of the Company, conducted cash flow hedging on forward currency contracts designated to the exchange rate risk of forecast sale, forecast purchase and firm commitment. From January to September 2018, the loss on the changes in fair value of the hedging instruments recognized in other comprehensive income amounted to RMB6,088,436.00 (EUR760,000.00). The amount included in the statement of profit and loss for the current period was RMB23,784,955.90 (EUR2,969,000.00). There was no material invalid hedge for the period. Key parameters of assumption included contracted exchange rate, prevailing forward exchange rate, discount rate etc.</p> <p>(4) KION GROUP AG, a subsidiary of the Company, conducted cash flow hedging on interest rate swap contracts designated to the interest rate risk of the floating-rate borrowings for acquiring Dematic Group, a subsidiary of the Company. From January to September 2018, the loss on the changes in fair value of the hedging instruments recognized in other comprehensive income amounted to RMB43,179,829.00 (EUR5,390,000.00). No amount was taken to profit and loss during the period. There was no material invalid hedge for the period.</p>

	<p>Key parameters of assumption included contracted sum, forward exchange rate, discount rate etc.</p> <p>(5) In June 2018, KION Group AG, a subsidiary of the Company, entered into interest rate swap contracts to conduct fair value hedging on the interest rate risk of the fixed-rate medium-term notes in the denomination of EUR100,000,000.00 issued this period. As at 30 September 2018, the aforesaid hedged items of the Group were presented as bonds payable in the financial statement with a book value of RMB799,107,225.00 (EUR99,750,000.00). The book value accrued to the hedged items as adjusted upon changes in fair value of the hedged items was RMB45,134,537.40 (EUR5,634,000.00). There was no material invalid hedge for the current period. Key parameters of assumption included contracted sum, forward exchange rate, discount rate etc.</p> <p>(6) From August to September 2018, Shaanxi Heavy-duty Motor Co., Ltd., a subsidiary of the Company, purchased structured deposits with idle funds for the purpose of enhancing capital usage efficiency and making certain financial yields.</p>
<p>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</p>	<p>No change</p>
<p>Specific opinions of independent Directors on the derivatives investment and risk control of the Company</p>	<p>(1) "Independent Opinions on the Company's Relevant Matters by the Independent Directors of Weichai Power Co., Ltd." disclosed on 31 August 2017</p> <p>(2) "Independent Opinions on the Launch of Derivative Transactions by Controlling Subsidiaries of Weichai Power Co., Ltd. by the Independent Directors " disclosed on 22 August 2018</p>



**3.8 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
3 July 2018	On-site research	Corporation	For details, please refer to the <i>Logbook of Investor Relations Activities as of 3 July 2018 (I)</i> disclosed by the Company on CNINFO website
3 July 2018	On-site research	Corporation	For details, please refer to the <i>Logbook of Investor Relations Activities as of 3 July 2018 (II)</i> disclosed by the Company on CNINFO website
4 July 2018	On-site research	Corporation	For details, please refer to the <i>Logbook of Investor Relations Activities as of 4 July 2018 (I)</i> disclosed by the Company on CNINFO website
4 July 2018	On-site research	Corporation	For details, please refer to the <i>Logbook of Investor Relations Activities as of 4 July 2018 (II)</i> disclosed by the Company on CNINFO website
4 July 2018	On-site research	Corporation	For details, please refer to the <i>Logbook of Investor Relations Activities as of 4 July 2018 (III)</i> disclosed by the Company on CNINFO website
17 July 2018	On-site research	Corporation	For details, please refer to the <i>Logbook of Investor Relations Activities as of 17 July 2018</i> disclosed by the Company on CNINFO website
20 July 2018	On-site research	Corporation	For details, please refer to the <i>Logbook of Investor Relations Activities as of 20 July 2018</i> disclosed by the Company on CNINFO website
25 July 2018	On-site research	Corporation	For details, please refer to the <i>Logbook of Investor Relations Activities as of 25 July 2018</i> disclosed by the Company on CNINFO website
30 August 2018	On-site research	Corporation	For details, please refer to the <i>Logbook of Investor Relations Activities as of 30 August 2018</i> disclosed by the Company on CNINFO website
4 September 2018	On-site research	Corporation	For details, please refer to the <i>Logbook of Investor Relations Activities as of 4 September 2018</i> disclosed by the Company on CNINFO website
6 September 2018	On-site research	Corporation	For details, please refer to the <i>Logbook of Investor Relations Activities as of 6 September 2018</i> disclosed by the Company on CNINFO website
12 September 2018	On-site research	Corporation	For details, please refer to the <i>Logbook of Investor Relations Activities as of 12 September 2018</i> disclosed by the Company on CNINFO website
13 September 2018	On-site research	Corporation	For details, please refer to the <i>Logbook of Investor Relations Activities as of 13 September 2018</i> disclosed by the Company on CNINFO website
19 September 2018	On-site research	Corporation	For details, please refer to the <i>Logbook of Investor Relations Activities as of 19 September 2018</i> disclosed by the Company on CNINFO website

