



WEICHAI

股份編號 STOCK CODE: 2338.HK

2018 | 年報

Annual Report

維柴動力股份有限公司
WEICHAI POWER CO., LTD.

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DIRECTORS

Executive Directors

Tan Xuguang (*Chairman and Chief Executive Officer*)

Zhang Quan (*Executive President*)

Xu Xinyu (*Executive President*)

Sun Shaojun (*Executive President*)

Yuan Hongming (*Executive President*)

Yan Jianbo (*Executive President*)

Non-executive Directors

Wang Yuepu

Jiang Kui

Gordon Riske

Michael Martin Macht

(appointed on 14 June 2018)

Independent Non-executive Directors

Zhang Zhong

Wang Gongyong

Ning Xiangdong

Li Hongwu

Wen Daocai (appointed on 14 June 2018)

Loh Yih (retired on 14 June 2018)

SUPERVISORS

Lu Wenwu

Ma Changhai

Wu Hongwei

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Kwong Kwan Tong (*CPA, FCCA, ACMA*)

SECRETARY TO THE BOARD

Hao Qinggui (appointed on 15 October 2018)

Dai Lixin (resigned on 15 October 2018)

董事

執行董事

譚旭光(董事長兼首席執行官)

張 泉(執行總裁)

徐新玉(執行總裁)

孫少軍(執行總裁)

袁宏明(執行總裁)

嚴鑒鉞(執行總裁)

非執行董事

王日普

江 奎

Gordon Riske

Michael Martin Macht

(於二零一八年六月十四日上任)

獨立非執行董事

張 忠

王貢勇

寧向東

李洪武

聞道才(於二零一八年六月十四日上任)

盧 毅(於二零一八年六月十四日退任)

監事

魯文武

馬常海

吳洪偉

公司秘書暨財務總監

鄭焜堂 (*CPA, FCCA, ACMA*)

董事會秘書

郝慶貴(於二零一八年十月十五日上任)

戴立新(於二零一八年十月十五日辭任)

SECURITIES AFFAIR REPRESENTATIVE

Wang Li
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 7056
Fax: (86) (536)-819 7073
Website: <http://www.weichaipower.com>

AUTHORISED REPRESENTATIVES

Xu Xinyu
Kwong Kwan Tong

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
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Fax: (86) (536)-819 7073
Website: <http://www.weichaipower.com>

PLACE OF BUSINESS IN HONG KONG

Room 3407-3408
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Landmark
15 Queen's Road Central
Central, Hong Kong

LEGAL ADVISOR

Reed Smith Richards Butler

AUDITOR

Ernst & Young Hua Ming LLP

證券事務代表

王麗
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197號甲
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傳真：(86) (536)-819 7073
網址：http://www.weichaipower.com

授權代表

徐新玉
鄭焜堂

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197號甲
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傳真：(86) (536)-819 7073
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香港營業地點

香港中環
皇后大道中15號
置地廣場
告羅士打大廈
34樓3407-3408室

法律顧問

禮德齊伯禮律師行

核數師

安永華明會計師事務所(特殊普通合伙)

AUDIT COMMITTEE

Wang Gongyong (*Chairman*)
Zhang Zhong
Ning Xiangdong
Li Hongwu
Wen Daocai (appointed on 14 June 2018)
Loh Yih (retired on 14 June 2018)

STRATEGIC DEVELOPMENT AND INVESTMENT COMMITTEE

Tan Xuguang (*Chairman*)
Michael Martin Macht (*Vice-chairman*)
(appointed on 14 June 2018)
Zhang Quan
Xu Xinyu
Sun Shaojun
Wang Yuepu
Yuan Hongming
Yan Jianbo
Ning Xiangdong (appointed on 14 June 2018)

REMUNERATION COMMITTEE

Zhang Zhong (*Chairman*)
Tan Xuguang
Wang Gongyong (appointed on 14 June 2018)
Loh Yih (retired on 14 June 2018)

NOMINATION COMMITTEE

Zhang Zhong (*Chairman*)
Xu Xinyu
Wang Gongyong
Li Hongwu

PRINCIPAL BANKERS

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

審核委員會

王貢勇(主席)
張忠
寧向東
李洪武
聞道才(於二零一八年六月十四日上任)
盧毅(於二零一八年六月十四日退任)

戰略發展及投資委員會

譚旭光(主席)
Michael Martin Macht(副主席)
(於二零一八年六月十四日上任)
張泉
徐新玉
孫少軍
王日普
袁宏明
嚴鑒鉞
寧向東(於二零一八年六月十四日上任)

薪酬委員會

張忠(主席)
譚旭光
王貢勇(於二零一八年六月十四日上任)
盧毅(於二零一八年六月十四日退任)

提名委員會

張忠(主席)
徐新玉
王貢勇
李洪武

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
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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17樓1712–1716號舖

SHARE INFORMATION

Number of issued shares as at
31 December 2018: 7,997,238,556 Shares
(6,054,198,556 A Shares,
and 1,943,040,000 H Shares)

Board lot (H Shares) 1,000 H Shares
(A Shares) 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

於二零一八年
十二月三十一日的
已發行股份數目： 7,997,238,556股
(6,054,198,556股A股，
及1,943,040,000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：深圳證券交易所

H股：香港聯合交易所有限公司
(「香港聯交所」)

INVESTORS AND MEDIA RELATIONS

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Tel: (86) 536-229 7056
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Website: www.weichaipower.com

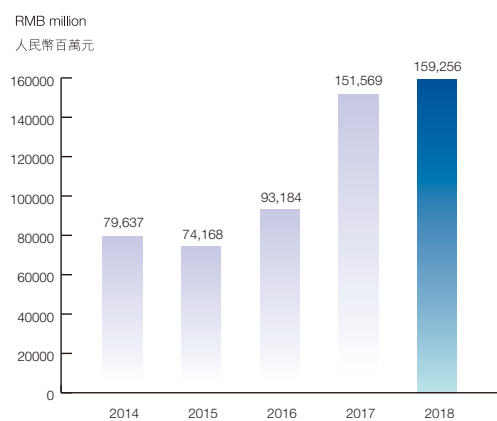
Public Relations **Hill & Knowlton Asia Ltd**
Consultant: Tel: (852) 2894 6321
Fax: (852) 2576 1990
Website: www.hkstrategies.com

投資者及媒體關係

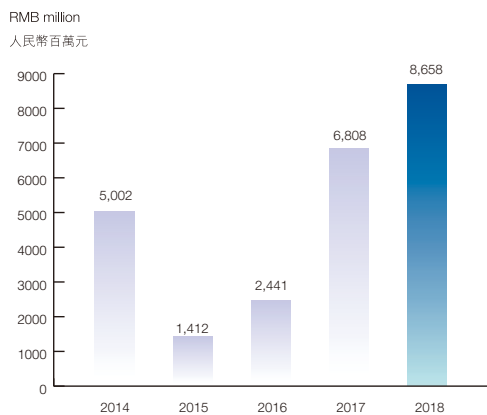
公司： **資本運營部**
電話：(86) 536-229 7056
傳真：(86) 536-819 7073
網址：www.weichaipower.com

公眾關係 **偉達公眾關係顧問有限公司**
顧問： 電話：(852) 2894 6321
傳真：(852) 2576 1990
網址：www.hkstrategies.com

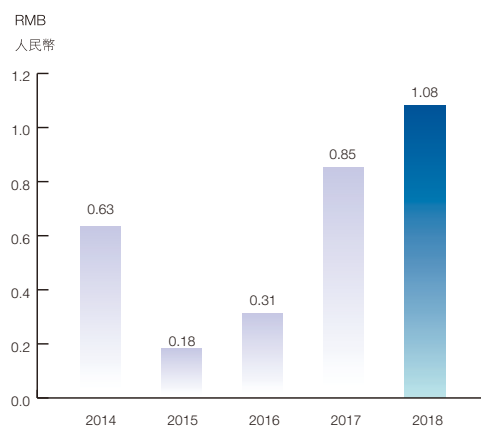
REVENUE 營業收入



NET PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT 歸屬於母公司股東的淨利潤



BASIC EARNINGS PER SHARE 每股基本盈利



(Important notice: This report is published in Chinese and English versions. In case of inconsistency, the Chinese version shall prevail.)

(重要提示：本報告分別以中英文刊載。如中英文有任何差異，概以中文為準。)



Dear Shareholders,

On behalf of the Board, I would like to present the audited annual results of the Company for the year ended 31 December 2018.

I. REVIEW OF OPERATIONS

In 2018, the Chinese government insisted upon the general keynote of making progress while maintaining stability, with firm commitment to putting the philosophy of new development into practice and promoting high-quality development while fostering unity and cohesion and overcoming difficulties. As efforts in the supply-side structural reform and the Reform and Opening-Up of the People's Republic of China (the "PRC") have been stepped up, the nationwide economic performance maintained within a reasonable range, sustaining a general trend of stability with positive development. In 2018, the national gross domestic product reached RMB90.0 trillion, representing a year-on-year growth of 6.6%.

各位股東：

本人謹代表董事會呈報本公司截止二零一八年十二月三十一日經審計後的全年業績。

一、經營回顧

2018年，中國政府堅持穩中求進工作總基調，堅持新發展理念，堅持推動高質量發展，凝心聚力、攻堅克難，供給側結構性改革深入推進，改革開放力度加大，國民經濟運行保持在合理區間，總體平穩、穩中有進態勢持續顯現。全年國內生產總值90.0萬億元，同比增長6.6%。

During the reporting period, driven by the rapid development of domestic logistics transportation and the investment in infrastructure in the PRC, as well as benefiting from a multitude of favorable factors such as the imposition of more stringent emission standards and the Blue Sky Defending Plan, the heavy-duty truck market continued to perform well, delivering sales of 1,148,000 units in total, representing a year-on-year increase of 2.8%. During the reporting period, the Company reported sales of 363,000 units of heavy-duty truck engines, remaining basically at the same level as last year, and maintained its leading position in the industry with a market share of 31.6%. Shaanxi Heavy-duty Motor Company Limited (陝西重型汽車有限公司), a controlling subsidiary of the Company, reported aggregate sales of 153,000 units of heavy-duty trucks for the year, representing a year-on-year increase of 2.7%, with a 13.3% market share and ranking among the first-tier enterprises in the domestic heavy-duty truck industry in the PRC, further boosting its competitiveness. Shaanxi Fast Gear Co., Ltd. (陝西法士特齒輪有限責任公司), a controlling subsidiary of the Company, maintained an absolute leading position in the industry with its aggregate sales of 909,000 units of gear boxes (including the sales of 869,000 units of gear boxes for use in heavy-duty trucks), representing a year-on-year increase of 8.9% and a market share of approximately 75.7%. KION Group AG ("KION"), an overseas controlling subsidiary of the Company, generated revenue of EUR8,000 million for the Year, representing an increase of 5.2% from last year.

In 2018, fixed-asset investments in the PRC (excluding agricultural households) reached RMB63.6 trillion, representing a year-on-year growth of 5.9%, and a drop of 1.3 percentage points in growth rate year-on-year. Investments in property development reached RMB12.0 trillion, representing a year-on-year growth of 9.5%, and an increase of 2.5 percentage points in growth rate year-on-year. Under such influence, during the reporting period, the construction machinery industry continued its trend of growth, delivering sales of 711,000 units for the whole construction machinery industry (including fork-lift trucks using combustion engines), representing a year-on-year increase of 21.5%, among which the sales volume of wheel loaders with a load capacity of 3 tonnes and above was 106,000 units, representing a year-on-year increase of 20.6%. In the PRC, the Company sold a total of 89,000 units of engines for wheel loaders with a load capacity of 3 tonnes and above, representing a year-on-year increase of 14.8%, maintaining its leading position in this sector.

報告期內，受國內物流運輸的高速發展、國家基建投資拉動，以及排放標準升級、藍天保衛戰等多重利好因素影響，重卡市場保持高位運行，累計實現銷售114.8萬輛，同比增長2.8%。報告期內本公司共銷售重卡發動機36.3萬台，同比基本持平，市場佔有率31.6%，繼續在行業內保持領先優勢；本公司控股子公司陝西重型汽車有限公司全年共銷售重型卡車15.3萬輛，同比增長2.7%，市場佔有率13.3%，位居國內重卡企業第一梯隊，競爭能力持續增強；本公司控股子公司陝西法士特齒輪有限責任公司全年共銷售變速器90.9萬台，同比增長8.9%，其中，重卡用變速箱銷售86.9萬台，市場佔有率約75.7%，繼續保持行業絕對領先地位；本公司海外控股子公司KION Group AG(「凱傲」)全年銷售收入80.0億歐元，同比增長5.2%。

2018年，全國固定資產投資(不含農戶)63.6萬億元，同比增長5.9%，增速同比回落1.3個百分點。房地產開發投資12.0萬億元，同比增長9.5%，增速同比上升2.5個百分點。受此影響，報告期內，工程機械行業延續增長態勢，整個工程機械行業(其中的叉車為內燃叉車)實現銷售71.1萬台，同比增長21.5%；其中，3噸及以上裝載機市場銷售10.6萬台，同比增長20.6%。本公司國內銷售配套3噸及以上裝載機發動機8.9萬台，同比增長14.8%。繼續保持在這一領域的龍頭地位。

During the reporting period, the Company adhered to the market-oriented approach and sped up its technological upgrade and “aiming at high-end” product development initiative, and hence continued to strengthen its market competitiveness and maintain its relatively rapid development momentum. In 2018, the Company reported sales of 220,000 units of 12L and 13L engines, representing a 1.6% growth year-on-year, and maintaining its stable leading position in the market of heavy-duty trucks, the market of wheel loaders with a load capacity of 3 tonnes and above and the market of passenger vehicles of over 11 metres long. Meanwhile, sales of strategic products and sales in strategic markets grew substantially. The sales of Yangchai engines increased by 16.1% year-on-year to 118,000 units; the sales of WP9H/WP10H engines increased by 100.1% year-on-year to 58,000 units; the sales of engines for use in agricultural equipments increased by 49.1% year-on-year to 42,000 units; and the sales of engines for use in forklift trucks increased by 18.7% year-on-year to 4,000 units. During the reporting period, guided by the work policy of “implementing strategies, driving innovation, rising to self-challenges and aiming at high-end” and directed by customer demand, Shaanxi Heavy-duty Motor Company Limited, a controlling subsidiary of the Company, led the industry in raising emission standards by completing the planning for the full China VI series of products. It explored the segment markets of plowing tractors, environmentally-friendly grout trucks, natural gas tankers, and tractors used at ports, which contributed to the overall increase in sales volume and in turn a consolidated leading position in the market. Shaanxi Fast Gear Co., Ltd., a controlling subsidiary of the Company, strived to manufacture stable and reliable high-quality products and established the novel and highly-efficient quality management system that adopts an integrated four-in-one standard. Key research and development (R&D) projects including those of speed reducers and 8AT proceeded smoothly. The Sino-foreign joint venture high-tech project jointly formed with the US-based Eaton Corporation plc was implemented successfully, signifying a key step in our international development. KION, an overseas controlling subsidiary of the Company, is the world's No.2 and Europe's No.1 provider of forklift trucks and services, and the world's No.1 provider of supply chain solutions. We proactively capitalized on the opportunities presented by the rapid development of electronic commerce and increasingly refined global supply chain services, intensively integrated automation and digitalization, and build ourselves into a provider of holistic solutions of intra-logistics, so that our customers build up their competitive strengths in their industries.

報告期內，本公司堅持市場導向，加速技術升級和產品邁向高端，市場競爭力不斷增強，繼續保持了較快發展勢頭。2018年，本公司共銷售12L、13L發動機22.0萬台，同比增長1.6%，在重卡、3噸及以上裝載機、11米以上客車市場的優勢地位依然穩固。同時，戰略產品和戰略市場銷量增長明顯，揚柴發動機銷售11.8萬台，同比增長16.1%；WP9H/WP10H發動機銷售5.8萬台，同比增長100.1%；農業裝備用發動機銷售4.2萬台，同比增長49.1%；叉車用發動機銷售0.4萬台，同比增長18.7%。報告期內，本公司控股子公司陝西重型汽車有限公司圍繞「戰略落地、創新驅動、挑戰自我、邁向高端」的工作方針，以客戶需求為導向，完成全系列國六產品規劃，引領行業排放升級；深耕牽引車、環保渣土車、天然氣車、港牽車等細分產品市場，助推銷量全面提升，市場領先地位更加穩固。本公司控股子公司陝西法士特齒輪有限責任公司立足打造穩定、可靠的高品質產品，創新建立並高效運行四標融合質量管理體系；緩速器、8AT等重點研發項目順利推進，與美國伊頓公司聯合組建中外合資高新技術企業合資項目順利實施，國際化佈局邁出重要一步。本公司海外控股子公司凱傲是全球第二、歐洲第一的叉車及服務提供商，全球第一的供應鏈解決方案提供商。積極把握快速發展的電子商務和日趨細化的全球供應鏈發展機遇，深度整合自動化和數字化，打造內部物流整體解決方案提供商，為客戶在其行業創造競爭優勢。

During the reporting period, having adopted a proactive attitude towards changes in approaches, structural adjustments and effectiveness enhancement, the Company firmly seized market opportunities and laid down solid foundation in its management, with a view to manufacturing the most competitive products and achieving high-quality corporate development and unprecedented operating results. Firstly, the Company focused on its core businesses and achieved continual growth in its operating results. The Company stepped up efforts in research on segment markets and achieved breakthroughs in its key markets one by one, thereby maintaining its solid position in the industry. Through adopting smart and digitized means, the Company organized its production in a scientific manner and engaged in sales activities such as "Work hard for 100 days to achieve a production and sales volume of 250,000 units" and "Work hard for the third quarter to achieve a production and sales volume of 250,000 units" to mobilize staff members to achieve high production, realizing significant development goals amidst a new round of industry opportunities. Secondly, the Company enhanced the system of technological innovation, in the firm direction of aiming at high-end. In response to the state's call, the Company worked with global strategic partners to put forth the "Blue Sky Defending Plan" initiative, lead the industry in raising emission standards, contribute to the prevention and control of pollution and build a beautiful China. The Company was the first in the industry to have completed the development and certification of the full China VI series of engines and satisfied the conditions for small-scale production of the same. Many of Weichai's engine models had obtained Euro VI-d certification. Innovation centres had been established in Tokyo and Silicon Valley, whereas the North America innovation centre and Germany innovation centre became important pillars to Weichai's global platform for technological innovation. In 2018, the Company was awarded the First Class Award of National Science and Technology Progress Award (國家科技進步一等獎) in respect of the project of "Heavy-duty Commercial Vehicles Powertrain Key Technologies and Applications" (重型商用車動力總成關鍵技術及應用項目). Thirdly, the Company worked intensively on the "Belt and Road" initiative and saw positive development in its overseas businesses in all respects. Under the attention of the government leaders of both the PRC and Belarus, the Weichai-MAZ project commenced production in November 2018, which was in the same year as the construction of the plants involved. Weichai-MAZ project was the first corporation in the Great Stone Industrial Park that commenced plant construction and product production in the same year. The Company also entered into a framework agreement on strategic cooperation with the Russia-based KAMAZ Group, pursuant to which the manufacturing and sale of Weichai's engines are expected to become increasingly localized. Fourthly, we consolidated the high-quality resources of new energy and

報告期內，本公司積極轉方式、調結構、增效益，緊抓市場機遇，夯實管理基礎，著力打造最具競爭力的產品，企業實現高質量發展，經營業績再創歷史新高。一是心無旁騖攻主業，經營業績繼續向好。強化產品細分市場研究，重點市場逐一突破，行業地位持續穩固；依托數字化、智能化手段，科學組織排產，實施「大幹100天，衝刺25萬」「大幹三季度，衝刺25萬台」等高產動員活動，在新一輪行業機遇中實現了大發展。二是完善科技創新體系，堅定不移邁向高端。響應國家號召，攜手全球戰略夥伴發起「堅決打贏藍天保衛戰」倡議，引領行業排放升級，助力污染防治，共建美麗中國。行業內最早完成全系列國六發動機開發、認證，並滿足小批量投放條件；多款發動機獲得歐盟歐VI d認證。先後成立東京創新中心、矽谷創新中心，與北美創新中心、德國創新中心共同成為濰柴全球科技創新平台的重要支撐。2018年濰柴動力「重型商用車動力總成關鍵技術及應用項目」榮獲國家科技進步一等獎。三是深耕「一帶一路」，海外業務全面向好發展。備受中白兩國領導人關注的濰柴馬茲項目於2018年11月投產，實現當年建設、當年投產，是中白「巨石」工業園第一家當年開工建設、當年投產的企業；公司與俄羅斯卡瑪斯集團簽署戰略合作框架協議，未來將逐步實現濰柴發動機當地化製造與銷售。四是整合新能源優質資源，加快新舊動能轉換。牽頭承擔國家燃料電池產業化重大專項，並先後與英國錫里斯動力控股有限公司(Ceres Power Holdings plc；下稱「錫里斯」)、加拿大巴拉德動力系統有限公

expedited the replacement of "Old-power" with "New-power". We took the lead in undertaking a major project of the PRC regarding the commercialization of fuel cells, and entered into strategic cooperation with each of the UK-based Ceres Power Holdings plc ("Ceres Power") and the Canada-based Ballard Power Systems Inc. ("Ballard"), continuously fostering the implementation of commercialization of new energy. By establishing new technology research institutes and smart technology companies, we consolidated resources, including new energy, electric control, smart driving and so forth, thereby creating a new business platform and environment. Fifthly, the Company holistically pressed ahead with the enhancement and implementation of Weichai's WOS. The Company won the third China Quality Award in respect of its "WOS quality management system". Based on the requirements of customer satisfaction and precise appraisal, the Company introduced an innovative, customer-oriented mechanism in various segments in the entire value chain, including management, R&D, manufacturing, marketing and procurement, achieving precise appraisal, strengthening process control, and bringing the management level of the Company to a new height.

During the reporting period, the Company's revenue increased by 5.1% compared with that in the corresponding period of 2017 to approximately RMB159,256 million. The net profit attributable to shareholders of the Company was approximately RMB8,658 million, representing an increase of 27.2% compared with that in the corresponding period of 2017. The basic earnings per share was RMB1.08, representing an increase of 27.2% compared with that in the corresponding period of 2017.

