Stock code: 000570, 200570 Stock name: Changchai A, Changchai B Announcement No.: 2016-013

Changchai Company, Limited
Abstract of the 2016 Semi-annual Report

1. Important reminders

This abstract is based on the full text of the semi-annual report. For more details, investors are suggested to read the full text disclosed at the same time with this abstract on http://www.cninfo.com.cn, the website of Shenzhen Stock Exchange or any other website designated by CSRC.

This report is prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

Company profile

Stock name	Changchai A, Changchai B	Stock code	000570, 200570
Stock exchange	Shenzhen Stock Exchange		
Contact information	Board Secretary	Securities Representative	
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2. Financial highlights and change of shareholders

（1）Financial highlights

Does the Company adjust retrospectively or restate accounting data of previous years due to change of the accounting policy or correction of any accounting error?

□ Yes √ No

	Reporting period	Same period of last year	+/- (%)
Operating revenues (RMB)	1,163,660,721.69	1,359,895,900.69	-14.43%
Net profit attributable to shareholders of the Company (RMB)	35,018,142.36	37,563,399.18	-6.78%
Net profit attributable to shareholders of the Company after excluding extraordinary gains and losses (RMB)	28,510,501.61	35,710,619.28	-20.16%
Net cash flows from operating activities (RMB)	118,035,913.29	46,727,741.12	152.60%
Basic EPS (RMB/share)	0.06	0.07	-14.29%
Diluted EPS (RMB/share)	0.06	0.07	-14.29%
Weighted average ROE (%)	1.76%	1.85%	-0.09%
	As at the end of the reporting period	As at the end of last year	+/- (%)
Total assets (RMB)	3,204,416,788.95	3,232,406,102.20	-0.87%
Net assets attributable to shareholders of the Company (RMB)	1,975,255,293.87	2,002,910,311.01	-1.38%

（2） Shareholdings of the top 10 common shareholders

Unit: share

Total number of common shareholders at the end of the reporting period	63,916					
Shareholdings of the top 10 common shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Total common shares held at the period-end	Number of restricted common shares held	Pledged or frozen shares	
					Status of shares	Number of shares
STATE-OWNED ASSETS SUPERVISION AND ADMINISTRATION COMMISSION OF CHANGZHOU MUNICIPAL PEOPLE'S GOVERNMENT	On behalf of the government	30.43%	170,845,236			
KGI ASIA LIMITED	Overseas corporation	0.59%	3,324,845			
BNP PARIBAS WEALTH MANAGEMENT HONG KONG BRANCH	Overseas corporation	0.55%	3,099,873			
HUANG LIHOU	Domestic individual	0.35%	1,949,700			
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Overseas corporation	0.29%	1,626,592			
LI MIN	Domestic individual	0.29%	1,618,950			
HUANG GUOLIANG	Domestic individual	0.27%	1,528,891			
LI SUINAN	Domestic individual	0.24%	1,328,300			
CENTRAL HUIJIN ASSET MANAGEMENT CO., LTD.	State-owned corporation	0.20%	1,107,900			
XIE DEQING	Domestic individual	0.19%	1,078,700			
Explanation on associated relationship or persons acting in concert among the above-mentioned shareholders	It is unknown whether there was any associated relationship among the top ten tradable shareholders and among the top ten shareholders not subject to trading moratorium, or whether they are persons acting in concert as described by Measures for the Administrative of Disclosure of Shareholder Equity Changes.					
Shareholders taking part in securities margin trading (if any)	Shareholder Huang Lihou held 1,949,700 shares (a stake of 0.35%) in the Company through his account of collateral securities for margin trading in Guotai Junan Securities Co., Ltd.. Shareholder Li Min held 1,618,950 shares (a stake of 0.29%) in the Company through her account of collateral securities for margin trading in					

	Guosen Securities Co., Ltd..

（3）Shareholdings of the top 10 preference share holders

□ Applicable √ Inapplicable
No preference shares for the reporting period.

（4）Change of the controlling shareholder or the actual controller

Change of the controlling shareholder in the reporting period
□ Applicable √ Inapplicable
The controlling shareholder did not change in the reporting period.

Change of the actual controller in the reporting period
□ Applicable √ Inapplicable
The actual controller did not change in the reporting period.

3. Discussion and analysis by the management

For the first half of 2016, we sold 376,100 units of diesel engines and generator sets, down 22.79% over the same period of last year. We achieved a sales income of RMB1,163,660,700, down 14.43% from the same period of last year. And the net profit attributable to our shareholders stood at RMB35.0181 million, down 6.78% on a year-on-year basis.

The reporting period saw a drop in production and consumption of diesel engines as well as fierce competition in the industry due to more downward pressure on the macro-economy and weak market demand for combustion engines. In face of the unfavorable factor of oversupply in the single-cylinder diesel engine market, we managed to keep our leading position in sales through upgrading products, improving our marketing network, stabilizing our supporting plants, etc.. As for our multi-cylinder diesel engines, we have achieved remarkable results with our product structure after years of improvement. Our multi-cylinder diesel engines with more technological contents and higher added value have started mass production, and the new products have also begun small-lot production. As a result, multi-cylinder diesel engines took up a larger proportion in our total sales income.

In general, despite the decreased sales revenue and net profit in the first half of 2016, our development momentum is still considered positive.

4. Matters related to financial reporting

(1) Explain any changes in the accounting policies, accounting estimates and measurement methods as compared with the financial reporting of last year

□ Applicable √ Inapplicable
No such cases in the reporting period.

(2) Explain any retrospective restatement due to correction of significant accounting errors in the reporting period

□ Applicable √ Inapplicable
No such cases in the reporting period.

(3) Explain any changes in the consolidation scope as compared with the financial reporting of last year

□ Applicable √ Inapplicable
No such cases in the reporting period.

(4) Explanation of the Board of Directors and the Supervisory Committee concerning the "non-standard audit report" issued by the CPAs firm for the reporting period

□ Applicable √ Inapplicable