**3.9 External guarantees in violation of regulations**

Applicable  N/A

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

**3.10 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.

30 September 2018

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	30,623,467,662.77	34,221,837,770.90
Financial assets held for trading	2,761,360,305.16	2,894,189,867.32
Notes receivable and accounts receivable	43,561,494,106.50	37,305,456,638.46
Incl: Notes receivable	26,338,786,920.99	25,291,238,910.52
Accounts receivable	17,222,707,185.51	12,014,217,727.94
Prepayments	1,011,946,117.81	559,802,492.16
Other receivables	1,181,214,329.25	888,122,035.12
Inventories	21,060,375,079.14	19,115,057,771.37
Contract assets	1,274,549,987.80	782,578,492.30
Non-current assets due within one year	1,968,126,992.50	1,778,971,213.80
Other current assets	1,412,991,876.75	1,427,776,498.74
<b>Total current assets</b>	<b>104,855,526,457.68</b>	<b>98,973,792,780.17</b>
Non-current assets:		
Long-term receivables	5,874,217,663.89	5,054,002,243.40
Long-term equity investments	2,923,946,500.21	2,829,054,559.58
Investment in other equity instruments	1,674,218,221.28	438,106,427.08
Other non-current financial assets	254,216,236.30	164,417,867.90
Investment property	588,397,356.50	569,210,526.81
Fixed assets	27,430,703,783.17	27,068,307,958.45
Construction in progress	2,498,903,544.81	1,218,747,351.06
Intangible assets	23,772,307,809.54	23,839,954,192.45
Development expenditure	551,817,009.79	515,853,805.25
Goodwill	23,414,472,904.00	22,583,192,662.42

Long-term prepaid expenses	272,375,288.77	283,430,938.92
Deferred tax assets	4,967,354,071.35	4,455,566,239.29
Other non-current assets	214,865,209.65	236,944,877.39
Total non-current assets	94,437,795,599.26	89,256,789,650.00
Total assets	199,293,322,056.94	188,230,582,430.17
Current liabilities:		
Short-term loans	4,372,831,525.04	3,174,887,395.62
Financial liabilities held for trading	376,868,327.79	482,880,099.94
Notes payable and accounts payable	44,961,012,114.50	43,016,241,784.82
Contract liabilities	6,456,953,257.20	7,355,192,263.24
Payroll payables	5,032,678,317.03	4,810,305,393.38
Taxes payable	2,561,433,621.26	2,700,258,706.06
Other payables	7,097,997,304.38	5,214,886,603.92
Non-current liabilities due within one year	6,176,466,178.40	5,596,251,134.50
Other current liabilities	5,664,442,532.69	4,469,321,370.71
Total current liabilities	82,700,683,178.29	76,820,224,752.19
Non-current liabilities:		
Long-term borrowings	14,485,817,640.05	15,678,594,729.35
Bonds payable	12,446,380,197.24	10,459,780,084.07
Long-term payables	9,983,773,803.50	9,241,432,433.10
Long-term payroll payable	9,390,538,966.90	9,236,773,057.02
Provisions	348,662,121.02	344,923,046.70
Deferred income	2,730,330,706.19	2,816,438,332.58
Deferred tax liabilities	6,289,839,029.29	6,509,569,814.52
Other non-current liabilities	971,784,539.40	531,431,376.79
Total non-current liabilities	56,647,127,003.59	54,818,942,874.13
Total liabilities	139,347,810,181.88	131,639,167,626.32
Equity holders' interest:		
Share capital	7,997,238,556.00	7,997,238,556.00
Capital reserves	111,621,160.68	135,898,754.99
Other comprehensive income	-1,315,209,713.70	-1,499,921,652.03
Special reserves	154,165,735.42	118,355,897.38
Surplus reserves		616,811,881.87

