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潍柴動力股份有限公司

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 2020, 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 2020

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. Zhang Liangfu, Mr. Jiang Kui, Mr. Gordon Riske and Mr. Michael Martin Macht; and the independent non-executive Directors of the Company are Mr. Li Hongwu, Mr. Wen Daocai, Ms. Jiang Yan, Mr. Yu Zhuoping and Ms. Zhao Huifang.

WEICHAI POWER CO., LTD.
THIRD QUARTERLY REPORT FOR 2020



October 2020

SECTION 1 IMPORTANT NOTICE

The board of directors, the Supervisory Committee and the directors, supervisors and senior management of the Company warrant the authenticity, accuracy and completeness of the contents of this quarterly report, and that there are no false presentations, misleading statements or material omissions, and shall severally and jointly accept legal responsibilities.

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 (person in charge 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

Unit: RMB

	As at the end of the reporting period	As at the end of last year	Change as at the end of reporting period as compared to end of last year	
Total assets (RMB)	265,077,258,834.66	236,831,674,546.17	11.93%	
Net assets attributable to shareholders of listed company (RMB)	49,393,579,214.59	45,223,941,062.71	9.22%	
	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)	52,889,086,115.59	47.55%	147,383,645,209.28	16.32%
Net profit attributable to shareholders of listed company (RMB)	2,425,583,967.90	36.98%	7,105,815,774.83	0.67%
Net profit attributable to shareholders of listed company after extraordinary gain/loss (RMB)	2,540,179,718.38	69.95%	6,833,459,146.78	5.99%
Net cash flows from operating activities (RMB)	-1,782,713,279.84	-26.28%	2,253,135,210.93	-43.88%
Basic earnings per share (RMB/share)	0.31	36.98%	0.90	0.67%
Diluted earnings per share (RMB/share)	0.31	36.98%	0.90	0.67%
Weighted average return on net assets	4.95%	0.80%	15.02%	-2.18%

Extraordinary gain/loss items and amounts

Applicable N/A

Unit: ten thousand RMB

Item	Amount from the beginning of the year to the end of the reporting period
Gains or losses from disposal of non-current assets (including the part of assets impairment)	11,587.10

provision already made and written off)	
Government subsidy accounted for in 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)	20,344.18
Profit and loss on the changes in fair value generated from financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment income received from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments, other than effective hedging business relating to ordinary operating business of the Company	174.10
Non-operating income and expenses other than the above Items	16,229.29
Less: Effects of income tax	9,953.82
Effects of minority interests (after tax)	11,145.19
Total	27,235.66

Notes on 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 have 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

2.2.1 Total number of shareholders of ordinary shares and shareholders of preference shares with resumed voting rights and information on shareholdings of the top ten shareholders

Unit: Share

Total number of shareholders of ordinary shares as at the end of the reporting period	166,114	Total number of shareholders of preference shares with resumed voting rights as at the end of the reporting period	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	24.43%	1,938,438,756			

Weichai Group Holdings Limited	State-owned legal person	17.72%	1,406,100,000	1,345,905,600		
Hong Kong Securities Clearing Company Limited	Overseas legal person	9.56%	758,509,836			
Weifang Investment Group Company Limited	State-owned legal person	3.74%	296,625,408	296,625,408		
China Securities Finance Corporation Limited	Domestic non-state-owned legal person	2.06%	163,608,906			
IVM Technical Consultants Wien Gesellschaft m.b.H	Overseas legal person	1.50%	118,938,700			
Central Huijin Assets Management Company Limited	State-owned legal person	1.37%	108,492,800			
Tan Xuguang	Domestic natural person	0.74%	58,842,596	44,131,947		
Bank of Communications - Rong Tong Industry Prosperous Securities Invest Fund (交通银行—融通行业景气证券投资基金)	Funds, wealth management products etc.	0.68%	53,778,273			
Hu Zhongxiang	Domestic natural person	0.60%	47,306,985			

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	1,938,438,756	Overseas listed foreign shares	1,938,438,756
Hong Kong Securities Clearing Company Limited	758,509,836	RMB ordinary shares	758,509,836
China Securities Finance Corporation Limited	163,608,906	RMB ordinary shares	163,608,906
IVM Technical Consultants Wien Gesellschaft m.b.H	118,938,700	RMB ordinary shares	118,938,700
Central Huijin Assets Management Company Limited	108,492,800	RMB ordinary shares	108,492,800
Weichai Group Holdings Limited	60,194,400	RMB ordinary shares	60,194,400
Bank of Communications - Rong Tong Industry Prosperous Securities Invest Fund (交通银行—融通行业景气证券投资基金)	53,778,273	RMB ordinary shares	53,778,273

Hu Zhongxiang	47,306,985	RMB ordinary shares	47,306,985
ChinaAMC Fund - Agricultural Bank - ChinaAMC China Securities and Financial Assets Management Program (华夏基金-农业银行-华夏中证金融资产管理计划)	33,002,800	RMB ordinary shares	33,002,800
Dacheng Fund - Agricultural Bank - Dacheng CSI Financial Assets Management Program (大成基金-农业银行-大成中证金融资产管理计划)	31,855,600	RMB ordinary shares	31,855,600
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.		
Description of top 10 shareholders' involvement in financing and securities lending businesses	Among the top 10 shareholders of the Company, Hu Zhongxiang held 999,491 shares through a general account and 46,307,494 shares through a client credit trading guarantee securities account of China Galaxy Securities Co., Ltd., totaling 47,306,985 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.

2.2.2 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: ten thousand RMB

Item on statements	As at the end of the reporting period	As at the end of last year	Percentage change	Reason
Financial assets held for trading	945,153.34	445,105.95	112.34%	It is mainly attributable to the increase in structured deposits in this period.
Notes receivable	2,851,706.00	1,592,014.20	79.13%	It is mainly attributable to the increase in payments collected from customers in this period.
Other payables	946,756.80	651,100.26	45.41%	It is mainly attributable to the increase in dividends payable, security money and deposits.
Long-term payables	622,471.05	465,820.59	33.63%	It is mainly attributable to the increase in finance liabilities related to leasing business.
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	23,644.76	14,109.21	67.58%	It is mainly attributable to the increase in foreign exchange losses in this period.
Other income	20,344.18	14,042.08	44.88%	It is mainly attributable to the increase in government subsidy in this period.
Profit or loss on change of fair value	-22,233.69	12,743.72	-274.47%	It is mainly attributable to the increase in losses from cross currency swap instruments.
Impairment loss of credit	-43,922.16	-13,913.92	-215.67%	It is mainly attributable to the provisions for credit loss in respect of account receivables.
Impairment loss of assets	-23,802.72	-38,970.76	38.92%	It is mainly attributable to the provisions for impairment for inventories.
Net cash flows from operating activities	225,313.52	401,471.12	-43.88%	It is mainly attributable to the increase in cash paid for purchase of goods and receiving of services in this period.
Net cash flows from investing activities	-1,131,421.62	-668,774.29	-69.18%	It is mainly attributable to the increase in structured deposits in this period.
Net cash flows from financing activities	96,074.17	-271,285.97	135.41%	It is mainly attributable to the increase in cash received from borrowings and issue of bonds in this period.