II. DIVIDENDS AND CAPITALISATION OF RESERVE

On 25 March 2019, the Company's 2018 profit distribution proposal was approved by the Company's third meeting of the fifth session of the Board. The Company proposed a distribution to all shareholders of a cash dividend of RMB2.80 (including tax) for every 10 shares held, based on the 7,933,873,895 shares available for distribution after deducting treasury shares as at 31 December 2018, without any capitalisation of reserve. Completion of the proposal is subject to the consideration and approval by the 2018 Annual General Meeting.

司(Ballard Power Systems Inc.：下稱「巴拉德」)開展戰略合作，不斷推動新能源產業化落地；成立新科技研究院、智能科技公司，整合新能源、電控、智能駕駛等資源，搭建新業務全新平台和生態。五是全面推進濰柴WOS深化落地。濰柴「WOS質量管理模式」榮獲第三屆中國質量獎。圍繞客戶滿意和精準考核要求，創新方法，構建管理、研發、製造、營銷、採購等環節全價值鏈的客戶導向機制，實施精準考核，強化過程管控，公司管理水平再上新臺階。

報告期內，公司實現營業收入約為159,256百萬元人民幣，較二零一七年同期增長5.1%。歸屬於上市公司股東的淨利潤約為8,658百萬元人民幣，較二零一七年同期提高27.2%。基本每股收益為1.08元人民幣，較二零一七年同期提高27.2%。

二、股息及資本金轉增股本

二零一九年三月二十五日，本公司五屆三次董事會審議通過了本公司二零一八年度的利潤分配預案：擬以二零一八年十二月三十一日扣除庫存股的現有可予分配7,933,873,895股為基數，向全體股東每十股派發現金紅利人民幣2.80元(含稅)，不實施公積金轉增股本。此方案需經二零一八年度股東周年大會審議通過後實施。

III. ACQUISITION AND CONSOLIDATION

1. Grasping core technology and leading global development of new energy

On 16 May 2018, the Company entered into a strategic co-operation agreement with Ceres Power, the world's leading supplier of Solid Oxide Fuel Cells ("SOFC"), pursuant to which the Company would invest more than £40 million to subscribe for new shares issued by Ceres Power in two tranches. To date, the Company had subscribed for 20% of the shares in Ceres Power. Going forward, the Company and Ceres Power will form a joint venture company in Weifang, Shandong Province, the PRC to foster and realize the commercialization of the SOFC technology in the PRC market. The joint venture company will have a registered capital of RMB140 million, 51% of which will be held by the Company and 49% of which will be held by Ceres Power. Ceres Power will grant the joint venture company a right in the PRC market to use, on a combination of exclusive and non-exclusive basis, the SteelCell® technology and to produce and sell fuel-cell systems, electric piles and electric cells to be applied to commercial vehicles, passenger vehicles and specific markets of electricity generation. This strategic co-operation is an important milestone in Weichai's proactive attainment of the 2020-2030 strategic goals, and will provide a driving force for the development of the new-energy sectors of the PRC.

On 13 November 2018, through Weichai Power (Hong Kong) International Development Co., Ltd., its wholly-owned subsidiary, the Company subscribed for a 19.9% shareholding in Ballard at a consideration of US\$164 million and became the largest shareholder of Ballard. Meanwhile, the Company and Ballard invested a total of RMB1.1 billion to establish a joint venture company in Weifang, Shandong Province. The joint venture company is owned as to 51% by the Company and 49% by Ballard. The joint venture company possesses the exclusive right to use Ballard's "next-generation proton exchange membrane fuel cells, electric piles and modular technology products" in the markets of passenger vehicles, commercial trucks and forklift trucks in the PRC. Through this transaction, the Company will leverage on the cooperation with the world-renowned enterprise to consolidate global resources, establish its all-round presence in the hydrogen-fueled electric cells sector, expedite the breakthroughs in the core technology of hydrogen-fueled electric cells, press ahead with the implementation of Weichai's new energy strategy, and lead the transformation and improvement of the commercial vehicle and forklift truck industries in the PRC.

三、收購與整合

1. 掌控核心技術，引領全球新能源發展

2018年5月16日，公司與全球領先的固態氧化物燃料電池(SOFC)供應商錫里斯簽署戰略合作協議，濰柴動力投資4,000餘萬英鎊分兩期認購錫里斯新發行的股份。目前，濰柴動力已完成認購錫里斯20%的股份。未來，濰柴動力和錫里斯將在山東省濰坊市成立合資公司，推動實現SOFC技術在中國市場的商業化。合資公司註冊資本1.4億元人民幣，其中濰柴動力持有51%的股份，錫里斯持有49%的股份。錫里斯將以排他和非排他組合的方式在中國市場授權合資公司使用SteelCell®技術，產銷燃料電池系統、電堆和電池片，應用於商用車、客車和特定發電市場。本次戰略合作，是濰柴積極實現2020-2030戰略目標的重要部署，也將為中國的新能源產業發展再添新動力。

2018年11月13日，濰柴動力通過全資子公司濰柴動力(香港)國際發展有限公司以1.64億美元認購巴拉德19.9%股份，成為巴拉德第一大股東。同時，濰柴動力與巴拉德共同出資11億元人民幣在山東省濰坊市成立合資公司，濰柴動力佔51%股權，巴拉德佔49%股權。合資公司擁有巴拉德下一代質子交換膜燃料電池電堆及模組技術產品在中國客車、商用卡車和叉車市場的獨家權利。通過本次交易，濰柴動力將借助與國際知名企業的合作，整合全球資源，全面進軍氫燃料電池領域，加快突破氫燃料電池核心技術，推動濰柴動力新能源戰略的落地，引領中國商用車和叉車行業轉型升級。

2. Strategic acquisition of shareholding in XCMG and first-time cooperation at capital level

In July 2018, the Company and Weichai Power (Shanghai) Technology Development Co., Ltd. (濰柴動力(上海)科技發展有限公司), a subsidiary of the Company, subscribed for a strategic stake of 367,957,139 shares in XCMG Construction Machinery Co., Ltd. (徐工集團工程機械股份有限公司, "XCMG") through Huzhou Yingcan Investment Partnership LLP (湖州盈燦投資合夥企業) by way of private placement, representing 4.70% of the total number of shares as enlarged by the private placement. This investment exemplified the use of capital in fostering industrial development to the full play, and is beneficial in facilitating further cooperation between two groups.

2. 戰略入股徐工機械，實現資本層面首次合作

2018年7月，公司及其子公司濰柴動力(上海)科技發展有限公司通過湖州盈燦投資合夥企業(下稱「盈燦投資」)戰略入股徐工集團工程機械股份有限公司(下稱「徐工機械」)，盈燦投資認購徐工機械367,957,139股非公開發行股份，佔其本次定增後總股份的4.70%。本次投資充分發揮了資本運營助推產業發展的使命，有利於促進兩家集團間的進一步合作。

IV. OUTLOOK AND PROSPECTS

In 2019, the global economy is expected to see greater downside risks, and is estimated to grow at around 3.5%. Meanwhile, the escalated US-China trade conflict, policy uncertainties and augmented global debts will also constitute potential risks. After nine years of economic expansion, the United States has entered the final stage of economic recovery with diminished potential for economic growth. Faced with internal and external uncertainties, including sluggish consumption, Brexit and intensified protectionism, Europe will experience a period of further slowdown in economic growth. Under financial pressure and tension in bulk trade of commodities, emerging markets and developing countries will experience increasingly steady economic growth. The East Asian and South Asian regions will remain the world's most dynamic economies and continue to be the global leaders in terms of economic growth rate. In respect of the PRC, 2019 will mark the 70th anniversary of the establishment of contemporary China, and will be a key year in securing a decisive victory in building a "moderately prosperous" society and implementing the Thirteenth Five-year Period Plan of the PRC. Faced with new circumstances, problems and challenges, the PRC will, under the general keynote of making progress while maintaining stability, continue to adopt the current strategies and utilize its government policies in the best possible manner by focusing on major conflicts with appropriate rhythm and to appropriate extent, with the key emphasis on developing the domestic market. It is anticipated that the economy of the PRC will face relatively high downside pressure in 2019, with a GDP growth ranging from 6.0% to 6.5% on a full-year basis.

四、公司前景與展望

2019年全球經濟下行風險加大，預計將增長3.5%左右，同時面臨中美貿易摩擦升級、政策不確定性、全球債務負擔上升等潛在風險；在歷經長達9年的連續擴張後，美國經濟已進入復蘇後期，經濟增長潛力有所降低；歐洲面臨消費疲軟、英國脫歐、貿易保護主義加劇等內外部不穩定因素，經濟發展將進一步放緩；在金融壓力、大宗商品貿易緊張等局勢下，新興市場和發展中國家經濟增長將趨於平穩；東亞、南亞仍是世界上經濟最具活力的地域，經濟增速將繼續在全球保持領先。放眼國內，2019年是新中國成立70周年，是決勝全面建成小康社會、實施「十三五」規劃的關鍵一年，面對新情況、新問題、新挑戰，國家將在穩中求進的總基調下，保持戰略定力，通過聚焦主要矛盾，把握節奏和力度，發揮好政策組合拳效益，重點發展國內市場。預計2019年中國經濟仍將面臨較大的下行壓力，全年GDP增速在6.0%—6.5%之間。

The Company remains cautiously optimistic about the development of the industry in which the Company operates. In 2019, it is estimated that the heavy-duty truck market will remain steady, which is mainly attributable to the following reasons. Firstly, subsequent to the advancement of "Investment Stability", being one of the "Six Stabilities" propounded by the Chinese Government, the relevant governmental authorities have stepped up their efforts in approving new projects, and the policy of "making up for shortfalls" in infrastructure will become an important part of the efforts to intensify supply-side structural reform, and thus the heavy-duty truck and construction vehicle markets will see steady demand. Secondly, under the more stringent emission standards, the government has been stepping up its efforts in preventing and controlling the pollution caused by mechanically-propelled vehicles, pursuant to which the elimination of China III and older generations of vehicles will bring forth vast replacement demand. Thirdly, as the Chinese economy transforms into a more consumption-driven one, segment markets including courier transportation, cold chain logistics and green logistics will continue to grow, which will favour the development of the industry. Fourthly, as the "Belt and Road" initiative gains momentum, there will be greater room for the overseas export businesses to grow.

In 2019, favorable factors including the supply-side reform and the drive by relevant state policies will persist. In particular, the implementation of policies to "make up for shortfalls" in infrastructure is anticipated to increase the growth rate of infrastructure investment, and the steady development of the construction machinery sector will continue. Along with the accelerated implementation of village revitalization strategies, the construction of new villages and agricultural irrigation works will boost the sales volume of small-scale construction machineries including compact excavators and wheeled excavators. The more stringent regulatory regime will further foster the upgrade and replacement of products such as construction machineries and so forth.

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。2019年，預計重卡市場將保持平穩運行發展態勢，主要驅動因素：一是「穩投資」作為「六穩」政策之一被提出後，相關部門加大了新項目審批力度，基建「補短板」將成為深化供給側結構性改革的重要一環，重卡、工程車市場需求將保持穩定；二是排放法規升級，政府對機動車污染防治力度不斷加大，國三及以下老舊車輛的淘汰將帶來大量置換需求；三是隨著中國經濟向消費拉動轉型，快遞運輸、冷鏈、綠通物流等細分市場持續增長，將利好行業發展；四是「一帶一路」政策深入推進，海外出口將迎來較大增長空間。

2019年，供給側改革、國家相關政策項目帶動等利好因素依然存在，特別是基礎設施補短板政策的實施有望帶動基建投資加快增長，工程機械行業將保持穩健發展。鄉村振興戰略加速落地，新農村建設、農田水利建設等帶動小挖、輪挖等小型工程機械產品銷量提升。國家監管趨嚴，進一步推動了工程機械等產品的更新換代。

In 2018, the “Opinions on Strengthening Protection of Ecological Environment in All Aspects and Firmly Winning the Battle of Preventing and Controlling Pollution” (《關於全面加強生態環境保護堅決打好污染防治攻堅戰的意見》) and the Three-Year Blue Sky Defending Plan (《打贏藍天保衛戰三年行動計劃》) were successively promulgated by the Chinese Government, upholding the state’s determination in addressing environmental issues. It was emphasized that the transportation structure shall be adjusted in a proactive manner, that a green transportation system shall be developed and that the sea and road transportation structure should be improved by promoting the use of new-energy vehicles, rigorously eliminating old generations of vehicles and pressing ahead with the replacement and upgrade of maritime vessels. Leveraging on the synergy presented by its global research and development, the Company has provided a high-end and cutting-edge platform for technology, seizing opportunities and being proactively responsive. At present, the Company is the first in the industry to have completed the development and marketing of road-going China VI engines, and has been one year ahead of the state requirements for finishing preparatory works for non-road-going China Stage IV engines, in full endorsement for the Blue Sky Defending Plan. The Board has full confidence in the Company’s future development prospects.

In 2019, the Company will take guidance from the “2020-2030 Strategy” in speeding up in achieving the “dual-million” target regarding engines and increasing its pace of technological innovation, continuing to optimize its business structure, consolidating its strengths in development, manufacturing high-end products with core competitiveness, and continuing to foster the high-quality, proactive and steady growth of the Company. It will work strenuously on the following:

2018年，國家陸續發佈《關於全面加強生態環境保護堅決打好污染防治攻堅戰的意見》和《打贏藍天保衛戰三年行動計劃》，對環境治理的態度更加堅決，強調要積極調整運輸結構，發展綠色交通體系，通過推廣使用新能源汽車、大力淘汰老舊車輛、推進船舶更新升級，加快車船結構升級。本公司憑藉全球協同研發優勢、打造高端前沿技術平台，搶抓機遇、積極應對，目前已在行業率先完成道路國六發動機開發和市場推廣；比國家標準要求提前一年完成非道路四階段發動機準備工作，將全面助力打贏藍天保衛戰。董事會對本公司的未來發展前景充滿信心。

2019年，本公司將以「2020-2030戰略」為指引，加快實現「雙百萬」發動機目標落地，加速科技創新步伐，持續優化業務結構、鞏固發展優勢，打造具有核心競爭力的高端產品，繼續推動公司實現高質量積極穩健增長，重點做好以下工作：

Firstly, the Company will utilize its strengths in product mix and win the battle of market expansion. Adhering to the customer-oriented approach and capitalizing on the opportunities presented by the more stringent emission standards in the industry, the Company will fine-tune its product strategies on the segment markets, solidify strategic markets and explore new markets, thereby reaching the budget target for 2019 in all respects. Secondly, the Company will expedite its efforts in achieving breakthroughs in core technologies and set a new trend of the same. Leveraging on the globally coordinated research and development platform, the Company will step up its R&D efforts, expedite the formation of a novel, three-in-one system of engineering technology, science technology and basic research, consolidate the foundation of its traditional businesses, increase the pace of development of its new businesses, and forge the core competitiveness of the enterprise. Thirdly, the Company will enhance its business layout and expedite the replacement of "Old-power" with "New-power". It will be in full gear pressing ahead with the development of high-end products, new-energy renovation projects, and the creation and implementation of new investment projects by firmly grasping the key strengths in business structure optimization and power replacement in order to fuel the high-end development of the Company and achieve high-quality development. Fourthly, the Company will work intensively on the "Belt and Road" initiative and fortify its international branding. Efforts will be made to step up overseas market expansion and product sale, promote technology export and international capacity cooperation, optimize the opening up of channels, achieve a well-balanced product mix, and contribute to the ongoing enhancement of the influence of the Weichai brand. Fifthly, the Company will press ahead with its transformation towards a more digitized direction and build a smart enterprise. It will fully utilize the strengths of the Group's industry chain, expedite the formation of the information system that covers all business processes, and enhance the value of the full life cycle of its products. It will continue to raise the level of smart manufacturing, expedite the formation of big data and cloud platforms, and fortify the support offered by information technology to the operating efficiency of the enterprise. Sixthly, the Company will enhance process control and promote management efficiency. Aiming to achieve refined management, the Company will enhance the full-process control vis-à-vis all staff members, innovate upon ways and avenues of management, and continue to press ahead with cost reduction and efficiency enhancement. Seventhly, the Company will intensify team building and cultivate the best working environment. Innovative mechanisms will be put in place to absorb, incentivize and develop talents, providing the best working environment for staff members and creating a team of international talents with unified cultural values, a reasonable mix of age groups, and a hierarchy of medium and high levels of science, so as to enhance the Company's core competitiveness.

一是發揮產品組合優勢，打好市場開拓攻堅戰。以客戶為導向，搶抓行業排放法規升級機遇，優化細分市場產品策略，穩固戰略市場、開拓新興市場，全面完成2019年預算指標。二是加快核心技術突破，打造超越引領新優勢。依托全球協同研發平台，加大研發投入，加速構建「工程技術、科學技術與基礎研究三位一體」的創新體系，夯實傳統業務根基，推進新業務加快發展，打造企業核心競爭力。三是優化業務布局，加速新舊動能轉換。全力推進高端產品、新能源改造、新投資項目建設與落地，牢牢把握產業結構優化、動力轉換關鍵，助推公司邁向高端，實現高質量發展。四是深耕「一帶一路」，深化國際品牌建設。加大海外市場開拓和產品銷售，推進技術輸出和國際產能合作，優化渠道建設、均衡產品結構，助推濰柴品牌影響力不斷提升。五是推進數字化轉型，構建智慧型企業。充分發揮集團產業鏈優勢，加速覆蓋全業務流程的信息化體系建設，實現產品全生命周期價值提升。繼續提升智能製造水平，加快大數據、雲平台建設，提高信息化對企業運營效率的支撐力度。六是加強過程控制，提高管理效能。以精細化管理為目標，強化全員全過程管控，創新管理方法和手段，持續推進降本增效。七是深化團隊建設，打造最優幹事生態。創新人才引進、激勵、成長機制，營造最優生態，打造文化價值觀一致、老中青結構合理、中高端梯次科學的國際化人才隊伍，提升公司核心競爭力。

V. APPRECIATION

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

Tan Xuguang

Chairman and Chief Executive Officer

Hong Kong, 25 March 2019

五、致謝

最後，我謹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，二零一九年三月二十五日

The Directors are pleased to present a management discussion and analysis of the annual results of operations of the Group for the year ended 31 December 2018 as follows:

I. INDUSTRY ANALYSIS

The Company is one of the vehicle and equipment manufacturing conglomerates in the PRC with the best comprehensive strengths. It is a leading company in the markets of powertrain, complete vehicles and machines, hydraulic controlling parts and automotive electronics and parts and components. It is equipped with the most comprehensive supply chain of engines, gear boxes and axles and offers related aftersales market services. Meanwhile, with the Group's leading advantage in intelligent logistics, it could provide comprehensive solutions to its customers.

1. Heavy-duty Vehicle Industry

In 2018, the Chinese government insisted upon the general keynote of making progress while maintaining stability, firmly promoting high-quality development. The nationwide economic performance maintained within a reasonable range, sustaining a general trend of stability with positive development. In 2018, the gross domestic product of the PRC reached RMB90.0 trillion, representing a year-on-year growth of 6.6%. Driven by favorable factors including the rapid development of domestic logistics transportation, the imposition of more stringent emission standards and the investment in infrastructure in the PRC, the heavy-duty truck market continued to perform well, delivering sales of approximately 1,148,000 units in total, representing a modest year-on-year increase of approximately 2.8%.

董事欣然提呈本集團截至二零一八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：

一、行業分析

本公司為中國綜合實力最強的汽車及裝備製造產業集團之一，是動力總成、整車整機、液壓控制和汽車電子及零部件市場領先公司，具有最完善的發動機、變速箱及車橋供應鏈和後市場服務。同時，本集團憑藉在智能物流領先優勢，為客戶提供完善整體解決方案。

1. 重型汽車行業

於二零一八年，中國政府堅持穩中求進工作總基調，積極推動高質量發展，國民經濟運行平穩有進，並保持在合理區間。去年全國國內生產總值達人民幣90.0萬億元，同比增長約6.6%。受惠於國內物流運輸高速發展、排放標準升級和國家基建投資拉動等有利因素影響，重卡市場保持高位運行，銷量小幅上升，全年實現銷售約114.8萬輛，同比上升約2.8%。

2. Construction Machinery

During the year, fixed-asset investments in the PRC (excluding agricultural households) reached RMB63.6 trillion, representing a year-on-year growth of approximately 5.9%. Among which, investments in property development reached RMB12.0 trillion, representing a year-on-year growth of approximately 9.5% or an increase of approximately 2.5 percentage points. As such, the growth trend of construction machinery market in the PRC continued this year, delivering sales of approximately 711,000 units for the whole construction machinery industry (including fork-lift trucks using combustion engines), representing a year-on-year increase of approximately 21.5%, amongst which, the sales of wheel loaders with a load capacity of 3 tonnes and above was approximately 106,000 units, representing a year-on-year increase of 20.6%.

3. Forklift Truck and Supply Chain Solutions Industry

During the reporting period, driven by the robust development of electronic commerce, there had been increases in the need for warehouse expansions and automated systems for enterprises, which in turn resulted in the continual growth of the forklift truck and supply chain solutions industry. Global sales orders for forklift trucks increased from approximately 1.397 million units last year to approximately 1.541 million units this year, representing a year-on-year growth of 10.3%. In particular, Asia-Pacific and Eastern Europe achieved a relatively strong growth, increasing by 13.3% and 20.0%, respectively, from the corresponding period last year.

2. 工程機械

在去年國家固定資產投資(不含農戶)達人民幣63.6萬億元, 同比增長約5.9%。其中;房地產開發投資達人民幣12.0萬億元, 同比增長約9.5%, 增速同比上升約2.5個百分點。受此影響, 工程機械行業延續去年增長態勢, 整個工程機械行業(包括內燃叉車)實現銷售約71.1萬台, 同比增長約21.5%。其中, 3噸及以上裝載機銷售約10.6萬台, 同比增長約20.6%。

3. 叉車及供應鏈解決方案行業

於本期間, 受惠於電子商貿蓬勃發展, 帶動企業倉庫擴容和自動化需求增加, 叉車及供應鏈解決方案行業持續增長。全球叉車訂單數量由去年約139.7萬輛增加至約154.1萬輛; 同比上升10.3%。其中, 亞太地區和東歐增長較為強勁, 比去年同期分別增長13.3%及20.0%。

II. THE GROUP'S BUSINESS

An analysis of the Group's business segments is set out in Note XIV.2 to the consolidated financial statements. The following is an overview of the operating conditions of the major products of the Group:

1. Sale of Diesel Engines

For Use in Heavy-duty Trucks

The Group is the largest supplier of diesel engines among major manufacturers of heavy-duty trucks with a load capacity of 15 tonnes (and above) in the PRC. In 2018, the sales volume in the heavy-duty truck market remained high, with the Company having sold a total of approximately 363,000 units of heavy-duty truck engines (2017: approximately 363,000 units), remaining flat compared to the previous year. The Company maintained its leading position in the heavy-duty truck auxiliary market with its market share of 31.6%.

