

Stock code 股份編號 : 2338.HK

Annual Report 2008

年報



潍柴動力股份有限公司
WEICHAI POWER CO., LTD.

WEICHAI POWER

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Tan Xuguang (*Chairman and CEO*)

Xu Xinyu (*Executive President*)

Sun Shaojun (*Executive President*)

Zhang Quan (*Executive President*)

Non-executive Directors

Zhang Fusheng

Liu Huisheng

Yao Yu

Yeung Sai Hong

Chen Xuejian

Li San Yim

Julius G. Kiss

Han Xiaoqun

Gu Linsheng

Li Shihao

Liu Zheng

Independent Non-executive Directors

Zhang Xiaoyu

Koo Fook Sun, Louis

Fang Zhongchang

SUPERVISORS

Sun Chengping

Ding Yingdong

Jiang Jianfang

COMPANY SECRETARY, CHIEF FINANCIAL OFFICER AND QUALIFIED ACCOUNTANT

Cheung Tat Leung, Peter (*FCCA, FCPA*)

SECRETARY TO THE BOARD

Dai Lixin

公司資料

董事

執行董事

譚旭光 (董事長兼首席執行官)

徐新玉 (執行總裁)

孫少軍 (執行總裁)

張 泉 (執行總裁)

非執行董事

張伏生

劉會勝

姚 宇

楊世杭

陳學儉

李新炎

Julius G. Kiss (尤利斯G.肯斯)

韓小群

顧林生

李世豪

劉 征

獨立非執行董事

張小虞

顧福身

房忠昌

監事

孫承平

丁迎東

蔣建芳

公司秘書、財務總監暨合資格會計師

張達良 (*FCCA, FCPA*)

董事會秘書

戴立新

LEGAL REPRESENTATIVE

Liu Jiahong
197, Section A, Fu Shou East Street
High Technology Industrial Development Zone
Weifang, Shandong Province
The People's Republic of China
Postal Code: 261061
Tel: (86) (536)-229 7068
Fax: (86) (536)-819 7073
Website: <http://www.weichai.com>

AUTHORISED REPRESENTATIVES

Xu Xinyu
Cheung Tat Leung, Peter

REGISTERED ADDRESS AND HEADQUARTERS OF THE COMPANY

197, Section A
Fu Shou East Street
High Technology Industrial Development Zone
Weifang
Shandong Province
The People's Republic of China
Postal Code: 261061
Tel: (86) (536)-229 7068
Fax: (86) (536)-819 7073
website: <http://www.weichai.com>

PLACE OF BUSINESS IN HONG KONG

Room 1909, 19th Floor
Gloucester Tower
15 Queen's Road Central
Hong Kong

LEGAL ADVISORS

Richards Butler
in association with Reed Smith LLP

證券事務代表

劉加紅
中華人民共和國
山東省
濰坊
高新技術產業開發區
福壽東街甲197號
郵編：261061
電話：(86) (536)-229 7068
傳真：(86) (536)-819 7073
網址：<http://www.weichai.com>

授權代表

徐新玉
張達良

註冊辦事處及公司總部

中華人民共和國
山東省
濰坊
高新技術產業開發區
福壽東街甲197號
郵編：261061
電話：(86) (536)-229 7068
傳真：(86) (536)-819 7073
網址：<http://www.weichai.com>

香港營業地點

香港中環
皇后大道中15號
告羅士打大廈
19樓1909室

法律顧問

齊伯禮律師行
禮德律師行聯營行

AUDITORS

Non-PRC auditors:

Messrs. Ernst & Young
Certified Public Accountants

PRC auditors:

山東正源和信有限責任會計師事務所
(Shandong Zheng Yuan Hexin Accountants Limited)

AUDIT COMMITTEE

Koo Fook Sun, Louis (Chairman)
Zhang Xiaoyu
Fang Zhongchang

STRATEGIC DEVELOPMENT AND INVESTMENT COMMITTEE

Tan Xuguang (Chairman)
Sun Shaojun
Zhang Quan
Chen Xuejian
Li San Yim
Julius G. Kiss
Zhang Xiaoyu

REMUNERATION COMMITTEE

Koo Fook Sun, Louis (Chairman)
Zhang Fusheng
Yao Yu
Zhang Xiaoyu
Fang Zhongchang

NOMINATION COMMITTEE

Fang Zhongchang (Chairman)
Xu Xinyu
Zhang Quan
Zhang Xiaoyu
Koo Fook Sun, Louis

PRINCIPAL BANKERS

Industrial and Commercial Bank of China
China Construction Bank Corporation
Bank of China
HSBC

核數師

非國內核數師：

安永會計師事務所
執業會計師

國內核數師：

山東正源和信有限責任會計師事務所

審核委員會

顧福身(主席)
張小虞
房忠昌

策略發展及投資委員會

譚旭光(主席)
孫少軍
張 泉
陳學儉
李新炎
Julius G. Kiss
張小虞

薪酬委員會

顧福身(主席)
張伏生
姚 宇
張小虞
房忠昌

提名委員會

房忠昌(主席)
徐新玉
張 泉
張小虞
顧福身

主要往來銀行

中國工商銀行
中國建設銀行
中國銀行
滙豐銀行

HONG KONG H-SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
46th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

香港H股登記及過戶處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心46樓

SHARE INFORMATION

Number of issued shares 833,045,683 shares (630,645,683
A shares, and 202,400,000 H shares)

Board lot (H股) 1,000 H-shares
(A股) 100 A-shares

Abbreviation of the Company's share and Stock Codes

A Shares: Weichai Power(濰柴動力) 000338

H Shares: Weichai Power(濰柴動力) 2338

Stock Exchange Listings

A Shares: Shenzhen Stock Exchange

H Shares: The Stock Exchange of Hong Kong Limited
(the "Hong Kong Stock Exchange")

股份資料

已發行股份數目: 833,045,683股
(630,645,683股A股 ,
及 202,400,000股H股)

交易單位 (H股) 1,000股H股
(A股) 100股A股

本公司股份簡稱及股份代號

A股: 濰柴動力 (Weichai Power) 000338

H股: 濰柴動力 (Weichai Power) 2338

上市交易所

A股: 深圳交易所

H股: 香港聯合交易所有限公司(「聯交所」)

INVESTORS AND MEDIA RELATIONS

The Company:**Securities Department**

Tel: (86) 536-229 7068

Fax: (86) 536-819 7073

Website: www.weichai.com

Public Relations Consultant:**Hill & Knowlton Asia Ltd**

Tel: (852) 2894 6321

Fax: (852) 2576 1990

Website: www.hillandknowlton.com

投資者及媒體關係

公司:**證券部**

電話: (86) 536-229 7068

傳真: (86) 536-819 7073

網址: www.weichai.com

**公眾關係
顧問:****偉達公眾關係顧問有限公司**

電話: (852) 2894 6321

傳真: (852) 2576 1990

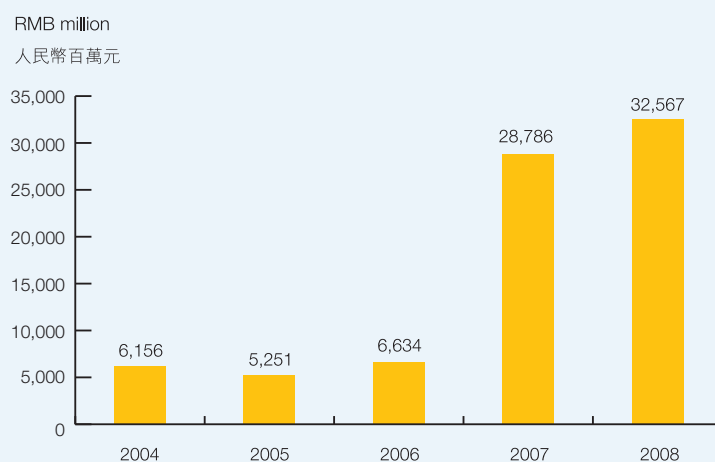
網址: www.hillandknowlton.com

FINANCIAL HIGHLIGHTS

財務摘要

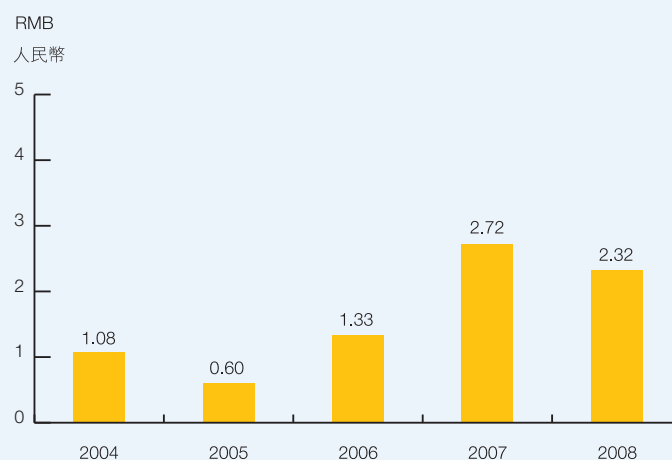
TURNOVER

營業額



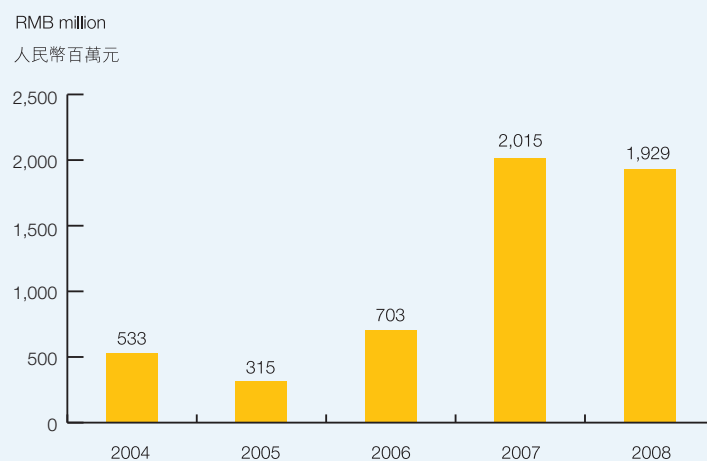
BASIC EARNING PER SHARE

每股基本盈利



NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

本公司權益持有人應佔利潤





Dear Shareholders:

On behalf of the Board, I would like to present the audited annual results of the Company for the year ended 31st December, 2008.

I. REVIEW OF OPERATIONS

2008 was a year of numerous challenges. During the year, China's economic growth has slowed down season on season, particularly in the 2nd-half in which we saw a greater contract in macro-economy, due to the global financial crisis and cyclical adjustment of China's economy. The full year GDP grew by 9.0% year on year, which is the lowest in 5 years. However, investment maintained growth at a fast pace as China's fixed asset investments surge 25.5% year on year, representing an increase of 0.7% over last year. This has brought a bigger development space for the heavy-duty vehicle and construction machinery industries in China.

各位股東：

本人謹此代表董事會呈報本公司截止二零零八年十二月三十一日的全年經審計後的業績。

I. 經營回顧

二零零八年是極其不平凡的一年，受全球金融危機和中國經濟週期性調整的影響，全年中國經濟增長呈逐季放慢的態勢，特別是下半年，宏觀經濟調整幅度顯著加大，全年GDP同比增長9.0%，增幅創近五年來的新低。但同時，投資仍然保持了較快增長，全年全社會固定資產投資同比增長25.5%，比上年同期加快0.7個百分點，這又為中國的重型汽車、工程機械行業提供了較大的發展空間。

In 2008, the development of the heavy-duty truck market varied significantly between the 1st-half and 2nd-half. During the 1st-half, the heavy-duty truck market maintained the record growth experienced in 2007 as sales of heavy-duty trucks reached approximately 380,000 units, accounted for approximately 70% of annual sales. In the 2nd-half, particularly since September, both the consumer confidence and investment confidence have been battered by the global financial crisis and cyclical adjustment of the industry and the market demand decreased sharply. The industry is facing severe challenges from this troubling situation. Fortunately, in line with the continuous improvement of the nationwide road network, the increase in the length and coverage of expressways and the implementation of steps to regulate the heavy-duty sector which included increasing crack down on truck overloading and the implementation of the charge-by-weight policy, the road cargo volume and cargo turnover experienced significant growth which propelled the sector development toward a product structure of high-tonnage and high-efficiency. All these have laid a solid foundation for the growth of the heavy-duty truck industry. Meanwhile, to effectively respond to the financial crisis, the central government immediately adjusted its macro-economic policies and launched another round of policies to boost domestic demand. The fuel tax reform, in particular, brought new development opportunities for the heavy-duty truck market. With the outstanding performance in the 1st-half, the heavy-duty truck market managed to achieve some growth during the reporting period, as sales of heavy-duty trucks reached approximately 540,000 units, representing a year-on-year growth of 10.87%.

During the reporting period, the heavy-duty truck market continued to show an overall growth, while the competition was increasing accordingly. According to the statistics of 中國汽車工業協會 (China Association of Automobile Manufacturers), the Company's major customers such as 陝西重型汽車有限公司 (Shaanxi Heavy-duty Motor Company Limited), 北汽福田汽車股份有限公司 (Beiqi Futian Motor Company Limited), 包頭北方奔馳重型汽車有限責任公司 (Baotou North-Benz Heavy-Duty Truck Co., Ltd.), 安徽華菱重型汽車有限公司 (Anhui Hualing Heavy-Duty Automobile Group Co., Ltd.) and 安徽江淮汽車股份有限公司 (Anhui Jianghuai Automotive Co., Ltd.), etc. all recorded growth, hence driving the growth of the Company's product sales. The Company's aggregate sales of heavy-duty truck engines reached approximately 197,000 units in 2008, representing a year-on-year increase of 30.37%, 19.29% higher than the average of the industry. According to the statistics of 中國汽車工業協會 (China Association of Automobile Manufacturers), the Company's market share in the 14 tonnes (and above) gross weight

二零零八年，中國重卡市場上下半年可謂「冰火兩重天」。上半年，中國重卡市場延續了二零零七年的「井噴」態勢，半年銷售重卡約38萬輛，約佔全年銷量的70%；下半年，特別是9月份以來，受全球金融危機及行業自身週期性調整影響，終端市場消費和投資信心不足，市場需求快速下滑，整個行業的發展面臨非常嚴峻的外部環境。但是，隨著國家公路設施的不斷改善，公路總量持續增長，以及重型汽車市場治理超載和計重收費政策的實施，推動了公路貨運量和貨運周轉量的大幅度增長，促使行業產品結構向重型化、高效率方向發展。這些都為重卡行業的增長奠定了堅實的基礎。同時，為有效應對金融危機，國家及時調整宏觀經濟政策，啟動了新一輪擴大內需的政策，特別是燃油稅制改革，為重卡市場帶來了新的發展機遇。基於重卡市場在上半年的極度繁榮，報告期內中國重型卡車市場仍然實現了一定增長，全行業銷量達到約54萬輛，同比增長10.87%。

於本期間，中國重卡整車市場總體保持增長，但競爭也日益加劇。根據中國汽車工業協會統計資料，公司主要客戶如：陝西重型汽車有限公司、北汽福田汽車股份有限公司、包頭北方奔馳重型汽車有限責任公司、安徽華菱重型汽車有限公司、安徽江淮汽車股份有限公司等都實現了增長，進而拉動了本公司產品銷量的增長。二零零八年，公司共銷售重卡發動機約19.7萬台，同比增長30.37%，較行業增速加快19.29個百分

heavy-duty truck market reached 36.5%, representing an increase of 4.1% over last year. Shaanxi Heavy-duty Motor Company Limited, a subsidiary of the Company, reported an aggregate sales of approximately 64,000 units of heavy-duty trucks, representing an increase of 6.81% over last year. 陝西法士特齒輪有限責任公司 (Shaanxi Fast Gear Co. Ltd.), a subsidiary of the Company, reported an aggregate sales of approximately 465,000 units of gear boxes, representing an increase of 7.98% over last year.

At the same time, the development of the construction machinery market in China also demonstrated a trend of "high-low" due to the increase in material prices in the 1st-half and the intensifying of financial crisis in the 2nd-half. Since China is still undergoing rapid urbanization and industrialization, the implementation of strategies such as the Western China Development strategy, the Rise of Central China strategy, the invigoration of industrial base in the Northeast and development of new villages, and the demand from the reconstruction after the snow disaster and earthquake have driven the growth of China's infrastructural investments in areas such as hydraulic power, nuclear power, oil fields, railways, roads and ports. These in turn have partially offset the negative impact from financial crisis and brought the rapid growth of the construction machinery market. A total of approximately 470,000 units of construction machines were sold in China during the reporting period, representing an increase of 9% over last year, in which sales of wheel loaders with a load capacity of 5 tonnes (and above) amounted to approximately 105,000 units, representing an increase of 8.07% over last year. According to the statistics of 中國工程機械協會 (China Construction Machinery Association), the Company's major customers, such as 中國龍工控股有限公司 (China Infrastructure Machinery Holdings Limited), 廣西柳工機械股份有限公司 (Guangxi Liugong Machinery Co., Ltd.), 山東臨工工程機械有限公司 (Shandong Lingong Construction Machinery Co., Ltd.), 徐州工程機械集團有限公司 (Xuzhou Construction Machinery Group Inc.), 成都成工機械有限公司 (Chengdu Construction Machinery Co., Inc.), 山東山工機械有限公司 (Shandong SEM Machinery Co., Ltd.), all recorded growth over last year, hence driving the growth of the Company's product sales. The Company's sales of engines for construction machinery were approximately 88,000 units in 2008, representing a year-on-year growth of 3.80%. According to the information published on the website of 中國工程機械信息網 (China Construction Machinery Network), the Company had a market share of 81.1% in the market of wheel loaders with a load capacity of 5 tonnes (and above), representing a slight decrease of 1.9% over last year, and maintained its absolutely leading position in the sector.

點。根據中國汽車工業協會數據，公司在總重14噸以上重卡配套市場佔有率達到36.5%，較去年同期增加4.1個百分點。本公司的控股子公司陝西重型汽車有限公司共銷售重型卡車約6.4萬輛，同比增長6.81%。本公司的控股子公司陝西法士特齒輪有限責任公司共銷售重型變速箱約46.5萬台，同比增長7.98%。

同時，二零零八年的中國工程機械市場也受到了上半年原材料價格上漲和下半年金融危機加劇的影響，同樣呈現了前高後低的發展態勢。但是，由於我國目前仍處於城市化與工業化雙加速過程當中，國家西部大開發戰略、中部崛起戰略、東北老工業基地振興以及新農村建設等戰略的逐漸實施，加之受雪災及地震災後重建的需求拉動，中國基礎設施建設投資依然在持續增加，水電、核電、油田、鐵路、公路、港口等建設項目步伐仍在加快，一定程度上抵消了金融危機的不利影響，帶動工程機械市場仍實現了較快增長。報告期內，中國工程機械市場共銷售約47萬台，同比增長約9%，其中大型工程機械5噸裝載機銷售約10.5萬台，同比增長8.07%。根據中國工程機械協會統計數據，公司主要客戶如：中國龍工控股有限公司、廣西柳工機械股份有限公司、山東臨工工程機械有限公司、徐州工程機械集團有限公司、成都成工機械有限公司、山東山工機械有限公司等都較去年同期實現增長，進而拉動了本公司產品銷量的增長。二零零八年，公司共銷售工程機械發動機約8.8萬台，同比增長3.80%。根據中國工程機械信息網數據，公司在載重5噸及以上裝載機的市場佔有率達到81.1%，較去年同期略降1.9個百分點，仍繼續保持行業內絕對領先地位。

In 2008, with our technology innovation, the Company continued to lead the power-transmission development in China. During the reporting period and following the implementation of the China III emission standard, our proprietary electronically-controlled high-pressure low-emission China III emission standard compliant high-power, high-speed "Landking" (藍擎) engines exhibited significant advantages and maintained its leading position in the heavy-duty truck engine market leveraged by its features such as fuel saving, reliable and environmental-friendly. In 2008, there is a new member in our "Landking" family, as the Company successfully completed the research of the China V emission standard compliant high-power, high-speed engine three years ahead of the schedule set by the government, which has laid a solid foundation for the Company to further consolidate its leading position in internal combustion engine sector. Furthermore, WP5/WP7, new products of our proprietary strategic T-engine project, has passed the "two high" tests, namely high plateau test and high altitude and cold areas test, and was presented in our commercial fair. These two mid/low power engines fully comply with China III, China IV and China V emission standards and will be the perfect drive for coach, mid/high-duty truck and construction machinery. The launch of such engines marked a further strengthening of our research and development ability, greater competitive edges of our product portfolio, and even broader prospects for the Company's development.

During the reporting period, the Company continued to place great emphasis on organic growth and innovative management. We have consolidated and improved the four modernized management approaches and the two process management tools adopted in recent years for more extensive application. The four modernized management approaches include comprehensive budget management, Lean Six Sigma management, excellent performance management and the utilization of information technology, while the two process management tools consist of operating warning analysis and leverage management. The implementation of the above measures has further enhanced the Company's corporate management platform. Besides, we engaged domestically and internationally renowned consultant firms to carry out the "Three Inspections" campaign, which mainly focused on reviewing our strategies, operation and management quality. The campaign has enabled the Group to have a clearer development strategy for the future, as well as a healthier operation of logistics, capital flow and information flow. In respect of parent-subsidiary supervision, the Company further strengthened synergies between the parent company and the subsidiaries by improving its governance structure and streamlining its supervising system.

二零零八年，本公司依靠科技創新，繼續引領中國動力技術進步潮流。報告期內，隨著國III排放標準的實施，公司具有自主知識產權的電控高壓共軌國III排放大功率高速藍擎發動機具有省油、可靠、環保的特點，顯示出明顯的優勢，在重卡發動機市場繼續保持領先。二零零八年，濰柴動力「藍擎」系列再添新成員，企業提前國家標準三年研製成功了國V排放標準的大功率高速發動機，為進一步確立本公司在內燃機行業的領導地位奠定了基礎。同時，作為企業自主研發的戰略項目，T發動機項目WP5/WP7新產品順利通過與整車配套高原、高寒「兩高」試驗，並於本公司商務大會期間亮相。這兩款中小功率發動機完全達到了國III、國IV和國V排放標準，是客車、中重卡車、工程機械的理想動力，它們的推出，標誌著本公司研發能力進一步增強，產品組合競爭優勢更加明顯，企業發展前景將更為廣闊。

報告期內，本公司繼續堅持內涵式發展，重視管理創新，對近年來啟動的全面預算管理、精益6西格瑪管理、卓越績效管理和信息化建設等4項現代化管理手段，以及經營預警分析和標杆管理等2項過程管理工具進行整合完善，全面推廣，進一步提升了企業管理平台。聘請國內外知名諮詢公司，對企業進行了以戰略體檢、運營體檢和幹部素質體檢為核心的「三檢」活動，使公司的未來發展戰略更加清晰，物流、資金流、信息流運行得更加健康。在集團母子公司管控方面，繼續完善公司治理結構，理順管控體系，使母子公司的協同效應進一步發揮。

In the year of 2008, the Company was hit by the most severe global financial crisis in almost a century. However, based on the significant development achieved in the last economic growth cycle, the Company managed to maintain a sufficient cash flow by issuing warning in advance, tackling problems in a proactive manner, conducting thorough market research and effectively exploiting internal potential. Meanwhile, the Company also seized the opportunities amid the current crisis by further expanding investment in product research and development, improving our capability of independent innovation, unwaveringly accelerating the progress of our strategic projects such as the Landking Environmental-friendly Power Project, the New Energy Power Project and the 5-to-7-Litre Engine Project. All these have fully prepared the Group for the next economic growth cycle.

The Company sold approximately 296,000 units of different models of diesel engines in the reporting period, representing an increase of 20.76% over 2007. Revenue increased by approximately 13.13% over 2007 to approximately RMB32,567 million. The net profit attributable to shareholders was RMB1,929 million, representing a decrease of 4.27% over 2007. The basic earnings per share decreased by approximately 14.71% over 2007 to approximately RMB2.32.

II. DIVIDEND AND SHARE ISSUING BY CONVERSION OF CAPITAL RESERVE

Putting shareholders' interests and return as its top priority, the Company has been maintaining a relatively stable dividend policy. The Company shall review and develop its dividend policy as an A+H dual-listed company taking account into various relevant factors, including the general practice of dividend distribution by domestic A share companies. Accordingly, the Board proposed to declare a final dividend of RMB0.13 per share for the year ended 31st December, 2008.

In mid-2008, the Company has implemented the resolution of share issuing by conversion of capital reserve proposed in the interim of 2008, pursuant to which it made the distribution at the rate of 6 shares for every 10 shares by conversion of the capital reserve based on the total share capital of 520,653,552 shares of the Company. Upon the issue, the total share capital of the Company was increased to 833,045,683 shares.

二零零八年，面對百年不遇的全球金融危機，本公司基於在上一輪經濟增長週期中的良好發展，提前預警、積極應對，認真做好市場調研，充分挖掘內部潛力，保證了公司有充足的現金流。同時，本公司還充分利用危機提供的機遇，繼續加大產品研發投入，不斷提升自主創新能力，堅定不移地推進藍擎環保動力項目、新能源動力項目、5-7升發動機項目等戰略項目建設，為迎接新一輪的經濟增長週期做好了充分準備。

本公司於本期間內共銷售各種不同類型的柴油發動機約29.6萬台，比二零零七年同期增長20.76%。營業收入約為人民幣32,567百萬元，較二零零七年同期提高約13.13%。股東應佔淨利潤約為人民幣1,929百萬元，較二零零七年降低約4.27%。每股基本盈利約為人民幣2.32元，較二零零七年同期降低約14.71%。

II. 股息及資本金轉增股本

本公司十分重視股東的利益及回報，並一直奉行較為穩定的股息政策。本公司一直以來全面考慮各項相關因素，包括國內A股公司派發股息的一般慣例，檢討並制定作為A+H兩地上市公司的派息政策。故董事會建議派發截至二零零八年十二月三十一日止年度末期股息每股人民幣0.13元。

二零零八年中，公司實施了二零零八年中中期資本公積金轉增股本的方案：以公司總股本520,653,552股為基數，每10股轉增6股，轉增後，公司的總股本變為833,045,683股。

III. ACQUISITION AND CONSOLIDATION

On 28th June, 2008, the Company and 北汽福田汽車股份有限公司 (Beiqi Futian Motor Company Limited ("Beiqi Futian")) entered into an enforceable Strategic Alliance Framework Agreement, pursuant to which the Company (as a strategic investor) would subscribe 20 million new shares issued by Beiqi Futian by private placement, accounting for 2.18% of Beiqi Futian's share capital as enlarged by the private placement. Meanwhile, both parties also agreed to closely collaborate in product match, new product development, service network, technology research, marketing, brand promoting and advertising, so as to complement each other and achieve resources sharing.

During the reporting period, with the view to improve the technology and product structure of the Company and achieve sustainable and stable development, the Company has acquired, with the consent of Weichai Group Holdings Limited ("Weichai Holdings"), the 50% state-owned equity interests of Weichai Peterson Gas Engine Company Limited (濰柴培新氣體機公司) held by Weichai Holdings and introduced Canadian Westport Innovations Inc., a foreign-owned company equipped with core technology of new energy engines to invest and participate in the research and manufacture of new energy gas engines to establish a joint venture called Weichai Power Westport New Energy Engine Co. Ltd., aiming at further extending the industry chain of the Company and establishing ourselves as an international company offering high-power, high-speed and heavy-duty trucks and new vehicle energy.

Despite the on-going global financial crisis, the Company actively consolidated its domestic and overseas resources and successfully acquired Moteurs Baudouin, a France-based engine manufacturer, through its subsidiary, Weichai Power (Hong Kong) International Development Limited, at a consideration of 2.99 million Euro. This acquisition not only marked the first step of the Company's overseas merger and acquisition, but also provided the Company with the products and technology of 16-litre high-power diesel engines, laying a solid foundation for the Company to enhance its product portfolio and strengthen its core competitiveness.

III. 收購與整合

二零零八年六月二十八日，本公司與北汽福田汽車股份有限公司（以下簡稱「北汽福田」）簽署了具有法律效力的《戰略合作框架協議書》。根據上述協議的規定，本公司作為戰略投資者，參與並認購北汽福田定向增發的股份2,000萬股，佔北汽福田增發後股份的2.18%，同時雙方承諾將在產品配套、新產品開發、服務網絡、技術研發、市場推廣、品牌傳播及推廣等方面緊密合作，實現雙方資源的互補和共享。

報告期內，為提升公司的技術和產品結構，實現公司持續、穩定發展，經濰柴控股集團有限公司（以下簡稱「濰柴控股」）同意，本公司已受讓濰柴控股持有的濰柴培新氣體機公司50%的國有股權，並同時引入了擁有新能源發動機核心技術的外資公司加拿大西港創新公司投資參與新能源氣體發動機的研發和製造，合資成立了濰柴動力西港新能源發動機有限公司，以進一步拉長本公司的產業鏈，打造全球大功率高速重卡及車用新能源企業。

在本輪全球金融危機中，本公司積極整合國內外資源，通過下屬公司濰柴動力（香港）國際發展有限公司以299萬歐元成功收購了法國博杜安發動機公司，不僅邁出了公司跨國併購的第一步，同時擁有了16升大馬力柴油機產品和技術，為打造企業的產品組合優勢，增強企業核心競爭力創造了條件。

IV. OUTLOOK AND PROSPECTS

Looking ahead, 2009 will be a year full of both challenges and opportunities. On the one hand, China's real economy will not only experience its own cyclical adjustments, but also the ongoing impact of the global financial crisis. Enterprises will encounter severe challenges in external environment due to the decline of domestic demand, export and investor sentiment. On the other hand, there is still high growth potential in China's economy. Domestic demand still has a big room for growth due to the great imbalance in the development between urban and rural areas as well as different regions. Meanwhile, the government has already set out the principal tasks for the economy in 2009, which are "to boost domestic demand, to sustain economic growth, to adjust the structure of the economy and to give top priority to ensure people's well-being". While a proactive fiscal policy and moderately loose monetary policy will be in place throughout the year, the goal for 8% economic growth in 2009 still rests in the fastest growing economy in the world.

The Company is cautiously optimistic about the development of the related industries. In the heavy-duty truck market, 2009 will see a further decline in the demand for heavy-duty trucks due to the implementation of the China III Emission Standard and the financial crisis. But with the implementation of the fuel tax reform, there will be a sharp decrease in the costs of vehicle maintenance despite the relative increase in mileage fee. As a result, the logistics and transport markets will continue to prosper and transport vehicles will keep on developing in the heavy-duty direction. Meanwhile, the State Council and the government in Shandong province have launched their automobile industry restructuring and revitalization plans. As a priority area in the plan, heavy-duty vehicles will certainly play a positive role in promoting the steady and sustainable development of the heavy-duty sector. On another front, the construction machinery market will gain some impetus from the central government's 4-trillion fixed assets investment plan. While projects in highways, railways and other infrastructure will be initiated one after another, programs for modern logistics, energy saving and emission reduction as well as people's well-being will also be in place. According to the law of the industry's development, the construction machinery market will secure a positive growth in 2009.

IV. 公司前景與展望

展望二零零九年，機遇與挑戰並存。一方面，中國實體經濟不僅面臨自身的週期性調整，而且仍將受到全球金融危機的衝擊，內需減少、出口下降、投資信心不足，企業發展面臨著嚴峻的外部環境。另一方面中國經濟增長仍具備較大潛力，我國城鄉之間、區域之間發展還很不均衡，國內需求還存在廣闊的開發空間。而且，我國政府已明確把「保增長，擴內需，調結構，重民生」作為二零零九年經濟工作的主要任務，積極的財政政策和適度寬鬆的貨幣政策將貫穿全年始終，二零零九年已經確定的中國宏觀經濟8%的增長目標，仍屬於全世界增長最快的經濟體。

對於與公司相關的行業發展態勢，本公司持謹慎樂觀的態度。重卡市場，受國III政策執行因素和金融危機的影響，二零零九年，重卡的需求量將會進一步降低，但由於燃油稅制改革推行，在養車費用大幅下降和里程費用比例相對增加的情況下，必將有力推動物流運輸市場的繁榮和運輸車輛繼續向重型化發展；國務院、山東省汽車產業調整振興規劃的出台，將重型汽車列入重點發展項目，對保持重卡行業的平穩持續發展，必將起到積極的推動作用。工程機械市場，中央政府4萬億固定資產投資的逐步實施，必將產生一定的拉動效應，伴隨著我國公路、鐵路及其他基礎建設項目的陸續開工，以及現代物流業和節能減排、民生工程的實施到位，按照工程機械行業的發展規律，二零零九年國內工程機械市場依然樂觀。

Given the implementation of the China III Emission Standard, we anticipate that there will be fierce competition in China's engine market in the coming years. Leveraging on our advanced technology and loyal customer base, we have consolidated our leading position in the high-power engine market and the directors have full confidence in the prospect of the Company. Meanwhile, the Company will continue to explore emerging markets including coaches, non-loaders construction machinery and medium to heavy-duty trucks with its newly developed 5-to-7-litre engines. With the core of Landking engines, the Company will unswervingly build up its strengths in market diversification to form a coordinated market layout.

The Company will spare no effort in the marketing of its China III compliant high-power high-speed engines. We will utilize our unique resources and technical edge to meet the requirements in the areas of environmental protection, energy conservation and the high-efficiency requirement of heavy-duty trucks. We shall continue to lead and foster the rapid development of the high-power high-speed diesel engines industry in China.

At the same time, under the principle of "unifying strategy, independent operation, resources sharing", we will accelerate the segmental development of commercial vehicles, power chain and automobile components. We shall further integrate the Company's resources, fully utilize synergies and improve our capability against risks, building the Company as a global leading transport and construction equipment supplier with power chain as the core.

V. APPRECIATION

Last but not least, I would like to take this opportunity to express my sincere appreciation to all our shareholders, the general public and our customers for their care and support, as well as all our staff for their hard work and dedication in last year.

Tan Xuguang

Chairman and Chief Executive Officer

Hong Kong, 27th April, 2009

依據公司的判斷，隨著國III排放標準的實施，中國發動機市場在未來幾年內競爭將更加激烈，但本公司憑藉領先的技術實力和穩固忠誠的客戶群體，在大功率發動機市場將繼續保持領先。董事對本公司的未來發展前景充滿信心。同時，本公司還將以藍擎動力為核心，依託新開發的5-7升發動機不斷開拓客車、非裝載機工程機械、中重卡等新興市場，堅定不移地打造市場多元化優勢，形成縱橫協調的市場佈局。

本公司將全力做好國III大功率高速發動機的市場推廣，發揮出公司獨特的資源和技術優勢，以適應中國重型卡車環保、節能、高效發展的要求，繼續引領中國大功率高速柴油機行業發展進步。

同時，按照「戰略統一、獨立運營、資源共享」的原則，加快本公司商用車板塊、動力總成板塊、汽車零部件板塊的發展，進一步整合公司優勢資源，最大限度地發揮公司資源的協同效應，增強公司的抗風浪能力，把公司打造成為全球領先的以動力總成為核心的運輸及工程設備提供商。

V. 致謝

最後，我謹借此機會，向關心和支持本公司的所有股東及社會各界人士、廣大客戶，向過去一年來勤勉工作的全體員工，表示衷心的感謝！

董事長兼首席執行官

譚旭光

香港，二零零九年四月二十七日

The directors are pleased to provide a management discussion and analysis of the results of operations of the Group for the year ended 31st December, 2008, as follow:

I. INDUSTRY ANALYSIS

The Company is one of the largest manufacturers of high-power, high-speed diesel engines in the PRC and a leading company in the power chain market. It is equipped with the most comprehensive supply chain of engines, gear boxes and axles.

1. Heavy-duty Vehicle Industry

During the year, the sales of the heavy-duty truck in the PRC remained robust. According to the statistics of 中國汽車工業協會 (China Association of Automobile Manufacturers), the domestic sales of heavy-duty trucks amounted to approximately 540,000 units, representing a year-on-year growth of approximately 10.87%. This is mainly attributed to:

First, during the year, the country's macro-economy continued to have a strong growth momentum. According to the National Bureau of Statistics of China, GDP recorded a year-on-year increase of 9.0% while fixed asset investment recorded a year-on-year increase of 25.5%. The heavy-duty truck industry benefited from the favourable macro-economic environment.

Second, during the year, due to the implementation of Euro III starting from 1st July, 2008, the high-power, high-speed and heavy-duty vehicle industry has become the market focus which led to a strong demand for heavy-duty vehicles. All these have laid a solid foundation for the heavy-duty vehicle industry.

Third, the State prioritized its support towards the development of rural areas, environmental protection, development of the Western region, and the growth of the industries based in the Northeast. This, coupled with the full opening of the domestic financial sector and the rapid growth of export, generated a pulling effect on the demand side of the heavy-duty vehicle market during the year.

董事欣然提呈本集團截至二零零八年十二月三十一日止年度經營業績之管理層討論與分析，詳情如下：

I. 行業分析

本公司為國內大功率高速柴油發動機的最大製造商之一，是動力總成市場的領先公司，具有最完善的發動機、變速箱及車橋供應鏈。

1. 重型汽車行業

於本年度內，中國的重卡市場銷量持續走高。根據中國汽車工業協會數據，國內重型汽車共銷售約54萬輛，同比增長約10.87%。其主要原因為：

一：於本年度內，國家宏觀經濟仍保持上升勢頭。據國家統計局公佈的數據，我國GDP同比增長9.0%，固定資產投資同比增長25.5%。宏觀經濟環境向好為重卡市場帶來支持。

二：於本年度內，由於國家自二零零八年七月一日起實施歐三排放標準，使得大功率、高速度及重型汽車行業成為市場的焦點，從而帶動重型汽車的需求大幅上升。該等因素為重型汽車行業打下了堅實的基礎。

三：國家優先支持農村地區的發展、環境保護和西部大開發，以及東北地區的工業發展。該等因素連同本年度內國內金融業全面對外開放以及出口行業的快速增長均對重型汽車市場的需求起到拉動作用。

Forth, the continuous improvement of the nationwide road network, the increase in the length and coverage of expressways and the implementation of steps to regulate the heavy-duty sector which included increasing crack down on truck overloading and the implementation of the charge-by-weight policy, have laid a solid foundation for the growth of the heavy-duty truck industry. Meanwhile, to effectively respond to the financial crisis, central government immediately adjusted its macro-economic policies and launched another round of policies to boost domestic demand. The fuel tax reform, in particular, brought new development opportunities for the heavy-duty truck market.

2. Construction Machinery Industry

During the year, according to the statistics of 中國工程機械工業協會 (China Construction Machinery Association), a total of approximately 470,000 units of construction machines were sold in China, representing an increase of approximately 9% over last year, in which sales of wheel loader with a load capacity of 5 tonnes (and above) amounted to approximately 105,000 units, representing an increase of approximately 8.07% over last year. The construction machinery industry continued to grow at a healthy and fast pace. This is mainly attributed to:

The construction machinery industry has entered a medium to long-term rapid growth period. The PRC economy is entering the developing stage of heavy industrialization. According to the experience of some developed countries, heavy industrialization results in long-term prosperity in the construction machinery industry. While the PRC's huge infrastructure construction is still under development, the investment in the urbanization of rural areas, construction of new villages, railways, road infrastructure and public infrastructure will foster a continuous growth of domestic demand, and the modest macro control and the soaring export growth will offset the cyclical fluctuation, the construction machinery industry will maintain its rapid growth.

四：隨著國家公路設施的不斷改善，公路總量持續增長，以及重型汽車市場治理超載和計重收費政策的實施，這些都為重卡行業的增長奠定了堅實的基礎，同時，為有效應對金融危機，國家及時調整宏觀經濟政策，啟動了新一輪擴大內需的政策，特別是燃油稅制改革，為重卡市場帶來了新的發展機遇。

2. 工程機械行業

於本年度內，根據工程機械工業協會數據，中國工程機械市場共銷售約47萬台，同比增長約9%；其中載重量5噸(及以上)的輪式裝載機銷售約10.5萬台，同比增長約8.07%。工程機械行業繼續保持穩健快速增長。其主要原因為：

宏觀而言，工程機械行業已進入中長期快速發展階段。中國經濟正步入重工業化發展期，發達國家經驗表明，重工業化將會為工程機械行業帶來長期繁榮。而我國龐大的基礎設施建設尚有待發展，農村地區城鎮化、新農村建設、鐵路、公路基礎設施、公共基礎設施建設投資將帶動內需持續增長，溫和的宏觀調控和強勁的出口增長將使工程機械行業的週期性波動減弱，工程機械將保持持續快速增長。

In 2008, the construction machinery market in China also hit by the intensifying of financial crisis. However, China's infrastructural investments continued to grow, and the development in areas such as hydraulic power, nuclear power, oil fields, railways, roads and ports kept accelerated. All of these together with the demand from the reconstruction after the snow disaster and earthquake have partially offset the negative impact from financial crisis and brought the rapid growth of the construction machinery market.

二零零八年的中國工程機械市場也受到了金融危機加劇的影響，但是中國基礎設施建設投資依然在持續增加，水電、核電、油田、鐵路、公路、港口等建設項目步伐仍在加快，加之受雪災及地震災後重建的需求拉動，一定程度上消除了金融危機的不利影響，帶動工程機械市場仍實現了較快增長。

II. THE GROUP'S BUSINESS

An analysis of the Group's business segments is set out in note 4 to the financial statements. The following are the highlights of the operations of major products lines of the Group.

1. Sales of Diesel Engines

For use in Heavy-duty Trucks

The Group is the largest supplier of diesel engines to major manufacturers of heavy-duty trucks with a load capacity of 15 tonnes (and above) in the PRC. The key customers included: 陝西重型汽車有限公司(「陝西重汽」)(Shaanxi Heavy-duty Motor Company Limited), 北汽福田汽車股份有限公司(「北汽福田」)(Beiqi Futian Motor Company Limited), 包頭北方奔馳重型汽車有限責任公司(「陝西重汽」)(Baotou North-Benz Heavy-Duty Truck Co., Ltd.), 安徽華菱重型汽車有限公司(Anhui Hualing Heavy-Duty Automobile Group Co., Ltd.) and 安徽江淮汽車股份有限公司(Anhui Jianghuai Automotive Co., Ltd.), etc. Due to the reasons mentioned above in the "Industry Analysis", these customers expanded their market share rapidly in the PRC during the year. During the year, the Group sold approximately 296,000 units of diesel engines in total, compared to approximately 245,000 units in 2007, representing an increase of approximately 20.76%. Of the diesel engines sold during the year, approximately 197,000 units (2007: 151,000 units) were truck engines, representing an increase of approximately 30.37% compared to 2007.

II. 本集團之業務

本集團業務分部之分析載於財務報表附註4。本集團主要產品之經營狀況概述如下：

1. 銷售柴油機

用於重型卡車

本集團是中國載重量15噸(及以上)重型卡車主要製造商的最大柴油機供應商。其主要客戶包括：陝西重型汽車有限公司(「陝西重汽」)、北汽福田汽車股份有限公司(「北汽福田」)、包頭北方奔馳重型汽車有限責任公司、安徽華菱重型汽車有限公司及安徽江淮汽車股份有限公司等。受惠於上述「行業分析」內提及的原因，該等客戶於本年度內迅速擴大其於中國的市場份額。於本年度內，本集團售出柴油機合共約29.6萬台，較二零零七年同期約24.5萬台增長約20.76%。在本年度所售出的柴油機中，卡車用柴油機約為19.7萬台(二零零七年：15.1萬台)，較二零零七年同期增長約30.37%。

For use in Construction Machinery

The Group is also the largest supplier of diesel engines to major manufacturers of construction machinery (mainly wheel loaders) with a load capacity of 5 tonnes (and above) in the PRC. The key customers of the Group are: 廣西柳工機械股份有限公司 (Guangxi Liugong Machinery Co., Ltd.), 中國龍工控股有限公司 (China Infrastructure Machinery Holdings Limited), 山東臨工工程機械有限公司 (Shandong Lingong Construction Machinery Co., Ltd.), 徐州工程機械集團有限公司 (Xuzhou Construction Machinery Group Inc.), 成都成工機械有限公司 (Chengdu Construction Machinery Co., Inc.), 山東山工機械有限公司 (Shandong SEM Machinery Co., Ltd.), etc. During the year, the Group sold approximately 88,000 units (2007: 85,000 units) of construction machinery engines, representing an increase of approximately 3.80% compared to that in 2007.

2. Sale of Heavy-duty Trucks

During the year, the Group sold approximately 64,000 units of heavy-duty trucks, compared to approximately 60,000 units in 2007, representing an increase of approximately 6.81%. Prior to intra-group elimination, the Truck Business contributed revenues RMB14,579 million to the Group during the year.

3. Sale of Heavy-duty Gear Box

During the year, the Group sold approximately 465,000 units of heavy-duty gear boxes, compared to approximately 430,000 units in 2007, representing an increase of approximately 7.98%. Prior to intra-group elimination, the Gear Boxes Business contributed revenues approximately RMB4,889 million to the Group during the year.

用於工程機械

本集團亦是中國載重量5噸(及以上)工程機械(主要為輪式裝載機)的主要製造商之最大柴油機供應商。本集團的主要客戶包括廣西柳工機械股份有限公司、中國龍工控股有限公司、山東臨工工程機械有限公司、徐州工程機械集團有限公司、成都成工機械有限公司、山東山工機械有限公司等。於本年度內，本集團售出工程機械柴油機約為8.8萬台(二零零七年：8.5萬台)，較二零零七年同期增長約3.80%。

2. 銷售重型卡車

於本年度內，本集團售出重型卡車約6.4萬輛，與二零零七年同期售出的約6萬輛重型卡車相比增長約6.81%。於對銷集團間公司銷售前，卡車業務於本年度內為本集團貢獻銷售收入約人民幣14,579百萬元。

3. 銷售重型變速箱

於本年度內，本集團售出重型變速箱約46.5萬台，與二零零七年同期售出的約43萬台重型變速箱相比增長約為7.98%。於對銷集團間公司銷售前，變速箱業務於本年度內為本集團貢獻銷售收入約人民幣4,889百萬元。

4. Sale of Engine and Heavy-duty Truck Parts

Apart from the production and sale of diesel engines for trucks and construction machinery, heavy-duty trucks and heavy-duty gear boxes, the Group also engaged in the production and sales of engine parts and other truck parts such as: spark plugs, axles, chassis, air-conditioner compressors etc. During the year, the Group recorded an approximately 19.06% increase in sales of engine parts and truck parts to approximately RMB1,515 million. The surge was mainly attributable to the increase in accumulated sales volume of diesel engines in the previous years.

4. 銷售發動機及重型卡車零部件

除了生產及銷售卡車及工程機械之柴油機、重型卡車及重型變速箱外，本集團生產及銷售火花塞、車轆、底盤、空調壓縮機等發動機零部件及其他卡車零部件。於本年度內，本集團之發動機零部件及卡車零部件銷售上升約19.06%至約人民幣1,515百萬元。銷售額上升主要是由於過往年度的累計柴油機銷售量上升所致。

III. FINANCIAL REVIEW

1. The Group's Results of Operations

a. Turnover

The Group's turnover increased from approximately RMB28,786 million in 2007 to approximately RMB32,567 million in 2008, an increase of approximately 13.13%. The increase in turnover was mainly attributable to the rising demand for heavy-duty trucks and diesel engines for use in heavy-duty trucks. During the year, the Group sold approximately 197,000 units of diesel engines for use in heavy-duty trucks in total, compared to approximately 151,000 units in 2007, representing an increase of approximately 30.37%. During the Period, the Group reported an aggregate sales of 64,000 units of heavy-duty trucks, compared to approximately 60,000 units in 2007, representing an increase of approximately 6.81%. The unit average selling price of the diesel engines and heavy-duty trucks remained relatively stable.

b. Gross Profit and Gross Profit Margin

During the year, the Group's gross profit decreased by approximately 7.78% from approximately RMB6,136 million in 2007 to approximately RMB5,659 million in 2008. Gross profit margin decreased from approximately 21.31% in 2007 to approximately 17.38% in 2008, which was mainly due to the increasing price of raw material.

III. 財務回顧

1. 本集團之經營業績

a. 營業額

本集團的營業額由二零零七年同期的約人民幣28,786百萬元增至本年度的約人民幣32,567百萬元，增幅約為13.13%。營業額增加乃主要由於重型卡車及其重型卡車用柴油機的需求增加所致。於本年度內，本集團合共售出約19.7萬台重型卡車用柴油機，相比二零零七年同期售出的約15.1萬台，升幅約為30.37%。本期內，本集團共售出約6.4萬輛重型卡車，相比去年同期售出的約6萬輛重型卡車增長6.81%；而柴油機及重型卡車的平均單位售價則相對保持平穩。

b. 毛利潤及毛利潤率

於本年度內，本集團毛利潤由二零零七年同期的約人民幣6,136百萬元降至本年度的約人民幣5,659百萬元，降幅約為7.78%。毛利潤率則由二零零七年同期的約21.31%減少至本年度的約17.38%，主要由於原材料成本上漲所致。

c. Other Income

Other income increased by approximately 89.62% to approximately RMB219 million in 2008 from approximately RMB115 million in 2007. The increase was mainly due to increases in interest income and government subsidies on VAT refund.

d. Selling and Distribution Costs

Distribution costs increased by 0.80% to approximately RMB959 million in 2008 from approximately RMB951 million in 2007. As a percentage of turnover, distribution costs decreased from approximately 3.30% in 2007 to approximately 2.94% in 2008, which was mainly due to the improvement of cost efficiency as a result from the significant increase in the Company's scale of operations.

e. Administrative Expenses

Administrative expenses of the Group decreased by approximately 5.61% from approximately RMB1,184 million in 2007 to approximately RMB1,117 million in 2008. The decrease in administrative expenses was mainly due to the strict control on the administrative expenses imposed by the Company. As a percentage of turnover, the administrative expenses decreased from approximately 4.11% in 2007 to approximately 3.43% in 2008, which was mainly due to the decrease of the administrative expenses and the significant increase in the Company's scale of operations.

c. 其他收入

其他收入由二零零七年同期的約人民幣115百萬元增至本年度的約人民幣219百萬元，增幅約為89.62%。該增長主要是由於銀行利息收入增加、增值稅退稅之政府補貼所致。

d. 銷售及分銷成本

分銷成本由二零零七年同期的約人民幣951百萬元，升至本年度的約人民幣959百萬元，升幅約為0.80%。分銷成本佔營業額的百分比由二零零七年同期的約3.30%減至本年度的約2.94%，主要是由於本公司於經營規模大幅提高的情況下提高成本效率所致。

e. 行政開支

本集團的行政開支由二零零七年同期的約人民幣1,184百萬元下降至本年度的約人民幣1,117百萬元，降幅約為5.61%。行政開支的下降主要由於本公司有效控制行政開支所致。行政開支佔營業額的百分比由二零零七年同期的約4.11%減少至本年度的3.43%，主要由於本公司行政開支下降及經營規模大幅提高所致。

f. Operating Profit before Finance Costs

During the year, the Group's operating profit decreased by approximately 13.83% to approximately RMB3,039 million in 2008 from approximately RMB3,526 million in 2007. The Group's operating margin decreased from approximately 12.25% in 2007 to approximately 9.33% in 2008, which was mainly due to the lower gross profit margin.

g. Finance Costs

Finance costs increased by approximately 17.66% to approximately RMB298 million in 2008 from approximately RMB253 million in 2007. This increase was mainly due to the increase in borrowings and interest rate.

h. Income Taxes

The Group's income tax expenses decreased by approximately 31.40% to approximately RMB329 million in 2008 from approximately RMB480 million in 2007. During the period, the Group's average effective tax rate decreased from approximately 14.7% in 2007 to approximately 12.0% in 2008.

i. Net Profit and Net Profit Margin

The Group's net profit for the year decreased from approximately RMB2,794 million in 2007 to approximately RMB2,412 million in 2008, whilst the net profit margin also decreased from approximately 9.70% in 2007 to approximately 7.41% in 2008.

f. 經營利潤(未扣除財務費用)

於本年度內，本集團的經營利潤由二零零七年同期的約人民幣3,526百萬元降至本年度的約人民幣3,039百萬元，降幅約為13.83%。本集團的經營利潤率亦由二零零七年同期的約12.25%降至本年度的約9.33%，主要是受毛利率下降所影響。

g. 財務費用

財務費用由二零零七年同期的約人民幣253百萬元增至本年度的約人民幣298百萬元，增幅約為17.66%。增加主要由於借貸金額增加及利率增加所致。

h. 所得稅

本集團的所得稅支出由二零零七年同期的約人民幣480百萬元降至本期的約人民幣329百萬元，降幅約為31.40%，於本期內，本集團的平均實際稅率由二零零七年同期的約14.7%下降至本期的約12.0%。

i. 淨利潤及淨利潤率

本集團的本年內淨利潤由二零零七年同期的約人民幣2,794百萬元降至本年度的約人民幣2,412百萬元；而淨利潤率也由二零零七年同期的約9.70%降至本年度的約7.41%。

j. Issuing Shares by Conversion of Capital Reserve

On 20th August, 2008, the Board of the Company passed a resolution, pursuant to which the Company made the distribution to all shareholders at the rate of 6 shares for every 10 shares by conversion of capital reserve based on the total share capital of 520,653,552 shares of the Company as at 30th June, 2008, being the date of record. Upon the share issuing, the total share capital of the Company increased by 312,392,131 shares to 833,045,683 shares.

k. Liquidity and Cash Flow

During the year, the Group generated RMB4,444 million in operating cash flows, part of which were applied in expanding the Group's operations by acquisition of property, plant and equipment; and in reducing its borrowings. As at 31st December, 2008, the Group had a net debt (interest-bearing debts net of cash and cash equivalents) of RMB573 million (as at 31st December, 2007: RMB894.5 million). Based on the net debt calculation above, the debt to equity ratio is 5.06% (as at 31st December, 2007: 9.5%).

2. Financial Position

a. Assets and Liabilities

As at 31st December, 2008, the Group had total assets of approximately RMB29,950 million, of which approximately RMB20,185 million were current. As at 31st December, 2008, the Group had cash and cash equivalents of approximately RMB3,352 million (as at 31st December, 2007: RMB1,820 million). On the same date, the Group's total liabilities amounted to approximately RMB18,623 million, of which approximately RMB17,799 million were current. The current ratio was approximately 1.13x (as at 31st December, 2007: 1.10x).

j. 資本公積金轉增股本

本公司董事會於二零零八年八月二十日通過決議：公司以二零零八年六月三十日為基準日的總股本520,653,552股為基數，以資本公積金向全體股東每10股轉增6股。上述方案實施後公司總股本增加312,392,131股至833,045,683股。

k. 流動資金及現金流

於本年度內，本集團產生經營現金流人民幣4,444百萬元，其中部分已用於購買物業、機器及設備以擴展本集團之業務和減少借貸。於二零零八年十二月三十一日，本集團之債務淨額（計息債務扣除現金及現金等價物）為人民幣573百萬元（於二零零七年十二月三十一日：人民幣894.5百萬元），按上述債務淨額計算，資本負債比率約為5.06%（於二零零七年十二月三十一日：9.5%）。

2. 財務狀況

a. 資產及負債

於二零零八年十二月三十一日，本集團資產總額約為人民幣29,950百萬元，其中流動資產為人民幣約20,185百萬元。於二零零八年十二月三十一日，本集團擁有約3,352百萬元的現金及現金等價物（於二零零七年十二月三十一日：人民幣1,820百萬元）。同日，本集團負債總額為人民幣約18,623百萬元，其中流動負債為人民幣約17,799百萬元。流動比率約為1.13倍（於二零零七年十二月三十一日：1.10倍）。

b. Capital Structure

At 31st December, 2008, the Group had total equity of approximately RMB11,326 million, of which approximately RMB7,998 million was attributable to equity holders of the Company, the balance being minority interests. The Group currently does not rely heavily on borrowings. The borrowings of the Group as at 31st December, 2008 amounted to approximately RMB3,786 million, which included debenture of RMB1,700 million and bank borrowings of RMB2,086 million. As a policy, the Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debts and equity balance. The Group's overall strategy remains unchanged from prior years.

c. Pledge of Assets

As at 31st December, 2008, bank deposits and trade and bills receivables of approximately RMB2,851 million (as at 31st December, 2007: RMB1,418 million) were pledged to banks to secure bank loans, bills payables and bills receivables issued by the Group. The pledged bank deposits carry prevailing bank interest rates. The pledge will be released upon the settlement of the relevant bank borrowings and bills payable. The fair value of the bank deposits at the balance sheet dates approximates the carrying amount.