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

Applicable N/A

Progress of implementation of share repurchase

Applicable N/A

Progress of implementation of the disposal of repurchased shares by way of centralized bidding

Applicable N/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	<p>I. Issues relating to the qualification of automobiles:</p> <p>1. The business scope of Shaanxi Heavy-duty Motor Company Limited ("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 of "Vehicle Manufacturers and Products" made by the State Development and Reform Commission (the "SDRC"), Shaanxi Automotive Group Co., Ltd. ("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</p>	9 April 2007	Before 30 June 2007	Implementation of commitments has not yet completed.

			<p>automobile products shall 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 cooperating in procuring the change of qualification as mentioned above according to the law.</p> <p>II. Issues relating to land lease:</p> <p>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.</p> <p>2. Shaanxi Automotive failed to provide the relevant title documents including property ownership certificates, land use certificates or leasing registration certificates, etc.</p> <p>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 be responsible for its full compensation.</p>			
	Shaanxi Fast Gear Co., Ltd.	Other commitments	<p>1. Shaanxi Fast Gear Co., Ltd. (“SFGC”), a subsidiary controlled by the Company 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.</p> <p>2. SFGC leased from Fast Transmission</p>	1 December 2006	One year	Implementation of commitments has not yet completed.

			<p>buildings located in the west section of Daqing Road, Lianhu District, Xi'an City and Wu Zhang Yuan Town in Qishan Country 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.</p> <p>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 circumstances of irregularities in respect of the leasing of land parcels and properties.</p>			
	Weichai Power Co., Ltd.	Other commitments	<p>During the merger by absorption with TAGC, 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 by Weifang Diesel Engine Factory (currently named Weichai Group Holdings Limited, and hereinafter "Weichai Group"). 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.</p>	1 December 2006	One year	Implementation of commitments has not yet completed.
Whether the commitments have been implemented timely	No					
If implementation of commitments has not yet completed, state detailed reasons for not completing implementation of	<p>1. Regarding the commitments made by Shaanxi Automotive and Shaanxi Zhongqi</p> <p>(1) Issues relating to qualification of automobiles: since 2007, Shaanxi Automotive has striven to transfer the qualification for producing full-set heavy-duty vehicles to Shaanxi Zhongqi, 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 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 fullset heavy-duty vehicle products to Shaanxi Heavy-duty Motor Company Limited, a controlling subsidiary of Weichai Power Co., Ltd." has not been completed albeit efforts made by various parties. Going forward, Shaanxi Automotive will actively trace the changes of state policies applicable to the</p>					

commitments and next plan	<p>automobile industry. Once permitted under policies, Shaanxi Automotive commits that transfer of sale and production qualification in respect of full-set heavy-duty vehicles will be completed within half a year.</p> <p>(2) Issues relating to land lease: the land and buildings located at No. 39 and No. 71 of Xingfu Bei Road in Xincheng District, Xi'an City, Shaanxi Province are no long subject to a lease. Pursuant to 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, Shaanxi Zhongqi has completed removal by the due date and moved to its registered address namely Jingwei Industrial Park, Economic and Technological Development Zone, Xi'an in 2006 and obtained state-owned land use right in respect of land parcels occupying approximately 2,700 mu, satisfying its operation and development needs.</p> <p>2. Regarding the commitments made by SFGC</p> <p>To date, Fast Transmission has completed the application for 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. The land use right certificate for the land parcels in Daqing Road, Lianhu District, Xi'an City has been granted, but the application for 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. Fast Transmission shall remove on a planned and step-by-step basis and this will not affect the production operation and development of SFGC.</p> <p>3. Regarding the commitments made by Weichai Power</p> <p>The 6 parcels of land proposed to be granted have been listed by Weifang People's Government as part of the overall planning for land use under the government's "From City to Industrial Park" initiative, and legal procedures for granting land to Weichai Power will no longer proceed. The Company shall implement its commitments in accordance with the overall planning the government's "From City to Industrial Park" initiative.</p>
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3.4 Investments in financial assets

3.4.1 Investments in securities

√ Applicable □ N/A

Unit: 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 during the period	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	167,200,000.00		26,400,000.00				193,600,000.00	Investment in other equity instruments	Internal funding
Domestic and overseas equity	000425	XCMG	1,199,540,273.14	Fair value measurement	1,745,234,324.70		69,022,504.00			44,154,856.68	1,814,256,828.70	Investment in other equity instruments	Internal funding
Total			1,393,540,273.14	--	1,912,434,324.70		95,422,504.00			44,154,856.68	2,007,856,828.70	--	--

3.4.2 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
HSBC, the Bank of China, Barclays	Nil	No	Cross currency swap business	0.00	30 September 2015	30 September 2020	-3,117.84				0.00	0.00%	2,889.93
HSBC, ANZ Bank, BNP Paribas, JP Morgan	Nil	No	Cross currency swap business	0.00	14 September 2017	14 September 2022	35,131.63				22,340.76	0.30%	-13,425.19
Overseas non-connecting financial institutions etc.	Nil	No	Cash flow hedge in respect of forward	0.00	1 January 2017	2020-2022	-2,819.83				5,021.09	0.07%	5,717.86

			exchange contracts										
Overseas non-connecting financial institutions etc.	Nil	No	Interest rate swaps hedging	0.00	21 February 2017	2020-2024	-8,809.63				-11,549.93	-0.15%	-4,261.86
Overseas non-connecting financial institutions etc.	Nil	No	Fair value hedging	0.00	22 June 2018	1 June 2025	2,027.34				1,934.57	0.03%	60.52
ANZ Bank and DBS	Nil	No	Interest rate swaps hedging	0.00	15 January 2020	15 October 2024	0.00				-1,183.45	-0.02%	-1,178.05
Domestic financial institution	Nil	No	Structured deposit	2,674,400.00	26 March 2019	23 September 2021	429,500.00	2,244,900.00	1,760,600.00		913,800.00	12.25%	14,893.37
Total				2,674,400.00	--	--	451,911.67	2,244,900.00	1,760,600.00		930,363.04	12.48%	4,696.58
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				23 September 2015									
				31 August 2017									
				22 August 2018									
				11 January 2019									
				3 August 2019									
				18 February 2020									
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</p>									

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 2020, the gain on the changes in fair value of the hedging instruments recognized in other comprehensive income amounted to RMB28,899,280.24 (EUR3,989,307.38). The amount included in the statement of profit and loss for the period was RMB105,663,544.21 (EUR13,383,602.81). As at 30 September 2020, the hedging instrument had expired and no longer qualified for hedge accounting. As it was expected that hedged future cash flow would cease to occur, the cumulative cash flow hedge reserve amounting to RMB166,313,020.61 (EUR20,584,568.43) transferred from other comprehensive income to profit or loss. There was no material invalid hedge for the reporting 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.