Retained earnings	30,431,903,093.57	28,107,682,748.63
Total equity attributable to equity holders of parent company	37,379,718,831.97	35,476,066,186.84
Minority interests	22,565,793,043.09	21,115,348,617.01
Total equity holders' interests	59,945,511,875.06	56,591,414,803.85
Total liabilities and equity holders' interests	199,293,322,056.94	188,230,582,430.17

Legal representative: Tan Xuguang

Principal in charge of accounting: Kwong Kwan Tong

Head of accounting department: Li Xia

#### 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	13,438,925,104.96	14,229,215,401.61
Notes receivable and accounts receivable	25,182,674,407.48	24,114,650,214.55
Incl: Notes receivable	20,264,894,715.94	23,018,971,007.38
Accounts receivable	4,917,779,691.54	1,095,679,207.17
Prepayments	351,225,315.61	90,735,869.78
Other receivables	478,556,949.62	623,760,403.93
Inventories	2,000,428,536.75	1,337,111,784.14
Other current assets	4,370,839.24	29,109,553.59
<b>Total current assets</b>	<b>41,456,181,153.66</b>	<b>40,424,583,227.60</b>
<b>Non-current assets:</b>		
Long-term equity investments	14,389,222,910.61	12,588,403,518.10
Investment in other equity instruments	180,470,000.00	255,670,000.00
Investment property	1,347,885,645.23	1,201,197,929.43
Fixed assets	2,562,734,180.47	3,043,915,670.87
Construction in progress	745,011,727.81	176,542,666.47
Intangible assets	449,475,619.56	463,712,921.79
Goodwill	341,073,643.76	341,073,643.76
Deferred tax assets	1,004,741,741.40	724,784,433.48
Other non-current assets	1,811,078,111.82	958,732,818.89
<b>Total non-current assets</b>	<b>22,831,693,580.66</b>	<b>19,754,033,602.79</b>
<b>Total assets</b>	<b>64,287,874,734.32</b>	<b>60,178,616,830.39</b>

Current liabilities:		
Notes payable and accounts payable	19,428,587,096.02	17,699,735,161.03
Contract liabilities	640,799,673.84	1,159,666,416.45
Payroll payables	973,045,010.33	859,386,749.65
Taxes payable	580,201,860.19	741,716,110.76
Other payables	2,752,298,882.57	994,220,954.96
Other current liabilities	1,625,273,226.95	1,617,152,913.39
Total current liabilities	26,000,205,749.90	23,071,878,306.24
Non-current liabilities:		
Long-term payroll payable	15,127,872.30	18,825,899.20
Deferred income	647,137,020.77	521,977,016.97
Total non-current liabilities	662,264,893.07	540,802,916.17
Total liabilities	26,662,470,642.97	23,612,681,222.41
Equity holders' interests:		
Share capital	7,997,238,556.00	7,997,238,556.00
Capital reserves	1,084,612,950.62	1,080,313,374.62
Other comprehensive income	-38,428,500.00	25,491,500.00
Special reserves	74,405,426.79	59,958,938.53
Surplus reserves	2,136,832,331.58	2,136,832,331.58
Retained earnings	26,370,743,326.36	25,266,100,907.25
Total equity holders' interests	37,625,404,091.35	36,565,935,607.98
Total liabilities and equity holders' interests	64,287,874,734.32	60,178,616,830.39

#### 4.1.3 Consolidated income statement for the reporting period

Unit: RMB

Item	Amount for current Period	Amount for corresponding period of last year
1. Total revenue	35,918,554,341.41	39,237,412,093.83
Incl: Revenue	35,918,554,341.41	39,237,412,093.83
2. Total cost of sales	33,318,900,918.34	36,172,177,772.16
Incl: Cost of sales	28,271,747,409.19	30,372,092,107.47
Taxes and surcharges	107,133,183.00	193,663,439.64
Distribution and selling expenses	2,406,362,808.94	2,768,923,125.32
General and	1,413,473,075.20	1,700,732,485.95