Certain other assets were also pledged by the Group to secure the Group's borrowings. Details are set out in note 39 to the financial statements.

b. 資本結構

於二零零八年十二月三十一日，本集團總權益約為人民幣11,326百萬元，其中約人民幣7,998百萬元為本公司權益持有人應佔權益，剩餘權益為少數股東權益。本集團目前並無過分依賴借貸，本集團於二零零八年十二月三十一日的借貸金額約為人民幣3,786百萬元，其中包括人民幣1,700百萬元的債券及約人民幣2,086百萬元的銀行借貸。本集團的政策為管理其資本以確保本集團實體能夠持續經營，同時透過優化負債及權益比例為股東提供最大回報。本集團整體策略與過往年度維持不變。

c. 資產抵押

於二零零八年十二月三十一日，本集團將約人民幣2,851百萬元（於二零零七年十二月三十一日：人民幣1,418百萬元）的銀行存款及應收貿易賬款及票據質押予銀行，作為本集團之銀行貸款及所獲銀行發出應付票據及應收票據的抵押品。已抵押銀行存款按現行銀行利率計息。該項抵押將於相關銀行借款及應付票據償還時予以解除。於結算日，銀行存款的公平值與其賬面值相若。

本集團亦已抵押若干其他資產，作為本集團借款之擔保。詳情載於財務報表附註39。

d. Contingent Liabilities

As at 31st December, 2008, the Group had approximately RMB1,754 million (as at 31st December, 2007: RMB2,297 million) guarantees given to banks in connection with facilities granted to and utilised by third parties.

e. Capital Commitments

As at 31st December, 2008, the Group had approximately RMB1,168 million capital commitments contracted (as at 31st December, 2007: RMB845 million), principally for the capital expenditure in respect of acquisition of property, plant and equipment.

3. Financial Risk and Exposure

A detailed analysis of the Group's exposure to various risks including the interest rate risk, foreign currency risk, credit risk... etc. are set out in note 44 to the financial statements.

d. 或然負債

於二零零八年十二月三十一日，本集團就第三方獲授及動用之融資向銀行提供擔保約人民幣1,754百萬元（於二零零七年十二月三十一日：人民幣2,297百萬元）。

e. 資本承擔

於二零零八年十二月三十一日，本集團擁有的已訂約資本承擔約人民幣1,168百萬元（於二零零七年十二月三十一日：人民幣845百萬元），主要是收購物業、機器及設備的資本開支。

3. 財務風險

本集團承擔的各種風險（包括利率風險、外匯風險、信貸風險等）的詳細分析載於財務報表附註44。

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理人員

(1) DIRECTORS

Mr. Tan Xuguang, Chinese, aged 47, is the Chairman, Executive Director and the Chief Executive Officer of the Company, Chairman of Weichai Group Holdings Limited and Chairman of Shandong Juli Co., Ltd.. Mr. Tan joined Weifang Diesel Engine Factory in 1977 and had held various positions including the chairman and general manager of Shandong Weichai Imp. & Exp. Corp., general manager of Weifang Diesel Engine Factory, chairman of Torch Automobile Group Co., Ltd. Mr. Tan is a senior economist and holds a doctor's degree in engineering. Mr. Tan was appointed as a Representative of the Tenth and Eleventh National People's Congress of the PRC and was honored "National Labor Model", and "第四屆袁寶華企業管理金獎" (the Gold Award of the 4th Yuan Baohua Enterprise Management). He has extensive experience in machinery production management, international trade, marketing, capital operation management and corporate development and strategic management. His term of appointment as a director was expired on 17th December, 2008.

Mr. Xu Xinyu, Chinese, aged 45, is Executive Director and Executive President of the Company. Mr. Xu joined Weifang Diesel Engine Factory in 1986 and had held the positions of deputy general manager of Shandong Weichai Imp. & Exp. Corp., deputy general manager and executive deputy general manager of Weifang Diesel Engine Factory, director of Torch Automobile Group Co., Ltd. and chairman of Weichai Power (Weifang) Investment Co., Ltd. Mr. Xu is a senior economist and holds a bachelor's degree in science and a MBA degree. He has been responsible for corporate restructure, merges and acquisition, and human resources management in the Company, and has extensive experience in corporate operation. His term of appointment as a director was expired on 17th December, 2008.

Mr. Sun Shaojun, Chinese, aged 43, is Executive Director and Executive President of the Company. Mr. Sun joined Weifang Diesel Engine Factory in 1988 and had held the positions of supervisor of the engineering department, and the chief engineer of Weifang Diesel Engine Factory, and director of Torch Automobile Group Co., Ltd. Mr. Sun is a senior engineer and holds a doctor degree in engineering. He was appointed as "山東省人民政府泰山學者特聘專家" (Taishan Mountain scholar specialist appointed by Shandong People's Government). He has been responsible for diesel engine research and development in the Company, and has extensive experience in corporate technology management. His term of appointment as a director was expired on 17th December, 2008.

(1) 董事

譚旭光先生，中國籍，47歲，本公司董事長、執行董事兼首席執行官、濰柴控股集團有限公司董事長，山東巨力股份有限公司董事長；1977年加入濰坊柴油機廠，歷任山東濰柴進出口有限公司董事長兼總經理，濰坊柴油機廠廠長、湘火炬汽車集團股份有限公司董事長等職；高級經濟師，工學博士，第十屆、十一屆全國人大代表，全國勞動模範，第四屆袁寶華企業管理金獎獲得者；具有豐富的機械製造管理、國際貿易、市場營銷、資本運營管理經驗和企業發展與戰略管理經驗。董事任期至2008年12月17日。

徐新玉先生，中國籍，45歲，本公司執行董事及執行總裁；1986年加入濰坊柴油機廠，歷任山東濰柴進出口有限公司副總經理、濰坊柴油機廠副廠長、常務副廠長、湘火炬汽車集團股份有限公司董事、濰柴動力(濰坊)投資有限公司董事長等職；高級經濟師，理學學士，MBA碩士學位，在本公司長期從事企業重組併購、人力資源管理等管理工作，具有豐富的企業運營經驗。董事任期至2008年12月17日。

孫少軍先生，中國籍，43歲，本公司執行董事及執行總裁；1988年加入濰坊柴油機廠，歷任濰坊柴油機廠技術中心主任，濰坊柴油機廠總工程師、湘火炬汽車集團股份有限公司董事；高級工程師，工學博士，山東省人民政府泰山學者特聘專家；在本公司長期從事柴油機研發工作，具有豐富的企業技術管理經驗。董事任期至2008年12月17日。

Mr. Zhang Quan, Chinese, aged 45, is Executive Director and Executive President of the Company. Mr. Zhang joined Weifang Diesel Engine Factory in 1986 and had held the positions of directors of the quality control department and the marketing department, of Weifang Diesel Engine Factory. Mr. Zhang is a senior economist and holds a bachelor's degree in engineering and a MBA degree. He has been responsible for marketing in the Company, and has extensive experience in corporate marketing management. His term of appointment as a director was expired on 17th December, 2008.

Ms. Zhang Fusheng, Chinese, aged 51, is a Non-executive Director of the Company. Ms. Zhang joined Weifang Diesel Engine Factory in 1975 and had held the positions of director of finance department, and chief accountant of Weifang Diesel Engine Factory, and director of Torch Automobile Group Co., Ltd. She is now the deputy general manager of Weichai Group Holdings Limited. Ms. Zhang is a senior accountant and Certified Public Accountant and holds the qualification of senior manager of international finance and a bachelor's degree. She has extensive experience in corporate finance management. Her term of appointment as a director was expired on 17th December, 2008.

Mr. Liu Huisheng, Chinese, aged 43, is a Non-executive Director of the Company. Mr. Liu joined Weifang Diesel Engine Factory in 1989 and had held the positions of deputy general manager of the power branch of Weifang Diesel Engine Factory, general manager of Chongqing Weichai Diesel Engine Factory, and deputy general manager of Weifang Diesel Engine Factory. He is now the general manager of Shandong Juli Co., Ltd. Mr. Liu is a senior economist and holds a bachelor's degree in engineering. He has extensive experience in corporate general management. His term of appointment as a director was expired on 17th December, 2008.

Mr. Yao Yu, Chinese, aged 38, is a Non-executive Director of the Company. He had held positions of secretary to the Board of 深圳合眾實業股份有限公司 (Shenzhen Hezhong Industrial Co. Ltd.) and assistant general manager of 深圳天極電業股份有限公司 (Shenzhen Tianjin Electric Co. Ltd.). Mr. Yao is now a senior investment manager of Shenzhen Chuangxin Investment Group Company Limited. He holds a MBA degree and has nearly 10 years of experience in investment management and related fields. His term of appointment as a director was expired on 17th December, 2008.

張泉先生，中國籍，45歲，本公司執行董事及執行總裁；1986年加入濰坊柴油機廠，歷任濰坊柴油機廠質量部部長、市場部部長等職；高級經濟師，工學學士，MBA碩士學位，在本公司長期從事市場營銷工作，具有豐富的企業市場營銷管理經驗。董事任期至2008年12月17日。

張伏生女士，中國籍，51歲，本公司非執行董事；1975年加入濰坊柴油機廠，歷任濰坊柴油機廠財務部部長、總會計師、湘火炬汽車集團股份有限公司董事等職；現任濰柴控股集團有限公司副總經理，高級會計師、註冊會計師，高級國際財務管理師資格，大學學歷；具有豐富的企業財務管理經驗。董事任期至2008年12月17日。

劉會勝先生，中國籍，43歲，本公司非執行董事；1989年加入濰坊柴油機廠，歷任濰坊柴油機廠動力廠副廠長、重慶濰柴發動機廠廠長、濰坊柴油機廠副廠長等職；現任山東巨力股份有限公司總經理；高級經濟師，工學學士，有豐富的企業綜合管理經驗。董事任期至2008年12月17日。

姚宇先生，中國籍，38歲，本公司非執行董事；歷任深圳合眾實業股份有限公司董事會秘書、深圳天極電業股份有限公司總經理助理；現任深圳市創新投資集團有限公司高級投資經理；工商管理碩士，具有近10年豐富的投資管理經驗及相關經歷。董事任期至2008年12月17日。

Mr. Yeung Sai Hong, Chinese, aged 54, is a Non-executive Director of the Company and the chairman of Peterson Holdings Company Limited which is a promoter of the Company. He is also a member of the 10th Shandong Provincial Committee of the Chinese People's Political Consultative Conference. His term of appointment as a director was expired on 17th December, 2008.

Mr. Chen Xuejian, Chinese, aged 53, is a Non-executive Director of the Company and the general manager and Party committee secretary of Weifang Investment Company, Mr. Chen served as deputy director of Local Taxation Bureau of Weifang and deputy director of Finance Bureau of Weifang. His term of appointment as a director was expired on 17th December, 2008.

Mr. Li San Yim, Chinese (Hong Kong), aged 57, is a Non-executive Director of the Company. Mr. Li founded Fujian Longyan Construction Machinery (Group) Company Limited (a promoter of the Company) in 1993, and now is the chairman of Lonking Holdings Limited (03339.HK). His term of appointment as a director was expired on 17th December, 2008.

Mr. Julius G. Kiss, Austrian, aged 81, is a Non-executive Director of the Company. He is the chairman of IVM Technical Consultants Wien G.m.b.H. which is a promoter of the Company. His term of appointment as a director was expired on 17th December, 2008.

Ms. Han Xiaoqun, Chinese, aged 58, is a Non-executive Director of the Company. Ms. Han is the chairman of 山東省企業託管經營股份有限公司 (Shandong Provincial Enterprises Trusteeship & Operation Co., Ltd.) which is a promoter of the Company. Her term of appointment as a director was expired on 17th December, 2008.

Mr. Gu Linsheng, Chinese, aged 68, is an Independent Director of the Company. He served as an independent director of Torch Automobile Group Co., Ltd. from 30th April 2004 to 30th April, 2007. His term of appointment as a director was expired on 17th December, 2008.

Mr. Li Shihao, Chinese, aged 68, retired in February 2001, is an Independent Director of the Company. He was the director of 科學技術委員會 (science and technology committee) and 城市車輛專家委員會 (urban vehicle specialist committee) of the Ministry of Construction from 2001 to 2007. His term of appointment as a director was expired on 17th December, 2008.

楊世杭先生，中國籍，54歲，本公司非執行董事；本公司發起人之一培新控股有限公司董事長；中國人民政治協商會議第十屆山東省委員會委員。董事任期至2008年12月17日。

陳學儉先生，中國籍，53歲，本公司非執行董事；現任濰坊市投資公司總經理、黨委書記；曾擔任濰坊市地方稅務局副局長、濰坊市財政局副局長。董事任期至2008年12月17日。

李新炎先生，中國香港籍，57歲，本公司非執行董事；於1993年創辦本公司發起人之一福建龍岩工程機械(集團)有限公司，現任中國龍工控股有限公司(03339.HK)董事局主席。董事任期至2008年12月17日。

Julius G. Kiss先生，奧地利籍，81歲，本公司非執行董事；本公司發起人之一IVM Technical Consultants Wien G.m.b.H.董事長。董事任期至2008年12月17日。

韓小群女士，中國籍，58歲，本公司非執行董事；現任本公司發起人山東省企業託管經營股份有限公司董事長。董事任期至2008年12月17日。

顧林生先生，中國籍，68歲，本公司獨立董事；2004年4月30日至2007年4月30日任湘火炬汽車集團股份有限公司獨立董事。董事任期至2008年12月17日。

李世豪先生，中國籍，68歲，本公司獨立董事，2001年2月退休，2001年至2007年建設部科學技術委員會城市車輛專家委員會主任。董事任期至2008年12月17日。

Mr. Liu Zheng, Chinese, aged 61, is an Independent Director of the Company. Mr. Liu was the general manager of Weifang Investment Company from 1999 to February 2004. He retired in February 2004. His term of appointment as a director was expired on 17th December, 2008.

Mr. Zhang Xiaoyu, Chinese, aged 63, is an Independent Non-executive Director of the Company. Mr. Zhang served as the deputy director of 中國國家機械工業局 (State Mechanic Industry Bureau of the PRC). He is a senior engineer with professor-grade treatment. Mr. Zhang is the vice-chairman of 中國機械工業聯合會 (China Machinery Industrial Association), chairman of 中國汽車工程學會 (China Vehicles Engineering Association) and chairman of 中國內燃機學會 (China Internal Combustion Engine Association). His term of appointment as a director was expired on 17th December, 2008.

Mr. Koo Fook Sun, Louis, English, aged 52, is an Independent Non-executive Director of the Company. Mr. Koo is the managing director of Hercules Capital Limited. He served various positions for many international investment banks and directorship and chief executive officer for Hong Kong listed companies. In addition to the Company, he currently also serves as an independent director of other companies listed on the main board and the GEM of Hong Kong Stock Exchange. He graduated with a bachelor degree in business administration from the University of California at Berkeley in 1980 and is a member of the Hong Kong Institute of Certified Public Accountants. His term of appointment as a director was expired on 17th December, 2008.

Mr. Fang Zhongchang, Chinese, aged 66, is an Independent Non-executive Director of the Company. Mr. Fang was graduated from Harbin Industrial University. He previously served as engineer at 山東安邱玻璃廠 (Shandong Anqiu County Glasswork), deputy mayor of 安丘縣 (Anqiu County), deputy mayor of Weifang Municipal Government, secretary to the Municipal Disciplinary Committee of the Standing Committee of Weifang Municipal Government, and deputy director of the Standing Committee of Weifang Municipal People's Congress. He was also a visiting researcher of the Chinese Academy of Management Science and a Representative of the People's Congress for the Shandong Province. He retired from civil service in 2002. His term of appointment as a director was expired on 17th December, 2008.

劉征先生，中國籍，61歲，本公司獨立董事；1999年至2004年2月，任濰坊市投資公司總經理；2004年2月退休。董事任期至2008年12月17日。

張小虞先生，中國籍，63歲，本公司獨立非執行董事；曾任中國國家機械工業局副局長，教授級高級工程師，現任中國機械工業聯合會副會長、中國汽車工程學會理事長及中國內燃機學會理事長。董事任期至2008年12月17日。

顧福身先生，英國籍，52歲，本公司獨立非執行董事；現為凱利融資有限公司董事總經理，歷任多家國際投資銀行主要職務及香港上市公司董事及首席執行官，除公司外，現時亦兼任香港聯交所多家主板及創業板上市公司之獨立董事；香港註冊會計師公會會員，1980年畢業於加州大學伯克萊分校，獲工商管理學士學位。董事任期至2008年12月17日。

房忠昌先生，中國籍，66歲，本公司獨立非執行董事；畢業於哈爾濱工業大學，歷任山東安邱玻璃廠工程師、安丘縣副縣長、濰坊市政府副市長、濰坊市委常委市紀委書記及濰坊市人大常委會副主任；曾任中國管理科學院特邀研究員及山東省人大代表；於2002年卸任公職退休。董事任期至2008年12月17日。

(2) SUPERVISORS

Mr. Sun Chengping, Chinese, aged 61, is the Chairman of the Supervisory committee of the Company. He joined Weifang Diesel Engine Factory in 1969 and was the deputy general manager and Party committee secretary of Weifang Diesel Engine Factory, and supervisor of Torch Automobile Group Co., Ltd. He is now the general manager of Weichai Group Holdings Limited. Mr. Sun is a senior economist and holds a junior college's degree. He has extensive experience in diesel engine production management and technology renovation. His term of appointment as a supervisor was expired on 17th December, 2008.

Mr. Ding Yingdong, Chinese, aged 40, is a Supervisor of the Company. Mr. Ding joined Weifang Diesel Engine Factory in 1990 and had held positions of deputy director of corporate planning department and director of human resources department of Weifang Diesel Engine Factory, director of human resources department and director of corporate management department of Weichai Power Co., Limited. He currently holds the positions of assistant to president and director of operational management department of the Company. Mr. Ding is a senior economist and holds the qualification of senior manager of corporate human resources and a bachelor's degree in engineering. He has extensive experience in corporate management. His term of appointment as a supervisor was expired on 17th December, 2008.

Ms. Jiang Jianfang, Chinese, aged 46, is a Supervisor of the Company. She was the deputy chief of the financial audit committee of 廣西柳工集團有限公司 (Guangxi Liugong Group Company Limited) and a supervisor of 廣西柳工機械股份有限公司 (Guangxi Liugong Machinery Company Limited). Ms. Jiang is an accountant. Her term of appointment as a supervisor was expired on 17th December, 2008.

(3) SENIOR MANAGEMENT

Mr. Li Dakai, Chinese, aged 55, is an Executive President of the Company. Mr. Li had held various positions including director of product design department, chief economist, general manager of Shaanxi Auto Gear General Works, and director and deputy president of Torch Automobile Group Co., Ltd. He currently holds the positions of chairman and general manager of Shaanxi Fast Auto Drive Group Company and director and general manager of Shaanxi Fast Gear Co., Ltd. Mr. Li holds a bachelor's degree and is a senior engineer with researcher-grade treatment. He was honored "National Labor

(2) 監事

孫承平先生，中國籍，61歲，本公司監事會主席；1969年加入濰坊柴油機廠，歷任濰坊柴油機廠副廠長、黨委書記、湘火炬汽車集團股份有限公司監事等職；現任濰柴控股集團有限公司總經理，高級經濟師，大專學歷，有豐富的柴油機製造管理和技術改造方面的經驗。監事任期至2008年12月17日。

丁迎東先生，中國籍，40歲，本公司監事；1990年加入濰坊柴油機廠，歷任濰坊柴油機廠企業策劃部副部長、人力資源部部長、濰柴動力股份有限公司人力資源與企業管理部部長等職；現任本公司總裁助理、運營管理部部長，高級經濟師，高級企業人力資源管理師職業資格，工學學士，有豐富的企業管理工作經驗。監事任期至2008年12月17日。

蔣建芳女士，中國籍，46歲，本公司監事；歷任廣西柳工集團有限公司財經審計委員會副主任、廣西柳工機械股份有限公司監事；會計師職稱。監事任期至2008年12月17日。

(3) 高級管理人員

李大開先生，中國籍，55歲，本公司執行總裁；歷任陝西汽車齒輪總廠產品設計室主任、總經濟師、廠長、湘火炬汽車集團股份有限公司董事、副總裁等職；現任陝西法士特汽車傳動集團有限責任公司董事長、總經理；陝西法士特齒輪有限責任公司董事、總經理，研究員級高級工程師，大學學歷，全國勞動模範，享受國務院特殊津貼專家，十一

Model” and entitled specialist who can receive state special allowance. Mr. Li was appointed as a Representative of the Eleventh National People’s Congress of the PRC and member of the Standing Committee of Xi’an Municipal People’s Congress. He has extensive experience in heavy-duty gear box designing and production management. His term of appointment was expired on 17th December, 2008.

Mr. Fang Hongwei, Chinese, aged 42, is an Executive President of the Company. He had held the positions of section chief of test technology section of motor research institute, deputy director of financial department, deputy general manager, general manager of sales company and executive deputy general manager of Shaanxi Automobile Manufactory. Mr. Fang is now the director and general manager of Shaanxi Heavy-duty Motor Company Limited. Mr. Fang is a senior economist and holds a master’s degree in engineering and the senior career manager certification of machinery industrial corporation. He has extensive experience in heavy-duty vehicle designing and production management. His term of appointment was expired on 17th December, 2008.

Mr. Xu Hong, Chinese, aged 49, is an Executive President of the Company. He joined Weifang Diesel Engine Factory in 1976 and was the deputy general manager of foundry branch, general manager of鑄鍛廠 (cast branch) and director of production department. Mr. Xu holds a bachelor’s degree. He has extensive experience in the management of production and manufacturing. His term of appointment was expired on 17th December, 2008.

Mr. Cheung Tat Leung, Peter, Chinese (Hong Kong), aged 38, is the Chief Financial Officer, Company Secretary and Qualified Accountant of the Company and is responsible for the accounting and finance functions and secretary affairs of the Company. Mr. Cheung joined the Company in October 2008. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Cheung has been working for many companies listed on the main board of the Hong Kong Stock Exchange. He holds a bachelor’s degree and has over 15 years’ experience in the accounting and financial management fields. His term of appointment was expired on 17th December, 2008.

Mr. Dai Lixin, Chinese, aged 41, is the Secretary to the Board and Director of Securities department of the Company. He joined Weifang Diesel Engine Factory in 1987 and was the deputy director of the treasury department of Weifang Diesel Engine Factory. Mr. Dai is an economist and holds a bachelor’s degree. He has extensive experience in corporate financing, restructure, merger and acquisition. His term of appointment was expired on 17th December, 2008.

屆全國人大代表，西安市人大常委會委員；具有豐富的重型齒輪箱設計與製造管理經驗。任期至2008年12月17日。

方紅衛先生，中國籍，42歲，本公司執行總裁；歷任陝西汽車製造總廠汽研所試驗技術科科長、財務處副處長、副廠長兼銷售公司總經理、常務副廠長；現任陝西重型汽車有限公司董事、總經理，高級經濟師，工程碩士，獲得機械工業企業高級職業經理人資格認證，具有豐富的重型汽車設計與製造管理經驗。任期至2008年12月17日。

徐宏先生，中國籍，49歲，本公司執行總裁；1976年加入濰坊柴油機廠，歷任濰坊柴油機廠鑄造廠副廠長、鑄鍛廠廠長及製造部部長等職，大學學歷，具有豐富的生產製造管理經驗。任期至2008年12月17日。

張達良先生，中國香港籍，38歲，為本公司財務總監、公司秘書暨合資格會計師，負責本公司的會計和財務工作與公司秘書事務；2008年10月加入本公司；英國特許公認會計師公會資深會員及香港會計師公會資深會員；曾於多家香港聯交所主板上市公司工作，大學學歷，擁有逾15年的會計及財務管理經驗。任期至2008年12月17日。

戴立新先生，中國籍，41歲，本公司董事會秘書、證券部部長；1987年加入濰坊柴油機廠，歷任濰坊柴油機廠資本運營部副部長；經濟師，大學學歷；具有豐富的企業融資和重組併購經驗。任期至2008年12月17日。

Mr. Feng Gang, Chinese, aged 44, is the Vice President of the Company and the Deputy General Manager of the Marketing company. He was manager of technology service department, assistant general manager and executive deputy general manager of sales company and executive deputy director of marketing management department of Weifang Diesel Engine Factory. He is an engineer and holds a bachelor's degree in engineering. Mr. Feng has extensive experience in marketing. His term of appointment was expired on 17th December, 2008.

Mr. Tong Dehui, Chinese, aged 44, is the Vice President and the Supervisor of the Engineering department of the Company. He was the supervisor of the laboratory of engineering department, assistant supervisor, deputy chief engineer of Weifang Diesel Engine Factory. Mr. Tong is a senior engineer and holds a master's degree in engineering and has extensive experience in the research and development of engine and management. His term of appointment was expired on 17th December, 2008.

Mr. Li Zhi, Chinese, aged 50, is the Vice President of the Company. He was the deputy general manager of Xinjiang Xinghuo Machinery Factory, general manager of Xinjiang Bearing Factory General Works, general manager of Zhuzhou headquarter of TAGC, supervisor, general manager of investment management department, vice president of Torch Automobile Group Co., Ltd. Mr. Li is a senior economist and holds a bachelor's degree. He has extensive experience in corporate operation management. His term of appointment was expired on 17th December, 2008.

Mr. Zhou Chongyi, Chinese, aged 44, is the Vice President of the Company. He was the deputy supervisor of engineering department, deputy chief engineer of China National Heavy Duty Truck Group Corp, Ltd. and deputy chief engineer of Shanghai Huizhong Automobile Co. Ltd. Mr. Zhou is a senior engineer and holds a bachelor's degree. He has extensive experience in heavy-duty vehicle designing and production and manufacturing management. His term of appointment was expired on 17th December, 2008.

Mr. Qian Cheng, American, aged 46, is the Vice President of the Company. He was the senior project engineer of engineering department of Caterpillar in the USA, senior project manager of North America engineering department of Ricardo in the UK, senior design engineer of product design — chassis department of Ford Motor Company in the USA, senior project engineer of product

馮剛先生，中國籍，44歲，本公司副總裁兼營銷總公司副總經理；歷任濰坊柴油機廠銷售總公司技術服務部經理、總經理助理、常務副總經理，市場管理部常務副部長，工程師，工學學士，具有豐富的市場營銷經驗。任期至2008年12月17日。

佟德輝先生，中國籍，44歲，本公司副總裁兼技術中心主任；歷任濰坊柴油機廠技術中心測試室主任、副主任、副總工程師，高級工程師，工學碩士，有豐富的發動機研發及管理經驗。任期至2008年12月17日。

李智先生，中國籍，50歲，本公司副總裁；歷任新疆星火機械廠副廠長、新疆軸承廠總廠廠長；湘火炬株洲本部總經理，湘火炬汽車集團股份有限公司監事、投資管理部總經理、副總裁等職，高級經濟師，大學學歷，具有豐富的企業運營管控經驗。任期至2008年12月17日。

周崇義先生，中國籍，44歲，本公司副總裁；歷任中國重型汽車集團公司技術中心副主任；中國重型汽車集團公司副總工程師；上海匯眾汽車有限公司副總工程師等職，高級工程師，大學學歷，具有豐富的重型汽車設計與生產製造管理經驗。任期至2008年12月17日。

錢誠先生，美國籍，46歲，本公司副總裁；歷任美國卡特彼勒公司技術中心高級項目工程師；英國Ricardo公司北美技術中心高級項目經理；美國福特汽車公司產品研發—底盤部高級設計工程師；美國通用汽車公司產品設計中心高級項

design center of General Motors in the USA, vice president and director of international business department of Torch Automobile Group Co., Ltd. Mr. Qian graduated with a doctor's degree from University of Kentucky and has extensive experience in commercial vehicle strategy research. His term of appointment was expired on 17th December, 2008.

Mr. Liu Xinhua, Chinese, aged 53, is the Vice President of the Company, Manager of Hangzhou branch and Deputy General Manager of marketing company. Mr. Liu holds a junior college's degree. He was the director of production department, deputy general manager, executive deputy general manager, and general manager of Hangzhou Engine Co., Ltd. Mr. Liu has extensive experience in engine production and management. His term of appointment was expired on 17th December, 2008.

目工程師；湘火炬汽車集團股份有限公司副總裁、國際業務部部長等職，美國肯塔基大學博士，具有豐富的商用車戰略研究經驗。任期至2008年12月17日。

劉新華先生，中國籍，53歲，本公司副總裁兼杭州分公司經理、營銷總公司副總經理；大學專科，歷任杭州汽車發動機廠生產處處長、副廠長、常務副廠長、廠長，具有豐富的發動機製造與管理經驗。任期至2008年12月17日。



DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements of the Group for the year ended 31st December, 2008.

PRINCIPAL ACTIVITIES

The principal activities of the Group is the manufacture and sale of diesel engines and related parts, automobiles and other major automobile components, minor automobile components and import and export services. There were no significant changes in the nature of the Group's principal activities during the year. The activities of its principal subsidiaries and associates are set out in notes 20 and 22 to the financial statements, respectively.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December, 2008 and the state of affairs of the Company and the Group at that date are set out in the financial statement on pages 87 to 202.

The directors recommend the payment of a final dividend of RMB0.13 per ordinary share for the year ended 31st December, 2008 to shareholders. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the equity section of the balance sheet.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the audited financial statements and restated/reclassified as appropriate, is set out on page 203. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the year are set out in note 14 to the financial statements.

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during the year are set out in note 15 to the financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 36 to the financial statements.

董事會報告

董事會謹此提呈截至二零零八年十二月三十一日止年度的年度董事會報告及本集團經審核綜合財務報表。

主要業務

本集團主要從事生產及銷售柴油機、相關零部件、汽車及其他主要汽車零部件、非主要汽車零部件及進出口服務的業務。本年度，本集團主要業務的性質並無重大變化。本公司旗下主要附屬公司及聯營公司的業務分別載於財務報表附註20及22。

業績及分配

本集團截至二零零八年十二月三十一日止年度的業績及本公司與本集團於該日的財務狀況載於第87至202頁的財務報表。

董事會建議向股東派發截至二零零八年十二月三十一日止年度股息每股普通股人民幣0.13元。在財務報表中，此項建議已作為分配保留利潤列入資產負債表的權益部份。

財務資料摘要

本集團過去五個財政年度的公佈業績及資產、負債及少數股東權益的摘要（摘自經審核財務報表及經重列／重新分類（如適用））載於第203頁。此摘要並不構成經審核財務報表的一部份。

物業、機器及設備

本公司及本集團物業、機器及設備的年內變動詳情載於財務報表附註14。

投資物業

本集團投資物業的年內變動詳情載於財務報表附註15。

股本

本公司股本的年內變動詳情載於財務報表附註36。

RESERVES

Details of movements in the reserves of the Company during the year are set out in note 37(b) to the financial statements and in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

At 31st December, 2008, the Company's reserve available for distribution, calculated in accordance with the relevant regulations, amounted to RMB3,901,978,000, out of which dividend of RMB108,296,000 for the year ended 31st December, 2008 was proposed on 27th April, 2009. In addition, the Company's share premium account in its statutory financial statements, in the amount of RMB1,832,568,000, may be distributed in the form of fully paid bonus shares.

DIRECTORS AND SUPERVISORS

The directors and supervisors of the Company during the year and up to the date of this report were:

Executive Directors:

Tan Xuguang (*Chairman and CEO*)
 Xu Xinyu (*Executive President*)
 Sun Shaojun (*Executive President*)
 Zhang Quan (*Executive President*)

Non-executive Directors:

Zhang Fusheng
 Liu Huisheng
 Yao Yu
 Yeung Sai Hong
 Chen Xuejian
 Li San Yim
 Julius G. Kiss
 Han Xiaqun
 Gu Linsheng
 Li Shihao
 Liu Zheng

Independent Non-executive Directors:

Zhang Xiaoyu
 Koo Fook Sun, Louis
 Fang Zhongchang

Supervisors:

Sun Chengping
 Ding Yingdong
 Jiang Jianfang

儲備

本公司儲備的年度變動詳情載於財務報表附註37(b)及綜合權益變動表。

可分派儲備

於二零零八年十二月三十一日，根據相關規例計算，本公司的可供分派儲備為人民幣3,901,978,000元，其中於二零零九年四月二十七日建議派發截至二零零八年十二月三十一日止年度之股息人民幣108,296,000元。此外，本公司法定財務報表中的股份溢價賬人民幣1,832,568,000元可以繳足紅股的方式進行分派。

董事及監事

於本年度及截至本報告日期，本公司董事及監事如下：

執行董事：

譚旭光(董事長兼首席執行官)
 徐新玉(執行總裁)
 孫少軍(執行總裁)
 張 泉(執行總裁)

非執行董事：

張伏生
 劉會勝
 姚 宇
 楊世杭
 陳學儉
 李新炎
 Julius G. Kiss (尤利斯G肯斯)
 韓小群
 顧林生
 李世豪
 劉 征

獨立非執行董事：

張小虞
 顧福身
 房忠昌

監事：

孫承平
 丁迎東
 蔣建芳

The Company has received, from each of the Independent Non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), and at the date of this report, the Company still considers all of the Independent Non-executive Directors are independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 25 to 32 of the annual report.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the Executive Directors has entered into a service contract with the Company which commenced from 18th December, 2005 and is to end on 17th December, 2008.

The term of appointment of each of the Non-executive Directors and Supervisors is from 18th December, 2005 to 17th December, 2008, except that Liu Huisheng, a Non-executive Director, was appointed on 30th June, 2006 at the Company's annual general meeting and his term of office runs for the period from 30th June, 2006 to 17th December, 2008; Gu Linsheng, Li Shihao, Liu Zheng, Non-executive Directors, were appointed on 29th December, 2006 at the Company's extraordinary general meeting and their term of office runs for the period from 30th April, 2007 to 17th December, 2008; Ding Yingdong, Supervisor, was appointed on 22nd October, 2007 at the Company's labor representative meeting and his term of office runs for the period from 22nd October, 2007 to 17th December, 2008.

Each of the Independent Non-executive Directors has a fixed term of appointment commencing from the date of his appointment by the shareholders of the Company and ending on the conclusion of the next annual general meeting of the Company. At the annual general meeting, each of the Independent Non-executive Directors will offer himself for re-election for a term ending (i) on the next annual general meeting of the Company ("Next AGM"); or (ii) on the conclusion of the extraordinary general meeting (if any) of the Company convened prior to the Next AGM at which he is re-appointed as Independent Non-executive Director for a term beyond the conclusion of the Next AGM (whichever is the earlier). The term of appointment of each Independent Non-executive Directors of the Company is for the period upto 17th December, 2008.

本公司已接獲各獨立非執行董事根據香港聯合交易所有限公司證券上市規則(「上市規則」)第3.13條就其獨立身份作出的年度確認，於本報告日期，本公司仍認為各獨立非執行董事均屬獨立人士。

董事及高級管理人員的簡歷

本公司董事及本集團高級管理人員的簡歷詳情載於年報第25至32頁。

董事及監事服務合約

執行董事已各自與本公司訂立服務合約，自二零零五年十二月十八日起，至二零零八年十二月十七日止。

各非執行董事及監事的委任日期自二零零五年十二月十八日起至二零零八年十二月十七日止，惟非執行董事劉會勝於二零零六年六月三十日之本公司股東週年大會上獲委任，故任期自二零零六年六月三十日起至二零零八年十二月十七日止，非執行董事顧林生、李世豪及劉征於二零零六年十二月二十九日之本公司股東特別大會上獲委任，任期自二零零七年四月三十日起至二零零八年十二月十七日止，監事丁迎東於二零零七年十月二十二日本公司之勞動代表會議獲委任，任期自二零零七年十月二十二日起至二零零八年十二月十七日止。

各獨立非執行董事的固定任期由獲本公司股東委任當日起至本公司下屆股東週年大會結束。於股東週年大會上，各獨立非執行董事將膺選連任，任期直至下列較早日期為止：(i)本公司下屆股東週年大會(「下屆股東週年大會」)；或(ii)本公司於下屆股東週年大會前召開的股東特別大會(如有)結束，而彼於會上獲重新委任為獨立非執行董事，任期直至下屆股東週年大會結束之後。本公司各獨立非執行董事委任任期截至二零零八年十二月十七日止。

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Mr. Li San Yim, being a beneficial shareholder of Fujian Longyan Construction Machinery (Group) Company Limited and Shanghai Longgong Machinery Company Limited, was interested in a contract for the supply of diesel engines and diesel engine parts by the Company to these two companies. Mr. Yeung Sai Hong, being a beneficial shareholder of Peterson (CNG) Equipment Limited, was interested in a contract for supply of diesel engines and related parts by the Company to Weifang Weichai Peterson Gas Diesel Engines Company Limited. Further details of the transactions undertaken in connection therewith are included in the section headed "Continuing connected transactions" below. Save as disclosed above, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during the year.

DIRECTORS' AND SUPERVISORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31st December, 2008, the interests of the directors, supervisors and their associates in the shares and underlying shares of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"), were as follows:

董事及監事於重大合約的權益

李新炎先生，福建龍岩工程機械(集團)有限公司及龍工(上海)機械有限公司的實益擁有人，於本公司向該兩家公司供應柴油機及柴油機零部件的合約中擁有權益。楊世杭先生，Peterson (CNG) Equipment Limited之實益股東，於本公司向濰坊濰柴培新氣體發動機有限公司供應柴油機及相關零部件的合約中擁有權益。有關交易的詳情載於下文「持續性關連交易」一節。除上述披露者外，概無董事於本公司、其控股公司、附屬公司或同系附屬公司年內所訂立，對本集團業務屬重大的任何合約中直接或間接擁有重大權益。

董事及監事於股份及相關股份的權益

於二零零八年十二月三十一日，董事、監事及彼等的聯繫人於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份及相關股份中，擁有根據證券及期貨條例第352條規定本公司須存置的登記冊所記錄，或根據上市公司董事進行證券交易的標準守則(「標準守則」)規定已知會本公司及聯交所的權益如下：

Capacity 身份		Number of "A" shares held 所持A股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Name of Director 董事姓名			
Tan Xuguang 譚旭光	Beneficial owner 實益擁有人	6,880,000 (Note 1) (附註1)	0.8%
Xu Xinyu 徐新玉	Beneficial owner 實益擁有人	1,600,000 (Note 1) (附註1)	0.2%
Sun Shaojun 孫少軍	Beneficial owner 實益擁有人	1,600,000 (Note 1) (附註1)	0.2%
Zhang Quan 張泉	Beneficial owner 實益擁有人	1,600,000 (Note 1) (附註1)	0.2%
Liu Huisheng 劉會勝	Beneficial owner 實益擁有人	960,000 (Note 1) (附註1)	0.1%
Yeung Sai Hong (Note 3) 楊世杭(附註3)	Held by controlled corporation 由受控法團持有	37,600,000 (Note 2) (附註2)	4.5%
Li San Yim (Note 4) 李新炎(附註4)	Held by spouse and controlled corporation 由配偶及受控法團持有	34,400,000 (Note 1) (附註1)	4.1%
Julius G. Kiss (Note 5) Julius G. Kiss (尤利斯G.肯斯)(附註5)	Held by controlled corporation 由受控法團持有	17,200,000 (Note 2) (附註2)	2.1%
Name of Supervisor 監事姓名			
Ding Yingdong 丁迎東	Beneficial owner 實益擁有人	560,000 (Note 1) (附註1)	0.1%

Notes:

1. These were previously domestic shares of the Company. The domestic shares were ordinary shares issued by the Company, with a Renminbi-denominated par value of RMB1.00 each, which were subscribed for and paid up in Renminbi or credited as fully paid up. These shares became "A" shares of the Company upon the "A" share listing of the Company on the Shenzhen Stock Exchange during the current financial year.
2. These were previously foreign shares of the Company. The foreign shares were ordinary shares issued by the Company, with a Renminbi-denominated par value of RMB1.00 each, which were subscribed for and paid up in a currency other than Renminbi. These shares became "A" shares of the Company upon the "A" share listing of the Company on the Shenzhen Stock Exchange during the current financial year.
3. Yeung Sai Hong, a Non-executive Director, was directly and indirectly interested in the issued share capital of Peterson Holdings Company Limited, which in turn held 37,600,000 shares in the Company.
4. Li San Yim, a Non-executive Director, and his spouse, Ni Yinying, were interested in 69.16% and 30.84%, respectively, in the registered capital of 福建龍岩工程機械(集團)有限公司 (Fujian Longyan Construction Machinery (Group) Company Limited ("Fujian Longgong")) which in turn held 34,400,000 shares in the Company, and therefore Li San Yim was deemed to be interested in these shares of the Company.
5. Julius G. Kiss, a Non-executive Director, was indirectly interested in the entire issued share capital of IVM Technical Consultants Wien Gesellschaft m.b.H. ("IVM"), which in turn held 17,200,000 shares in the Company.

Save as disclosed above, none of the directors, supervisors, nor their associates had any interests or short positions in any shares or underlying shares or debentures of the Company or any of its associated corporations as at 31st December, 2008.

附註：

1. 該等股份之前為本公司內資股。內資股為本公司發行的普通股，以人民幣列值，每股面值人民幣1.00元，以人民幣認購及繳足或入賬列為繳足。該等股份於當前財政年度本公司A股在深交所上市後成為本公司之A股。
2. 該等股份之前為本公司外資股。外資股為本公司發行的普通股，以人民幣列值，每股面值人民幣1.00元，以人民幣以外的貨幣認購及繳足。該等股份於當前財政年度本公司A股在深交所上市後成為本公司之A股。
3. 非執行董事楊世杭直接及間接擁有培新控股有限公司已發行股本權益，而培新則持有37,600,000股本公司股份。
4. 非執行董事李新炎及其配偶倪銀英分別擁有福建龍岩工程機械(集團)有限公司(「福建龍工」)註冊股本的69.16%及30.84%權益，而福建龍工則持有34,400,000股本公司股份，因此，李新炎被視為擁有該等本公司股份的權益。
5. 非執行董事Julius G. Kiss(尤利斯G.肯斯)間接擁有IVM Technical Consultants Wien Gesellschaft m.b.H.(「IVM」)全部已發行股本，而IVM則持有17,200,000股本公司股份。

除上文所披露者外，於二零零八年十二月三十一日，概無董事、監事或彼等的聯繫人於本公司或其任何相聯法團的股份，相關股份或債券中擁有任何權益或淡倉。

DETAILS OF CHANGES IN SHARE CAPITAL AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

股本變動和主要股東持股情況

(I) Changes in shareholdings

1. Changes in share capital

Movement of the Company's share capital during the year are as follows:

(I) 股本變動情況表

1. 股權變動

年內本公司股本變動如下：

		Beginning of the Year 年初		Increase/decrease during the Year (+, -) 年內增減(+ , -)				End of the Year 年末		
		No. of shares 股份數量	Percentage 比例(%)	New shares issued 發行新股	Bonus issue 送股	Transfer of surplus to capital 公積金轉股	Others 其他	Sub-total 小計	No. of shares 股份數量	Percentage 比例(%)
I.	Restricted circulating shares 有限售條件股份	218,640,747	41.99%			131,184,448	-258	131,184,190	349,824,937	41.99%
1.	State-owned shares 國家持股	15,140,586	2.91%			9,084,351		9,084,351	24,224,937	2.91%
2.	State-owned legal person shares 國有法人持股	101,450,000	19.49%			60,870,000		60,870,000	162,320,000	19.49%
3.	Shares held by other domestic entities including: 其他內資持股其中：	67,800,161	13.02%			40,680,097	-258	40,679,839	108,480,000	13.02%
	Shares held by non State-owned legal persons 境內非國有法人持股	53,000,000	10.18%			31,800,000		31,800,000	84,800,000	10.18%
	Shares held by domestic natural persons 境內自然人持股	14,800,161	2.84%			8,880,097	-258	8,879,839	23,680,000	2.84%
4.	Shares held by other foreign entities including: 外資持股其中：	34,250,000	6.58%			20,550,000		20,550,000	54,800,000	6.58%
	Shares held by overseas legal persons 境外法人持股	34,250,000	6.58%			20,550,000		20,550,000	54,800,000	6.58%
	Shares held by overseas natural persons 境外自然人持股	—	—			—		—	—	—
II.	Non-restricted circulating shares 無限售條件股份	302,012,805	58.01%			181,207,683	258	181,207,941	483,220,746	58.01%
1.	RMB ordinary shares 人民幣普通股	175,512,805	33.71%			105,307,683	258	105,307,941	280,820,746	33.71%
2.	Domestic listed foreign shares 境內上市的外資股									
3.	Overseas listed foreign shares 境外上市的外資股	126,500,000	24.30%			75,900,000		75,900,000	202,400,000	24.30%
4.	Others 其他									
III.	Total number of shares 股份總數	520,653,552	100%			312,392,131	—	312,392,131	833,045,683	100%

Notes:

1. Since Mr. Zhang Yupu, an ex-officer of the Company, has resigned for personal reason for less than six months, the 258 shares in the Company held by him has been locked-up pursuant to relevant rules. As at the end of the reporting period, the lock-up period of such shares was expired and such shares became non-restricted shares.
2. There are no internal staff shares during the reporting period.
3. Pursuant to an ordinary resolution passed on 3rd November, 2008 regarding a bonus issue of 6 shares for every 10 shares held by the shareholders as of 2nd December, 2008, the issued capital of the Company was increased from RMB520,654,000 to RMB833,046,000 by capitalisation of share premium of RMB312,392,000.

註:

1. 公司原高級管理人員張玉浦先生因個人原因辭職後未滿半年而依法鎖定其原持有公司的258股有限售條件股份，截至報告期末，該等股份的鎖定期已滿，轉為無限售條件股份。
2. 截止報告期末公司無內部職工股。
3. 根據於二零零八年十一月三日通過的關於向於二零零八年十二月二日之股東以每10股轉增6股的方式發行紅股的一項普通決議案，本公司已發行股本從人民幣520,654,000元增加股份溢價資本化人民幣312,392,000元至人民幣833,046,000元。

2. Time over which shares are restricted from listing for trade

2. 有限售條件股份可上市交易時間

Time 時間	Additional shares that can be listed and traded upon expiry of the restricted period 限售期滿新增可上市交易股份數量	Remaining restricted shares 有限售條件股份數量餘額	Remaining non-restricted shares 無限售條件股份數量餘額	Description 說明
30th April, 2010 二零一零年 四月三十日	349,824,937	—	—	Under the commitments of the holders of non-circulating shares of the Company and 24 natural-person promoter shareholders, none of their shares can be transferred within 36 months commencing from the Company's listing on the Shenzhen Stock Exchange. 根據本公司非流通股股東及24名自然人發起人股東承諾，自本公司股票在深交所上市起36個月內不轉讓其所持股票。

3. Shareholdings of the top ten restricted shareholders and the restrictions

3. 前10名有限售條件股東持股數量及限售條件

Serial No	Name of restricted share shareholder	Number of restricted shares held 持有的有限售條件股份數量	Time permitted to be listed and traded in the market 可上市交易時間	Number of shares permitted to be listed and traded in the market 新增可上市交易股份數量	Restriction 限售條件
序號	有限售條件股份股東名稱				
1.	濰柴控股集團有限公司 (「濰柴控股」) (Weichai Group Holdings Limited) ("Weichai Holdings")	124,236,640	30th April, 2010 二零一零年 四月三十日	—	Under the commitments of the 8 legal person promoter shareholders (including Weichai Holdings) and Zhuzhou State-owned Assets, no shares held by them shall be transferred or managed by other person or repurchased by the Company within 36 months commencing from the Company's listing on the Shenzhen Stock Exchange.
2.	Peterson Holdings Company Limited 培新控股有限公司	37,600,000	30th April, 2010 二零一零年 四月三十日	—	濰柴控股等8個法人發起人股東及株洲國資承諾，其所持有的股份將自本公司股票在深圳證券交易所上市之日起三十六個月內不轉讓或者委託他人管理，也不由本公司回購。
3.	福建龍岩工程機械(集團)有限公司 (Fujian Longyan Construction Machinery (Group) Company Limited)	34,400,000	30th April, 2010 二零一零年 四月三十日	—	
4.	深圳市創新投資集團有限公司 (Shenzhen Chuangxin Investment Group Company Limited)	34,400,000	30th April, 2010 二零一零年 四月三十日	—	
5.	濰坊市投資公司 (Weifang Investment Company)	30,898,480	30th April, 2010 二零一零年 四月三十日	—	

Serial No	Name of restricted share shareholder	Number of restricted shares held 持有的 有限售條件 股份數量	Time permitted to be listed and traded in the market 可上市交易時間	Number of shares permitted to be listed and traded in the market 新增可上市交易 股份數量	Restriction 限售條件
序號	有限售條件股份股東名稱				
6.	株洲市國有資產投資經營有限公司 (Zhuzhou State-owned Assets Administration Management Company Limited)	24,224,937	30th April, 2010 二零一零年 四月三十日	—	Under the commitments of the 24 nature person shareholders (including Tan Xuguang), no shares held by them shall be beneficially transferred or repurchased by the Company within 36 months commencing from the Company's listing on the Shenzhen Stock Exchange.
7.	奧地利IVM技術諮詢維也納有限公司 (IVM Technical Consultants Wien Gesellschaft m.b.H)	17,200,000	30th April, 2010 二零一零年 四月三十日	—	譚旭光等24名自然人股東出具承諾，其所持有的股份將自本公司股票在深圳證券交易所上市之日起三十六個月內不實質轉讓，也不由本公司回購。
8.	山東省企業託管經營股份有限公司 (Shandong Enterprise Trust Operation Company Limited)	16,000,000	30th April, 2010 二零一零年 四月三十日	—	
9.	廣西柳工集團有限公司 (Guangxi Liugong Group Limited)	7,184,880	30th April, 2010 二零一零年 四月三十日	—	
10.	Tan Xuguang 譚旭光	6,880,000	30th April, 2010 二零一零年 四月三十日	—	

(II) Shareholdings of the substantial shareholders
(As at 31st december, 2008)

(II) 主要股東持股情況(截止至二零零八年十二月三十一日)

Total number of Shareholders

The number of shareholders is 80,406 among which 80,111 are shareholders of "A" shares and 295 are shareholders of "H" shares.

股東總數

共80,406戶，其中A股股東80,111戶，H股股東295戶。

Shareholdings of the top ten shareholders

前10名股東持股情況

Name of shareholder	Type of shareholder	Approximate percentage of shares held (%) 持股概約百分比 (%)	Total number of shares held 持股總數	Number of restricted shares held 持有有限售條件股份數量	Number of shares pledged or frozen 質押或凍結的股份數量
股東名稱	股東性質				
HKSCC Nominees Limited 香港中央結算代理人有限公司	Foreign shareholder 外資股東	24.19%	201,477,718	—	N/A 未知
濰柴控股集團有限公司 (Weichai Group Holdings Limited)	State-owned legal person 國有法人	14.92%	124,304,000	124,236,640	—
Peterson Holdings Company Limited 培新控股有限公司	Overseas legal person 境外法人	4.51%	37,600,000	37,600,000	—
深圳市創新投資集團有限公司 (Shenzhen Chuangxi Investment Group Co., Ltd)	Domestic non state-owned legal person 境內非國有法人	4.13%	34,400,000	34,400,000	—
福建龍岩工程機械(集團)有限公司 (Fujian Longyan Construction Machinery (Group) Company Limited)	Domestic non state-owned legal person 境內非國有法人	4.13%	34,400,000	34,400,000	—

Name of shareholder	Type of shareholder	Approximate percentage of shares held (%) 持股概約百分比 (%)	Total number of shares held 持股總數	Number of restricted shares held 持有有限售條件股份數量	Number of shares pledged or frozen 質押或凍結的股份數量
股東名稱	股東性質				
濰坊市投資公司 (Weifang Investment Company)	State-owned legal person 國有法人	3.71%	30,898,480	30,898,480	—
株洲市國有資產投資經營有限公司 (Zhuzhou State-owned Assets Administration Management Company Limited)	State-owned shares legal person 國家股法人	2.91%	24,224,937	24,224,937	12,112,000
奧地利IVM技術諮詢維也納有限公司 (IVM Technical Consultants Wien Gesellschaft m.b.H)	Overseas legal person 境外法人	2.06%	17,200,000	17,200,000	—
山東省企業託管經營股份有限公司 (Shandong Enterprise Trust Operation Company Limited)	Domestic non state-owned legal person 境內非國有法人	1.92%	16,000,000	16,000,000	—
Industrial and Commercial Bank of China — 易方達價值成長混合型證券投資基金 中國工商銀行 — 易方達價值成長混合型證券投資基金	Domestic non state-owned legal person 境內非國有法人	1.14%	9,511,107	—	—

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31st December, 2008.

除上文所披露者外，於二零零八年十二月三十一日，本公司並無獲悉於本公司已發行股本的任何其他相關權益或淡倉。

Shareholdings of the top ten non-restricted shareholders

前10名無限售條件股東持股情況

Name of shareholder 股東名稱	Number of the non-restricted shares held 持有無限售 條件股份數量	Types of shares 股份種類
HKSCC Nominees Limited 香港中央結算代理人有限公司	201,477,718	Overseas listed foreign shares 境外上市外資股
Industrial and Commercial Bank of China — 易方達價值成長混合型證券投資基金 中國工商銀行 — 易方達價值成長混合型證券投資基金	9,511,107	RMB ordinary shares 人民幣普通股
Industrial and Commercial Bank of China — 廣發穩健增長證券投資基金 中國工商銀行 — 廣發穩健增長證券投資基金	8,400,511	RMB ordinary shares 人民幣普通股
Bank of China — 華寶興業先進成長股票型證券投資基金 中國銀行 — 華寶興業先進成長股票型證券投資基金	6,000,000	RMB ordinary shares 人民幣普通股
Shanghai Pudong Development Bank — 廣發小盤成長股票型證券投資基金 上海浦東發展銀行 — 廣發小盤成長股票型證券投資基金	5,662,814	RMB ordinary shares 人民幣普通股
China Construction Bank — 富國天博創新主題股票證券投資基金 中國建設銀行 — 富國天博創新主題股票型證券投資基金	5,603,499	RMB ordinary shares 人民幣普通股
大成價值增長證券投資基金 大成價值增長證券投資基金	4,765,434	RMB ordinary shares 人民幣普通股
Industrial and Commercial Bank of China — 諾安價值增長股票證券投資基金 中國工商銀行 — 諾安價值增長股票證券投資基金	4,748,450	RMB ordinary shares 人民幣普通股
China Construction Bank — 華寶興業行業精選股票型證券投資基金 中國建設銀行 — 華寶興業行業精選股票型證券投資基金	4,293,834	RMB ordinary shares 人民幣普通股
Industrial and Commercial Bank of China — 易方達價值精選股票型證券投資基金 中國工商銀行 — 易方達價值精選股票型證券投資基金	4,170,000	RMB ordinary shares 人民幣普通股

Description of the connected relationship or acting in concert relationship among the aforesaid shareholders:

1. Among the aforementioned shareholders, 易方達價值成長混合型證券投資基金 and 易方達價值精選股票型證券投資基金 are both managed by a fund manager, namely 易方達基金管理公司; 廣發穩健增長證券投資基金 and 廣發小盤成長股票型證券投資基金 are both managed by a fund manager, namely 廣發基金管理公司; 華寶興業先進成長股票證券投資基金 and 華寶興業行業精選股票型證券投資基金 are both managed by a fund manager, namely 華寶興業基金管理公司.
2. Save as the aforementioned, it's not certain whether there is any connected relationship among the top ten shareholders and the other top ten non-restricted shareholders, or whether there is any acting in concert relationship among them.

上述股東關聯關係或一致行動的說明：

1. 以上股東中，易方達價值成長混合型證券投資基金及易方達價值精選股票型證券投資基金由同一基金管理人——易方達基金管理公司管理；廣發穩健增長證券投資基金及廣發小盤成長股票型證券投資基金由同一基金管理人——廣發基金管理公司管理；華寶興業先進成長股票證券投資基金及華寶興業行業精選股票型證券投資基金由同一基金管理人——華寶興業基金公司管理。
2. 除上述情況以外，本公司未知其前十名股東及其他前十名無限售條件股東之間是否存在關聯關係，也未知其是否屬一致行動人士。

DETAILS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

I. Shareholdings of the directors, supervisors and chief executives

Nine of the directors, supervisors and chief executives of the Company, namely Tan Xuguang, Xu Xinyu, Sun Shaojun, Zhang Quan, Liu Huisheng, Ding Yingdong, Dai Lixin, Feng Gang and Tong Dehui, are natural-person promoter shareholders and have undertaken that they will not transfer any shares of the Company within 36 months commencing from its listing on the Shenzhen Stock Exchange. Upon such restriction period is expired, the shares held thereon can be transferred in accordance with the relevant rules of China Securities Regulatory Commission and Shenzhen Stock Exchange.

II. Appointment and resignation of the directors, supervisors and officers

1. On 30th June, 2008, the 2008 second provisional meeting of the Board of the Company considered and approved the resignation of Mr. Zhang Yupu as the Executive President of the Company, and approved the appointment of Mr. Fang Hongwei as the Executive President of the Company.