(2) The effective date of 2017 bond cross currency swaps contract of Hong Kong Energy, a subsidiary of the Company, was 14 September 2017. The loss on the changes of fair value of the swap instrument from January to September 2020 amounted to RMB134,251,851.80 (EUR17,004,667.74). 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.

(3) At the inception of 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 2020, the post-tax gain on the changes in fair value of the hedging instruments recognized in other comprehensive income amounted to RMB57,861,295.80 (EUR7,238,000.00), and the post-tax loss included in profit or loss for the current period was RMB8,377,816.80 (EUR1,048,000.00). There was no material invalid hedge for the period. Key parameters of assumption included contracted exchange rate, prevailing forward exchange rate, discount rate etc.

(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 2020, the post-tax gain on the changes in fair value of the hedging instruments recognized in other comprehensive income amounted to RMB1,934,572.20 (EUR242,000.00). No amount was taken to profit or loss during the current period. There was no material invalid hedge for the period. Key parameters of assumption included contracted sum of payment, forward interest rate, discount rate etc.

(5) On 22 June 2018, KION Group AG, a subsidiary of the Company, entered into interest rate swap contract to conduct fair value hedging designated to the interest rate risk of the fixed-rate medium-term notes with a face value of EUR100,000,000.00 issued in this period. On 30 September 2020, the aforesaid hedged items of the Group were shown as bonds payable in the financial statements of the Group, with a carrying value of RMB635,530,950.00 (EUR79,500,000.00). The carrying value of the adjustment of changes in fair value of the hedged items taken to the hedged items was RMB93,602,916.90 (EUR11,709,000.00). There was no material invalid hedge for the period. Key parameters of assumption included contracted sum of payment, forward interest rate, discount rate etc.

(6) On 15 January 2020, Weichai Power Hong Kong International Development Co., Limited ("Weichai Hong Kong"), a subsidiary of the Company designated the floating-to-fixed interest rate swap contracts entered into with ANZ Bank and DBS as a hedging instrument, and conducted cash flow hedging on the interest on borrowings amounting to EUR241 million included in the borrowings from China Development Bank amounting to EUR353 million against the cash flow

	<p>fluctuation incurred by change in floating interest rates. From January to September 2020, the loss arising from changes in fair value of the hedging instrument recognized as other comprehensive income was RMB11,834,498.76 (EUR1,480,404.14). There was no material invalid hedge for the current period. Key parameters of assumption included economic relations, credit risk and hedging ratio.</p> <p>There was a high degree of transparency of the market changes of the subject linked to the structured deposit business conducted by the Company with active transactions, whose fair values could be determined based on the prices provided or obtained by intermediary financial institutions such as banks.</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	No change
Specific opinions of independent Directors on the derivatives investment and risk control of the Company	For details, please refer to the "Independent opinion on the Company's relevant matters by independent directors of Weichai Power Co., Ltd." disclosed by the Company on 31 August 2017, 3 August 2019 and 18 February 2020, and the "Independent opinion on the launch of derivative trading business by a controlling subsidiary of the Company by independent directors of Weichai Power Co., Ltd." disclosed by the Company on 22 August 2018 and 11 January 2019.

3.5 Progress of fund-raising investment projects

Applicable N/A

3.6 Forecast on operating results for the year 2020

Warning and explanation regarding forecast for possible loss or significant change in accumulated net profit for the period from the beginning of the year to the end of the next reporting period, as compared with that of the corresponding period of last year.

Applicable N/A

3.7 Material contracts in day-to-day operations

Applicable N/A

3.8 Entrusted wealth management

Applicable N/A

The Company had no entrusted wealth management in the reporting period.

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.

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

Applicable N/A

Time	Location	Way of reception	Type of guests	Guests	Topics discussed and information provided	Basic information of research
8 July 2020	Conference room of the Company	On-site research	Corporation	GF Securities Co., Ltd Ping An Asset Management Co. Ltd E Fund Management Co., Ltd.	1. Development of new energy business 2. Development and future prospects of Linde Hydraulics 3. The Company's view on the trend of the heavy-duty trucks industry	For details, please refer to the Logbook of Investor Relations Activities as of 8 July 2020 disclosed by the Company on CNINFO website.
9 July 2020	Conference room of the Company	On-site research	Corporation	Guotai Asset Management Co., Ltd. (国泰基金管理有限公司)	1. Development of large-diameter high-speed engines 2. The Company's view on the trend of the heavy-duty trucks industry 3. Development of CVT powertrain systems	For details, please refer to the Logbook of Investor Relations Activities as of 9 July 2020 disclosed by the Company on CNINFO website.
10 July 2020	Conference room of the Company	On-site research	Corporation	Industrial Securities Co., Ltd. Zhongrong Fund Management Co., Ltd.	1. The Company's view on the trend of the heavy-duty trucks industry 2. Development of CVT powertrain systems 3. Development and future prospects of Linde Hydraulics	For details, please refer to the Logbook of Investor Relations Activities as of 10 July 2020 disclosed by the Company on

						CNINFO website.
24 July 2020	Conference room of the Company	On-site research	Corporation	<p>China International Capital Corporation Limited</p> <p>Orient Securities Asset Management Company Limited</p> <p>Springs Capital (Beijing) Company Limited</p> <p>Beijing Golden Trust Investment Management Co., Ltd. (北京高信百诺投资管理有限公司)</p> <p>Zhongtai Securities Co., Ltd.</p>	<ol style="list-style-type: none"> 1. The Company's view on the trend of the heavy-duty trucks industry 2. Development and future prospects of Linde Hydraulics 3. Development of large-diameter high-speed engines 4. Development of new energy business 	<p>For details, please refer to the Logbook of Investor Relations Activities as of 24 July 2020 disclosed by the Company on CNINFO website.</p>
28 August 2020	Teleconference	Communication via phone	Corporation	<p>Securities companies such as CITIC Securities, CICC, Changjiang Securities, GF Securities, China Merchants Securities, Tianfeng Securities, Guotai Junan Securities, Industrial Securities, Zhongtai Securities, Bohai Securities, Bank of America Merrill Lynch, Morgan Stanley, JP Morgan, Credit Suisse, UBS group, Goldman Sachs Group and HSBC;</p> <p>Fund companies or asset management companies such as Fidelity Fund, Foresight Fund, Ping An Fund, Rongtong Fund, Infore Capital, Fullgoal Fund, China Asset Management, Xingquan Fund, CITIC Asset Management, Guangfa Fund, Penghua Fund, Bosera Fund, Green Court Capital, Runhui Investment, HSBC Jintrust, INVESCO Asset, CUAM, Galaxy Fund, UBS SDIC, Orient Asset Management, Neuberger Berman, Schroder Funds, Goldman Sachs Asset Management, Baring Asset, Manulife, CIFM, Power Pacific, Shicheng Investment, Soochow Fund, Ping An Pension, Franklin Templeton Sealand Fund,</p>	<ol style="list-style-type: none"> 1. Operating performance of the Company for the first half of 2020 2. Operating performance of the Company's powertrain system business 3. Development of large-diameter high-speed engines 4. Progress of promotion of domestic production by Linde Hydraulic 5. Development of CVT powertrain systems 6. Development of heavy-duty truck complete vehicles business 7. Overview of intelligent logistics business 8. Development of new energy business 	<p>For details, please refer to the Logbook of Investor Relations Activities as of 28 August 2020 disclosed by the Company on CNINFO website.</p>