For Use in Construction Machinery

The Group is also the largest supplier of diesel engines among major manufacturers of construction machinery (mainly wheel loaders) with a load capacity of 3 tonnes and above in the PRC. Approximately 89,000 units (2017: approximately 78,000 units) of diesel engines for wheel loaders with a load capacity of 3 tonnes and above were sold during the Year, representing a year-on-year increase of approximately 14.8%, maintaining the Group's leading position in this sector.

2. Forklift Trucks Production, Warehousing Technology and Supply Chain Solutions Services

Benefiting from the continual growth of the forklift truck and supply chain solution industry, the Group recorded sales orders for forklift trucks of approximately 216,700 units during the Year, representing a year-on-year increase of approximately 7.6% from approximately 201,400 units in the corresponding period last year. Sales orders for forklift trucks and related services amounted to EUR6,211 million, an increase of approximately 6.0% from last year, whilst sales orders for supply chain solutions services amounted to EUR2,425 million, an increase of approximately 15.5% from last year. Before elimination of intra-group sales, the forklift trucks production, warehousing technology services and supply chain solutions services business contributed approximately RMB60,540 million to the Group's sales revenue during the Year, representing an increase of approximately 3.5% from approximately RMB58,493 million last year.

二、本集團之業務

本集團業務分部之分析載於合併財務報表附註十四、2。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。在二零一八年期間，重卡市場銷量維持在高水平，公司共銷售重卡用發動機約36.3萬台(二零一七年：約36.3萬台)，同比基本持平，在重卡市場配套佔有率達31.6%，繼續保持行業領先地位。

用於工程機械

本集團亦是中國載重量3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。本年度內共銷售柴油機3噸及以上裝載發動機約8.9萬台(二零一七年：約7.8萬台)，同比增長約14.8%，繼續保持這一領域的龍頭地位。

2. 叉車生產、倉庫技術及供應鏈解決方案服務

受惠於叉車及供應鏈解決方案行業持續增長，叉車訂單由去年約20.14萬輛增加至本年度約21.67萬輛，同比上升約7.6%。叉車及相關服務訂單金額比去年同期增加約6.0%至6,211百萬歐元，而供應鏈解決方案服務訂單金額比去年同期增加約15.5%至2,425百萬歐元。於對沖集團間公司銷售前，叉車生產、倉庫技術及供應鏈解決方案服務業務於本年度為本集團貢獻銷售收入約人民幣60,540百萬元，比去年約人民幣58,493百萬元增加約3.5%。

3. Sale of Heavy-duty Trucks

During the Year, the Group reported an aggregate sales of approximately 153,000 units of heavy-duty trucks, representing an increase of approximately 2.7% from approximately 149,000 units sold during the corresponding period of 2017. Shaanxi Heavy-duty Motor Company Limited, a controlling subsidiary of the Company, led the industry in raising emission standards by completing the planning for the full China VI series of products, and achieved higher sales volume than last year in a number of segment markets. Last year, Shaanxi Heavy-duty Motor Company Limited ranked among the first-tier players in the domestic heavy-duty truck industry in the PRC. Before elimination of intra-group sales, the heavy-duty trucks business contributed approximately RMB51,120 million to the Group's sales revenue during the Year.

4. Sale of Heavy-duty Gear Boxes

During the Year, the Group sold approximately 909,000 units of heavy-duty gear boxes, representing an increase of approximately 8.9% compared to the approximately 835,000 units of heavy-duty gear boxes sold in the corresponding period in 2017, maintaining a stable leading position in the industry. Before elimination of intra-group sales, the gear boxes business contributed approximately RMB13,924 million to the Group's revenue this Year.

5. Sale of Parts and Components of Engines and Heavy-duty Trucks and Hydraulics Controlling 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 is also engaged in the production and sales of engine parts and components and other truck parts and components such as spark plugs, axles, chassis, air-conditioner compressors, hydraulic controlling parts, etc. During the Year, the Group's sales of parts, components of engines and trucks and hydraulic controlling parts decreased by approximately RMB166 million from approximately RMB4,166 million in the corresponding period of last year to approximately RMB4,000 million, representing a year-on-year decrease of approximately 4.0%.

3. 銷售重型卡車

於本年度內，本集團售出重型卡車約15.3萬輛，比二零一七年同期約14.9萬輛增長約2.7%，集團控股子公司陝西重型汽車有限公司已完成全系列國六產品規劃，引領行業排放升級。銷量在多個產品細分市場都有所提升。在去年，陝西重型汽車有限公司銷售排名位居國內重卡企業第一梯隊。於對沖集團間公司銷售前，卡車業務於本年度內為本集團貢獻銷售收入約人民幣51,120百萬元。

4. 銷售重型變速箱

於本年度內，本集團售出重型變速箱約90.9萬台，比二零一七年同期售出約83.5萬台重型變速箱相比增長約8.9%，行業領導地位穩固。於對沖集團間公司銷售前，變速箱業務於本年度內為本集團貢獻銷售收入約人民幣13,924百萬元。

5. 銷售發動機零部件、重型卡車零部件及液壓控件

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、液壓控件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、卡車零部件及液壓控制件銷售由去年同期的人民幣4,166百萬元減少約人民幣166百萬元至約人民幣4,000百萬元，同比減少約4.0%。

Last year, the Company budgeted that sales revenue in 2018 would be approximately RMB166.7 billion, representing a growth of approximately 10%. The actual sales revenue was approximately RMB159.3 billion, representing a year-on-year increase of approximately 5.1%. The actual sales revenue was lower than the budgeted sales revenue by approximately RMB7.4 billion or 4.4%, mainly due to factors including the escalated US-China trade conflict, Brexit, and intensified protectionism. However, the Company maintained a steadfast commitment in serving the market and expedited the upgrade of technology and products, thereby boosting its market competitiveness on an ongoing basis and achieving high-quality development, which in turn resulted in the sustainably rapid development of the Group in 2018 and improved sales in all major products of the Group.

In 2019, with increasing uncertainties underlying the global economy and intensified protectionism, economic development will further slow down. It is expected that China's economy will see greater downside pressure. In 2019, the Company will take guidance from the "2020 to 2030 Strategy" to solidify its development strengths; leverage on the cooperation with world-renowned enterprises to foster the implementation of new-energy strategy; and continue to optimize its business structure, in pursuit of the goal of driving high-quality and steady growth of the Company. As at 31 December 2018, orders on hand amounted to approximately RMB38.9 billion. The Company budgets a sales revenue growth of approximately 10% for 2019 to approximately RMB175 billion.

去年公司預計二零一八年銷售收入約人民幣1,667億元，增長約10%。實際銷售收入約人民幣1,593億元，同比增長約5.1%。銷售收入低於預算收入約人民幣74億元或4.4%，主要是受中美貿易摩擦升級，英國脫歐，貿易保護主義加劇等不利因素影響，但公司堅持以市場為導向，加速技術和產品升級，不斷提升市場競爭力，實現高質量發展，得以在二零一八年集團能繼續保持較快的發展，在各個主要產品銷售都有所上升。

二零一九年全球經濟不穩定性正在加大，貿易保護主義加劇，經濟發展將進一步放緩，預計國內經濟將面臨較大的下行壓力。於二零一九年本公司會以「2020-2030戰略」為指引，鞏固發展優勢；借助與國際知名企業合作，推動新能源戰略落地；持續優化業務結構，不斷推動公司實現高質量積極穩健增長目標。於二零一八年十二月三十一日公司手頭定單約人民幣389億元。公司預計二零一九年銷售收入約人民幣1,750億元，增長約10%。

III. FINANCIAL REVIEW

1. The Group's Results of Operations

a. Revenue

The Group's revenue increased by approximately RMB7,687 million or approximately 5.1% from approximately RMB151,569 million in 2017 to approximately RMB159,256 million in 2018. This was primarily because the heavy-duty truck market of the PRC continued to perform well, and also attributable to the breakthrough achieved by Shaanxi Heavy-duty Motor Company Limited, a controlling subsidiary of the Company, in the heavy-duty truck segment market, as well as the continual increase in sales of other major products of the Group. In particular, the revenue from principal operations increased by approximately RMB7,607 million or approximately 5.1%, from approximately RMB147,929 million in the previous year to approximately RMB155,536 million for the Year. Other revenue increased by approximately 2.2%, from approximately RMB3,641 million in the previous year to approximately RMB3,720 million for the Year.

b. Profit from Principal Operations

During the Year, the Group generated profit from principal operations in the amount of approximately RMB34,933 million, an increase of 6.5% from approximately RMB32,787 million recorded in the corresponding period in 2017, primarily attributable to the increase in both revenue and profit margin from principal operations. The Group has completed the development and certification for the full China VI series of engines. Having adopted effective control measures over costs while continually stepping up investments in research and development, the profit margin of the Group's principal operations increased from approximately 22.2% last year to approximately 22.5% this Year.

三、財務回顧

1. 本集團之經營業績

a. 營業收入

本集團於二零一八年度營業收入約人民幣159,256百萬元，比二零一七年同期的約人民幣151,569百萬元增長約5.1%。主要受惠於國內重卡市場保持高位運行、集團控股子公司陝西重型汽車有限公司在重卡細分市場獲得突破和集團內其他主要產品銷售持續增加。其中，主營業務收入約人民幣155,536百萬元，比去年同期的約人民幣147,929百萬元上升約5.1%。其他業務收入約人民幣3,720百萬元，比去年同期的約人民幣3,641百萬元上升約2.2%。

b. 主營業務利潤

於本年度，本集團主營業務利潤約人民幣34,933百萬元，比二零一七年同期的約人民幣32,787百萬元，增長6.5%；主要是受惠於主營業務收入增加和主營業務利潤率提升。本集團已完成全系列國六發動機開發和認證，在不斷加大研發投入同時有效地控制成本，使集團主營業務利潤率由去年約22.2%提升至本年度約22.5%。

c. *Distribution and Selling Expenses*

Distribution and selling expenses increased by approximately 2.7% to approximately RMB10,619 million in the Year from approximately RMB10,338 million in the corresponding period of 2017. The increase of distribution and selling expenses was primarily attributable to the increase in staff costs and marketing expenses in the course of market expansion. However, with strict cost control and quality enhancement, after-sale expenses and maintenance costs decreased, bringing down the distribution and selling expenses as a percentage of revenue slightly to approximately 6.7% in the Year.

d. *General and Administrative Expenses*

General and administrative expenses increased by approximately RMB391 million or approximately 6.7% from approximately RMB5,869 million in the corresponding period of 2017 to approximately RMB6,260 million in the Year, which was mainly due to the increase in staff costs and external support fees as the Group actively developed its supply chain solution services after the merger of Dematic. The general and administrative expenses as a percentage of revenue was approximately 3.9% in the Year.

e. *Earnings Before Interest and Tax (EBIT) and Adjusted Earnings Before Interest and Tax (Adjusted EBIT)*

During the Year, the Group's EBIT increased by approximately RMB2,990 million or 27.3% to approximately RMB13,950 million from approximately RMB10,960 million in the corresponding period in 2017. The increase was primarily attributable to the improvement in economies of scale which increased as sales increased, while the improved EBIT margin from approximately 7.2% in the corresponding period of the previous year to approximately 8.8% this Year was due to the Company's effective reduction of finance expenses.

c. *銷售費用*

銷售費用由二零一七年同期的約人民幣10,338百萬元，上升至本年度的約人民幣10,619百萬元，上升約2.7%。銷售費用增加主要是在拓展市場時增加人工成本和市場開拓費。但在嚴格控制費用及提升質量下，三包及維修費用有所下降，使全年銷售費用佔營業收入的百分比輕微下降至約6.7%。

d. *管理費用*

管理費用由二零一七年同期的約人民幣5,869百萬元上升至本年度的約人民幣6,260百萬元，增加約人民幣391百萬元，增幅約6.7%。主要是合併Dematic後，集團積極發展供應鏈解決方案服務，增加員工成本和外部支持費投入。全年管理費用佔營業收入的百分比約為3.9%。

e. *息稅前利潤(EBIT)和調整後息稅前利潤(Adjusted EBIT)*

於本年度，本集團的息稅前利潤由二零一七年同期的約人民幣10,960百萬元上升至本年度的約人民幣13,950百萬元，增加約人民幣2,990百萬元或27.3%。息稅前利潤增加主要是規模效益隨著銷售額提升，而公司有效減少財務費用，使息稅前利潤率由去年約7.2%上升至本年度約8.8%。

For a business combination involving enterprises not under common control, the cost of business combination should be allocated between the identifiable assets and liabilities acquired on the date of acquisition, and assets and liabilities should be accounted for at fair value and are subsequently measured (“purchase price allocation”). The purchase price allocation of the Group primarily arose from the acquisition of KION and Dematic. In this year, the two purchase price allocations stated above resulted in a decrease in profit before tax of RMB1,372 million (2017: RMB2,306 million). After adjustment for the purchase price allocation, total profit amounted to approximately RMB15,230 million, representing an increase of approximately 18.7% from approximately RMB12,828 million in the corresponding period of last year.

f. Finance Expenses

Finance expenses decreased substantially by approximately 87.3% to approximately RMB75 million in the Year from approximately RMB591 million in the corresponding period of 2017. This was mainly attributable to the effective control over capital structure, with decrease in interest expenses and exchange losses, and increase in interest income on deposits.

g. Income Tax Expenses

The Group’s income tax expenses increased by approximately 66.1% from approximately RMB1,344 million in the corresponding period in 2017 to approximately RMB2,233 million in the Year. The Group’s average effective tax rate was approximately 16.1% in the Year, compared to approximately 12.8% in the corresponding period in 2017, marking an increase of 3.3 percentage points. The increase in effective tax rate was mainly due to the effect of the one-off deferred income tax income arising from the adjustment of the United States corporate income tax rate from 35% to 21%.

本集團非同一控制下企業合併中，購買日需要將企業合併成本在取得的可辨認資產和負債之間分配，各項資產、負債以公允價值入賬並進行後續計量(「合併對價分攤」)。本集團重大合併對價分攤主要源自收購凱傲及Dematic，本年度上述兩項合併對價分攤減少本集團稅前利潤人民幣1,372百萬元(2017年：人民幣2,306百萬元)。在剔除合併對價分攤後，利潤總額約為人民幣15,230百萬元，比去年同期約人民幣12,828百萬元，增加約18.7%。

f. 財務費用

財務費用由二零一七年同期的約人民幣591百萬元大幅下降至本年度的約人民幣75百萬元，下降約87.3%，主要是因為資本結構得到有效控制，利息支出和匯兌損失有所減少，而存款利息收入有所上升所致。

g. 所得稅費用

本集團的所得稅費用由二零一七年同期的約人民幣1,344百萬元增加至本年度的約人民幣2,233百萬元，上升約66.1%。於本年度本集團的平均實際稅率約16.1%，比二零一七年同期的約12.8%，上升3.3個百分點。實際稅率上升主要是因為在去年美國企業所得稅徵收稅率由35%調整至21%而產生一次性遞延所得稅收入所影響。

h. Net Profit and Net Profit Margin

The Group's net profit increased by approximately 26.7% from approximately RMB9,178 million in the corresponding period of 2017 to approximately RMB11,626 million in the Year. During the Year, the net profit margin was approximately 7.3%, representing an increase of approximately 1.2 percentage points from approximately 6.1% recorded in the corresponding period in 2017. This was primarily attributable to the upturn of the heavy-duty truck industry, the effective operation by the Group and the effective control over costs.

i. Liquidity and Cash Flow

During the Year, the Group generated operating cashflows of approximately RMB22,262 million. A portion of such proceeds was applied to acquiring approximately 2,053,558 additional KION shares (at a total consideration of approximately EUR146 million), subscribing for 367,957,139 shares in XCMG by way of private placement through the acquisition of Hangzhou Gaomu Asset Management Company Limited, subscribing for new shares issued by Ceres Power Holdings plc (at a total consideration of approximately £48 million), subscribing for approximately 19.9% shareholding in Ballard Power Systems Inc. (at a total consideration of approximately US\$164 million), repaying borrowings, paying interest and acquiring property, plant and equipment for the expansion of the Group's business. As of 31 December 2018, the Group's gearing ratio (Net interest-bearing debts/(Shareholders' equity + net interest-bearing debts)) was 32.9% (31 December 2017: 35.5%).

h. 淨利潤及淨利潤率

本集團的淨利潤由二零一七年同期的約人民幣9,178百萬元上升至本年度的約人民幣11,626百萬元，上升約26.7%；於本年度，淨利潤率約7.3%，與二零一七年同期的約6.1%比較，上升約1.2個百分點。主要受惠於重卡行業景氣、集團維持高效運營和費用得到有效控制。

i. 流動資金及現金流

於本年度，本集團產生經營現金流約人民幣22,262百萬元，其中部分已用於增持2,053,558股凱傲股份(總代價約為146百萬歐元)、通過收購杭州高目資產管理有限公司認購了徐工股份367,957,139股非公開發行的股份，認購錫里斯動力控股有限公司(Ceres Power Holdings plc)新發行股份(總代價約為48百萬英鎊)和認購巴拉德動力系統有限公司(Ballard Power Systems Inc.)約19.9%股份(總代價約為164百萬美元)、償還借款、支付利息和購建物業、機器及設備以擴展本集團之業務。於二零一八年十二月三十一日本集團資本負債比率(計息債務/(股東權益+計息債務))約為32.9%。(於二零一七年十二月三十一日：35.5%)。

2. Financial Position

a. *Assets and Liabilities*

As at 31 December 2018, the Group had total assets of approximately RMB205,276 million, of which approximately RMB108,105 million were current assets. As at 31 December 2018, the Group had cash and cash equivalents of approximately RMB38,210 million (as at 31 December 2017: approximately RMB34,222 million). On the same date, the Group's total liabilities was approximately RMB143,017 million, of which approximately RMB88,617 million were current liabilities. The current ratio was approximately 1.22x (as at 31 December 2017: approximately 1.28x).

b. *Capital Structure*

As at 31 December 2018, the Group had total equity of approximately RMB62,259 million, of which approximately RMB39,314 million was attributable to equity holders of the Company and the balance was minority interests. Interest attributable to minority interest holders includes the issue of perpetual capital securities in the principal amount of US\$775 million in September 2017. The borrowings of the Group as at 31 December 2018 amounted to approximately RMB30,516 million, which included bonds of approximately RMB12,265 million and bank borrowings of approximately RMB18,251 million. Borrowings repayable on demand or within a period not exceeding one year were approximately RMB7,343 million, borrowings repayable within a period of more than one year but not exceeding two years were approximately RMB2,808 million; borrowings repayable within a period of more than two years but not exceeding five years were approximately RMB7,941 million; and borrowings repayable within a period of more than 5 years were approximately RMB159 million. The bank borrowings included approximately RMB2,136 million of fixed interest rate bank borrowings and approximately RMB16,115 million of floating interest rate bank borrowings. Other than Euro-denominated borrowings equivalent to approximately RMB15,473 million, USD-denominated borrowings equivalent to approximately RMB674 million and GBP-denominated borrowings equivalent to approximately RMB241 million, the borrowings are primarily Renminbi-

2. 財務狀況

a. *資產及負債*

於二零一八年十二月三十一日，本集團資產總額約為人民幣205,276百萬元，其中流動資產為人民幣約108,105百萬元。於二零一八年十二月三十一日，本集團擁有約38,210百萬元的貨幣資金(於二零一七年十二月三十一日：人民幣34,222百萬元)。同日，本集團負債總額為人民幣約143,017百萬元，其中流動負債為人民幣約88,617百萬元。流動比率約為1.22倍(於二零一七年十二月三十一日：1.28倍)。

b. *資本結構*

於二零一八年十二月三十一日，本集團總權益約為人民幣62,259百萬元，其中約人民幣39,314百萬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。少數股東權益持有人應佔權益中已包括在二零一七年九月份發行7.75億美元永續債券。本集團於二零一八年十二月三十一日的借貸金額約為人民幣30,516百萬元，其中包括人民幣約12,265百萬元的債券及約人民幣18,251百萬元的銀行借貸。借款金額中約人民幣7,343百萬元為一年內到期或隨時要求償付借款；約人民幣2,808萬元為多於一年但不超過兩年內到期借款；約人民幣7,941百萬元為多於兩年但不超過五年內到期借款和約人民幣159百萬元為五年後到期借款。銀行借貸包括定息銀行借貸約人民幣2,136百萬元及浮息銀行借貸約人民幣16,115百萬元。除人民幣折約15,473百

denominated borrowings. The revenue of the Group is mainly in Renminbi and Euro. Contracts have been entered into with financial institutions to swap the USD400 million USD-denominated bonds issued in September 2015 and the USD775 million USD-denominated perpetual capital securities issued in September 2017 to Euro, and thus the Group does not consider the currency risk facing its future general cash outflow significant. 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 31 December 2018, bank deposits and notes receivable of approximately RMB15,863 million (as at 31 December 2017: approximately RMB16,830 million) were pledged to banks to secure the Group's notes payable, letter of guarantee, letter of credit and etc. issued by banks. The pledged bank deposits carry prevailing bank interest rates. The pledge will be released upon the settlement of the relevant bank borrowings. The fair value of the bank deposits as at the balance sheet date was approximately the same as the carrying amount. Certain other assets were also pledged by the Group to secure the Group's borrowings.

萬元、人民幣折約674百萬元及人民幣折約241百萬元分別為歐元、美元及英鎊借款外，其他借款主要為人民幣借款。本集團收入主要是人民幣和歐元收入，而在二零一五年九月和二零一七年九月發行分別為4億美元債券和7.75億美元永續債券已與金融機構簽定合約掉期為歐元，所以本集團認為其外匯風險並不重大。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*

於二零一八年十二月三十一日，本集團將約人民幣15,863百萬元(於二零一七年十二月三十一日：人民幣16,830百萬元)的銀行存款及應收票據質押予銀行，作為本集團所獲銀行發出應付票據、保函、信用證等的抵押品。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償還時予以解除。於資產負債表日，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。

d. Contingencies

On 31 December 2018, the Group provided certain distributors and agents bank guarantee amounting to approximately RMB2,482 million (as at 31 December 2017: approximately RMB3,522 million) to secure their obtaining and use of banking facilities.