董事、監事、高級管理人員情況

I. 董事、監事、高級管理人員持股情況

本公司董事、監事、高級管理人員中有9名為自然人發起人股東，分別為譚旭光、徐新玉、孫少軍、張泉、劉會勝、丁迎東、戴立新、馮剛、佟德輝，其承諾自本公司股票在深交所上市起36個月內不轉讓其所持股票。限售期滿後，所持股票將可按中國證監會及深圳證券交易所的有關規定轉讓。

II. 董事、監事、高級管理人員的新聘或解聘情況

1. 二零零八年六月三十日，經本公司二零零八年第二次臨時董事會會議審議通過，同意張玉浦先生辭去本公司執行總裁職務，並同意聘任方紅衛先生為本公司執行總裁。

2. On 6th October, 2008, the 2008 fourth provisional meeting of the Board of the Company considered and approved the resignation of Mr. Zhang Yuanfu as the Company Secretary, Chief Financial Officer, Qualified Accountant and Authorized Representative of the Company, and terminated the authorization granted to him for accepting service of process and notices in Hong Kong. It also approved the appointment of Mr. Cheung Tat Leung, Peter as the Company Secretary, Chief Financial Officer, Qualified Accountant and Authorized Representative of the Company, and granted him the authorization for accepting service of process and notices in Hong Kong on behalf of the Company.

2. 二零零八年十月六日，經本公司二零零八年第四次臨時董事會會議審議通過，同意張元福先生辭去公司秘書、財務總監、合資格會計師及授權代表等職務並終止對其於香港接收傳票及通知的人士的授權；同意聘任張達良先生為公司秘書、財務總監、合資格會計師及授權代表並授權其為本公司於香港接收傳票及通知的人士。

CONTINUING CONNECTED TRANSACTIONS

During the year, the Company and the Group had the following continuing connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

List of Connected Persons and the relationship with the Company

持續性關連交易

年內，本公司與本集團有下列持續性關連交易，該等交易的若干詳情已根據上市規則第14A章的規定披露。

關連人士列表及其與本公司之關係

Name of Connected Person 關連人士名稱	Abbreviation 簡稱	Relationship between the Connected Person and the Group 關連人士與本集團之關係
Weichai Group Holdings Limited 濰柴控股集團有限公司	Weichai Holdings 濰柴控股	Held 14.91% interest in the Company, one of the Promoters of the Company 持有本公司14.91%權益，本公司發起人之一
Fujian Longyan Construction Machinery (Group) Company Limited 福建龍岩工程機械(集團)有限公司	Fujian Longgong 福建龍工	One of the Promoters of the Company 本公司發起人之一
Shanghai Longgong Machinery Company Limited 龍工(上海)機械有限公司	Shanghai Longgong 上海龍工	An associate of Mr. Li San Yim (a non-executive director of the Company) 本公司非執行董事李新炎先生之聯繫人士

Name of Connected Person 關連人士名稱	Abbreviation 簡稱	Relationship between the Connected Person and the Group 關連人士與本集團之關係
Guangxi Liugong Machinery Co., Ltd. 廣西柳工機械股份有限公司	Guangxi Liugong Machinery 廣西柳工機械	Guangxi Liugong Group Co., Ltd (one of the Promoters of the Company) held 63% interest in Guangxi Liugong Machinery 廣西柳工集團有限公司(本公司發起人之一)持有廣西柳工機械63%權益
Weifang Weichai Deutz Diesel Engine Co., Ltd. 濰坊濰柴道依茨柴油機有限公司	Weichai Deutz 濰柴道依茨	Weichai Holdings held 50% interest in Weichai Deutz 濰柴控股持有濰柴道依茨50%權益
Shandong Juli Company Limited 山東巨力股份有限公司	Shandong Juli 山東巨力	Weichai Holdings held 30.59% interest in Shandong Juli 濰柴控股持有山東巨力30.59%權益
Weifang Weichai Peterson Gas Diesel Engines Company Limited 濰坊濰柴培新氣體發動機有限責任公司	Weichai Gas 濰氣體	Peterson (CNG) Equipment Limited (an associate of Mr. Yeung Sai Hong, who is a non-executive director of the Company) held 50% interest in Weichai Gas Peterson (CNG) Equipment Limited (本公司非執行董事楊世杭先生之聯繫人士)持有濰氣體50%權益
Shaanxi Fast Gear Automotive Transmission Co., Ltd. 陝西法士特汽車傳動集團有限公司	Fast Transmission 法士特集團	Held 49% interest in a subsidiary of the Company, Shaanxi Fast Gear Co., Ltd. 持有本公司附屬公司陝西法士特齒輪有限責任公司49%權益
Shaanxi Automotive Group Co., Ltd. 陝西汽車集團有限責任公司	Shaanxi Automotive 陝汽集團	Held 49% interest in a subsidiary of the Company, Shaanxi Heavy Duty Automotive Co., Ltd. 持有本公司附屬公司陝西重型汽車有限公司49%權益

Name of Connected Person 關連人士名稱	Abbreviation 簡稱	Relationship between the Connected Person and the Group 關連人士與本集團之關係
Dong Feng Automotive Group Co., Ltd. 東風汽車集團股份有限公司	Dong Feng Automotive 東風汽車集團	Held 40% interest in a subsidiary of the Company, Dong Feng Off-road Vehicles Co., Ltd. 持有本公司附屬公司東風越野車有限公司40%權益
Mudan Jiang Huatong Automotive Group Company Limited 牡丹江華通汽車零部件公司	Huatong 華通	Held 20.04% interest in a subsidiary of the Company, Mudan Jiang Futong Automotive Air Conditioner Co., Ltd. 持有本公司附屬公司牡丹江富通汽車空調有限公司20.04%權益
Mr. Steve Wang 王緯先生	Mr. Wang 王先生	A natural person, held 25% interest in a subsidiary of the Company, MAT Automotive Inc ("MAT") 自然人，持有本公司附屬公司MAT Automotive Inc(「MAT」)25%權益
TMD Friction Europe GmbH	TMD	Held 48% interest in a subsidiary of the Company, Meneta Advance Shims Technology A/S ("MAST") 持有本公司附屬公司Meneta Advance Shims Technology A/S(「MAST」)48%權益



1. Provision of general services and labour services by Weichai Holdings and its associate to the Company

Pursuant to the general services agreement entered into between the Company and Weichai Holdings on 17th November, 2003 (as amended and supplemented by various supplemental agreements, collectively referred to as "Weichai Holdings General Services Agreement"), Weichai Holdings has agreed to provide certain labour services as well as general services to the Company, namely, environmental protection, security, fire, repair, maintenance and other general services and the payment of certain town land use right tax in relation to the property occupied and/or used by the Company. The fees payable by the Company to Weichai Holdings with respect to the provision of the said services are determined based on the actual costs incurred by Weichai Holdings and apportioned on a pro-rata basis according to the area of the relevant property occupied and/or used by the Company plus a service charge representing not more than 5% of such costs and settled by the parties on a monthly basis.

Pursuant to the general services agreement entered into between the Company and Chongqing Weichai Diesel Engine Works ("Chongqing Weichai"), an associate of Weichai Holdings, on 17th November, 2003 (as amended and supplemented by various supplemental agreements, collectively referred to as "Chongqing Weichai General Services Agreement"), Chongqing Weichai has agreed to provide certain general services to the Company, namely, environmental protection, security, fire, repair, maintenance and other general services and the payment of certain town land use right tax in relation to the property occupied and/or used by the Company. The fees payable by the Company to Chongqing Weichai with respect to the provision of the said services are determined based on the actual costs incurred by Chongqing Weichai and apportioned on a pro-rata basis according to the area of the relevant property occupied and/or used by the Company plus a service charge not exceeding 20% of such costs (save that the town land use right tax paid by Chongqing Weichai on behalf of the Company will not be subject to the said 20% service charge) and are settled by the parties on a monthly basis.

Upon the expiry of the Weichai Holdings General Services Agreement and Chongqing Weichai General Services Agreement on 31st December, 2010, the Company shall have an option to renew the agreement for a term of three years. The approved annual caps for the aforesaid services provided by Weichai Holdings and Chongqing Weichai for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB29.5 million, RMB36.5 million and RMB47.5 million, respectively. In the year ended 31st December, 2008, the total amount charged by Weichai Holdings and Chongqing Weichai to the Company for the said services was RMB28,758,000.

1. 濰柴控股及其聯繫人士向本公司提供綜合服務及勞務服務

根據本公司與濰柴控股於二零零三年十一月十七日訂立的綜合服務協議(經多項補充協議修訂及補充,統稱為「濰柴控股綜合服務協議」),濰柴控股同意向本公司提供若干勞務服務以及環保、保安、消防、維修、保養及其他綜合服務等綜合服務,以及代為支付本公司佔用及/或使用的物業的若干城鎮土地使用稅。就提供上述服務而言,本公司應向濰柴控股支付的費用乃根據濰柴控股所產生的實際成本及本公司佔用及/或使用的有關物業面積比例攤分,另加估該等成本不多於5%的服務附加費計算,由雙方按月結算。

根據本公司與重慶濰柴發動機廠(「重慶濰柴」,本公司之聯繫人士)於二零零三年十一月十七日訂立的綜合服務協議(經多項補充協議修訂及補充,統稱為「重慶濰柴綜合服務協議」),重慶濰柴同意向本公司提供環保、保安、消防、維修、保養及其他綜合服務等若干綜合服務,以及代為支付本公司佔用及/或使用的物業的若干城鎮土地使用稅。就提供上述服務而言,本公司應向重慶濰柴支付的費用乃根據重慶濰柴所產生的實際成本及本公司佔用及/或使用的有關物業面積比例攤分,另加估該等成本不多於20%的服務附加費計算(惟重慶濰柴代本公司支付的城鎮土地使用稅將不包括於上述20%服務附加費內),由雙方按月結算。

於二零一零年十二月三十一日濰柴控股綜合服務協議及重慶濰柴綜合服務協議屆滿後,本公司可選擇重續協議,為期三年。濰柴控股及重慶濰柴提供上述服務於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣29,500,000元、人民幣36,500,000元及人民幣47,500,000元。於截至二零零八年十二月三十一日止年度,濰柴控股及重慶濰柴就上述服務向本公司收取的總金額為人民幣28,758,000元。

2. Supply and/or connection of utilities by Weichai Holdings and its associate to the Company

Pursuant to the utility services agreement entered into between the Company and Weichai Holdings on 17th November, 2003 (as amended and supplemented by various supplemental agreements, collectively referred to as "Weichai Holdings Utilities Services Agreement"), Weichai Holdings has agreed to provide or provide the connection of certain utility and energy services to the Company, namely, water, electricity, gas, steam, oxygen, nitrogen, compressed air, waste water treatment and supply of treated waste water, etc. The fees payable by the Company to Weichai Holdings with respect to the provision of the said services are determined based on the actual usage of the Company and by reference to the market prices of such utilities. If only government published rates are available with respect to certain utilities, the fees payable would be determined by reference to the government published rates plus the wastage, depreciation and repair expenses incurred by Weichai Holdings in relation thereto. If no market price or government published rates with respect to the above utility and energy services are available, the Company will pay the actual costs incurred by Weichai Holdings in relation to the provision of such utility and energy services plus a service charge representing not more than 20% of such costs. Since 1st January, 2006, Weichai Holdings has been charging the Company a service charge of 5% of the actual costs incurred thereof. The fees are settled by the parties on a monthly basis.

Pursuant to the utility services agreement entered into between the Company and Chongqing Weichai on 17th November, 2003 (as amended and supplemented by various supplemental agreements, collectively referred to as "Chongqing Weichai Utilities Services Agreement"), Chongqing Weichai has agreed to provide or provide the connection of certain utility and energy services to the Company, namely, water, electricity, natural gas, steam, oxygen, nitrogen and compressed air, etc. The fees payable by the Company to Chongqing Weichai with respect to the provision of the said services are determined based on the usage thereof by the Company or, if it is not possible to measure such usage, pro-rated according to the respective sales of Chongqing Weichai and the Company and by reference to the market prices of such utilities. If only government published rates are available with respect to certain utilities, the fees payable will be determined by reference to the government published rates plus the wastage, depreciation and repair expenses incurred by Chongqing Weichai in relation thereto. If no market prices or government published rates with respect to the above utilities and energy services are available, the Company will pay the actual costs

2. 濰柴控股及其聯繫人士向本公司供應及／或接駁動能服務

根據本公司與濰柴控股於二零零三年十一月十七日訂立的動能服務協議(經多項補充協議修訂及補充, 統稱為「濰柴控股動能服務協議」), 濰柴控股同意向本公司提供或接駁水、電、煤氣、蒸汽、氧、氮、壓縮空氣、污水淨化處理及供應經淨化處理的污水等若干動能及能源服務。本公司就提供上述服務應向濰柴控股支付的費用, 乃根據本公司的實際用量及參照有關動能的市價而釐定。若一些動能僅有政府公佈價格可供參考, 則應付服務費將按該等政府公佈價格, 另加濰柴控股因此產生的損耗、折舊及維修開支而釐定。若上述動能及能源服務並無市價或政府公佈價格, 本公司將須向濰柴控股支付其提供該等動能及能源服務所產生的實際成本, 另加佔該等成本不多於20%的服務附加費。自二零零六年一月一日起, 濰柴控股已就因此產生的實際成本的5%向本公司收取服務附加費。該等費用由雙方按月結算。

根據本公司與重慶濰柴於二零零三年十一月十七日訂立的動能服務協議(經多項補充協議修訂及補充, 統稱為「重慶濰柴動能服務協議」), 重慶濰柴同意向本公司提供或接駁水、電、煤氣、蒸汽、氧、氮、壓縮空氣等若干動能及能源服務。本公司就上述服務應向重慶濰柴支付的費用, 乃根據本公司的實際用量或(倘不可能計算該等用量)重慶濰柴和本公司各自的年度銷售額比例及參照該等動能服務的市價釐定。若一些動能僅有政府公佈價格可供參考, 則應付服務費將按該等政府公佈價格, 另加重慶濰柴因此產生的損耗、折舊及維修開支而釐定。若上述動能及能源服務並無市價或政府公佈價格, 本公司將須向重慶濰柴支付其提供該等動能及能源服務所產生的實際成本, 另加佔該等成本不多

incurred by Chongqing Weichai in relation to the provision of such utilities and energy services plus a service charge representing not more than 20% of such costs. Chongqing Weichai has been charging the Company a service charge of 20% of the actual costs incurred thereof. The fees are settled by the parties on a monthly basis.

Upon the expiry of the Weichai Holdings Utilities Services Agreement and Chongqing Weichai Utilities Services Agreement on 31st December, 2010, the Company shall have an option to renew the agreement for a term of three years. The approved annual caps for the aforesaid services provided by Weichai Holdings and Chongqing Weichai for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB178 million, RMB223 million and RMB290 million, respectively. In the year ended 31st December, 2008, the total amount charged by Weichai Holdings and Chongqing Weichai to the Company for the said services was RMB152,882,000.

3. Purchase of diesel engine parts and components, gas and scrap metals, etc., materials and related products and processing services by the Company from Weichai Holdings and its associate

Pursuant to the Weichai Purchase and Processing Services Agreement entered into between the Company, Weichai Holdings and Chongqing Weichai on 27th November, 2008,

- (i) the Company has agreed to purchase diesel engine parts and components, gas and scrap metals, etc., materials and related products at market prices from Weichai Holdings and Chongqing Weichai; and
- (ii) Chongqing Weichai has agreed to provide processing services to the Company with respect to certain semi-finished diesel engine parts at fees determined based on the relevant market prices.

The above transactions are settled by the parties on a monthly basis.

於20%的服務附加費。重慶濰柴已就因此產生的實際成本的20%向本公司收取服務附加費。該等費用由雙方按月結算。

於二零一零年十二月三十一日濰柴控股動能服務協議及重慶濰柴動能服務協議屆滿後，本公司可選擇重續協議，為期三年。濰柴控股及重慶濰柴提供上述服務於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣178,000,000元、人民幣223,000,000元及人民幣290,000,000元。於截至二零零八年十二月三十一日止年度，濰柴控股及重慶濰柴就上述服務向本公司收取的總金額為人民幣152,882,000元。

3. 本公司向濰柴控股及其聯繫人士採購柴油機零部件、煤氣及廢金屬等、原材料、相關產品及加工服務

根據本公司與濰柴控股及重慶濰柴於二零零八年十一月二十七日訂立的濰柴採購及加工服務協議，

- (i) 本公司同意按市價向濰柴控股及重慶濰柴採購柴油機零部件、煤氣及廢金屬等、原材料及相關產品；及
- (ii) 重慶濰柴同意以根據有關市價釐定的費用向本公司提供關於若干柴油機零部件毛坯的加工服務

上述交易由雙方按月結算。

Upon the expiry of the Weichai Purchase and Processing Services Agreement on 31st December, 2010, the Company shall have an option to renew the agreement for a term of three years. The approved annual caps for the aforesaid purchases made and services received from Weichai Holdings and Chongqing Weichai for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB86.5 million, RMB102 million and RMB112.5 million, respectively. In the year ended 31st December, 2008, the total purchases made and processing services received by the Company from Weichai Holdings and Chongqing Weichai amounted to RMB80,679,000 in total.

4. Sale of diesel engines, diesel engine parts and components, materials and related products and provision of processing services by the Company and one of its subsidiaries, Weichai Power Reserves and Resources Company ("Weichai Resources") to Weichai Holdings and its certain associates

Pursuant to the Weichai Sales and Processing Services Agreement entered into between the Company and Weichai Resources as suppliers and Weichai Holdings and its certain associates as customers on 27th November, 2008, the Company and Weichai Resources have agreed to (i) sell certain diesel engines, diesel engine parts and components and related products, and materials for the repair services of diesel engines, and (ii) provide certain processing services in relation to the production of diesel engines to Weichai Holdings and its certain associates at market prices. The transactions are settled by the parties on a monthly basis.

Upon the expiry of the Weichai Sales and Processing Services Agreement on 31st December, 2010, the Company shall have an option to renew the agreement for a term of three years.

The approved annual caps for the aforesaid sales made and services provided to Weichai Holdings and its certain associates for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB200 million, RMB265 million and RMB315 million, respectively. In the year ended 31st December, 2008, the total sales made and processing services provided by the Company and Weichai Resources to Weichai Holdings and its certain associates amounted to RMB165,349,000 in total.

於二零一零年十二月三十一日濰柴採購及加工服務協議屆滿後，本公司可選擇重續協議，為期三年。向濰柴控股及重慶濰柴作出上述採購及獲得上述服務於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣86,500,000元、人民幣102,000,000元及人民幣112,500,000元。於截至二零零八年十二月三十一日止年度，本公司向濰柴控股及重慶濰柴作出該等採購及獲得加工服務的總金額為人民幣80,679,000元。

4. 本公司及一間附屬公司濰柴動力備品資源公司(「濰柴資源」)向濰柴控股及其若干聯繫人士銷售柴油機、柴油機零部件、原材料、相關產品及提供加工服務

根據本公司及濰柴資源作為供應商與濰柴控股及其若干聯繫人士作為客戶於二零零八年十一月二十七日訂立的濰柴銷售及加工服務協議，本公司及濰柴資源同意按市價向濰柴控股及其若干聯繫人士(i)出售若干柴油機、柴油機零部件、相關產品及柴油機維修服務所需的原材料，及(ii)提供與柴油機生產有關的若干加工服務。相關交易由雙方按月結算。

於二零一零年十二月三十一日濰柴採購及加工服務協議屆滿後，本公司可選擇重續協議，為期三年。

向濰柴控股及其若干聯繫人士作出上述銷售及提供上述服務於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣200,000,000元、人民幣265,000,000元及人民幣315,000,000元。於截至二零零八年十二月三十一日止年度，本公司及濰柴資源向濰柴控股及其若干聯繫人士作出該等銷售及提供加工服務的總金額為人民幣165,349,000元。

5. Lease of buildings and equipment by Weichai Holdings (and its associates) to the Company (and its subsidiaries)

Pursuant to the asset lease agreement entered into between the Company and Weichai Holdings on 17th November, 2003 (as amended and supplemented by the supplemental agreement dated 12th November, 2006, collectively referred to as "Lease of Buildings and Equipment"), Weichai Holdings has agreed to lease to the Company certain buildings (including factories and warehouses with a total gross floor area of 63,245 sq.m.) situated at Weichai Factory (the "Buildings") and all the equipment in relation to the manufacture of certain semi-finished diesel engine parts (collectively referred to as "Equipment") located in the Buildings for a term ending 31st December, 2009.

The approved annual caps for the lease rental payable to Weichai Holdings in respect of the Lease of Buildings and Equipment for each of the two years ending 31st December, 2009 are RMB43 million. In the year ended 31st December, 2008, the total lease rental payable by the Company to Weichai Holdings amounted to RMB42,840,000.

6. Lease of properties by Chongqing Weichai to the Company

Pursuant to the properties lease agreement entered into between the Company and Chongqing Weichai on 1st July, 2003 (as amended and supplemented by various supplemental agreements), collectively referred to as "Lease of Properties"), Chongqing Weichai has agreed to lease to the Company certain land and buildings situated at which the Chongqing Production Line is situated for a term ending 31st December, 2009.

The approved annual caps for the lease rental payable to Chongqing Weichai in respect of the Lease of Properties for each of the two years ending 31st December, 2009 are RMB4,000,000. In the year ended 31st December, 2008, the total lease rental payable by the Company to Chongqing Weichai in respect of the Lease of Properties amounted to RMB3,404,000.

5. 濰柴控股(及其聯繫人士)向本公司(及其附屬公司)出租房屋及設備

根據本公司與濰柴控股於二零零三年十一月十七日訂立的資產租賃協議(經於二零零六年十一月十二日訂立的補充協議修訂及補充,統稱「房屋及設備租約」),濰柴控股同意向本公司出租位於濰柴廠的若干房屋(「房屋」,包括總建築面積為63,245平方米的工廠及倉庫)及置於房屋內且與製造若干柴油機零部件毛坯有關的所有設備(統稱「設備」),協議年期截至二零零九年十二月三十一日止。

就房屋及設備租約應向濰柴控股支付的租金於截至二零零九年十二月三十一日止兩個年度各年之經批准年度上限均為人民幣43,000,000元。於截至二零零八年十二月三十一日止年度,本公司應向濰柴控股支付的租金總額為人民幣42,840,000元。

6. 重慶濰柴向本公司出租物業

根據本公司與重慶濰柴於二零零三年七月一日訂立的物業租賃協議(經多項補充協議修訂及補充,統稱為「物業租約」),重慶濰柴同意向本公司出租重慶生產線所在的若干土地及樓宇,協議年期截至二零零九年十二月三十一日止。

就物業租約應向重慶濰柴支付的租金於截至二零零九年十二月三十一日止兩個年度各年之經批准年度上限均為人民幣4,000,000元。於截至二零零八年十二月三十一日止年度,本公司就物業租約應向重慶濰柴支付的租金總額為人民幣3,404,000元。

7. Supply of diesel engines and diesel engine parts by the Company to Fujian Longgong Construction Machinery (Group) Company Limited ("Fujian Longgong") and Shanghai Longgong Machinery Company Limited ("Shanghai Longgong") and their associates

Fujian Longgong was a Promoter of the Company while Shanghai Longgong was an associate of a Non-executive Director of the Company during the year ended 31st December, 2008. Pursuant to the respective framework agreements dated 21st October, 2003 entered into by the Company with Fujian Longgong and Shanghai Longgong (as supplemented by various supplemental agreements), the Company has agreed to supply Fujian Longgong and Shanghai Longgong and their associates, at market prices and settled in the month following delivery, diesel engines and diesel engine parts for a term ending 31st December, 2010, upon which the Company shall have the option to extend the term for another three years.

The approved annual caps for the aforesaid sales of diesel engines and diesel engine parts to Fujian Longgong and Shanghai Longgong and their associates for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB1 billion, RMB1.3 billion and RMB1.5 billion, respectively. In the year ended 31st December, 2008, the total sales of diesel engines and diesel engine parts made by the Company to Fujian Longgong and Shanghai Longgong and their associates amounted to RMB789,848,000.

8. Sale of diesel engines and diesel engine parts by the Company to Guangxi Liugong Machinery Co., Ltd. ("Guangxi Liugong Machinery")

Guangxi Liugong Machinery was during the year ended 31st December, 2008 a 63% owned subsidiary of Guangxi Liugong Group Co., Ltd., which was a Promoter of the Company. Pursuant to the framework agreement dated 21st October, 2003 entered into between the Company and Guangxi Liugong Machinery (as supplemented by various supplemental agreements), the Company has agreed to supply Guangxi Liugong Machinery, at market prices and settled in the month following delivery, WD615 Engines and parts for a term ending 31st December, 2010, upon the expiry of which the Company shall have the option to extend the term for another three years.

7. 本公司向福建龍岩工程機械(集團)有限公司(「福建龍工」)及龍工(上海)機械有限公司(「上海龍工」)以及彼等之聯繫人士供應柴油機及柴油機零部件

於截至二零零八年十二月三十一日止年度，福建龍工為本公司之發起人，上海龍工則為本公司一名非執行董事之聯繫人士。根據本公司於二零零三年十月二十一日分別與福建龍工及上海龍工訂立的框架協議(經多項補充協議補充)，本公司同意按市價向福建龍工及上海龍工以及彼等之聯繫人士供應柴油機及柴油機零部件，於交付後的下一個月結算，協議年期截至二零一零年十二月三十一日止，於屆滿後本公司可選擇重續協議，為期三年。

向福建龍工及上海龍工以及彼等之聯繫人士銷售上述柴油機及柴油機零部件於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣1,000,000,000元、人民幣1,300,000,000元及人民幣1,500,000,000元。於截至二零零八年十二月三十一日止年度，本公司向福建龍工及上海龍工以及彼等之聯繫人士銷售柴油機及柴油機零部件的總金額為人民幣789,848,000元。

8. 本公司向廣西柳工機械股份有限公司(「廣西柳工機械」)出售柴油機及柴油機零部件

於截至二零零八年十二月三十一日止年度，廣西柳工機械為廣西柳工集團有限公司(本公司之發起人)持有63%之附屬公司。根據本公司與廣西柳工機械於二零零三年十月二十一日訂立的框架協議(經多項補充協議補充)，本公司同意按市價向廣西柳工機械供應WD615系列柴油機及零部件，於交付後的下一個月結算，協議年期截至二零一零年十二月三十一日止，於屆滿後本公司可選擇重續協議，為期三年。

The approved annual caps for the aforesaid sales of diesel engines and diesel engine parts to Guangxi Liugong Machinery for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB1,080 million, RMB1,235 million and RMB1,350 million, respectively. In the year ended 31st December, 2008, the total sales of diesel engines and diesel engine parts made by the Company to Guangxi Liugong Machinery amounted to RMB598,120,000.

9. Sale of semi-finished diesel engine parts and related products by the Company to Weifang Weichai Deutz Diesel Engine Co., Ltd. ("Weichai Deutz")

Weichai Deutz was owned by Weichai Holdings as to 50% during the year ended 31st December, 2008. Pursuant to the master sales agreement entered into between the Company and Weichai Deutz on 21st October, 2003 (as supplemented by various supplemental agreements), the Company has agreed to supply semi-finished diesel engines parts and related products to Weichai Deutz for its 226B series of diesel engines, at market prices and settled on a monthly basis, for a term ending 31st December, 2010, upon the expiry of which the Company shall have the option to extend the term for another three years.

The approved annual caps for the aforesaid sales of semi-finished diesel engines parts and related products to Weichai Deutz for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB100 million, RMB130 million and RMB170 million, respectively. In the year ended 31st December, 2008, the total sales of semi-finished diesel engines parts and related products made by the Company to Weichai Deutz amounted to RMB71,197,000.

10. Provision of sales and warranty period repair services by the Company to Weichai Deutz

Pursuant to the sales and warranty agreement entered into between the Company and Weichai Deutz on 21st September, 2005 (as supplemented by various supplemental agreements), the Company has agreed to provide sales and warranty period repair and maintenance services to Weichai Deutz, at market prices and settled on a quarterly basis, for a term ending 31st December, 2010, upon the expiry of which the Company shall have the option to extend the term for another three years.

向廣西柳工機械銷售上述柴油機及柴油機零部件於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣1,080,000,000元、人民幣1,235,000,000元及人民幣1,350,000,000元。於截至二零零八年十二月三十一日止年度，本公司向廣西柳工機械銷售柴油機及柴油機零部件的總金額為人民幣598,120,000元。

9. 本公司向濰坊濰柴道依茨柴油機有限公司(「濰柴道依茨」)銷售柴油機零部件毛坯及相關產品

於截至二零零八年十二月三十一日止年度，濰柴道依茨由濰柴控股擁有50%權益。根據本公司與濰柴道依茨於二零零三年十月二十一日訂立的總銷售協議(經多項補充協議補充)，本公司同意按市價向濰柴道依茨供應柴油機零部件毛坯及相關產品，由雙方按月結算，協議年期截至二零一零年十二月三十一日止，於屆滿後本公司可選擇重續協議，為期三年。

向濰柴道依茨銷售上述柴油機零部件毛坯及相關產品於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣100,000,000元、人民幣130,000,000元及人民幣170,000,000元。於截至二零零八年十二月三十一日止年度，本公司向濰柴道依茨銷售柴油機零部件毛坯及相關產品的總金額為人民幣71,197,000元。

10. 本公司向濰柴道依茨提供銷售與保修期維修服務

根據本公司與濰柴道依茨於二零零五年九月二十一日訂立的銷售及保修協議(經多項補充協議補充)，本公司同意按市價向濰柴道依茨提供銷售與保修期維修及保養服務，由雙方按季度結算，協議年期截至二零一零年十二月三十一日止，於屆滿後本公司可選擇重續協議，為期三年。

The approved annual caps for the aforesaid sales and warranty period repair services provided to Weichai Deutz for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB15 million, RMB20 million and RMB26 million, respectively. In the year ended 31st December, 2008, the sales and warranty period repair services provided by the Company to Weichai Deutz amounted to RMB14,938,000 in total.

11. Purchase of diesel engine parts and components and related products by Weichai Resources from Weichai Deutz

Pursuant to the diesel engine parts and components and related products purchase agreement entered into between Weichai Resources and Weichai Deutz on 27th November, 2008, Weichai Resources has agreed to purchase from Weichai Deutz certain parts and components for the manufacture of diesel engines, at market prices and settled on a monthly basis, for a term ending 31st December, 2010, upon the expiry of which Weichai Resources shall have the option to extend the term for another three years.

The approved annual caps for the aforesaid purchases of diesel engine parts and components and related products from Weichai Deutz for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB15 million, RMB47 million and RMB60 million, respectively. In the year ended 31st December, 2008, the total purchases of diesel engine parts and components and related products made by Weichai Resources from Weichai Deutz amounted to RMB6,028,000.

12. Purchase of diesel engines and related products by the Company from Weichai Deutz

Pursuant to the diesel engines purchase agreement entered into between the Company and Weichai Deutz on 27th November, 2008, the Company has agreed to purchase certain diesel engines and related products from Weichai Deutz, at market prices and settled on a quarterly basis, for a term ending 31st December, 2010, upon the expiry of which the Company shall have the option to extend the term for another three years.

向濰柴道依茨提供上述銷售與保修期維修服務於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣15,000,000元、人民幣20,000,000元及人民幣26,000,000元。於截至二零零八年十二月三十一日止年度，本公司向濰柴道依茨提供銷售與保修期維修服務的總金額為人民幣14,938,000元。

11. 濰柴資源向濰柴道依茨採購柴油機零部件及相關產品

根據濰柴資源與濰柴道依茨於二零零八年十一月二十七日訂立的柴油機零部件及相關產品採購協議，濰柴資源同意按市價向濰柴道依茨採購用於製造柴油機的若干零部件，由雙方按月結算，協議年期截至二零一零年十二月三十一日止，於屆滿後濰柴資源可選擇重續協議，為期三年。

向濰柴道依茨採購上述柴油機零部件及相關產品於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣15,000,000元、人民幣47,000,000元及人民幣60,000,000元。於截至二零零八年十二月三十一日止年度，濰柴資源向濰柴道依茨採購該等柴油機零部件及相關產品的總金額為人民幣6,028,000元。

12. 本公司向濰柴道依茨採購柴油機及相關產品

根據本公司與濰柴道依茨於二零零八年十一月二十七日訂立的柴油機採購協議，本公司同意按市價向濰柴道依茨採購若干柴油機及相關產品，由雙方按季結算，協議年期截至二零一零年十二月三十一日止，於屆滿後本公司可選擇重續協議，為期三年。

The approved annual caps for the aforesaid purchases of diesel engines and related products from Weichai Deutz for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB24 million, RMB28 million and RMB32 million, respectively. In the year ended 31st December, 2008, the total purchases of diesel engines and related products made by the Company from Weichai Deutz amounted to RMB20,366,000.

13. Sale of diesel engines and related products by the Company to Shandong Juli Company Limited ("Shandong Juli")

Shandong Juli was owned by Weichai Holdings as to 30.59% during the year ended 31st December, 2008. The Company and Weichai Holdings entered into a framework agreement on 17th November, 2003 (as supplemented by various supplemental agreements). The rights and obligations of Weichai Holdings in the agreement were assumed by Shandong Juli pursuant to a supplemental framework agreement entered into between the Company, Weichai Holdings and Shandong Juli on 9th June, 2007.

Pursuant to the framework agreement, the Company has agreed to sell to Shandong Juli WD615 Engines and related products, at market prices and settled on a monthly basis, for a term ending 31st December, 2010, upon the expiry of which the parties may extend the term for another three years.

The approved annual caps for the aforesaid sales of diesel engines and related products to Shandong Juli for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB70 million, RMB91 million and RMB120 million, respectively. In the year ended 31st December, 2008, the total sales of diesel engines and related products made by the Company to Shandong Juli amounted to RMB66,499,000.

向濰柴道依茨採購上述柴油機及相關產品於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣24,000,000元、人民幣28,000,000元及人民幣32,000,000元。於截至二零零八年十二月三十一日止年度，本公司向濰柴道依茨採購柴油機及相關產品的總金額為人民幣20,366,000元。

13. 本公司向山東巨力股份有限公司(「山東巨力」)銷售柴油機及相關產品

於截至二零零八年十二月三十一日止年度，濰柴控股持有山東巨力之30.59%權益。本公司與濰柴控股於二零零三年十一月十七日訂立一項框架協議(經多項補充協議補充)。濰柴控股於該協議之權利及義務由山東巨力根據本公司、濰柴控股與山東巨力於二零零七年六月九日訂立的一項補充框架協議承擔。

根據該框架協議，本公司同意按市價向山東巨力銷售WD615系列柴油機及相關產品，由雙方按月結算，協議年期截至二零一零年十二月三十一日止，於屆滿後雙方均可選擇重續協議，為期三年。

向山東巨力銷售上述柴油機及相關產品於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣70,000,000元、人民幣91,000,000元及人民幣120,000,000元。於截至二零零八年十二月三十一日止年度，本公司向山東巨力銷售該等柴油機及相關產品的總金額為人民幣66,499,000元。

14. Purchase of diesel engine parts and components, materials, steel and scrap metal, etc. and related products and the processing services by the Company and Weichai Resources from Shandong Juli

Pursuant to the Juli Purchase and Processing Services Agreement entered into between the Company and Weichai Resources and Shandong Juli on 27th November, 2008,

- (i) the Company and Weichai Resources have agreed to purchase from Shandong Juli diesel engine parts and components, steel and scrap metal, etc. and related products; and
- (ii) Shandong Juli has agreed to provide processing services to the Company with respect to diesel engine parts and components.

The said purchases and processing services are transacted at market prices and settled on a monthly basis for a term ending 31st December, 2010, upon the expiry of which the parties may extend the term for another three years.

The approved annual caps for the aforesaid purchases made and processing services received from Shandong Juli for the years ended/ ending 31st December, 2008, 2009 and 2010 are RMB315 million, RMB410 million and RMB525 million, respectively. In the year ended 31st December, 2008, the total purchases made and processing services received by the Company and Weichai Resources from Shandong Juli amounted to RMB253,433,000 in total.

15. Supply of semi-finished diesel engine parts by the Company to Shandong Juli

The Company and Weichai Holdings entered into a semi-finished diesel engine parts supply agreement on 17th November, 2003 (as amended and supplemented by various supplemental agreements). The rights and obligations of Weichai Holdings in the agreement were assumed by Shandong Juli pursuant to a supplemental agreement entered into between the Company, Weichai Holdings and Shandong Juli on 9th June, 2007.

14. 本公司及濰柴資源向山東巨力採購柴油機零部件、原材料、鋼材及廢金屬等及相關產品和加工服務

根據本公司及濰柴資源與山東巨力於二零零八年十一月二十七日訂立的巨力採購及加工服務協議，

- (i) 本公司及濰柴資源同意向山東巨力採購柴油機零部件、鋼材及廢金屬等及相關產品；及
- (ii) 山東巨力同意向本公司提供有關柴油機零部件的加工服務。

上述採購及加工服務乃按市價交易，由各方按月結算，協議年期截至二零一零年十二月三十一日止，於屆滿後各方均可選擇重續協議，為期三年。

向山東巨力作出的上述採購及山東巨力提供的加工服務於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣315,000,000元、人民幣410,000,000元及人民幣525,000,000元。於截至二零零八年十二月三十一日止年度，本公司及濰柴資源向山東巨力作出的採購及山東巨力提供的加工服務之總金額合計人民幣253,433,000元。

15. 本公司向山東巨力供應柴油機零部件毛坯

本公司與濰柴控股於二零零三年十一月十七日訂立一項柴油機零部件毛坯供應協議（經多項補充協議補充）。濰柴控股於該協議之權利及義務由山東巨力根據本公司、濰柴控股與山東巨力於二零零七年六月九日訂立的一項補充協議承擔。

Pursuant to the semi-finished diesel engine parts supply agreement, the Company has agreed to provide semi-finished diesel engine parts to Shandong Juli for a term ending 31st December, 2009, upon the expiry of which the parties may extend the term for another three years. The consideration payable by Shandong Juli are determined based on the costs incurred by the Company in the provision of the semi-finished diesel engine parts plus a service charge not exceeding 20% of such costs, and that the consideration will not be less than the relevant market prices, if any (provided that it is permitted by the relevant laws and regulations in the PRC to do so).

The approved annual caps for the aforesaid supply of semi-finished diesel engine parts to Shandong Juli for the years ended/ending 31st December, 2008 and 2009 are RMB250 million and RMB290 million, respectively. In the year ended 31st December, 2008, the total sales of semi-finished diesel engine parts made by the Company to Shandong Juli amounted to RMB119,414,000.

16. Supply of WD615 Engines and related parts by the Company to Weifang Weichai Peterson Gas Diesel Engines Company Limited ("Weichai Gas")

Weichai Gas was a jointly-controlled entity owned by the Company and an associate of a Non-executive Director of the Company in equal share during the year ended 31st December, 2008. Pursuant to the framework agreement entered into between the Company and Weichai Gas on 21st October, 2003 (as supplemented by various supplemental agreements), the Company has agreed to supply Weichai Gas, at market prices and settled in the month following delivery, WD615 Engines and related parts for a term ending 31st December, 2010, upon the expiry of which the Company shall have the option to extend the term for another three years.

The approved annual caps for the aforesaid supply of WD615 Engines and related parts to Weichai Gas for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB20 million, RMB26 million and RMB34 million, respectively. In the year ended 31st December, 2008, the total sales of WD615 Engines and related parts made by the Company to Weichai Gas amounted to RMB17,179,000.

根據柴油機零部件毛坯供應協議，本公司同意向山東巨力提供柴油機零部件毛坯，協議年期截至二零零九年十二月三十一日止，於屆滿後雙方可選擇重續協議，為期三年。山東巨力應付之代價乃按本公司提供柴油機零部件毛坯產生之成本加上不超過該成本20%的服務附加費釐定，惟倘中國相關法律及法規允許，該代價將不低於相關市價（如有）。

向山東巨力供應上述柴油機零部件毛坯於截至二零零八年及二零零九年十二月三十一日止年度之經批准年度上限分別為人民幣250,000,000元及人民幣290,000,000元。於截至二零零八年十二月三十一日止年度，本公司向山東巨力銷售柴油機零部件毛坯之總金額為人民幣119,414,000元。

16. 本公司向濰坊濰柴培新氣體發動機有限責任公司（「濰氣體」）供應WD615系列柴油機及相關零部件

濰氣體為一間由本公司及本公司一名非執行董事之聯繫人士於截至二零零八年十二月三十一日止年度擁有相等股份的共同控制實體。根據本公司與濰氣體於二零零三年十月二十一日訂立的框架協議（經多項補充協議補充），本公司同意按市價向濰氣體供應WD615系列柴油機及相關零部件，由雙方在交貨後的下一個月結算，協議年期截至二零一零年十二月三十一日止，於屆滿後本公司可選擇重續協議，為期三年。

向濰氣體供應上述WD615系列柴油機及相關零部件於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣20,000,000元、人民幣26,000,000元及人民幣34,000,000元。於截至二零零八年十二月三十一日止年度，本公司向濰氣體銷售WD615系列柴油機及相關零部件的總金額為人民幣17,179,000元。

17. Sale of parts and components of transmissions and related products by Shaanxi Fast Gear Co., Ltd. (a 51% owned subsidiary of the Company, "SFGC") to Shaanxi Fast Gear Automotive Transmission Co., Ltd. ("Fast Transmission")

Fast Transmission was a minority shareholder owning 49% interest in SFGC during the year ended 31st December, 2008. Pursuant to the parts and components sale agreement entered into between SFGC and Fast Transmission on 1st August, 2007 (as supplemented by a supplemental agreement on 27th November, 2008), SFGC has agreed to sell to Fast Transmission certain parts and components of transmissions, namely, gearboxes, at market prices and settled in every two to three months, for a term ending 31st December, 2010, upon the expiry of which SFGC shall have an option to renew the agreement for a term of three years.

The approved annual caps for the aforesaid sales of parts and components of transmissions to Fast Transmission for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB650 million, RMB620 million and RMB690 million, respectively. In the year ended 31st December, 2008, the total sales of parts and components of transmissions made by SFGC to Fast Transmission amounted to RMB599,380,000.

18. Purchase of parts and components of transmissions and related products by SFGC from Fast Transmission

Pursuant to the parts and components purchase agreement entered into between SFGC and Fast Transmission on 1st August, 2007 (as supplemented by a supplemental agreement on 27th November, 2008), SFGC has agreed to purchase from Fast Transmission certain parts and components of transmissions and gears, namely, power take off assemblies and castings, at market prices and settled in every two to three months, for a term ending 31st December, 2010, upon the expiry of which SFGC shall have an option to renew the agreement for a term of three years.

17. 陝西法士特齒輪有限責任公司(本公司持有51%之附屬公司,「陝西法士特齒輪」)向陝西法士特汽車傳動集團有限公司(「法士特集團」)銷售傳動零部件及相關產品

於截至二零零八年十二月三十一日止年度,法士特集團為擁有陝西法士特齒輪49%權益的少數股東。根據陝西法士特齒輪與法士特集團於二零零七年八月一日訂立之零部件銷售協議(經於二零零八年十一月二十七日訂立之補充協議補充),陝西法士特齒輪同意按市價向法士特集團出售齒輪箱等若干傳動零部件,每兩至三個月結算一次,協議年期至二零一零年十二月三十一日止,於屆滿後陝西法士特齒輪可選擇重續協議,為期三年。

向法士特集團銷售上述傳動零部件於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣650,000,000元、人民幣620,000,000元及人民幣690,000,000元。於截至二零零八年十二月三十一日止年度,陝西法士特齒輪向法士特集團銷售該等傳動零部件的總金額為人民幣599,380,000元。

18. 陝西法士特齒輪向法士特集團採購傳動零部件及相關產品

根據陝西法士特齒輪與法士特集團於二零零七年八月一日訂立之零部件採購協議(經於二零零八年十一月二十七日訂立之補充協議補充),陝西法士特齒輪同意按市價向法士特集團採購動力輸出部件及鑄件等若干傳動零部件,每兩至三個月結算一次,協議年期至二零一零年十二月三十一日止,於屆滿後陝西法士特齒輪可選擇重續協議,為期三年。

The approved annual caps for the aforesaid purchase of parts and components of transmissions from Fast Transmission for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB850 million, RMB810 million and RMB910 million, respectively. In the year ended 31st December, 2008, the total purchases of parts and components of transmissions made by SFGC from Fast Transmission amounted to RMB819,180,000.

19. Provision of general services by Fast Transmission to SFGC

Pursuant to the general services agreement entered into between SFGC and Fast Transmission on 17th September, 2001 (as supplemented by a supplemental agreement on 27th November, 2008), Fast Transmission has agreed to provide certain general services to SFGC, namely, health care, staff accommodation, child care, logistics etc. for a term ending on 31st December, 2010, upon the expiry of which SFGC shall have an option to extend the term for another three years. The fees payable by SFGC to Fast Transmission with respect to the provision of the said general services are determined based on the relevant State policy and market prices and are settled on a quarterly basis.

The approved annual caps for the aforesaid general services provided by Fast Transmission for each of the three years ending 31st December, 2010 are RMB35 million. In the year ended 31st December, 2008, the total amount payable by SFGC to Fast Transmission for the general services was RMB30,531,000.

20. Lease of land and premises by Fast Transmission to SFGC

Pursuant to the land use rights lease agreement and building lease agreement entered into between SFGC and Fast Transmission on 21st March, 2002 (both as supplemented by various supplemental agreements), Fast Transmission has agreed to lease to SFGC certain land ("SFGC Land") and certain premises situated at the SFGC Land (the "SFGC Premises") for a term ending on 31st December, 2010, upon the expiry of which SFGC shall have an option to renew the agreements for a term of three years. The SFGC Land and SFGC Premises are mainly used by SFGC for its production.

向法士特集團採購上述傳動零部件於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣850,000,000元、人民幣810,000,000元及人民幣910,000,000元。於截至二零零八年十二月三十一日止年度，陝西法士特齒輪向法士特集團採購該等傳動零部件的總金額為人民幣819,180,000元。

19. 法士特集團向陝西法士特齒輪提供綜合服務

根據陝西法士特齒輪與法士特集團於二零零一年九月十七日訂立之綜合服務協議(經於二零零八年十一月二十七日訂立之補充協議補充)，法士特集團同意向陝西法士特齒輪提供保健、員工住宿、幼兒看護、物流等若干綜合服務，協議年期至二零一零年十二月三十一日止，於屆滿後陝西法士特齒輪可選擇重續協議，為期三年。就提供上述綜合服務而言，陝西法士特齒輪應向法士特集團支付的費用乃根據相關國家政策及市價按季結算。

法士特集團提供上述綜合服務於截至二零一零年十二月三十一日止三個年度各年之經批准年度上限均為人民幣35,000,000元。於截至二零零八年十二月三十一日止年度，陝西法士特齒輪就綜合服務應向法士特集團支付的總金額為人民幣30,531,000元。

20. 法士特集團向陝西法士特齒輪出租土地及產業

根據陝西法士特齒輪與法士特集團於二零零二年三月二十一日訂立之土地使用權租賃協議及樓宇租賃協議(均經由多項補充協議補充)，法士特集團同意向陝西法士特齒輪出租若干土地(「陝西法士特齒輪土地」)及位於陝西法士特齒輪土地上之若干產業(「陝西法士特齒輪產業」)，協議年期至二零一零年十二月三十一日止，於屆滿後陝西法士特齒輪可選擇重續協議，為期三年。陝西法士特齒輪土地及陝西法士特齒輪產業主要用於陝西法士特齒輪的生產。

The rental for SFGC Land shall be paid by SFGC before 25th June and 25th December every year, and the amount payable shall be revised by the parties every four years based on the national price level of the PRC and the relevant laws and regulations of the PRC. The land tax in respect of the SFGC Land shall be borne by SFGC in accordance with the relevant laws and regulations of the PRC.

The rental for SFGC Premises shall be paid by SFGC every season each year, and the amount payable shall be determined based on the yearly depreciation of the original value of the premises. The property tax in respect of the SFGC Premises shall be borne by SFGC in accordance with the relevant laws and regulations of the PRC.

The approved annual caps for the total lease rental payable to Fast Transmission for the SFGC Land and SFGC Premises for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB14 million, RMB13 million and RMB13 million, respectively. In the year ended 31st December, 2008, the total lease rental payable by SFGC to Fast Transmission for the SFGC Land and SFGC Premises amounted to RMB13,503,000.

21. Sale of vehicles, parts and components of vehicles and related products and provision of heat processing services by certain subsidiaries of the Company to Shaanxi Automotive Group Co., Ltd. ("Shaanxi Automotive") and its associates

Shaanxi Automotive was a minority shareholder owning 49% interest in Shannxi Heavy Duty Automotive Co., Ltd. (a 51% owned subsidiary of the Company, "Shaanxi Zhongqi") during the year ended 31st December, 2008. Pursuant to the vehicles, parts and components and raw materials sale and heat processing services agreement entered into between Shaanxi Zhongqi and certain other subsidiaries of the Company as suppliers (the "Shaanxi Suppliers") and Shaanxi Automotive and its associates as customers (the "Shaanxi Customers") on 1st August, 2007 (as supplemented by a supplemental agreement on 27th November, 2008), the Shaanxi Suppliers have agreed to sell certain vehicles and parts and components of vehicles, namely, wire gauges emission pipes and raw materials, ductile iron, castings, converted carriage, and provide heat processing services to the Shaanxi Customers, at market prices and settled by the parties every one to three months, for a term ending

陝西法士特齒輪須於每年六月二十五日及十二月二十五日前支付陝西法士特齒輪土地之租金，應付金額須由各方方基於中國的國內物價指數及中國的相關法律法規，每四年修訂一次。有關陝西法士特齒輪土地之土地稅項須由陝西法士特齒輪根據中國的相關法律法規承擔。

陝西法士特齒輪須每年按季支付陝西法士特齒輪產業之租金，應付金額乃基於產業原有價值的每年折舊釐定。有關陝西法士特齒輪產業之物業稅項須由陝西法士特齒輪根據中國的相關法律法規承擔。

就陝西法士特齒輪土地及陝西法士特齒輪產業應向法士特集團支付之租金總額於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣14,000,000元、人民幣13,000,000元及人民幣13,000,000元。於截至二零零八年十二月三十一日止年度，陝西法士特齒輪就陝西法士特齒輪土地及陝西法士特齒輪產業應向法士特集團支付之租金總額為人民幣13,503,000元。

21. 本公司若干附屬公司向陝西汽車集團有限責任公司(「陝汽集團」)及其聯繫人士銷售汽車、汽車零部件及相關產品和提供熱加工服務

於截至二零零八年十二月三十一日止年度，陝汽集團為擁有陝西重型汽車有限公司(本公司持有51%之附屬公司，「陝西重汽」)49%權益之少數股東。根據陝西重汽及若干本公司若干其他附屬公司作為供應商(「陝重汽供應商」)與陝汽集團及其聯繫人士(「陝重汽客戶」)於二零零七年八月一日訂立之汽車、零部件及原材料銷售及熱加工服務協議(經於二零零八年十一月二十七日訂立之補充協議補充)，陝重汽供應商同意按市價向陝重汽客戶出售若干汽車及汽車零部件(如量針、排氣管及原材料、球鐵、鑄件及改裝架)，以及提供熱加工服務，由各方每一至三個月結算一次，協議年

31st December, 2010, upon the expiry of which the Shaanxi Suppliers shall have an option to renew the agreement for a term of three years.

The approved annual caps for the aforesaid sales of vehicles, parts and components and raw materials and provision of heat processing services to the Shaanxi Customers for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB650 million, RMB850 million and RMB1,100 million, respectively. In the year ended 31st December, 2008, the total sales of vehicles, parts and components and raw materials and provision of heat processing services by the Shaanxi Suppliers to the Shaanxi Customers amounted to RMB401,657,000.

22. Purchase of parts and components of vehicles, scrap steel and related products by certain subsidiaries of the Company from certain associates of Shaanxi Automotive

Pursuant to the parts and components and scrap steel purchase agreement entered into between Shaanxi Zhongqi and certain other subsidiaries of the Company as buyers (the "Shaanxi Buyers") and certain associates of Shaanxi Automotive as sellers (the "Shaanxi Sellers") on 1st August, 2007 (as supplemented by a supplemental agreement on 27th November, 2008), the Shaanxi Buyers have agreed to purchase certain parts and components of vehicles, namely, wire gauges and emission pipes, brake hoof, transmission axle and radiator, and scrap steel from the Shaanxi Sellers, at market prices and settled by the parties every one to three months, for a term ending 31st December, 2010, upon the expiry of which the Shaanxi Buyers shall have an option to renew the agreement for a term of three years.

The approved annual caps for the aforesaid purchases of parts and components of vehicles and scrap steel from the Shaanxi Sellers for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB1.5 billion, RMB2.2 billion and RMB2.7 billion, respectively. In the year ended 31st December, 2008, the total purchases of parts and components of vehicles and scrap steel made by the Shaanxi Buyers from the Shaanxi Sellers amounted to RMB1,298,192,000.

期至二零一零年十二月三十一日止，於屆滿後陝重汽供應商可選擇重續協議，為期三年。

向陝重汽客戶銷售上述汽車、零部件及原材料和提供熱加工服務於截至二零零八年、二零零九年及二零一零年之經批准年度上限分別為人民幣650,000,000元、人民幣850,000,000元及人民幣1,100,000,000元。於截至二零零八年十二月三十一日止年度，陝重汽供應商向陝重汽客戶銷售汽車、零部件及原材料以及提供熱加工服務的總金額為人民幣401,657,000元。

22. 本公司若干附屬公司向陝汽集團之若干聯繫人士採購汽車零部件、廢鋼及相關產品

根據陝西重汽及本公司若干其他附屬公司作為買方(「陝重汽買方」)與陝汽集團之若干聯繫人士作為賣方(「陝重汽賣方」)於二零零七年八月一日訂立之零部件及廢鋼採購協議(經於二零零八年十一月二十七日訂立的補充協議補充)，陝重汽買方同意按市價向陝重汽賣方採購量針及排氣管、制動蹄片、傳動軸及散熱器等若干汽車零部件及廢鋼，由各方按每一至三個月結算一次，協議年期截至二零一零年十二月三十一日止，於屆滿後陝重汽買方可選擇重續協議，為期三年。

向陝重汽賣方採購上述汽車零部件及廢鋼於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣1,500,000,000元、人民幣2,200,000,000元及人民幣2,700,000,000元。於截至二零零八年十二月三十一日止年度，陝重汽買方向陝重汽賣方採購該等汽車零部件及廢鋼的總金額為人民幣1,298,192,000元。

23. Lease of land and premises by Shaanxi Automotive to certain subsidiaries of the Company

Pursuant to the land use right lease agreements and building lease agreements entered into between Shaanxi Zhongqi and certain other subsidiaries of the Company as the lessees (the "Shaanxi Lessees") and Shaanxi Automotive as the lessor on 20th September, 2002, 1st April, 2003 and 12th September, 2005 (as supplemented by various redefinition agreements and supplemental agreements), Shaanxi Automotive has agreed to lease to the Shaanxi Lessees certain land and premises (the "Shaanxi Land" and "Shaanxi Premises", respectively) for a term ending 31st December, 2010, upon the expiry of which the Shaanxi Lessees shall have an option to renew the agreements for a term of three years. The Shaanxi Land and Shaanxi Premises are mainly used by the Shaanxi Lessees for their production.

The rental for the Shaanxi Land and Shaanxi Premises shall be paid by the Shaanxi Lessees on a monthly basis (with the exception that the annual rental shall be paid by one of the Shaanxi Lessees on 25th June and 25th December every year). The annual rental of the Shaanxi Land and Shaanxi Premises shall be revised by the parties every five years based on the national price index of the PRC and the relevant laws and regulations of the PRC (with the exception that the annual rental of the Shaanxi Premises applicable to one of the Shaanxi Lessees is determined based on the yearly depreciation of the original value of the premises). The land tax and property tax in respect of the Shaanxi Land and Shaanxi Premises shall be borne by the Shaanxi Lessees in accordance with the relevant laws and regulations of the PRC.

The approved annual caps for the total lease rental payable to Shaanxi Automotive for the Shaanxi Land and Shaanxi Premises for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB24 million, RMB17.8 million and RMB17.8 million, respectively. In the year ended 31st December, 2008, the total lease rental payable by the Shaanxi Lessees to Shaanxi Automotive amounted to RMB18,088,000.