administrative expenses		
Research & development expenses	933,033,239.02	651,273,961.54
Finance expenses	42,944,422.61	231,771,072.67
Incl: Interest expenses	312,109,006.81	368,539,475.52
Interest income	259,934,641.98	242,830,088.96
Impairment loss of assets	87,086,144.06	253,721,579.58
Impairment loss of credit	57,120,636.32	
Add: Other income	50,232,431.23	23,933,096.52
Investment income (total losses are indicated with "-")	115,206,712.19	16,964,263.96
Incl: Investment income from associates and joint ventures	22,724,984.03	16,300,506.52
Gain on fair value changes (losses are indicated with "-")	1,118,814.71	26,076,522.53
Gain on disposal of assets (losses are indicated with "-")	3,319,788.02	-7,652,715.24
3. Operating profit (losses are indicated with "-")	2,769,531,169.22	3,124,555,489.44
Add: Non-operating income	47,220,342.61	87,339,409.33
Less: Non-operating expenses	49,560,954.89	67,894,313.85
4. Total profits (total losses are indicated with "-")	2,767,190,556.94	3,144,000,584.92
Less: Income tax expenses	602,032,872.18	700,144,724.76
5. Net profits (net losses are indicated with "-")	2,165,157,684.76	2,443,855,860.16
(1) Net profit from continuing operations (net losses are indicated with "-")	2,165,157,684.76	2,443,855,860.16
(2) Net profit from discontinued operations (net losses are indicated with "-")		
Net profit attributable to equity holders of parent company	1,608,704,023.13	1,953,110,687.20
Minority interest	556,453,661.63	490,745,172.96
6. Net other comprehensive income after tax	714,688,474.38	-392,925,962.52
Net other comprehensive income attributable to shareholders of	226,066,827.42	-258,734,048.34

the parent after tax		
(1) Those other comprehensive income not to be reclassified into profit or loss	24,344,118.99	29,505,607.59
1. Changes arising from re-measuring defined benefit plan	56,822,008.09	22,673,186.95
2. Those other comprehensive income not to be taken to profit or loss under equity method		6,832,420.64
3. Change of fair value of investment in other equity instruments	-32,477,889.10	
(2) Those other comprehensive income to be reclassified into profit or loss	201,722,708.43	-288,239,655.93
1. Those other comprehensive income to be taken to profit or loss under equity method	700,051.59	
2. Change of fair value of available-for-sale financial assets		31,627,448.82
3. Cashflow hedging reserve	47,606,056.57	-129,867,340.01
4. Exchange differences on foreign currency translation	153,416,600.27	-189,999,764.74
Net other comprehensive income attributable to minority owners after tax	488,621,646.96	-134,191,914.18
7. Total comprehensive income	2,879,846,159.14	2,050,929,897.64
Total comprehensive income attributable to equity holders of parent company	1,834,770,850.55	1,694,376,638.86
Total comprehensive income attributable to minority shareholders	1,045,075,308.59	356,553,258.78
8. Earnings per share:		
(1) Basic earnings per share	0.20	0.24
(2) Diluted earnings per share	0.20	0.24

Legal representative: Tan Xuguang Principal in charge of accounting: Kwong Kwan Tong

Head of accounting department: Li Xia



## 4.1.4 Income statement of the parent company for the reporting period

Unit: RMB

Item	Amount for current period	Amount for corresponding period of last year
1. Revenue	7,891,905,166.94	11,211,217,319.47
Less: Cost of sales	6,103,819,546.13	8,036,534,396.05
Taxes and surcharges	34,830,776.94	115,719,440.89
Distribution and selling expenses	212,608,174.26	443,971,343.67
General and administrative expenses	229,475,875.28	193,104,922.98
Research & development expenses	430,587,613.77	286,272,491.05
Finance expenses	-27,541,068.69	-34,222,989.78
Incl: Interest expenses		
Interest income	49,457,340.97	35,960,583.72
Impairment loss of assets	-1,551,724.14	157,226,036.14
Impairment loss of credit	78,574,142.96	
Add: Other income	23,759,729.17	7,870,843.91
Investment income (losses are indicated with "-")	26,029,385.01	11,968,807.74
Incl: Investment income from associates and jointly ventures	25,621,385.01	11,968,807.74
Gain on disposal of assets (losses are indicated with "-")	55,802.62	1,965,806.45
2. Operating profit (losses are indicated with "-")	880,946,747.23	2,034,417,136.57
Add: Non-operating income	1,455,474.63	1,009,149.78
Less: Non-operating expenses	1,845,343.17	19,940.00
3. Total profits (total losses are indicated with "-")	880,556,878.69	2,035,406,346.35
Less: Income tax expenses	123,254,334.21	291,656,597.82
4. Net profits (net losses are indicated with "-")	757,302,544.48	1,743,749,748.53
(1) Net profit from continuing operations (net losses are indicated with "-")	757,302,544.48	1,743,749,748.53