As at 31 December 2018, the Group provided guarantee for joint liabilities in respect of failure of the leasee under finance lease to settle instalment payments plus interest. Risk exposure in respect of possible guarantee for joint liabilities amounted to approximately RMB2,303 million (as at 31 December 2017: approximately RMB1,507 million).

As at 31 December 2018, the Group's other guarantee amounted to approximately RMB702 million (as at 31 December 2017: approximately RMB376 million).

e. Commitments

As at 31 December 2018, the Group had capital commitments of approximately RMB3,584 million (as at 31 December 2017: approximately RMB1,803 million), principally for the capital expenditure for the acquisition of property, plant and equipment. The capital expenditure will be financed by internal resources.

As at 31 December 2018, the Group had no other investment commitments (as at 31 December 2017: approximately RMB5 million).

d. 或有事項

於二零一八年十二月三十一日，本集團為若干經銷商及代理商提供約人民幣2,482百萬元(於二零一七年十二月三十一日：約人民幣3,522百萬元)之銀行擔保以使其獲授權並使用銀行信貸。

於二零一八年十二月三十一日，本集團為融資租賃的承租方未能支付的融資租賃分期付款及利息提供連帶保證責任，連帶責任保證風險敞口約為人民幣2,303百萬元(二零一七年十二月三十一日：約人民幣1,507百萬元)。

於二零一八年十二月三十一日，本集團有其他擔保約為人民幣702百萬元(二零一七年十二月三十一日：約人民幣376百萬元)。

e. 承諾事項

於二零一八年十二月三十一日，本集團擁有的資本承諾約人民幣3,584百萬元(於二零一七年十二月三十一日：約人民幣1,803百萬元)，主要是購買物業、機器及設備的資本開支。此等開支將會以內部資源來支付。

於二零一八年十二月三十一日，本集團並沒有其他投資承諾(於二零一七年十二月三十一日：約人民幣5百萬元)。

3. Other Financial Information

a. Employees

As at 31 December 2018, the Group had approximately 76,800 employees (including approximately 33,100 employees of KION). During the Year, the Group paid remuneration of approximately RMB23,440 million. The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merits, qualifications and competence.

In the Year, guided under the Group's corporate strategies and business development plan, the Group focused on projects to develop high-end talents and diversified talents. A total of 1.433 million training hours were provided for the full year to 182,000 participants, which translated to 114.6 training hours per participant. The Group spent approximately RMB44 million in aggregate on providing such trainings during the year.

b. Major Investment

During the Period, the Group, through Barclays Bank, acquired from the secondary market 2,053,558 shares of KION, a non-wholly-owned subsidiary of the Company which is a stock corporation incorporated in Germany whose shares are listed on the Frankfurt Stock Exchange, at a consideration of approximately EUR146 million. Following the completion of the transaction, the Company has through its indirect wholly-owned subsidiary Weichai Power (Luxembourg) Holding S.à r.l. become the holder of 53,140,500 KION shares, and accordingly the Group has increased its shareholding in KION from approximately 43.26% to 45%.

3. 其他財務資料

a. 僱員資料

於二零一八年十二月三十一日，本公司共聘用約7.68萬名僱員(包括約3.31萬名凱傲僱員)。於本年度，本集團人工成本約人民幣23,440百萬元。本集團僱員的薪酬政策由本公司薪酬委員會根據彼等的長處、資歷及工作能力釐定。

於本年度，公司以戰略和業務發展為指引，重點開展高端人才及多元化人才培養項目。全年累計培訓143.3萬學時，參訓人員18.2萬人次，人均114.6學時，累計投入培訓費用約人民幣44百萬元。

b. 重大投資

於本期間，本公司透過巴克萊銀行從二級市場收購本公司的非全資附屬公司凱傲(在德國註冊成立的股份公司，其股份在法蘭克福證券交易所上市)2,053,558股股份，對價約為146百萬歐元。交易完成後，本公司通過其間接全資子公司濰柴動力(盧森堡)控股有限公司合共持有53,140,500股凱傲股份，本集團所持凱傲股權由約43.26%上升至45%。

c. *Major Acquisition and Disposal*

In July 2018, the Company and Weichai Power (Shanghai) Technology Development Co., Ltd. (“Shanghai Technology”), a subsidiary of the Company, entered into the Agreement on Participating in (Withdrawing from) Huzhou Yingcan Investment Partnership (Limited Partnership) with, among others, Hangzhou Gaomu Asset Management Company Limited, pursuant to which the Company and Shanghai Technology as a limited partner and a general partner respectively, participated in Huzhou Yingcan Investment Partnership (Limited Partnership) (“Yingcan Investment”) by way of taking up the subscription amounts of RMB1,405,800,000 and RMB200,000. Yingcan Investment subscribed for 367,957,139 shares of XCMG Construction Machinery Co., Ltd. (“XCMG”) by way of private placement, representing 4.7% of the total shares of XCMG upon completion of the capital increase.

During the period, the Company, through Weichai Power (Hong Kong) International Development Co., Ltd., its wholly-owned subsidiary, subscribed for new shares issued by Ceres Power Holdings plc representing approximately 20.0% of its enlarged share capital, at a total consideration of approximately £48 million, and subscribed for shares representing approximately 19.9% shareholding in Ballard Power Systems Inc. at a total consideration of approximately US\$164 million.

The aforesaid acquisitions are funded by the Group’s internal resources or bank financings.

Save as disclosed above, the Group did not have any other major acquisition or disposal during the Year.

c. *重大收購及出售*

於二零一八年七月，本公司及其子公司濰柴動力(上海)科技發展有限公司(「上海科技」)與杭州高目資產管理有限公司等簽署《湖州盈燦投資合夥企業(有限合夥)之入(退)夥協議》，本公司及上海科技分別作為有限合夥人與普通合夥人認繳人民幣1,405,800,000元和人民幣200,000元的出資份額，入夥湖州盈燦投資合夥企業(有限合夥)(「盈燦投資」)。盈燦投資認購了徐工集團工程機械股份有限公司(「徐工股份」)367,957,139股非公開發行的股份，佔徐工股份本次定增後總股份的4.7%。

於本期間，本公司通過其全資子公司濰柴動力(香港)國際發展有限公司，以總代價約48百萬英鎊認購錫里斯動力控股有限公司(Ceres Power Holdings plc)新發行股份，佔已擴大後股本約20.0%和以總代價約164百萬美元認購巴拉德動力系統有限公司(Ballard Power Systems Inc.)約19.9%股份。

有關上述收購支付金額，由集團內部資源或銀行融資支付。

除上文披露者外，於本年度本集團並無其他任何重大收購或出售事項。

d. *Subsequent Events*

(i) On 25 March 2019, the Company's 2018 profit distribution proposal was approved by the Company's third meeting of the fifth session of the Board. The Company proposed a distribution to all shareholders of a cash dividend of RMB2.80 (including tax) for every 10 shares held, based on the 7,933,873,895 shares available for distribution after deducting treasury shares as at 31 December 2018, without any capitalisation of reserve. Completion of the proposal is subject to the consideration and approval by the 2018 Annual General Meeting.

(ii) *Repurchase and Cancellation of A Shares*

On 21 September 2018, the Company opened a dedicated securities account at the Shenzhen branch of China Securities Depository and Clearing Corporation Limited. As of 28 December 2018, 63,364,661 A Shares in aggregate had been repurchased by way of centralized bidding. Pursuant to relevant requirements, the relevant A shares repurchased no longer carry rights from the date of transfer to the dedicated account for such repurchase. On 7 January 2019, the Company completed the formalities of repurchase and cancellation of the relevant A shares at the Shenzhen branch of China Securities Depository and Clearing Corporation Limited.

d. *資產負債表日後事項*

(i) 二零一九年三月二十五日，本公司五屆三次董事會審議通過了本公司二零一八年度的利潤分配預案：公司擬以二零一八年十二月三十一日扣除庫存股的現有可予分配7,933,873,895股為基數，向全體股東每十股派發現金紅利人民幣2.80元(含稅)，不實施公積金轉增股本。此方案需經二零一八年度股東周年大會審議通過後實施。

(ii) *A股股份回購註銷*

於二零一八年九月二十一日，本公司在中國證券登記結算有限責任公司深圳分公司開立回購專用證券賬戶。截至二零一八年十二月二十八日，本公司通過集中競價方式累計回購A股股份63,364,661股。依據相關規定，回購的有關A股股份自過戶至回購專用賬戶之日起即失去其權利。於二零一九年一月七日，本公司在中國證券登記結算有限責任公司深圳分公司辦理完畢有關A股股份回購註銷手續。

(1) DIRECTORS

Mr. Tan Xuguang, Chinese, aged 57, is the Chairman and the Chief Executive Officer of the Company, chairman of Shandong Heavy Industry Group Co., Ltd., chairman of China National Heavy Duty Truck Group Co., Ltd., chairman of Shandong Communications Industry Group Holding Co., Ltd. and chairman of Weichai Group Holdings Limited (which holds A Shares of the Company with details as set out below and is thus interested in the shares of the Company under Part XV of the Securities and Futures Ordinance). He is also the chairman of Shaanxi Heavy-duty Motor Company Limited and Shaanxi Fast Gear Co., Ltd., and the supervisor of KION Group AG. Mr. Tan joined Weifang Diesel Engine Factory in 1977 and had held various positions including chairman and general manager of Shandong Weichai Import and Export Co., Ltd., general manager of Weifang Diesel Engine Factory, chairman of Torch Automobile Group Co., Ltd., chairman of Weichai Heavy-duty Machinery Co., Ltd. and director of Beiqi Foton Motor 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, Eleventh, Twelfth and Thirteenth National People's Congress of the PRC. He receives a special government subsidy from the State Council and was honored "National Labor Model", "第四屆袁寶華企業管理金獎" (the Gold Award of the 4th Yuan Baohua Enterprise Management), "Outstanding Achievements Award 2008 to 2017" from China Internal Combustion Engine Industry Association, "Excellent Person Award" in China Automobile Industry in celebration of the 40th anniversary of the opening up of China, "Liu Yuan Zhang Quality and Technology Contribution Award", "Asia-Pacific Quality Award – Individual Award", "Heart-touching Person in Shandong" in celebration of the 40th anniversary of the opening up of China, and the "Leonardo Award" granted in Italy.

Mr. Zhang Quan, Chinese, aged 55, is an 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, general manager of marketing and general manager of the sales and marketing company of Weifang Diesel Engine Factory. Mr. Zhang is currently a director of Weichai Group Holdings Limited, Weichai Heavy-duty Machinery Co., Ltd. and Beiqi Foton Motor Co., Ltd. Mr. Zhang is a senior economist and holds a bachelor's degree in engineering and an MBA degree.

(1) 董事

譚旭光先生，中國籍，57歲，本公司董事長兼首席執行官，山東重工集團有限公司董事長，中國重型汽車集團有限公司董事長，山東省交通工業集團控股有限公司董事長，濰柴控股集團有限公司（濰柴控股持有本公司的A股（有關詳情載於下文），因而在本公司股份中擁有證券及期貨條例第XV部所界定的權益）董事長，陝西重型汽車有限公司董事長，陝西法士特齒輪有限責任公司董事長，KION Group AG（凱傲公司）監事；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、濰柴重機股份有限公司董事長、北汽福田汽車股份有限公司董事等職；高級經濟師，工學博士，第十屆、十一屆、十二屆、十三屆全國人大代表，享受國務院政府特殊津貼，曾榮獲全國勞動模範，第四屆袁寶華企業管理金獎、中國內燃機工業協會2008-2017年度「傑出成就獎」、紀念改革開放40周年—中國汽車產業「卓越人物獎」、劉源張質量技術貢獻獎、亞太質量獎個人獎，山東省慶祝改革開放40周年感動山東人物、意大利「萊昂納多國際獎」。

張泉先生，中國籍，55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、市場總經理兼營銷公司總經理等職；現任濰柴控股集團有限公司董事，濰柴重機股份有限公司董事，北汽福田汽車股份有限公司董事；高級經濟師，工學學士，MBA碩士學位。

Mr. Xu Xinyu, Chinese, aged 55, is an 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 Import and Export Co., Ltd., deputy general manager and executive deputy general manager of Weifang Diesel Engine Factory, director of Torch Automobile Group Co., Ltd., chairman of Weichai Power (Weifang) Investment Co., Ltd., chairman of Weichai Power (Shanghai) Technology Development Co., Ltd., chairman of Weichai Power (Beijing) International Resource Investment Co., Ltd., chairman of Société Internationale des Moteurs Baudouin and chairman of Weichai America Corp. Mr. Xu is currently a director of Weichai Group Holdings Limited, director of Weichai Power (Hong Kong) International Development Co., Ltd., chairman of Weichai Power (Luxembourg) Holding S.à r.l. and director of Ferretti International Holdings S.p.A. Mr. Xu is a senior economist and holds a bachelor's degree in science and an MBA degree.

Mr. Sun Shaojun, Chinese, aged 53, is an 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, the chief engineer of Weifang Diesel Engine Factory, director of Torch Automobile Group Co., Ltd. and director of Weichai Heavy-duty Machinery Co., Ltd. Mr. Sun is currently a director of Weichai Group Holdings Limited, chairman of the U.S.-based PSI Inc., chairman of Shandong Weichai Import and Export Co., Ltd., chairman of Weichai (Weifang) New Energy Technology Co., Ltd. and director of the Canada-based Ballard Power Systems Inc. He is a researcher in applied engineering technology, and holds a doctoral degree in engineering. He is a candidate of "國家百千萬人才工程" (National Hundred and Ten Million Talents Project), receives a special subsidy from the State Council and 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).

Mr. Yuan Hongming, Chinese, aged 53, was appointed as an Executive Director of the Company on 8 June 2017 and as an Executive President of the Company on 5 September 2017. He had been the deputy general manager and chief engineer of Shaanxi Automotive Group Co., Ltd. (陝西汽車集團有限責任公司), deputy general manager of Shaanxi Heavy-duty Motor Company Limited (陝西重型汽車有限公司) and general manager and chief accountant of Shaanxi Automotive Holdings Group Co., Ltd. (陝西汽車控股集團有限公司). He is currently the chairman of the board of directors of Shaanxi Automotive Holdings Group Co., Ltd. (陝西汽車控股集團有限公司), the chairman of the board of directors and director of Shaanxi Automotive Group Co., Ltd. (陝西汽車集團有限責任公司), and the general manager and director of Shaanxi Heavy-duty Motor Company Limited (陝西重型汽車有限公司). Mr. Yuan is a senior engineer and a holder of a bachelor's degree in engineering. Mr. Yuan also obtained the qualification of a machinery senior professional manager (機械工業企業高級職業經理人).

徐新玉先生，中國籍，55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、濰柴動力(上海)科技發展有限公司董事長、濰柴動力(北京)國際資源投資有限公司董事長、法國博杜安動力國際有限公司董事長、濰柴北美公司董事長等職；現任濰柴控股集團有限公司董事、濰柴動力(香港)國際發展有限公司董事、濰柴動力(盧森堡)控股有限公司董事長、法拉帝國際控股有限公司董事；高級經濟師，理學學士，MBA碩士學位。

孫少軍先生，中國籍，53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、總工程師，湘火炬汽車集團股份有限公司董事，濰柴重機股份有限公司董事等職；現任濰柴控股集團有限公司董事，美國PSI公司董事長，山東濰柴進出口有限公司董事長，濰柴(濰坊)新能源科技有限公司董事長，加拿大巴拉德動力系統有限公司董事；工程技術應用研究員，工學博士，國家百千萬人才工程人選，享受國務院特殊津貼，山東省人民政府泰山學者特聘專家。

袁宏明先生，中國籍，53歲，於二零一七年六月八日委任為本公司執行董事及於二零一七年九月五日聘任為本公司執行總裁；歷任陝西汽車集團有限責任公司副總經理、總工程師，陝西重型汽車有限公司副總經理，陝西汽車控股集團有限公司總經理，總會計師等職；現任陝西汽車控股集團有限公司董事長，陝西汽車集團有限責任公司董事長、董事，陝西重型汽車有限公司總經理、董事；高級工程師，工學學士，獲得機械工業企業高級職業經理人資格認證。

Mr. Yan Jianbo, Chinese, aged 56, was appointed as an Executive Director of the Company on 8 June 2017 and as an Executive President of the Company on 5 September 2017. He had been the deputy general manager of Shaanxi Auto Gear General Works (陝西汽車齒輪總廠), deputy general manager and director of Shaanxi Fast Gear Co. Ltd. (陝西法士特齒輪有限責任公司), and deputy general manager, general manager and director of Shaanxi Fast Gear Automotive Transmission Co., Ltd. (陝西法士特汽車傳動集團有限責任公司). He is currently the chairman of the board of directors and the secretary of the party committee of Shaanxi Fast Gear Automotive Transmission Co., Ltd. (陝西法士特汽車傳動集團有限責任公司) and the general manager and director of Shaanxi Fast Gear Co. Ltd. (陝西法士特齒輪有限責任公司). Mr. Yan is a senior engineer and a holder of an executive master of business administration degree.

Mr. Wang Yuepu, Chinese, aged 56, was appointed as a Non-executive Director of the Company on 30 June 2014. Mr. Wang was a division head of the investment division of Weifang City Planning Commission (濰坊市計劃委員會), a deputy director of the Weifang City Electric Power Construction Office (濰坊市電力建設辦公室), a deputy general manager of Weifang Investment Company and the party committee secretary, chairman and general manager of Weifang Investment Company and a supervisor of Shandong International Trust Co., Ltd.. Mr. Wang is presently the party committee secretary, chairman and general manager of Weifang Investment Group Company Limited, and a director of Weichai Heavy-duty Machinery Co., Ltd.. He is a senior economist and holds a Master of Business Administration degree.

Mr. Jiang Kui, Chinese, aged 54, was appointed as a Non-executive Director of the Company on 29 June 2012. He had held various positions including engineer and deputy general manager of assembly department of Shandong Bulldozer General Factory (山東推土機總廠), deputy general manager of Shantui Import and Export Company (山推進出口公司), deputy director, director of manufacturing department, deputy general manager and director of Shantui Engineering Machinery Co., Ltd. (山推工程機械股份有限公司), deputy general manager of Shandong Engineering Machinery Group Co., Ltd. (山東工程機械集團有限公司), executive deputy general manager and vice chairman of Weichai Group Holdings Limited, chairman of Shanzhong Jianji Co., Ltd. and director of Shandong Heavy Industry Group Co., Ltd. He is currently the general manager of Shandong Heavy Industry Group Co., Ltd., a director of Shantui Engineering Machinery Co., Ltd., a supervisor of KION Group AG, a director of the U.S.-based PSI Inc., a director of Ferretti International Holdings S.p.A., a director of Sinotruk (Hong Kong) Limited, a director of the Canada-based Ballard Power Systems Inc., and the chairman of Weichai Ballard Hydrogen Energy Technology Company Limited. He is a senior engineer and holds an MBA degree.

嚴鑾鉞先生，中國籍，56歲，於二零一七年六月八日委任為本公司執行董事及於二零一七年九月五日聘任為本公司執行總裁；歷任陝西汽車齒輪總廠副廠長，陝西法士特齒輪有限責任公司副總經理、董事，陝西法士特汽車傳動集團有限責任公司副總經理、總經理、董事等職；現任陝西法士特汽車傳動集團有限責任公司董事長、黨委書記，陝西法士特齒輪有限責任公司總經理、董事；高級工程師，高級工商管理碩士。

王日普先生，中國籍，56歲，於二零一四年六月三十日委任為本公司非執行董事；歷任濰坊市計劃委員會投資科科長，濰坊市電力建設辦公室副主任，濰坊市投資公司副總經理，濰坊市投資公司黨委書記、董事長兼總經理，山東省國際信託股份有限公司監事等；現任濰坊市投資集團有限公司黨委書記、董事長兼總經理，濰柴重機股份有限公司董事；工商管理碩士，高級經濟師。

江奎先生，中國籍，54歲，於二零一二年六月二十九日獲委任為本公司非執行董事；歷任山東推土機總廠工程師、總裝分廠副廠長，山推進出口公司副總經理，山推工程機械股份有限公司製造部副本部長、本部長、副總經理、董事，山東工程機械集團有限公司副總經理，濰柴控股集團有限公司常務副總經理、副董事長，山重建機有限公司董事長，山東重工集團有限公司董事等職；現任山東重工集團有限公司總經理、山推工程機械股份有限公司董事、凱傲公司監事，美國PSI公司董事，法拉帝國際控股有限公司董事，中國重汽(香港)有限公司董事，加拿大巴拉德動力系統有限公司董事，濰柴巴拉德氫能科技有限公司董事長；高級工程師，MBA碩士學位。

Mr. Gordon Riske, American/German, aged 61, was appointed as a Non-executive Director of the Company on 24 June 2013. He had been chief executive officer of KUKA Roboter GmbH, chairman of the executive board of directors of Deutz AG in Cologne, Germany, chief executive officer of KION Material Handling GmbH and a member of the board of directors of KION Holding 2 GmbH. He is currently the chief executive officer of KION Group AG. He holds a degree in electronic engineering and a bachelor's degree in business administration.

Mr. Michael Martin Macht, German, aged 58, was appointed as a Non-executive Director of the Company on 14 June 2018. He was previously a researcher at the Fraunhofer Institute for Industrial Engineering IAO, a director of Porsche Consulting Co., Ltd., chairman of the board of Dr. Ing. h.c. F. Porsche AG, a director of Porsche Holding SE and a director of Volkswagen AG. He is currently a director of Endurance Capital AG, a director of Ferrett. S.P.A, and a supervisor of KION Group AG. He holds an honorary doctorate degree granted by Universität Stuttgart.