				Hongshang Asset, Giant Redwood Asset Management, Norway Central Bank, New Power Capital, Zeal Asset, DH Fund, Ruipu Investment, Southern Asset Management, Taikang Asset, Perseverance Asset, China Life AMP, Harvest Funds, Allianz Global Investors, Maxwealth Fund, Wellspring Capital, Shanyuan Investment, Yuancheng Investment, Hillview Capital, TruValue Asset, Maple Assets, Qianhai Fund, Shixi Investment (石溪投资), Gaoxin Bainuo and Granford Capital.		
4 September 2020	Conference room of the Company	On-site research	Corporation	Changjiang Securities Company Limited UBS SDIC Fund Management Co., Ltd.	<ol style="list-style-type: none"> 1. Operating performance of the Company for the first half of 2020 2. Operating performance of the Company's powertrain system business 3. Development of CVT powertrain systems 4. Development of heavy-duty truck complete vehicles business 	For details, please refer to the Logbook (I) of Investor Relations Activities as of 4 September 2020 disclosed by the Company on CNINFO website.
4 September 2020	Conference room of the Company	On-site research	Corporation	China Merchants Securities Co., Ltd.	<ol style="list-style-type: none"> 1. Operating performance of the Company for the first half of 2020 2. Development of large-diameter high-speed engines 3. Progress of promotion of domestic production by Linde Hydraulic 4. Overview of intelligent logistics business 	For details, please refer to the Logbook (II) of Investor Relations Activities as of 4 September 2020 disclosed by the Company on CNINFO website.
17 September 2020	Conference room of the Company	On-site research	Corporation	Zhongtai Securities Co., Ltd. Baoying Fund Management Co., Ltd.	<ol style="list-style-type: none"> 1. Operating performance of the Company for the first half of 2020 2. Operating performance of the Company's powertrain system business 	For details, please refer to the Logbook of Investor

					3. Development of large-diameter high-speed engines 4. Development of heavy-duty truck complete vehicles business	Relations Activities as of 17 September 2020 disclosed by the Company on CNINFO website.
21 September 2020	Conference room of the Company	On-site research	Individual	Kuang Qianguo, Qin Weimin, Xu Jianhua, Xu Shaojun, Li Shiquan and Shi Xiaoyin	1. Operating performance of the Company's powertrain system business 2. Development of large-diameter high-speed engines 3. Progress of promotion of domestic production by Linde Hydraulic 4. Development of heavy-duty truck complete vehicles business	For details, please refer to the Logbook of Investor Relations Activities as of 21 September 2020 disclosed by the Company on CNINFO website.
28 September 2020	Conference room of the Company	On-site research	Corporation	CITIC Securities Company Limited	1. Operating performance and orders of powertrain system of the Company 2. Business layout and progress of the Company's fuel-battery business 3. Operation performance and development of KION Group 4. Launch of a diesel engine with thermal efficiency over 50% by the Company	For details, please refer to the Logbook of Investor Relations Activities as of 28 September 2020 disclosed by the Company on CNINFO website.

SECTION 4 FINANCIAL STATEMENTS

4.1 Financial Statements

4.1.1 Consolidated balance sheet

Prepared by: WEICHAI POWER CO., LTD.

30 September 2020

Unit: RMB

Item	30 September 2020	31 December 2019
Current assets:		
Cash and cash equivalents	42,896,129,071.81	48,817,622,206.26
Settlement provisions		
Capital lent to other financial institutions		
Financial assets held for trading	9,451,533,418.98	4,451,059,463.07
Derivative financial assets		
Notes receivable	28,517,059,996.17	15,920,141,988.31
Accounts receivable	18,202,895,361.04	14,285,262,297.09
Receivable financing	12,003,738,130.50	10,537,909,983.71
Prepayments	1,173,326,632.44	996,710,182.20
Insurance receivables		
Reinsurance receivables		
Contract reserve of reinsurance receivables		
Other receivables	1,454,517,916.26	681,601,186.05
Incl.: Interests receivable	183,709,849.35	37,912,073.30
Dividends receivable	51,699,393.41	5,009,506.00
Purchase restituted financial assets		
Inventories	28,600,341,722.05	24,717,700,810.03
Contract assets	1,709,613,557.71	1,174,036,594.50
Held-for-sale assets	24,237,289.50	24,237,289.50
Non-current assets due within one year	3,081,365,815.50	2,658,043,734.50
Other current assets	2,019,309,927.22	1,920,759,332.58

Total current assets	149,134,068,839.18	126,185,085,067.80
Non-current assets:		
Granted loans and advances		
Debt investments		
Other debt investments		
Long-term receivables	9,158,400,694.50	8,447,617,640.00
Long-term equity investments	5,327,078,810.27	4,711,144,533.01
Investments in other equity instruments	2,192,994,290.48	2,103,129,675.18
Other non-current financial assets	507,298,033.69	636,502,629.08
Investment property	678,372,484.27	537,298,133.13
Fixed assets	29,520,250,456.19	26,318,667,724.94
Construction in progress	5,383,176,528.15	5,408,666,017.06
Productive biological assets		
Oil and gas assets		
Right-of-use assets	8,198,586,862.25	9,109,528,185.30
Intangible assets	23,309,601,331.69	23,435,580,132.59
Development expenditure	65,131,237.86	139,500,519.38
Goodwill	24,250,718,389.82	23,822,520,317.99
Long-term prepaid expenses	375,639,208.99	254,367,462.55
Deferred tax assets	6,387,814,763.72	5,034,346,014.96
Other non-current assets	588,126,903.60	687,720,493.20
Total non-current assets	115,943,189,995.48	110,646,589,478.37
Total assets	265,077,258,834.66	236,831,674,546.17
Current liabilities:		
Short-term loans	2,450,052,782.37	2,014,692,401.39
Loans from central bank		
Capital borrowed from other financial institutions		
Financial liabilities held for trading	105,981,554.12	131,920,754.38
Derivative financial liabilities		
Notes payable	23,988,867,095.58	22,446,404,536.58
Accounts payable	45,864,700,188.42	36,748,503,682.85
Advance from customers		
Contract liabilities	9,154,480,745.45	10,654,453,360.19