23. 陝汽集團向本公司若干附屬公司出租土地及產業

根據陝西重汽及本公司若干其他附屬公司作為承租人(「陝重汽承租人」)與陝汽集團作為出租人(「陝重汽出租人」)於二零零二年九月二十日、二零零三年四月一日及二零零五年九月十二日訂立的土地使用權及樓宇租賃協議(經多項重定義協議及補充協議補充), 陝汽集團同意向陝重汽承租人出租若干土地及產業(分別為「陝重汽土地」及「陝重汽產業」), 協議年期截至二零一零年十二月三十一日止, 於屆滿後陝重汽承租人可選擇重續協議, 為期三年。陝重汽土地及陝重汽產業主要用於陝西重汽的生產。

陝重汽承租人須按月支付陝重汽土地及陝重汽產業的租金(惟陝重汽承租人之一須於每年六月二十五日及十二月二十五日支付年租金)。陝重汽土地及陝重汽產業的年租金須由各方基於中國的國內物價指數及中國的相關法律法規, 每五年修訂一次(惟陝重汽承租人之一的有關陝重汽產業年租金乃基於陝重汽產業原有價值的每年折舊釐定)。有關陝重汽土地及陝重汽產業之土地稅項及物業稅項須由陝重汽承租人根據中國的相關法律法規承擔。

就陝重汽土地及陝重汽產業應向陝汽集團支付的租金總額於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣24,000,000元、人民幣17,800,000元及人民幣17,800,000元。於截至二零零八年十二月三十一日止年度, 陝重汽承租人應向陝汽集團支付的租金總額為人民幣18,088,000元。

24. Payment of utility charges by Shaanxi Automotive to Shaanxi Zhongqi for onward payment to utility providers

Pursuant to the general services agreement entered into between Shaanxi Zhongqi and Shaanxi Automotive on 20th September, 2002 (as supplemented by a redefinition agreement and various supplemental agreements), Shaanxi Zhongqi has agreed to transfer certain utility services including water, electricity and gas it received from third party utilities providers to Shaanxi Automotive, at market prices and settled by the parties on a monthly basis, for a term ending 31st December, 2010, upon the expiry of which Shaanxi Zhongqi shall have an option to renew the agreement for a term of three years. Shaanxi Automotive shall pay the charges for the relevant utility charges to Shaanxi Zhongqi for its onward payment to the utility providers without any mark up (except for the sharing of costs).

The approved annual caps for the total utility payments by Shaanxi Automotive for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB17 million, RMB18 million and RMB20 million, respectively. In the year ended 31st December, 2008, the total utility payments made by Shaanxi Automotive to Shaanxi Zhongqi for onward payment to utility providers amounted to RMB11,866,000.

25. Provision of general services by Shaanxi Automotive to Shaanxi Zhongqi and certain other subsidiaries of the Company

Pursuant to the general services agreement entered into between Shaanxi Zhongqi and certain other subsidiaries of the Company and Shaanxi Automotive on 20th September, 2002 (as supplemented by a supplemental agreement dated 27th November, 2008), Shaanxi Automotive has agreed to provide to Shaanxi Zhongqi and certain other subsidiaries of the Company certain general services namely, health care, accommodation, education, child care and property management and other general services, for a term ending 31st December, 2010. The fees payable to Shaanxi Automotive with respect to the provision of the said general services are determined based on the relevant State policy and market prices and are settled on a quarterly basis.

24. 陝汽集團向陝西重汽支付動能服務費，以轉交予動能服務供應商

根據陝西重汽與陝汽集團於二零零二年九月二十日訂立的綜合服務協議(經重定義協議及多項補充協議補充)，陝西重汽已同意按市價向陝汽集團傳送其從第三方動能供應商取得的水、電及煤氣等若干動能服務，協議年期截至二零一零年十二月三十一日止，由雙方按月結算，於屆滿後陝西重汽可選擇重續協議，為期三年。陝汽集團須按原價(除分攤成本外)向陝西重汽支付有關的動能服務費，以轉交予動能服務供應商。

陝汽集團之動能服務費總額於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣17,000,000元、人民幣18,000,000元及人民幣20,000,000元。於截至二零零八年十二月三十一日止年度，陝汽集團向陝西重汽支付以轉交予動能服務供應商的動能服務費總額為人民幣11,866,000元。

25. 陝汽集團向陝西重汽及本公司若干其他附屬公司提供綜合服務

根據陝西重汽及本公司若干其他附屬公司與陝汽集團於二零零二年九月二十日訂立的綜合服務協議(經於二零零八年十一月二十七日訂立的補充協議補充)，陝汽集團已同意向陝西重汽及本公司若干其他附屬公司提供保健、住房、教育、幼兒看護、物業管理及其他綜合服務等若干綜合服務，協議年期至二零一零年十二月三十一日止，就提供上述綜合服務而言，陝西重汽應付的費用乃根據相關國家政策及市價釐定，由各方按季結算。

The approved annual caps for the aforesaid general services provided by Shaanxi Automotive for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB70 million, RMB80 million and RMB91 million, respectively. In the year ended 31st December, 2008, the total amount payable by Shaanxi Zhongqi and certain other subsidiaries of the Company to Shaanxi Automotive for the general services was RMB47,461,000.

陝汽集團提供上述綜合服務於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣70,000,000元、人民幣80,000,000元及人民幣91,000,000元。於截至二零零八年十二月三十一日止年度，陝西重汽及本公司若干其他附屬公司就該等綜合服務應向陝汽集團支付的總金額為人民幣47,461,000元。

26. Sale of off-road vehicles by Dong Feng Off-road Vehicle Co., Ltd. (a 60% owned subsidiary of the Company, "DFOVCL") to Dong Feng Automotive Group Co., Ltd. ("Dong Feng Automotive")

Dong Feng Automotive was the minority shareholder owning 40% interest in DFOVCL during the year ended 31st December, 2008. Pursuant to the off-road vehicles sale agreement entered into between DFOVCL and Dong Feng Automotive on 1st August, 2007 (as supplemented by a supplemental agreement dated 27th November, 2008), DFOVCL has agreed to sell certain off-road vehicles to Dong Feng Automotive, at market prices and settled by the parties every two to three months, for a term ending 31st December, 2010, upon the expiry of which DFOVCL shall have an option to renew the agreement for a term of three years.

The approved annual caps for the aforesaid sales of off-road vehicles to Dong Feng Automotive for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB350 million, RMB530 million and RMB630 million, respectively. In the year ended 31st December, 2008, the total sales of off-road vehicles made by DFOVCL to Dong Feng Automotive amounted to RMB283,203,000.

26. 東風越野車有限公司(本公司持有60%之附屬公司，「東風越野車」)向東風汽車集團股份有限公司(「東風汽車集團」)銷售越野車

於截至二零零八年十二月三十一日止年度，東風汽車集團為擁有東風越野車40%權益的少數股東。根據東風越野車與東風汽車集團於二零零七年八月一日訂立的越野車銷售協議(經於二零零八年十一月二十七日訂立的補充協議補充)，東風越野車同意按市價向東風汽車集團出售若干越野車，由雙方按每兩至三個月結算一次，協議年期至二零一零年十二月三十一日止，於屆滿後東風越野車可選擇重續協議，為期三年。

向東風汽車集團出售上述越野車於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣350,000,000元、人民幣530,000,000元及人民幣630,000,000元。於截至二零零八年十二月三十一日止年度，東風越野車向東風汽車集團出售越野車的總金額為人民幣283,203,000元。

27. Purchase of parts and components of off-road vehicles and related products by DFOVCL from Dong Feng Automotive and its associates and provision of technical support services by Dong Feng Automotive and its associates to DFOVCL

Pursuant to the parts and components purchase agreement entered into between DFOVCL and Dong Feng Automotive on 1st August, 2007 (as supplemented by a supplemental agreement dated 27th November, 2008), DFOVCL has agreed to purchase certain parts and components of off-road vehicles from Dong Feng Automotive and its associates, at market prices and settled by the parties every two to three months. In addition, Dong Feng Automotive and its associates have agreed to provide certain technical support services to DFOVCL at a price being 3% of the transaction amount of the off-road vehicles sold by DFOVCL. The said transactions are for a term ending 31st December, 2010, upon the expiry of which DFOVCL shall have an option to renew the agreement for a term of three years.

The approved annual caps for the aforesaid purchases made and technical support services received from Dong Feng Automotive and its associates for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB165 million, RMB230 million and RMB270 million, respectively. In the year ended 31st December, 2008, the total purchases made and technical support services received by DFOVCL from Dong Feng Automotive and its associates amounted to RMB46,410,000 in total.

28. Provision of processing services by Mudan Jiang Huatong Automotive Group Company Limited ("Huatong") to Mudan Jiang Futong Automotive Air Conditioner Company Limited (a 51% owned subsidiary of the Company, "Futong")

Huatong was a minority shareholder owning 20.04% interest in Futong during the year ended 31st December, 2008. Pursuant to the processing services agreement entered into between Futong and Huatong on 1st August, 2007 (as supplemented by a supplemental agreement dated 27th November, 2008), Huatong has agreed to provide certain processing services to Futong in respect of parts and components of vehicles, at market prices and settled by the parties every two to three months, for a term ending 31st December, 2010, upon the expiry of which Futong shall have an option to renew the agreement for a term of three years.

27. 東風越野車向東風汽車集團及其聯繫人士採購越野車零部件及相關產品以及東風汽車集團及其聯繫人士向東風越野車提供技術支援服務

根據東風越野車與東風汽車集團於二零零七年八月一日訂立的汽車零部件採購協議(經於二零零八年十一月二十七日訂立的補充協議補充),東風越野車同意按市價向東風汽車集團及其聯繫人士採購若干越野車零部件,由雙方按每兩至三個月結算一次。此外,東風汽車集團及其聯繫人士同意按東風越野車出售越野車的交易金額之3%的價格向東風越野車提供若干技術支援服務。上述交易之年期至二零一零年十二月三十一日止,於屆滿後東風越野車可選擇重續協議,為期三年。

向東風汽車集團及其聯繫人士進行的上述採購及東風汽車集團及其聯繫人士提供上述技術支援服務於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣165,000,000元、人民幣230,000,000元及人民幣270,000,000元。於截至二零零八年十二月三十一日止年度,東風越野車向東風汽車集團及其聯繫人士進行的採購及東風汽車集團及其聯繫人士向東風越野車提供上述技術支援服務的總金額為人民幣46,410,000元。

28. 牡丹江華通汽車零部件公司(「華通」)向牡丹江富通汽車空調有限公司(本公司持有51%之附屬公司,「富通」)提供加工服務

於截至二零零八年十二月三十一日止年度,華通為擁有富通20.04%權益的少數股東。根據富通與華通於二零零七年八月一日訂立的加工服務協議(經於二零零八年十一月二十七日訂立的補充協議補充),華通同意按市價向富通提供有關汽車零部件的若干加工服務,由各方按每兩至三個月結算一次,協議年期至二零一零年十二月三十一日止,於屆滿後富通可選擇重續協議,為期三年。

The approved annual caps for the aforesaid processing services provided by Huatong for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB12 million, RMB13 million and RMB15 million, respectively. In the year ended 31st December, 2008, the total amount payable by Futong to Huatong for the processing services was RMB8,307,000.

29. Sale of automotive parts and components and related products by MAT Automotive, Inc. (a 75% owned subsidiary of the Company, "MAT") and its subsidiaries to certain associates of Wang Wei

Wang Wei was a minority shareholder owning 25% interest in MAT during the year ended 31st December, 2008. Pursuant to the automotive parts and components sale agreement entered into between MAT and its subsidiaries as suppliers (the "US Suppliers") and certain associates of Wang Wei as customers (the "US Customers") on 27th November, 2008, the US Suppliers have agreed to sell to the US Customers automotive parts and components, in particular, automotive brake rotors, grease fittings for hubs, brake shims for automotive brake pads and back plates, and related products, at market prices and settled by the parties one to three months after delivery, for a term ending 31st December, 2010, upon the expiry of which the US Suppliers shall have an option to renew the agreement for a term of three years.

The approved annual caps for the aforesaid sales of automotive parts and components and related products to the US Customers for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB115 million, RMB125 million and RMB130 million, respectively. In the year ended 31st December, 2008, the total sales of automotive parts and components and related products made by the US Suppliers to the US Customers amounted to RMB145,426,000.

華通提供上述加工服務於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣12,000,000元、人民幣13,000,000元及人民幣15,000,000元。於截至二零零八年十二月三十一日止年度，富通就該等加工服務應向華通支付的總金額為人民幣8,307,000元。

29. MAT Automotive, Inc. (本公司持有75%之附屬公司，「MAT」)及其附屬公司向王緯之若干聯繫人士出售汽車零部件及相關產品

於截至二零零八年十二月三十一日止年度，王緯為擁有MAT 25%權益的少數股東。根據MAT及其附屬公司作為供應商(「美國供應商」)與王緯之若干聯繫人士作為客戶(「美國客戶」)於二零零八年十一月二十七日訂立之汽車零部件銷售協議，美國供應商同意按市價向美國客戶出售汽車制動盤、制動轂的潤滑脂嘴、汽車剎車片的制動墊片及制動底板等汽車零部件及相關產品，由各方於交付後的一至三個月結算，協議年期至二零一零年十二月三十一日止，於屆滿後美國供應商可選擇重續協議，為期三年。

向美國客戶出售上述汽車零部件及相關產品於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣115,000,000元、人民幣125,000,000元及人民幣130,000,000元。於截至二零零八年十二月三十一日止年度，美國供應商向美國客戶出售該等汽車零部件及相關產品的總金額為人民幣145,426,000元。

30. Purchase of automotive parts and components and related products by MAT and its subsidiaries from certain associates of Wang Wei

Pursuant to the automotive parts and components purchase agreement entered into between certain associates of Wang Wei as customers (the "US Sellers") and MAT on 27th November, 2008, MAT and its subsidiaries (the "US Buyers") have agreed to purchase from the US Sellers automotive parts and components, in particular, automotive brake drums and rotors, hubs and truck parts, industrial pumps and parts, lawn motor seats and mirror supports, and related products, at market prices and settled by the parties one to three months after delivery, for a term ending 31st December, 2010, upon the expiry of which MAT shall have an option to renew the agreement for a term of three years.

The approved annual caps for the aforesaid purchases of automotive parts and components and related products made from the US Sellers for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB17 million, RMB19 million and RMB20 million, respectively. In the year ended 31st December, 2008, the total purchases of automotive parts and components and related products made by the US Buyers from the US Sellers amounted to RMB27,855,000.

31. Sale of automotive parts and components and related products by certain subsidiaries of MAT to TMD Friction Europe GmbH ("TMD")

TMD was a minority shareholder owning 48% interest in Meneta Advance Shims Technology A/S (an indirect subsidiary of the Company) during the year ended 31st December, 2008. Pursuant to the automotive parts and components sale agreement entered into between MAST, Meneta A/S (another subsidiary of MAT) and TMD on 27th November, 2008, MAST and Meneta A/S have agreed to sell to TMD automotive parts and components, in particular, brake shims and back plates, and related products, at market prices and settled by the parties one to three months after delivery, for a term ending 31st December, 2010, upon the expiry of which MAST and Meneta A/S shall have an option to renew the agreement for a term of three years.

30. MAT及其附屬公司向王緯之若干聯繫人士採購汽車零部件及相關產品

根據王緯之若干聯繫人士作為客戶(「美國賣方」)與MAT於二零零八年十一月二十七日訂立之汽車零部件採購協議，MAT及其附屬公司(「美國買方」)同意按市價向美國賣方採購汽車制動鼓及制動盤、制動轂及卡車零部件、工業泵及零部件、布藝汽車座椅及後視鏡支杆等汽車零部件及相關產品，由各方於交付後的一至三個月結算，協議年期至二零一零年十二月三十一日止，於屆滿後MAT可選擇重續協議，為期三年。

向美國賣方採購上述汽車零部件及相關產品於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣17,000,000元、人民幣19,000,000元及人民幣20,000,000元。於截至二零零八年十二月三十一日止年度，美國買方向美國賣方採購該等汽車零部件及相關產品的總金額為人民幣27,855,000元。

31. MAT之若干附屬公司向TMD Friction Europe GmbH(「TMD」)出售汽車零部件及相關產品

於截至二零零八年十二月三十一日止年度，TMD為擁有Meneta Advance Shims Technology A/S(本公司之間接附屬公司)48%權益的少數股東。根據MAST、Meneta A/S(MAT另一附屬公司)與TMD於二零零八年十一月二十七日訂立的汽車零部件銷售協議，MAST及Meneta A/S同意按市價向TMD出售制動墊片及制動底板等汽車零部件，由各方於交付後的一至三個月結算，協議年期至二零一零年十二月三十一日止，於屆滿後MAST及Meneta A/S可選擇重續協議，為期三年。

The approved annual caps for the aforesaid sales of automotive parts and components and related products to TMD for the years ended/ending 31st December, 2008, 2009 and 2010 are RMB100 million, RMB105 million and RMB110 million, respectively. In the year ended 31st December, 2008, the total sales of automotive parts and components and related products made by MAST and Meneta A/S to TMD amounted to RMB99,191,000.

向TMD出售上述汽車零部件及相關產品於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度之經批准年度上限分別為人民幣100,000,000元、人民幣105,000,000元及人民幣110,000,000元。於截至二零零八年十二月三十一日止年度，MAST及Meneta A/S向TMD出售該等汽車零部件及相關產品的總金額為人民幣99,191,000元。

The Independent Non-executive Directors of the Company have reviewed the continuing connected transactions set out above and have confirmed that these continuing connected transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

本公司獨立非執行董事已審閱上文所載的持續性關連交易，並確認該等持續性關連交易乃(i)在本集團的一般及日常業務過程中；(ii)按正常商業條款或不遜於獨立第三方向／獲本集團提供之條款；及(iii)根據該等交易之相關協議訂立，協議條款公平合理且符合本公司股東之整體利益。

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

薪酬政策

本集團僱員的薪酬政策由薪酬委員會根據彼等的長處、資歷及工作能力釐訂。

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

本公司董事的薪酬由薪酬委員會經考慮本集團經營業績、個人表現及可資比較市場統計數據後決定。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors and supervisors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

購買股份或債券的安排

本公司及其任何附屬公司於本年度任何時間，概無參與可以使本公司董事及監事通過收購本公司或任何其他法人團體的股份或債券以取得利益的安排。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

購買、出售或贖回本公司的上市證券

於本年度，本公司或其任何附屬公司概無購買、出售或贖回任何本公司上市證券。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the PRC, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

優先購買權

本公司的組織章程細則或中國法律均無訂立有關優先購買權條文，規定本公司須按比例向現有股東發售新股。

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales during the year to the Group's five largest customers accounted for less than 30% of the Group's total sales for the year.

The aggregate purchases during the year from the Group's five largest suppliers accounted for less than 30% of the Group's total purchases for the year.

Save as disclosed above, at no time during the year did a director, a supervisor, an associate of a director or a shareholder of the Company, which to the knowledge of the directors, own more than 5% of the Company's share capital, have an interest in any of the Group's five largest suppliers or customers.

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events of the Group are set out in note 45 to the financial statements.

AUDIT COMMITTEE

The Audit Committee comprises three Independent Non-executive Directors of the Company. The Chairman of the Audit Committee is Mr. Koo Fook Sun, Louis, an Independent Non-executive Director. Mr. Koo is an experienced investment banker with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10 (2) of the the Listing Rules for the purpose of this appointment. Throughout the year, the Audit Committee discharged its responsibilities, reviewed and discussed the financial results and internal control system of the Company. In accordance with the requirements of Appendix 16 to the Listing Rules, the Audit Committee has reviewed the financial statements for the year.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES IN APPENDIX 14 OF THE LISTING RULES

Throughout the year, other than the roles of the Chairman and the Chief Executive Officer being performed by Mr. Tan Xuguang ("Mr. Tan"), the Company has complied with all the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules.

主要客戶及供應商

於本年度，本集團五大客戶所佔本集團總銷售額不到30%。

於本年度，本集團五大供應商所佔總採購額佔本集團總採購額少於30%。

除上文所披露者外，於本年度任何時間，任何董事、監事、董事的任何聯繫人或據董事所知擁有本公司股本超過5%的本公司任何股東，概無擁有本集團五大供應商或客戶任何權益。

結算日後事項

本集團重大結算日後事項之詳情載於財務報表附註45。

審核委員會

審核委員會由本公司三名獨立非執行董事組成。審核委員會主席為獨立非執行董事顧福身先生。顧先生是一名資深投資銀行專家，具備上市規則第3.10(2)條對該委任所要求之適當的專業資格，或具備適當的會計或相關的財務管理專長。於本年度內，審核委員會履行其職責，檢討及討論本公司財務業績及內部監控制度。根據上市規則附錄16的規定，審核委員會已審閱本年度之財務報表。

遵守上市規則附錄十四所載的企業管治常規守則

於本年度，除譚旭光先生(「譚先生」)擔任本公司董事長兼首席執行官外，本公司一直遵守上市規則附錄十四所載「企業管治常規守則」的全部守則條文。

Mr. Tan is in charge of the overall management of the Company. The directors consider that the combination of the roles of the Chairman and the Chief Executive Officer can promote the efficient formulation and implementation of the Company's strategies which will enable the Group to grasp business opportunities efficiently and promptly. The Company considers that through the supervision of its board and its Independent Non-executive Directors, there is adequate balance of power and authority in place.

COMPLIANCE WITH THE MODEL CODE

During the year, the Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors, the directors have confirmed that they complied with the required standard set out in the Model Code for the year under review.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31st December, 2008.

DONATIONS

During the year, the Group made charitable donation amounting to RMB21,193,000.

AUDITORS

Shandong Zheng Yuan Hexin Accountants Limited (山東正源和信有限責任會計師事務所) retire and a resolution for their reappointment as auditors of the Company for its accounts prepared under PRC accounting principles and financial regulations will be proposed at the forthcoming annual general meeting.

Ernst & Young retire and a resolution for their reappointment as auditors of the Company for its accounts prepared under Hong Kong Financial Reporting Standards will be proposed at the forthcoming annual general meeting.

譚先生負責本公司的整體管理。董事相信，讓譚先生同時兼任董事長及首席執行官可讓本公司更有效地計劃及執行業務策略，從而令本公司能夠有效、迅速地把握商機。本公司相信，通過董事會及獨立非執行董事的監督，此足以維持權力及職權平衡。

遵守標準守則

於本年度，本公司已就董事進行證券交易採納操守準則，有關條款不比上市規則附錄十所載上市公司董事進行證券交易的標準守則（「標準守則」）規定的標準寬鬆，且董事向全體董事作出特定查詢後確認，彼等於回顧年度已遵守標準守則所載規定的標準。

充足公眾持股量

本公司已於截至二零零八年十二月三十一日止年度維持充足公眾持股量。

捐款

年內，本集團作出約人民幣21,193,000元之慈善捐款。

核數師

山東正源和信有限責任會計師事務所已退任本公司核數師，本公司將於股東週年大會提呈續聘其為本公司根據中國會計原則及財務規例編製之賬目的核數師之決議案。

安永會計師事務所已退任本公司核數師，本公司將於股東週年大會提呈續聘其為本公司根據香港財務報告準則編製之賬目的核數師之決議案。

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the year have been approved by the Board on 27th April, 2009.

PUBLICATION OF THE ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANY

The 2008 Annual Report will be despatched to shareholders as well as made available on The Stock Exchange of Hong Kong Limited's website at www.hkex.com.hk and the Company's website at www.weichai.com.

On behalf of the Board

Tan Xuguang
Chairman and CEO
Hong Kong
27th April, 2009

批准財務報表

董事會已於二零零九年四月二十七日批准本年度的財務報表。

於香港聯合交易所有限公司及本公司之網站刊發年報

二零零八年年報將寄發予股東並於香港聯合交易所有限公司網站www.hkex.com.hk及本公司網站www.weichai.com刊登。

代表董事會

董事長兼首席執行官
譚旭光
香港
二零零九年四月二十七日

SUPERVISORY COMMITTEE'S REPORT

監事會報告

Dear Shareholders,

During the period, in accordance with the relevant provisions of the Company Law of the People's Republic of China (the "Company Law") and the Articles of Association of the Company and in compliance with the principles of integrity, all members of the Supervisory Committee of the Company (the "Supervisory Committee") performed their duties of supervision with a view to protecting shareholders' interests in line with their accountability to all shareholders. They monitored the operations and financial position as well as the performance of the senior management of the Company during the period. On behalf of the Supervisory Committee, I hereby present our report as follows:

OVERVIEW OF THE WORK OF THE SUPERVISORY COMMITTEE

In 2008, as required by the relevant rules and procedures of meetings of the Supervisory Committee and based on its actual work, the Supervisory Committee conducted inspections on the operations and financial position of the Company, and reviewed the financial statements regularly. In 2008, the Supervisory Committee held three meetings. Details of the time, attendance and contents of the meetings are as follows:

1. On 29th April, 2008, the sixth meeting of the second phase of the Supervisory Committee was convened. All Supervisors were present. The meeting considered and approved the full text and summary of 2007 annual report of the Company, the work report of the Supervisory Committee for 2007, the consolidated financial statements and auditors' report for 2007, the final finance report for 2007, the profit distribution proposal for 2007, and 2008 first quarter report of the Company.
2. On 20th August, 2008, the seventh meeting of the second phase of the Supervisory Committee was convened. All Supervisors were present. The meeting considered and approved the full text and summary of 2008 interim report of the Company and was of the opinion that the interim report gives a true and fair view of the operations and financial position of the Company during the first-half. It also considered and approved the resolution in respect of issuing shares by conversion of capital reserve in mid-2008.
3. On 27th October, 2008, the first provisional meeting of the Supervisory Committee was convened. All Supervisors were present. The meeting considered and approved 2008 third quarter report of the Company and highly affirmed the financial performance of the Company. The Supervisory Committee was of the opinion that the quarter report gives a true and fair view of the operations and financial position of the Company during the reporting period.

各位股東：

於本期間內，根據中華人民共和國公司法（《公司法》）及本公司組織章程細則的有關條文，本公司監事會（監事會）全體成員遵守誠信原則，本著對全體股東負責的態度，認真履行監督職責，致力維護股東權益，彼等負責監督本公司期內的經營及財務狀況以及高級管理人員的表現。本人謹此代表監事會提呈工作報告如下：

監事會工作回顧

於二零零八年，監事會根據監事會會議相關規則及程序之規定，按其實際工作情況，檢查本公司的經營及財務狀況，並定期審閱財務報表。於二零零八年，監事會共召開三次會議，會議召開的具體時間、出席情況及會議內容如下：

1. 第二屆監事會第六次會議於二零零八年四月二十九日召開，全體監事均有出席，會議審議通過了公司二零零七年年報報告全文及摘要、二零零七年度監事會工作報告、二零零七年度綜合財務報表及審計師報告書、二零零七年度財務決算報告、二零零七年度利潤分配方案以及公司二零零八年度第一季度報告。
2. 第二屆監事會第七次會議於二零零八年八月二十日召開，全體監事均有出席，會議審議通過了公司二零零八年中報報告全文及摘要，認為中期報告真實反映了公司上半年的經營情況及財務情況並審議通過了二零零八年中報資本公積金轉增股本的議案。
3. 監事會於二零零八年十月二十七日召開二零零八年首次臨時會議，全體監事均有出席，會議審議通過了公司的二零零八年第三季度報告，充分肯定了公司的財務成績，認為季度報告真實反映了公司報告期的經營情況及財務情況。

INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS OF THE COMPANY IN 2008

Compliance of the Company's operations with Legal Requirements

During the period, pursuant to the laws and regulations of the place of listing, the Supervisory Committee has duly supervised and examined the convening procedures and resolutions of Board meetings, performance of duties by the senior management of the Company, as well as the establishment and consistent implementation of the Company's internal management system.

The Supervisory Committee is of the view that the Board and the senior management of the Company strictly operated in accordance with the Company Law, the Articles of Association as well as other relevant regulations and rules of the place of listing. With integrity and diligence, they performed their duties, executed all resolutions and authorities of the general meetings, and conducted all operations in compliance with laws and regulations and the Articles of Association. When examining the financial position of the Company and monitoring the performance of the directors and the senior management of the Company, the Supervisory Committee was not aware of any action which would damage the interests of the Company and the shareholders or may result in a breach of laws or regulations or the Articles of Association and the rules of the Company.

Examination of Financial Position of the Company

In 2008, the Supervisory Committee further enhanced its internal control, especially the examination on financial system. The Company has established a comprehensive system on external investment, asset transfer and connected transactions, etc. The Supervisory Committee is of the view that the Company strictly operated and executed in accordance with the relevant laws and regulations of the PRC and of China Securities Regulatory Commission. On the control of capital turnover and management expenses, the Company strictly checked on each grade which ensured the ordinary operation of the Company while avoided financial risk.

The Supervisory Committee is of the view that the financial statements of the Company reflect the financial position and operating results of the Company in all material aspects in an objective, true and fair manner, and the financial statements are true and reliable. The Supervisory Committee has agreed on the audited financial statements issued by the auditors of Shandong Zheng Yuan Hexin Accountants Limited and Ernst & Young.

監事會對本公司二零零八年度有關事項的獨立意見

本公司依法運作情況

於本期間，監事會根據上市地區的法律及法規，認真監督及檢查董事會會議召開程序、決議事項、本公司高級管理層履行職務表現、本公司內部管理制度的建立以及貫徹執行等情況。

監事會認為，董事會及本公司高級管理層已嚴格按照公司法、組織章程細則及上市地區其他相關法規及規則進行運作，本著誠信和勤勉履行職責，執行股東大會的各項決議案及授權，並遵守法律法規及組織章程細則經營所有業務。監事會在監測本公司財務狀況以及監督本公司董事及高級管理層履行職責表現時，並不知悉任何損害本公司利益及股東權益的行為，亦未發現有違反法律法規、本公司組織章程細則及各項規則的行為。

審查本公司財務狀況

於二零零八年，監事會加強了對內控制度，特別是財務制度的檢查，本公司在對外投資、資產轉讓、關聯交易等方面均建立了比較健全的制度。監事會認為本公司已嚴格按照國家有關法律、法規及中國證監會的有關規定進行經營和管理。在資金周轉、管理費用的控制上，分級把關，既保證了公司正常運營，又規避了風險。

監事會認為，本公司財務報表於所有重大方面均客觀、真實及公平地反映本公司財務狀況及經營業績，財務報表乃真實可靠。監事會已同意山東正源和信有限責任會計師事務所、安永會計師事務所的核數師所刊發的經審核財務報表。

Acquisition and Disposal of Assets of the Company

During the period, the Company did not conduct any material acquisition or disposal of assets, and did not produce or occur any insider dealing or other actions which would damage the interests of the shareholders or cause any asset loss.

Connected Transactions

During the period, the Supervisory Committee is of the view that the connected transactions of the Company during 2008 were conducted under the principles of fairness and the procedures of the transactions were in compliance with laws and regulations. The Supervisory Committee is not aware of any action which would damage the interests of the Company and the shareholders.

In 2009, the Supervisory Committee will continue to perform its supervision duties diligently for the protection of the interests of shareholders and the Company in accordance with the Company Law and the Articles of Association of the Company.

Sun Chengping*Chairman of the Supervisory Committee*

Weifang, Shandong Province
27th April, 2009

本公司收購及出售資產

於本期間，本公司未發生任何重大資產收購、出售資產的行為，也未發生和出現內幕交易、損害股東權益和造成資產流失的情況。

關聯交易

於本期間，監事會認為本公司於二零零八年發生的各項關聯交易均體現了市場公平的原則，交易程序合法、合規，未發現損害公司利益和股東利益的現象。

於二零零九年，監事會將繼續按照公司法和本公司組織章程細則之規定致力履行監督職責，以保障股東及本公司利益。

孫承平*監事會主席*

山東省濰坊
二零零九年四月二十七日

The Company has always regarded the consistent maintenance of an excellent, solid and reasonable corporate governance structure as its top priority.

CODE ON CORPORATE GOVERNANCE PRACTICE

For the year ended 31st December, 2008, the Company has reviewed its corporate governance documents and is of the view that the Company has fully complied with the code provisions of the Code of Corporate Governance Practice set out in the Appendix 14 to the Listing Rules other than Code A.2.1, which requires that the roles of chairman and chief executive officer should be two separate roles and should not be performed by the same individual. Currently, Mr. Tan Xuguang ("Mr. Tan") serves as the Chairman of the Board as well as the Chief Executive Officer of the Company. Despite such deviation, the directors believe that vesting such roles in Mr. Tan will allow for more effective planning and execution of business strategies of the Company. As all major decisions are made in consultation with other members of the Board, the Company believes that there is adequate balance of power and authority in place.

The directors believe that the Articles of Association, the scope of responsibilities of the Audit Committee, the scope of responsibilities of the Supervisory Committee and the codes on securities dealings by directors and certain executives, which constitute the basis for the regular codes on corporate governance of the Company, have covered the principles and the code provisions of the Code on Corporate Governance Practice as set out in Appendix 14 to Listing Rules. In respect of the following areas, our internal corporate governance documents are more stringent than the Code on Corporate Governance Practices:

1. In addition to the Audit Committee, Remuneration Committee and Nomination Committee, the Company has also established the Strategic Development and Investment Committee (the "SDIC").
2. All members of the Audit Committee are Independent Non-executive Directors, of whom Mr. Koo Fook Sun, Louis, the Chairman of the Committee, holds the relevant professional qualification or professional knowledge related to accounting or financial management.

本公司一直視持續維持良好、穩健及合理之企業管治架構為首要任務。

企業管治常規守則

截至二零零八年十二月三十一日止年度，本公司已審閱其企業管治文件，認為除守則第A.2.1條規定董事長及首席執行官應分為兩個獨立職位，而不應由同一人兼任外，本公司已全面遵守上市規則附錄十四所載企業管治常規守則之守則條文。譚旭光先生（「譚先生」）現為董事長兼本公司首席執行官。儘管出現上述偏離情況，董事相信，讓譚先生同時兼任上述兩個職位有助更有效地計劃及執行本公司業務策略。由於所有主要決定乃諮詢董事會其他成員後才能作出，本公司相信此足以維持權力及職權平衡。

董事相信，公司組織章程細則、審核委員會之職責範圍、監事會之職責範圍及董事與若干執行人員買賣證券之守則構成本公司日常企業管治守則之基準，並涵蓋上市規則附錄十四所載企業管治常規守則之原則及守則條文。本公司之內部企業管治文件於以下範疇較企業管治常規守則嚴謹：

1. 除審核委員會、薪酬委員會及提名委員會外，本公司另設立策略發展及投資委員會（「策略發展及投資委員會」）。
2. 審核委員會全體成員均為獨立非執行董事，當中委員會主席顧福身先生具備有關會計或財務管理之專業履歷或專業知識。

BOARD OF DIRECTORS

The key responsibilities of the Board include, among other things, formulating the Company's overall strategies, setting management targets, regulating internal controls and financial management, and supervising the management's performance while the day-to-day operations and management are delegated by the Board to the executives of the Company.

The Board currently comprises 18 directors, whose details are set out on page 25 to 32 of this annual report. The Board includes four Executive Directors, eleven Non-executive Directors and three Independent Non-executive Directors, namely, Mr. Tan Xuguang (Chairman and CEO), Mr. Xu Xinyu, Mr. Sun Shaojun, Mr. Zhang Quan (Executive Directors), Ms. Zhang Fusheng, Mr. Liu Huisheng, Mr. Yao Yu, Mr. Yeung Sai Hong, Mr. Chen Xuejian, Mr. Li San Yim, Mr. Julius G. Kiss, Ms. Han Xiaoqun, Mr. Gu Linsheng, Mr. Li Shihao, Mr. Liu Zheng (Non-executive Directors), Mr. Zhang Xiaoyu, Mr. Koo Fook Sun, Louis and Mr. Fang Zhongchang (Independent Non-executive Directors).

The Company has received from each of the Independent Non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rule and considers each of the Independent Non-executive Directors to be independent.

The Board has notified each of the directors and supervisors in advance that they should not trade in the securities of the Company within the period as stipulated under the Listing Rules. All directors and supervisors confirmed that they were in compliance with the Listing Rules in this respect.

Other than their working relationships with the Company, none of the directors, supervisors or the senior management has any financial, business or family relationships or any relationships in other material aspects with each other.

Other than the service contracts entered into by them or as otherwise disclosed in this annual report, none of the directors or the supervisors has any personal and substantive interest, direct or indirect, in the material contracts entered into by the Company or any of its subsidiaries during 2008.

董事會

董事會的主要職責包括(其中包括)制訂本公司的整體策略、確立管理目標、規管內部監控及財務管理以及監察管理層的表現,而本公司的日常運作及管理工作則由董事會授權本公司執行人員負責。

董事會現有十八名董事,彼等之個人履歷載於本年報第25至32頁。董事會成員包括四名執行董事、十一名非執行董事及三名獨立非執行董事。譚旭光先生(董事長兼首席執行官)、徐新玉先生、孫少軍先生及張泉先生為執行董事,張伏生女士、劉會勝先生、姚宇先生、楊世杭先生、陳學儉先生、李新炎先生、Julius G. Kiss(尤利斯G.肯斯)先生、韓小群女士、顧林生先生、李世豪先生及劉征先生為非執行董事,而張小虞先生、顧福身先生及房忠昌先生則為獨立非執行董事。

本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性作出的年度確認,並認為各獨立非執行董事均具獨立性。

董事會已預先知會各董事及監事,於上市規則規定期間不得買賣本公司證券。全體董事及監事確認,彼等於此方面已遵守上市規則。

除與本公司的工作關係外,董事、監事或高級管理人員彼此之間概無財務、商業或家庭關係或其他重大關係。

除訂立服務合約及本年報另有披露者外,董事或監事概無於本公司或其任何附屬公司在二零零八年間訂立的重大合約中,直接或間接擁有個人重大權益。

In 2008, the Company held 8 Board meetings. The principal activities of the Board in 2008 were as follow:

- Review the annual and interim result of the Company;
- Review of annual profit distribution and, interim dividend and 2007 final dividend distribution proposal;
- Review of proposal to distribute to all shareholders at the rate of 6 shares for every 10 shares by conversion of capital reserve based on the total share capital as at 30th June, 2008, being the date of record.

The total remuneration, including the basic salary, performance-linked salary, incentive-linked salary and discretionary bonus of the directors in 2008 amounted to approximately RMB5.2 million. Independent Non-executive Directors were only entitled to receive director's fees but not other salary or remuneration. For details for the remuneration of directors, please refer to note 8 to the financial statements of the Company.

AUDIT COMMITTEE

An Audit Committee was established by the Board.

The Audit Committee comprises all the Independent Non-executive Directors, Mr. Zhang Xiaoyu, Mr. Koo Fook Sun, Louis, and Mr. Fang Zhongchang, with Mr. Koo Fook Sun, Louis, with the appropriate professional qualifications and experience in financial matters, acting as the chairman of the Audit Committee. The terms of reference of the Audit Committee are aligned with the recommendations set out in "A Guide for Effective Audit Committees" issued by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee held three meetings during the period, presided over by Mr. Koo Fook Sun, Louis. Details of the attendance are set out on page 82 of this annual report.

本公司於二零零八年舉行8次董事會會議。董事會二零零八年度的主要工作如下：

- 審閱本公司年度及中期業績；
- 審閱年度利潤分配和中期股息及二零零七年末期股息派發方案；
- 審閱本公司以二零零八年六月三十日為基準日的總股本為基數，以資本公積金向全體股東每10股轉增6股的方案。

二零零八年度董事酬金總計約為人民幣5.2百萬元，包括基本薪金、績效薪金、獎勵薪金及酌情花紅。獨立非執行董事僅有權獲取董事袍金，而並無其他薪金或報酬。有關董事酬金詳情請參閱本公司財務報表附註8。

審核委員會

董事會已成立審核委員會。

審核委員會由全體獨立非執行董事組成，成員包括張小虞先生、顧福身先生及房忠昌先生。顧福身先生具備合適財務專業資格及經驗，故擔任審核委員會主席。審核委員會的職權範圍符合香港會計師公會頒布的《審核委員會有效運作指引》所載建議。

審核委員會於期內舉行三次會議，會議由顧福身先生主持。出席率詳情載於本年報第82頁。

The major works accomplished by the Audit Committee during the year are as follows:

- Review of the annual, interim financial statements of the Group, as well as the management recommendations furnished by the external auditors and responses from the Company's management;
- Review of the accounting policies and practices adopted by the Group and related matters;
- Assisting the Board to monitor the Group's internal audit.

Throughout the period under review, the Audit Committee discharged its responsibilities, reviewed and discussed the financial results and internal control system of the Group.

In accordance with the requirements of Appendix 16 to the Listing Rules, the Audit Committee has reviewed the consolidated financial statements for the year ended 31st December, 2008.

The non-PRC auditors of the Company have audited the consolidated financial statements and have issued an unqualified auditors' report.

審核委員會於年內完成的主要工作如下：

- 審閱本集團年度及中期財務報表、外聘核數師所提供管理建議以及由本公司管理層作出的回應；
- 檢討本集團採納之會計政策及慣例以及有關事宜；
- 協助董事會監察本集團的內部審核。

於回顧期間內，審核委員會履行其職責，檢討及討論本集團財務業績及內部監控制度。

審核委員會已根據上市規則附錄十六的規定，審閱截至二零零八年十二月三十一日止年度的綜合財務報表。

本公司的非國內核數師已審核綜合財務報表，並發出無保留意見的核數師報告。

STRATEGIC DEVELOPMENT AND INVESTMENT COMMITTEE

The Strategic Development and Investment Committee ("SDIC") was established by the Board.

The SDIC is principally responsible for examining and reviewing the Company's strategic plans, monitoring the implementation of strategic planning, and facilitating timely adjustments to the Company's strategies and governance structure.

The SDIC currently comprises Mr. Tan Xuguang (Chairman of the Board and of the SDIC), Mr. Sun Shao Jun, Mr. Zhang Quan, Mr. Chen Xuejian, Mr. Li San Yim, Mr. Julius G. Kiss and Mr. Zhang Xiaoyu.

策略發展及投資委員會

董事會已成立策略發展及投資委員會。

策略發展及投資委員會主要負責審查及檢討本公司的策略計劃、監察策略計劃的實施進度以及適時調整本公司的策略及管治架構。

策略發展及投資委員會成員目前包括譚旭光先生(董事會董事長兼策略發展及投資委員會主席)、孫少軍先生、張泉先生、陳學儉先生、李新炎先生、Julius G. Kiss(尤利斯G.肯斯)先生及張小虞先生。

REMUNERATION COMMITTEE

A Remuneration Committee was established by the Board.

The Remuneration Committee is responsible for recommendation to the Board on the remuneration packages and terms of employment for directors, supervisors and senior management of the Company. The Committee also determines the relevant remuneration policy for directors, supervisors and senior management of the Company and their participations in incentive schemes operated by the Company.

The Remuneration Committee currently comprises all the Independent Non-executive Directors and two Non-executive Directors, being Mr. Koo Fook Sun, Louis (chairman of the Remuneration Committee), Ms. Zhang Fusheng, Mr. Yao Yu, Mr. Zhang Xiaoyu and Mr. Fang Zhongchang.

NOMINATION COMMITTEE

A Nomination Committee was established by the Board

The Nomination Committee comprises all the Independent Non-executive Directors and two Executive Directors, being Mr. Fang Zhongchang (chairman of the Nomination Committee), Mr. Xu Xinyu, Mr. Zhang Quan, Mr. Zhang Xiaoyu, Mr. Koo Fook Sun, Louis. The meetings of the Nomination Committee were arranged and held on an as-needed basis. The Nomination Committee will identify qualified candidates to fill the Board membership whenever such vacancy arises, it will nominate such candidates for the Board to consider, regularly review the composition of the Board and make suggestions as to any change in the membership of the Board that may be required.

薪酬委員會

董事會已成立薪酬委員會。

薪酬委員會負責就董事、監事及本公司高級管理層的薪酬福利及任期向董事會提供建議。該委員會亦負責制定有關董事、監事及本公司高級管理層的相關薪酬政策及彼等參與本公司營辦的獎勵計劃。

薪酬委員會成員目前包括全體獨立非執行董事及兩名非執行董事，包括顧福身先生(薪酬委員會主席)、張伏生女士、姚宇先生、張小虞先生及房忠昌先生。

提名委員會

董事會已成立提名委員會。

提名委員會成員包括全體獨立非執行董事及兩名執行董事，包括房忠昌先生(提名委員會主席)、徐新玉先生、張泉先生、張小虞先生及顧福身先生。提名委員會會議視乎需要而安排及舉行。每當董事會出現空缺，提名委員會將會物色合資格人選填補空缺，該委員會亦會提名人選供董事會考慮，並定期檢討董事會的組合，在需要時就任何董事會成員變動提供建議。

SUPERVISORY COMMITTEE

The Supervisory Committee consists of three members, with one Supervisor being elected from the staff as a representative of employees and the other two elected by the shareholders of the Company. The Supervisory Committee is responsible for supervision of the Board and its members and the senior management of the Company, so as to prevent them from abusing their authorities and violating the interests of the Company, its shareholders and staff. The size and composition of the Supervisory Committee are in compliance with the requirements of the relevant laws and regulations of the PRC. The Supervisory Committee held three meetings during the year to carry out its supervision on behalf of the shareholders in respect of the Company's financial matters and the lawfulness and compliance in respect of the discharge of duties by the directors and senior management of the Company. The members of the Supervisory Committee attended all Board meetings and shareholders' meetings of the Company and diligently performed their supervisory duties.

Attendances at meetings of the Board, Supervisory Committee and specialised committees (attendance in person/ number of meetings) during the year are as follows:

監事會

監事會由三名成員組成，其中一名監事由員工選出作為僱員代表，另外兩名則由本公司股東選出。監事會負責監督董事會及其成員以及本公司高級管理層，防止其濫用職權，侵犯本公司、其股東及員工的權益。監事會的人數及組合符合有關中國法律及法規的規定。監事會於年內曾舉行三次會議，以代表股東對本公司財務事宜及董事和本公司高級管理層執行職務是否合法及遵從法律進行監督。監事會的成員已列席董事會會議並出席本公司股東大會，並盡職履行其監督職責。

年內，董事會、監事會及特別委員會會議的出席資料(出席人數／會議次數)如下：

姓名	Name	Board 董事會	Supervisory Committee 監事會	Audit Committee 審核委員會
執行董事	Executive Directors			
譚旭光	Tan Xuguang	8/8		
徐新玉	Xu Xinyu	8/8		
孫少軍	Sun Shaojun	8/8		
張 泉	Zhang Quan	8/8		
非執行董事	Non-executive Directors			
張伏生	Zhang Fusheng	8/8		
劉會勝	Liu Huisheng	8/8		
姚 宇	Yao Yu	8/8		
楊世杭	Yeung Sai Hong	8/8		
陳學儉	Chen Xuejian	8/8		
李新炎	Li San Yim	8/8		
Julius G. Kiss	Julius G. Kiss	8/8		
(尤利斯G.肯斯)		8/8		
韓小群	Han Xiaoqun	8/8		
顧林生	Gu Linsheng	8/8		
李世豪	Li Shihao	8/8		
劉 征	Liu Zheng	8/8		
獨立非執行董事	Independent Non-executive Directors			
張小虞	Zhang Xiaoyu	8/8		3/3
顧福身	Koo Fook Sun, Louis	8/8		3/3
房忠昌	Fang Zhongchang	8/8		3/3
監事	Supervisors			
孫承平	Sun Chengping		3/3	
丁迎東	Ding Yingdong		3/3	
蔣建芳	Jiang Jianfang		3/3	

The directors and supervisors who were unable to attend any meeting in person, had appointed another director or supervisor (as the case may be), as his representative to attend and vote at the meeting on his behalf and was treated as having attended the meeting in person.

倘董事及監事未能親身出席任何會議，均已委派另一名董事或監事(視乎情況而定)代為出席，並代其在會上投票，視為董事及監事親身出席會議處理。

SHAREHOLDERS' MEETING AND INVESTOR RELATIONS

The shareholders' meeting is the highest authority of the Company, providing an opportunity for direct communications and building a sound relationship between the Board and the shareholders of the Company. Therefore, the Company places great importance to such meetings. In 2008, the Company convened five general meetings. Matters reviewed and approved at the meetings include the following:

- the Report of the Directors, Report of Supervisory Committee for 2007;
- the profit distribution and final dividend distribution proposals for 2007;
- re-appointment and change of appointment of the external auditors and determination of its remuneration;
- remuneration proposals for directors and supervisors;
- share issuing by conversion of capital reserve; and
- amendment to the Articles of Association of the Company.

INTERNAL CONTROL AND MANAGEMENT

The Board recognises its responsibility for maintaining an adequate system of internal control to safeguard the Group's assets and shareholders' interests.

Internal control, including a defined management structure with limits of authority, is designed to help achieve business objectives, safeguard assets against unauthorised use, maintain proper accounting records for the provision of reliable financial information for internal use or for publication. The system is set up to provide reasonable, but not absolute, assurance against material mis-statement or loss and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives.

Management maintains and monitors the system of controls on an ongoing basis.

股東大會與投資者關係

股東大會乃本公司最高權力機構，為董事會與本公司股東直接溝通及建立良好關係的機會。因此，本公司高度重視該等會議。二零零八年，本公司共召開五次股東大會，會上審閱及通過的事項包括：

- 二零零七年度董事會報告及監事會報告；
- 二零零七年度利潤分配及末期股息派發方案；
- 續聘及改聘外部核數師並釐定其酬金；
- 董事及監事薪酬方案；
- 以資本公積金轉增股本方案；及
- 修訂本公司之公司組織章程細則。

內部監控及危機管理

董事會認知維持一個適當的內部監控以保衛本集團資產及股東利益的責任。

內部監控，包括組織一個明確界定權限的管理架構來幫助達成各商業目標，保障資產不會不適當地被使用，維持妥善賬目以提供可靠的財務訊息供內部使用或對外公佈。此制度旨在提供合理，但非絕對，保證無重大失實陳述或損失；及管理而非消除營運系統失誤及本集團未能達標的風險。

管理層按持續基準維持及監察有關控制系統。

During the year, based on the evaluations made by management, the Audit Committee was satisfied that nothing has come to its attention to cause the Audit Committee to believe that the system of internal control is inadequate, and there is an ongoing process to identify, evaluate and manage significant risks faced by the Group.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors aim to present the financial statements of the Group in accordance with the statutory requirements and applicable accounting standards. The directors ensure the publication of financial statements of the Group in a timely manner that the final and interim results of the Group are announced within the four months and three months limit respectively after the end of the relevant periods prescribed under the Listing Rules.

The financial statements of the Group for the year ended 31 December 2008 have been reviewed by the Audit Committee and audited by the external auditors, Ernst & Young Limited. The directors acknowledge their responsibilities for preparing the financial statements of the Group and presenting a balanced, clear and comprehensive assessment of the Group's performance and prospects. They are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the ability of the Company to continue as a going concern. The Statement of the Auditors about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report.

AUDITORS' REMUNERATION

The Company has engaged Ernst & Young as auditors of the Company. For the year ended 31 December 2008, an amount of RMB10 million was paid/payable to Ernst & Young for their audit service.

於本年度，根據管理層之評估，審核委員會確信並無任何事件導致審核委員會相信內部監控系統有所不足，並相信會持續鑑定、評估及管理本集團面對之重大風險。

董事就財務報表承擔之責任

董事旨在根據法定要求及適用會計準則呈列本集團之財務報表。董事確保按時刊發本集團之財務報表，致使本集團之末期業績及中期業績會分別於上市規則所訂明之有關期間結束後四個月及三個月時限內公佈。

本集團截至二零零八年十二月三十一日止年度之財務報表已由審核委員會審閱及由外聘核數師安永會計師事務所有限公司審核。董事確認編製本集團之財務報表及呈列本集團表現及前景之平衡、清晰及完備之評估之責任。彼等並不知悉任何有關事件或狀況之重大不明朗因素，而該等事件或狀況可能對本公司不斷持續經營之能力構成疑問。核數師就其於財務報表之申報責任作出之聲明乃載於獨立核數師報告。

核數師酬金

本公司的核數師為安永會計師事務所。於截至二零零八年十二月三十一日止年度，本集團共付予／應付安永會計師事務所人民幣10百萬元作為審核服務費。



To the shareholders of Weichai Power Co., Ltd.