Mr. Zhang Zhong, Chinese, aged 50, was appointed as an Independent Non-executive Director of the Company on 30 June 2014. Mr. Zhang held independent directorships in Huolinhe Opencut Coal Industry Corporation Limited of Inner Mongolia (內蒙古霍林河露天煤業股份有限公司), Zhengzhou Sino-Crystal Diamond Co., Ltd. (鄭州華晶金剛石股份有限公司), Konka Group Co., Ltd. (康佳集團股份有限公司) and Jilin Gpro Titanium Industry Co., Ltd. (吉林金浦鈦業股份有限公司). At present, Mr. Zhang is a lawyer and partner of Beijing Zhonglun Law Firm (北京市中倫律師事務所), and an independent director of Beijing Dalong Weiye Real Estate Development Co., Ltd. (北京大龍偉業房地產開發股份有限公司), Keda Group Co., Ltd. (科達集團股份有限公司) and Concord New Energy Group Limited. He holds a Master Degree of Laws from the Renmin University of China (中國人民大學).

Gordon Riske先生，美國／德國籍，61歲，於二零一三年六月二十四日獲委任為本公司非執行董事。歷任德國庫卡機器人有限公司首席執行官，德國科隆道依茨股份有限公司執行董事會主席，KION Material Handling GmbH(凱傲物料搬運有限公司)首席執行官及凱傲控股II有限公司董事會成員；現任凱傲公司首席執行官。電機工程學位和工商管理學學士學位。

Michael Martin Macht，德國籍，58歲，於二零一八年六月十四日委任為本公司非執行董事，歷任Fraunhofer工業工程研究所研究員，Porsche諮詢股份有限公司董事，Dr. Ing. h.c. F. Porsche AG董事會主席，Porsche Holding SE董事，Volkswagen AG董事，現任Endurance Capital AG董事，Ferrett. S.P.A董事，KION Group AG監事；斯圖加特大學榮譽博士學位。

張忠先生，中國籍，50歲；於二零一四年六月三十日委任為本公司獨立非執行董事，歷任內蒙古霍林河露天煤業股份有限公司、鄭州華晶金剛石股份有限公司、康佳集團股份有限公司獨立董事和吉林金浦鈦業股份有限公司獨立董事，現任北京市中倫律師事務所律師及合夥人、北京市大龍偉業房地產開發股份有限公司獨立董事、科達集團股份有限公司獨立董事，協合新能源集團有限公司獨立董事；中國人民大學法學碩士。

Mr. Wang Gongyong, Chinese, aged 46, was appointed as an Independent Non-executive Director of the Company on 30 June 2014. Mr. Wang is currently a partner of ShineWing Certified Public Accountants. He is also an independent director of Sunvim Group Co., Ltd. (孚日集團股份有限公司). He is a certified public accountant of the PRC, a certified asset valuer, a senior auditor, a senior accountant, and a member of the Certified Public Accountant Industry Leader (Reserve) Scheme. Mr. Wang holds a Master of Business Administration from the Shandong University (山東大學). He is a collaborative tutor for graduate courses leading to professional degrees at Shandong University and a fellow member of the Chinese Institute of Certified Public Accountants.

Mr. Ning Xiangdong, Chinese, aged 53, was appointed as an Independent Non-executive Director of the Company on 30 June 2014. Mr. Ning held independent directorships in listed companies, such as Datang Telecom Technology Co., Ltd. (大唐電信科技股份有限公司), Shantui Engineering Machinery Co., Ltd. (山推工程機械股份有限公司), GoerTek Inc. (歌爾聲學股份有限公司), Hong Yuan Securities Co., Ltd. (宏源證券股份有限公司), Aerospace Hi-Tech Holding Group Co., Ltd. (航天科技控股集團股份有限公司), China Southern Airlines Company Limited (中國南方航空股份有限公司), Sichuan Changhong Electric Co., Ltd. (四川長虹電器股份有限公司) and Yango Group Co., Ltd. (陽光城集團股份有限公司). Mr. Ning is currently a professor and doctoral tutor of the Tsinghua University School of Economics and Management (清華大學經濟管理學院). He holds a Doctor of Philosophy in Economics from Tsinghua University.

Mr. Li Hongwu, Chinese, aged 56, was appointed as an Independent Non-executive Director of the Company on 8 June 2017. He is currently an associate professor at the Law School of Shandong University, a solicitor at Shandong Wenhan Law Firm (山東文瀚律師事務所), and an independent director of Shandong Jinling Mining Co., Ltd. and Shandong Head Co., Ltd. Mr. Li holds a master of laws degree from Shandong University.

Mr. Wen Daocai, Chinese, aged 61, was appointed as an Independent Non-executive Director of the Company on 14 June 2018. He was previously the chairman and general manager of the Yangzhou Silk Group. Mr. Wen is an engineer and holds a degree in agricultural machinery granted by Jiangsu University. He is a postgraduate from the Central Party School of the Community Party of China.

王貢勇先生，中國籍，46歲，於二零一四年六月三十日委任為本公司獨立非執行董事，現任信永中和會計師事務所合夥人，孚日集團股份有限公司獨立董事；中國註冊會計師、註冊評估師、高級審計師、高級會計師、全國會計領軍人才，山東大學工商管理碩士，山東大學專業學位研究生合作導師，中國註冊會計師協會資深會員。

寧向東先生，中國籍，53歲，於二零一四年六月三十日委任為本公司獨立非執行董事，歷任大唐電信科技股份有限公司、山推工程機械股份有限公司、歌爾聲學股份有限公司、宏源證券股份有限公司、航天科技控股集團股份有限公司、中國南方航空股份有限公司、四川長虹電器股份有限公司、陽光城集團股份有限公司等上市公司獨立董事；現任清華大學經濟管理學院教授、博士生導師；清華大學經濟學博士學位。

李洪武先生，中國籍，56歲，於二零一七年六月八日委任為本公司獨立非執行董事，現任山東大學法學院副教授，山東文瀚律師事務所律師，山東金嶺礦業股份有限公司獨立董事，山東赫達股份有限公司獨立董事；山東大學法學碩士。

聞道才先生，中國籍，61歲，於二零一八年六月十四日委任為本公司獨立非執行董事，曾任楊州市蠶絲綢集團董事長、總經理；工程師，江蘇大學農業機械專業，中央黨校研究生學歷。

(2) SUPERVISORS

Mr. Lu Wenwu, Chinese, aged 54, is the chairman of the supervisory committee of the Company. Mr. Lu joined Weichai Diesel Engine Factory in 1982 and had held various positions at Weichai Diesel Engine Factory as deputy general manager of the 615 Factory and deputy general manager of the mid-speed engine factory, deputy director of the human resources department, and at Weichai Power Co., Ltd. as general manager of the 615 Factory, general manager of No. 1 Factory and director of the production department. He is now the chairman of the Labor Union and a director of the party committee working department of the Company, and a director of staff career development centre of the Company. He is also a supervisor of Weichai Group Holdings Limited. Mr. Lu is a senior political engineer and holds a bachelor's degree.

Mr. Wu Hongwei, Chinese, aged 52, was appointed as a supervisor of the Company on 30 August 2017. He joined Weifang Diesel Engine Factory in 1991 and had held the positions of deputy manager of the finance department of Shandong Weichai Import and Export Co., Ltd, assistant to director, deputy director and executive deputy director of the finance department of Weifang Diesel Engine Factory, chief accountant of Chongqing Weichai Diesel Engine Factory, director of the finance department of Weichai Power Co., Ltd., and director of the finance department of Weichai Group Holdings Limited. He is currently a director and chief financial officer of Weichai Group Holdings Limited, a director of Weichai Heavy-duty Machinery Co., Ltd., and a director of Kama Co., Ltd. He is an accountant and holds a Master of Business Administration degree.

Mr. Ma Changhai, Chinese, aged 44, is a supervisor of the Company. Mr. Ma joined Weifang Diesel Engine Factory in 1997. He had been the deputy manager of administration department of Shandong Weichai Import and Export Co., Ltd., head of brand management department of the Company, and officer at the administrative office of external affairs of the Company. He is currently the deputy party committee secretary of Weichai Group Holdings Limited, administrative officer of the Company, deputy administrative officer at its Hong Kong office and deputy officer of the office of the Board, a director of Weichai Power (Hong Kong) International Development Co., Ltd., a director of Weichai International (Hong Kong) Energy Group Co., Ltd., and a director of Weichai Power (Beijing) International Resource Investment Co., Ltd.. He is a senior political engineer and holds a bachelor's degree.

(2) 監事

魯文武先生，中國籍，54歲，本公司監事會主席；1982年加入濰坊柴油機廠，歷任濰坊柴油機廠615廠副廠長、中速機廠副廠長、人力資源部副部長，濰柴動力股份有限公司615廠廠長、一號工廠廠長、製造部部長等職；現任本公司工會主席、黨委工作部部長、員工職業發展中心主任，濰柴控股集團有限公司監事；高級政工師，大學學歷。

吳洪偉先生，中國籍，52歲，於二零一七年八月三十日委任為本公司監事，1991年加入濰坊柴油機廠，歷任山東濰柴進出口有限公司財務部副經理，濰坊柴油機廠財務部部長助理、副部長、常務副部長，重慶濰柴發動機廠總會計師，濰柴動力股份有限公司財務部部長，濰柴控股集團有限公司財務部部長等職；現任濰柴控股集團有限公司董事、財務總監，濰柴重機股份有限公司董事，恒天凱馬股份有限公司董事；會計師，MBA碩士學位。

馬常海先生，中國籍，44歲，本公司監事；1997年加入濰坊柴油機廠，歷任山東濰柴進出口公司管理部副經理、本公司品牌管理部部長、外事管理辦公室主任等職；現任濰柴控股集團有限公司黨委副書記、公司辦公室主任、香港辦事處副主任兼董事會辦公室副主任、濰柴動力(香港)國際發展有限公司董事、濰柴國際(香港)能源集團有限公司董事、濰柴動力(北京)國際資源投資有限公司董事；高級政工師，大學學歷。

(3) SENIOR MANAGEMENT

Mr. Kwong Kwan Tong, Chinese, aged 52, is the Chief Financial Officer, Company Secretary and Authorised Representative of the Company. He is currently a director of Weichai International (Hong Kong) Energy Group Co., Ltd.. Mr. Kwong joined the Company in 2013. Mr. Kwong obtained a diploma in accountancy from the Morrison Hill Technical Institute in Hong Kong in 1987. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants and the Chartered Institute of Management Accountants. He has worked for companies listed on The Stock Exchange of Hong Kong Limited and has over 25 years' experience in the accounting and financial management fields.

Mr. Hao Qinggui, Chinese, aged 37, is the secretary to the Board, chief investment officer, head of the capital operation department, as well as the head of capital operation and legal affairs of the Shanghai Operation Center. He joined the Company in 2004, and had previously held the positions of assistant to the head of securities department, assistant to the head of strategic development department and the deputy head of the same department, assistant to the chairman of Linde Hydraulics GmbH & Co. KG, deputy general manager of Weichai Power (Luxembourg) Holding S.à r.l., and head of the capital operation department of the Shanghai Operation Center of Weichai Power. Mr. Hao is an assistant economist. He holds a double bachelor's degree in law and economics.

Mr. Feng Gang, Chinese, aged 54, is a Vice President of the Company. He joined Weichai Diesel Engine Factory in 1986 and was manager of technology service department, assistant to general manager and executive deputy general manager of sales department of the head office and executive deputy director of marketing management department of Weifang Diesel Engine Factory and assistant to the general manager, and deputy manager of Weichai Power Co., Ltd.. He is an engineer and holds a bachelor's degree in engineering. He holds a National May 1st Labor Medal of China.

Mr. Tong Dehui, Chinese, aged 54, is a Vice President of the Company. He joined Weichai Diesel Engine Factory in 1985 and was the assistant supervisor and supervisor of the technology centre of Weichai Power and deputy chief engineer and deputy general manager of Weichai Power. Mr. Tong is a researcher in applied engineering technology and holds a doctor's degree in engineering. Mr. Tong receives special subsidy from the State Council. 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 is a Young and Middle-aged Expert with Outstanding Contribution awarded by Shandong Province.

(3) 高級管理人員

鄺焜堂先生，中國籍，52歲，本公司財務總監、公司秘書及授權代表，現任濰柴國際(香港)能源集團有限公司董事。於2013年加入本公司；於1987年獲摩理臣山工業學院頒授會計學文憑，為英國特許公認會計師公會資深會員、香港會計師公會會員及英國特許管理會計師公會會員；曾於多家香港聯交所上市公司工作，並擁有逾25年的會計及財務管理經驗。

郝慶貴先生，中國籍，37歲，公司董事會秘書、投資總監、資本運營部部長兼上海運營中心資本運營與法務部部長；2004年加入本公司，歷任証券部部長助理，戰略發展部部長助理、副部長，德國林德液壓有限責任公司主席助理，濰柴動力(盧森堡)控股有限公司副總經理，濰柴動力上海運營中心資本運營部部長等職；助理經濟師，法學與經濟學雙學士學位。

馮剛先生，中國籍，54歲，本公司副總裁；1986年加入濰坊柴油機廠，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，濰柴動力股份有限公司總經理助理、副總經理；工程師，工學學士，全國五一勞動獎章獲得者。

佟德輝先生，中國籍，54歲，本公司副總裁；1985年加入濰坊柴油機廠，歷任濰柴動力技術中心副主任、主任，濰柴動力副總工程師、副總經理；工程技術應用研究員，工學博士，享受國務院特殊津貼，山東省人民政府泰山學者特聘專家，山東省有突出貢獻中青年專家。

Mr. Li Shaohua, Chinese, aged 53, is a Vice President of the Company. Mr. Li joined the Company in 1987 and had held various positions including the deputy director of the marketing department of Weichai Power, deputy general manager of the sales and marketing company, director of application engineering department and assistant to the general manager and assistant to the president of Weichai Power. He is a senior engineer and holds a bachelor's degree in engineering.

Ms. Ren Bingbing, Chinese, aged 53, is a Vice President of the Company. Ms. Ren joined the Company in 1987 and had held various positions including the deputy general manager of procurement management department and assistant to president of the Company. She is a senior economist and a graduate student in economics.

Mr. Ding Yingdong, Chinese, aged 50, is a Vice President of the Company. Mr. Ding joined Weifang Diesel Engine Factory in 1990 and had held various positions including deputy director of corporate planning department and director of human resources department of Weifang Diesel Engine Factory, director of human resources and corporate management department, assistant to president, director of the operational management department and a supervisor of the Company. Mr. Ding is a senior economist and holds the qualification of senior manager of corporate human resources, a bachelor's degree in engineering and an MBA degree.

Mr. Hu Haoyan, American, aged 62, is a Vice President and chief technology officer of the Company. Mr. Hu joined the Company in 2014. He has been an adjunct assistant professor at Ohio State University, a senior engineer, engineering manager, senior engineering manager at Jacobs Vehicle Systems, Inc., senior engineering manager at Detroit Diesel Corporation, an engineering manager at Caterpillar, chief scientist at Eaton Corporation plc. He is currently a director of Weichai Ballard Hydrogen Energy Technology Company Limited and a director of the U.K.-based Ceres Power Holdings PLC. He holds a doctoral degree granted by the Department of Mechanical Engineering at Massachusetts Institute of Technology (MIT) and is a post-doctoral researcher at the same department. Mr. Hu is an expert under the National Thousand Talents Program of China and he is also a Taishan Scholars Blue Industry Scheme Expert.

李紹華先生，中國籍，53歲，本公司副總裁；1987年參加工作，歷任濰柴動力市場部副部長、營銷總公司副總經理，應用工程部部長，濰柴動力總經理助理、總裁助理等職；高級工程師，工學學士。

任冰冰女士，中國籍，53歲，本公司副總裁；1987年參加工作，歷任採購管理部副總經理、公司總裁助理等職；高級經濟師，經濟學研究生。

丁迎東先生，中國籍，50歲，本公司副總裁；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，本公司人力資源與企業管理部部長、總裁助理兼運營管理部部長、監事等職；高級經濟師，高級企業人力資源管理師職業資格，工學學士，工商管理碩士。

胡浩然先生，美國籍，62歲，本公司副總裁兼首席技術官；於2014年加入本公司；歷任美國俄亥俄州立大學客座助理教授，雅各佈斯車輛系統公司高級工程師、工程經理、高級工程經理，底特律柴油機公司高級工程經理，卡特彼勒公司工程經理，美國伊頓公司首席科學家；現任濰柴巴拉德氫能科技有限公司董事，英國錫里斯動力控股有限公司董事；美國麻省理工學院(MIT)機械系博士研究生、博士後，國家千人計劃專家，泰山學者藍色產業計劃專家。

Mr. Zhang Jiyuan, Chinese, aged 54, is a Vice President and chief designer of the Company. He joined Weichai Diesel Engine Factory in 1990 and had held various positions including the deputy director and chief designer of the technology centre and assistant to president of the Company. He is a researcher in applied engineering technology and holds a master's degree in engineering. He receives special subsidy from the State Council. Mr. Zhang is a Taishan Industry Leader Talent and a Young and Middle-aged Expert with Outstanding Contribution awarded by Shandong Province.

Mr. Liu Yuanqiang, Chinese, aged 47, is a Vice President, chief process officer, director of manufacturing, chief director of quality, head of manufacturing, and head of the process research institute of the Company. He joined Weifang Diesel Engine Factory in 1993, and had previously worked in the positions of assistant to the head of production department, deputy head and head of the manufacturing department, chief quality officer, deputy manager of the medium-speed engine factory, deputy manager of the 615 Factory, deputy manager of the Chongqing Weichai Engine Factory, deputy manager of the No. 1 Factory, manager of the 615 Factory, head of the technology renovation department, head of production, head of manufacturing engineering and officer at the WOS lean management office. Mr. Liu is a senior engineer. He holds a bachelor's degree.

Ms. Cao Zhiyue, Chinese, aged 46, is a Vice President and director of information of the Company. She joined the industry in 2001, and had previously worked at the state-managed quality supervision and examination center for the application of software products in the PRC. She joined the Company in 2007, and had held the positions of chief engineer, deputy head of the department of corporate management and information development, deputy manager of the No. 2 Factory, deputy director of information, head of information engineering department, head of the department of continuing improvement, and head of the department of corporate management and information development. Ms. Cao holds a doctoral degree in cartography and geographic information system granted by the Chinese Academy of Sciences and an EMBA degree granted by Missouri State University. She is a researcher in engineering technology application, and a Taishan Industry Leader Talent.

張紀元先生，中國籍，54歲，本公司副總裁、總設計師；1990年加入濰坊柴油機廠，歷任本公司技術中心副主任、首席設計師、總裁助理等職；工程技術應用研究員，工學碩士，享受國務院特殊津貼，泰山產業領軍人才，山東省有突出貢獻的中青年專家。

劉元強先生，中國籍，47歲，本公司副總裁兼總工藝師、製造總監、質量總監、製造部部長、工藝研究院院長；1993年加入濰坊柴油機廠，歷任生產部部長助理，製造部副部長、部長、總質量師，中速機廠副廠長，615廠副廠長，重慶濰柴發動機廠副廠長，一號工廠副廠長，615廠廠長，技術改造部部長，生產長，製造工程部部長，WOS精益推進辦公室主任等職；高級工程師，本科學歷。

曹志月女士，中國籍，46歲，本公司副總裁、信息化總監；2001年參加工作，曾就職國家應用軟件產品質量監督檢驗中心；2007年加入本公司，歷任主任工程師、企業管理與信息化部副部長、二號工廠副廠長、信息化副總監、信息工程部部長、持續改進部部長、企業管理與信息化部部長等職；中國科學院地圖學與地理信息系統專業博士，美國密蘇里州立大學EMBA，工程技術應用研究員，泰山產業領軍人才。

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of the Group for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activities of the Group is the manufacture and sale of diesel engines, automobiles and other major automobile components, other components, import and export services, and forklift trucks and supply chain solution 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 Note VII to the financial statement.

BUSINESS REVIEW

The business review, major risks, financial analysis and future prospects of the Group for the year ended 31 December 2018 are set out in Chairman's Statement on pages 7 to 17 and Management Discussion and Analysis on pages 18 to 32.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 118 to 427. The Board recommended the distribution to all shareholders of a cash dividend of RMB2.8 (including tax) for every 10 shares held, based on the 7,933,873,895 shares available for distribution after deducting treasury shares as at 31 December 2018, without any capitalisation of reserve. This recommendation has been disclosed as a subsequent event after the reporting period on page 402 in the financial statements.

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 428. 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 V.17 to the financial statements.

董事會報告

董事會謹此提呈截至二零一八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財務報表。

主要業務

本集團主要從事生產及銷售柴油機、汽車及其他主要汽車零部件、其他零部件、進出口服務和叉車及供應鏈解決方案的業務。本集團主要業務之性質於年內並無重大變動。本公司旗下主要附屬公司及聯營公司的業務載於財務報表附註七。

業績回顧

本集團截至二零一八年十二月三十一日止年度業績回顧、公司面對的主要風險、財務分析及未來展望載於第7頁至第17頁主席報告書和第18頁至第32頁管理層討論與分析。

業績及分配

本集團截至二零一八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118至427頁的財務報表。董事會建議以二零一八年十二月三十一日扣除庫存股的現有可分配7,933,873,895股為基數，向全體股東每10股派發現金紅利人民幣2.8元(含稅)，不實施公積金轉增股本。在財務報表中，此項建議已於第402頁以報告期後事項披露。

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428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五、17。

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during the year are set out in Note V.16 to the financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in Note V.42 to the financial statements.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in Notes V.43 and 45 to 48 to the financial statements and in the statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2018, the Company's reserve available for distribution, calculated in accordance with the relevant regulations, amounted to RMB27,897,980,483.61. As approved by the Board on 25 March 2019, the Company proposed a distribution to all shareholders of a cash dividend of RMB2.80 (including tax) for every 10 shares held, based on the 7,933,873,895 shares available for distribution after deducting treasury shares as at 31 December 2018, without any capitalisation of reserve.

CHARITABLE CONTRIBUTIONS

During the year, the Group made charitable contributions totaling approximately RMB7,576,671.