Selling financial assets of repurchase		
Absorbing deposit and interbank deposit		
Security trading commission		
Security underwriting fees		
Payroll payables	5,208,663,113.60	5,588,996,060.47
Taxes payable	3,140,212,109.55	2,064,584,764.70
Other payables	9,467,567,993.84	6,511,002,642.85
Incl.: Interests payable	94,702,523.09	86,402,649.03
Dividends payable	1,161,392,389.87	305,265,323.14
Handling fees and commission payable		
Reinsurance payables		
Held-for-sale liabilities		
Non-current liabilities due within one year	16,242,262,213.55	12,998,360,887.57
Other current liabilities	7,226,130,167.53	6,717,853,612.80
Total current liabilities	122,848,917,964.01	105,876,772,703.78
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	13,724,649,141.90	11,373,657,990.58
Bonds payable	9,286,130,424.35	10,295,279,995.18
Incl: Preference shares		
Perpetual bonds		
Lease liabilities	7,833,796,208.47	8,943,580,095.61
Long-term payables	6,224,710,525.77	4,658,205,937.06
Long-term payroll payable	13,304,671,937.14	11,667,005,084.73
Provisions	330,044,015.61	315,667,957.84
Deferred income	4,960,246,507.73	4,608,566,796.01
Deferred tax liabilities	5,369,338,599.08	5,406,314,269.55
Other non-current liabilities	6,570,453,057.75	3,911,898,285.35
Total non-current liabilities	67,604,040,417.80	61,180,176,411.91
Total liabilities	190,452,958,381.81	167,056,949,115.69
Equity holders' interest:		

Share capital	7,933,873,895.00	7,933,873,895.00
Other equity instruments		
Incl: Preference shares		
Perpetual bonds		
Capital reserves	119,601,405.92	118,896,726.65
Less: Treasury stock		
Other comprehensive income	-1,937,920,152.02	-1,278,030,636.58
Special reserves	226,723,987.93	193,099,471.45
Surplus reserves	973,728,220.76	973,728,220.76
General risk provision		
Retained earnings	42,077,571,857.00	37,282,373,385.43
Total equity attributable to equity holders of parent company	49,393,579,214.59	45,223,941,062.71
Minority interests	25,230,721,238.26	24,550,784,367.77
Total equity holders' interests	74,624,300,452.85	69,774,725,430.48
Total liabilities and equity holders' interests	265,077,258,834.66	236,831,674,546.17

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	30 September 2020	31 December 2019
Current assets:		
Cash and cash equivalents	16,728,463,702.53	27,276,378,348.59
Financial assets held for trading		
Derivative financial assets		
Notes receivable	33,016,459,568.00	19,031,065,273.37
Accounts receivable	5,608,947,116.48	961,224,481.20
Receivable financing		
Prepayments	236,926,317.55	252,912,459.06
Other receivables	545,236,148.16	495,183,938.26
Incl.: Interests receivable	168,582,621.19	22,430,107.62
Dividends receivable		262,092,592.40
Inventories	2,606,868,331.82	3,442,624,138.43

Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	1,076,698.15	320,293,618.85
Total current assets	58,743,977,882.69	51,779,682,257.76
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	16,193,204,441.70	15,588,308,928.23
Investments in other equity instruments	231,020,200.00	191,620,200.00
Other non-current financial assets	48,744,000.00	48,744,000.00
Investment property	1,216,277,576.24	1,098,873,377.18
Fixed assets	3,346,353,097.17	3,006,064,048.78
Construction in progress	2,866,373,998.59	2,277,083,525.08
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	753,103,896.99	512,203,369.80
Development expenditure		
Goodwill	341,073,643.76	341,073,643.76
Long-term prepaid expenses		
Deferred tax assets	1,509,797,702.97	910,637,045.17
Other non-current assets	2,888,290,762.50	2,484,556,774.12
Total non-current assets	29,394,239,319.92	26,459,164,912.12
Total assets	88,138,217,202.61	78,238,847,169.88
Current liabilities:		
Short-term loans		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	13,619,883,790.56	13,815,739,112.99
Accounts payable	16,910,021,175.25	12,497,803,183.14
Advance from customers		

Contract liabilities	2,140,412,993.33	2,571,680,421.94
Payroll payables	871,138,124.18	985,532,575.51
Taxes payable	1,085,053,325.39	155,032,778.30
Other payables	3,302,032,975.27	2,147,054,763.30
Incl.: Interests payable		
Dividends payable	1,152,046,135.74	27,993,120.35
Held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities	1,770,126,326.08	1,674,274,867.54
Total current liabilities	39,698,668,710.06	33,847,117,702.72
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Incl: Preference shares		
Perpetual bonds		
Lease liabilities		
Long-term payables	4,788,854.97	5,513,797.98
Long-term payroll payable	32,263,492.62	24,734,049.15
Provisions		
Deferred income	972,093,147.29	906,196,708.93
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	1,009,145,494.88	936,444,556.06
Total liabilities	40,707,814,204.94	34,783,562,258.78
Equity holders' interest:		
Share capital	7,933,873,895.00	7,933,873,895.00
Other equity instruments		
Incl: Preference shares		
Perpetual bonds		
Capital reserves	695,679,231.81	695,679,231.81
Less: Treasury stock		
Other comprehensive income	-107,896,405.70	-119,983,030.10
Special reserves	111,847,845.61	94,899,845.80

Surplus reserves	3,607,357,154.34	3,607,357,154.34
Retained earnings	35,189,541,276.61	31,243,457,814.25
Total equity holders' interests	47,430,402,997.67	43,455,284,911.10
Total liabilities and equity holders' interests	88,138,217,202.61	78,238,847,169.88

4.1.3 Consolidated income statement for the period

Unit: RMB

Item	Amount for current period	Amount for corresponding period of last year
1. Total revenue	52,889,086,115.59	35,845,761,369.43
Including: Revenue	52,889,086,115.59	35,845,761,369.43
Interest income		
Premium income earned		
Handling fees and commission income		
2. Total cost of sales	49,151,951,888.69	33,122,408,568.27
Including: Cost of sales	42,667,156,939.37	27,652,679,995.15
Interest expenses		
Handling fees and commission expenses		
Payments on surrenders		
Claim expenses-net		
Provision for insurance liability reserve-net		
Policyholder dividends		
Expenses for reinsurance		
Taxes and surcharges	168,729,893.98	94,584,195.57
Distribution and selling expenses	2,844,646,286.34	2,575,151,869.30
General and administrative expenses	1,936,069,848.51	1,612,209,191.87
Research & development Expenses	1,465,096,629.63	1,188,033,797.19
Finance expenses	70,252,290.86	-250,480.80
Incl.: Interest expenses	303,430,929.63	326,993,576.74
Interest income	332,624,945.70	261,694,899.19
Add: Other income	64,297,698.81	50,300,268.90
Investment income (losses are indicated with "-")	277,607,276.92	118,217,864.82
Including: Investment income from associates and joint ventures	27,803,355.72	18,793,734.03