(2) Net profit from discontinued operations (net losses are indicated with "-")		
5. Net other comprehensive income after tax	-10,880,000.00	17,680,000.00
(1) Those other comprehensive income not to be reclassified into profit or loss	-10,880,000.00	
1. Change of fair value of investment in other equity instruments	-10,880,000.00	
(2) Those other comprehensive income to be reclassified into profit or loss		17,680,000.00
1. Change of fair value of available-for-sale financial assets		17,680,000.00
6. Total comprehensive income	746,422,544.48	1,761,429,748.53
7. Earnings per share:		
(1) Basic earnings per share	0.09	0.22
(2) Diluted earnings per share	0.09	0.22

#### 4.1.5 Consolidated income statement from the beginning of the year to the end of the reporting period

Unit: RMB

Item	Amount for current period	Amount for corresponding period of last year
1. Total revenue	118,182,461,250.29	111,550,677,683.94
Incl: Revenue	118,182,461,250.29	111,550,677,683.94
2. Total cost of sales	108,816,170,520.11	104,475,087,148.84
Incl: Cost of sales	92,607,596,623.70	87,359,503,291.03
Taxes and surcharges	506,427,540.54	566,853,430.96
Distribution and selling expenses	7,879,958,285.22	7,796,347,524.41
General and administrative expenses	4,609,652,169.03	4,761,839,578.53
Research & development expenses	2,684,165,691.90	2,183,260,153.39
Finance expenses	99,589,936.90	600,487,543.48

Incl: Interest expenses	924,256,520.80	1,033,067,364.20
Interest income	823,002,533.27	713,203,649.49
Impairment loss of assets	266,412,361.68	1,206,795,627.05
Impairment loss of credit	162,367,911.14	
Add: Other income	108,571,869.00	63,802,867.36
Investment income (losses are indicated with "-")	336,382,718.03	152,168,986.53
Incl: Investment income from associates and jointly ventures	158,958,028.09	137,104,899.39
Gain on fair value changes (losses are indicated with "-")	27,992,650.96	168,536,606.14
Gain on disposal of assets (losses are indicated with "-")	7,505,947.50	-12,685,320.15
3. Operating profit (losses are indicated with "-")	9,846,743,915.67	7,447,413,674.98
Add: Non-operating income	189,411,314.42	204,230,668.33
Less: Non-operating expenses	102,087,051.70	124,347,165.85
4. Total profits (total losses are indicated with "-")	9,934,068,178.39	7,527,297,177.46
Less: Income tax expenses	1,886,681,408.73	1,607,350,173.55
5. Net profits (net losses are indicated with "-")	8,047,386,769.66	5,919,947,003.91
(1) Net profit from continuing operations (net losses are indicated with "-")	8,047,386,769.66	5,919,947,003.91
(2) Net profit from discontinued operations (net losses are indicated with "-")		
Net profit attributable to equity holders of parent company	6,001,291,382.62	4,603,153,427.03
Minority interest	2,046,095,387.04	1,316,793,576.88
6. Net other comprehensive income after tax	549,913,645.06	-1,691,323,662.14
Net other comprehensive income attributable to shareholders of the parent after tax	184,711,938.33	-1,012,740,042.65
(1) Those other comprehensive income not to be reclassified into profit or loss	-25,331,243.37	192,068,322.02

1. Changes arising from re-measuring defined benefit plan	74,184,061.94	183,737,344.18
2. Other comprehensive income not to be taken to profit or loss using the equity method	-1,135,343.38	8,330,977.84
3. Change of fair value of investment in other equity instruments	-98,379,961.93	
(2) Those other comprehensive income to be reclassified into profit or loss	210,043,181.70	-1,204,808,364.67
1. Other comprehensive income to be reclassified into profit or loss using the equity method	1,702,993.41	1,850,567.27
2. Change of fair value of available-for-sale financial assets		36,183,875.67
3. Reserves of cashflow from hedging Instrument	18,474,636.46	-83,116,816.99
4. Exchange differences on foreign currency translation	189,865,551.83	-1,159,725,990.62
Net other comprehensive income attributable to minority owners after tax	365,201,706.73	-678,583,619.49
7. Total comprehensive income	8,597,300,414.72	4,228,623,341.77
Total comprehensive income attributable to equity holders of parent company	6,186,003,320.95	3,590,413,384.38
Total comprehensive income attributable to minority shareholders	2,411,297,093.77	638,209,957.39
8. Earnings per share:		
(1) Basic earnings per share	0.75	0.58
(2) Diluted earnings per share	0.75	0.58