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五、16。

股本

本公司股本的年內變動詳情載於財務報表附註五、42。

儲備

本公司及本集團儲備的年度變動詳情載於財務報表附註五、43和45至48及股東權益變動表。

可分派儲備

於二零一八年十二月三十一日，根據相關規例計算，本公司的可供分派儲備為人民幣27,897,980,483.61元。本公司於二零一九年三月二十五日通過董事會決議，擬以二零一八年十二月三十一日扣除庫存股的現有可予分配7,933,873,895股為基數，向全體股東每10股派發現金紅利人民幣2.80元(含稅)，不實施公積金轉增股本。

慈善捐款

年內，本集團作出約人民幣7,576,671元之慈善捐款。

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 Chief Executive Officer*)

Zhang Quan (*Executive President*)

Xu Xinyu (*Executive President*)

Sun Shaojun (*Executive President*)

Yuan Hongming (*Executive President*)

Yan Jianbo (*Executive President*)

Non-executive Directors

Wang Yuepu

Jiang Kui

Gordon Riske

Michael Martin Macht (appointed on 14 June 2018)

Independent Non-executive Directors

Zhang Zhong

Wang Gongyong

Ning Xiangdong

Li Hongwu

Wen Daocai (appointed on 14 June 2018)

Loh Yih (retired on 14 June 2018)

SUPERVISORS

Lu Wenwu

Ma Changhai

Wu Hongwei

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 as at the date of this report, the Company still considers that all of the independent non-executive directors are independent.

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)

張 泉(執行總裁)

徐新玉(執行總裁)

孫少軍(執行總裁)

袁宏明(執行總裁)

嚴鑒鉞(執行總裁)

非執行董事

王日普

江 奎

Gordon Riske

Michael Martin Macht

(於二零一八年六月十四日上任)

獨立非執行董事

張 忠

王貢勇

寧向東

李洪武

聞道才(於二零一八年六月十四日上任)

盧 毅(於二零一八年六月十四日退任)

監事

魯文武

馬常海

吳洪偉

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。

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 33 to 41 of the annual report.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the executive directors, non-executive directors, independent non-executive directors and supervisors of the Company has entered into a service contract with the Company and their relevant terms of office shall be from 14 June 2018 to the conclusion of the 2020 annual general meeting of the Company, except that the terms of office of Mr. Zhang Zhong, Mr. Wang Gongyong and Mr. Ning Xiangdong, independent non-executive directors of the Company, shall be from 14 June 2018 to 29 June 2020.

None of the above directors and supervisors has entered into a service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without the payment of compensation (other than statutory compensation).

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Mr. Gordon Riske holds interest in KION and was interested in contracts for the sale of commodities, provision of product testing, casting, catering and leasing services by Linde Hydraulics GmbH & Co. KG, a subsidiary of the Group, to KION and its subsidiaries, and in contracts for the provision of information technology services, accounting, human resources, logistics services etc. by KION and its subsidiaries to Linde Hydraulics GmbH & Co. KG. Save as disclosed above, no director, supervisor or entity connected with a director or supervisor 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 or at the end of the year.

PERMITTED INDEMNITY PROVISION

The Company has taken out and maintained directors' liability insurance which provides appropriate cover for the directors of the Group. At no time during the year ended 31 December 2018 and up to the date of this report, was or is there any permitted indemnity provision being in force for the benefit of any of the directors of the Group.

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33至41頁。

董事及監事服務合約

本公司各執行董事、非執行董事、獨立非執行董事及監事已各自與本公司訂立服務合約，有關任期自二零一八年六月十四日起，至二零二零年度股東周年大會結束止。除獨立非執行董事張忠先生、王貢勇先生和寧向東先生的任期為自二零一八年六月十四日起至二零二零年六月二十九日。

上述董事及監事概無與本公司或其任何子公司訂立任何不可於一年內由本公司毋須賠償(法定補償除外)而予終止的服務合約。

董事及監事於重大合約的權益

Gordon Riske先生在凱傲公司擁有權益，於本集團之附屬公司林德液壓合夥企業向凱傲公司及其附屬公司銷售商品，提供產品測試、鑄造、餐廳及租賃服務和凱傲公司及其附屬公司向林德液壓合夥企業提供信息技術服務、會計、人力資源、後勤等服務的合約中擁有權益。除上述披露者外，概無董事、監事或與董事或監事關聯的企業於本公司、其控股公司、附屬公司或同系附屬公司年內或年終所訂立，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。

獲許可彌償條文

本公司已投購董事責任保險，為本集團董事提供合適保障。截至二零一八年十二月三十一日止年度內，截至本報告日，概無任何有利本集團任何董事的獲許可彌償條文生效。

DIRECTORS' AND SUPERVISORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2018, the interests and short position (if any) of the directors, the chief executives and the supervisors in the shares, underlying shares and debentures 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 Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

董事及監事於股份及相關股份的權益

於二零一八年十二月三十一日，董事、高級管理人員及監事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、相關股份及債券中，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香港聯交所的權益及短倉(如有)如下：

Name of director	Capacity	Number of "A" shares held	Number of "H" shares held	Percentage of the issued share capital of the Company
董事姓名	身份	所持A股數目	所持H股數目	佔本公司已發行股本百分比
Tan Xuguang 譚旭光	Beneficial owner 實益擁有人	58,842,596 (Note 1) (附註1)	—	0.74%
Zhang Quan 張泉	Beneficial owner 實益擁有人	13,684,324 (Note 1) (附註1)	—	0.17%
Xu Xinyu 徐新玉	Beneficial owner 實益擁有人	13,684,324 (Note 1) (附註1)	—	0.17%
Sun Shaojun 孫少軍	Beneficial owner 實益擁有人	13,684,324 (Note 1) (附註1)	—	0.17%
Yuan Hongming 袁宏明	Beneficial owner 實益擁有人	1,000,440	—	0.013%
	Interest held by spouse 配偶持有人權益	444	—	0.000006%
		1,000,884	—	0.013006%
Yan Jianbo 嚴鑒鉞	Beneficial owner 實益擁有人	1,052,404	—	0.013%
Wen Daocai 聞道才	Beneficial owner 實益擁有人	21,940	—	0.0003%

Name of supervisor	Capacity	Number of "A" shares held	Number of "H" shares held	Percentage of the issued share capital of the Company 佔本公司 已發行股本百分比
監事姓名	身份	所持A股數目	所持H股數目	
Lu Wenwu 魯文武	Beneficial owner 實益擁有人	600,000	–	0.008%
Wu Hongwei 吳洪偉	Beneficial owner 實益擁有人	4,789,516	–	0.06%

Notes:

附註:

- These shares were derived from the previous 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.
 - All the shareholding interests listed in the above table are "long" position.
 - The percentages disclosed in the above table were calculated based on the total number of issued Shares of the Company as at 31 December 2018, i.e. 7,997,238,556 shares (comprised of 6,054,198,556 A shares and 1,943,040,000 H shares). A total number of 63,364,661 A shares were repurchased by the Company from 8 October 2018 to 28 December 2018 and those shares were cancelled on 7 January 2019.
- 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。該等股份於本公司A股在深圳證券交易所上市後成為本公司之A股。
 - 上表所列的所有股權權益均為好倉。
 - 上表所披露的百分比是根據本公司在二零一八年十二月三十一日發行的股份總數7,997,238,556（含6,054,198,556股A股及1,943,040,000股H股）計算的。本公司於二零一八年十月八日至二零一八年十二月二十八日期間共回購63,364,661股A股，而該等股份於二零一九年一月七日被註銷。

Interests in the shares of associated corporations of the Company

於本公司相關法團股份的權益

Name of director	Name of associated corporation	Nature of interest	Class and number of securities interested or deemed to be interested 持有權益或被視為持有權益的證券類別及數目	Approximate percentage interest in the entire issued share capital of associated corporations 佔相關法團全部已發行股本的權益概約百分比
董事姓名	相關法團名稱	權益性質		
Gordon Riske (Note) Gordon Riske (附註)	KION Group AG ("KION")	Beneficial owner 實益擁有人	114,060 ordinary shares 114,060股普通股	0.10%
		Interest held by spouse 由配偶持有的權益	93,940 ordinary shares 93,940股普通股	0.08%
			208,000 ordinary shares 208,000股普通股	0.18%

Note: Gordon Riske, a non-executive Director, was the beneficial owner of 114,060 shares in KION and he was also deemed to be interested in 93,940 shares in KION which were beneficially held by his wife, Ms. Benita Riske.

附註：非執行董事 Gordon Riske 為 KION 的 114,060 股股份的實益擁有人，並被視為於其妻子 Benita Riske 女士實益持有的 93,940 股 KION 股份中持有權益。

Save as disclosed above, as at 31 December 2018, none of the directors, the chief executives nor the supervisors had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was recorded in the register required to be kept pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一八年十二月三十一日，概無董事、最高行政人員或監事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根據證券及期貨條例第352條規定須記錄於該條例所述存置的登記冊內的權益或淡倉，或根據標準守則須知會本公司和香港聯交所的權益或淡倉。

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 share capital

(I) 股本變動情況

1. Changes in share capital (as at 31 December 2018)

1. 股本變動情況表(截至二零一八年十二月三十一日)

	Before the movement 本次變動前		Increase/decrease in the movement (+, -) 本次變動增減(+, -)					After the movement 本次變動後	
	No. of shares 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 數量	Percentage 比例 (%)
I. Restricted circulating shares 有限售條件股份	1,738,866,299	21.74%	-	-	-	8,128,474	8,128,474	1,746,994,773	21.84%
1. State-owned shares 國家持股	-	-	-	-	-	-	-	-	-
2. State-owned legal person shares 國有法人持股	1,642,531,008	20.54%	-	-	-	-	-	1,642,531,008	20.54%
3. Shares held by other domestic entities 其他內資持股	96,335,291	1.20%	-	-	-	8,128,474	8,128,474	104,463,765	1.31%
including: Shares held by domestic non-state-owned legal persons 其中: 境內非國有法人持股	-	-	-	-	-	-	-	-	-
Shares held by domestic natural persons 境內自然人持股	96,335,291	1.20%	-	-	-	8,128,474	8,128,474	104,463,765	1.31%
4. Shares held by foreign entities 外資持股	-	-	-	-	-	-	-	-	-
including: Shares held by overseas legal persons 其中: 境外法人持股	-	-	-	-	-	-	-	-	-
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	6,258,372,257	78.26%	-	-	-	(8,128,474)	(8,128,474)	6,250,243,783	78.16%
1. RMB ordinary shares 人民幣普通股	4,315,332,257	53.96%	-	-	-	(8,128,474)	(8,128,474)	4,307,203,783	53.86%
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	1,943,040,000	24.30%	-	-	-	-	-	1,943,040,000	24.30%
4. Others 其他	-	-	-	-	-	-	-	-	-
III. Total number of shares 股份總數	7,997,238,556	100%	-	-	-	-	-	7,997,238,556	100%

(II) Shareholdings of the Substantial Shareholders (as at 31 December 2018)

Total number of Shareholders The number of shareholders is 169,760 among which 169,498 are shareholders of "A" shares and 262 are shareholders of "H" shares.

(II) 主要股東持股情況(於二零一八年十二月三十一日)

股東總數 共169,760戶，其中A股股東169,498戶，H股股東262戶。

Shareholdings of the top ten shareholders

前10名股東持股情況

Name of shareholder 股東名稱	Type of shareholder 股東性質	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 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
HKSCC Nominees Limited 香港中央結算代理人有限公司	Foreign shareholder 外資股東	24.23%	1,937,955,016	-	N/A 未知
Weichai Group Holdings Limited 濰柴控股集團有限公司	State-owned legal person 國有法人	17.58%	1,406,100,000	1,345,905,600	-
Hong Kong Securities Clearing Company Limited (Note) 香港中央結算有限公司(註)	Overseas legal person 境外法人	4.12%	329,538,318	-	-
Weifang Investment Group Company Limited 濰坊市投資集團有限公司	State-owned legal person 國有法人	3.71%	296,625,408	296,625,408	-
China Securities Finance Corporation Limited 中國證券金融股份有限公司	Domestic non-state-owned legal person 境內非國有法人	2.05%	163,608,906	-	-
IVM Technical Consultants Wien Gesellschaft m.b.H. 奧地利IVM技術諮詢維也納有限公司	Overseas legal person 境外法人	1.78%	142,510,000	-	-
Central Huijin Assets Management Company Limited 中央滙金資產管理有限責任公司	State-owned legal person 國有法人	1.36%	108,492,800	-	-
Shandong Enterprise Trust Operation Company Limited 山東省企業託管經營股份有限公司	Domestic non-state-owned legal person 境內非國有法人	0.86%	68,540,160	-	-
Tan Xuguang 譚旭光	Domestic natural person 境內自然人	0.74%	58,842,596	44,131,947	-
National Social Security Fund – 102 Portfolio 全國社保基金—零二組合	Funds and wealth management products etc. 基金理財產品等	0.63%	49,999,898	-	-

Note: Hong Kong Securities Clearing Company Limited holds 329,538,318 A Shares on behalf of shareholders under the Shenzhen - Hong Kong Stock Connect mechanism.

註：香港中央結算有限公司持有329,538,318股A股為深港通股東持有。

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	1,937,955,016	Overseas listed foreign shares 境外上市外資股
Hong Kong Securities Clearing Company Limited 香港中央結算有限公司	329,538,318	RMB ordinary shares 人民幣普通股
China Securities Finance Corporation Limited 中國證券金融股份有限公司	163,608,906	RMB ordinary shares 人民幣普通股
IVM Technical Consultants Wien Gesellschaft m.b.H. 奧地利IVM技術諮詢維也納有限公司	142,510,000	RMB ordinary shares 人民幣普通股
Central Huijin Assets Management Company Limited 中央滙金資產管理有限責任公司	108,492,800	RMB ordinary shares 人民幣普通股
Shandong Enterprise Trust Operation Company Limited 山東省企業託管經營股份有限公司	68,540,160	RMB ordinary shares 人民幣普通股
Weichai Group Holdings Limited 濰柴控股集團有限公司	60,194,400	RMB ordinary shares 人民幣普通股
National Social Security Fund – 102 Portfolio 全國社保基金—零二組合	49,999,898	RMB ordinary shares 人民幣普通股
China Merchants Bank Co., Ltd. – Dong Fang Hong Rui Feng Flexible Allocation Mixed Fund (LOF) 招商銀行股份有限公司—東方紅睿豐靈活配置混合型證 券投資基金(LOF)	48,999,954	RMB ordinary shares 人民幣普通股
National Social Security Fund – 105 Portfolio 全國社保基金—零五組合	47,620,783	RMB ordinary shares 人民幣普通股

Note: Among the aforesaid shareholders, Mr. Tan Xuguang is the chairman of Weichai Group Holdings Limited. It is not certain whether there is any connected relationship among other top ten shareholders and the other top ten non-restricted shareholders, or whether there is any acting in concert relationship among them.

附註：以上股東中，譚旭光先生為濰柴控股集團有限公司董事長。本公司未知其他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，也未知其是否屬於一致行動人士。

The percentages disclosed in the above tables were calculated based on the total number of issued shares of the Company as at 31 December 2018, i.e. 7,997,238,556 shares (comprised of 6,054,198,556 A shares and 1,943,040,000 H shares). A total number of 63,364,661 A shares were repurchased by the Company from 8 October 2018 to 28 December 2018 and those shares were cancelled on 7 January 2019.

上表所披露的百分比是根據本公司在二零一八年十二月三十一日發行的股份總數7,997,238,556 (含6,054,198,556股A股及1,943,040,000股H股)計算的。本公司於二零一八年十月八日至二零一八年十二月二十八日期間共回購63,364,661股A股，而該等股份於二零一九年一月七日被註銷。

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO (including interests filed with the Hong Kong Stock Exchange) shows that as at 31 December 2018, the following persons (other than directors, chief executives and supervisors) had the following interests and short positions (if any) in the shares and underlying shares of the Company:

主要股東

本公司根據證券及期貨條例第336條存置的主要股東登記冊(包括向香港聯交所申報的利益)顯示,於二零一八年十二月三十一日,下列人士(董事、高級管理人員及監事除外)在本公司股份及相關股份中擁有下列權益及短倉(如有):

Name	Capacity	Long/ Short position	Number of A shares	Percentage of share capital comprising only A shares 佔A股 股本 百分比	Number of H shares	Percentage of share capital comprising only H shares 佔H股 股本 百分比	Percentage of total issued share capital 佔已發行 股本總數 百分比
名稱	身份	好倉/ 淡倉	A股數目		H股數目		
Weichai Group Holdings Limited 濰柴控股集團有限公司	Beneficial owner 實益擁有人	Long 好倉	1,406,100,000	23.23%	-	-	17.58%
Shandong Heavy Industry Group Co., Ltd. (Note 1) 山東重工集團有限公司(附註1)	Held by controlled corporation 由受控法團持有	Long 好倉	1,406,100,000	23.23%	-	-	17.58%
Brandes Investment Partners, LP (Note 3) (附註3)	Investment manager 投資經理	Long 好倉	-	-	78,578,612	16.18%	3.93%
Lazard Asset Management LLC (Note 2) (附註2)	Investment manager 投資經理	Long 好倉	-	-	245,891,812	25.31%	6.15%
Lazard Emerging Markets Equity Portfolio (Note 4) (附註4)	Investment manager 投資經理	Long 好倉	-	-	23,707,500	5.86%	1.42%
Barclays PLC (Note 3) (附註3)	Person having a security interest in shares 持有股份的保證權益的人	Long 好倉	-	-	525,552	0.11%	0.03%
	Interest of corporation controlled by you 你所控制的法團的權益	Long 好倉	-	-	25,453,050	5.24%	1.27%
					25,978,602	5.35%	1.30%

Name	Capacity	Long/ Short position	Number of A shares	Percentage of share capital comprising only A shares 佔A股 股本 百分比	Number of H shares	Percentage of share capital comprising only H shares 佔H股 股本 百分比	Percentage of total issued share capital 佔已發行 股本總數 百分比
名稱	身份	好倉/ 淡倉	A股數目		H股數目		
	Interest of corporation controlled by you 你所控制的法團的權益	Short 淡倉	-	-	24,102,475	4.96%	1.21%
Morgan Stanley (Note 2) (附註2)	Interest of corporation controlled by you 你所控制的法團的權益	Long 好倉	-	-	49,335,508	5.08%	1.23%
	Interest of corporation controlled by you 你所控制的法團的權益	Short 淡倉	-	-	42,078,545	4.33%	1.05%
BlackRock Inc.	Interest of corporation controlled by you 你所控制的法團的權益	Long 好倉	-	-	192,475,286	9.91%	2.41%
	Interest of corporation controlled by you 你所控制的法團的權益	Short 淡倉	-	-	185,000	0.01%	0.00%
Citigroup Inc.	Interest of corporation controlled by you 你所控制的法團的權益	Long 好倉	-	-	39,533,212	2.04%	0.50%
	Approved lending agent 核准借出代理人	Long 好倉	-	-	105,717,570	5.44%	1.32%
	Person having a security interest in shares 持有股份的保證權益的人	Long 好倉	-	-	16,000	0.00%	0.00%
					145,266,782	7.48%	1.82%
	Interest of corporation controlled by you 你所控制的法團的權益	Short 淡倉	-	-	37,976,604	1.95%	0.47%

Name	Capacity	Long/ Short position	Number of A shares	Percentage of share capital comprising only A shares 佔A股 股本 百分比	Number of H shares	Percentage of share capital comprising only H shares 佔H股 股本 百分比	Percentage of total issued share capital 佔已發行 股本總數 百分比
名稱	身份	好倉/ 淡倉	A股數目		H股數目		
The Bank of New York Mellon Corporation	Interest of corporation controlled by you 你所控制的法團的權益	Long 好倉	-	-	74,698,544	3.85%	0.94%
	Approved lending agent 核准借出代理人	Long 好倉	-	-	64,169,492	3.30%	0.80%
					138,868,036	7.15%	1.74%
JP Morgan Chase & Co.	Interest of corporation controlled by you 你所控制的法團的權益	Short 淡倉	-	-	71,597,496	3.68%	0.90%
	Interest of corporation controlled by you 你所控制的法團的權益	Long 好倉	-	-	29,223,788	1.50%	0.37%
	Investment manager 投資經理	Long 好倉	-	-	22,921,296	1.18%	0.29%
	Person having a security interest in shares 持有股份的保證權益的人	Long 好倉	-	-	388,384	0.02%	0.00%
	Trustee 受託人	Long 好倉	-	-	216,344	0.01%	0.00%
	Approved lending agent 核准借出代理人	Long 好倉	-	-	49,915,882	2.57%	0.62%
					102,665,694	5.28%	1.28%

Name	Capacity	Long/ Short position	Number of A shares	Percentage of share capital comprising		Number of H shares	Percentage of share capital comprising		Percentage of total issued share capital
				only A shares 佔A股 股本 百分比	only H shares 佔H股 股本 百分比		only H shares 佔H股 股本 百分比	only H shares 佔H股 股本 百分比	
名稱	身份	好倉/ 淡倉	A股數目	百分比		H股數目	百分比		佔已發行 股本總數 百分比
	Interest of corporation controlled by you 你所控制的法團的權益	Short 淡倉	-	-		15,501,000	0.80%		0.19%
	Investment manager 投資經理	Short 淡倉	-	-		2,142,000	0.11%		0.03%
						17,643,000	0.91%		0.22%

Notes:

1. Shandong Heavy Industry Group Co., Ltd., a subsidiary of State-owned Assets Supervision and Administration Commission of Shandong Province, held the entire share capital of Weichai Group Holding Limited (formerly known as Weifang Diesel Engine Works).
2. The number of H shares reported above by the relevant substantial shareholder does not take into consideration the Company's bonus share issuance on 21 July 2017 as there is no disclosure of interest obligation under the SFO where there is no change in percentage of shareholdings for a substantial shareholder.
3. The number of H shares reported above by the relevant substantial shareholder does not take into consideration the Company's bonus share issuance on 20 August 2015 and 21 July 2017 as there is no disclosure of interest obligation under the SFO where there is no change in percentage of shareholdings for a substantial shareholder.
4. The number of H shares reported above by the relevant substantial shareholder does not take into consideration the Company's bonus share issuance on 17 August 2012, 20 August 2015 and 21 July 2017 as there is no disclosure of interest obligation under the SFO where there is no change in percentage of shareholdings for a substantial shareholder.
5. The percentages disclosed in the above table were calculated based on the total number of issued shares of the Company as at 31 December 2018, i.e. 7,997,238,556 shares (comprised of 6,054,198,556 A shares and 1,943,040,000 H shares). A total number of 63,364,661 A shares were repurchased by the Company from 8 October 2018 to 28 December 2018 and those shares were cancelled on 7 January 2019.