Income from derecognition of financial assets at amortised cost		
Foreign exchange gains (losses are indicated with “-”)		
Gains on net exposure hedging (losses are indicated with “-”)		
Profit or loss on change of fair value (losses are indicated with “-”)	-352,012,508.25	101,930,133.65
Impairment loss of credit (losses are indicated with “-”)	-80,602,377.80	45,038,064.85
Impairment loss of assets (losses are indicated with “-”)	-38,973,555.87	-122,454,416.47
Gain on disposal of assets (losses are indicated with “-”)	7,236,972.00	-11,303,114.10
3. Operating profit (losses are indicated with “-”)	3,614,687,732.71	2,905,081,602.81
Add: Non-operating income	117,585,007.86	83,742,907.07
Less: Non-operating expenses	34,819,782.45	21,788,428.13
4. Total profits (total losses are indicated with “-”)	3,697,452,958.12	2,967,036,081.75
Less: Income tax expenses	697,704,575.54	530,671,332.87
5. Net profits (net losses are indicated with “-”)	2,999,748,382.58	2,436,364,748.88
(1) Breakdown by continuity of operations		
1. Net profit from continuing operations (net losses are indicated with “-”)	2,999,748,382.58	2,436,364,748.88
2. Net profit from discontinued operations (net losses are indicated with “-”)		
(2) Breakdown by attributable interests		
1. Net profit attributable to owners of the parent	2,425,583,967.90	1,770,753,119.83
2. Minority interests	574,164,414.68	665,611,629.05
6. Net other comprehensive income after tax	-1,048,995,120.24	-301,215,455.50
Net other comprehensive income attributable to shareholders of the parent after tax	-560,840,939.99	-113,756,305.74
(1) Those other comprehensive income not to be reclassified into profit or loss	-157,811,267.84	-390,400,579.93
1. Changes arising from re-measurement of defined benefit plan	-130,687,818.92	-331,888,293.00
2. Other comprehensive income not to be reclassified into profit or loss using the equity method		

3. Change in fair value of investment in other equity instruments	-27,123,448.92	-58,512,286.93
4. Change in fair value of credit risk of enterprise		
5. Others		
(2) Those other comprehensive income to be reclassified into profit or loss	-403,029,672.15	276,644,274.19
1. Other comprehensive income to be reclassified into profit or loss using the equity method	40,197.94	-10,543.50
2. Change in fair value of other debt investments		
3. Amount of financial assets to be reclassified and taken to other comprehensive income		
4. Provision for impairment of credit in respect of other debt investments		
5. Cashflow hedging reserve	-65,338,541.29	6,581,873.94
6. Exchange differences on foreign currency translation	-337,731,328.80	270,072,943.75
7. Others		
Net other comprehensive income attributable to minority interest after tax	-488,154,180.25	-187,459,149.76
7. Total comprehensive income	1,950,753,262.34	2,135,149,293.38
Total comprehensive income attributable to owners of the parent	1,864,743,027.91	1,656,996,814.09
Total comprehensive income attributable to minority interest	86,010,234.43	478,152,479.29
8. Earnings per share:		
(1) Basic earnings per share	0.31	0.22
(2) Diluted earnings per share	0.31	0.22

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	12,224,323,199.95	7,837,054,703.48

Less: Cost of sales	9,180,118,468.08	5,911,395,396.07
Taxes and surcharges	64,681,259.24	31,067,942.67
Distribution and selling expenses	335,322,071.53	105,839,466.28
General and administrative expenses	321,279,865.06	211,007,950.44
Research & development Expenses	610,634,544.51	488,741,720.07
Finance expenses	-105,437,727.13	-78,181,409.85
Incl.: Interest expenses		
Interest income	106,735,254.02	81,027,384.85
Add: Other income	26,667,257.24	4,420,759.78
Investment income (losses are indicated with “-”)	-961,609.35	22,832,149.38
Including: Investment income from associates and joint ventures	-961,664.43	22,832,129.93
Income from derecognition of financial assets at amortised cost		
Gains on net exposure hedging (losses are indicated with “-”)		
Profit or loss on change of fair value (losses are indicated with “-”)		
Impairment loss of credit (losses are indicated with “-”)	-25,631,532.04	-42,454,899.86
Impairment loss of assets (losses are indicated with “-”)	-10,662,298.27	
Gain on disposal of assets (losses are indicated with “-”)	777,690.27	3,425.85
2. Operating profit (losses are indicated with “-”)	1,807,914,226.51	1,151,985,072.95
Add: Non-operating income	6,860,414.95	7,164,489.37
Less: Non-operating expenses	1,406,915.43	10,045,469.94
3. Total profits (total losses are indicated with “-”)	1,813,367,726.03	1,149,104,092.38
Less: Income tax expenses	233,652,594.33	120,519,652.67
4. Net profits (net losses are indicated with “-”)	1,579,715,131.70	1,028,584,439.71
(1) Net profit from continuing operations (net losses are indicated with “-”)	1,579,715,131.70	1,028,584,439.71
(2) Net profit from discontinued operations (net losses are indicated with “-”)		
5. Net other comprehensive income after tax	54,625,743.95	-37,607,679.53
(1) Those other comprehensive income not to be	54,625,743.95	-37,607,679.53

reclassified into profit or loss		
1. Changes arising from re-measurement of defined benefit plan		
2. Other comprehensive income not to be reclassified into profit or loss using the equity method		
3. Change in fair value of investment in other equity instruments	54,625,743.95	-37,607,679.53
4. Change in fair value of credit risk of enterprise		
5. Others		
(2) Those other comprehensive income to be reclassified into profit or loss		
1. Other comprehensive income to be reclassified into profit or loss using the equity method		
2. Change in fair value of other debt investments		
3. Amount of financial assets to be reclassified and taken to other comprehensive income		
4. Provision for impairment of credit in respect of other debt investments		
5. Cashflow hedging reserve		
6. Exchange differences on foreign currency translation		
7. Others		
6. Total comprehensive income	1,634,340,875.65	990,976,760.18
7. Earnings per share:		
(1) Basic earnings per share	0.19	0.13
(2) Diluted earnings per share	0.19	0.13