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

We have audited the financial statements of Weichai Power Co., Ltd. set out on pages 87 to 202, which comprise the consolidated and company balance sheets as at 31st December, 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

致濰柴動力股份有限公司全體股東

(於中華人民共和國註冊成立之股份有限公司)

我們已完成審核第87至202頁所載濰柴動力股份有限公司之財務報表，其中包括於二零零八年十二月三十一日之綜合及公司資產負債表，以及截至該日止年度之綜合收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他說明附註。

董事就財務報表須承擔之責任

貴公司董事須負責遵照香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，編製及真實公平呈列此等財務報表。此項責任包括設計、實施及維護與編製及真實公平呈列財務報表有關之內部監控，以確保並無不論是因欺詐或錯誤引起之重大錯誤陳述；選擇並應用適當之會計政策；及在不同情況下作出合理之會計估算。

核數師之責任

我們的責任是根據審核工作的結果，對此等財務報表發表意見。本報告僅向整體股東報告，除此以外本報告別無其他用途。我們不會就本報告之內容向任何其他人士承擔或負上任何責任。

我們已根據香港會計師公會頒佈之香港核數準則進行審核。該等準則規定我們須遵守道德規定並計劃及進行審核，以合理確定財務報表不存在任何重大錯誤陳述。

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st December, 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young

Certified Public Accountants

Hong Kong

27th April, 2009

審核包括進行程序以取得與財務報表所載金額及披露事項有關之審核憑證。選取之程序須視乎核數師之判斷，包括評估不論是因欺詐或錯誤引起財務報表存在重大錯誤陳述之風險。於作出該等風險評估時，核數師考慮與編製及真實公平呈列財務報表有關之內部監控，以設計切合有關情況之適當審核程序，但並非旨在對公司之內部監控是否有效表達意見。審核亦包括評估董事所採用會計政策是否恰當及所作出會計估算是否合理，以及評估財務報表之整體呈列方式。

我們相信，我們已取得充分恰當之審核憑證，作為審核意見之基礎。

意見

我們認為，財務報表乃根據香港財務報告準則真實公平顯示 貴公司及 貴集團於二零零八年十二月三十一日之財務狀況，以及 貴集團截至該日止年度之利潤及現金流量，並按照香港公司條例之披露規定妥為編製。

安永會計師事務所

執業會計師

香港

二零零九年四月二十七日

CONSOLIDATED INCOME STATEMENT

Year ended 31st December, 2008

綜合收益表

截至二零零八年十二月三十一日止年度

		Notes 附註	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
REVENUE	收入	5	32,567,190	28,786,183
Cost of sales	銷售成本		(26,908,591)	(22,650,518)
Gross profit	毛利		5,658,599	6,135,665
Other income and gains	其他收入及收益	5	218,875	115,431
Selling and distribution costs	銷售及分銷費用		(958,817)	(951,212)
Administrative expenses	行政開支		(1,117,368)	(1,183,823)
Research and development cost	研究及開發費用		(379,525)	(323,225)
Loss on disposal of disposal group held for sale	出售持作出售之 出售組別虧損		(49,775)	(101,446)
Other expenses	其他開支		(327,705)	(161,959)
Finance costs	財務費用	7	(297,844)	(253,120)
Share of profits and losses of:	應佔下列公司利潤及虧損：			
A jointly-controlled entity	一家共同控制實體		523	—
Associates	聯營公司		(6,265)	(3,169)
PROFIT BEFORE TAX	除稅前利潤	6	2,740,698	3,273,142
Tax	稅項	10	(328,989)	(479,566)
PROFIT FOR THE YEAR	年內利潤		2,411,709	2,793,576
Attributable to:	以下人士應佔：			
Equity holders of the Company	本公司權益持有人		1,928,955	2,014,904
Minority interests	少數股東權益		482,754	778,672
			2,411,709	2,793,576
			RMB	RMB
			人民幣元	人民幣元
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	本公司普通權益 持有人應佔 每股盈利			
Basic	基本	13	2.32	2.72

CONSOLIDATED BALANCE SHEET

31st December, 2008

綜合資產負債表

二零零八年十二月三十一日

		Notes 附註	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、機器及設備	14	6,920,953	5,737,584
Investment properties	投資物業	15	80,663	32,333
Prepaid land lease payments	預付土地租賃款項	16	278,570	297,633
Goodwill	商譽	17	538,016	538,016
Other intangible assets	其他無形資產	18	271,727	281,442
Investment in a jointly-controlled entity	於共同控制實體之投資	21	20,932	—
Investments in associates	於聯營公司之投資	22	179,772	220,106
Available-for-sale investments	可供出售投資	23	178,187	75,358
Deposits paid for acquisition of property, plant and equipment	收購物業、機器及設備已付按金	24	943,780	926,571
Deferred tax assets	遞延稅項資產	25	351,903	205,788
Total non-current assets	非流動資產總值		9,764,503	8,314,831
CURRENT ASSETS	流動資產			
Inventories	存貨	26	5,850,617	4,200,010
Trade and bills receivables	應收貿易賬款及票據	27	6,930,008	5,909,502
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	28	1,271,235	897,929
Prepaid land lease payments	預付土地租賃款項	16	19,671	19,662
Pledged deposits	已抵押存款	29	2,511,809	856,109
Cash and cash equivalents	現金及現金等價物	29	3,352,138	1,819,554
			19,935,478	13,702,766
Assets of a disposal group classified as held for sale	持作出售之出售組別資產	30	249,886	574,896
Total current assets	流動資產總值		20,185,364	14,277,662
CURRENT LIABILITIES	流動負債			
Trade and bills payables	應付貿易賬款及票據	31	10,627,951	7,264,773
Other payables and accruals	其他應付賬款及應計費用	32	2,916,253	2,315,533
Dividends payable to minority shareholders	應付少數股東股息		79,775	31,765
Debentures	債券	33	1,700,000	900,000
Interest-bearing bank and other borrowings	計息銀行及其他借款	34	1,308,304	1,540,584
Tax payable	應付稅項		534,476	438,252
Warranty provision	保修撥備	35	446,343	180,635
			17,613,102	12,671,542
Liabilities directly associated with the assets classified as held for sales	與分類為持作出售的資產直接相關的負債	30	185,611	296,434
Total current liabilities	流動負債總額		17,798,713	12,967,976

CONSOLIDATED BALANCE SHEET (CONTINUED)

31st December, 2008

綜合資產負債表(續)

二零零八年十二月三十一日

		Notes 附註	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
NET CURRENT ASSETS	流動資產淨值		2,386,651	1,309,686
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		12,151,154	9,624,517
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank and other borrowings	計息銀行及其他借款	34	777,700	161,307
Deferred tax liabilities	遞延稅項負債	25	46,976	65,022
Total non-current liabilities	非流動負債總額		824,676	226,329
Net assets	資產淨值		11,326,478	9,398,188
EQUITY	權益			
Equity attributable to equity holders of the Company	本公司權益 持有人應佔權益			
Issued capital	已發行股本	36	833,046	520,654
Reserves	儲備	37	7,056,412	5,633,730
Proposed final dividend	擬派末期股息	12	108,296	229,088
			7,997,754	6,383,472
Minority interests	少數股東權益		3,328,724	3,014,716
Total equity	權益總額		11,326,478	9,398,188

Approved by the Board of Directors on 27th April, 2009 and signed on
behalf of the Board by:

經董事會於二零零九年四月二十七日批准，
並由下列董事代表董事會簽署：

Tan Xuguang
譚旭光
Director
董事

Xu Xinyu
徐新玉
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31st December, 2008

截至二零零八年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔										
										Total	Minority interests	Total equity
		Issued capital	Capital reserve	Surplus reserve	Available-for-sale investment revaluation reserve	Translation reserve	Retained profits	Proposed final dividend				
Notes	已發行股本	資本儲備	公積金儲備	可供出售投資重估儲備	匯兌儲備	保留利潤	擬派末期股息	合計	少數股東權益	權益總額		
附註	RMB'000 人民幣千元	RMB'000 人民幣千元 note 37(a) 附註37(a)	RMB'000 人民幣千元 note 37(a) 附註37(a)	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元		
At 1st January, 2007	於二零零七年一月一日	330,000	1,136,649	242,310	3,736	—	1,204,182	67,685	2,984,562	3,374,802	6,359,364	
Exchange realignment	匯兌調整	—	—	—	—	(1,581)	—	—	(1,581)	—	(1,581)	
Profit for the year	年內利潤	—	—	—	—	—	2,014,904	—	2,014,904	778,672	2,793,576	
Total income and expense for the year	年內總收入及開支	—	—	—	—	(1,581)	2,014,904	—	2,013,323	778,672	2,791,995	
Final 2006 dividend declared	已宣派二零零六年末期股息	—	—	—	—	—	—	(67,685)	(67,685)	—	(67,685)	
Dividend paid to minority shareholders	向少數股東派付之股息	—	—	—	—	—	—	—	—	(67,437)	(67,437)	
Transfer from retained profits	轉撥自保留利潤	—	—	158,329	—	—	(158,329)	—	—	—	—	
Share issue expenses	發行股份費用	—	(62,611)	—	—	—	—	—	(62,611)	—	(62,611)	
TAGC Acquisition (note 36)	湘火炬汽車收購(附註36)	190,654	1,325,229	—	—	—	—	—	1,515,883	(1,515,883)	—	
Contribution from minority shareholders	少數股東出資	—	—	—	—	—	—	—	—	455,053	455,053	
Disposal of a subsidiary	出售一家附屬公司	—	—	—	—	—	—	—	—	(10,491)	(10,491)	
Proposed final 2007 dividend	擬派二零零七年末期股息	12	—	—	—	—	(229,088)	229,088	—	—	—	
At 31st December, 2007	於二零零七年十二月三十一日	520,654	2,399,267*	400,639*	3,736*	(1,581)*	2,831,669*	229,088	6,383,472	3,014,716	9,398,188	
Changes in fair value of available-for-sale investments	可供出售投資公平值變動	—	—	—	(83,130)	—	—	—	(83,130)	—	(83,130)	
Exchange realignment	匯兌調整	—	—	—	—	(10,544)	—	—	(10,544)	(4,593)	(15,137)	
Total income and expense recognised directly in equity	直接於權益確認之總收入及開支	—	—	—	(83,130)	(10,544)	—	—	(93,674)	(4,593)	(98,267)	
Profit for the year	年內利潤	—	—	—	—	—	1,928,955	—	1,928,955	482,754	2,411,709	
Total income and expense for the year	年內總收入及開支	—	—	—	(83,130)	(10,544)	1,928,955	—	1,835,281	478,161	2,313,442	
Unilateral capital contribution to subsidiaries	向附屬公司作出的單邊出資	—	8,089	—	—	—	—	—	8,089	(1,771)	6,318	
Bonus issue of shares	送股	36	312,392	(312,392)	—	—	—	—	—	—	—	
Final 2007 dividend declared	已宣派二零零七年末期股息	12	—	—	—	—	—	(229,088)	(229,088)	—	(229,088)	
Dividends paid to minority shareholders	向少數股東派付之股息	—	—	—	—	—	—	—	—	(109,423)	(109,423)	
Transfer from retained profits	轉撥自保留利潤	—	—	163,792	—	—	(163,792)	—	—	—	—	
Contribution from minority shareholders	少數股東出資	—	—	—	—	—	—	—	—	10,165	10,165	
Acquisition of minority interests	收購少數股東權益	—	—	—	—	—	—	—	—	(63,124)	(63,124)	
Proposed final 2008 dividend	擬派二零零八年末期股息	12	—	—	—	—	(108,296)	108,296	—	—	—	
At 31st December, 2008	於二零零八年十二月三十一日	833,046	2,094,964*	564,431*	(79,394)*	(12,125)*	4,488,536	108,296	7,997,754	3,328,724	11,326,478	

* These reserve amounts comprise the consolidated reserves of RMB7,056,412,000 (2007: RMB5,633,730,000) in the consolidated balance sheet.

* 該等儲備金額包括於綜合資產負債表載列之綜合儲備人民幣7,056,412,000元(二零零七年:人民幣5,633,730,000元)。

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31st December, 2008

綜合現金流量表

截至二零零八年十二月三十一日止年度

	Notes 附註	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務產生之現金流量		
Profit before tax	除稅前利潤	2,740,698	3,273,142
Adjustments for:	調整：		
Finance costs	財務費用	297,844	253,120
Share of Profits and losses of a jointly-controlled entity and associates	應佔一家共同控制實體 及聯營公司之利潤 及虧損	5,742	3,169
Interest income	利息收入	(48,827)	(26,530)
Loss/(gain) on disposal of items of property, plant and equipment	出售物業、機器及 設備項目之 虧損／（收益）	671	(2,288)
Depreciation of property, plant and equipment	物業、機器及設備 之折舊	757,256	583,142
Depreciation of investment properties	投資物業折舊	2,276	802
Release of prepaid land lease payments	預付土地租賃款項撥回	19,499	20,312
Amortisation of other intangible assets	其他無形資產之攤銷	15,603	46,571
Gain on disposal of available-for-sale investments	出售可供出售投資 之收益	(11,015)	(3,126)
Impairment/loss on disposal of disposal group held for sale	持作出售之出售組別 減值／出售虧損	49,775	101,446
Impairment of an investment in an associate	於一家聯營公司 之投資減值	142	—
Impairment of items of property, plant and equipment	物業、機器及設備 項目減值	25,380	—
Impairment of available-for- sale investments	可供出售投資減值	2,722	—
Impairment of trade and other receivables	應收貿易賬款及 其他應收賬款減值	116,640	53,296
Write-down of inventories to net realisable values	撇減存貨至 可變現淨值	185,992	72,510
		4,160,398	4,375,566
Increase in inventories	存貨增加	(1,836,599)	(1,435,818)
Increase in trade and bills receivables	應收貿易賬款及票據增加	(1,112,274)	(1,908,554)
Increase in prepayments, deposits and other receivables	預付款項、按金及 其他應收賬款增加	(438,592)	(175,634)
Increase in trade and bills payables	應付貿易賬款及票據增加	3,363,178	2,059,330
Increase in other payables and accruals	其他應付賬款及 應計費用增加	404,497	651,997
Increase in provision for warranty provision	保修撥備之撥備增加	265,708	128,851
Cash generated from operations	經營業務產生之現金	4,806,316	3,695,738
Income tax paid	已付所得稅	(361,969)	(566,927)
Net cash inflow from operating activities	經營業務產生之現金 流入淨額	4,444,347	3,128,811

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

Year ended 31st December, 2008

綜合現金流量表(續)

截至二零零八年十二月三十一日止年度

	Notes 附註	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動產生之現金流量		
Interest received	已收利息	48,827	26,530
Investment in associates	於一家聯營公司之投資	(800)	(61,939)
Investment in a jointly-controlled entity	於一家共同控制實體之投資	(20,409)	—
Increase in pledged deposits	已抵押存款增加	(1,655,700)	(396,456)
Additions in prepaid land lease payments	預付土地租賃款項增加	(445)	(90,707)
Purchases of items of property, plant and equipment and deposits paid for acquisition of property, plant and equipment	購買物業、機器及設備項目及收購物業、機器及設備已付按金	(1,723,790)	(1,995,391)
Purchases of investment properties	購買投資物業	(50,606)	(1,368)
Purchases of available-for-sale investments	購買可供出售投資	(194,000)	(30,000)
Purchases of intangible assets	購買無形資產	(5,888)	(815)
Proceeds from disposal of associates	出售聯營公司所得款項	15,661	—
Proceeds from disposal of available-for-sale investments	出售可供出售投資所得款項	26,879	92,863
Proceeds from disposal of items of property, plant and equipment	出售物業、機器及設備項目所得款項	38,910	44,066
Proceeds from disposal of disposal group held for sale	出售持作出售之出售組別所得款項	1,000	42,215
Proceeds from disposal of intangible assets	出售無形資產所得款項	—	1,568
Dividends received	已收股息	1,242	—
Acquisition of minority interests	收購少數股東權益	(55,341)	—
Net cash outflow from investing activities	投資活動產生之現金流出淨額	(3,574,460)	(2,369,434)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動產生之現金流量		
New interest-bearing bank and other borrowings	新增計息銀行及其他借款	3,872,448	476,350
Repayment of interest-bearing bank and other borrowings	償還計息銀行及其他借款	(3,493,835)	(1,961,395)
Share issue expenses	發行股份費用	—	(62,611)
Proceeds from issue of debentures	發行債券所得款項	1,700,000	866,790
Repayment of debentures	償還債券	(900,000)	—
Interest paid	已付利息	(234,672)	(215,017)
Dividends paid	已派付股息	(229,088)	(67,685)
Dividends paid to minority shareholders	向少數股東派付之股息	(61,414)	(35,672)
Repayment to a related party	向一名關連人士償還款項	—	(68,445)
Capital contributions from minority shareholders	少數股東出資	10,165	455,053
Net cash inflow/(outflow) from financing activities	融資活動產生之現金流入／(流出)淨額	663,604	(612,632)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

Year ended 31st December, 2008

綜合現金流量表(續)

截至二零零八年十二月三十一日止年度

			2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
	Notes 附註			
NET INCREASE IN CASH AND CASH EQUIVALENTS		現金及現金等價物 增加淨額	1,533,491	146,745
Cash and cash equivalents at beginning of year		於年初之現金及 現金等價物	1,819,554	1,674,390
Effect of foreign exchange rate changes, net		匯率變動之淨影響	(907)	(1,581)
CASH AND CASH EQUIVALENTS AT END OF YEAR		於年末之現金及 現金等價物	3,352,138	1,819,554
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		現金及現金等價物 結餘分析		
Cash and bank balances	29	現金及銀行結餘	2,409,488	1,508,754
Non-pledged time deposits with original maturity of less than three months when acquired		於收購時原有到期日 少於三個月之無抵押 定期存款	942,650	310,800
			3,352,138	1,819,554

BALANCE SHEET

31st December, 2008

資產負債表

二零零八年十二月三十一日

		Notes 附註	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、機器及設備	14	1,803,493	2,425,815
Prepaid land lease payments	預付土地租賃款項	16	113,638	127,852
Other intangible assets	其他無形資產	18	109,476	108,892
Investments in subsidiaries	於附屬公司之投資	20	4,002,382	3,726,475
Investment in a jointly-controlled entity	於一家共同控制實體之投資	21	20,409	—
Investments in associates	於聯營公司之投資	22	52,545	91,687
Available-for-sale investments	可供出售投資	23	96,200	—
Deposits paid for acquisition of property, plant and equipment	收購物業、機器及設備所付按金	24	601,123	318,521
Deferred tax assets	遞延稅項資產	25	148,131	78,021
Total non-current assets	非流動資產總值		6,947,397	6,877,263
CURRENT ASSETS	流動資產			
Inventories	存貨	26	1,741,154	1,375,046
Trade and bills receivables	應收貿易賬款及票據	27	3,414,244	2,310,439
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	28	1,025,345	347,611
Prepaid land lease payments	預付土地租賃款項	16	2,240	2,634
Pledged deposits	已抵押存款	29	1,813,232	641,966
Cash and cash equivalents	現金及現金等價物	29	770,079	738,054
Total current assets	流動資產總值		8,766,294	5,415,750
CURRENT LIABILITIES	流動負債			
Trade and bills payables	應付貿易賬款及票據	31	4,791,896	3,480,160
Other payables and accruals	其他應付賬款及應計費用	32	1,414,495	1,363,872
Debentures	債券	33	900,000	900,000
Interest-bearing bank and other borrowings	計息銀行及其他借款	34	168,346	243,046
Tax payable	應付稅項		429,979	319,202
Warranty provision	保修撥備	35	234,899	133,500
Total current liabilities	流動負債總值		7,939,615	6,439,780
NET CURRENT ASSETS/(LIABILITIES)	流動資產／(負債)淨值		826,679	(1,024,030)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		7,774,076	5,853,233

BALANCE SHEET (CONTINUED)

31st December, 2008

資產負債表(續)

二零零八年十二月三十一日

		Notes 附註	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank and other borrowings	計息銀行 及其他借款	34	700,000	100,000
Deferred tax liabilities	遞延稅項負債	25	10,039	13,403
Total non-current liabilities	非流動負債總額		710,039	113,403
Net assets	資產淨值		7,064,037	5,739,830
EQUITY	權益			
Issued capital	已發行股本	36	833,046	520,654
Reserves	儲備	37	6,122,695	4,990,088
Proposed final dividend	擬派末期股息	12	108,296	229,088
Total equity	權益總額		7,064,037	5,739,830

Approved by the Board of Directors on 27th April, 2009 and signed on
behalf of the Board by:

經董事會於二零零九年四月二十七日批准，
並由下列董事代表董事會簽署：

Tan Xuguang
譚旭光
Director
董事

Xu Xinyu
徐新玉
Director
董事

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2008

財務報表附註

二零零八年十二月三十一日

1. CORPORATE INFORMATION

Weichai Power Co., Ltd. (the “Company”) is a joint stock limited liability company established in the People's Republic of China (the “PRC”) on 23rd December, 2002. The Company's “H” shares and “A” shares are listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) and The Shenzhen Stock Exchange from 11th March, 2004 and 30th April, 2007 onwards, respectively. The registered office of the Company is located at 197, Section A, Fu Shou East Street, High Technology Industry Development Zone, Weifang, Shandong Province, the PRC.

During the year, the Company and its subsidiaries (the “Group”) were involved in the following principal activities:

- manufacture and sale of diesel engines and related parts;
- manufacture and sale of automobiles and other major automobile components;
- manufacture and sale of minor automobile components; and
- import and export services.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain investments which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

1. 公司資料

濰柴動力股份有限公司(「本公司」)為於二零零二年十二月二十三日在中華人民共和國(「中國」)成立之股份有限公司，其「H」股及「A」股分別自二零零四年三月十一日及二零零七年四月三十日起在香港聯合交易所有限公司(「香港聯交所」)及深交所上市。本公司註冊辦事處位於中國山東省濰坊高新技術產業開發區福壽東街甲197號。

於本年度，本公司及其附屬公司(「本集團」)主要從事下列業務：

- 生產及銷售柴油機及相關零部件；
- 生產及銷售汽車及其他主要汽車零部件；
- 生產及銷售小型汽車零部件；及
- 提供進出口服務。

2.1 編製基準

本財務報表乃根據香港會計師公會頒佈之香港財務報告準則(「香港財務報告準則」，包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例的披露規定編製而成。除若干投資按公平值計算外，本財務報表乃依照歷史成本慣例編製。持作出售之出售組別按其賬面值與公平值減銷售成本兩者間的較低者列賬，有關詳情於附註2.4進一步闡釋。除另有指示外，本財務報表乃以人民幣(「人民幣」)呈列，所有金額均調整至最接近的千元。

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31st December, 2008. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

The acquisition of subsidiaries during the year has been accounted for using the purchase method of accounting. This method involves allocating the cost of the business combinations to the fair value of the identifiable assets acquired, and liabilities and contingent liabilities assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries. Acquisitions of minority interests are accounted for using the entity concept method whereby the difference between the consideration and the book value of the share of the net assets acquired is recognised as an equity transaction.

2.1 編製基準(續)

綜合基準

綜合財務報表包括本公司及其附屬公司(統稱為「本集團」)於截至二零零八年十二月三十一日止年度的財務報表。經已作出調整以使任何可能存在之不同會計政策達致一致。附屬公司之業績由收購日(即本集團獲得控制權之日)起計入綜合財務報表內,直至有關控制權終止之日為止。而本集團公司間交易所產生的所有收入、開支及未變現盈虧及本集團公司間的所有結餘均於綜合賬目時全數對銷。

年內收購附屬公司已使用收購會計法入賬。該會計法涉及將業務合併成本分攤至所收購可識別資產公平值以及收購當日所承擔的負債及或然負債。收購成本按於交換日期所付出資產、所發行股本工具及所產生或須承擔的負債的公平值,加上因收購直接產生的成本的總和計量。

少數股東權益指外界股東而非本集團佔本公司附屬公司業績及資產淨值之權益。收購少數股東權益採用實體概念法入賬,據此所收購資產淨值之代價與所佔賬面值之間的差額確認為股權交易。

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new interpretations and amendments to HKFRSs for the first time for the current year's financial statements. Except for in certain cases giving rise to new and revised accounting policies and additional disclosures, the adoption of these new interpretations and amendments has had no significant effect on these financial statements.

HKAS 39 and HKFRS 7 Amendments	Amendments to HKAS 39 <i>Financial Instruments: Recognition and Measurement</i> and HKFRS 7 <i>Financial Instruments: Disclosures</i> — <i>Reclassification of Financial Assets</i>
HK(IFRIC)-Int 11	HKFRS 2 — <i>Group and Treasury Share Transactions</i>
HK(IFRIC)-Int 12	<i>Service Concession Arrangements</i>
HK(IFRIC)-Int 14	HKAS 19 — <i>The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) **Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement* and HKFRS 7 *Financial Instruments: Disclosures* — *Reclassification of Financial Assets***

The amendments to HKAS 39 permit an entity to reclassify a non-derivative financial asset classified as held for trading, other than a financial asset designated by an entity as at fair value through profit or loss upon initial recognition, out of the fair value through profit or loss category if the financial asset is no longer held for the purpose of selling or repurchasing in the near term, if specified criteria are met.

2.2 新訂及經修訂香港財務報告準則之影響

本集團於本年度的財務報表首次採用以下香港財務報告準則的新詮釋及修訂。除因有關新訂及經修訂會計政策及附加披露的某些個別情況外，採納該等新詮釋及修訂對本財務報表並無重大影響。

香港會計準則第39號及香港財務報告準則第7號修訂	香港會計準則第39號修訂「財務工具：確認與計量」及香港財務報告準則第7號修訂「財務工具：披露 — 財務資產的重新分類」
香港（國際財務報告詮釋委員會）— 詮釋第11號	香港財務報告準則第2號 — 集團及庫存股份交易
香港（國際財務報告詮釋委員會）— 詮釋第12號	服務特許權安排
香港（國際財務報告詮釋委員會）— 詮釋第14號	香港會計準則第19號 — 界定利益資產的限額、最低資本規定及相互之間的關係

採納該等新訂及經修訂香港財務報告準則之主要影響如下：

(a) **香港會計準則第39號修訂「財務工具：確認與計量」及香港財務報告準則第7號修訂「財務工具：披露 — 財務資產的重新分類」**

香港會計準則第39號的修訂允許實體在符合特定標準的條件下，將非衍生財務資產重新分類為持作買賣，惟經實體於初步確認時指定為按公平值計入損益內的財務資產除外，倘財務資產不再因近期出售或購回目的而持有，則不再屬於按公平值計入損益的類別。

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

(a) Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement* and HKFRS 7 *Financial Instruments: Disclosures* — *Reclassification of Financial Assets* (continued)

A debt instrument that would have met the definition of loans and receivables (if it had not been required to be classified as held for trading at initial recognition) may be classified out of the fair value through profit or loss category or (if it had not been designated as available for sale) may be classified out of the available-for-sale category to the loans and receivables category if the entity has the intention and ability to hold it for the foreseeable future or until maturity.

In rare circumstances, financial assets that are not eligible for classification as loans and receivables may be transferred from the held-for-trading category to the available-for-sale category or to the held to maturity category (in the case of a debt instrument), if the financial asset is no longer held for the purpose of selling or repurchasing in the near term.

The financial asset shall be reclassified at its fair value on the date of reclassification and the fair value of the financial asset on the date of reclassification becomes its new cost or amortised cost, as applicable. The amendments to HKFRS 7 require extensive disclosures of any financial asset reclassified in the situations described above. The amendments are effective from 1st July, 2008.

As the Group has not reclassified any of its financial instruments, the amendments have had no impact on the financial position or results of operations of the Group.

2.2 新訂及經修訂香港財務報告準則之影響(續)

(a) 香港會計準則第39號修訂「財務工具：確認與計量」及香港財務報告準則第7號修訂「財務工具：披露——財務資產的重新分類」(續)

在實體持有符合貸款及應收賬款定義的債務工具，且有意願及能力於可預見將來持有或持有直至到期的情況下，倘在初步確認時無需被分類為持作買賣，則該債務工具可不再列入按公平值計入損益的類別，或倘未將其指定為可供出售，則可將其從可供出售類別分類至貸款及應收賬款類別。

在少數情況下，倘財務資產不再因近期出售或購回目的而持有，則不符合條件分類為貸款及應收賬款的財務資產，可由持作買賣類別轉至可供出售類別或持有至到期類別（倘為債務工具）。

財務資產須按其重新分類日期的公平值重新分類，且財務資產於重新分類日期的公平值將成為其新成本或攤銷成本（倘適用）。香港財務報告準則第7號的修訂要求對按上述情形重新分類的任何財務資產作出廣泛披露。該等修訂自二零零八年七月一日起生效。

由於本集團未對其任何財務工具重新分類，故該等修訂對本集團的財務狀況或經營業績概無影響。

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

(b) HK(IFRIC)-Int 11 *HKFRS 2 — Group and Treasury Share Transactions*

HK(IFRIC)-Int 11 requires arrangements whereby an employee is granted rights to the Group's equity instruments to be accounted for as an equity-settled scheme, even if the Group buys the instruments from another party, or the shareholders provide the equity instruments needed. HK(IFRIC)-Int 11 also addresses the accounting for share-based payment transactions involving two or more entities within the Group. As the Group currently has no such transactions, the interpretation has had no impact on the financial position or results of operations of the Group.

(c) HK(IFRIC)-Int 12 *Service Concession Arrangements*

HK(IFRIC)-Int 12 applies to service concession operators and explains how to account for the obligations undertaken and the rights received in service concession arrangements. No member of the Group is an operator and, therefore, this interpretation has had no impact on the financial position or results of operations of the Group.

(d) HK(IFRIC)-Int 14 *HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

HK(IFRIC)-Int 14 addresses how to assess the limit under HKAS 19 *Employee Benefits*, on the amount of a refund or a reduction in future contributions in relation to a defined benefit scheme that can be recognised as an asset, including situations when a minimum funding requirement exists. As the Group has no defined benefit scheme, the interpretation has had no effect on these financial statements.

2.2 新訂及經修訂香港財務報告準則之影響(續)

(b) 香港(國際財務報告詮釋委員會)－詮釋第11號「香港財務報告準則第2號－集團及庫存股份交易」

香港(國際財務報告詮釋委員會)－詮釋第11號規定，僱員獲授本集團權益工具之安排須列為股本結算計劃，即使該等工具乃由本集團向其他人士購買或由股東提供。香港(國際財務報告詮釋委員會)－詮釋第11號亦規定在涉及本集團內部兩個或以上實體以股份為基礎支付交易之會計方法。由於本集團目前並無有關交易，故本詮釋並無對本集團的財務狀況或經營業績產生任何影響。

(c) 香港(國際財務報告詮釋委員會)－詮釋第12號「服務特許權安排」

香港(國際財務報告詮釋委員會)－詮釋第12號適用於服務特許權經營者，旨在解釋如何對服務特許權安排中承擔的責任及取得的權利進行會計處理。由於本集團並無成員公司為該類經營者，因此該詮釋並無對本集團的財務狀況或經營業績產生任何影響。

(d) 香港(國際財務報告詮釋委員會)－詮釋第14號「香港會計準則第19號－定額福利資產的限額、最低資本規定及相互之間的關係」

香港(國際財務報告詮釋委員會)－詮釋第14號列明，根據香港會計準則第19號「僱員福利」，如何評估有關定額福利計劃未來供款之退款或扣減款額可確認為資產之限額(包括存在最低供款規定的情況)。由於本集團並無定額福利計劃，因此本詮釋對本財務報表概無影響。

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 First-time Adoption of HKFRSs and HKAS 27 Consolidated and Separate Financial Statements — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ¹
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards ²
HKFRS 2 Amendments	Amendments to HKFRS 2 Share-based Payment — Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operating Segments ¹
HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 Financial Instruments: Presentation and HKAS 1 Presentation of Financial Statements — Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKAS 39 Amendment	Amendment to HKAS 39 Financial Instruments: Recognition and Measurement — Eligible Hedged Items ²
HK(IFRIC)-Int 13	Customer Loyalty Programmes ³
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate ¹
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation ⁴

2.3 已頒佈但未生效之香港財務報告準則之影響

本集團並未於本財務報表中採用以下已頒佈但未生效的新訂及經修訂香港財務報告準則。

香港財務報告準則第1號及香港會計準則第27號修訂	香港財務報告準則第1號修訂「首次採納香港財務報告準則」及香港會計準則第27號修訂「綜合及獨立財務報表——於附屬公司、共同控制實體或聯營公司之投資成本」 ¹
香港財務報告準則第1號(經修訂)	首次採納香港財務報告準則 ²
香港財務報告準則第2號修訂	香港財務報告準則第2號修訂「以股份為基礎支付——歸屬條件及註銷」 ¹
香港財務報告準則第3號(經修訂)	業務合併 ²
香港財務報告準則第8號	經營分部 ¹
香港會計準則第1號(經修訂)	財務報表之呈報方式 ¹
香港會計準則第23號(經修訂)	借貸成本 ¹
香港會計準則第27號(經修訂)	綜合及獨立財務報表 ²
香港會計準則第32號及香港會計準則第1號修訂	香港會計準則第32號修訂「財務工具：呈列」及香港會計準則第1號修訂「財務報表之呈列——可沽售財務工具及清盤時產生之責任」 ¹
香港會計準則第39號修訂	香港會計準則第39號修訂「財務工具：確認與計量——合資格對沖項目」 ²
香港(國際財務報告詮釋委員會)——詮釋第13號	客戶忠誠度計劃 ³
香港(國際財務報告詮釋委員會)——詮釋第15號	興建房地產之協議 ¹
香港(國際財務報告詮釋委員會)——詮釋第16號	對沖海外業務之淨投資 ⁴

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

HK(IFRIC)-Int 17 Distribution of Non-cash Assets to Owners²

HK(IFRIC)-Int 18 Transfers of Assets from Customers²

Apart from the above, the HKICPA has also issued *Improvements to HKFRSs** which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. Except for the amendment to HKFRS 5 which is effective for the annual periods on or after 1st July, 2009, other amendments are effective for annual periods beginning on or after 1st January, 2009 although there are separate transitional provisions for each standard.

- ¹ Effective for annual periods beginning on or after 1st January, 2009
- ² Effective for annual periods beginning on or after 1st July, 2009
- ³ Effective for annual periods beginning on or after 1st July, 2008
- ⁴ Effective for annual periods beginning on or after 1st October, 2008
- * Improvements to HKFRSs contains amendments to HKFRS 5, HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41

2.3 已頒佈但未生效之香港財務報告準則之影響(續)

香港(國際財務報告) 向擁有者分派非現金資產²

詮釋委員會)–

詮釋第17號

香港(國際財務報告) 從客戶轉讓資產²

詮釋委員會)–

詮釋第18號

除上文所述者外，香港會計師公會亦已頒佈香港財務報告準則的改進*，當中載列多項香港財務報告準則之修訂，主要目的為消除矛盾與澄清措詞。除香港財務報告準則第5號的修訂於二零零九年七月一日或其後開始的年度期間生效外，其他修訂均於二零零九年一月一日或其後開始的年度期間生效，惟各項準則均分別設有過渡性條文。

- ¹ 於二零零九年一月一日或之後開始之年度期間生效。
- ² 於二零零九年七月一日或之後開始之年度期間生效。
- ³ 於二零零八年七月一日或之後開始之年度期間生效。
- ⁴ 於二零零八年十月一日或之後開始之年度期間生效。
- * 對香港財務報告準則的改進包括有關香港財務報告準則第5號、香港財務報告準則第7號、香港會計準則第1號、香港會計準則第8號、香港會計準則第10號、香港會計準則第16號、香港會計準則第18號、香港會計準則第19號、香港會計準則第20號、香港會計準則第23號、香港會計準則第27號、香港會計準則第28號、香港會計準則第29號、香港會計準則第31號、香港會計準則第34號、香港會計準則第36號、香港會計準則第38號、香港會計準則第39號、香港會計準則第40號及香港會計準則第41號的修訂。

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

The HKAS 27 Amendment requires all dividends from subsidiaries, associates or jointly-controlled entities to be recognised in the income statement in the separate financial statements. The amendment is applied prospectively only. The HKFRS 1 Amendment allows a first-time adopter of HKFRSs to measure its investment in subsidiaries, associates or jointly-controlled entities using a deemed cost of either fair value or the carrying amount under the previous accounting practice in the separate financial statements. The Group expects to adopt the HKAS 27 Amendment from 1st January, 2009. The amendments have no impact on the consolidated financial statements. As the Group is not a first-time adopter of HKFRSs, the HKFRS 1 Amendment is not applicable to the Group.

The HKFRS 2 Amendments clarify that vesting conditions are service conditions and performance conditions only. Any other conditions are non-vesting conditions. Where an award does not vest as a result of a failure to meet a non-vesting condition that is within the control of either the entity or the counterparty, this is accounted for as a cancellation. The Group has not entered into share-based payment schemes with non-vesting conditions attached and, therefore, the amendments are unlikely to have any significant implications on its accounting for share-based payments.

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to HKAS 7 *Statement of Cash Flows*, HKAS 12 *Income Taxes*, HKAS 21 *The Effects of Changes in Foreign Exchange Rate*, HKAS 28 *Investments in Associates* and HKAS 31 *Interests in Joint Ventures*.

2.3 已頒佈但未生效之香港財務報告準則之影響(續)

香港會計準則第27號的修訂要求所有來自附屬公司、聯營公司或共同控制實體的股息均於獨立財務報表的收益表內確認。此修訂僅於未來應用。香港財務報告準則第1號的修訂使香港財務報告準則的首次採納者可採用獨立財務報表中根據先前會計常規釐定的公平值或賬面值的設定成本，計量其於附屬公司、聯營公司或共同控制實體的投資。本集團預期自二零零九年一月一日起採納香港會計準則第27號的修訂。該修訂對綜合財務報表概無影響。由於本集團並非香港財務報告之首次採納者，因此香港財務報告準則第1號的修訂不適用於本集團。

香港財務報告準則第2號的修訂澄清了歸屬條件僅為服務條件及表現條件。任何其他條件均為非歸屬條件。當由於實體或對手方控制能力下的非歸屬條件未能達成而使獎勵未能歸屬，則須列為註銷。本集團並無訂立任何附帶非歸屬條件的以股份為基礎支付之計劃，因此，該修訂應不會對以股份為基礎支付的會計處理有任何重大影響。

香港財務報告準則第3號(經修訂)引入與業務合併相關會計處理的一系列變動，該等變動將對已確認商譽的數額，收購發生期間的呈報業績及未來呈報業績產生影響。

香港會計準則第27號(經修訂)要求將一間附屬公司擁有權權益的變動(不會失去控制權)列作股權交易。因此，該變動對商譽並無影響，亦不會產生損益。此外，經修訂準則對附屬公司產生的虧損以及對失去附屬公司控制權的會計處理也作了相應的更改。其他後續修訂乃對香港會計準則第7號「現金流量表」、香港會計準則第12號「所得稅」、香港會計準則第21號「匯率變動的影響」、香港會計準則第28號「於聯營公司的投資」及香港會計準則第31號「於合資企業的權益」作出。

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

The Group expects to adopt HKFRS 3 (Revised) and HKAS 27 (Revised) from 1st January, 2010. The changes introduced by these revised standards must be applied prospectively and will affect future acquisitions, loss of control and transactions with minority interests.

HKFRS 8, which will replace HKAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group expects to adopt HKFRS 8 from 1st January, 2009.

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group expects to adopt HKAS 1 (Revised) from 1st January, 2009.

HKAS 23 has been revised to require capitalisation of borrowing costs when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. As the Group's current policy for borrowing costs aligns with the requirements of the revised standard, the revised standard is unlikely to have any financial impact on the Group.

2.3 已頒佈但未生效之香港財務報告準則之影響(續)

本集團預期自二零一零年一月一日起採納香港財務報告準則第3號(經修訂)及香港會計準則第27號(經修訂)。該等經修訂準則所引入的變動須於未來應用，並將影響日後進行的收購、失去控制權及與少數股東的交易。

香港財務報告準則第8號將取代香港會計準則第14號「分部報告」，該準則規定實體應如何根據主要經營決策者分配資源予各分部及評估其表現時使用的該實體各組成部份的資料，呈報其經營分部的資料。該準則同時要求披露有關分部提供的產品及服務、本集團經營所在地區及來自本集團主要客戶的收入的資料。本集團預期自二零零九年一月一日起採納香港財務報告準則第8號。

香港會計準則第1號(經修訂)引入財務報表呈列及披露的變動。此項經修訂準則將權益變動分為擁有人及非擁有人部份。權益變動報表將僅包括與擁有人進行的交易詳情，而權益內所有非擁有人變動作為單項予以呈列。此外，該準則引入綜合收益報表，載列所有於損益內確認的收入及開支項目，連同所有其他已確認的收入及直接於權益內確認的開支項目(無論於單份報表或兩份有聯繫報表內)。本集團預期自二零零九年一月一日起採納香港會計準則第1號(經修訂)。

香港會計準則第23號已作出修訂，要求收購、興建或製造一項合資格資產之直接應佔借貸成本需撥作資本。由於本集團現時有關借貸成本之政策符合該項經修訂準則的要求，因此該項經修訂準則應不會對本集團構成任何財務影響。

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

The HKAS 32 Amendments provide a limited scope exception for puttable financial instruments and instruments that impose specified obligations arising on liquidation to be classified as equity if they fulfil a number of specified features. HKAS 1 Amendments require disclosure of certain information relating to these puttable financial instruments and obligations classified as equity. As the Group currently has no such financial instruments or obligations, the amendments are unlikely to have any financial impact on the Group.

The amendment to HKAS 39 addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. It clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. As the Group has not entered into any such hedges, the amendment is unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 13 requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted. The consideration received in the sales transaction is allocated between the loyalty award credits and the other components of the sale. The amount allocated to the loyalty award credits is determined by reference to their fair value and is deferred until the awards are redeemed or the liability is otherwise extinguished.

HK(IFRIC)-Int 15 will replace HK Interpretation 3 *Revenue — Pre-completion Contracts for the Sale of Development Properties*. It clarifies when and how an agreement for the construction of real estate should be accounted for as a construction contract in accordance with HKAS 11 *Construction Contracts* or an agreement for the sale of goods or services in accordance with HKAS 18 *Revenue*. As the Group currently is not involved in any construction of real estate, the interpretation is unlikely to have any financial impact on the Group.

2.3 已頒佈但未生效之香港財務報告準則之影響(續)

香港會計準則第32號的修訂規定當可沽售財務工具及清盤時產生特定責任的工具符合若干指定特徵時，可獲有限豁免，並被分類為權益。香港會計準則第1號的修訂要求披露有關分類為權益的該等可沽售財務工具及負債的若干資料。由於本集團現時並無此類財務工具或負債，該修訂應不會對本集團構成任何財務影響。

香港會計準則第39號的修訂列明將對沖項目的單方面風險及通脹指定為對沖風險或特定情況下的對沖風險部份。其闡明實體可獲准指定財務工具的部份公平值變動或現金流變化為對沖項目。由於本集團並未訂立任何該等對沖，該修訂應不會對本集團構成任何財務影響。

香港(國際財務報告詮釋委員會)－詮釋第13號要求授予客戶的忠誠度獎勵作為其授出之銷售交易之獨立部份入賬。銷售交易所獲得的代價分配至忠誠度獎勵及銷售的其他部份。分配予忠誠度獎勵之金額經參考其公平值釐訂並遞延直至該獎勵獲贖回或負債以其他方式獲清償為止。

香港(國際財務報告詮釋委員會)－詮釋第15號將取代香港詮釋第3號「收入－銷售發展物業之竣工前合約」。該詮釋闡明了何時及如何將房地產建設協議根據香港會計準則第11號「建築合約」列作建築合約或根據香港會計準則第18號「收入」列作出售貨品或服務之協議。由於本集團現時並無參與任何房地產建設，此項詮釋應不會對本集團構成任何財務影響。

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

HK(IFRIC)-Int 16 provides guidance on the accounting for a hedge of a net investment in a foreign operation. This includes clarification that (i) hedge accounting may be applied only to the foreign exchange differences arising between the functional currencies of the foreign operation and the parent entity; (ii) a hedging instrument may be held by any entities within a group; and (iii) on disposal of a foreign operation, the cumulative gain or loss relating to both the net investment and the hedging instrument that was determined to be an effective hedge should be reclassified to the income statement as a reclassification adjustment. As the Group currently has no hedge of a net investment in a foreign operation, the interpretation is unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 17 standardises practice in the accounting for non-reciprocal distributions of non-cash assets to owners. The Group expects to apply the interpretation from 1st January, 2010 prospectively. The Interpretation clarifies that (i) a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity; (ii) an entity should measure the dividend payable at the fair value of the net assets to be distributed; and (iii) an entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss. Other consequential amendments were made to HKAS 10 Events after the Balance Sheet Date and HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations. While the adoption of the interpretation may result in changes in certain accounting policies, the interpretation is unlikely to have any material financial impact on the Group.

HK(IFRIC)-Int 18 provides additional guidance on the accounting for transfers of assets from customers and clarifies the requirements for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water).

2.3 已頒佈但未生效之香港財務報告準則之影響(續)

香港(國際財務報告詮釋委員會)－詮釋第16號提供了對海外業務投資淨額對沖進行會計處理的指引。其中包括闡釋：(i)對沖會計處理僅可適用於海外業務與母公司的功能貨幣間產生的匯兌差額；(ii)對沖工具可由集團內任何實體持有；及(iii)出售海外業務時，有關投資淨額及已被釐定為有效對沖的對沖工具兩者的累積盈虧，須於收益表中重新分類作為重新分類調整。由於本集團現時並無對沖海外業務的投資淨額，此項詮釋應不會對本集團構成任何財務影響。

香港(國際財務報告詮釋委員會)－詮釋第17號統一了向擁有者進行非現金資產的非互惠性分派的會計實務標準。本集團預期未來將自二零一零年一月一日起採用該詮釋。此項詮釋闡明：(i)應付股息應於該股息獲適當授權且不再受該實體支配時確認；(ii)實體應以將予分派資產淨值的公平值計算應付股息；及(iii)實體應在損益中確認已付股息與已分派資產淨值賬面值之間的差額。其他後續修訂乃對香港會計準則第10號「結算日後事項」及香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」作出。儘管採納該詮釋可能導致若干會計政策發生變動，但該詮釋應不會對本集團構成任何重大財務影響。

香港(國際財務報告詮釋委員會)－詮釋第18號對從客戶轉讓資產作出額外指引，並就有關實體自客戶收取物業、廠房及設備項目，且須使用該物業、廠房及設備項目以將客戶聯繫至網絡，或使客戶持續獲得貨物或服務之供應(如電力、燃氣或水之供應)的協議，闡明相關規定。

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

In October 2008, the HKICPA issued its first *Improvements to HKFRSs* which sets out amendments to a number of HKFRSs. The Group expects to adopt the amendments from 1st January, 2009. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments are expected to have a significant financial impact on the Group.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sales in accordance with HKFRs are stated at cost less any impairment losses.

Joint ventures

A joint venture is an entity set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture and the basis on which the assets are to be realised upon its dissolution. The profits and losses from the joint venture's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

2.3 已頒佈但未生效之香港財務報告準則之影響(續)

二零零八年十月，香港會計師公會頒佈其對香港財務報告準則的首次改進，其中載列對多項香港財務報告準則的修訂。本集團預期於二零零九年一月一日起採納該等修訂。各項準則均分別設有過渡性條文。儘管採納其中部份修訂可能導致會計政策發生變動，惟預期該等修訂均不會對本集團構成重大財務影響。

2.4 主要會計政策概要

附屬公司

附屬公司為本公司直接或間接控制其財務及經營政策，以從其活動中獲取利益之實體。

附屬公司之業績按已收及應收股息計入本公司之收益表。本公司於附屬公司的投資中，未根據香港財務報告準則分類為持作出售者按成本減任何減值虧損列賬。

合資企業

合資企業乃按合約安排成立，而本集團及其他人士據此進行經濟活動之實體。合資企業以獨立實體形式經營，本集團及其他人士於當中擁有權益。

合資者之間訂立之合資企業協議規定合資企業各方之注資額、合資企業之年期及於合資企業解散後變現資產之基準。合資企業業務之損益以及任何盈餘資產之分派均由合資者按彼等各自之注資額比例或根據合資企業協議條款分佔。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Joint ventures (continued)

A joint venture is treated as:

- (a) a subsidiary, if the Group has unilateral control, directly or indirectly, over the joint venture;
- (b) a jointly-controlled entity, if the Group does not have unilateral control, but has joint control, directly or indirectly, over the joint venture;
- (c) an associate, if the Group does not have unilateral or joint control, but holds, directly or indirectly, generally not less than 20% of the joint venture's registered capital and is in a position to exercise significant influence over the joint venture; or
- (d) an equity investment accounted for in accordance with HKAS 39, if the Group holds, directly or indirectly, less than 20% of the joint venture's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture.

Jointly-controlled entities

A jointly-controlled entity is a joint venture that is subject to joint control, resulting in none of the participating parties having unilateral control over the economic activity of the jointly-controlled entity.

The Group's interests in jointly-controlled entities are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and reserves of jointly-controlled entities is included in the consolidated income statement and consolidated reserves, respectively. Unrealised gains and losses resulting from transactions between the Group and its jointly-controlled entities are eliminated to the extent of the Group's interests in the jointly-controlled entities, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of jointly-controlled entities, which was not previously eliminated or recognised in the consolidated reserves, is included as part of the Group's interests in jointly-controlled entities. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

2.4 主要會計政策概要(續)

合資企業(續)

合資企業於下列情況被視作不同類型公司：

- (a) 倘本集團單方面直接或間接擁有合資企業的控制權，則被視作附屬公司；
- (b) 倘本集團並無單方面控制權，惟直接或間接擁有合資企業的共同控制權，則被視作共同控制實體；
- (c) 倘本集團並無單方面或共同控制權，惟直接或間接持有合資企業註冊股本一般不少於20%，且可對合資企業發揮重大影響力，則被視作聯營公司；或
- (d) 倘本集團直接或間接持有合資企業註冊股本20%以下，且並無共同控制權或未能對合資企業發揮重大影響力，則根據香港會計準則第39號，被視作股本投資。

共同控制實體

共同控制實體乃受到共同控制的合營公司，故此並無任何一參與方單方面擁有其經濟活動的控制權。

本集團於共同控制實體的權益，是採用權益會計法按本集團應佔的資產淨值減任何減值虧損在綜合資產負債表列賬。本集團所佔共同控制實體的收購後業績及儲備分別計入綜合收益表及綜合儲備。本集團與其共同控制實體之間交易所產生之未變現損益，會按本集團在該共同控制實體應佔權益比率抵銷，除非未變現虧損有證據證明所轉讓的資產出現減值。收購共同控制實體產生的之前並無於綜合儲備對銷或確認的商譽乃作為本集團於共同控制實體的權益的一部份入賬。倘會計政策存在任何不一致，將會作出相應調整。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Associates

An associate is an entity, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's interests in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and reserves of associates is included in the consolidated income statement and consolidated reserves, respectively. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates, which was not previously eliminated or recognised in the consolidated reserves, is included as part of the Group's interests in associates. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The results of associates are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in associates are treated as non-current assets and are stated at cost less any impairment losses.

Goodwill

Goodwill arising on the acquisition of subsidiaries, associates and jointly-controlled entities represents the excess of the cost of the business combination over the Group's interest in the net fair value of the acquirees' identifiable assets acquired, and liabilities and contingent liabilities assumed as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset, initially measured at cost and subsequently at cost less any accumulated impairment losses. In the case of associates and jointly-controlled entities, goodwill is included in the carrying amount thereof, rather than as a separately identified asset on the consolidated balance sheet.

2.4 主要會計政策概要(續)

聯營公司

聯營公司指附屬公司或共同控制實體以外，本集團長期擁有一般不少於20%股份投票權權益，並可對其發揮重大影響力的實體。

本集團於聯營公司的權益，是採用權益會計法按本集團應佔的資產淨值減任何減值虧損在綜合資產負債表列賬。本集團所佔聯營公司的收購後業績及儲備分別計入綜合收益表及綜合儲備。本集團與其聯營公司之間交易所產生之未變現損益，會按本集團在該聯營公司應佔權益比率抵銷，除非未變現虧損有證據證明所轉讓的資產出現減值。收購聯營公司產生的之前並無於綜合儲備對銷或確認的商譽乃作為本集團於聯營公司的權益的一部份入賬。倘會計政策存在任何不一致，將會作出相應調整。

聯營公司業績以已收及應收股息為限計入本公司的收益表。本公司於聯營公司的投資當作非流動資產處理並按成本減任何減值虧損列賬。

商譽

收購附屬公司、聯營公司及共同控制實體所產生的商譽，指業務合併成本超過本集團所佔於被收購方的可識別已購入資產及已承擔負債及或然負債於收購當日的公平淨值之差額。

收購所產生的商譽於綜合資產負債表內確認為資產，其最初以成本計量，其後按成本減任何累計減值虧損計量。就收購聯營公司及共同控制實體而言，產生的商譽計入彼等之賬面值內，而並非作為獨立可辨認資產計入綜合資產負債表。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill (continued)

The carrying amount of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31st December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Excess over the cost of business combinations

Any excess of the Group's interest in the net fair value of the acquirees' identifiable assets, liabilities and contingent liabilities over the cost of acquisition of subsidiaries, associates and jointly-controlled entities (previously referred to as negative goodwill), after reassessment, is recognised immediately in the income statement.

The excess for associates and jointly-controlled entities is included in the Group's share of the associates and jointly-controlled entities' profits or losses in the period in which the investments are acquired.

2.4 主要會計政策概要(續)

商譽(續)

商譽的賬面值每年均會審閱以確定是否出現減值，或倘發生事件或環境變化顯示賬面值可能減損時，則會更頻繁進行審閱。本集團每年於十二月三十一日進行商譽減值測試。就減值測試而言，業務合併中所得的商譽應當於收購日期起分配到預計能從合併的協同效應中受益的本集團各現金產生單位或現金產生單位組別，而不論本集團的其他資產或負債是否分配到該等單位或單位組別。

減值透過評估與商譽有關的現金產生單位(現金產生單位組別)的可收回值而釐定。如果現金產生單位(現金產生單位組別)的可回收金額少於賬面值，則會確認減值虧損。已確認的商譽減值虧損不會往後期間撥回。

當商譽構成一個現金產生單位(現金產生單位組別)的一部份而該單位內的部分業務被出售時，當釐定出售業務的收益或虧損時，與出售業務相關的商譽將計入該業務的賬面值內。在這種情況下出售的商譽將以出售業務和現金產生單位的保留部份的相對價值為基礎作計量。

超出業務合併成本

本集團所佔被收購方的可識別資產、負債及或然負債之公平淨值超出收購附屬公司、聯營公司及共同控制實體之成本之差額(之前稱為負商譽)，在重估後即時於收益表中確認。

超出收購聯營公司及共同控制實體成本之差額乃於收購投資期間計入本集團應佔聯營公司及共同控制實體之利潤或虧損。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets other than goodwill

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets, investment properties, goodwill and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the income statement in the period in which it arises.

2.4 主要會計政策概要(續)

商譽以外的非財務資產減值

倘出現減值跡象或需要對一項資產(存貨、遞延稅項資產、財務資產、投資物業、商譽及分類為持作出售之非流動資產／出售組別除外)進行年度減值測試時，則需要估計該資產的可回收金額。一項資產的可收回金額乃按資產或現金產生單位的使用價值及其公平值減出售費用兩者之中的較高者計算，並就個別資產釐定，除非該項資產未能獨立於其他資產或資產組別而產生現金流量，於此情況下，需確定該資產所屬現金產生單位的可收回金額。

減值虧損僅於資產賬面值超出其可收回金額時予以確認。在評估使用價值時，使用可反映目前市場對貨幣時間價值及該資產特定風險的評估之稅前折算率，將估計未來現金流量折算至現值。減值虧損於產生期間在收益表中與已減值資產功用一致的開支項目內扣除。

於每一個報告日，對是否存在跡象表明以往確認的減值虧損可能不復存在或已減少作出評估。若該等跡象存在，則估算可回收金額。只有當用於確定資產的可收回金額的估計出現變化時，才能撥回以往確認的資產(商譽除外)減值虧損，但撥回後的數額不應高於資產以往年度未確認減值虧損時原將確認的賬面值(扣除任何折舊／攤銷)。該項減值虧損的撥回於產生期間計入收益表。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d); or
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e).

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

2.4 主要會計政策概要(續)

關連人士

在下列情況下，有關方將被視為本集團之關連人士：

- (a) 有關方直接或透過一名或多名仲介人間接：(i)控制本集團，或受到本集團控制或與本集團受共同控制；(ii)擁有本集團之權益，並可對本集團實施重大影響力；或(iii)與他人共同擁有本集團之控制權；
- (b) 有關方為聯營公司；
- (c) 有關方為共同控制實體；
- (d) 有關方為本集團或其母公司之主要管理人員；
- (e) 有關方為(a)或(d)項所述人士之直系親屬；或
- (f) 有關方乃(d)或(e)項所述人士直接或間接控制、與他人共同控制或發揮重大影響力，或擁有重大投票權之實體。

物業、廠房及設備及折舊

物業、廠房及設備(在建工程除外)乃按成本值減去累計折舊及任何減值虧損後列賬。當物業、廠房及設備項目分類為持作出售或構成分類為持作出售之出售組別之一部份，其將不作折舊並會根據香港財務報告準則第5號列賬(詳情參見「持作出售之非流動資產及出售組別」之會計政策)。物業、廠房及設備項目的成本包括其購買價及將資產達至其運作狀況及位置以作擬定用途而產生的任何直接應佔成本。物業、廠房及設備項目開始運作後，維修及保養費用等支出通常於產生期間於收益表中扣除。若可清楚顯示有關支出令預期未來使用物業、廠房及設備項目時帶來的經濟利益增加，且該項目的成本能可靠地計量時，則有關支出則會資本化，列作該資產的額外成本或重置成本。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life, except for certain machinery and equipment which are depreciated using accelerated depreciation method. The principal annual rates used for this purpose are as follows:

Buildings	12 to 35 years
Leasehold improvements	10 to 20 years or the term of the relevant lease
Plant and machinery	8 to 12 years
Computer, equipment and fixtures	3 to 5 years
Motor vehicles	5 to 10 years
Other equipment	5 to 10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents property, plant and equipment under construction and installation, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 主要會計政策概要(續)

物業、廠房及設備及折舊(續)

除若干機械及設備使用加速折舊法計算折舊之外，折舊乃按物業、廠房及設備各項目的估計使用年期，以直線法將其成本值撇銷至其剩餘價值計算。就此採用的主要年率如下：

樓宇	12至35年
租賃物業裝修	10至20年或相關租約年期
廠房及機器	8至12年
電腦、設備及裝置	3至5年
汽車	5至10年
其他設備	5至10年

倘一項物業、廠房及設備之各部份有著不同可使用年期，則有關項目之成本以合理基礎分配於各部份，而每部份將作獨立折舊。

剩餘價值、可使用年期及折舊方法至少於各結算日審閱及調整（如適用）。

物業、廠房及設備項目於出售或預期不能再從使用或出售中獲得未來經濟利益時解除確認。於解除確認資產的期間內的收益表中所確認因出售或廢棄而引致的任何損益，指有關資產的出售所得款項淨額與賬面值的差額。

在建工程指正在建設及安裝的物業、廠房及設備，此等工程乃以成本值減任何減值虧損列賬，且不作折舊。成本值包括建築期間內的直接建築成本及有關借貸資金的資本化借貸成本。當在建工程完工及可作預定用途時，在建工程將重新分類為物業、廠房及設備項下之合適類別。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any impairment losses. Depreciation is charged so as to write off the cost of investment properties using the straight-line method.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable.

Non-current assets and disposal groups (other than investment properties, deferred tax assets and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell.

Intangible assets (other than goodwill)

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

2.4 主要會計政策概要(續)

投資物業

投資物業指為持作賺取租金收入及／或用作資本增值，而並非用於生產或供應貨品或服務或作行政用途，或於日常業務過程中用作銷售之土地及樓宇權益。有關物業初步按成本（包括交易成本）計量。

於初步確認後，投資物業乃按成本減累計折舊及任何減值虧損列賬。折舊使用直線法扣除，以撇銷投資物業之成本。

棄用或出售一項投資物業所產生之任何收益或虧損於棄用或出售之年度於收益表確認。

持作出售之非流動資產及出售組別

倘非流動資產及出售組別之賬面值主要透過出售交易而非持續使用而收回時，則彼等將分類為持作出售，惟條件是該資產或出售組別必須可於其現況下即時出售，而出售的條款僅為出售該類資產或出售組別之一般及慣常條款，以及有關出售須極有可能會進行。

列為持作出售之非流動資產及出售組別（投資物業、遞延稅項資產及財務資產除外）按彼等之賬面值與公平值減銷售成本之較低者計量。

無形資產（商譽除外）

無形資產之可使用年期評估為有限或無限。有限年期之無形資產於可使用經濟年期內攤銷，並在有跡象顯示無形資產可能出現減值時評估減值。有限年期之無形資產之攤銷年期及攤銷方法最少於各結算日進行檢討。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill) (continued)

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Patents and licences

Purchased patents and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 3 to 20 years.

Research and development costs

All research costs are charged to the income statement as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding 10 years, commencing from the date when the products are put into commercial production.