附註:

1. 山東省國有資產監督管理委員會的附屬公司山東重工集團有限公司持有濰柴控股集團有限公司(前稱為濰坊柴油機廠)的全部股本。
2. 上述呈列之相關主要股東持有之H股數目並無計及本公司於二零一七年七月二十一日的紅股派發行動，此乃由於根據證券及期貨條例，倘主要股東之股權百分比並無變動，則毋須披露權益。
3. 上述呈列之相關主要股東持有之H股數目並無計及本公司於二零一五年八月二十日及二零一七年七月二十一日的紅股派發行動，此乃由於根據證券及期貨條例，倘主要股東之股權百分比並無變動，則毋須披露權益。
4. 上述呈列的相關主要股東持有之H股數目並無計及本公司於二零一二年八月十七日、二零一五年八月二十日及二零一七年七月二十一日的紅股派發行動，此乃由於根據證券及期貨條例，倘主要股東之股權百分比並無變動，則毋須披露權益。
5. 上表所披露的百分比是根據本公司在二零一八年十二月三十一日發行的股份總數7,997,238,556(含6,054,198,556股A股及1,943,040,000股H股)計算的。本公司於二零一八年十月八日至二零一八年十二月二十八日期間共回購63,364,661股A股，而該等股份於二零一九年一月七日被註銷。

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 31 December 2018.

除上文披露者外，於二零一八年十二月三十一日本公司並無獲告知在本公司已發行股本中的任何其他相關權益或淡倉。

DETAILS OF THE APPOINTMENT OR RESIGNATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1. At the Board meeting convened on 1 March 2018, the Board considered and approved the appointment of Mr. Liu Yuanqiang as a vice president of the Company.
2. At the annual general meeting of the Company held on 14 June 2018, the appointment of Mr. Michael Martin Macht as a non-executive director of the Company and Mr. Wen Daocai as an independent non-executive director of the Company was considered and approved.
3. At the conclusion of the annual general meeting of the Company held on 14 June 2018, Mr. Loh Yih retired as an independent non-executive director of the Company and a member of the audit committee and the remuneration committee of the Company.
4. At the Board meeting convened on 14 June 2018, the Board considered and approved:
 - (i) the appointment of Mr. Michael Martin Macht as the vice chairman of the strategic development and investment committee of the Company;
 - (ii) the appointment of Mr. Wang Gongyong as a member of the remuneration committee of the Company;
 - (iii) the appointment of Mr. Ning Xiangdong as a member of the strategic development and investment committee of the Company; and
 - (iv) the appointment of Mr. Wen Daocai as a member of the audit committee of the Company.
5. At the Board meeting convened on 13 July 2018, the Board considered and approved the appointment of Ms. Cao Zhiyue as a vice president of the Company.
6. At the Board meeting convened on 15 October 2018, the Board considered and approved the resignation of Mr. Dai Lixin as a vice president of the Company and the secretary to the Board and the appointment of Mr. Hao Qingui as the secretary to the Board.

董事、監事、高級管理人員的新聘或解聘情況

1. 於二零一八年三月一日舉行的董事會議上，董事會已審議批准聘任劉元強先生為本公司副總裁。
2. 於二零一八年六月十四日舉行之本公司股東周年大會上已審議通過委任Michael Martin Macht先生為本公司非執行董事和聞道才先生為本公司獨立非執行董事。
3. 於二零一八年六月十四日舉行之本公司股東周年大會結束時，盧毅先生退任本公司獨立非執行董事，審核委員會和薪酬委員會成員。
4. 於二零一八年六月十四日舉行的董事會議上，董事會已審議通過：
 - (i) 委任Michael Martin Macht先生為本公司戰略發展及投資委員會副主席；
 - (ii) 委任王貢勇先生為本公司薪酬委員會成員；
 - (iii) 委任寧向東先生為本公司戰略發展及投資委員會成員；及
 - (iv) 委任聞道才先生為本公司審核委員會成員。
5. 於二零一八年七月十三日舉行的董事會議上，董事會已審議批准聘任曹志月女士為本公司副總裁。
6. 於二零一八年十月十五日舉行的董事會議上，董事會已審議批准戴立新先生辭任本公司副總裁及董事會秘書和聘任郝慶貴先生為本公司董事會秘書。

CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2018, 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 who had transactions and the relationship with the Group

持續性關連交易

截至二零一八年十二月三十一日止年度，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。

與本集團存在關連關係和關連交易的關連人士之清單

Name of Connected Persons 關連人士名稱	Abbreviation 簡稱	Relationship between the Connected Persons and the Group 關連人士與本集團之關連關係
Shaanxi Automotive Group Co., Ltd. 陝西汽車集團有限責任公司	Shaanxi Automotive 陝汽集團	Held a 49% interest in a subsidiary of the Company Shaanxi Heavy Duty Automotive Co., Ltd. ("Shaanxi Zhongqi") 擁有本公司之附屬公司陝西重型汽車有限公司(「陝西重汽」)49%權益
Shaanxi Fast Gear Automotive Transmission Co., Ltd. 陝西法士特汽車傳動集團	Fast Transmission 法士特集團	Held a 49% interest in a subsidiary of the Company, Shaanxi Fast Gear Co., Ltd. ("SFGC") 擁有本公司之附屬公司陝西法士特齒輪有限公司(「陝西法士特齒輪」)49%權益
Shandong Heavy Industry Group Finance Co., Ltd. 山東重工集團財務有限公司	Shandong Finance 山重財務	Shandong Heavy Industry, a substantial shareholder of the Company, indirectly held a 37.50% interest in Shandong Finance 本公司之主要股東山東重工間接擁有山重財務37.50%權益
Weichai Group Holdings Limited 濰柴控股集團有限公司	Weichai Holdings 濰柴控股	Held a 17.58% interest in the Company, one of the Promoters of the Company 擁有本公司17.58%權益，本公司發起人之一
Chongqing Weichai Diesel Engine Limited 重慶濰柴發動機有限公司	Chongqing Weichai 重慶濰柴	Wholly-owned by Weichai Holdings 濰柴控股之全資附屬公司
Shandong Weichai Import and Export Co., Ltd. 山東濰柴進出口有限公司	Weichai Import and Export 濰柴進出口	Wholly-owned by Weichai Holdings 濰柴控股之全資附屬公司
Weichai Power Westport New Energy Engine Co., Ltd. 濰柴西港新能源動力有限公司	Weichai Westport 西港新能源	Weichai Holdings held a 51% interest in Weichai Westport 濰柴控股擁有西港新能源51%權益

Name of Connected Persons 關連人士名稱	Abbreviation 簡稱	Relationship between the Connected Persons and the Group 關連人士與本集團之關連關係
Yangzhou Yaxing Motor Coach Co., Ltd. 揚州亞星客車股份有限公司	Yangzhou Yaxing 揚州亞星	Indirectly held as to 51% by Weichai Holdings 濰柴控股間接擁有揚州亞星51%權益
Weichai Heavy-duty Machinery Co., Ltd. 濰柴重機股份有限公司	Weichai Heavy Machinery 濰柴重機	Weichai Holdings held a 30.59% interest in Weichai Heavy Machinery 濰柴控股擁有濰柴重機30.59%權益
Weichai Electrical Equipment Co., Ltd. 濰柴電力設備有限公司	Weichai Electrical Equipment 濰柴電力設備	Wholly-owned by Weichai Heavy Machinery 濰柴重機之全資附屬公司

During the year ended 31 December 2018, the Group had continuing connected transactions entered into in accordance with the following agreements.

截至二零一八年十二月三十一日止年度，本集團根據下列協議訂立若干持續性關連交易：

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

Pursuant to the general services agreement entered into between the Company and Weichai Holdings on 17 November 2003 (as amended and supplemented by various supplemental agreements, collectively referred to as "Weichai Holdings General Services Agreement"), Weichai Holdings (and its associates) has agreed to provide certain labour services as well as general services, namely, environmental protection, security, fire protection, 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 and/or other members of the Group, to the Company, Weichai Power (Weifang) Casting and Forging Co., Ltd. ("Weichai Casting", a subsidiary of the Company), Shandong Huadong Casting Co., Ltd. ("Huadong Casting", a subsidiary of the Company), Weichai Power (Weifang) Intensive Logistics Co., Ltd. ("Weichai Logistics", a subsidiary of the Company) and other subsidiaries of the Company. The fees payable by the Company and/or its subsidiaries to Weichai Holdings (and its associates) with respect to the provision of the said services are determined based on the actual costs incurred by Weichai Holdings (and its associates) and apportioned on a pro-rata basis according to the area of the relevant property occupied and/or used by the Company and/or its subsidiaries plus a service charge representing not more than 20% of such costs and settled by the parties on a monthly basis.

1. 濰柴控股及其附屬(關聯)公司向本公司及其附屬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」)，濰柴控股及其附屬(關聯)公司同意向本公司、濰柴動力(濰坊)鑄鍛有限公司(「濰柴鑄鍛」，本公司之附屬公司)、山東華動鑄造有限公司(「華動鑄造」，本公司之附屬公司)、濰柴動力(濰坊)集約配送有限公司(「濰柴集約」，本公司之附屬公司)及本公司之其他附屬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及／或集團內其他成員佔用及／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，本公司及／或其附屬公司應向濰柴控股及其附屬(關聯)公司支付的費用乃根據濰柴控股及其附屬(關聯)公司所產生的實際成本及本公司及／或其附屬公司佔用及／或使用的有關物業面積比例分攤，另加佔該等成本不多於20%的服務附加費計算，由雙方按月結算。

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

Pursuant to the latest supplemental agreement to the Weichai Holdings General Services Agreement and the Chongqing Weichai General Services Agreement dated 30 August 2016, Weichai Holdings and Chongqing Weichai and their respective associates have agreed to provide the said general services and labour services to the Company, Weichai Casting, Huadong Casting, Weichai Logistics and/or other subsidiaries of the Company on the same terms and for a period of three years ending 31 December 2019, upon the expiry of which the parties may extend the term for another three years on a mutually agreed basis.

The approved annual cap for the aforesaid services provided by Weichai Holdings and Chongqing Weichai and their respective associates for the year ended 31 December 2018 is RMB93 million. In the year ended 31 December 2018, the total amount charged by Weichai Holdings and Chongqing Weichai and their respective associates from the Company and its subsidiaries for the said services was RMB29,030,572.

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」),重慶濰柴及其附屬(關聯)公司同意向本公司之重慶分公司及/或集團內其他成員提供環保、保安、消防及其他綜合服務等若干綜合服務,以及代為支付本公司之重慶分公司及/或集團內其他成員佔用及/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,本公司之重慶分公司及/或集團內其他成員應向重慶濰柴及其附屬(關聯)公司支付的費用乃根據重慶濰柴及其附屬(關聯)公司所產生的實際成本及本公司之重慶分公司及/或集團內其他成員佔用及/或使用的有關物業面積比例分攤,另加佔該等成本不多於20%的服務附加費計算(惟重慶濰柴及其附屬(關聯)公司代本公司之重慶分公司及/或集團內其他成員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。

根據二零一六年八月三十日訂立的濰柴控股綜合服務協議及重慶濰柴綜合服務協議之最新補充協議,濰柴控股及其附屬(關聯)公司及/或重慶濰柴及其附屬(關聯)公司同意向本公司、濰柴鑄鍛、華動鑄造、濰柴集約及/或本公司之其他附屬公司提供上述綜合服務及勞務服務,其他條款不變,協議年期為截至二零一九年十二月三十一日止,為期三年。於屆滿後雙方有權選擇重續協議,期限為三年。

濰柴控股及其附屬(關聯)公司及重慶濰柴及其附屬(關聯)公司提供上述服務於截至二零一八年十二月三十一日止年度之經批准年度上限為人民幣93,000,000元。於截至二零一八年十二月三十一日止年度,濰柴控股及其附屬(關聯)公司及重慶濰柴及其附屬(關聯)公司就上述服務向本公司及其附屬公司收取的總金額為人民幣29,030,572元。

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

Pursuant to the utility services agreement entered into between the Company and Weichai Holdings on 17 November 2003 (as amended and supplemented by various supplemental agreements, collectively referred to as "Weichai Holdings Utilities Services Agreement"), Weichai Holdings (and its associates) have agreed to provide or provide the connection of certain utility and energy services to the Company, Weichai Casting, Weichai Power Freshen Air Technology Co., Ltd. ("Weichai Freshen Air", a subsidiary of the Company) and other subsidiaries of 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 and/or its subsidiaries to Weichai Holdings (and its associates) with respect to the provision of the said services are determined based on the actual usage of the Company and/or its subsidiaries 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 (and its associates) in relation thereto. If no market price or government published rates with respect to the above utility and energy services are available, the Company and/or its subsidiaries will pay the actual costs incurred by Weichai Holdings (and its associates) in relation to the provision of such utility and energy services plus a service charge representing not more than 20% of such costs. In the year ended 31 December 2018, Weichai Holdings (and its associates) has been charging the Company and its subsidiaries a service charge of 15% of the actual costs incurred thereof. The fees are settled by the parties on a monthly basis.

2. 濰柴控股及其附屬(關聯)公司向本公司及附屬公司供應及/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」),濰柴控股及其附屬(關聯)公司同意向本公司、濰柴鑄鍛、濰柴動力空氣淨化科技有限公司(「濰柴空氣淨化」,本公司之附屬公司)及本公司之其他附屬公司提供或接駁水、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。本公司及/或其附屬公司就提供上述服務應向濰柴控股及其附屬(關聯)公司支付的費用,乃根據本公司及/或其附屬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,另加濰柴控股及其附屬(關聯)公司因此產生的損耗、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,本公司及/或其附屬公司將須向濰柴控股及其附屬(關聯)公司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。截至二零一八年十二月三十一日,濰柴控股及其附屬(關聯)公司已就因此產生的實際成本的15%向本公司及其附屬公司收取服務附加費。該等費用由雙方按月結算。

Pursuant to the utility services agreement entered into between the Company and Chongqing Weichai on 17 November 2003 (as amended and supplemented by various supplemental agreements, collectively referred to as "Chongqing Weichai Utilities Services Agreement"), Chongqing Weichai (and its associates) has agreed to provide or provide the connection of certain utility and energy services to the Company's Chongqing branch office and/or other members of the Group, namely, water, electricity, natural gas, steam, oxygen, nitrogen and compressed air, etc. The fees payable by the Company and/or its subsidiaries to Chongqing Weichai (and its associates) with respect to the provision of the said services are determined based on the usage thereof by the Company's Chongqing branch office and/or other members of the Group or, if it is not possible to measure such usage, pro-rated according to the respective sales of Chongqing Weichai and the Company's Chongqing branch office and/or other members of the Group 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 (and its associates) in relation to the provision of the relevant utilities. If no market prices or government published rates with respect to the above utilities and energy services are available, the Company and/or other members of the Group will pay the actual costs incurred by Chongqing Weichai and its associates in relation to the provision of such utilities and energy services plus a service charge representing not more than 20% of such costs. In the year ended 31 December 2018, Chongqing Weichai and its associates have been charging the Company and/or other members of the Group a service charge of 20% of the actual costs incurred thereof. The fees are settled by the parties on a monthly basis.

Pursuant to the latest supplemental agreement to the Weichai Holdings Utilities Services Agreement and the Chongqing Weichai Utilities Services Agreement dated 13 July 2018, Weichai Holdings and Chongqing Weichai and their respective associates have agreed to provide or provide the connection of the said utility and energy services to the Company, Weichai Casting, Weichai Power (Weifang) Reproduction Company Limited ("Weichai Reproduction", a subsidiary of the Company), Huadong Casting, Weichai Logistics, the Chongqing Branch and/or other subsidiaries of the Company on the same terms and for a period of three years ending 31 December 2020, upon the expiry of which the parties may extend the term for another three years on a mutually agreed basis.

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」),重慶濰柴及其附屬(關聯)公司同意向本公司之重慶分公司及/或集團內其他成員提供或接駁水、電、煤氣、蒸汽、氧、氮、壓縮空氣等若干動能及能源服務。本公司及/或其附屬公司就提供上述服務應向重慶濰柴及其附屬(關聯)公司支付的費用,乃根據本公司之重慶分公司及/或集團內其他成員的實際用量或(倘不可能計算該等用量)重慶濰柴和本公司之重慶分公司及/或集團內其他成員各自的銷售額比例及參照該等動能的市價釐定。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,另加重慶濰柴及其附屬(關聯)公司就提供有關動能產生的損耗、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,本公司及/或集團內其他成員將須向重慶濰柴及其附屬(關聯)公司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。截至二零一八年十二月三十一日止年度,重慶濰柴及其附屬(關聯)公司已就因此產生的實際成本的20%向本公司及/或集團內其他成員收取服務附加費。該等費用由雙方按月結算。

根據二零一八年七月十三日訂立的濰柴控股動能服務協議及重慶濰柴動能服務協議之最新補充協議,濰柴控股及其附屬(關聯)公司及重慶濰柴及其附屬(關聯)公司同意向本公司、濰柴鑄鍛、濰柴動力(濰坊)再製造有限公司(「濰柴再製造」,本公司之附屬公司)、華動鑄造、濰柴集約、重慶分公司及/或本公司之其他附屬公司供應及接駁上述動能及能源服務,其他條款不變,協議年期為截至二零二零年十二月三十一日止,為期三年。於屆滿後雙方可選擇重續協議,為期三年。

The approved annual cap for the aforesaid services provided by Weichai Holdings and Chongqing Weichai and their respective associates for the year ended 31 December 2018 is RMB650 million. In the year ended 31 December 2018, the total amount charged by Weichai Holdings and Chongqing Weichai and their respective associates from the Company and its subsidiaries for the said services was RMB395,372,610.

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

Pursuant to the purchase and processing services agreement entered into between the Company, Weichai Holdings and Chongqing Weichai on 27 November 2008 (as amended and supplemented by various supplemental agreements, collectively referred to as the "Weichai Purchase and Processing Services Agreement"):

- (i) the Company, Weichai Casting, Weichai Reproduction, Huadong Casting, Weichai Singapore Pte. Ltd. ("Weichai Singapore", a subsidiary of the Company) and other subsidiaries of the Company have agreed to purchase parts and components of diesel engines, gas, scrap metals, materials, diesel engines and related products from Weichai Holdings, Chongqing Weichai, Weichai Import and Export and other associates of Weichai Holdings; and
- (ii) Weichai Holdings, Chongqing Weichai, Weichai Import and Export and other associates of Weichai Holdings have agreed to provide processing services to the Company and its subsidiaries with respect to the said parts and components of diesel engines, gas, scrap metals, materials, diesel engines and related products.

The said purchases and processing services are transacted at market prices and are settled by the parties on a monthly basis.

濰柴控股及重慶濰柴提供上述服務於截至二零一八年十二月三十一日止年度之經批准年度上限為人民幣650,000,000元。於截至二零一八年十二月三十一日止年度，濰柴控股及其附屬(關聯)公司及重慶濰柴及其附屬(關聯)公司就上述服務向本公司及其附屬公司收取的總金額為人民幣395,372,610元。

3. 本公司及其附屬公司向濰柴控股及其附屬(關聯)公司採購柴油機零部件、煤氣及廢金屬等、原材料、柴油機及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採購及加工服務協議(經多項補充協議修訂及補充，統稱為「濰柴採購及加工服務協議」)：

- (i) 本公司、濰柴鑄鍛、濰柴再製造、華動鑄造、Weichai Singapore Pte. Ltd. (「濰柴新加坡」，本公司之附屬公司)及本公司之其他附屬公司同意向濰柴控股、重慶濰柴、濰柴進出口及濰柴控股其他附屬(關聯)公司採購柴油機零部件、煤氣、廢金屬等、原材料、柴油機及相關產品；及
- (ii) 濰柴控股、重慶濰柴、濰柴進出口及濰柴控股之其他附屬(關聯)公司同意向本公司及其附屬公司提供關於上述柴油機零部件、煤氣、廢金屬等、原材料、柴油機及相關產品的加工服務。

上述採購和加工服務按市價交易，由雙方按月結算。

Pursuant to the latest supplemental agreement to the Weichai Purchase and Processing Services Agreement dated 30 August 2016, Weichai Holdings, Chongqing Weichai and Weichai Import and Export (and other associates of Weichai Holdings) have agreed to provide the said products and processing services to the Company, Weichai Casting, Weichai Reproduction, Huadong Casting, Weichai Singapore Pte. Ltd., Shandong Heavy Industry India Private Limited. ("Shandong India", a subsidiary of the Company), Weichai Middle East FZE ("Weichai Middle East", a subsidiary of the Company) and/or other subsidiaries of the Company on the same terms and for a period of three years ending 31 December 2019, upon the expiry of which the parties may extend the term for another three years on a mutually agreed basis.

The approved annual cap for the aforesaid purchases made and services received from Weichai Holdings and its associates for the year ended 31 December 2018 is RMB1.00 billion. In the year ended 31 December 2018, the total purchases made and processing services received by the Company and its subsidiaries from Weichai Holdings and its associates amounted to RMB691,000,396.

4. Sale of diesel engines, diesel engine parts and components, materials, semi-finished products, hydraulic products and related products and provision of processing services by the Company and its subsidiaries to Weichai Holdings and its associates

Pursuant to the sale and processing services agreement entered into between the Company and Weichai Power (Weifang) After-sales Service Co., Ltd. ("Weichai After-sales Services", a subsidiary of the Company, formally known as Weichai Power Reserves and Resources Company) as suppliers and Weichai Holdings and its certain associates as customers on 27 November 2008 (as amended and supplemented by various supplemental agreements, collectively referred to as the "Weichai Sale and Processing Service Agreement"), the Company (and its Chongqing branch office), Weichai After-sales Services, Weichai Casting, Weichai Reproduction, Weichai Logistics and other subsidiaries of the Company have agreed to (i) sell certain diesel engines, diesel engine parts and components, materials, semi-finished products and related products, and (ii) provide certain processing services in relation to the production of diesel engines to Weichai Holdings, Weichai Import and Export, Chongqing Weichai and other associates of Weichai Holdings at market prices. The transactions are settled by the parties on a monthly basis.