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	147,383,645,209.28	126,708,257,889.91
Including: Revenue	147,383,645,209.28	126,708,257,889.91
Interest income		
Premium income earned		

Handling fees and commission income		
2. Total cost of sales	137,032,625,053.30	115,788,547,925.66
Including: Cost of sales	118,656,800,121.61	98,753,822,448.28
Interest expenses		
Handling fees and commission expenses		
Payments on surrenders		
Claim expenses-net		
Provision for insurance liability reserve-net		
Policyholder dividends		
Expenses for reinsurance		
Taxes and surcharges	601,358,072.48	469,604,608.84
Distribution and selling expenses	8,157,149,086.25	7,944,888,246.92
General and administrative expenses	5,333,466,021.05	4,893,364,897.77
Research & development Expenses	4,047,404,162.20	3,585,775,633.45
Finance expenses	236,447,589.71	141,092,090.41
Incl.: Interest expenses	891,408,351.78	923,866,580.60
Interest income	951,822,946.93	741,359,528.23
Add: Other income	203,441,775.94	140,420,761.47
Investment income (losses are indicated with “-”)	549,444,198.67	490,916,366.16
Including: Investment income from associates and joint ventures	172,503,978.33	142,518,491.95
Income from derecognition of financial assets at amortised cost		
Foreign exchange gains (losses are indicated with “-”)		
Gains on net exposure hedging (losses are indicated with “-”)		
Profit or loss on change of fair value (losses are indicated with “-”)	-222,336,944.49	127,437,168.43
Impairment loss of credit (losses are indicated with “-”)	-439,221,610.01	-139,139,191.29
Impairment loss of assets (losses are indicated with “-”)	-238,027,166.04	-389,707,627.13
Gain on disposal of assets (losses are indicated with “-”)	34,131,673.14	32,668,579.14
3. Operating profit (losses are indicated with “-”)	10,238,452,083.19	11,182,306,021.03

Add: Non-operating income	244,417,771.23	187,552,741.54
Less: Non-operating expenses	80,825,941.45	52,180,254.24
4. Total profits (total losses are indicated with “-”)	10,402,043,912.97	11,317,678,508.33
Less: Income tax expenses	1,700,461,325.53	1,988,493,453.31
5. Net profits (net losses are indicated with “-”)	8,701,582,587.44	9,329,185,055.02
(1) Breakdown by continuity of operations		
1. Net profit from continuing operations (net losses are indicated with “-”)	8,701,582,587.44	9,329,185,055.02
2. Net profit from discontinued operations (net losses are indicated with “-”)		
(2) Breakdown by attributable interests		
1. Net profit attributable to owners of the parent	7,105,815,774.83	7,058,241,497.72
2. Minority interests	1,595,766,812.61	2,270,943,557.30
6. Net other comprehensive income after tax	-1,380,307,429.36	-521,033,271.70
Net other comprehensive income attributable to shareholders of the parent after tax	-659,889,515.44	24,532,358.19
(1) Those other comprehensive income not to be reclassified into profit or loss	-207,561,489.26	-346,138,875.91
1. Changes arising from re-measurement of defined benefit plan	-295,720,715.20	-691,718,277.29
2. Other comprehensive income not to be reclassified into profit or loss using the equity method	11,509,465.23	-104,627.70
3. Change in fair value of investment in other equity instruments	76,649,760.71	345,684,029.08
4. Change in fair value of credit risk of enterprise		
5. Others		
(2) Those other comprehensive income to be reclassified into profit or loss	-452,328,026.18	370,671,234.10
1. Other comprehensive income to be reclassified into profit or loss using the equity method	2,225,611.96	-4,372,006.89
2. Change in fair value of other debt investments		
3. Amount of financial assets to be reclassified and taken to other comprehensive income		
4. Provision for impairment of credit in respect of other debt investments		

5. Cashflow hedging reserve	-13,405,264.73	42,048,757.57
6. Exchange differences on foreign currency translation	-441,148,373.41	332,994,483.42
7. Others		
Net other comprehensive income attributable to minority interest after tax	-720,417,913.92	-545,565,629.89
7. Total comprehensive income	7,321,275,158.08	8,808,151,783.32
Total comprehensive income attributable to owners of the parent	6,445,926,259.39	7,082,773,855.91
Total comprehensive income attributable to minority interest	875,348,898.69	1,725,377,927.41
8. Earnings per share:		
(1) Basic earnings per share	0.90	0.89
(2) Diluted earnings per share	0.90	0.89

Legal representative: Tan Xuguang Principal in charge of accounting: Kwong Kwan Tong Head of accounting department: Li Xia

4.1.6 Income statement of the parent company from the beginning of the year to the end of the period

Unit: RMB

Item	Amount for current period	Amount for corresponding period of last year
1. Revenue	40,773,799,104.15	32,245,617,914.49
Less: Cost of sales	31,208,446,779.32	23,510,534,234.28
Taxes and surcharges	229,331,381.83	184,122,428.73
Distribution and selling expenses	808,035,656.68	793,823,881.21
General and administrative expenses	739,045,393.85	756,452,928.69
Research & development Expenses	1,627,016,288.24	1,552,070,300.52
Finance expenses	-273,952,985.74	-189,143,912.49
Incl.: Interest expenses		
Interest income	280,489,845.06	198,336,573.48
Add: Other income	110,935,177.86	43,907,987.73
Investment income (losses are indicated with "-")	585,900,618.72	633,717,968.81
Including: Investment income from associates and joint ventures	69,227,492.02	82,969,721.41
Income from derecognition of financial assets at amortised cost		

Gains on net exposure hedging (losses are indicated with “-”)		
Profit or loss on change of fair value (losses are indicated with “-”)		
Impairment loss of credit (losses are indicated with “-”)	-98,125,585.07	-76,959,977.28
Impairment loss of assets (losses are indicated with “-”)	-12,701,350.55	-5,423,751.68
Gain on disposal of assets (losses are indicated with “-”)	2,939,855.47	-3,497,073.62
2. Operating profit (losses are indicated with “-”)	7,024,825,306.40	6,229,503,207.51
Add: Non-operating income	33,661,302.23	13,152,720.65
Less: Non-operating expenses	2,686,899.74	10,278,518.52
3. Total profits (total losses are indicated with “-”)	7,055,799,708.89	6,232,377,409.64
Less: Income tax expenses	834,102,475.79	737,221,035.08
4. Net profits (net losses are indicated with “-”)	6,221,697,233.10	5,495,156,374.56
(1) Net profit from continuing operations (net losses are indicated with “-”)	6,221,697,233.10	5,495,156,374.56
(2) Net profit from discontinued operations (net losses are indicated with “-”)		
5. Net other comprehensive income after tax	12,086,624.40	-31,066,294.61
(1) Those other comprehensive income not to be reclassified into profit or loss	12,086,624.40	-31,066,294.61
1. Changes arising from re-measurement of defined benefit plan		
2. Other comprehensive income not to be reclassified into profit or loss using the equity method		
3. Change in fair value of investment in other equity instruments	12,086,624.40	-31,066,294.61
4. Change in fair value of credit risk of enterprise		
5. Others		
(2) Those other comprehensive income to be reclassified into profit or loss		
1. Other comprehensive income to be reclassified into profit or loss using the equity method		
2. Change in fair value of other debt investments		