2.4 主要會計政策概要(續)

無形資產(商譽除外)(續)

無限年期之無形資產每年會單獨或於現金產生單位層面進行減值測試。該等無形資產不作攤銷。無限年期之無形資產之可使用年期每年會進行檢討以確定無限年期之評估是否繼續有效。如該評估失效，將可使用年期之評估由無限轉為有限之變動將按未來基準列賬。

專利及牌照

購買的專利及牌照乃按成本減任何減值虧損列賬，並使用直線法於彼等3至20年之估計可使用年期内攤銷。

研究與開發成本

所有研究成本均於產生時在收益表內扣除。

開發新產品的項目支出僅於本集團能展示完成無形資產使其可供使用或銷售在技術上可行、其有意完成及有能力使用或銷售該資產、該資產如何產生未來經濟利益、能取得完成該項目所須的資源，以及其有能力可靠地計量發展期內的支出時，方作資本化及作遞延入賬。不符合上述準則的產品開發支出於產生時支銷。

遞延開發成本乃以成本減任何減值虧損列賬，並自產品投入商業生產之日起以直線法按有關產品的商業年期(不超過10年)攤銷。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases net of any incentives received from the lessor are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets

Financial assets in the scope of HKAS 39 are classified as loans and receivables and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Group assesses whether a contract contains an embedded derivative when the Group first becomes a party to it and assesses whether an embedded derivative is required to be separated from the host contract when the analysis shows that the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

2.4 主要會計政策概要(續)

租約

除法定業權外，凡將資產之擁有權絕大部份回報及風險撥歸本集團之租約均被列為融資租約處理。於融資租約訂立時，租賃資產成本以租約須付最低租金之現值撥充資本，連同租賃責任（不包括利息部份）一同入賬，以反映購買及融資活動。根據資本化融資租約持有之資產列作物業、廠房及設備，並按租約年期與資產之估計可使用年期兩者之較短者計算折舊。上述租賃之財務費用自收益表扣除，以於租期內作出定期定額扣減。

凡將資產所有權之絕大部份回報及風險留予出租人之租約均列為經營租約。倘本集團為出租人，本集團根據經營租約租賃之資產計入非流動資產，經營租約項下之應收租金乃於租約年期內使用直線法於收益表列賬。倘本集團為承租人，經營租約項下之應付租金（扣除自出租人收取之任何優惠）於租約年期內按直線法於收益表中扣除。

經營租約之土地租賃預付款初始以成本列賬，其後則於租期內以直線法確認。

投資及其他財務資產

香港會計準則第39號所界定範圍內之財務資產分類為貸款及應收款項及可供出售財務資產（視情況而定）。財務資產於初始確認時以公平值計算，如非以公平值於損益列賬之投資，則加上直接應佔交易成本。

本集團於首次成為合約一方時，會評估該合約是否包含嵌入式衍生工具。倘分析顯示嵌入式衍生工具之經濟特徵及風險與主合約之經濟特徵及風險並非緊密關連，則本集團會評估嵌入式衍生工具是否須與主合約分開處理。僅於合約條款出現變動導致合約規定之現金流量作出重大調整之情況下，方會重新評估。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets in listed and unlisted equity securities that are designated as available for sale or are not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement. Interest and dividends earned are reported as interest income and dividend income, respectively and are recognised in the income statement as "Other income" in accordance with the policies set out for "Revenue recognition" below. Losses arising from the impairment of such investments are recognised in the income statement as "Impairment losses on available-for-sale financial assets" and are transferred from the available-for-sale investment revaluation reserve.

2.4 主要會計政策概要(續)

投資及其他財務資產(續)

本集團於首次確認後釐定其財務資產分類，並在容許及適當的情況下於結算日重新評估此分類。

所有以一般方式買賣的財務資產概於交易日(即本集團承諾購買或出售該資產的日期)予以確認。一般方式買賣乃指按照一般市場規定或慣例所訂的期間內交付資產的財務資產買賣。

貸款及應收賬款

貸款及應收賬款為具有固定或可確定付款額，但在活躍市場中並無報價之非衍生財務資產。該類資產其後以實際利率法按攤銷成本減任何減值撥備列賬。計算攤銷成本時會計及收購所產生之任何折讓或溢價，亦包括作為實際利率及交易成本一部份之費用。貸款及應收賬款遭解除確認、出現減值或進行攤銷時產生的盈虧乃於收益表內確認。

可供出售財務資產

可供出售財務資產乃指上市及非上市股本證券中指定為可供出售或並未分類為任何其他類別之非衍生財務資產。於初步確認後，可供出售財務資產按公平值計量，而有關收益或虧損則於權益內分開確認，直至投資被解除確認或直至投資被釐定已出現減值時為止，在此情況下，以往已於權益呈報之累計收益或虧損將計入收益表。所賺取之利息及股息分別按利息收入及股息收入呈報，並根據下文「收入確認」所載之政策於收益表確認為「其他收入」。該等投資減值產生之虧損在收益表中確認為「可供出售財務資產之減值虧損」，並由可供出售投資重估儲備轉撥至收益表。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Available-for-sale financial assets (continued)

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. These techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and other valuation models.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in the income statement. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

2.4 主要會計政策概要(續)

投資及其他財務資產(續)

可供出售財務資產(續)

倘非上市股本證券之公平值由於(a)合理之公平值估計範圍之變動相對該投資而言屬重大，或(b)在上述範圍內之各種估值之概率未能合理地衡量及用於估計公平值，而不能可靠地計算時，則該等證券按成本減任何減值虧損列賬。

公平值

在管理有序之金融市場中交投活躍之投資，其公平值乃參考結算日營業結束時市場之買入報價釐定。倘某項投資之市場不活躍，公平值將採用估值方法釐定。該等方法包括利用近期之公平市場交易；參照其他大致類同工具之現行市場價格；現金流量折現分析；及其他估值模型。

財務資產減值

本集團於各結算日評估是否有任何客觀跡象表明一項財務資產或一組財務資產出現減值。

按攤銷成本列賬的資產

如果有客觀跡象表明以攤銷成本列賬之貸款及應收賬款已產生減值虧損，則按資產之賬面值與以財務資產之原始實際利率(即最初確認時所用之實際利率)折現之估計未來現金流量(不包括尚未產生之未來信貸虧損)之現值之間之差額計量虧損金額。有關資產之賬面值可透過直接沖減或透過備抵賬目作出抵減。有關減值虧損之金額在收益表中確認。倘未來不大可能可以收回，貸款及應收賬款連同任何相關撥備將予以撇銷。

於以後期間，倘若減值虧損之金額減少，而減少之原因客觀上與減值確認後所發生之事件相關聯，則先前確認之減值虧損可透過調整備抵賬目予以撥回。減值虧損之其後撥回將於收益表內確認，惟資產於撥回當日之賬面值不得超出其攤銷成本。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

Assets carried at amortised cost (continued)

In relation to trade and other receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor and significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. A provision for impairment is made for available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement. In addition, the Group evaluates other factors, such as the share price volatility. Impairment losses on equity instruments classified as available for sale are not reversed through the income statement.

2.4 主要會計政策概要(續)

財務資產減值(續)

按攤銷成本列賬的資產(續)

當有客觀跡象(例如債務人可能無力償債或面臨重大財政困難及科技、市場、經濟或法律環境出現重大變化而對債務人產生負面影響)顯示本集團將無法根據發票原有條款收回所有到期款項時, 即就應收貿易賬款及其他應收賬款計提減值撥備。應收賬款之賬面值可透過使用備抵賬目予以抵減。已減值債務於其被評定為不可收回時解除確認。

按成本列賬之資產

倘有客觀證據顯示, 因其公平值不能可靠地衡量而並非以公平值列賬之無報價股本工具出現減值虧損, 虧損的金額乃以資產之賬面值與利用類似財務資產於當時的市場回報率折算的估計未來現金流現值間的差額計算。該等資產之減值虧損不予撥回。

可供出售財務資產

若可供出售財務資產出現減值, 其成本值(扣除任何主要付款及攤銷)與其現行公平值之差額, 在扣減以往在收益表確認之任何減值虧損後會由權益轉撥至收益表。倘可供出售股本投資之公平值出現重大或持續性下降至低於其成本, 或倘有其他客觀跡象顯示出現減值, 則會就其作出減值撥備。釐定「重大」或「持續性」之定義須作出判斷。此外, 本集團會評估如股價波動等其他因素。分類為可供出售之股本工具之減值虧損不會透過收益表撥回。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, where the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

2.4 主要會計政策概要(續)

解除確認財務資產

財務資產(或(如適用)一項財務資產之一部份或一組同類財務資產之一部份)在下列情況將解除確認:

- 收取該項資產所得現金流量之權利經已屆滿;
- 本集團保留收取該項資產所得現金流量之權利,惟根據一項「通過」安排,就有關權利承擔向第三方全數付款而不得重大延誤之責任;或
- 本集團已轉讓其收取該項資產所得現金流量之權利,並(a)已轉讓該項資產之絕大部份風險及回報;或(b)並無轉讓或保留該項資產絕大部份風險及回報,但已轉讓該項資產之控制權。

倘本集團已轉讓其收取一項資產所得現金流量之權利,但並無轉讓或保留該項資產之絕大部份風險及回報,且並無轉讓該項資產之控制權,則該項資產僅會於本集團持續參與該資產的情況下確認。倘持續參與為就已轉讓資產提供擔保,則以資產的原賬面值以及本集團可能須償還的最高代價兩者的較低者計量。

倘持續參與為就已轉讓資產提供沽出及/或購入期權(包括現金結算期權或類似條文),則本集團之持續參與以本集團可能購回的所轉讓資產的金額為限,惟倘有關資產的沽出認沽期權(包括現金結算期權或類似條文)以公平值計算,則本集團的持續參與則以所轉讓資產的公平值及期權行使價兩者之較低者為限。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities at amortised cost (including interest-bearing loans and borrowings)

Financial liabilities including trade and other payables, an amount due to the ultimate holding company and interest-bearing loans and borrowings are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognised within "Finance costs" in the income statement.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Financial guarantee contracts

Financial guarantee contracts in the scope of HKAS 39 are accounted for as financial liabilities. A financial guarantee contract is recognised initially at its fair value less transaction costs that are directly attributable to the acquisition or issue of the financial guarantee contract, except when such contract is recognised at fair value through profit or loss. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the balance sheet date; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 *Revenue*.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

2.4 主要會計政策概要(續)

按攤銷成本列賬之財務負債(包括計息貸款及借貸)

財務負債包括應付貿易賬款及其他應付賬款、應付最終控股公司款項及計息貸款及借貸，其初步按公平值減直接應佔交易成本列賬，其後以實際利率法按攤銷成本計算，惟倘折現影響非屬重大，則財務負債按成本列賬。有關利息開支於收益表「財務費用」內確認。

當負債遭解除確認及在攤銷時，相關盈虧於收益表確認。

財務擔保合約

香港會計準則第39號範疇下之財務擔保合約入賬列作財務負債。財務擔保合約首先按其公平值扣減收購或出具財務擔保合約產生之直接交易費用確認，惟倘有關合約乃按公平值透過損益確認則作別論。首次確認之後，本集團按以下二者之較高者計量財務擔保合約：(i)於結算日對償付現有責任所需開支金額之最佳估計；及(ii)首次確認之金額減(如適合)根據香港會計準則第18號「收入」確認之累計攤銷。

解除確認財務負債

倘負債下的責任獲履行、註銷或屆滿，財務負債便會解除確認。

倘若一項現有財務負債被來自同一貸款方但大部份條款均有差別之另一項財務負債所取代，或現有負債之條款被大幅修改，則此種置換或修改被視作解除確認原有負債，並作為確認新負債處理，而兩者之賬面值差額將於收益表內確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheets, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

Provisions for product warranties granted by the Group on certain products are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

2.4 主要會計政策概要(續)

存貨

存貨乃按成本與可變現淨值兩者中之較低者入賬。成本按加權平均基準釐定，如屬在製品及製成品，其成本則包括直接物料費用、直接工資及適當比例之間接費用。可變現淨值按估計售價減預期完成及售出所需之任何估計費用計算。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款以及可隨時轉換為已知金額現金的短期高變現能力的投資(有關投資所承受的價值變動風險並不重大，並一般於收購時起計三個月內到期)，扣除須於要求時還款之銀行透支，現金及現金等價物構成本集團現金管理的基本部份。

就資產負債表而言，現金及現金等價物包括手頭現金及銀行存款，包括用途不受限制之定期存款。

撥備

倘因過往事件而須承擔現有責任(法定或推定)，且日後很可能須以資源清償此等責任時，則會確認撥備，惟責任金額須可作出可靠估計。

倘折現的影響重大，則就撥備確認的金額為於結算日償還債務預期所需開支的現值。倘折現現值隨時間流逝而增加，則於收益表計入財務費用。

本集團就若干產品提供保修而計提的撥備乃按銷量及過往的維修及退回情況折現至其現值(倘適用)確認入賬。

所得稅

所得稅包括當期及遞延稅項。所得稅於收益表中確認，倘所得稅涉及於同期或不同期間直接於權益確認的項目，則所得稅於權益內確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 主要會計政策概要(續)

所得稅(續)

本期及過往期間之即期稅項資產及負債，按預期將從稅務機關收回或將支付予稅務機關之金額計算。

遞延稅項採用負債法，對所有於結算日就資產及負債的稅基與用於財務報告的賬面值之間的暫時差額作出撥備。

遞延稅項負債乃就所有應課稅暫時差額予以確認，惟：

- 倘於進行某項並非業務合併的交易或在交易時會計溢利或應課稅溢利或虧損均無受影響之交易，因商譽或初步確認資產或負債而產生遞延稅項負債，則作別論；及
- 就與附屬公司、聯營公司及於合資企業權益之投資相關的應課稅暫時差額而言，倘撥回暫時差額的時間可予控制，且暫時差額可能不會於可見將來撥回則作別論。

遞延稅項資產乃按所有可抵扣暫時差額、未動用稅項抵免及未動用稅項虧損的結轉予以確認，惟將可抵扣暫時差額、未動用稅項抵免及未動用稅項虧損的結轉確認為遞延稅項資產的最高上限應以可供抵銷的應課稅溢利為限，惟：

- 倘若有關可抵扣暫時差額之遞延稅項資產之起因，是由於非業務合併交易及在交易時會計溢利及應課稅溢利或虧損均無受影響之交易中資產或負債之初步確認，則作別論；及
- 就與附屬公司、聯營公司及於合資企業權益之投資相關的可抵扣暫時差額而言，只有在暫時差額有可能在可見將來撥回，而且應課稅溢利可用以抵扣該等暫時差額時，方會確認為遞延稅項資產。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項資產的賬面值乃於各結算日審核，並將減少至不再可能有充裕應課稅溢利使全部或部份遞延稅項資產獲得動用為限。相反，先前未確認的遞延稅項資產將於各結算日重新評估，並以致使有充裕應課稅溢利使全部或部份遞延稅項資產獲得動用為限進行確認。

遞延稅項資產及負債按變現資產或償還負債期間的預期適用稅率，以於結算日已經生效或實質上已經生效的稅率（及稅法）為基準計算。

當存在可依法執行的權利將即期稅項資產與即期稅項負債互相抵銷，而該等遞延稅項乃涉及相同應課稅實體及相同稅務機關時，則應將遞延稅項資產與負債作抵銷。

政府補貼

倘有合理保證可取得政府補貼，並可符合所有附帶條件，則會按公平值確認政府補貼。倘若補貼與一項開支項目有關，則有系統地按其擬補償的成本於所屬的期間確認為收入。倘若補貼與一項資產有關，補貼的公平值會記入遞延收入賬，並按有關資產的估計可使用年期每年等額轉撥至收益表。

收入確認

收入乃於本集團可取得有關經濟利益及能可靠地計算有關收入時按下列基準確認：

- (a) 銷售貨品所得收入乃於擁有權的重大風險及回報均轉予買家，而本集團對該等已售貨品並無保留一般與擁有權相關的管理權及有效控制權；

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

- (b) from the rendering of services, when the services are rendered;
- (c) rental income, on a time proportion basis over the lease terms;
- (d) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset; and
- (e) dividend income, when the shareholders' right to receive payment has been established.

Employee benefits

Pension scheme

The Company and its subsidiaries, jointly-controlled entities and associates which operate in Mainland China participate in a government-regulated defined contribution pension scheme, under which the Group make contributions to a government-regulated pension scheme at a fixed percentage of wages and salaries of the existing full-time employees in Mainland China and have no further legal or constructive obligations to make additional contributions. The contributions are charged as an expense to the income statement as incurred.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised.

2.4 主要會計政策概要(續)

收入確認(續)

- (b) 提供服務之收入於提供相關服務時確認；
- (c) 租金收入按租賃期以時間比例基準確認；
- (d) 利息收入按應計基準以實際利率法按照將財務工具在預期可使用年期的估計未來現金收入折現至財務資產的賬面淨值的利率確認；及
- (e) 股息收入於確立股東收款權利時確認。

僱員福利

退休福利計劃

本公司及其於中國內地的附屬公司、共同控制實體及聯營公司參與一項由政府規管的定額供款退休金計劃，據此，本集團須按中國內地現有全職僱員工資及薪金的固定百分比向該政府規管退休福利計劃作出供款，且並無其他法定或推定責任作出額外供款。供款於產生時在收益表列作開支。

借貸成本

於購買、興建或製造合資格資產(須經頗長一段時間始能投入作擬定用途之資產)之直接應佔借貸成本，將資本化為該等資產之部份成本。當該等資產實質上達至擬定用途或銷售時借貸成本便不再作資本化。擬用作合資格資產開支的特定借款作暫時投資所賺取的投資收入自己資本化的借款成本中扣除。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the balance sheet date and their income statements are translated into RMB at the weighted average exchange rates for the year. The resulting exchange differences are included in the exchange fluctuation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

2.4 主要會計政策概要(續)

股息

董事會建議派付的末期股息，於資產負債表的權益內列作保留利潤的獨立分配，直至股東於股東大會批准派付該等股息為止。待股息獲股東批准並予以宣派時，則確認為負債。

外幣

此等財務報表以本公司之功能及呈報貨幣人民幣呈報。本集團內各實體各自釐定其功能貨幣，各實體之財務報表內之項目均以所定功能貨幣計量。外幣交易初步按交易日之有關功能貨幣之匯率換算列賬。以外幣列值之貨幣資產及負債，按有關功能貨幣於結算日之匯率再換算。所有匯兌差額撥入收益表處理。按歷史成本列賬、以外幣計量之非貨幣項目，採用初步交易日期之匯率換算。按公平值列賬、以外幣計量之非貨幣項目，採用釐定公平值日期之匯率換算。

若干海外附屬公司使用人民幣以外的貨幣為功能貨幣。於結算日，該等公司之資產與負債，按結算日之匯率換算為本公司之呈報貨幣，其收益表則按本年度之加權平均匯率換算為人民幣。因此而產生之匯兌差額計入匯兌儲備。出售外國實體時，就該項外國業務在權益中確認之遞延累計金額，會在收益表中確認。

就綜合現金流量表而言，海外附屬公司之現金流量按產生現金流量日期之匯率換算為人民幣。海外附屬公司全年產生的經常性現金流量按年內之加權平均匯率換算為人民幣。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments — Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. 重大會計判斷及估計

編製本集團財務報表需要管理層作出影響報告日之收入、開支、資產及負債之呈報金額及或有負債之披露之判斷、估計及假設。然而，該等假設及估計之不确定因素可能導致需要對未來受影響之資產或負債之賬面值作出重大調整。

判斷

應用本集團會計政策時，除涉及估計者外，管理層已作出以下判斷，該等判斷對財務報表中已確認的數額有重大影響：

經營租約承擔 — 本集團作為出租人

本集團就旗下的投資物業組合訂立商業物業租約。根據對安排之條款及條件作出之評估，本集團確認，就此等以經營租約出租的物業而言，本集團保留與此等物業擁有權有關的一切重大風險及回報。

投資物業與自置物業的分類

本集團決定物業是否屬於投資物業，並已制訂出作此判斷的準則。投資物業是為賺取租金或資本增值或同時為此兩目的而持有的物業。因此，本集團會考慮一項物業產生現金流量時是否基本上與本集團持有的其他資產無關。若干物業的部份是為賺取租金或資本增值而持有，而物業內的其他部份是為用於生產或供應貨品或服務或作行政用途而持有。倘若此等部份可以分開出售（或根據融資租賃分開出租），本集團將把有關部份分開入賬。倘若該等部份無法分開出售，則只會在用於生產或供應貨品或服務或作行政用途而持有的部份並不重大時，有關物業才會列作投資物業。判斷乃以個別物業作為基準，釐定配套服務是否重大，足以導致物業不可列作投資物業。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (continued)

Intangible assets with indefinite useful lives

As detailed in note 18, trademarks with a carrying value of RMB203,089,000 that are renewable every 10 years at minimal cost. The directors of the Company consider that these trademarks for all practical purposes have an indefinite useful life and therefore they will not be amortised until their useful life is determined to be finite and they will be tested for impairment annually.

Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Estimated recoverable amounts of goodwill and trademarks

The Group determines whether goodwill and trademarks are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which goodwill and trademarks have been allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. As at 31st December, 2008, the carrying amount of goodwill and trademarks was RMB538,016,000 (2007: RMB538,016,000) and RMB203,089,000 (2007: RMB203,089,000), respectively. Details of the recoverable amount calculation are disclosed in note 19.

Development costs

Development costs are capitalised in accordance with the accounting policy for research and development costs in note 2.4 to the financial statements. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

3. 重大會計判斷及估計(續)

判斷(續)

擁有永久可使用年期之無形資產

誠如附註18所詳述，賬面值為人民幣203,089,000元之商標每十年可按最少成本重續。本公司董事認為，就所有實際用途而言，該等商標有永久可使用年期，因而不會被攤銷，直至其可使用年期被釐定為有限，則將按年進行減值測試。

估計不明朗因素

於結算日可能導致下一財政年度資產及負債賬面值面臨重大調整風險之主要有關未來之假設不明朗因素之其他主要來源討論如下。

商譽及商標之估計可收回金額

本集團至少每年釐定商譽及商標是否減值。進行釐定時必須估算獲分配相關商譽及商標之現金產生單位的使用價值。使用價值之估算需要本集團估算預期現金產生單位所產生之未來現金流量及選擇合適貼現率以計算該等現金流量之現值。於二零零八年十二月三十一日，商譽及商標賬面值分別為人民幣538,016,000元(二零零七年：人民幣538,016,000元)及人民幣203,089,000元(二零零七年：人民幣203,089,000元)。有關可收回金額之計算詳情於附註19披露。

開發成本

開發成本根據財務報表附註2.4所載有關研究及開發之會計政策撥充資本。釐定須資本化款額時，管理層須就預期資產未來產生之現金、須應用之貼現率及預期受惠期間作出假設。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation Uncertainty (continued)

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 25 to the financial statements.

Impairment of available-for-sale investments

The Group classifies certain assets as available-for-sale and recognises movements of their fair values in equity. When the fair value declines, management makes assumptions about the decline in value to determine whether there is an impairment that should be recognised in the income statement. At 31st December, 2008, impairment losses of RMB2,722,000 (2007: Nil) have been recognised for available-for-sale assets. The carrying amount of available-for-sale assets was RMB178,187,000 (2007: RMB75,358,000).

Write-down of inventories to net realisable value

Write-down of inventories to net realisable value is made based on assessment of the salability and net realisable value of inventories. The identification of write-down of inventories requires management's judgement and estimates. Where the actual outcome of expectation in future is different from the original estimate, such differences will impact the carrying value of the inventories and write-down loss/reversal of write-down in the period in which such estimate has been changed.

Impairment of trade and other receivables

Impairment of trade and other receivables is made based on assessment of the recoverability of trade and other receivables. The identification of impairment of trade and other receivables requires management's judgement and estimates. Where the actual outcome of expectation in future is different from the original estimate, such differences will impact the carrying value of the receivables and impairment loss/reversal of impairment in the period in which such estimate has been changed.

3. 重大會計判斷及估計(續)

估計不明朗因素(續)

遞延稅項資產

遞延稅項資產乃按所有可抵扣暫時差額、未動用稅項抵免及未動用稅項虧損的結轉予以確認，惟將可抵扣暫時差額、未動用稅項抵免及未動用稅項虧損的結轉確認為遞延稅項資產的最高上限應以可供抵銷的應課稅溢利為限。釐定可確認之遞延稅項資產之金額時，管理層需要根據未來應課稅利潤之可能時間及水平以及未來稅務籌劃策略作出重大判斷。進一步詳情載於財務報表附註25。

可供出售投資之減值

本集團將若干資產分類為可供出售，並於權益內確認其公平值變動。倘公平值下降，管理層會就價值下降作出假設，以釐定是否出現應於收益表確認之減值。於二零零八年十二月三十一日，就可供出售資產確認之減值虧損為人民幣2,722,000元(二零零七年：無)。可供出售資產之賬面值為人民幣178,187,000元(二零零七年：人民幣75,358,000元)。

撇減存貨至可變現淨值

存貨乃根據存貨之估計出售可能性與可變現淨值撇減至其可變現淨值。確定存貨之撇減金額要求管理層作出判斷及估計。若日後預期之實際結果有別於原來之估計，則有關差額將影響到有關估計改變期間之存貨賬面值及撇減虧損／撇減撥回金額。

應收貿易賬款及其他應收賬款減值

應收貿易賬款及其他應收賬款減值於評估應收貿易賬款及其他應收賬款可否收回後作出。確定應收貿易賬款及其他應收賬款減值要求管理層作出判斷及估計。若日後預期之實際結果有別於原來之估計，則有關差額將影響到有關估計改變期間之應收款項賬面值以及減值虧損／減值撥回金額。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation Uncertainty (continued)

Warranty expenses

The Group offers a six month to three year warranty for its products, during which free warranty service for the repair and maintenance of parts or components under normal usage is provided to customers. Management estimates the warranty provision based on the historical cost data for repairs and maintenance and units of products sold. The carrying amount of the warranty provision was RMB446,343,000 (2007: RMB180,635,000) as at 31st December, 2008. More details are disclosed in note 35 to the financial statements.

4. SEGMENT INFORMATION

Segment information is presented by way of the Group's primary segment reporting basis, by business segment. In determining the Group's geographical segments, revenues are attributed to the segments based on the location of customers, and assets are attributed to the segments based on the location of the assets. No further geographical segment information is presented as over 90% of the Group's revenue is derived from customers based in Mainland China, and over 90% of the Group's assets are located in Mainland China.

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) manufacturing and sale of diesel engines and related parts ("Diesel engines");
- (b) manufacturing and sale of automobiles and major automobile components other than diesel engines ("Automobiles and other major automobile components");
- (c) manufacturing and sale of non-major automobile components ("Non-major automobile components"); and
- (d) provision of import and export services ("Import & export services").

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. 重大會計判斷及估計(續)

估計不明朗因素(續)

保修開支

本集團為產品提供半年至三年的保修期，期內會向客戶就正常運作下的零部件維修及保養，提供免費的保修服務。管理層按照過往維修及保養成本的數據以及已售出的產品單位估計保修撥備。於二零零八年十二月三十一日，保修撥備之賬面值為人民幣446,343,000元(二零零七年：人民幣180,635,000元)。進一步詳情披露於財務報表附註35。

4. 分部資料

分部資料乃根據本集團的主要分部報告基準業務分部編製。於釐定本集團的地區分部時，收入按客戶所在地歸入相應的分部，而資產則按資產所在地歸入相應的分部。由於逾90%的本集團收入產生自中國內地的客戶及逾90%的本集團資產位於中國內地，因此並無呈列進一步的地區分部資料。

本集團之經營業務乃按照彼等經營的性質及提供的產品及服務劃分及分別管理。本集團各個業務分部自成一個策略性業務單位，所提供之產品及服務因應不同之業務分部而受不同之風險及回報規限。業務分部之詳情概述如下：

- (a) 生產及銷售柴油機及相關零部件(「柴油機」)；
- (b) 生產及銷售汽車及主要汽車零部件(不包括柴油機)(「汽車及其他主要汽車零部件」)；
- (c) 生產及銷售非主要汽車零部件(「非主要汽車零部件」)；及
- (d) 提供進出口服務(「進出口服務」)。

各分部間的銷售及轉讓乃經參考與第三方交易時的售價，按當時現行的市價進行交易。

4. SEGMENT INFORMATION (CONTINUED)

Business segments

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's business segments for the years ended 31st December, 2008 and 2007.

4. 分部資料(續)

業務分部

下表載列本集團於截至二零零八年及二零零七年十二月三十一日止兩個年度之按業務分部劃分之收入、利潤及若干資產、負債與開支情況。

		Diesel engines 柴油機 RMB'000 人民幣千元	Automobiles and other major auto-mobile components 汽車及其他主要汽車零部件 RMB'000 人民幣千元	Non-major automobile components 非主要汽車零部件 RMB'000 人民幣千元	Import & export services 進出口服務 RMB'000 人民幣千元	Eliminations 抵銷 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Year ended 31st December, 2008	截至二零零八年十二月三十一日止年度						
Segment revenue:	分部收入：						
Sales to external customers	外部客戶銷售	10,912,567	20,396,342	884,512	373,769	—	32,567,190
Inter-segment sales	分部間銷售	2,990,771	295	24,880	—	(3,015,946)	—
Total	總計	13,903,338	20,396,637	909,392	373,769	(3,015,946)	32,567,190
Segment results	分部業績	1,804,721	1,296,426	38,038	8,006		3,147,191
Interest and dividend income and unallocated gains	利息及股息收入以及未分配收益						218,875
Corporate and other unallocated expenses	企業及其他未分配費用						(272,007)
Finance costs	財務費用						(297,844)
Loss on disposal of disposal group held for sale	出售持作出售之出售組別虧損						(49,775)
Share of profits and losses of associates and a jointly-controlled entity	應佔聯營公司及一家共同控制實體之利潤及虧損	(1,294)	(3,378)	—	(1,070)		(5,742)
Profit before tax	除稅前利潤						2,740,698
Tax	稅項						(328,989)
Profit for the year	全年利潤						2,411,709
Assets and liabilities	資產及負債						
Segment assets	分部資產	12,535,031	15,791,548	963,040	459,544		29,749,163
Investment in a jointly-controlled entity	於一家共同控制實體之投資	20,932	—	—	—		20,932
Investments in associates	於聯營公司之投資	44,407	132,641	—	2,724		179,772
Total assets	總資產						29,949,867
Segment liabilities	分部負債	9,296,590	8,611,254	466,895	248,650		18,623,389
Total liabilities	總負債						18,623,389
Other segment information:	其他分部資料：						
Capital expenditure	資本開支	580,828	1,388,982	41,373	—		2,011,183
Depreciation and amortisation	折舊及攤銷	362,252	389,408	42,769	205		794,634
Loss/(gain) on disposal of items of property, plant and equipment	出售物業、機器及設備項目虧損/(收益)	(317)	1,162	(43)	(131)		671
Write-down of inventories to net realisable value	撇減存貨至可變現淨值	99,641	83,606	2,745	—		185,992
Impairment loss on trade and other receivables	應收貿易賬款及其他應收賬款減值虧損	20,660	88,919	667	6,394		116,640
Product warranty provision	產品保修撥備	390,346	301,979	6,621	—		698,946

4. SEGMENT INFORMATION (CONTINUED)

Business segments (continued)

4. 分部資料(續)

業務分部(續)

		Diesel engines 柴油機 RMB'000 人民幣千元	Automobiles and other major auto-mobile components 汽車及其他 主要汽車零部件 RMB'000 人民幣千元	Non-major automobile components 非主要 汽車零部件 RMB'000 人民幣千元	Import & export services 進出口 服務 RMB'000 人民幣千元	Eliminations 抵銷 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Year ended 31st December, 2007	截至二零零七年 十二月三十一日止年度						
Segment revenue:	分部收入：						
Sales to external customers	外部客戶銷售	8,754,086	17,943,219	841,335	1,247,543	—	28,786,183
Inter-segment sales	分部間銷售	2,541,135	—	61,001	—	(2,602,136)	—
Total	總計	11,295,221	17,943,219	902,336	1,247,543	(2,602,136)	28,786,183
Segment results	分部業績	2,005,167	1,613,539	30,996	27,703		3,677,405
Interest and dividend income and unallocated gains	利息及股息收入以及 未分配收益						115,431
Corporate and other unallocated expenses	企業及其他未分配費用						(161,959)
Finance costs	財務費用						(253,120)
Loss on disposal of disposal group held for sale	出售持作出售之 出售組別虧損						(101,446)
Share of profits and losses of associates	應佔聯營公司之 利潤及虧損						(3,169)
Profit before tax	除稅前利潤						3,273,142
Tax	稅項						(479,566)
Profit for the year	全年利潤						2,793,576
Assets and liabilities	資產及負債						
Segment assets	分部資產	8,223,017	12,555,355	689,724	904,291		22,372,387
Investments in associates	於聯營公司之投資	65,258	132,678	142	22,028		220,106
Total assets	總資產						22,592,493
Segment liabilities	分部負債	5,908,383	6,479,213	494,046	312,663		13,194,305
Total liabilities	總負債						13,194,305
Other segment information:	其他分部資料：						
Capital expenditure	資本開支	731,168	662,004	90,648	3,817		1,487,637
Depreciation and amortisation	折舊及攤銷	271,907	325,386	53,173	361		650,827
Gain on disposal of items of property, plant and equipment	出售物業、機器及 設備項目收益	944	1,073	267	4		2,288
Write-down of inventories to net realisable value	撇減存貨至 可變現淨值	3,304	62,846	6,360	—		72,510
Impairment loss on trade and other receivables	應收貿易賬款及 其他應收賬款減值虧損	23,715	27,921	1,659	1		53,296
Product warranty provision	產品保修撥備	304,153	98,792	—	—		402,945

5. REVENUE, OTHER INCOME AND GAINS

Revenue includes turnover and other revenue that arise in the Group's course of ordinary activities. The Group's turnover, which arises from the principal activities of the Group, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered, net of sale taxes and surcharges.

An analysis of revenue, other income and gains is as follows:

5. 收入、其他收入及收益

收入包括本集團日常業務過程中產生之營業額及其他收入。本集團自主業務中產生之營業額指扣除退貨、貿易折扣、所提供服務之價值、營業稅金及附加費用後已售出貨品的發票淨值。

收入、其他收入及收益之分析如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Revenue	收入		
Turnover	營業額		
Sale of goods	貨品銷售	31,481,811	27,242,135
Rendering of services	提供服務	77,255	46,076
Other revenue	其他收入		
Sales of scrap and other materials	銷售廢舊及其他物料	1,003,338	1,494,320
Gross rental income	租金收入總額	4,786	3,652
		32,567,190	28,786,183
Other income	其他收入		
Bank interest income	銀行利息收入	48,827	26,530
Government subsidies	政府補貼	137,908	63,803
		186,735	90,333
Gains	收益		
Gain on disposal of items of property, plant and equipment	出售物業、機器及設備項目收益	—	2,288
Gain on disposal of available-for-sale investments	出售可供出售投資收益	11,015	3,126
Others	其他	21,125	19,684
		32,140	25,098
		218,875	115,431

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

6. 除稅前利潤

本集團之除稅前利潤已扣除／(計入)：

	Notes 附註	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Cost of inventories sold	出售存貨成本	26,012,238	22,158,820
Cost of service provided	提供服務成本	11,415	16,243
Write-down of inventories to net realisable value	撇減存貨至可變現淨值	185,992	72,510
Product warranty provision	產品保修撥備		
Additional provision	額外撥備	698,946	402,945
Amounts utilised during the year	年內動用金額	(433,238)	(303,552)
		265,708	99,393
Staff costs (including directors' and supervisors' remuneration (note 8)):	職員成本(包括董事及監事酬金(附註8)):		
Wages and salaries	工資及薪金	1,596,670	1,454,532
Defined contribution pension scheme (note i)	定額供款退休金計劃(附註i)	155,981	123,182
Medical benefits costs (note ii)	醫療福利成本(附註ii)	36,171	21,806
Housing fund	住房公積金	51,363	47,413
Cash housing subsidies costs	現金住房補貼成本	60,512	45,296
Total staff costs	職員總成本	1,900,697	1,692,229
Net rental income	租金收入淨額	(2,656)	(3,118)
Bank interest income	銀行利息收入	(48,827)	(26,530)
Research and development costs	研究及開發成本	379,525	323,225
Minimal lease payment under operating leases:	根據經營租約的最低租金:		
Plant and machinery	機器及機械	32,011	31,812
Land and buildings	土地及樓宇	58,722	47,955
Auditors' remuneration	核數師酬金	21,539	24,144
Loss/(gain) on disposal of property, plant and equipment	出售物業、機器及設備虧損／(收益)	671	(2,288)
Depreciation of property, plant and equipment	物業、機器及設備折舊	757,256	583,142
Depreciation of investment property	投資物業折舊	2,276	802
Recognition of prepaid land lease payments	預付土地租賃款項確認	19,499	20,312
Amortisation of other intangible assets	其他無形資產攤銷	15,603	46,571
Impairment of trade and other receivables	應收貿易賬款及其他應收賬款減值	116,640	53,296
Impairment of available-for-sale investments	可供出售投資減值	2,722	—
Impairment of property, plant and equipment	物業、機器及設備減值	25,380	—
Impairment of investment in an associate	於一家聯營公司之投資減值	142	—
Foreign exchange differences, net	匯兌淨差額	19,205	12,389

6. PROFIT BEFORE TAX (CONTINUED)

Notes:

- (i) *Defined contribution pension scheme*
All of the Group's full-time employees in Mainland China are covered by a government-regulated pension scheme and are entitled to an annual pension determined by their basic salaries upon their retirement. The PRC government is responsible for the pension liabilities to these retired employees. The Group is required to make annual contributions to the government-regulated pension scheme at 20% (2007: 20%) of the employees' basic salaries. This defined contribution pension scheme continued to be available to the Group's employees for the year. The related pension costs are expensed as incurred.
- (ii) *Medical benefits costs*
The Group contributes on a monthly basis to defined contribution medical benefit plans organised by the PRC government. The PRC government undertakes to assume the medical benefit obligations of all existing and retired employees under these plans. Contributions to these plans by the Group are expensed as incurred. The Group has no further obligations for medical benefits and supplemental medical benefits for their qualified employees under these plans.

6. 除稅前利潤(續)

附註：

- (i) 定額供款退休金計劃
本集團所有中國全職僱員均受到政府監管的退休金計劃所保障，退休後每年可收取按基本薪金計算的退休金。中國政府承擔該等退休僱員的退休金責任。本集團須每年按僱員基本薪金20%（二零零七年：20%）的比例向政府監管的退休金計劃作出供款。年內本集團僱員可繼續參與該定額供款退休金計劃。有關的退休金成本於產生時支銷。
- (ii) 醫療福利成本
本集團對中國政府管理的定額供款醫療福利計劃每月作出供款。中國政府承諾根據該等計劃為所有現有及退休僱員承擔醫療福利責任。本集團對該等計劃作出的供款於產生時支銷。根據該等計劃，本集團對合資格僱員的醫療福利及補充醫療福利並無其他責任。

7. FINANCE COSTS

7. 財務費用

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Interest on bank loans and other borrowings wholly repayable within five years	須於五年內全數償還的 銀行貸款及其他借款利息	180,294	153,076
Interest on debentures	債券利息	62,933	33,210
Interest on discounted bills receivable	應收貼現票據利息	57,724	65,898
Imputed interest expense on an amount due to a related party	應付一名關連人士款項的 估算利息開支	2,789	6,363
Total interest expense on financial liabilities not at fair value through profit or loss	按公平值計入損益以外 之財務負債之利息開支總額	303,740	258,547
Less: Interest capitalised	減：已資本化的利息	(5,896)	(5,427)
		297,844	253,120

8. DIRECTORS AND SUPERVISORS' REMUNERATION

Directors and supervisors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Section 161 of the Hong Kong Companies Ordinance, is as follows:

Group

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Fees	袍金	386	402
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	4,773	4,802
Performance related bonuses	按表現釐定的花紅	—	—
Pension scheme contributions	退休金計劃供款	55	24
Total	合計	5,214	5,228

本集團

8. 董事及監事酬金

年內董事及監事酬金乃根據香港聯合交易所有限公司證券上市規則(「上市規則」)及香港公司條例第161條披露如下：

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

(a) 獨立非執行董事

年內付予獨立非執行董事的袍金如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Mr. Zhang Xiaoyu	張小虞先生	120	120
Mr. Fang Zhongchang	房忠昌先生	120	120
Mr. Koo Fook Sun, Louis	顧福身先生	146	162
		386	402

There were no other emoluments payable to the independent non-executive directors during the year (2007: Nil).

年內並無向獨立非執行董事支付其他酬金(二零零七年：無)。

8. DIRECTORS AND SUPERVISORS' REMUNERATION (CONTINUED)

(b) Executive directors, non-executive directors and supervisors

8. 董事及監事酬金(續)

(b) 執行董事、非執行董事及監事

		Salaries, allowances and benefits in kind 薪金、津貼 及實物利益 RMB'000 人民幣千元	Performance related bonuses 按表現 釐定的花紅 RMB'000 人民幣千元	Pension scheme contributions 退休金 計劃供款 RMB'000 人民幣千元	Total remuneration 酬金總額 RMB'000 人民幣千元
2008	二零零八年				
Executive directors:	執行董事：				
Mr. Tan Xuguang	譚旭光先生	—	1,000	11	1,011
Mr. Xu Xinyu	徐新玉先生	—	833	11	844
Mr. Sun Shaojun	孫少軍先生	—	833	11	844
Mr. Zhang Quan	張泉先生	—	833	11	844
		—	3,499	44	3,543
Non-executive director:	非執行董事：				
Ms. Zhang Fusheng	張伏生女士	—	60	—	60
Mr. Liu Huisheng	劉會勝先生	—	60	—	60
Mr. Yao Yu	姚宇先生	—	60	—	60
Mr. Yeung Sai Hong	楊世航先生	—	60	—	60
Mr. Chen Xuejian	陳學儉先生	—	60	—	60
Mr. Li San Yim	李新炎先生	—	60	—	60
Mr. Julius G. Kiss	Julius G. Kiss先生	—	60	—	60
Ms. Han Xiaoqun	韓小群女士	—	60	—	60
Mr. Gu Linsheng	顧林生先生	—	120	—	120
Mr. Li Shihao	李世豪先生	—	120	—	120
Mr. Liu Zheng	劉征先生	—	120	—	120
		—	840	—	840
Supervisors:	監事：				
Mr. Sun Chengping	孫承平先生	—	60	—	60
Mr. Ding Yingdong	丁迎東先生	—	314	11	325
Ms. Jiang Jianfang	蔣建芳女士	—	60	—	60
		—	434	11	445

8. DIRECTORS AND SUPERVISORS' REMUNERATION (CONTINUED)

(b) Executive directors, non-executive directors and supervisors (continued)

8. 董事及監事酬金(續)

(b) 執行董事、非執行董事及監事(續)

		Fees	Salaries, allowances and benefits in kind 薪金、津貼及實物利益 RMB'000 人民幣千元	Performance related bonuses 按表現釐定的花紅 RMB'000 人民幣千元	Pension scheme contributions 退休金計劃供款 RMB'000 人民幣千元	Total remuneration 酬金總額 RMB'000 人民幣千元
2007	二零零七年					
Executive directors:	執行董事：					
Mr. Tan Xuguang	譚旭光先生	—	1,106	—	6	1,112
Mr. Xu Xinyu	徐新玉先生	—	956	—	6	962
Mr. Sun Shaojun	孫少軍先生	—	956	—	6	962
Mr. Zhang Quan	張泉先生	—	956	—	6	962
		—	3,974	—	24	3,998
Non-executive director:	非執行董事：					
Ms. Zhang Fusheng	張伏生女士	—	60	—	—	60
Mr. Liu Huisheng	劉會勝先生	—	60	—	—	60
Mr. Yao Yu	姚宇先生	—	60	—	—	60
Mr. Yeung Sai Hong	楊世航先生	—	60	—	—	60
Mr. Chen Xuejian	陳學儉先生	—	60	—	—	60
Mr. Li San Yim	李新炎先生	—	60	—	—	60
Mr. Julius G. Kiss	Julius G. Kiss先生	—	60	—	—	60
Ms. Han Xiaoqun	韓小群女士	—	60	—	—	60
Mr. Gu Linsheng	顧林生先生	—	76	—	—	76
Mr. Li Shihao	李世豪先生	—	76	—	—	76
Mr. Liu Zheng	劉征先生	—	76	—	—	76
		—	708	—	—	708
Supervisors:	監事：					
Mr. Sun Chengping	孫承平先生	—	60	—	—	60
Mr. Wang Yong	王勇先生	—	—	—	—	—
Mr. Ding Yingdong	丁迎東先生	—	—	—	—	—
Ms. Jiang Jianfang	蔣建芳女士	—	60	—	—	60
		—	120	—	—	120

There was no arrangement under which a director or a supervisor waived or agreed to waive any remuneration during the year.

年內並無董事或監事放棄或同意放棄任何酬金的安排。

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one (2007: four) directors or supervisors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining four (2007: one) non-director and non-supervisor, highest paid employees for the year are as follows:

		Group 本集團	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	5,309	1,987
Performance-related bonuses	按表現釐定的花紅	—	—
Pension scheme contributions	退休金計劃供款	23	12
		5,332	1,999

The number of non-director and non-supervisor, highest paid employees whose remuneration fell within the following bands is as follows:

酬金介於下列範圍的非董事及非監事最高酬金僱員的人數如下：

		Number of employees 僱員人數	
		2008 二零零八年	2007 二零零七年
Nil to HKD1,000,000	零至1,000,000港元	—	—
HKD1,000,001 to HKD1,500,000	1,000,001港元至1,500,000港元	2	—
HKD1,500,001 to HKD2,000,000	1,500,001港元至2,000,000港元	2	1
		4	1

10. Tax

The Company and all its subsidiaries that operate in Mainland China are subject to the statutory corporate income tax rate of 25% (2007: 33%) for the year under the income tax rules and regulations of the PRC, except that:

- (1) The Company and certain subsidiaries are subject a preferential rate of 15% as they are assessed by relevant government authorities as High and New Technology Enterprises ("HNTE") for a period of three years commencing 1st January, 2008. Pursuant to the PRC Income Tax Law, enterprises assessed as "HNTE" are entitled to a preferential income tax rate of 15%; and
- (2) Pursuant to *Notice of the State Administration of Taxation concerning the Opinions on the Implementation of the Relevant Taxation Policies for the Western Development* 《國家稅務總局關於落實西部大開發有關稅收政策具體實施意見的通知》, certain subsidiaries which are approved as domestic enterprises engaged in the industries encouraged by the State in Western Region 《西部地區國家鼓勵產業的內資企業》 are also subject to a preferential tax rate of 15%.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong for the year.

10. 稅項

除下列公司外，根據中國所得稅法規及規定，經營地點位於中國內地的本公司及其所有附屬公司於年內均須按25%（二零零七年：33%）的法定稅率繳納企業所得稅：

- (1) 由於本公司及若干附屬公司獲相關政府機關評定為高新技術公司（「高新技術公司」），故於二零零八年一月一日起的三年期間內，本公司及若干附屬公司按15%的優惠稅率繳納企業所得稅。根據中國所得稅法，獲評定為「高新技術公司」的企業可按15%的優惠稅率繳納企業所得稅；及
- (2) 根據《國家稅務總局關於落實西部大開發有關稅收政策具體實施意見的通知》，獲審批為《西部地區國家鼓勵產業的內資企業》之若干附屬公司亦按15%的優惠稅率繳納企業所得稅。

源於其他地區應課稅利潤的稅項已根據本集團經營所在國家／司法權區的現行法律、詮釋及相關常規，按照該國家／司法權區的現行稅率計算。

由於本集團於年內在香港並無應課稅利潤，故並無作出香港利得稅撥備。

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Group:	本集團：		
Current — Mainland China	即期 — 中國內地		
Charge for the year	年內計提	458,193	688,132
Over-provision in prior years	過往年度超額撥備	(2,214)	—
Current — Elsewhere	即期 — 其他地區		
Charge for the year	年內計提	1,206	—
Deferred (note 25)	遞延 (附註25)	(128,196)	(208,566)
Total tax charge for the year	年內稅項支出總額	328,989	479,566

10. TAX (CONTINUED)

A reconciliation of the tax expense applicable to profit before tax using the statutory rates for the countries/jurisdictions in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

Group — 2008

		Mainland China 中國內地 RMB'000 人民幣千元	Elsewhere 其他地區 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Profit before tax	除稅前利潤	2,784,336	(43,638)	2,740,698
Tax at the statutory tax rate	按法定稅率計算之稅項	696,084	(5,749)	690,335
Preferential tax rate or concessions	優惠稅率或寬免	(287,167)	—	(287,167)
Effect of tax rate change on opening deferred tax	稅率變動對遞延稅項 期初之影響	(316)	—	(316)
Adjustments in respect of current tax of previous periods	對以往期間之 即期稅項的調整	(2,214)	—	(2,214)
Profits and losses attributable to a jointly-controlled entity and associates	應佔一家共同控制 實體及聯營公司 之利潤及虧損	701	141	842
Income not subject to tax	毋須繳稅收入	(6,786)	—	(6,786)
Expenses not deductible for tax	不可扣稅開支	14,011	8,704	22,715
Tax incentives on eligible expenditures	合資格開支之 稅務優惠	(95,842)	—	(95,842)
Tax losses utilised from previous periods	動用以往期間之 稅項虧損	(2,807)	—	(2,807)
Tax losses not recognised	未確認之稅項虧損	10,532	—	10,532
Deductible temporary differences not recognised, net	未確認之可扣稅 暫時差額淨額	(303)	—	(303)
Tax charge at the Group's effective rate	按本集團實際稅率 計算之稅項支出	325,893	3,096	328,989

10. 稅項(續)

以本公司及其附屬公司所在國家／司法權區之法定稅率計算之適用於除稅前利潤之稅項開支，與使用實際稅率計算之稅項開支的對賬如下：

本集團 — 二零零八年

10. TAX (CONTINUED)

Group – 2007

10. 稅項(續)

本集團—二零零七年

		Mainland China 中國內地 RMB'000 人民幣千元	Elsewhere 其他地區 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Profit before tax	除稅前利潤	3,273,142	—	3,273,142
Tax at the statutory tax rate	按法定稅率計算之稅項	1,080,137	—	1,080,137
Preferential tax rate or concessions	優惠稅率或寬免	(670,797)	—	(670,797)
Effect of tax rate change on opening deferred tax	稅率變動對遞延稅項期初之影響	(5,936)	—	(5,936)
Profits and losses attributable to associates	聯營公司應佔之利潤及虧損	1,046	—	1,046
Income not subject to tax	毋須繳稅收入	(29,271)	—	(29,271)
Expenses not deductible for tax	不可扣稅開支	104,387	—	104,387
Tax charge at the Group's effective rate	按本集團實際稅率計算之稅項支出	479,566	—	479,566

The share of tax attributable to a jointly-controlled entity and associates amounting to RMB236,000 (2007: Nil) and RMB246,000 (2007: Nil), respectively, is included in "Share of profits and losses of a jointly-controlled entity and associates" on the face of the consolidated income statement.

一家共同控制實體及聯營公司應佔之稅項分別為人民幣236,000元(二零零七年: 無)及人民幣246,000元(二零零七年: 無), 並已計入綜合收益表內之「應佔一家共同控制實體及聯營公司利潤及虧損」內。

11. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated profit attributable to equity holders of the Company for the year ended 31st December, 2008 includes a profit of RMB1,636,425,000 (2007: 1,578,720,000) which has been dealt with in the financial statements of the Company (note 37(b)).

11. 本公司權益持有人應佔利潤

截至二零零八年十二月三十一日止年度, 本公司權益持有人應佔合併利潤包括人民幣1,636,425,000元(二零零七年: 人民幣1,578,720,000元)的利潤已於本公司財務報表記賬(附註37(b))。

12. DIVIDENDS

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Proposed final — RMB0.13 (2007: RMB0.44) per ordinary share	擬派期末股息 — 每股普通股 人民幣0.13元 (二零零七年：人民幣0.44元)	108,296	229,088

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

本年度擬派期末股息須待本公司股東於即將舉行之股東週年大會上批准。

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the year, as adjusted to reflect the bonus issue during the year.

No diluted earnings per share amounts have been presented for the years ended 31st December, 2007 and 2008 as no diluting events existed during these years.

13. 本公司普通權益持有人應佔每股盈利

每股基本盈利金額乃根據本公司普通權益持有人應佔本年度利潤以及年內已發行普通股之加權平均數計算，並已根據年內之送股作出相應調整。

由於在截至二零零七年及二零零八年十二月三十一日止年度內不存在攤薄事件，因此並無呈列該等年度之每股攤薄盈利金額。

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Earnings	盈利		
Profit attributable to ordinary equity holders of the Company used in the basic earnings per share calculation	用於計算每股基本盈利之本公司普通權益持有人應佔利潤	1,928,955	2,014,904
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	用於計算每股基本盈利之年內已發行普通股之加權平均數	833,046,000	739,443,000

14. PROPERTY, PLANT AND EQUIPMENT

Group

14. 物業、機器及設備

本集團

		Construction in progress	Buildings	Leasehold improve- ments	Plant and machinery	Computer equipment and fixtures	Motor vehicles	Other equipment	Total
		在建工程	樓宇	租賃物業 裝修	機器及 設備	電腦設備及 固定裝置	汽車	其他設備	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost	成本								
At 1st January, 2008	於二零零八年一月一日	453,090	1,777,708	25,578	5,008,059	162,539	214,087	18,823	7,659,884
Additions	添置	1,569,982	93,848	1,996	260,141	11,124	13,733	3,420	1,954,244
Assets no longer classified as disposal group held for sale	不再歸類為持作出售之 出售組別的資產	—	27,757	—	72,437	2,232	17,378	—	119,804
Transfers	轉撥	(1,331,551)	304,196	—	959,305	47,780	19,589	681	—
Disposals	出售	—	(18,864)	—	(44,482)	(7,151)	(12,383)	(2,974)	(85,854)
Exchange realignment	匯兌調整	—	(1,786)	—	(4,661)	(144)	(1,118)	—	(7,709)
At 31st December, 2008	於二零零八年十二月三十一日	691,521	2,182,859	27,574	6,250,799	216,380	251,286	19,950	9,640,369
Accumulated depreciation and impairment	累計折舊及減值								
At 1st January, 2008	於二零零八年一月一日	3,738	163,719	8,033	1,581,973	70,542	88,521	5,774	1,922,300
Depreciation provided during the year	年內計提之折舊	—	78,221	2,654	608,734	38,649	23,480	5,518	757,256
Impairment	減值	63	—	—	25,317	—	—	—	25,380
Assets no longer classified as disposal group held for sale	不再歸類為持作出售 之出售組別的資產	—	—	—	46,896	656	17,378	—	64,930
Disposals	出售	—	(3,038)	—	(28,266)	(5,226)	(8,864)	(879)	(46,273)
Exchange realignment	匯兌調整	—	—	—	(3,017)	(42)	(1,118)	—	(4,177)
At 31st December, 2008	於二零零八年十二月三十一日	3,801	238,902	10,687	2,231,637	104,579	119,397	10,413	2,719,416
Net carrying amount	賬面淨值								
At 31st December, 2008	於二零零八年十二月三十一日	687,720	1,943,957	16,887	4,019,162	111,801	131,889	9,537	6,920,953
At 1st January, 2008	於二零零八年一月一日	449,352	1,613,989	17,545	3,426,086	91,997	125,566	13,049	5,737,584
Cost	成本								
At 1st January, 2007	於二零零七年一月一日	1,074,597	1,241,859	23,289	3,670,808	127,686	193,532	24,421	6,356,192
Additions	添置	837,046	72,490	2,289	440,688	21,743	19,712	779	1,394,747
Transfers	轉撥	(1,458,553)	473,097	—	949,988	22,731	12,118	619	—
Disposals	出售	—	(9,738)	—	(53,425)	(9,621)	(11,275)	(6,996)	(91,055)
At 31st December, 2007	於二零零七年十二月三十一日	453,090	1,777,708	25,578	5,008,059	162,539	214,087	18,823	7,659,884
Accumulated depreciation and impairment	累計折舊及減值								
At 1st January, 2007	於二零零七年一月一日	3,803	130,378	5,577	1,131,273	48,816	62,920	5,733	1,388,500
Depreciation provided during the year	年內計提之折舊	—	35,895	2,456	483,357	28,458	32,153	823	583,142
Disposals	出售	(65)	(2,554)	—	(32,657)	(6,732)	(6,552)	(782)	(49,342)
At 31st December, 2007	於二零零七年十二月三十一日	3,738	163,719	8,033	1,581,973	70,542	88,521	5,774	1,922,300
Net carrying amount	賬面淨值								
At 31st December, 2007	於二零零七年十二月三十一日	449,352	1,613,989	17,545	3,426,086	91,997	125,566	13,049	5,737,584
At 1st January, 2007	於二零零七年一月一日	1,070,794	1,111,481	17,712	2,539,535	78,870	130,612	18,688	4,967,692

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company

14. 物業、機器及設備(續)

本公司

		Construction in progress	Buildings	Leasehold improve- ments	Plant and machinery	Computer equipment and fixtures	Motor vehicles	Other equipment	Total
		在建工程 RMB'000 人民幣千元	樓宇 RMB'000 人民幣千元	租賃物業 裝修 RMB'000 人民幣千元	機器及 設備 RMB'000 人民幣千元	電腦設備及 固定裝置 RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	其他設備 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
Cost	成本								
At 1st January, 2008	於二零零八年一月一日	230,447	878,624	—	1,645,562	173,774	95,114	9,158	3,032,679
Additions	添置	256,946	—	—	1,836	707	5,507	—	264,996
Transfers	轉撥	(326,277)	129,981	—	161,142	25,457	9,697	—	—
Disposals	出售	—	—	—	(707,177)	(10,059)	(27,361)	(200)	(744,797)
At 31st December, 2008	於二零零八年十二月三十一日	161,116	1,008,605	—	1,101,363	189,879	82,957	8,958	2,552,878
Accumulated depreciation and impairment	累計折舊及減值								
At 1st January, 2008	於二零零八年一月一日	—	71,575	—	414,353	76,174	41,249	3,513	606,864
Depreciation provided during the year	年內計提之折舊	—	43,884	—	199,037	15,318	15,831	2,274	276,344
Disposals	出售	—	—	—	(116,132)	(4,543)	(13,148)	—	(133,823)
At 31st December, 2008	於二零零八年十二月三十一日	—	115,459	—	497,258	86,949	43,932	5,787	749,385
Net carrying amount	賬面淨值								
At 31st December, 2008	於二零零八年十二月三十一日	161,116	893,146	—	604,105	102,930	39,025	3,171	1,803,493
At 1st January, 2008	於二零零八年一月一日	230,447	807,049	—	1,231,209	97,600	53,865	5,645	2,425,815
Cost	成本								
At 1st January, 2007	於二零零七年一月一日	637,874	369,265	—	1,042,189	147,382	73,999	9,031	2,279,740
Additions	添置	375,953	79,418	—	294,280	2,776	11,085	—	763,512
Transfers	轉撥	(783,380)	435,215	—	311,135	24,246	12,633	151	—
Disposals	出售	—	(5,274)	—	(2,042)	(630)	(2,603)	(24)	(10,573)
At 31st December, 2007	於二零零七年十二月三十一日	230,447	878,624	—	1,645,562	173,774	95,114	9,158	3,032,679
Accumulated depreciation and impairment	累計折舊及減值								
At 1st January, 2007	於二零零七年一月一日	—	37,567	—	258,526	50,057	22,900	3,306	372,356
Depreciation provided during the year	年內計提之折舊	—	34,008	—	156,159	26,669	20,515	230	237,581
Disposals	出售	—	—	—	(332)	(552)	(2,166)	(23)	(3,073)
At 31st December, 2007	於二零零七年十二月三十一日	—	71,575	—	414,353	76,174	41,249	3,513	606,864
Net carrying amount	賬面淨值								
At 31st December, 2007	於二零零七年十二月三十一日	230,447	807,049	—	1,231,209	97,600	53,865	5,645	2,425,815
At 1st January, 2007	於二零零七年一月一日	637,874	331,698	—	783,663	97,325	51,099	5,725	1,907,384

As at 31st December, 2008, certain buildings, machinery and motor vehicles of the Group with net book value of approximately RMB81,833,000 (2007: RMB81,988,000) were pledged to secure general banking facilities granted to the Group (note 34).