#### 4.1.6 Income statement of the parent company from the beginning of the year to the end of the reporting Period

Unit: RMB

Item	Amount for current period	Amount for corresponding period of last year
1. Revenue	28,697,270,964.24	29,557,393,235.20
Less: Cost of sales	20,883,118,302.29	22,018,571,900.85
Taxes and surcharges	220,199,143.72	274,814,134.49
Distribution and selling expenses	1,014,123,085.41	1,277,425,860.38
General and administrative expenses	905,084,497.07	661,401,697.94
Research and development expenses	1,098,968,591.90	735,523,803.44
Finance expenses	-121,672,615.15	-88,510,983.77
Incl: Interest expenses		
Interest income	151,438,159.31	101,814,258.08
Impairment loss of assets	-70,865.72	305,678,728.19
Impairment loss of credit	83,582,542.57	
Add: Other income	49,905,181.93	16,290,499.37
Investment income (losses are indicated with "-")	600,920,771.09	347,204,448.90
Incl: Investment income from associates and joint ventures	78,915,922.00	36,257,648.08
Gain on disposal of assets (losses are indicated with "-")	1,496,613.13	3,117,263.19
2. Operating profit (losses are indicated with "-")	5,266,260,848.30	4,739,100,305.14
Add: Non-operating income	4,681,581.29	2,638,941.40
Less: Non-operating expenses	4,436,871.14	546,648.84
3. Total profits (total losses are indicated with "-")	5,266,505,558.45	4,741,192,597.70
Less: Income tax expenses	723,050,560.26	630,378,633.16
4. Net profits (net losses are indicated with "-")	4,543,454,998.19	4,110,813,964.54
(1) Net profit from continuing operations (net losses are indicated with "-")	4,543,454,998.19	4,110,813,964.54
(2) Net profit from discontinued operations		

(net losses are indicated with "-")		
5. Net other comprehensive income after tax	-63,920,000.00	680,000.00
(1) Those other comprehensive income not to be reclassified into profit or loss	-63,920,000.00	
1. Change of fair value of investment in other equity instruments	-63,920,000.00	
(2) Those other comprehensive income to be reclassified into profit or loss		680,000.00
1. Change of fair value of available-for-sale financial assets		680,000.00
6. Total comprehensive income	4,479,534,998.19	4,111,493,964.54
7. Earnings per share:		
(1) Basic earnings per share	0.56	0.51
(2) Diluted earnings per share	0.56	0.51

#### 4.1.7 Consolidated cash flow statement from the beginning of the year to the end of the reporting period

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	98,478,414,768.41	84,835,825,578.45
Refund of taxes	336,021,747.26	204,752,525.78
Other cash received relating to operating activities	1,198,645,909.29	900,952,362.94
Subtotal of cash inflows from operating activities	100,013,082,424.96	85,941,530,467.17
Cash paid for purchase of goods and receiving of services	59,955,375,413.50	50,899,674,597.53
Cash paid to and for staff	17,710,869,690.45	17,519,555,447.92
Cash paid for all types of taxes	5,962,371,644.12	5,383,971,336.75
Other cash paid relating to operating activities	9,893,013,782.77	6,141,453,973.76