3. Amount of financial assets to be reclassified and taken to other comprehensive income		
4. Provision for impairment of credit in respect of other debt investments		
5. Cashflow hedging reserve		
6. Exchange differences on foreign currency translation		
7. Others		
6. Total comprehensive income	6,233,783,857.50	5,464,090,079.95
7. Earnings per share:		
(1) Basic earnings per share	0.78	0.69
(2) Diluted earnings per share	0.78	0.69

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	108,929,251,800.80	103,365,771,888.76
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		
Cash received from interests, handling fees and commission		
Net increase in capital borrowed		
Net increase in cash received under repurchasing		
Net cash received from entrusted sale and purchase of securities		

Refund of taxes	292,456,839.25	431,071,227.98
Other cash received relating to operating activities	1,374,220,056.13	1,359,316,270.01
Subtotal of cash inflows from operating activities	110,595,928,696.18	105,156,159,386.75
Cash paid for purchase of goods and receiving of services	76,698,934,539.15	68,887,947,414.05
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		
Net increase in capital lent to other financial institutions		
Cash paid for interests, handling fees and commission		
Cash paid for dividends to policyholders		
Cash paid to and for staff	19,702,093,091.17	19,336,878,827.95
Cash paid for all types of taxes	5,709,319,779.04	5,405,841,153.49
Other cash paid relating to operating activities	6,232,446,075.89	7,510,780,761.45
Subtotal of cash outflows from operating activities	108,342,793,485.25	101,141,448,156.94
Net cash flows from operating activities	2,253,135,210.93	4,014,711,229.81
2. Cash flows from investing activities:		
Cash received from disposal of investments	17,751,275,254.33	12,067,876,585.00
Cash from return on investments	218,684,838.92	260,730,539.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	58,957,692.29	37,066,997.04
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investing activities	330,715,289.89	6,977,595.59
Subtotal of cash inflows from investing activities	18,359,633,075.43	12,372,651,716.63
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	4,268,889,906.24	3,821,141,210.56
Cash paid for investment	24,447,988,862.09	15,229,731,304.72
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and	905,880,222.43	

other business units		
Other cash paid relating to investing activities	51,090,310.82	9,522,144.00
Subtotal of cash outflows from investing activities	29,673,849,301.58	19,060,394,659.28
Net cash flows from investing activities	-11,314,216,226.15	-6,687,742,942.65
3. Cash flows from financing activities:		
Cash received from capital contribution	170,821,375.34	102,611,586.97
Including: Cash received by subsidiaries from capital contribution of minority shareholders	170,821,375.34	102,611,586.97
Cash received from borrowings	26,150,277,861.10	18,047,332,528.00
Other cash received relating to financing activities	4,115,474,675.37	59,075,529.00
Subtotal of cash inflows from financing activities	30,436,573,911.81	18,209,019,643.97
Cash paid for repayment of borrowings	26,018,582,363.12	16,354,093,409.26
Cash paid for distribution of dividends, profit or for interest	2,060,379,396.09	3,777,215,336.00
Including: Dividends and profit distributed to minority shareholders by subsidiaries	436,145,982.66	1,032,472,200.75
Other cash paid relating to financing activities	1,396,870,485.36	790,570,645.13
Subtotal of cash outflows from financing activities	29,475,832,244.57	20,921,879,390.39
Net cash flows from financing activities	960,741,667.24	-2,712,859,746.42
4. Effects of changes in exchange rates on cash and cash equivalents	-97,558,467.21	15,957,498.05
5. Net increase in cash and cash equivalents	-8,197,897,815.19	-5,369,933,961.21
Add: balances of cash and cash equivalents as at the beginning of the period	42,285,584,925.16	34,379,938,275.41
6. Balances of cash and cash equivalents as at the end of the period	34,087,687,109.97	29,010,004,314.20

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	27,421,935,930.03	29,482,934,239.44

Refund of taxes	8,308,727.55	
Other cash received relating to operating activities	486,880,058.99	678,703,846.34
Subtotal of cash inflows from operating activities	27,917,124,716.57	30,161,638,085.78
Cash paid for purchase of goods and receiving of services	29,204,478,559.61	25,156,703,731.77
Cash paid to and for staff	1,611,025,780.89	1,479,339,704.86
Cash paid for all types of taxes	2,070,848,082.43	2,334,820,936.94
Other cash paid relating to operating activities	1,217,023,347.71	882,242,843.59
Subtotal of cash outflows from operating activities	34,103,375,770.64	29,853,107,217.16
Net cash flows from operating activities	-6,186,251,054.07	308,530,868.62
2. Cash flows from investing activities:		
Cash received from disposal of investments		876,585.00
Cash from return on investments	349,186,000.15	703,710,355.37
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,430,900.00	8,655,114.00
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investing activities		241,783,376.18
Subtotal of cash inflows from investing activities	353,616,900.15	955,025,430.55
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	1,733,394,694.69	1,564,837,260.58
Cash paid for investment	667,193,858.22	446,269,523.56
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid relating to investing activities	453,733,988.38	
Subtotal of cash outflows from investing activities	2,854,322,541.29	2,011,106,784.14
Net cash flows from investing activities	-2,500,705,641.14	-1,056,081,353.59
3. Cash flows from financing activities:		
Cash received from capital contribution		
Cash received from borrowings		
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	1,142,753,796.40	2,222,957,768.28
Other cash paid relating to financing activities		
Subtotal of cash outflows from financing activities	1,142,753,796.40	2,222,957,768.28
Net cash flows from financing activities	-1,142,753,796.40	-2,222,957,768.28
4. Effects of changes in exchange rates on cash and cash equivalents	64,571.67	-9,550.02
5. Net increase in cash and cash equivalents	-9,829,645,919.94	-2,970,517,803.27
Add: balances of cash and cash equivalents as at the beginning of the period	26,404,688,200.32	19,074,554,698.78
6. Balances of cash and cash equivalents as at the end of the period	16,575,042,280.38	16,104,036,895.51

4.2 Descriptions of adjustment of financial statements

4.2.1 Adjustment to the opening financial statements for the first year of initial implementation of the new standard on revenue and new standard on leases since 2020

Applicable N/A

4.2.2 Descriptions of retrospective adjustment to comparative data in previous period for the first year of initial implementation of the new standard on revenue and new standard on leases since 2020

Applicable N/A

4.3 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 2020