於二零零八年十二月三十一日，本集團已抵押賬面淨值約人民幣81,833,000元（二零零七年：人民幣81,988,000元）之若干樓宇、機器及汽車，以作為本集團獲授一般銀行信貸的擔保（附註34）。

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 31st December, 2008, the Group had not obtained the real estate certificates for buildings with a total gross areas of approximately 398,000 square meters (2007: 440,000 square meters) and a net book value of RMB894,987,000 (2007: RMB879,362,000).

The Group was in the process of applying for the real estate certificates for the aforesaid buildings with a gross area of approximately 371,000 square meters and a net book value of approximately RMB844,482,000 as at 31st December, 2008.

14. 物業、機器及設備(續)

於二零零八年十二月三十一日，本集團尚未就總面積約398,000平方米(二零零七年：440,000平方米)及賬面淨值為人民幣894,987,000元(二零零七年：人民幣879,362,000元)之樓宇取得房產證。

於二零零八年十二月三十一日，本集團正在就上述總面積約371,000平方米及賬面淨值約人民幣844,482,000元之樓宇申請房產證。

15. INVESTMENT PROPERTIES

15. 投資物業

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Carrying amount at 1st January	於一月一日之賬面值	32,333	31,767
Additions	添置	50,606	1,368
Depreciation provided during the year	年內計提之折舊	(2,276)	(802)
Carrying amount at 31st December	於十二月三十一日之賬面值	80,663	32,333

The Group's investment properties are situated in Mainland China and are held under medium-term leases.

本集團的投資物業位於中國並根據中期租賃合約持有。

The above investment properties are depreciated on a straight-line basis over the shorter of the term for the lease or 5% per annum.

上述投資物業乃以直線法按租約年期或每年5%(以較少者為準)計算折舊。

Further particulars of the Group's investment properties are as follows:

本集團投資物業之進一步詳情如下：

Location 位置	Use 用途	Tenure 租期	Attributable interest of the Group 本集團應佔權益
Jinwei Industrial Park, Economic Technique & Development District, Xi'an 西安經濟技術開發區經渭工業園	Industrial & office building 工業及辦公室樓宇	Medium term 中期	51%
No. 39, North Xinfu Road, Xi'an 西安幸福北路39號	Industrial building 工業樓宇	Medium term 中期	51%
East Bang Jun Baoping Road, Tianjin 天津市邦均寶平公路東側	Industrial building 工業樓宇	Short term 短期	51%

16. PREPAID LAND LEASE PAYMENTS (CONTINUED)

16. 預付土地租賃款項(續)

		Group 本集團		Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Carrying amount at 1st January	於一月一日之賬面值	317,295	246,900	130,486	60,491
Addition	添置	445	90,707	—	72,504
Invested in a subsidiary	於一間附屬公司之投資	—	—	(11,871)	—
Recognised during the year	年內確認	(19,499)	(20,312)	(2,737)	(2,509)
Carrying amount at 31st December	於十二月三十一日之賬面值	298,241	317,295	115,878	130,486
Current portion included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收賬款之即期部份	(19,671)	(19,662)	(2,240)	(2,634)
Non-current portion	非即期部份	278,570	297,633	113,638	127,852

The leasehold land is held under a long-term lease and is situated in Mainland China.

As at 31st December, 2008, certain land use right of the Group with net book value of approximately RMB69,024,000 (2007: RMB56,591,000) were pledged to secure general banking facilities granted to the Group (note 34).

租賃土地乃位於中國，並根據長期租賃合約持有。

於二零零八年十二月三十一日，本集團已抵押賬面淨值約人民幣69,024,000元（二零零七年：人民幣56,591,000元）之若干土地使用權，以作為本集團獲授一般銀行信貸的擔保（附註34）。

17. GOODWILL

17. 商譽

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Cost and carrying amount At 1st January	於一月一日之成本及賬面值	538,016	599,552
Disposal of subsidiaries	出售附屬公司	—	(61,536)
At 31st December	於十二月三十一日	538,016	538,016

17. GOODWILL (CONTINUED)

The carrying amount of goodwill at 31st December, 2008 and 2007 was related to the following cash generating units:

	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Automobile and other major automobile components	汽車及其他主要汽車零部件 538,016	538,016

Particulars regarding impairment testing on goodwill are detailed in note 19.

17. 商譽(續)

於二零零八年及二零零七年十二月三十一日，商譽賬面值乃與下列現金產生單位有關：

有關商譽減值測試之詳情載於附註19。

18. OTHER INTANGIBLE ASSETS

Group

		Trademarks 商標 RMB'000 人民幣千元 (Note i) (附註i)	Technologies 技術 RMB'000 人民幣千元 (Note ii) (附註ii)	Total 合計 RMB'000 人民幣千元
31st December, 2008	二零零八年十二月三十一日			
Cost at 1st January, 2008, net of accumulated amortisation	於二零零八年一月一日之成本(已扣除累計攤銷)	203,089	78,353	281,442
Additions	添置	—	5,888	5,888
Amortisation provided during the year	年內計提之攤銷	—	(15,603)	(15,603)
At 31st December, 2008	於二零零八年十二月三十一日	203,089	68,638	271,727
At 31st December, 2008:	於二零零八年十二月三十一日：			
Cost	成本	213,461	370,133	583,594
Accumulated amortisation	累計攤銷	(10,372)	(301,495)	(311,867)
Net carrying amount	賬面淨值	203,089	68,638	271,727
31st December, 2007	二零零七年十二月三十一日			
Cost at 1st January, 2007, net of accumulated amortisation	於二零零七年一月一日之成本(已扣除累計攤銷)	203,089	125,677	328,766
Additions	添置	—	815	815
Disposals	出售	—	(1,568)	(1,568)
Amortisation provided during the year	年內計提之攤銷	—	(46,571)	(46,571)
At 31st December, 2007	於二零零七年十二月三十一日	203,089	78,353	281,442

18. 其他無形資產

本集團

18. OTHER INTANGIBLE ASSETS (CONTINUED)

Group

		Trademarks 商標 RMB'000 人民幣千元 (Note i) (附註i)	Technologies 技術 RMB'000 人民幣千元 (Note ii) (附註ii)	Total 合計 RMB'000 人民幣千元
At 31st December, 2007:	於二零零七年十二月三十一日:			
Cost	成本	213,461	364,245	577,706
Accumulated amortisation	累計攤銷	(10,372)	(285,892)	(296,264)
Net carrying amount	賬面淨值	203,089	78,353	281,442

18. 其他無形資產(續)

本集團

Company

本公司

		Trademarks 商標 RMB'000 人民幣千元 (Note i) (附註i)	Technologies 技術 RMB'000 人民幣千元 (Note ii) (附註ii)	Total 合計 RMB'000 人民幣千元
31st December, 2008	二零零八年十二月三十一日			
Cost at 1st January, 2008, net of accumulated amortisation	於二零零八年一月一日之成本 (已扣除累計攤銷)	108,892	—	108,892
Additions	添置	—	584	584
Amortisation provided during the year	年內計提之攤銷	—	—	—
At 31st December, 2008	於二零零八年十二月三十一日	108,892	584	109,476
At 31st December, 2008:	於二零零八年十二月三十一日:			
Cost	成本	119,264	21,762	141,026
Accumulated amortisation	累計攤銷	(10,372)	(21,178)	(31,550)
Net carrying amount	賬面淨值	108,892	584	109,476
Cost at 1st January, 2007, net of accumulated amortisation	於二零零七年一月一日之成本 (已扣除累計攤銷)	108,892	31,111	140,003
Additions	添置	—	—	—
Disposals	出售	—	—	—
Amortisation provided during the year	年內計提之攤銷	—	(31,111)	(31,111)
At 31st December, 2007	於二零零七年十二月三十一日	108,892	—	108,892
At 31st December, 2007:	於二零零七年十二月三十一日:			
Cost	成本	119,264	21,178	140,442
Accumulated amortisation	累計攤銷	(10,372)	(21,178)	(31,550)
Net carrying amount	賬面淨值	108,892	—	108,892

18. OTHER INTANGIBLE ASSETS (CONTINUED)

Notes:

- (i) The trademarks are renewable every 10 years at minimal cost. The directors of the Company are of the opinion that the Group has both the intention and ability to renew the trademarks continuously. As a result, the useful life of the trademarks is considered by the management of the Group as indefinite because the trademarks are expected to contribute to the Group's net cash inflows indefinitely. The trademarks will not be amortised until their useful life is determined to be finite. Instead the trademarks will be tested for impairment annually and whenever there is an indication that they may be impaired. Particulars of the impairment testing are disclosed in note 19.
- (ii) Technologies represented manufacturing know-how, which have definite useful lives. These technologies are amortised on a straight-line basis over 8 to 10 years.

18. 其他無形資產(續)

附註：

- (i) 商標每十年須按最低成本重續一次。本公司董事認為，本集團有意且有能力不斷重續該等商標。預計該等商標將可永久為本集團產生現金流入淨額，故此，本集團管理層認為該等商標擁有永久可使用年期。除非該等商標的可使用年期被釐定為有限，否則不會進行攤銷。相反，商標將會每年及每當有跡象顯示存在減值時進行減值測試。減值測試詳情於附註19披露。
- (ii) 技術指擁有有限可使用年期之製造技術。該等技術乃以直線法在8至10年內攤銷。

19. IMPAIRMENT TESTING ON GOODWILL AND TRADEMARKS WITH INDEFINITE USEFUL LIVES

As explained in note 4, the Group uses business segments as its primary segment for reporting segment information. For the purpose of impairment testing, goodwill and trademarks with indefinite useful lives have been allocated to two individual cash generating units as below (CGUs), including manufacturing and sale of diesel engines and related parts ("CGU A") and automobile and other major automobile components other than diesel engines ("CGU B"). The carrying amounts of goodwill and trademarks (net of accumulated impairment losses) as at 31st December, 2008 allocated to these units are as follows:

19. 對擁有永久可使用年期之商譽及商標進行減值測試

誠如附註4所述，本集團於呈報分部資料時以業務分部作為其主要分部。為了進行減值測試，擁有永久可使用年期之商譽及商標已分配予兩個獨立的現金產生單位，包括生產及銷售柴油機及相關零部件（「現金產生單位A」）以及汽車及除柴油機外的其他主要汽車零部件（「現金產生單位B」）。於二零零八年十二月三十一日，已分配至該等單位之商譽及商標賬面值（扣除累計減值虧損）如下：

		Goodwill 商譽		Trademarks 商標	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
CGU A	現金產生單位 A	—	—	108,892	108,892
CGU B	現金產生單位 B	538,016	538,016	94,197	94,197
		538,016	538,016	203,089	203,089

19. IMPAIRMENT TESTING ON GOODWILL AND TRADEMARKS WITH INDEFINITE USEFUL LIVES (CONTINUED)

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarised below:

CGU A

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and discount rate of 10% (2007: 12%). CGU A's cash flows beyond the five-year period are extrapolated with no growth rate for both years. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development.

CGU B

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and discount rate of 14% (2007: 12%). CGU B's cash flows beyond the five-year period are extrapolated with no growth for both years. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development.

19. 對擁有永久可使用年期之商譽及商標進行減值測試(續)

上述現金產生單位之可收回金額計算基準及其主要相關假設概述如下：

現金產生單位 A

此單位之可收回金額乃根據使用價值計算法釐定。該計算使用現金流量預測(根據管理層批准之5年期財政預算)及10%(二零零七年：12%)之貼現率而釐定。現金產生單位A於5年期間後之現金流量預計乃基於該兩個年度無增長之假設計算。使用價值計算法之其他主要假設與現金流入／流出之預測(包括預算銷售額及毛利)有關，該等預測乃根據該單位之過往表現及管理層對市場發展之預期而釐定。

現金產生單位 B

此單位之可收回金額乃根據使用價值計算法釐定。該計算使用現金流量預測(根據管理層批准之5年期財政預算)及14%(二零零七年：12%)之貼現率而釐定。現金產生單位B於5年期間後之現金流量預計乃基於該兩個年度無增長之假設計算。現金產生單位B於5年期間後之現金流量預計乃基於該兩個年度無增長之假設計算。使用價值計算法之其他主要假設與現金流入／流出之預測(包括預算銷售額及毛利)有關，該等預測乃根據該單位之過往表現及管理層對市場發展之預期而釐定。

20. INVESTMENTS IN SUBSIDIARIES

20. 於附屬公司之投資

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Unlisted investments, at cost	非上市投資，按原值	4,002,382	3,726,475

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Particulars of the principal subsidiaries are as follows:

20. 於附屬公司之投資(續)

主要附屬公司之詳情如下：

Name 名稱	Place of incorporation/ registration and operations 註冊成立／註冊 地點及營業地點	Registered capital 註冊股本 (in '000) (以千元計)	Percentage of equity attributable to the Company 本公司應佔股本 百分比		Principal activities 主要業務
			Direct 直接持有	Indirect 間接持有	
Weichai Power (Weifang) Spare Part Resources Co., Ltd. 濰柴動力(濰坊)備品資源有限公司	PRC 中國	RMB89,796 人民幣89,796	94.43%	—	Manufacture and trading of diesel engine and related spare parts 生產及買賣柴油機及 相關備件
Weichai Power (Weifang) Oil Co., Ltd. 濰柴動力(濰坊)油品有限公司	PRC 中國	RMB10,000 人民幣10,000	100.00%	—	Trading of lubricant oil products 買賣潤滑油產品
Weichai Power (Weifang) Intensive Logistics Co., Ltd. 濰柴動力(濰坊)集約配送有限公司	PRC 中國	RMB20,000 人民幣20,000	52.00%	—	Provision of warehouse management services 提供倉庫管理服務
Weichai Power (Weifang) Casting Co., Ltd. 濰柴動力(濰坊)鑄鍛有限公司	PRC 中國	RMB20,000 人民幣20,000	100.00%	—	Manufacture and trading of cast products 生產及買賣鑄造產品
Weichai Power (Weifang) Reconstruction Co., Ltd. 濰柴動力(濰坊)再製造有限公司	PRC 中國	RMB30,000 人民幣30,000	100.00%	—	Reconstruction of automotive components 再製造汽車零部件
Shaanxi Heavy Duty Automotive Co., Ltd. 陝西重型汽車有限公司	PRC 中國	RMB1,706,330 人民幣1,706,330	51.00%	—	Manufacture and trading of heavy duty trucks and related automotive components 生產及買賣重型卡車及 相關汽車零部件
Tianjin Tiangua Automotive Co., Ltd. 天津市天掛車輛有限公司	PRC 中國	RMB11,760 人民幣11,760	—	51.00%	Manufacture and sale of trailers and tractors 生產及銷售拖車及拖拉機
Tianjin Xinming Automotive Commercial Co., Ltd. 天津新明汽車商貿有限公司	PRC 中國	RMB1,000 人民幣1,000	—	100.00%	Trading of automotive components 買賣汽車零部件
Shaanxi Hande Axle Co., Ltd. 陝西漢德車橋有限公司	PRC 中國	RMB320,000 人民幣320,000	3.06%	94.00%	Manufacture and sale of motor vehicles and related automotive components 生產銷售汽車及相關 汽車零部件

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

20. 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立／註冊 地點及營業地點	Registered capital 註冊股本 (in '000) (以千元計)	Percentage of equity attributable to the Company 本公司應佔股本 百分比		Principal activities 主要業務
			Direct 直接持有	Indirect 間接持有	
Shaanxi Jinding Casting Co., Ltd. 陝西金鼎鑄造有限公司	PRC 中國	RMB35,360 人民幣35,360	—	87.05%	Manufacture and trading of cast product 生產及買賣鑄造產品
Shaanxi Heavy Duty Automotive Import & Export Co., Ltd. 陝西重型汽車進出口有限公司	PRC 中國	RMB10,000 人民幣10,000	—	100.00%	Provision of import and export services 提供進出口服務
Shaanxi Fast Gear Co., Ltd. 陝西法士特齒輪有限責任公司	PRC 中國	RMB256,790 人民幣256,790	51.00%	—	Manufacture and trading of automotive components 生產及買賣汽車零部件
Baoji Fast Gear Co., Ltd. 寶雞法士特齒輪有限責任公司	PRC 中國	RMB30,000 人民幣30,000	2.55%	95.00%	Manufacture and trading of gear and related automotive components 生產及買賣齒輪及相關 汽車零部件
Xian Fast Auto Drive Co., Ltd. 西安法士特汽車傳動有限公司	PRC 中國	RMB120,000 人民幣120,000	—	100.00%	Trading of motor vehicles and related automotive components 買賣汽車及相關汽車 零部件
Shaanxi Fast Gear Sales Co., Ltd. 西安法士特齒輪銷售有限公司	PRC 中國	RMB1,000 人民幣1,000	—	100.00%	Trading of automotive components 買賣汽車零部件
Shaanxi Fast Gear Spare Parts Import & Export Co., Ltd. 陝西法士特汽車零部件進出口 有限公司	PRC 中國	RMB3,000 人民幣3,000	—	100.00%	Provision of import and export services 提供進出口服務
Zhuzhou Gear Co., Ltd. 株洲齒輪有限責任公司	PRC 中國	RMB131,315 人民幣131,315	66.02%	—	Trading of motor vehicles and related automotive components 買賣汽車及相關汽車 零部件
Zhuzhou Wandefu Gear Co., Ltd. 株洲萬德福齒輪有限責任公司	PRC 中國	RMB1,000 人民幣1,000	—	90.00%	Trading of motor vehicles and related automotive components 買賣汽車及相關汽車 零部件

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

20. 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立／註冊 地點及營業地點	Registered capital 註冊股本 (in '000) (以千元計)	Percentage of equity attributable to the Company 本公司應佔股本 百分比		Principal activities 主要業務
			Direct 直接持有	Indirect 間接持有	
Zhuzhou Wande Forging Co., Ltd. 株洲萬德精鍛有限責任公司	PRC 中國	RMB5,000 人民幣5,000	—	100.00%	Manufacture and sale of motor vehicles and related automotor components 生產銷售汽車及相關 汽車零部件
Zhuzhou Euro Grace Gear Automotive Transmission Co., Ltd. 株洲歐格瑞傳動股份有限公司	PRC 中國	RMB50,000 人民幣50,000	—	90.00%	Trading of automotive components 買賣汽車零部件
Dongfeng Off-road Vehicle Co., Ltd. 東風越野車有限公司	PRC 中國	RMB155,000 人民幣155,000	60.00%	—	Manufacture and trading of vehicles and related automotive components 生產及買賣汽車及相關 汽車零部件
Shiyan Amor Coating Technology Co., Ltd. 十堰市裝甲塗覆技術有限公司	PRC 中國	RMB2,200 人民幣2,200	—	100.00%	Coating and sale of automotive components 塗裝加工及銷售汽車 零部件
Zhuzhou Torch Sparkplugs Co., Ltd. 株洲湘火炬火花塞有限責任公司	PRC 中國	RMB176,000 人民幣176,000	100.00%	—	Manufacture and trading of spark plugs 生產及買賣火花塞
Zhuzhou Torch Construction Engineering Co., Ltd. 株洲湘火炬建築工程有限責任公司	PRC 中國	RMB7,000 人民幣7,000	15.43%	82.86%	Provision of construction services 提供建築服務
MAT Automotive Inc.	USA 美國	USD175 美元175	75.00%	—	Import and sale of automotive components 進口及銷售汽車零部件
Dalian Honhyuan Machinery Manufacturing Co., Ltd. 大連鴻源機械製造有限公司	PRC 中國	USD10,000 美元10,000	—	100.00%	Trading of automotive components 買賣汽車零部件
Torch Import & Export Co., Ltd. 火炬進出口有限責任公司	PRC 中國	RMB181,000 人民幣181,000	98.34%	1.66%	Provision of import and export services 提供進出口服務

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

20. 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立／註冊 地點及營業地點	Registered capital 註冊股本 (in '000) (以千元計)	Percentage of equity attributable to the Company 本公司應佔股本 百分比		Principal activities 主要業務
			Direct 直接持有	Indirect 間接持有	
Zhuzhou Torch Machinery Manufacturing Co., Ltd. 株洲湘火炬機械製造有限責任公司	PRC 中國	RMB142,263 人民幣142,263	100.00%	—	Trading of automotive component 買賣汽車零部件
Zhuzhou Torch Property Development Co., Ltd. 株洲火炬房地產開發有限責任公司	PRC 中國	RMB13,120 人民幣13,120	94.66%	5.34%	Provision of properties development 提供房地產開發服務
Zhuzhou Torch Auto Sealing Co., Ltd. 株洲湘火炬汽車密封有限責任公司	PRC 中國	RMB20,420 人民幣20,420	100.00%	—	Trading of automotive components 買賣汽車零部件
Zhuzhou Torch Auto Lighting Co., Ltd. 株洲湘火炬汽車燈具有限責任公司	PRC 中國	RMB12,000 人民幣12,000	100.00%	—	Trading of automotive components 買賣汽車零部件
Zhuzhou Torch Auto Electronics Co., Ltd. 株洲湘火炬汽車電器有限責任公司	PRC 中國	RMB9,700 人民幣9,700	100.00%	—	Trading of automotive components 買賣汽車零部件
Mudan Jiang Futong Automotive Air Conditioner Company Limited 牡丹江富通汽車空調有限公司	PRC 中國	RMB118,165 人民幣118,165	61.30%	—	Manufacture and trading of automotive components 生產及買賣汽車零部件
Xinjiang Machinery Equipment Import & Export Co., Ltd. 新疆機械設備進出口有限公司	PRC 中國	RMB20,000 人民幣20,000	100.00%	—	Provision of export and import services 提供進出口服務
Beijing Huikeying High Tech Co., Ltd. 北京匯科盈高新技術有限公司	PRC 中國	RMB50,000 人民幣50,000	100.00%	—	Development of technology and provision of technology consulting service 技術開發及提供技術 諮詢服務
Shanghai He Da Auto Accessory Co., Ltd. 上海和達汽車配件有限公司	PRC 中國	RMB35,987 人民幣35,987	75.00%	—	Trading of automotive components 買賣汽車零部件

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

20. 於附屬公司之投資(續)

上表載列董事認為對本集團本年度業績有重要影響或為本集團資產淨值主要組成部份的本公司附屬公司。董事認為，提供其他附屬公司詳情會導致資料過於冗長。

21. INVESTMENT IN A JOINTLY-CONTROLLED ENTITY

21. 於一家共同控制實體之投資

		Group 本集團		Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Unlisted shares, at cost	非上市股份，按原值	—	—	20,409	—
Share of net assets	應佔資產淨值	6,272	—	—	—
Goodwill on acquisition	收購產生之商譽	14,660	—	—	—
		20,932	—	20,409	—

Particulars of the jointly-controlled entity are as follows:

主要共同控制實體之詳情如下：

Name 名稱	Paid up registered capital 繳足註冊股本 (in '000) (以千元計)	Place of incorporation/ registration 註冊成立/ 註冊地點	Percentage of 百分比			Principal activities 主要業務
			Ownership interest 擁有權權益	Voting power 投票權	Profit sharing 利潤分配	
Weifang Weichai Peterson Gas Diesel Engines Company Limited 濰坊濰柴培新氣體機 有限公司	RMB7,678 人民幣7,678	PRC 中國	50%	50%	50%	Manufacture and sale of gas refrigerator 生產及銷售氣體 制冷機

The above investment in a jointly-controlled entity is directly held by the Company.

上述於一家共同控制實體之投資乃由本公司直接持有。

21. INVESTMENT IN A JOINTLY-CONTROLLED ENTITY (CONTINUED)

The following table illustrates the summarised financial information of the Group's jointly-controlled entity:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Share of the jointly-controlled entity's assets and liabilities:	應佔共同控制實體之資產及負債：		
Current assets	流動資產	20,184	—
Non-current assets	非流動資產	671	—
Current liabilities	流動負債	(14,583)	—
Net assets	資產淨值	6,272	—
Share of the jointly-controlled entity's results:	應佔共同控制實體之業績：		
Revenue	收入	12,817	—
Other income	其他收入	276	—
		13,093	—
Total expenses	支出總額	(12,451)	—
Tax	稅項	(119)	—
Profit after tax	除稅後利潤	523	—

21. 於一家共同控制實體之投資(續)

下表列示本集團共同控制實體之財務資料概要：

22. INVESTMENTS IN ASSOCIATES

22. 於聯營公司之投資

		Group 本集團		Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Unlisted shares, at cost	非上市股份，按原值	—	—	52,545	91,687
Share of net assets	應佔資產淨值	183,493	227,032	—	—
		183,493	227,032	52,545	91,687
Provision for impairment	減值撥備	(3,721)	(6,926)	—	—
		179,772	220,106	52,545	91,687

22. INVESTMENTS IN ASSOCIATES (CONTINUED)

Particulars of the principal associates are as follows:

22. 於聯營公司之投資(續)

主要聯營公司之詳情如下：

Name 名稱	Paid-up registered capital 繳足註冊股本 (in '000) (以千元計)	Place of incorporation/ registration 註冊成立/ 註冊地點	Percentage of ownership attributable to the Group 本集團應佔擁有權百分比		Principal activities 主要業務
			Direct 直接持有	Indirect 間接持有	
Eaton Fast Gear (Xi'an) Co., Ltd. 伊頓法士特(西安)有限公司	RMB132,435 人民幣132,435	PRC 中國		45.00%	Manufacture of heavy duty automotive gear and parts 生產重型汽車齒輪及 零部件
Shanghai Xinlian Chuangye Investment Co., Ltd. 上海鑫聯創業投資有限公司	RMB150,000 人民幣150,000	PRC 中國	33.00%		Investment holding company 投資控股公司
Shaanxi Eurostar Auto Co., Ltd. 陝西歐舒特汽車股份有限公司	RMB114,954 人民幣114,954	PRC 中國		33.00%	Manufacture and sale of vehicle chassis and products 生產及銷售汽車底盤及 各種產品
Shaanxi Tonghui Automotive Transportation Co., Ltd. 陝西通匯汽車物流有限公司	RMB10,000 人民幣10,000	PRC 中國		40.00%	Manufacture and sale of vehicle chassis and products 生產及銷售汽車底盤及 各種產品
Xian Cummins Engine Co., Ltd. 西安康明斯發動機有限公司	RMB191,347 人民幣191,347	PRC 中國		25.00%	Manufacture and sale of diesel motor and spare parts 生產及銷售柴油機及備件
CIMC-SHAC (Xi'an) Special Vehicles Co., Ltd. 中集陝汽重卡(西安)專用車 有限公司	RMB50,000 人民幣50,000	PRC 中國		25.00%	Manufacture and sale of special car trailer and spare parts 生產及銷售專用車拖車及 備件
Laizhou Luyuan Automotive Fitting Co., Ltd. 萊州魯源汽車配件有限公司	RMB37,930 人民幣37,930	PRC 中國		25.00%	Manufacture and sale of vehicle chassis and products 生產及銷售汽車底盤及 各種產品

22. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the summarised financial information of the Group's associates extracted from their financial statements:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Assets	資產	1,077,203	1,345,828
Liabilities	負債	565,109	740,464
Revenue	收入	863,023	724,386
Loss	虧損	(21,636)	(12,954)

22. 於聯營公司之投資(續)

下表列示摘錄自本集團聯營公司財務報表之財務資料概要：

23. AVAILABLE-FOR-SALE INVESTMENTS

23. 可供出售投資

		Group 本集團		Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Listed equity investments, at fair value:	上市股本投資， 按公平值：				
Mainland China	中國內地	96,742	—	96,200	—
Unlisted equity investments	非上市股本投資	81,445	75,358	—	—
		178,187	75,358	96,200	—

The fair values of listed equity investments are based on quoted market prices. As at 31st December, 2008, listed available-for-sale equity investments of RMB96,200,000 (2007: Nil) were restricted for trading over certain periods of less than six months.

上市股本投資的公平值乃按掛牌市價釐定。於二零零八年十二月三十一日，上市可供出售股本投資人民幣96,200,000元(二零零七年：無)在少於六個月的若干期間內禁止買賣。

The above unlisted investments represent investments in unlisted equity securities issued by private entities established in the PRC. As at 31st December, 2008, certain unlisted available-for-sale equity investments with a carrying amount of RMB81,445,000 (2007: RMB75,358,000) were stated at cost less impairment because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair value cannot be measured reliably. The Group does not intend to dispose of them in the near future.

上述非上市投資指於在中國成立的私營實體發行的非上市權益證券之投資。鑒於其合理公平值的估計範圍頗大，而董事認為無法可靠計算其公平值，故此於二零零八年十二月三十一日，賬面值為人民幣81,445,000元(二零零七年：人民幣75,358,000元)之若干非上市可供出售股本投資按成本減去減值列賬。本集團無意於不久將來將其出售。

24. DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

At the balance sheet date, the amount represented deposits paid to certain vendors for the acquisition of property, plant and equipment. Details of the related capital commitments are set out in note 41.

24. 收購物業、機器及設備所付按金

於結算日，該金額指就收購物業、機器及設備已付若干賣方之按金。有關資本承擔之詳情載於附註41。

25. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

25. 遞延稅項

本年度遞延稅項資產及負債變動如下：

Deferred tax assets Group

遞延稅項資產 本集團

		2008 二零零八年					
		Eliminated profits resulting from intra-group transactions 因集團內公司交易而產生的抵銷溢利 RMB'000 人民幣千元	Impairment of assets 資產減值 RMB'000 人民幣千元	Change in fair value of available-for-sale investments 可供出售投資之公平值變動 RMB'000 人民幣千元	Sales rebate and warranty provision 銷售回扣及保修撥備 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1st January, 2008	於二零零八年一月一日	27,174	80,538	—	63,714	34,362	205,788
Effect of change in tax rate on the opening balance charged to the income statement (note 10)	稅率變動對於收益表扣除之期初結餘之影響(附註10)	—	(354)	—	—	—	(354)
Assets no longer classified as disposal group held for sale	不再分類為持作出售之出售組別之資產	—	—	—	—	22,630	22,630
Deferred tax credited to the income statement during the year (note 10)	於年內計入收益表之遞延稅項(附註10)	1,127	26,446	—	57,143	25,788	110,504
Deferred tax credited to equity during the year	於年內計入權益之遞延稅項	—	—	14,670	—	—	14,670
Exchange realignment	匯兌調整	—	—	—	—	(1,335)	(1,335)
Gross deferred tax assets at 31st December, 2008	於二零零八年十二月三十一日之遞延稅項資產總額	28,301	106,630	14,670	120,857	81,445	351,903

25. DEFERRED TAX (CONTINUED)

Deferred tax liabilities
Group

		2008 二零零八年			
		Fair value adjustments arising from acquisitions of subsidiaries 因收購附屬公司而產生的公平值調整 RMB'000 人民幣千元	Trademarks 商標 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1st January, 2008	於二零零八年一月一日	52,631	7,000	5,391	65,022
Effect of change in tax rate on the opening balance credited to the income statement (note 10)	稅率變動對計入收益表之期初結餘之影響 (附註10)	(670)	—	—	(670)
Deferred tax (credited)/charged to the income statement during the year (note 10)	年內於收益表(計入)/扣除之遞延稅項 (附註10)	(15,850)	2,412	(3,938)	(17,376)
Gross deferred tax liabilities at 31st December, 2008	於二零零八年十二月三十一日之遞延稅項負債總額	36,111	9,412	1,453	46,976

Deferred tax assets
Group遞延稅項資產
本集團

		2007 二零零七年					
		Eliminated profits resulting from intra-group transactions 因集團內公司交易而產生的抵銷溢利 RMB'000 人民幣千元	Impairment of assets 資產減值 RMB'000 人民幣千元	Change in fair value of available-for-sale investments 可供出售投資之公平值變動 RMB'000 人民幣千元	Sales rebate and warranty provision 銷售回扣及保修撥備 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1st January, 2007	於二零零七年一月一日	14,745	74,902	—	14,368	(104,015)	—
Deferred tax credited to the income statement during the year (note 10)	於年內計入收益表之遞延稅項 (附註10)	12,429	5,636	—	49,346	138,377	205,788
Gross deferred tax assets at 31st December, 2007	於二零零七年十二月三十一日之遞延稅項資產總額	27,174	80,538	—	63,714	34,362	205,788

25. DEFERRED TAX (CONTINUED)

Deferred tax liabilities
Group

25. 遞延稅項(續)

遞延稅項負債
本集團

		2007 二零零七年			
		Fair value adjustments arising from acquisitions of subsidiaries 因收購附屬 公司而產生的 公平值調整 RMB'000 人民幣千元	Trademarks 商標 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1st January, 2007	於二零零七年一月一日	57,533	10,267	—	67,800
Deferred tax (credited)/ charged to the income statement during the year (note 10)	年內於收益表(計入)/ 扣除之遞延稅項 (附註10)	(4,902)	(3,267)	5,391	(2,778)
Gross deferred tax liabilities at 31st December, 2007	於二零零七年 十二月三十一日之 遞延稅項負債總額	52,631	7,000	5,391	65,022

Deferred tax assets
Company遞延稅項資產
本公司

		2008 二零零八年				
		Impairment of assets	Change in fair value of available- for-sale investments 可供出售 投資之 公平值變動	Sales rebate and warranty provision 銷售回扣及 保修撥備	Others	Total
		資產減值 RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	其他 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
At 1st January, 2008	於二零零八年一月一日	6,250	—	37,395	34,376	78,021
Deferred tax credited to the income statement during the year	於年內計入收益表之 遞延稅項	21,360	—	31,766	2,314	55,440
Deferred tax credited to equity during the year	於年內計入權益之 遞延稅項	—	14,670	—	—	14,670
Gross deferred tax assets at 31st December, 2008	於二零零八年 十二月三十一日之 遞延稅項資產總額	27,610	14,670	69,161	36,690	148,131

25. DEFERRED TAX (CONTINUED)

Deferred tax liabilities
Company

		2008 二零零八年		Total 合計
		Trademarks 商標 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	RMB'000 人民幣千元
At 1st January, 2008	於二零零八年一月一日	7,000	6,403	13,403
Deferred tax (credited)/charged to the income statement during the year (note 10)	年內於收益表(計入)/ 扣除之遞延稅項 (附註10)	2,412	(5,776)	(3,364)
Gross deferred tax liabilities at 31st December, 2008	於二零零八年 十二月三十一日之 遞延稅項負債總額	9,412	627	10,039

Deferred tax assets have not been recognised in respect of the following items:

本集團並無就下列項目確認遞延稅項資產：

		Group 本集團		Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Tax losses	稅項虧損	127,424	71,032	—	—
Deductible temporary differences	可扣稅暫時差額	137,921	98,215	—	—
		265,345	169,247	—	—

The above tax losses are available for offsetting against future taxable profits of the companies in which the losses arose for a period of five years. Deferred tax assets for the tax losses and deductible temporary differences arising from these subsidiaries with operating losses have not been recognised in respect of the above items as it may not be probable that taxable profits will be available against which the above items can be utilised.

上述稅項虧損可供於5年內出現虧損的公司用作抵銷其日後應課稅利潤。由於未必有應課稅利潤需動用上述項目予以抵銷，故並無就上述項目確認該等經營虧損的附屬公司所產生的稅項虧損及可扣稅暫時差額為遞延稅項資產。

25. DEFERRED TAX (CONTINUED)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1st January, 2008 and applies to earnings after 31st December, 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. This newly enacted tax law does not have significant impact on the Group's tax liability because the Group had only one foreign investment enterprise which had accumulated tax losses as at 31st December, 2007 and 2008.

There are no income tax consequences to the Company in respect of the payment of dividends by the Company to its shareholders.

25. 遞延稅項(續)

根據中國企業所得稅法，於中國內地成立的外商投資企業向外國投資者宣派的股息須繳納10%的預扣稅。此規定由二零零八年一月一日起生效，且適用於二零零七年十二月三十一日後的盈利。倘中國與外國投資者所在的司法管轄區簽訂有相關稅務協議，則可採用較低的預扣稅率。由於本集團旗下僅有一家外商投資企業，而該企業於二零零七年及二零零八年十二月三十一日均錄得累計稅項虧損，故此該新製訂的稅法不會對本集團的稅項負債構成重大影響。

就本公司向其股東派付股息而言不會對本公司構成任何所得稅影響。

26. INVENTORIES

		Group 本集團		Company 本公司	
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Raw materials and consumables	原材料及消耗品	2,229,472	1,091,609	875,078	280,845
Work in progress	在製品	583,189	656,358	155,650	232,057
Finished goods	製成品	3,037,956	2,452,043	710,426	862,144
		5,850,617	4,200,010	1,741,154	1,375,046

26. 存貨

27. TRADE AND BILLS RECEIVABLES

		Group 本集團		Company 本公司	
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade receivables	應收貿易賬款	3,256,425	1,968,951	276,846	136,723
Bills receivables	應收票據	3,995,709	4,180,241	3,154,637	2,185,340
Impairment	減值	(322,126)	(239,690)	(17,239)	(11,624)
		6,930,008	5,909,502	3,414,244	2,310,439

27. 應收貿易賬款及票據

27. TRADE AND BILLS RECEIVABLES (CONTINUED)

The Group's trading terms with its customers are mainly on credit except for new customers, where payment in advance or cash on delivery is normally required. The credit period is generally 90 days to 180 days, however, customer with established trading records could be granted longer credit period. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise credit risk. Credit sales are made to customers with an appropriate credit history. Credit limits granted to customers are reviewed regularly. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An aged analysis of the trade and bills receivables as at the balance sheet date, based on the invoice date and net of provision for impairment, is as follows:

		Group 本集團		Company 本公司	
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Within 3 months	3個月內	4,998,810	3,977,798	3,122,497	1,908,194
3 to 6 months	3至6個月	1,417,465	1,738,859	287,647	388,646
6 to 12 months	6至12個月	386,053	39,136	3,470	5,719
1 to 2 years	一至兩年	79,219	95,894	537	141
2 to 3 years	兩至三年	24,449	39,519	92	2,888
3 to 4 years	三至四年	18,923	17,041	1	—
4 to 5 years	四至五年	5,089	1,255	—	4,851
		6,930,008	5,909,502	3,414,244	2,310,439

The trade and bills receivables included in a disposal group (note 30) of RMB63,576,000 are all aged within three months.

27. 應收貿易賬款及票據(續)

除了新客戶一般需要預先付款或於交付時以現金付款之外，本集團與其客戶之貿易條款大多屬賒賬形式，信貸期一般為90至180天，然而，交易記錄良好的客戶可獲得比較長的信貸期。本集團力求繼續嚴格控制其未收取之應收款項，並通過信貸控制政策盡量減低信貸風險。僅擁有良好信用記錄的客戶可進行賒賬。本集團定期檢討授予客戶的信貸上限。鑒於上述因素以及本集團的應收貿易賬款和大量不同類型的客戶有關，並無重大集中信貸風險。應收貿易賬款為不計息。

於結算日，經扣除減值撥備後的應收貿易賬款及票據基於發票日期的賬齡分析如下：

出售組別(附註30)中的應收貿易賬款及票據人民幣63,576,000元的賬齡均為3個月內。

27. TRADE AND BILLS RECEIVABLES (CONTINUED)

The movements in provision for impairment of trade and bills receivables are as follows:

		Group 本集團		Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
At 1st January	於一月一日	239,690	232,043	11,624	7,980
Impairment losses recognised	已確認減值虧損	107,946	53,756	6,756	5,650
Amount written off as uncollectible	因不可收回而撇銷之金額	(9,332)	(7,360)	(1,141)	(2,006)
Impairment losses reversed	減值虧損撥回	(16,178)	(38,749)	—	—
		322,126	239,690	17,239	11,624

The above provision for impairment of trade and bills receivables of the Group and the Company is provision for both individually and collectively impaired trade and bills receivables with a carrying amount before impairment of RMB708,179,000 (2007: RMB672,839,000) and RMB54,541,000 (2007: RMB25,223,000), respectively. For amounts which were past due at the balance sheet date, the Group has not provided for those receivables of which there has not been significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

The aged analysis of the trade and bills receivables that are not considered to be impaired is as follows:

		Group 本集團		Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Neither past due nor impaired	未逾期或減值	6,416,275	5,377,463	3,258,026	1,908,194
Less than 1 year	少於一年	26,406	36,065	118,916	388,646
1 to 2 years past due	逾期一至兩年	65,038	58,242	—	—
2 to 3 years past due	逾期兩至三年	21,686	2,437	—	—
3 to 4 years past due	逾期三至四年	12,006	1,892	—	—
4 to 5 years past due	逾期四至五年	2,544	254	—	—
		6,543,955	5,476,353	3,376,942	2,296,840

27. 應收貿易賬款及票據(續)

應收貿易賬款及票據的減值撥備變動如下：

本集團及本公司的上述應收貿易賬款及票據減值撥備包括就未計提減值前賬面值分別為人民幣708,179,000元(二零零七年：人民幣672,839,000元)及人民幣54,541,000元(二零零七年：人民幣25,223,000元)之個別及共同已減值應收貿易賬款及票據作出的撥備。就於結算日已逾期之款項而言，本集團並無就信用品質並無重大變動，且考慮仍可收回的應收賬款作出撥備。本集團並無就該等結餘持有任何抵押或其他信用增強形式。

未減值之應收貿易賬款及票據的賬齡分析如下：

27. TRADE AND BILLS RECEIVABLES (CONTINUED)

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

As at 31 December 2008, trade and bills receivables of approximately RMB338,815,000 (2007: 561,986,000) were pledged to secure bank loans and credit facilities of the Group.

The amounts due from related parties included above are analysed as follows:

27. 應收貿易賬款及票據(續)

未逾期或減值之應收賬款與大量不同類型近期並無違約記錄的客戶有關。

已逾期但未減值之應收賬款與多名和本集團交易記錄良好的獨立客戶有關。鑒於過往經驗，由於信用品質並無重大變動，且考慮該等結餘仍可全部收回，故本公司董事認為無須就該等結餘作出減值撥備。本集團並無就該等結餘持有任何抵押或其他信用增強形式。

於二零零八年十二月三十一日，應收貿易賬款及票據約人民幣338,815,000元（二零零七年：人民幣561,986,000元）已抵押作為本集團的銀行貸款及信貸融資的擔保。

以上金額中包括的應收關連方款項分析如下：

		Group 本集團		Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	28,953	2,314	1,368	2,231
Lonking Holdings and its subsidiaries	龍工控股及其附屬公司	431	540	431	540
Subsidiaries	附屬公司	—	—	156,270	24,709
Jointly-controlled entity	共同控制實體	5,036	—	5,036	—
Associates	聯營公司	42,627	60,551	—	—
Minority shareholders groups (note 42(a))	少數股東集團（附註42(a)）	224,505	8,442	1,002	1,400
		301,552	71,847	164,107	28,880

The amounts due from related parties are on credit terms similar to those offered to the major customers of the Group.

應收關連方款項的信貸條款與本集團向主要客戶提供的條款類似。

28. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

28. 預付款項、按金及其他應收款項

		Group 本集團		Company 本公司	
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Deposits and other receivables	按金及其他應收款項	1,006,795	402,625	770,551	239,466
Impairment	減值	(118,809)	(97,954)	(58,318)	(36,028)
Deposits and other receivables, net	按金及其他應收款項淨額	887,986	304,671	712,233	203,438
Dividend receivables	應收股息	3,040	3,040	77,714	33,054
Advances to suppliers	給供應商的預付款	379,765	590,094	235,398	111,119
Prepayments	預付款項	444	124	—	—
		1,271,235	897,929	1,025,345	347,611

The carrying amounts of the deposits and other receivables approximate to their fair values.

按金及其他應收款項的賬面值與其公平值相若。

The movements in provision for impairment of deposits and other receivables are as follows:

按金及其他應收款項的減值撥備變動如下：

		Group 本集團		Company 本公司	
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1st January	於一月一日	97,954	59,665	36,028	1,067
Impairment losses recognised	已確認減值虧損	24,925	38,289	22,427	34,961
Amount written off as uncollectible	因不可收回而撇銷之金額	(4,017)	—	(137)	—
Impairment losses reversed	減值虧損撥回	(53)	—	—	—
		118,809	97,954	58,318	36,028

28. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

The above provision for impairment of deposits and other receivables of the Group and the Company is a provision for both individually and collectively impaired deposits and other receivables with a carrying amount (before impairment) of RMB139,284,000 (2007: RMB145,766,000) and RMB78,474,000 (2007: RMB69,248,000), respectively. These impaired deposits and other receivables relate to parties that were in default or delinquency in payments and only a portion of the deposits and other receivables is expected to be recovered. The Group does not hold any collateral or other credit enhancements over these balances.

The amounts due from related parties included above are analysed as follows:

28. 預付款項、按金及其他應收款項(續)

本集團及本公司的上述按金及其他應收款項減值撥備包括就未計提減值前賬面值分別為人民幣139,284,000元(二零零七年:人民幣145,766,000元)及人民幣78,474,000元(二零零七年:人民幣69,248,000元)之個別及共同已減值按金及其他應收款項作出的撥備。該等已減值按金及其他應收款項乃客戶拖欠付款而預期僅可收回一部份之按金及其他應收款項。本集團並無就該等結餘持有任何抵押或其他信用增強形式。

以上金額中包括的應收關連方款項分析如下:

		Group 本集團		Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	521	1,672	521	1,672
Subsidiaries	附屬公司	—	—	679,336	198,782
Associates	聯營公司	4,050	5,301	—	—
Minority shareholders groups (note 42(a))	少數股東集團(附註42(a))	123,489	89,862	—	—
		128,060	96,835	679,857	200,454

Except for the amount of RMB57,602,000 (2007: RMB51,261,000) due from Shaanxi Automotive Group Co., Ltd. and the amount of RMB19,042,000 (2007: RMB9,020,000) due from Zhuzhou Gear Share Co., Ltd. as at 31 December 2008 which are interest-bearing at 6.57% (2007: 6.57%) and 7.47% (2007: 7.47%) per annum, respectively, other receivables are non-interest bearing, unsecured and repayable on demand.

於二零零八年十二月三十一日,除了應收陝西汽車集團有限公司款項人民幣57,602,000元(二零零七年:人民幣51,261,000元)及應收株洲齒輪股份有限公司款項人民幣19,042,000元(二零零七年:人民幣9,020,000元)按年利率6.57厘(二零零七年:6.57厘)及7.47厘(二零零七年:7.47厘)計息之外,其他應收款項為不計息、無抵押及按要求即償還。

29. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

29. 現金及現金等價物及已抵押存款

		Group 本集團		Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	2,409,488	1,508,754	188,929	548,054
Time deposits	定期存款	3,454,459	1,166,909	2,394,382	831,966
		5,863,947	2,675,663	2,583,311	1,380,020
Less: Pledged deposits for credit facilities	減：信貸融資之已抵押 存款	(2,511,809)	(856,109)	(1,813,232)	(641,966)
Cash and cash equivalents	現金及現金等價物	3,352,138	1,819,554	770,079	738,054

At the balance sheet date, the cash and bank balances of the Group denominated in RMB amounted to RMB5,806,302,000 (2007: RMB2,647,056,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between seven days and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

於結算日，本集團以人民幣列值的現金及銀行結餘為人民幣5,806,302,000元（二零零七年：人民幣2,647,056,000元）。人民幣不可自由兌換為其他貨幣，惟根據中國內地的《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准透過獲授權進行外匯交易業務之銀行將人民幣兌換為其他貨幣。

銀行現金乃以根據每日銀行存款利率計算的浮息賺取利息。短期定期存款的期限介乎七日至三個月不等，視乎本集團對現金需求的迫切性而定，並按有關短期定期存款利率賺取利息。銀行結餘及已抵押存款乃存於近期沒有違約記錄的信譽卓著銀行。

30. DISPOSAL GROUP HELD FOR SALE

On 18th April, 2006, Torch Automobile Group Co., Ltd. ("TAGC"), a former subsidiary wholly owned by the Group which was absorbed by the Company through a legal merger on 23rd April, 2007 (note 36), entered into a debt restructuring agreement with certain banks to dispose of its then 75% equity interest in MAT Automotive Inc. ("MAT") and nine other TAGC subsidiaries associated with the operation of MAT (collectively referred to as the "MAT Group"). The MAT Group was engaged in trading of automobile and automobile components and was classified as a disposal group held for sale as at 31st December, 2007.

30. 持作出售之出售組別

於二零零六年四月十八日，湘火炬汽車集團股份有限公司（「湘火炬汽車」），本集團的前全資附屬公司，由本公司通過二零零七年四月二十三日的法律形式合併（附註36）所吸收）與若干銀行訂立債項重組協議，以出售其當時於MAT Automotive Inc.（「MAT」）及其他九家與MAT業務有關聯之湘火炬汽車附屬公司（統稱為「MAT集團」）之75%權益。MAT集團從事汽車及汽車零部件的貿易業務，並於二零零七年十二月三十一日被列為持作出售之出售組別。

30. DISPOSAL GROUP HELD FOR SALE (CONTINUED)

On 31st December, 2008, the Company entered into a conditional agreement with the minority shareholder of MAT whereby the Group will ensure that MAT transfers its 100% equity interest in Meneta Holding ApS ("Meneta Group", being part of the MAT Group) to the minority shareholder in exchange for his 25% equity interest in MAT and a cash consideration of USD1,500,000. Accordingly, Meneta Group remained as a disposal group held for sale while the remaining part of the MAT Group ceased to be classified as a disposal group held for sale as at 31st December, 2008.

The major classes of assets and liabilities of Meneta Group classified as held for sale as at 31st December are as follows:

30. 持作出售之出售組別(續)

於二零零八年十二月三十一日，本公司與MAT之少數股東訂立一份有條件協議，據此本集團將促使MAT將其於Meneta Holding ApS(「Meneta集團」，為MAT集團的一部份)的100%股權權益轉讓予該少數股東，以交換該少數股東於MAT的25%股權權益及現金代價1,500,000美元。因此，於二零零八年十二月三十一日，Meneta集團仍然分類為持作出售之出售組別，而MAT集團之其他部份則不再分類為持作出售之出售組別。

於十二月三十一日分類為持作出售之Meneta集團的資產及負債之主要類別如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Assets	資產		
Property, plant and equipment	物業、機器及設備	115,244	172,314
Intangible assets	無形資產	—	3,374
Deferred tax assets	遞延稅項資產	1,846	22,998
Inventories	存貨	59,974	123,000
Trade and bills receivables	應收貿易賬款及票據	63,576	195,196
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	34,021	17,864
Cash and bank balances	現金及銀行結餘	1,964	40,150
Impairment provision	減值撥備	(26,739)	—
Assets classified as held for sale	分類為持作出售的資產	249,886	574,896
Liabilities	負債		
Trade and bills payables	應付貿易賬款及票據	(21,985)	(125,821)
Other payables and accruals	其他應付款項及應計費用	(12,013)	(9,032)
Borrowings	借款	(141,144)	(152,321)
Minority interests	少數股東權益	(10,469)	(9,260)
Liabilities directly associated with the assets classified as held for sale	與分類為持作出售的資產直接相關的負債	(185,611)	(296,434)
Net assets directly associated with the disposal group	與出售組別直接相關的資產淨值	64,275	278,462

Included in the balance of trade and bills receivables as at 31 December 2008, an amount of RMB32,915,000 (2007: RMB53,075,000) due from Mr. Wang Wei (note 42(a)(iii)) was unsecured and interest-bearing at 1.75% (2007: 1%) over the Nordea Bank Offering Rate per annum, effective at 6.10% (2007: 5.35%) per annum for the year.

於二零零八年十二月三十一日之應收貿易賬款及票據結餘中包括應收王緯先生款項人民幣32,915,000元(二零零七年：人民幣53,075,000元)(附註42(a)(iii))，該筆款項為無抵押、按年利率Nordea Bank Offering Rate加1.75厘(二零零七年：1厘)計息，本年度之實際年利率為6.10%(二零零七年：5.35%)。

31. TRADE AND BILLS PAYABLES

31. 應付貿易賬款及票據

		Group 本集團		Company 本公司	
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade payables	應付貿易賬款	6,442,175	5,344,474	2,208,611	2,302,457
Bills payable	應付票據	4,185,776	1,920,299	2,583,285	1,177,703
		10,627,951	7,264,773	4,791,896	3,480,160

An aged analysis of the trade and bills payables as at the balance sheet date, based on the invoice date, is as follows:

於結算日，應付貿易賬款及票據基於發票日期的賬齡分析如下：

		Group 本集團		Company 本公司	
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Within 3 months	3個月內	5,798,843	6,181,632	2,852,587	2,460,898
3 to 6 months	3至6個月	3,570,389	729,789	1,709,446	903,669
6 to 12 months	6至12個月	921,325	146,610	98,412	7,958
Over 1 year	一年以上	337,394	206,742	131,451	107,635
		10,627,951	7,264,773	4,791,896	3,480,160

The trade and bills payables included in a disposal group (note 30) of RMB21,985,000 are all aged within three months.