Subtotal of cash outflows from operating activities	93,521,630,530.84	79,944,655,355.96
Net cash flows from operating activities	6,491,451,894.12	5,996,875,111.21
2. Cash flows from investing activities:		
Cash received from disposal of investments	6,751,417,095.00	3,222,000,000.00
Cash from return on investments	241,223,844.71	103,741,968.84
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	28,952,426.34	28,282,118.43
Net cash received from disposal of subsidiaries and other business units	108,601,950.68	
Other cash received relating to investing activities		57,150,135.74
Subtotal of cash inflows from investing activities	7,130,195,316.73	3,411,174,223.01
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	2,468,949,254.91	1,633,770,382.55
Cash paid for investment	9,191,693,958.66	4,164,650,363.86
Net cash paid for acquisition of subsidiaries and other business units	12,895,827.70	48,416,320.00
Other cash paid relating to investing activities	23,347,049.90	61,961,516.32
Subtotal of cash outflows from investing activities	11,696,886,091.17	5,908,798,582.73
Net cash flows from investing activities	-4,566,690,774.44	-2,497,624,359.72
3. Cash flows from financing activities:		
Cash received from capital contribution	11,439,720.00	2,579,438,282.07
Including: Cash received by subsidiaries from capital contribution of minority shareholders	11,439,720.00	2,579,438,282.07
Cash received from borrowings	13,122,384,736.04	21,177,265,229.46
Cash received from issuance of debentures		4,918,508,567.65

Other cash received relating to financing activities	78,147,926.70	99,153,648.52
Subtotal of cash inflows from financing activities	13,211,972,382.74	28,774,365,727.70
Cash paid for repayment of borrowings	11,610,709,580.69	25,183,115,540.78
Cash paid for distribution of dividends, profit or for interest repayment	3,454,644,094.53	2,153,670,512.11
Including: Dividends and profit distributed to minority shareholders by subsidiaries	844,579,713.84	393,665,223.92
Other cash paid relating to financing activities	1,248,776,985.82	513,598,123.61
Subtotal of cash outflows from financing activities	16,314,130,661.04	27,850,384,176.50
Net cash flows from financing activities	-3,102,158,278.30	923,981,551.20
4. Effects of changes in exchange rates on cash and cash equivalents	74,603,219.31	146,308,384.07
5. Net increase in cash and cash equivalents	-1,102,793,939.31	4,569,540,686.76
Add: balances of cash and cash equivalents as at the beginning of the period	26,254,590,256.11	21,598,831,905.22
6. Balances of cash and cash equivalents as at the end of the period	25,151,796,316.80	26,168,372,591.98

#### 4.1.8 Cash flow statement of the parent company from the beginning of the year to the end of the reporting period

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	30,102,537,478.93	18,480,535,224.74
Other cash received relating to	592,721,607.97	206,056,582.60



operating activities		
Subtotal of cash inflows from operating activities	30,695,259,086.90	18,686,591,807.34
Cash paid for purchase of goods and receiving of services	22,336,341,263.50	13,506,668,973.14
Cash paid to and for staff	1,244,789,691.89	1,023,178,602.91
Cash paid for all types of taxes	2,633,368,276.89	2,681,457,280.40
Other cash paid relating to operating activities	763,183,367.03	531,340,838.93
Subtotal of cash outflows from operating activities	26,977,682,599.31	17,742,645,695.38
Net cash flows from operating activities	3,717,576,487.59	943,946,111.96
2. Cash flows from investing activities:		
Cash received from disposal of investments	251,615,695.00	
Cash from return on investments	609,243,568.84	375,342,528.95
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	96,245.71	1,163,254.48
Other cash received relating to investing activities	180,422.79	51,350,000.00
Subtotal of cash inflows from investing activities	861,135,932.34	427,855,783.43
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	547,979,797.33	191,812,024.32
Cash paid for investment	1,714,044,580.00	422,558,695.65
Other cash paid relating to investing activities	992,479,092.93	424,057,400.00
Subtotal of cash outflows from investing activities	3,254,503,470.26	1,038,428,119.97
Net cash flows from investing activities	-2,393,367,537.92	-610,572,336.54
3. Cash flows from financing activities:		
Cash paid for distribution of dividends, profit or for interest repayment	2,061,263,942.36	999,654,819.50

Subtotal of cash outflows from financing activities	2,061,263,942.36	999,654,819.50
Net cash flows from financing activities	-2,061,263,942.36	-999,654,819.50
4. Effects of changes in exchange rates on cash and cash equivalents	54,160.02	12,055.53
5. Net increase in cash and cash equivalents	-737,000,832.67	-666,268,988.55
Add: balances of cash and cash equivalents as at the beginning of the period	14,138,495,877.47	9,744,275,681.71
6. Balances of cash and cash equivalents as at the end of the period	13,401,495,044.80	9,078,006,693.16

## 4.2 Auditors' report

Whether the third quarterly report is audited or not

Yes      No

The third quarterly report of the Company is not audited.

WEICHAI POWER CO., LTD.

Tan Xuguang, Chairman

30 October 2018