出售組別(附註30)中的應付貿易賬款及票據人民幣21,985,000元的賬齡均為3個月內。

31. TRADE AND BILLS PAYABLES (CONTINUED)

The amounts due to related parties included above are analysed as follows:

		Group 本集團		Company 本公司	
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	2,335	557	1,317	195
Subsidiaries	附屬公司	—	—	992,150	1,303,222
Jointly-controlled entity	共同控制實體	5,096	—	—	—
Associates	聯營公司	67,819	27,978	—	—
Minority shareholders groups (note 42(a))	少數股東集團(附註42(a))	213,151	200,113	—	—
		288,401	228,648	993,467	1,303,417

The trade payables are non-interest-bearing and are normally settled on 90-day terms. The amounts due to related parties are on credit terms similar to those offered by the major suppliers of the Group.

31. 應付貿易賬款及票據(續)

以上金額中包括的應付關連方款項分析如下：

應付貿易賬款為不計息，一般於90天期限內結清。應付關連方款項的信貸條款與本集團主要供應商提供的條款類似。

32. OTHER PAYABLES AND ACCRUALS

		Group 本集團		Company 本公司	
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Advance from customers	客戶的預付款	1,052,874	559,740	263,045	66,494
Accruals	應計費用	373,473	341,038	124,357	188,479
Salary and welfare payable	應付薪金及福利	420,892	455,130	252,940	315,483
Other payables	其他應付款項	1,069,014	959,625	774,153	793,416
		2,916,253	2,315,533	1,414,495	1,363,872

32. 其他應付款項及應計費用

32. OTHER PAYABLES AND ACCRUALS (CONTINUED)

Except for the amount of RMB65,657,000 due to Weichai Holdings as at 31st December, 2007 which was interest-bearing at 5% per annum, other payables are non-interest-bearing, unsecured and have no fixed terms of repayment.

The carrying amounts of other payables and accruals approximate to their fair values.

The amounts due to related parties included above are analysed as follows:

		Group 本集團		Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	—	65,657	—	65,657
Subsidiaries	附屬公司	—	—	317,343	252,749
Associates	聯營公司	—	4,463	—	—
Minority shareholders groups (note 42(a))	少數股東集團 (附註42(a))	86,105	96,097	—	—
		86,105	166,217	317,343	318,406

33. DEBENTURES

On 23rd January, 2007, the Company issued unsecured short-term debentures to independent third parties in an aggregate principal amount of RMB900 million in the PRC. The debentures, being zero coupon with a face value of RMB100 each, were priced and issued at a discount of RMB96.31 each. The effective interest rate of the debenture is 3.8%. The debentures were repaid on 24th January, 2008.

On 21st March, 2008, a subsidiary of the Group issued unsecured short-term debentures to independent third parties in an aggregate principal amount of RMB800 million in the PRC. The debentures were priced and issued at face value of RMB100 each. The debentures are due for repayment in two lots of RMB400 million each at 10th January, 2009 and 21st March, 2009, respectively. The effective interest rates for the two lots of debentures were 6.04% and 6.1%, respectively.

On 21st July, 2008, the Company issued unsecured short-term debentures to independent third parties in an aggregate principal amount of RMB900 million in the PRC. The debentures were priced and issued at face value of RMB100 each. The debentures are due for repayment at 10th July, 2009. The effective interest rate for the debentures was 5.20%. The proceeds from the debentures were used to meet the Group's production, operational and other working capital needs.

33. 債券

於二零零七年一月二十三日，本公司於中國向獨立第三方發行若干無抵押短期債券，本金總額為人民幣900,000,000元。債券為零息，每份面值人民幣100元，以折讓價每張人民幣96.31元定價及發行。債券之實際利率為3.8%。債券已於二零零八年一月二十四日償還。

於二零零八年三月二十一日，本集團附屬公司於中國向獨立第三方發行若干無抵押短期債券，本金總額為人民幣800,000,000元。債券以面值每張人民幣100元定價及發行，須於二零零九年一月十日及二零零九年三月二十一日分兩期每期人民幣400,000,000元償還。兩期債券之實際利率分別為6.04%及6.1%。

於二零零八年七月二十一日，本公司於中國向獨立第三方發行若干無抵押短期債券，本金總額為人民幣900,000,000元。債券以面值每張人民幣100元定價及發行，須於二零零九年七月十日償還。債券之實際利率為5.20%。債券所得款項乃用於滿足本公司生產、營運及其他營運資金之需要。

34. INTEREST BEARING BANK AND OTHER BORROWINGS

34. 計息銀行及其他借款

Group	本集團	2008 二零零八年			2007 二零零七年		
		Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
		實際利率 (%)			實際利率 (%)		
Current	流動						
Bank loans — secured	銀行貸款 — 已抵押	6.66–7.84	2009	223,230	5.0–8.7	2008	47,251
Bank loans — unsecured	銀行貸款 — 無抵押	6.66–9.0	2009	1,067,074	5.0–8.7	2008	1,037,875
Current portion of long-term bank loans	長期銀行貸款之流動部份	6.03	2009	18,000	4.17–6.75	2008	455,458
				<u>1,308,304</u>			<u>1,540,584</u>
Non-current	非流動						
Bank loans — secured	銀行貸款 — 已抵押	5.67	2010–2011	17,000			—
Bank loans — unsecured	銀行貸款 — 無抵押	5.40–7.56	2010–2011	750,000	4.17–6.75	2009–2011	156,107
Other loans — unsecured	其他貸款 — 無抵押	4.17	2010–2020	10,700	4.17	2009–2020	5,200
				<u>777,700</u>			<u>161,307</u>
				<u>2,086,004</u>			<u>1,701,891</u>

Company	本公司	2008 二零零八年			2007 二零零七年		
		Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
		實際利率 (%)			實際利率 (%)		
Current	流動						
Bank loans — unsecured	銀行貸款 — 無抵押	6.66–6.72	2009	168,346	5.1–7.29	2008	193,046
Current portion of long-term bank loans	長期銀行貸款之流動部份			—	6.57	2008	50,000
				<u>168,346</u>			<u>243,046</u>
Non-current	非流動						
Bank loans — unsecured	銀行貸款 — 無抵押	5.40–6.72	2010–2011	700,000	6.72	2010	100,000
				<u>700,000</u>			<u>100,000</u>
				<u>868,346</u>			<u>343,046</u>

34. INTEREST BEARING BANK AND OTHER BORROWINGS
(CONTINUED)

34. 計息銀行及其他借款(續)

		Group 本集團		Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Analysed into:	分析為：				
Bank loans repayable:	該等銀行借款須				
	於下列年期償還：				
Within one year or on demand	一年內或按要求即償還	1,308,304	1,540,584	168,346	243,046
In the second year	第二年	650,000	56,107	600,000	—
In the third to fifth years, inclusive	第三年至第五年(包括首尾兩年)	117,000	100,000	100,000	100,000
		2,075,304	1,696,691	868,346	343,046
Other borrowings repayable:	該等其他借款須於下				
Beyond five years	列年期償還：				
	五年後	10,700	5,200	—	—
		2,086,004	1,701,891	868,346	343,046

Notes:

- (a) The Group's credit facilities amounting to RMB5,476,676,000, of which RMB1,878,676,000 had been utilised as at the balance sheet date.
- (b) Certain of the Group's bank loans are secured by:
- (i) mortgages over certain of the Group's land use rights, buildings, machinery and motor vehicles, which had an aggregate carrying value at the balance sheet date of approximately RMB150,857,000; and
- (ii) pledge of certain of the Group's trade receivables amounting to RMB75,325,000.
- (c) Except for the bank loan of RMB68,346,000 which is denominated in United States dollars, all borrowings are in RMB.
- (d) Included in the above are defaulted bank loans of approximately RMB44,228,000 (2007: RMB74,700,000) drawn by a TAGC subsidiary prior to the TAGC Acquisition (note 36) which are classified as current. The Group is currently negotiating a restructuring of these loans with the relevant bankers. As at the date of this report, the negotiations are still in progress. However, the directors are confident that their negotiations with the lenders will ultimately reach a successful conclusion.

The carrying amounts of the Group's and the Company's borrowings approximate to their fair values.

附註：

- (a) 本集團的信貸融資額為人民幣5,476,676,000元，於結算日已動用其中人民幣1,878,676,000元。
- (b) 本集團若干銀行貸款之抵押為：
- (i) 本集團於結算日總賬面值為約人民幣150,857,000元的若干土地使用權、樓宇、機器及汽車；及
- (ii) 本集團若干應收貿易賬款人民幣75,325,000元之質押。
- (c) 除人民幣68,346,000元之銀行貸款以美元列值之外，所有借款均以人民幣列值。
- (d) 以上金額中包括湘火炬汽車一家附屬公司在湘火炬汽車收購(附註36)之前貸取的違約銀行貸款約人民幣44,228,000元(二零零七年：人民幣74,700,000元)，該筆貸款分類為流動。本集團正在與有關銀行磋商就該筆貸款進行重組。於本報告日期，有關磋商仍在進行中。然而，董事相信彼等與貸款人的磋商將最終取得成功。

本集團及本公司之借款的賬面值與其公平值相若。

35. WARRANTY PROVISION

35. 保修撥備

		Group 本集團		Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
At 1st January	於一月一日	180,635	81,242	133,500	40,000
Additional provision	額外撥備	698,946	402,945	390,346	304,153
Amounts utilised during the year	年內動用金額	(433,238)	(303,552)	(288,947)	(210,653)
At 31st December	於十二月三十一日	446,343	180,635	234,899	133,500

The Group provides warranties ranging from six months to three years to its customers on certain products and undertakes to repair or replace items that fail to perform satisfactorily. The amount of the provision for warranties is estimated based on the sales volume and past experience on the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised when appropriate.

本集團就若干產品向客戶提供六個月至三年的保修期，並保證維修或更換運作不正常之零部件。保修撥備之金額乃根據銷售量及過往維修及退貨水平進行估計。估算基準持續作出檢討及於適當時候作出修訂。

36. SHARE CAPITAL

36. 股本

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Registered, issued and fully paid:	註冊、發行及繳足股本：		
A shares of RMB1 each	每股面值人民幣1元之A股		
— state-owned shares	— 國家持股	186,545	116,591
— other legal person and natural person shares	— 其他法人及自然人股	444,101	277,563
H shares of RMB1 each	每股面值人民幣1元之H股	202,400	126,500
		833,046	520,654

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

普通股持有人有權於本公司宣派股息時收取股息。每股普通股均代表一個投票權，而無須受限制。

36. SHARE CAPITAL (CONTINUED)

During the years ended 31st December, 2007 and 2008, the movements in share capital were as follows:

On 12th November, 2006, the Company entered into a conditional agreement with TAGC whereby the Company agreed to issue an aggregate of 190,653,552 new A shares with a par value of RMB1 each (the "Consideration Shares") to acquire the 71.88% equity interest in TAGC that the Group did not already own (the "TAGC Acquisition") at an issue price of RMB20.47 per share. The TAGC Acquisition was approved by shareholders of both the Company and TAGC at their respective general meetings held on 29th December, 2006. Completion of the TAGC Acquisition took place on 23rd April, 2007, and the Company issued the Consideration Shares on the same day.

Upon completion of the TAGC Acquisition, (i) the shares of TAGC were cancelled; (ii) TAGC's assets were absorbed into and its liabilities assumed by the Company; and (iii) TAGC was deregistered and ceased to exist ("Legal merger with TAGC"). In addition, the Company's A shares were listed on the Shenzhen Stock Exchange on 30th April, 2007 while its H shares continued to be listed on the Hong Kong Stock Exchange.

Pursuant to an ordinary resolution passed on 3rd November, 2008 regarding a bonus issue of 6 shares for every 10 shares held by the shareholders as of 2nd December, 2008, the issued capital of the Company was increased from RMB520,654,000 to RMB833,046,000 by capitalisation of share premium of RMB312,392,000.

36. 股本(續)

於截至二零零七年及二零零八年十二月三十一日止年度之股本變動如下：

於二零零六年十一月十二日，本公司與湘火炬汽車訂立一份有條件協議。據此本公司同意以每股人民幣20.47元之發行價發行合共190,653,552股每股面值人民幣1元之新A股(「代價股份」)，以收購尚未由本集團持有的湘火炬汽車71.88%之股本權益(「湘火炬汽車收購」)。於二零零六年十二月二十九日，湘火炬汽車收購分別於本公司及湘火炬汽車之股東大會獲股東批准。湘火炬汽車收購於二零零七年四月二十三日完成，本公司於同日發行代價股份。

在湘火炬汽車收購完成後，(i)湘火炬汽車之股份被註銷；(ii)本公司吸收湘火炬汽車之資產及承擔其負債；及(iii)湘火炬汽車退市並註銷(「與湘火炬汽車之法定合併」)。此外，本公司A股已於二零零七年四月三十日在深交所上市，而本公司H股繼續於聯交所上市。

根據於二零零八年十一月三日通過的關於向於二零零八年十二月二日之股東以一項每10股轉增6股的方式發行紅股的普通決議案，本公司已發行股本從人民幣520,654,000元增加股份溢價資本化人民幣312,392,000元至人民幣833,046,000元。

36. SHARE CAPITAL (CONTINUED)

A summary of the transactions during the years with reference to the above movements in the Company's issued capital and the Group's share premium account is as follows:

36. 股本(續)

過往年度進行之有關上述本公司已發行股本及本集團股份溢價賬變動之交易概要如下：

		Number of shares in issue 已發行股份數目				Issued capital 已發行 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
		Domestic shares 內資股 '000 千股	H shares H股 '000 千股	A shares A股 '000 千股	Total 合計 '000 千股			
At 1st January, 2007	於二零零七年一月一日	203,500	126,500	—	330,000	330,000	1,106,042	1,436,042
Conversion (note (i))	轉換(附註(i))	(203,500)	—	203,500	—	—	—	—
Issue of Consideration Shares (note (ii))	發行代價股份(附註(ii))	—	—	190,654	190,654	190,654	12,188,481	12,379,135
Legal merger with TAGC	與湘火炬汽車之法定合併	—	—	—	—	—	(10,863,252)	(10,863,252)
Share issue expense	發行股份費用	—	—	—	—	—	(62,611)	(62,611)
At 31st December, 2007 and 1st January, 2008	於二零零七年十二月三十一日及二零零八年一月一日	—	126,500	394,154	520,654	520,654	2,368,660	2,889,314
Bonus issue	送股	—	75,900	236,492	312,392	312,392	(312,392)	—
At 31st December, 2008	於二零零八年十二月三十一日	—	202,400	630,646	833,046	833,046	2,056,268	2,889,314

Notes:

- (i) As part of the share reform in the PRC, the Company's domestic shares were converted into A shares upon completion of the TAGC Acquisition.
- (ii) The fair value of the Consideration Shares on the issuance date, being RMB64.93 per share, was determined by the directors based on the closing price of these shares on their first day of trading (i.e. 30th April, 2007) on the Shenzhen Stock Exchange. Accordingly, the total fair value of the Consideration Shares on the issuance date amounted to RMB12,379,135,000.

附註：

- (i) 作為中國股權分置改革之一部份，本公司之內資股於湘火炬汽車收購完成後轉換成A股。
- (ii) 代價股份於發行日期之公平值(即每股人民幣64.93元)乃董事根據該等股份於深圳交易所進行買賣首日(即二零零七年四月三十日)之收市價釐定。因此，於發行日期，代價股份之公平值總額為人民幣12,379,135,000元。

37. RESERVES**(a) Group**

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

Capital reserve

The capital reserve of the Group includes the Group's share premium of RMB2,056,268,000 and the non-distributable reserves of the Company and its subsidiaries created in accordance with the accounting and financial regulations of the PRC.

Surplus reserves

In accordance with the PRC Company Law and the articles of association of the relevant companies, the Company, its subsidiaries, associates and jointly-controlled entity are required to appropriate a certain percentage of their net profits after tax to the surplus reserves comprising the statutory surplus reserve and discretionary surplus reserve. Subject to certain restrictions set out in the relevant PRC regulations and in the Company's articles of association, the statutory surplus reserve may be used either to offset losses, or to be converted to increase share capital. These reserves cannot be used for purposes other than those for which they are created and are not distributable as cash dividends.

Distributable reserves

At 31st December, 2008, the Company's reserves available for distribution, calculated in accordance with the relevant regulations, amounted to RMB3,901,978,000 (2007: RMB2,656,937,000), out of which dividend of RMB108,296,000 (2007: RMB229,088,000) for the year ended 31 December 2008 was proposed on 27 April 2009. In addition, the Company's share premium account in its statutory financial statements, in the amount of RMB1,832,568,000 (2007: RMB2,144,960,000), may be distributed in the form of fully paid bonus shares.

The amount which the Company can legally distribute by way of a dividend is determined based on the lower of the retained profits determined in accordance with the generally accepted accounting principles in the PRC and the HKFRSs.

37. 儲備**(a) 本集團**

本集團於本年度及過往年度之儲備金額及其變動呈列於財務報表之綜合權益變動表內。

資本儲備

本集團之資本儲備包括本集團之股份溢價人民幣2,056,268,000元及本公司及其附屬公司根據中國會計及財務規定設立之不可分派儲備。

盈餘公積金

根據中國公司法及相關公司之組織章程，本公司及其附屬公司、聯營公司及共同控制實體須將彼等之除稅後淨利潤按一定比例分配至盈餘公積金(包括法定盈餘公積金及任意盈餘公積金)。法定盈餘公積金可用於沖銷虧損或轉撥為股本增加，惟須受中國相關法規及本公司之組織章程之若干限制。該等儲備不得用於設立目標以外之用途及用作分派現金股息。

可分派儲備

於二零零八年十二月三十一日，根據相關規定計算之本公司可分派儲備為人民幣3,901,978,000元(二零零七年：人民幣2,656,937,000元)，其中於二零零九年四月二十七日建議派發截至二零零八年十二月三十一日止年度之股息人民幣108,296,000元(二零零七年：人民幣229,088,000元)。此外，本公司於法定財務報表內之股份溢價賬之金額為人民幣1,832,568,000元(二零零七年：人民幣2,144,960,000元)，可以繳足紅股之方式分派。

本公司可以股息方式合法分派之金額根據中國公認會計準則及香港財務報告準則釐定之保留利潤之較低者釐定。

37. RESERVES (CONTINUED)

(b) Company

37. 儲備(續)

(b) 本公司

			Capital reserves	Surplus reserve	Available- for-sale investments revaluation reserve 可供出售 投資重估 儲備	Retained profits	Total
		Notes	資本儲備 RMB'000 人民幣千元	盈餘公積金 RMB'000 人民幣千元	可供出售 投資重估 儲備 RMB'000 人民幣千元	保留利潤 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
Balance at 1st January, 2007	於二零零七年 一月一日之結餘		1,143,145	242,310	—	1,337,422	2,722,877
Profit for the year	年內利潤		—	—	—	1,578,720	1,578,720
Issue of Consideration Shares and Legal merger with TAGC	發行代價股份及 與湘火炬汽車之 法定合併	36	985,264	—	—	—	985,264
Final 2006 dividend declared	已宣派二零零六年 末期股息		—	—	—	(67,685)	(67,685)
Appropriation to statutory surplus reserves	分配至法定盈餘 公積金		—	158,329	—	(158,329)	—
Proposed final 2007 dividend	擬派二零零七年 末期股息	12	—	—	—	(229,088)	(229,088)
At 31st December, 2007	於二零零七年 十二月三十一日		2,128,409	400,639	—	2,461,040	4,990,088
Bonus issue	送股	36	(312,392)	—	—	—	(312,392)
Profit for the year	年內利潤		—	—	—	1,636,425	1,636,425
Changes in fair value of available-for-sale investments	可供出售投資之 公平值變動		—	—	(83,130)	—	(83,130)
Appropriation to statutory surplus reserves	分配至法定盈餘 公積金		—	163,792	—	(163,792)	—
Proposed final 2008 dividend	擬派二零零八年 末期股息	12	—	—	—	(108,296)	(108,296)
At 31st December, 2008	於二零零八年 十二月三十一日		1,816,017	564,431	(83,130)	3,825,377	6,122,695

38. CONTINGENT LIABILITIES

At the balance sheet date, contingent liabilities not provided for in the financial statements were as follows:

	Group 本集團		Company 本公司	
	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Guarantees given to banks in connection with facilities granted to and utilised by third parties	就第三方獲授並使用之信貸而給予銀行之擔保	1,754,055	2,296,520	—

The above guarantees are made by subsidiaries of the Group to third parties for their business.

38. 或然負債

於結算日，未於財務報表內撥備之或然負債如下：

上述擔保乃由本集團的附屬公司就其業務向第三方作出。

39. PLEDGE OF ASSETS

Details of the Group's assets pledged for the banking and credit facilities of the Group are included in notes 14, 16, 27 and 29 to the financial statements.

39. 資產抵押

與本集團銀行及信貸融資有關的本集團已抵押資產詳情載於財務報表附註14、16、27及29。

40. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases certain of its properties and plant and machinery under operating lease arrangements. Leases for properties are negotiated for terms ranging from 1 to 20 years and those for plant and machinery negotiated for terms ranging from 1 to 5 years. The terms of the leases generally also require tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31st December, 2008, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

40. 經營租約安排

(a) 作為出租人

本集團根據經營租約安排出租其若干物業、廠房及機器。物業租賃經協商之租期介乎一至二十年不等，而廠房及機器經協商之租期介乎一至五年不等。租約條款一般亦要求租戶支付按金及根據當時市場情況定期調整租金。

於二零零八年十二月三十一日，本集團根據不可撤銷之經營租約而於下列年期屆滿之未來應收最低租金總額如下：

		Group 本集團	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Within one year	一年內	2,375	2,375
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	8,078	8,609
After five years	五年以後	23,930	25,774
		34,383	36,758

40. OPERATING LEASE ARRANGEMENTS (CONTINUED)

(b) As lessee

The Group leases certain plant and machinery and properties under operating lease arrangements. Leases are negotiated for terms ranging from 1 to 10 years and rent is fixed over the lease term.

At 31st December, 2008, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		Group 本集團		Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Within one year	一年內	24,233	42,507	335	134
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	92,658	69,825	59	152
After five years	五年以後	195,063	145,256	—	—
		311,954	257,588	394	286

40. 經營租約安排(續)

(b) 作為承租人

本集團根據經營租約安排租賃若干廠房、機器及物業。經協商之租期介乎一至十年不等，租期內須支付定額租金。

於二零零八年十二月三十一日，本集團及本公司根據不可撤銷之經營租約而於下列期間到期之未來最低租金總額如下：

41. COMMITMENTS

In addition to the operating lease commitments detailed in note 40(b) above, the Group and the Company had the following capital commitments at the balance sheet date:

41. 承擔

除以上附註40(b)詳述之經營租約承擔外，本集團及本公司於結算日的資本承擔如下：

		Group 本集團		Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Purchase of property, plant and equipment	購買物業、廠房及設備				
— Contracted but not provided for	— 已訂約但未撥備	1,168,332	844,578	416,243	117,848
— Authorised but not contracted for	— 已授權但未訂約	34,750	239,733	—	—
		1,203,082	1,084,311	416,243	117,848

42. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

42. 關連人士交易

- (a) 除本財務報表其他部份詳述之交易外，本集團於本年度與關連人士進行之重大交易如下：

			Group 本集團	
			2008	2007
			二零零八年	二零零七年
		Notes	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Sale of products to Weichai Holdings and its subsidiaries	向以下關連人士出售產品 濰柴控股及其附屬公司	i	419,132	384,542
Lonking Holdings and its subsidiaries	龍工控股及其附屬公司	ii	789,848	512,569
Minority shareholders groups	少數股東集團	iii	1,388,385	1,033,484
Jointly-controlled entity	共同控制實體		17,179	5,987
Associates	聯營公司		25,820	52,605
			2,640,364	1,989,187
Purchase of raw materials from Weichai Holdings and its subsidiaries	向以下關連人士購買原材料 濰柴控股及其附屬公司	i	276,785	253,266
Minority shareholders groups	少數股東集團	iii	1,187,711	1,510,294
Associates	聯營公司		522,973	320,765
			1,987,469	2,084,325
Warehouse and logistics services fee income from Weichai Holdings and its subsidiaries	來自濰柴控股及其附屬公司之倉庫及物流服務費收入	i	441	1,151
Other service fee income from Weichai Holdings and its subsidiaries	來自濰柴控股及其附屬公司之其他服務費收入	i	7,558	—

42. RELATED PARTY TRANSACTIONS (CONTINUED)

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year: (continued)

42. 關連人士交易(續)

- (a) 除本財務報表其他部份詳述之交易外，本集團於本年度與關連人士進行之重大交易如下：(續)

			Group 本集團 2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
		Notes 附註		
Other service fee paid to	向以下關連人士支付之			
	其他服務費：			
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	i	25,519	15,452
Minority shareholders groups	少數股東集團	iii	90,139	88,824
			115,658	104,276
Utility services fee paid to	向以下關連人士支付			
	公用事業服務費：			
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	i	152,882	125,740
Minority shareholders groups	少數股東集團	iii	11,866	14,779
			164,748	140,519
Rental income for certain premises, machinery, and equipment from	以下關連人士若干物業、			
Minority shareholders groups	機械及設備之租金收入：			
Associates	少數股東集團	iii	1,800	—
	聯營公司		3,085	—
			4,885	—
Rental paid for certain premises, machinery, and equipment to	向以下關連人士支付			
	若干物業、機械及			
	設備之租金：			
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	i	46,244	46,218
Minority shareholders groups	少數股東集團	iii	37,593	25,563
Associates	聯營公司		518	—
			84,355	71,781
Sales and warranty period repair service fee income from	來自以下關連人士的			
	銷售及保修期維修			
	服務費收入：			
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	i	3,327	9,000
Purchase of property, plant and equipment from	向以下關連人士購買物業、			
Weichai Holdings and its subsidiaries	機器及設備：			
	濰柴控股及其附屬公司	i	—	111
Disposal of property, plant and equipment to	出售物業、機器及			
Weichai Holdings and its subsidiaries	設備予：			
	濰柴控股及其附屬公司	i	—	44
Processing service fee paid to	支付加工服務費予：			
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	i	92,273	70,000

31st December, 2008

二零零八年十二月三十一日

42. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) (continued)

Notes:

- (i) Weichai Holdings is the single largest shareholder owning a 14.91% interest in the Company as at 31st December, 2008. The related party transactions disclosed above were entered into with Weichai Holdings and its subsidiaries, mainly including Chongqing Weichai Diesel Engine Works, Chongqing City Jiangjin District Chongwei Casting Co., Ltd., Shandong Weichai Import and Export Co., Ltd., Shandong Juli Company Limited and Weifang Weichai Deutz Diesel Engine Co., Ltd..
- (ii) Lonking Holdings Limited ("Lonking Holdings", formerly known as China Infrastructure Machinery Holdings Limited) is a Hong Kong listed company which is owned by a non-executive director of the Company and his wife as to 54.33% as at 31st December, 2008. The couple also own a 4.13% interest in the Company. The related party transactions disclosed above were entered into with the subsidiaries of Lonking Holdings, namely Fujian Longyan Construction Machinery (Group) Company Limited and Shanghai Longgong Machinery Company Limited.
- (iii) Certain companies of the Group entered into related party transactions as disclosed above with their minority shareholders, which were able to exert significant influence over the companies, and the subsidiaries thereof (collectively referred to as "Minority shareholders groups"). Such minority shareholders include:
- Shaanxi Fast Gear Automotive Transmission Co., Ltd., which owned a 49% interest in a subsidiary of the Group, namely Shaanxi Fast Gear Co., Ltd., as at 31st December, 2008.
 - Shaanxi Automotive Group Co., Ltd., which owned a 49% interest in a subsidiary of the Group, namely Shaanxi Heavy Duty Automotive Co., Ltd. ("Shaanxi Zhongqi"), as at 31st December, 2008.
 - Dongfeng Automotive Group Co., Ltd., which owned a 40% interest in a subsidiary of the Group, namely Dong Feng Off-road Vehicle Co., Ltd., as at 31st December, 2008.
 - Zhuzhou Gear Share Co., Ltd. ("Zhuzhou Gear Share"), which owned a 33.98% interest in a subsidiary of the Group, namely Zhuzhou Gear Co., Ltd. ("Zhuzhou Gear"), as at 31st December, 2008.
 - Mudan Jiang Huatong Automotive Group Company ("Huatong"), which owned a 20.04% interest in a subsidiary of the Group, namely Mudan Jiang Futong Automotive Air Conditioner Company Limited ("Futong"), as at 31st December, 2008.
 - TMD Friction Europe GmbH, which owned a 48% interest in a subsidiary of the Group, namely Meneta Advance Shims Technology A/S, as at 31st December, 2008.
 - Mr. Wang Wei, who owned a 25% interest in a subsidiary of the Group, namely MAT Automotive, Inc., as at 31st December, 2008.

(a) (續):

附註:

- (i) 於二零零八年十二月三十一日，濰柴控股為本公司之單一最大股東，擁有本公司14.91%的權益。上述披露之關連人士交易乃與濰柴控股及其附屬公司訂立，該等附屬公司主要包括重慶濰柴發動機廠、重慶江津區重濰鑄造有限公司、山東濰柴進出口公司、山東巨力股份有限公司及濰坊濰柴道依茨柴油機有限公司。
- (ii) 於二零零八年十二月三十一日，本公司一名非執行董事及其配偶於香港上市公司中國龍工控股有限公司（「龍工控股」）擁有54.33%的權益。該對夫婦亦擁有本公司4.13%的權益。上述披露之關連人士交易乃與龍工控股之附屬公司訂立，即福建龍岩工程機械（集團）有限公司及龍工（上海）機械有限公司。
- (iii) 本集團若干公司與少數股東訂立上述披露之關連人士交易，藉此對該等公司及其附屬公司（統稱「少數股東集團」）發揮重大影響。該等少數股東包括：
- 陝西法士特汽車傳動集團有限公司，於二零零八年十二月三十一日擁有本集團一家附屬公司陝西法士特齒輪有限公司的49%權益。
 - 陝西汽車集團有限公司，於二零零八年十二月三十一日擁有本集團一家附屬公司陝西重型汽車有限公司（「陝西重汽」）的49%權益。
 - 東風汽車集團股份有限公司，於二零零八年十二月三十一日擁有本集團一家附屬公司東風越野車有限公司的40%權益。
 - 株洲齒輪股份有限公司（「株洲齒輪股份」），於二零零八年十二月三十一日擁有本集團一家附屬公司株洲齒輪有限公司（「株洲齒輪」）的33.98%權益。
 - 牡丹江華通汽車零部件有限公司（「華通」），於二零零八年十二月三十一日擁有本集團一家附屬公司牡丹江富通汽車空調有限公司（「富通」）的20.04%權益。
 - TMD Friction Europe GmbH，於二零零八年十二月三十一日擁有本集團一家附屬公司Meneta Advance Shims Technology A/S的48%權益。
 - 王緯先生，於二零零八年十二月三十一日擁有本集團一家附屬公司MAT Automotive Inc.的25%權益。

42. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Other transactions with related parties:

- (i) During the year, the Company purchased a 50% equity interest in Weifang Weichai Peterson Gas Diesel Engine Company Limited from Weichai Holdings at a consideration of RMB20,410,000, which was determined by mutual negotiation.
- (ii) During the year, the Company transferred a 21% equity interest in Shandong Weichai Real Estate Co., Ltd. to Weichai Holdings at a consideration of RMB4,200,000, which was determined by mutual negotiation.
- (iii) As at 31st December, 2008, Zhuzhou Gear Share pledged its buildings with net book value of RMB16,220,000 (2007: RMB16,410,000) for general banking facilities granted by a bank to Zhuzhou Gear.
- (iv) As at 31st December, 2007, Shaanxi Automotive Group Co., Ltd. provided a guarantee of RMB128,000,000 for general banking facilities granted by a bank to Shaanxi Zhongqi. The guarantee was released in 2008.
- (v) As at 31st December, 2008, Huatong pledged a building with net book value of RMB24,802,000 (2007: RMB26,011,000) for general banking facilities granted by a bank to Futong.

42. 關連人士交易(續)

(b) 與關連人士進行之其他交易：

- (i) 本年度，本公司以代價人民幣20,410,000元向濰柴控股收購濰坊濰柴培新氣體發動機有限責任公司的50%權益，有關代價乃經雙方共同協商釐定。
- (ii) 本年度，本公司以代價人民幣4,200,000元向濰柴控股轉讓山東濰柴地產有限公司(Shandong Weichai Real Estate Co., Ltd.)的21%權益，有關代價乃經雙方共同協商釐定。
- (iii) 於二零零八年十二月三十一日，株洲齒輪股份向銀行抵押其賬面淨值為人民幣16,220,000元(二零零七年：人民幣16,410,000元)之樓宇，以作為銀行向株洲齒輪授出之一般銀行信貸之擔保。
- (iv) 於二零零七年十二月三十一日，陝西汽車集團有限公司向銀行提供人民幣128,000,000元，以作為銀行向陝西重汽授出之一般銀行信貸之擔保。該擔保於二零零八年解除。
- (v) 於二零零八年十二月三十一日，華通向銀行抵押其賬面淨值為人民幣24,802,000元(二零零七年：人民幣26,011,000元)之樓宇，以作為銀行向富通授出之一般銀行信貸之擔保。

42. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Balances due from/to related parties:

The balances due from/to related parties mainly resulted from trading transactions and miscellaneous amounts reimbursable by/to the related parties. Further details are set out in notes 27, 28, 31 and 32 to the financial statements.

(d) Compensation of key management personnel of the Group:

		Group 本集團	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Short term employee benefits	短期僱員福利	15,649	14,826
Post-employment benefits	離任後福利	175	24
Total compensation paid to key management personnel	已付關鍵管理人員的薪酬總額	15,824	14,850

Further details of directors' and supervisors' emoluments are included in note 8 to the financial statements.

Except for the transactions with a jointly-controlled entity and associates, all the above related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

42. 關連人士交易(續)

(c) 應收／應付關連人士之結餘：

應收／應付關連人士之結餘主要來自與關連人士進行之商貿往來以及其他應償還金額。進一步詳情載於財務報表附註27、28、31及32。

(d) 本集團關鍵管理人員的薪酬：

董事及監事之薪酬詳情載於財務報表附註8。

除與共同控制實體及聯營公司進行之交易外，所有上述關連人士交易同時構成上市規則第14A章所定義之關連交易或持續關連交易。

43. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the balance sheet date are as follows:

2008

Financial assets

		Loans and receivables 貸款及 應收賬款 RMB'000 人民幣千元	Group 本集團 Available- for-sale financial assets 可供出售 財務資產 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Trade and bills receivables	應收貿易賬款及票據	6,930,008	—	6,930,008
Financial assets included in prepayments, deposits and other receivables (note 28)	列入預付款項、按金及 其他應收賬款之 財務資產(附註28)	891,026	—	891,026
Available-for-sale investments (note 23)	可供出售投資(附註23)	—	178,187	178,187
Pledged deposits	已抵押存款	2,511,809	—	2,511,809
Cash and cash equivalents	現金及現金等值物	3,352,138	—	3,352,138
		13,684,981	178,187	13,863,168

Financial liabilities

財務負債

		Financial liabilities at amortised cost 按攤銷 成本計量的 財務負債 RMB'000 人民幣千元
Trade and bills payables	應付貿易賬款及票據	10,627,951
Financial liabilities included in other payables and accruals (note 32)	列入其他應付賬款及應計費用之 財務負債(附註32)	1,863,379
Debentures	債券	1,700,000
Interest-bearing bank and other borrowings	計息銀行及其他借款	2,086,004
		16,277,334

43. FINANCIAL INSTRUMENTS BY CATEGORY
(CONTINUED)

2007

Financial assets

43. 財務工具分類(續)

二零零七年

財務資產

		Loans and receivables 貸款及 應收賬款 RMB'000 人民幣千元	Group 本集團 Available-for-sale financial assets 可供出售 財務資產 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Trade and bills receivables	應收貿易賬款及票據	5,909,502	—	5,909,502
Financial assets included in prepayments, deposits and other receivables (note 28)	列入預付款項、按金及其他應收賬款之財務資產(附註28)	307,711	—	307,711
Available-for-sale investments (note 23)	可供出售投資(附註23)	—	75,358	75,358
Pledged deposits	已抵押存款	856,109	—	856,109
Cash and cash equivalents	現金及現金等值物	1,819,554	—	1,819,554
		8,892,876	75,358	8,968,234

Financial liabilities

財務負債

		Financial liabilities at amortised cost 按攤銷 成本計量的 財務負債 RMB'000 人民幣千元
Trade and bills payables	應付貿易賬款及票據	7,264,773
Financial liabilities included in other payables and accruals (note 32)	列入其他應付賬款及應計費用之財務負債(附註32)	1,755,793
Debentures	債券	900,000
Interest-bearing bank and other borrowings	計息銀行及其他借款	1,701,891
		11,622,457

43. FINANCIAL INSTRUMENTS BY CATEGORY
(CONTINUED)

2008

Financial assets

43. 財務工具分類(續)

二零零八年

財務資產

		Loans and receivables 貸款及 應收賬款 RMB'000 人民幣千元	Company 本公司 Available- for-sale financial assets 可供出售 財務資產 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Trade and bills receivables	應收貿易賬款及票據	3,414,244	—	3,414,244
Financial assets included in prepayments, deposits and other receivables (note 28)	列入預付款項、按金及 其他應收賬款之 財務資產(附註28)	789,947	—	789,947
Available-for-sale investments (note 23)	可供出售投資 (附註23)	—	96,200	96,200
Pledged deposits	已抵押存款	1,813,232	—	1,813,232
Cash and cash equivalents	現金及現金等值物	770,079	—	770,079
		6,787,502	96,200	6,883,702

Financial liabilities

財務負債

		Financial liabilities at amortised cost 按攤銷 成本計量的 財務負債 RMB'000 人民幣千元
Trade and bills payables	應付貿易賬款及票據	4,791,896
Financial liabilities included in other payables and accruals (note 32)	列入其他應付賬款及應計費用之 財務負債(附註32)	1,151,450
Debentures	債券	900,000
Interest-bearing bank and other borrowings	計息銀行及其他借款	868,346
		7,711,692

43. FINANCIAL INSTRUMENTS BY CATEGORY
(CONTINUED)

2007

Financial assets

43. 財務工具分類(續)

二零零七年

財務資產

		Company 本公司		Total
		Loans and receivables 貸款及 應收賬款 RMB'000 人民幣千元	Available-for-sale financial assets 可供出售 財務資產 RMB'000 人民幣千元	
Trade and bills receivables	應收貿易賬款及票據	2,310,439	—	2,310,439
Financial assets included in prepayments, deposits and other receivables (note 28)	列入預付款項、按金及 其他應收賬款之 財務資產(附註28)	236,492	—	236,492
Pledged deposits	有抵押存款	641,966	—	641,966
Cash and cash equivalents	現金及現金等值物	738,054	—	738,054
		3,926,951	—	3,926,951

Financial liabilities

財務負債

		Financial liabilities at amortised cost 按攤銷 成本計量的 財務負債 RMB'000 人民幣千元
Trade and bills payables	應付貿易賬款及票據	3,480,160
Financial liabilities included in other payables and accruals (note 32)	列入其他應付賬款及應計費用之 財務負債(附註32)	1,297,378
Debentures	債券	900,000
Interest-bearing bank and other borrowings	計息銀行及其他借款	343,046
		6,020,584

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise debentures, interest-bearing bank and other borrowings, and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk, equity price risk and commodity price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to its fixed-rate borrowings. The Group is also exposed to cash flow interest rate risk in relation to its variable-rate borrowings. The Group's cash flow interest rate risk is mainly sensitive to the fluctuations in the interest rates provided by the People's Bank of China arising from the Group's RMB borrowings and fluctuations in LIBOR arising from the Group's USD borrowings.

The Group currently does not have any interest rate hedging policy.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the balance sheet date. For variable-rate bank borrowings, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

44. 財務風險管理之目標及政策

本集團的主要財務工具包括債券、計息銀行及其他借款，以及現金及短期存款。該等財務工具之主要目的是為本集團業務提供資金支持。本集團亦擁有多項其他財務資產及負債，例如直接於業務中產生之應收貿易賬款及應付貿易賬款。

本集團財務工具產生之主要風險為利率風險、外匯風險、信貸風險、流動資金風險、股價風險及商品價格風險。董事會審閱並同意上述各項風險之管理政策，該等政策概述如下。

利率風險

本集團面對與定息借款相關之公平值利率風險。本集團亦面對與浮息借款相關之現金流量利率風險。本集團因以人民幣列值的借款而產生之現金流量利率風險主要受中國人民銀行提供之利率波動影響，本集團因以美元列值的借款而產生之現金流量利率風險主要受倫敦銀行同業拆借利率波動影響。

本集團現時並無任何利率對沖政策。

敏感度分析

以下的敏感度分析乃基於結算日非衍生工具之利率風險釐定。就浮息銀行借款而言，相關分析乃假設於結算日之未償還負債款項於整個年度內均未償還。向主要管理人員內部匯報利率風險時，使用50個基數點的增減，代表管理層對利率的合理潛在變動作出的評估。

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Sensitivity analysis (continued)

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

		Increase/ (decrease) in basis point 基數點 增加／(減少)	Increase/ (decrease) in profit before tax 除稅前利潤 增加／(減少) RMB'000 人民幣千元
2008	二零零八年		
RMB	人民幣	50	(9,351)
RMB	人民幣	(50)	9,351
USD	美元	50	(309)
USD	美元	(50)	309

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between the RMB and other currencies in which the Group conducts business may affect its financial condition and results of operations. The Group seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position.

The Group has transactional currency exposures. These exposures arise from sales or purchases by operating units in currencies other than the units' functional currency. Approximately 9% (2007: 4%) of the Group's sales and 0.79% (2007: 0.58%) of the Group's purchases are denominated in currencies other than the functional currency of the operating units making the sale. The Group has not entered into any forward currency arrangements during the year ended 31st December, 2008.

44. 財務風險管理之目標及政策(續)

敏感度分析(續)

下表列明於所有其他可變因素保持不變的情況下，本集團除稅前利潤(透過浮動利率借款的影響)對利率合理可能變動的敏感度。

外匯風險

外匯風險指因匯率變動產生損失的風險。人民幣與本集團從事業務地區的其他貨幣之間的匯率波動會影響本集團的財務狀況和經營業績。本集團務求通過減少外匯淨倉位的方法來降低外匯風險。

本集團具有交易貨幣風險。該等風險產生自經營單位以其功能貨幣以外之貨幣進行的買賣。本集團約9%(二零零七年：4%)之銷售及本集團約0.79%(二零零七年：0.58%)之購買乃以進行銷售之經營單位之功能貨幣以外之貨幣計值。於截至二零零八年十二月三十一日止年度，本集團並無訂立任何遠期貨幣安排。

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk (continued)

The following table demonstrates the sensitivity at the balance sheet date to a reasonably possible change in the United States dollar/RMB exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

Group

		Increase/ (decrease) in USD rate 美元匯率 上升/(下跌) % 百分比	Increase/ (decrease) in profit before tax 除稅前利潤 增加/(減少) RMB'000 人民幣千元
2008	二零零八年		
If RMB weakens against USD	倘人民幣兌美元貶值	5	3,114
If RMB strengthens against USD	倘人民幣兌美元升值	(5)	(3,114)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions with overseas customers, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, pledged deposits, available-for-sale financial assets, amounts due from associates and a jointly-controlled entity, and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. The Group is also exposed to credit risk through the granting of financial guarantees, further details of which are disclosed in note 38 to the financial statements.

44. 財務風險管理之目標及政策(續)

外匯風險(續)

下表列明於所有其他可變因素保持不變的情況下，本集團除稅前利潤(由於貨幣資產及負債公平值變動)於結算日對美元兌人民幣匯率的合理可能變動的敏感度。

本集團

信貸風險

本集團僅與享譽盛名兼信譽可靠的第三者進行交易。按照本集團的政策，所有擬按信貸期進行交易的客戶，必須經過信貸核實程序後，方可落實。此外，本集團會持續監察應收結餘的情況，而本集團的壞賬風險並不重大。就與海外客戶進行的交易而言，本集團並無提供信貸期，除非獲得信貸控制主管之特別批准。

本集團其他財務資產(包括現金及現金等值物、已抵押存款、可供出售財務資產、應收聯營公司及一間共同控制實體款項以及其他應收款項)的信貸風險均因交易對手方違約所產生，其最大風險相等於該等工具的賬面值。本集團亦面對所授出財務擔保之信貸風險，有關進一步詳情披露於本財務報表附註38。

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. At the balance sheet date, the Group has certain concentrations of credit risk as 22.18% (2007: 20.82%) of the Group's trade receivables were due from the five largest customers.

The Group performs ongoing credit evaluations of its customers' financial conditions. The allowance for doubtful debts is based upon a review of the expected collectibility of all trade receivables.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables are disclosed in note 27 to the financial statements.

Liquidity risk

Liquidity risk is the risk of not having access to sufficient funds to meet the Group's obligations as they become due. The Group seeks to manage its liquidity risk by maintaining a balance between continuity of funding and flexibility through the use of bank loans and debentures.

44. 財務風險管理之目標及政策(續)

信貸風險(續)

由於本集團僅與該等享譽盛名兼信譽可靠的第三者進行交易，故無須任何抵押。信貸風險集中度根據客戶／交易對手方、地區及行業加以管理。於結算日，由於本集團22.18%（二零零七年：20.82%）的貿易應收賬款為五大客戶欠款，故本集團面對若干信貸集中風險。

本集團持續對其客戶的財務狀況進行信貸評估。呆賬撥備乃根據所有應收貿易賬款之預期可收回程度的檢討意見作出。

有關本集團因應收貿易賬款及票據而產生之信貸風險之進一步量化數據，乃披露於本財務報表附註27。

流動資金風險

流動性風險是指本集團無法籌集足夠資金以償還到期債務的風險。本集團通過利用銀行貸款及債務維持資金延續性與靈活性之間的平衡，以管理其流動性風險。

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the balance sheet date was as follows:

Group
2008

		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
		按要求 RMB'000 人民幣千元	少於3個月 RMB'000 人民幣千元	3至少於 12個月 RMB'000 人民幣千元	1至5年 RMB'000 人民幣千元	超過5年 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
Interest-bearing bank and other borrowings	銀行及其他附息借款	—	245,696	1,062,608	767,000	10,700	2,086,004
Trade and bills payables	應付貿易賬款及票據	—	5,798,843	4,491,714	337,394	—	10,627,951
Financial liabilities included in other payables and accruals	列為其他應付賬款及應計款項的財務負債	—	939,147	924,232	—	—	1,863,379
Debentures	債券	—	800,000	900,000	—	—	1,700,000
		—	7,783,686	7,378,554	1,104,394	10,700	16,277,334

Group
2007

本集團
二零零七年

		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
		按要求 RMB'000 人民幣千元	少於3個月 RMB'000 人民幣千元	3至少於 12個月 RMB'000 人民幣千元	1至5年 RMB'000 人民幣千元	超過5年 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
Interest-bearing bank and other borrowings	銀行及其他附息借款	—	201,050	1,339,534	156,107	5,200	1,701,891
Trade and bills payables	應付貿易賬款及票據	—	6,181,631	1,083,142	—	—	7,264,773
Financial liabilities included in other payables and accruals	列為其他應付賬款及應計款項的財務負債	—	600,077	1,155,716	—	—	1,755,793
Debentures	債券	—	900,000	—	—	—	900,000
		—	7,882,758	3,578,392	156,107	5,200	11,622,457

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

Company

2008

44. 財務風險管理之目標及政策(續)

流動資金風險(續)

本公司

二零零八年

		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
		按要求	少於3個月	3至少於12個月	1至5年	超過5年	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Interest-bearing bank and other borrowings	銀行及其他附息借款	—	68,346	100,000	700,000	—	868,346
Trade and bills payables	應付貿易賬款及票據	—	2,242,988	2,548,908	—	—	4,791,896
Financial liabilities included in other payables and accruals	列為其他應付賬款及應計款項的財務負債	236,991	518,556	395,903	—	—	1,151,450
Debentures	債券	—	—	900,000	—	—	900,000
		236,991	2,829,890	3,944,811	700,000	—	7,711,692

Company

2007

本公司

二零零七年

		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
		按要求	少於3個月	3至少於12個月	1至5年	超過5年	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Interest-bearing bank and other borrowings	銀行及其他附息借款	—	—	243,046	100,000	—	343,046
Trade and bills payables	應付貿易賬款及票據	—	3,422,578	57,582	—	—	3,480,160
Financial liabilities included in other payables and accruals	列為其他應付賬款及應計款項的財務負債	275,494	342,511	679,373	—	—	1,297,378
Debentures	債券	—	900,000	—	—	—	900,000
		275,494	4,665,089	980,001	100,000	—	6,020,584

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments classified as available-for-sale investments (note 23) as at 31st December, 2008. The Group's listed equity investments are mainly listed on the Shanghai Stock Exchange and are valued at quoted market prices at the balance sheet date.

The market equity indices for the following stock exchanges, at the close of business of the nearest trading day in the year to the balance sheet date, and their respective highest and lowest points during the year were as follows:

	31st December, 2008 二零零八年 十二月三十一日	High/low 2008 二零零八年 高/低	31st December, 2007 二零零七年 十二月三十一日	High/low 2007 二零零七年 高/低
Shanghai — A Share Index 上海 — A股指數	1,912	5,771/1,793	5,521	6,395/2,744

The following table demonstrates the sensitivity to every 10% change in the fair values of the listed equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the balance sheet date. For the purpose of this analysis, for the available-for-sale listed equity investments the impact is deemed to be on the available-for-sale investment revaluation reserve and no account is given for factors such as impairment which might impact the income statement.

44. 財務風險管理之目標及政策(續)

股票價格風險

股票價格風險即股本證券公平值因股權指數水平及個別證券價值的變動而降低的風險。於二零零八年十二月三十一日，本集團面對因個別被列為可供出售投資(附註23)的股權投資所產生的股權價格風險。本集團之上市股權投資主要在上海證券交易所上市，而其價值相等於在結算日的市場報價。

以下證券交易所於年內最近交易日至結算日營業時間結束時的股票市場指數及年內各自最高位和最低位如下：

下表列明按結算日的賬面值計算，上市股權投資公平值每10%變動(所有其他可變因素保持不變，亦未計入任何稅務影響)的敏感度。就本分析而言，可供出售上市股權投資之影響被視作可供出售投資重估儲備之影響，並無計及其他因素，例如可能對收益表造成影響之減值。

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Equity price risk (continued)

Group

		Carrying amount of equity investments 股權投資之 賬面值 RMB'000 人民幣千元	Increase/ decrease in equity 權益增加／ 減少 RMB'000 人民幣千元
Equity investments listed in:	於下列地區上市的股權投資：		
Shanghai — Available-for-sale	上海 — 可供出售	96,200	9,620
Elsewhere — Available-for-sale	其他地區 — 可供出售	542	54

Commodity price risk

In addition to the above risks relating to financial instruments, the Group is exposed to commodity price risk for major components of its raw materials, such as steel and metals. The Group currently does not have any arrangement to hedge the price risk exposure of its raw material purchases.

Capital management

The primary objective of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31st December, 2008 and 31st December, 2007.

44. 財務風險管理之目標及政策(續)

股票價格風險(續)

本集團

商品價格風險

除上述有關財務工具之風險外，本集團亦面對鋼鐵及金屬(本集團原材料之主要組成部份)等商品價格風險。本集團目前並無對沖其原材料採購價格風險之任何安排。

資本管理

本集團資本管理的主要目標為保障本集團的持續經營能力及維持穩健的資本比率，以支持其業務及獲得最大股東價值。

本集團根據經濟形勢及有關資產之風險特性管理及調整資本架構。為維持或調整資本架構，本集團或會調整支付予股東的股息、向股東發還資本或發行新股份。本集團並無任何外部資本要求。截至二零零八年十二月三十一日及二零零七年十二月三十一日止年度，本集團資本管理的目標、政策或程序概無任何變動。

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the total capital plus net debt. Net debt includes interest-bearing bank and other borrowings, trade, bills and other payables, debentures, less cash and cash equivalents and pledged deposits, and excludes discontinued operations. Capital includes equity attributable to equity holders of the Company. The gearing ratios as at the balance sheet dates were as follows:

Group

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Interest-bearing bank and other borrowings	銀行及其他付息借款	2,086,004	1,701,891
Trade and bills payables	應付貿易賬款及票據	10,627,951	7,264,773
Debentures	債券	1,700,000	900,000
Other payables and accruals	其他應付賬款及應計款項	2,916,253	2,315,533
Less: Cash and cash equivalents and pledged deposits	減：現金及現金等值物以及已抵押存款	5,863,947	2,675,663
Net debt	債務淨額	11,466,261	9,506,534
Equity attributable to equity holders of the Company	本公司權益持有人應佔股本	7,997,754	6,383,472
Capital and net debt	資本及淨負債	19,464,015	15,890,006
Gearing ratio	資本負債率	59%	60%

45. POST BALANCE SHEET EVENTS

Weichai Power (Hong Kong) International Development Limited ("Weichai Power HK"), a subsidiary of the Company, acquired the relevant assets of Moteurs Baudouin ("Baudouin") in France on 23 January 2009 through auction bidding at a consideration of 2,990,000 Euros. Up to the date of this report, Weichai Power HK has not entered into contract for the assets transfer. The acquisition of assets of Baudouin is still undergoing the relevant administrative and approval procedures.

44. 財務風險管理之目標及政策(續)

資本管理(續)

本集團採用資本負債率(其定義為淨負債除以總資本與淨負債之和)監控資本。負債淨額指銀行及其他付息借款、應付貿易賬款、票據及其他應付款項、債券，減現金及現金等值物及已抵押存款(不包括已終止經營業務)。資本指本公司權益持有人應佔股本。於結算日資本負債率如下：

本集團

45. 結算日後事項

於二零零九年一月二十三日，本公司附屬公司濰柴動力(香港)國際發展有限公司(「濰柴動力香港」)通過競投以2.99百萬歐元的代價收購法國博杜安發動機公司(「博杜安」)的相關資產。截至本報告日期，濰柴動力香港尚未簽訂資產轉讓協議。收購博杜安的資產的相關行政及審批程序仍在進行中。

46. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified and restated to conform with the current year's presentation.

46. 比較數字

若干比較數字已獲重新分類及重列，以符合本年度的呈報方式。

47. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27th April, 2009.

47. 財務報表之批准

本財務報表已於二零零九年四月二十七日獲董事會批准及授權刊發。

FINANCIAL SUMMARY

財務概要

A summary of the results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below:

本集團過去五個財政年度的業績及資產、負債及少數股東權益的摘要（摘自公佈的經審核財務報表及經重列／重新分類（如適用））載列如下：

		Year ended 31 December 截至十二月三十一日止年度				
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
RESULTS	業績					
REVENUE	收入	32,567,190	28,786,183	6,633,668	5,250,735	6,155,779
PROFIT BEFORE TAX	除稅前利潤	2,740,698	3,273,142	889,109	410,602	738,738
Tax	稅項	(328,989)	(479,566)	(181,099)	(93,919)	(205,484)
PROFIT FOR THE YEAR	全年利潤	2,411,709	2,793,576	708,010	316,683	533,254
Attributable to:	以下人士應佔：					
Equity holders	母公司權益					
of the parent	持有人	1,928,955	2,014,904	702,695	315,203	533,254
Minority interests	少數股東	482,754	778,672	5,315	1,480	—
		2,411,709	2,793,576	708,010	316,683	533,254
Dividends	股息	108,296	229,088	133,685	108,900	99,000
Basic earnings	每股基本盈利					
per share (in RMB)	(人民幣元)	2.32	2.72	1.33	0.60	1.08
ASSETS, LIABILITIES	資產、負債					
Total Assets	總資產	29,949,867	22,592,493	16,855,513	5,611,955	4,914,308
Total Liabilities	總負債	(18,623,389)	(13,194,305)	(10,496,149)	(3,150,994)	(2,757,587)
Capital and reserves	資本及儲備	11,326,478	9,398,188	6,359,364	2,460,961	2,156,721
Equity attributable	本公司權益					
to equity holders	持有人					
of the Company	應佔權益	7,997,754	6,383,472	2,984,562	2,398,581	2,156,721
Minority interests	少數股東權益	3,328,724	3,014,716	3,374,802	62,380	—
		11,326,478	9,398,188	6,359,364	2,460,961	2,156,721

STATEMENT OF DIFFERENCES BETWEEN CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS”) AND THOSE UNDER ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES (“PRC GAAP”)

Other than certain classification of financial statement items, there are no significant differences between the results for the year ended 31st December, 2008 and the net assets as of that date as reported in the accounts prepared using PRC GAAP and HKFRS.

根據香港財務報告準則（「香港財務報告準則」）編製的綜合財務報表與根據中國企業會計準則（「中國公認會計準則」）所編製綜合財務報表的區別聲明

除財務報表項目的若干分類外，根據中國公認會計準則編製的賬目和根據香港財務報告準則編製的賬目所呈列之截至二零零八年十二月三十一日止年度之業績及於該日之淨資產並無重大差異。



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