根據二零一六年八月三十日訂立的濰柴採購及加工服務協議最新補充協議，濰柴控股、重慶濰柴、濰柴進出口，及濰柴控股之其他附屬(關聯)公司同意向本公司、濰柴鑄鍛、濰柴再製造、華動鑄造、Weichai Singapore Pte. Ltd.、Shandong Heavy Industry India Private Limited(「山東印度」，本公司之附屬公司)、Weichai Middle East FZE(「濰柴中東」，本公司之附屬公司)及/或本公司之其他附屬公司供應上述產品及提供上述加工服務，其他條款不變，協議年期為截至二零一九年十二月三十一日止，為期三年。於屆滿後雙方可選擇重續協議，為期三年。

向濰柴控股及其附屬(關聯)公司作出上述採購及獲得上述服務於截至二零一八年十二月三十一日止年度之經批准年度上限為人民幣1,000,000,000元。於截至二零一八年十二月三十一日止年度，本公司及其附屬公司向濰柴控股及其附屬(關聯)公司作出該等採購及獲得加工服務的總金額為人民幣691,000,396元。

4. 本公司及其附屬公司向濰柴控股及其附屬(關聯)公司銷售柴油機、柴油機零部件、原材料、半成品、液壓產品、相關產品及提供加工服務

根據本公司及濰柴(濰坊)後市場服務有限公司(「濰柴後市場服務」，本公司之附屬公司，原濰柴動力(濰坊)備品資源有限公司)作為供貨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銷售及加工服務協議(經多項補充協議修訂及補充，統稱為「濰柴銷售及加工服務協議」)，本公司及本公司之重慶分公司、濰柴後市場服務、濰柴鑄鍛、濰柴再製造、濰柴集約及本公司之其他附屬公司同意按市價向濰柴控股、濰柴進出口、重慶濰柴及濰柴控股之其他附屬(關聯)公司，(i)出售若干柴油機、柴油機零部件、原材料、半成品及相關產品，及(ii)提供與柴油機生產有關的加工服務。相關交易由雙方按月結算。

Pursuant to the latest supplemental agreement to the Weichai Sale and Processing Service Agreement dated 13 July 2018, the Company (and its Chongqing branch office), Weichai Casting, Weichai After-sales Services, Weichai Reproduction, Weichai Logistics and other subsidiaries of the Company have agreed to sell the said diesel engines, diesel engine parts and components, materials, semi-finished products, hydraulic products and related products, and provide the said processing services to Weichai Holdings, Weichai Import and Export, Chongqing Weichai, Yangzhou Shengda Special Vehicles Co., Ltd. ("Yangzhou Shengda"), Dezhong Degong Machinery Co., Ltd. ("Dezhong Degong") and other associates of Weichai Holdings on the same terms and for a period of three years ending 31 December 2020, upon the expiry of which the parties may extend the term for another three years on a mutually agreed basis.

The approved annual cap for the aforesaid sales made and services provided to Weichai Holdings and its associates for the year ended 31 December 2018 is RMB2.61 billion. In the year ended 31 December 2018, the total sales made and processing services provided by the Company and its subsidiaries to Weichai Holdings and its associates amounted to RMB1,516,092,915.

5. Sale of diesel engines and related products by the Company and its subsidiaries to Weichai Heavy Machinery and its associates

The Company and Weichai Holdings entered into a framework agreement on 17 November 2003 (as supplemented by various supplemental agreements). The rights and obligations of Weichai Holdings in the aforesaid agreement were assumed by Weichai Heavy Machinery pursuant to the supplemental framework agreement entered into between the Company and Weichai Heavy Machinery on 27 August 2015.

根據二零一八年七月十三日訂立的濰柴銷售及加工服務協議最新補充協議，本公司及本公司之重慶分公司、濰柴鑄鍛、濰柴後市場服務、濰柴再製造、濰柴集約及本公司之其他附屬公司同意向濰柴控股、濰柴進出口、重慶濰柴、揚州盛達特種車有限公司(「揚州盛達」)、德州德工機械有限公司(「德州德工」)及濰柴控股之其他附屬(關聯)公司出售上述柴油機、柴油機零部件、原材料、半成品、液壓產品及相關產品，及提供上述加工服務，其他條款不變，協議年期為截至二零二零年十二月三十一日止，為期三年。於屆滿後雙方可選擇重續協議，為期三年。

向濰柴控股及其附屬(關聯)公司作出上述銷售及接受上述服務於截至二零一八年十二月三十一日止年度之經批准年度上限為人民幣2,610,000,000元。於截至二零一八年十二月三十一日止年度，本公司及其附屬公司向濰柴控股及其附屬(關聯)公司作出該等銷售及提供加工服務的總金額為人民幣1,516,092,915元。

5. 本公司及其附屬公司向濰柴重機及其附屬(關聯)公司銷售柴油機及相關產品

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濰柴重機根據本公司與濰柴重機於二零一五年八月二十七日訂立的補充框架協議承擔。

Pursuant to such framework agreement (as supplemented by various supplemental agreements), the Company, Weichai Reproduction, Weichai Power Yangzhou Diesel Engine Co., Ltd. ("Weichai Yangzhou", a subsidiary of the Company) and Baudouin (Weifang) Power Co., Ltd. ("Baudouin China", a subsidiary of the Company) and/or other subsidiaries of the Company have agreed to sell to Weichai Heavy Machinery, Weichai Electrical Equipment and/or other associates of Weichai Heavy Machinery certain diesel engines and related products, at market prices and settled on a monthly basis for a term ending 31 December 2018, upon the expiry of which the parties may extend the term for another three years on a mutually agreed basis.

The approved annual cap for the aforesaid sales of diesel engines and related products to Weichai Heavy Machinery and/or its associates for the year ended 31 December 2018 is RMB800 million. In the year ended 31 December 2018, the total sales of diesel engines and related products made by the Company and its subsidiaries to Weichai Heavy Machinery and/or its associates amounted to RMB338,024,430.

Pursuant to the latest supplemental agreement to the said framework agreement dated 13 July 2018, the Company, Weichai Reproduction, Weichai Yangzhou, Baudouin China and other subsidiaries of the Company agreed to sell to Weichai Heavy Machinery, Weichai Electrical Equipment and/or other associates of Weichai Heavy Machinery the said diesel engines and related products on the same terms and for a period of three years ending 31 December 2021, upon the expiry of which the parties may renew the term for another three years on a mutually agreed basis.

根據這項框架協議(經多項補充協議補充),本公司、濰柴再製造、濰柴動力揚州柴油機有限責任公司(「濰柴揚州」,本公司之附屬公司)、博杜安(濰坊)動力有限公司(「博杜安中國」,本公司之附屬公司)及/或本公司之其他附屬公司同意向濰柴重機、濰柴電力設備及/或濰柴重機之其他附屬(關聯)公司銷售若干柴油機及相關產品,由各方按市價按月結算,協議年期截至二零一八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。

向濰柴重機及/或其附屬(關聯)公司銷售上述柴油機及相關產品於截至二零一八年十二月三十一日止年度之經批准年度上限為人民幣800,000,000元。於截至二零一八年十二月三十一日止年度,本公司及其附屬公司向濰柴重機及/或其附屬(關聯)公司銷售該等柴油機及相關產品的總金額為人民幣338,024,430元。

根據二零一八年七月十三日訂立的上述框架協議的最新補充協議,本公司、濰柴再製造、濰柴揚州、博杜安中國及本公司之其他附屬公司同意向濰柴重機、濰柴電力設備及/或濰柴重機之其他附屬(關聯)公司銷售上述柴油機及相關產品,其他條款不變,協議年期為截至二零二一年十二月三十一日止,為期三年。於屆滿後雙方可選擇重續協議,為期三年。

6. Purchase of diesel engine parts and components, materials, steel and scrap metal etc., diesel engines and related products and processing and labour services by the Company and its subsidiaries from Weichai Heavy Machinery and its associates

Pursuant to the purchase and processing services agreement entered into between the Company and Weichai After-sales Services and Weichai Heavy Machinery on 27 November 2008 (as supplemented by various supplemental agreements), the Company (and its Chongqing branch office), Weichai After-sales Services, Weichai Casting, Weichai Reproduction, Huadong Casting, Weichai Logistics, Baudouin China, Weichai Singapore and/or other members of the Group have agreed to purchase from Weichai Heavy Machinery, Weichai Electrical Equipment and/or other associates of Weichai Heavy Machinery certain diesel engine parts and components, materials, steel and scrap metal etc., diesel engines and related products and processing and labour services, at market prices and settled on a monthly basis.

Pursuant to the latest supplemental agreement to the said framework agreement dated 13 July 2018, the Company (and its Chongqing branch office), Weichai After-sales Services, Weichai Casting, Weichai Reproduction, Huadong Casting, Weichai Logistics, Baudouin China and/or other members of the Group have agreed to purchase from Weichai Heavy Machinery, Weichai Electrical Equipment and/or other associates of Weichai Heavy Machinery the said diesel engine parts and components, materials, steel and scrap metal etc., diesel engines and related products and processing and labour services on the same terms and for a period of three years ending 31 December 2020, upon the expiry of which the parties may extend the term for another three years on a mutually agreed basis.

The approved annual cap for the aforesaid purchases made and processing services received from Weichai Heavy Machinery and/or its associates for the year ended 31 December 2018 is RMB550 million. In the year ended 31 December 2018, the total purchases made and processing services received by the Company and other members of the Group from Weichai Heavy Machinery and its associates amounted to RMB388,463,876.

6. 本公司及其附屬公司向濰柴重機及其附屬(關聯)公司採購柴油機零部件、原材料、鋼材及廢金屬等、柴油機及相關產品和加工及勞務服務

根據本公司及濰柴後市場服務與濰柴重機於二零零八年十一月二十七日訂立的採購及加工服務協議(經多項補充協議補充),本公司及本公司之重慶分公司、濰柴後市場服務、濰柴鑄鍛、濰柴再製造、華動鑄造、濰柴集約、博杜安中國、濰柴新加坡及/或集團內其他成員同意向濰柴重機、濰柴電力設備及/或濰柴重機之其他附屬(關聯)公司採購若干柴油機零部件、原材料、鋼材及廢金屬等、柴油機及相關產品,並提供加工及勞務服務,由各方按市價按月結算。

根據二零一八年七月十三日訂立的上述框架協議之最新補充協議,本公司及本公司之重慶分公司、濰柴後市場服務、濰柴鑄鍛、濰柴再製造、華動鑄造、濰柴集約、博杜安中國及/或集團內其他成員同意向濰柴重機、濰柴電力設備及/或濰柴重機之其他附屬(關聯)公司採購上述柴油機零部件、原材料、鋼材及廢金屬等、柴油機及相關產品及提供加工和勞務服務,其他條款不變,協議年期為截至二零二零年十二月三十一日止,為期三年。於屆滿後雙方可選擇重續協議,為期三年。

向濰柴重機及/或其附屬(關聯)公司作出的上述採購及獲得的加工服務於截至二零一八年十二月三十一日止年度之經批准年度上限為人民幣550,000,000元。於截至二零一八年十二月三十一日止年度,本公司及集團內其他成員向濰柴重機及其附屬(關聯)公司作出的採購及獲得的加工服務之總金額合計人民幣388,463,876元。

7. Supply of semi-finished diesel engine parts, diesel engine parts and components, reserve parts and related products and provision of labour services by the Company and its subsidiaries to Weichai Heavy Machinery and its associates

The Company and Weichai Holdings entered into a semi-finished diesel engine parts supply agreement on 17 November 2003 (as amended and supplemented by various supplemental agreements). The rights and obligations of Weichai Holdings in the aforesaid agreement were assumed by Weichai Heavy Machinery pursuant to the supplemental agreement entered into between the Company, Weichai Holdings and Weichai Heavy Machinery on 27 August 2015.

Pursuant to such framework agreement (as supplemented by various supplemental agreements), the Company, Weichai Reproduction, Weichai After-sales Services, Weichai Casting, Huadong Casting, Weichai Logistics and/or other subsidiaries of the Company have agreed to sell certain semi-finished diesel engine parts, diesel engine parts and components, reserve parts and related products and to provide the said labour services to Weichai Heavy Machinery, Weichai Electrical Equipment and/or its associates at market prices and settled on a monthly basis for a period of three years ending 31 December 2018, upon the expiry of which the parties may renew the term for another three years on a mutually agreed basis.

The approved annual cap for the aforesaid supply of semi-finished diesel engine parts to Weichai Heavy Machinery and/or its associates for the year ended 31 December 2018 is RMB520 million. In the year ended 31 December 2018, the total supply of semi-finished diesel engine parts, diesel engine parts and components, reserve parts and related products and provision of labour services by the Company and other members of the Group to Weichai Heavy Machinery and its associates amounted to RMB75,363,976.

Pursuant to the latest supplemental agreement to the said framework agreement dated 13 July 2018, the Company, Weichai Reproduction, Weichai After-sales Services, Weichai Casting, Huadong Casting, Weichai Logistics and other subsidiaries of the Company agreed to sell to Weichai Heavy Machinery, Weichai Electrical Equipment and/or its associates of Weichai Heavy Machinery the said semi-finished diesel engine parts, diesel engine parts and components, reserve parts and related products and to provide the said labour services on the same terms and for a period of three years ending 31 December 2021, upon the expiry of which the parties may renew the term for another three years on a mutually agreed basis.

7. 本公司及其附屬公司向濰柴重機及其附屬(關聯)公司供應柴油機零部件毛坯、柴油機零部件、備件及相關產品以及提供勞務服務
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(經多項補充協議修訂及補充)。濰柴控股於該協議之權利及義務由濰柴重機根據本公司、濰柴控股與濰柴重機於二零一五年八月二十七日訂立的一項補充協議承擔。

根據這項框架協議(經多項補充協議補充)，本公司、濰柴再製造、濰柴後市場服務、濰柴鑄鍛、華動鑄造、濰柴集約及／或本公司之其他附屬公司同意向濰柴重機、濰柴電力設備及／或其附屬(關聯)公司銷售若干柴油機零部件毛坯、柴油機零部件、備件及相關產品以及提供上述勞務服務，由各方按市價按月結算，協議年期為截至二零一八年十二月三十一日止，為期三年。於屆滿後雙方可選擇重續協議，為期三年。

向濰柴重機及／或其附屬(關聯)公司供應上述柴油機零部件毛坯於截至二零一八年十二月三十一日止年度之經批准年度上限為人民幣520,000,000元。於截至二零一八年十二月三十一日止年度，本公司及集團內其他成員向濰柴重機及其附屬(關聯)公司供應柴油機零部件毛坯、柴油機零部件、備件及相關產品以及提供勞務服務之總金額合計人民幣75,363,976元。

根據二零一八年七月十三日訂立的上述框架協議的最新補充協議，本公司、濰柴再製造、濰柴後市場服務、濰柴鑄鍛、華動鑄造、濰柴集約及本公司之其他附屬公司同意向濰柴重機、濰柴電力設備及／或濰柴重機之附屬(關聯)公司銷售上述柴油機零部件毛坯、柴油機零部件、備件及相關產品以及提供上述勞務服務，其他條款不變，協議年期為截至二零二一年十二月三十一日止，為期三年。於屆滿後雙方可選擇重續協議，為期三年。

8. Sale of parts and components of transmissions and related products by SFGC to Fast Transmission

Pursuant to the parts and components sale agreement entered into between SFGC and Fast Transmission on 1 August 2007 (as amended and supplemented by various supplemental agreements), SFGC has agreed to sell to Fast Transmission certain parts and components of transmissions, namely, gearboxes, and related products at market prices and settled every two to three months, for a term of three years ending 31 December 2018, upon the expiry of which the parties shall have an option to extend the term for another three years on a mutually agreed basis.

The approved annual cap for the aforesaid sales of parts and components of transmissions to Fast Transmission for the year ended 31 December 2018 is RMB6.50 billion. In the year ended 31 December 2018, the total sales of parts and components of transmissions made by SFGC to Fast Transmission amounted to RMB1,944,356,239.

Pursuant to the latest supplemental agreement to the said framework agreement dated 13 July 2018, SFGC has agreed to sell to Fast Transmission certain parts and components of transmissions, namely, gearboxes, and related products on the same terms and for a period of three years ending 31 December 2021, upon the expiry of which the parties may renew the term for another three years on a mutually agreed basis.

9. 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 1 August 2007 (as amended and supplemented by various supplemental agreements), SFGC has agreed to purchase from Fast Transmission certain parts and components of transmissions and gears, namely, power take off assemblies and castings, and related products at market prices and settled every two to three months, for a term of three years ending 31 December 2018, upon the expiry of which the parties shall have an option to extend the term for another three years on a mutually agreed basis.

The approved annual cap for the aforesaid purchase of parts and components of transmissions from Fast Transmission for the year ended 31 December 2018 is RMB7.80 billion. In the year ended 31 December 2018, the total purchases of parts and components of transmissions and related products made by SFGC from Fast Transmission amounted to RMB4,566,782,378.

8. 陝西法士特齒輪向法士特集團銷售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銷售協議(經多項補充協議修訂及補充), 陝西法士特齒輪同意按市價向法士特集團銷售變速箱等若干傳動零部件及相關產品, 每兩至三個月結算一次。協議年期為截至二零一八年十二月三十一日止三個年度, 於屆滿後雙方可選擇重續協議, 為期三年。

向法士特集團銷售上述傳動零部件於截至二零一八年十二月三十一日止年度之經批准年度上限為人民幣6,500,000,000元。於截至二零一八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1,944,356,239元。

根據二零一八年七月十三日訂立的上述框架協議的最新補充協議, 陝西法士特齒輪同意向法士特集團銷售變速箱等若干傳動零部件及相關產品, 其他條款不變, 協議年期為截至二零二一年十二月三十一日止, 為期三年。於屆滿後雙方可選擇重續協議, 為期三年。

9. 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(經多項補充協議修訂及補充), 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及相關產品, 每兩至三個月結算一次。協議年期為截至二零一八年十二月三十一日止三個年度, 於屆滿後雙方可選擇重續協議, 為期三年。

向法士特集團採購上述傳動零部件於截至二零一八年十二月三十一日止年度之經批准年度上限為人民幣7,800,000,000元。於截至二零一八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及相關產品的總金額為人民幣4,566,782,378元。

Pursuant to the latest supplemental agreement to the said framework agreement dated 13 July 2018, SFGC has agreed to purchase from Fast Transmission certain parts and components of transmissions and gears, namely, power take off assemblies and castings, and related products on the same terms and for a period of three years ending 31 December 2021, upon the expiry of which the parties may renew the term for another three years on a mutually agreed basis.

10. Sale of vehicles, parts and components of vehicles, raw materials and related products and provision of the relevant services by Shaanxi Zhongqi and its subsidiaries and Weichai Freshen Air to Shaanxi Automotive and its associates

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 1 August 2007 (as supplemented by various supplemental agreements including the agreement dated 30 August 2016), the Shaanxi Suppliers and Weichai Freshen Air have agreed to sell certain vehicles, parts and components of vehicles, raw materials and related products, and provide the relevant services to the Shaanxi Customers, at market prices and settled by the parties generally every one to three months, for a term of three years ending 31 December 2019, upon the expiry of which the parties shall have an option to renew the agreement for a term of three years on a mutually agreed basis.

The approved annual cap for the aforesaid sales of vehicles, parts and components of vehicles, raw materials and related products and provision of the relevant services to Shaanxi Automotive and its associates for the year ended 31 December 2018 is RMB4.74 billion. In the year ended 31 December 2018, the total sales of vehicles, parts and components of vehicles, raw materials and related products and provision of the relevant services by Shaanxi Zhongqi and its subsidiaries and Weichai Freshen Air to Shaanxi Automotive and its associates amounted to RMB1,766,529,261.

根據二零一八年七月十三日訂立的上述框架協議的最新補充協議，陝西法士特齒輪同意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及相關產品，其他條款不變，協議年期為截至二零二一年十二月三十一日止，為期三年。於屆滿後雙方可選擇重續協議，為期三年。

10. 陝西重汽及其附屬公司、濰柴空氣淨化向陝汽集團及其附屬(關聯)公司銷售汽車、汽車零部件、原材料及相關產品和提供相關服務

根據陝西重汽及本公司若干其他附屬公司作為供貨商(「陝重汽供貨商」)與陝汽集團及其附屬(關聯)公司作為客戶(「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(經多項補充協議補充，包括於二零一六年八月三十日訂立之協議)，陝重汽供貨商及濰柴空氣淨化同意按市價向陝重汽客戶出售若干汽車及汽車零部件、原材料及相關產品，以及提供相關服務，由各方每一至三個月結算一次。協議年期為截至二零一九年十二月三十一日止三個月，於屆滿後雙方可選擇重續協議，為期三年。

向陝汽集團及其附屬(關聯)公司銷售上述汽車、汽車零部件、原材料及相關產品和提供相關服務於截至二零一八年十二月三十一日止年度之經批准年度上限為人民幣4,740,000,000元。於截至二零一八年十二月三十一日止年度，陝西重汽及其附屬公司及濰柴空氣淨化向陝汽集團及其附屬(關聯)公司銷售汽車、汽車零部件、原材料及相關產品和提供相關服務的總金額為人民幣1,766,529,261元。

11. Purchase of parts and components of vehicles, scrap steel and related products and labour services by Shaanxi Zhongqi and its subsidiaries and Weichai Freshen Air from Shaanxi Automotive and its associates

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 Shaanxi Automotive and certain of its associates as sellers (the "Shaanxi Sellers") on 1 August 2007 (as supplemented by various supplemental agreements including the agreement dated 30 August 2016), the Shaanxi Buyers have agreed to purchase certain parts and components of vehicles, scrap steel and related products and labour services from the Shaanxi Sellers, at market prices and settled by the parties every one to three months, for a term of three years ending 31 December 2019, upon the expiry of which the parties shall have an option to renew the agreement for a term of three years on a mutually agreed basis.

The approved annual cap for the aforesaid purchases of parts and components of vehicles, scrap steel, related products and labour services from Shaanxi Automotive and its associates for the year ended 31 December 2018 is RMB8.50 billion. In the year ended 31 December 2018, the total purchases of parts and components of vehicles, scrap steel and related products and labour services made by Shaanxi Zhongqi and its subsidiaries and Weichai Freshen Air from Shaanxi Automotive and its associates amounted to RMB6,599,533,968.

12. Sale of engines, new energy powertrain and related products by the Company to Yangzhou Yaxing and its subsidiaries

The diesel engines supply framework agreement entered into between the Company and Yangzhou Yaxing on 26 October 2012 (as supplemented by various supplemental agreements) sets out the general terms and conditions for the sale of engines, new energy powertrain and related products by the Company and Weichai Yangzhou to Yangzhou Yaxing and its subsidiaries. The said engines, new energy powertrain and related products shall be sold by the Company and Weichai Yangzhou to Yangzhou Yaxing and its subsidiaries from time to time with reference to market prices and/or price agreed according to the principle of fairness and reasonableness and settled on a monthly basis. The transactions shall be subject to normal commercial terms and terms no less favourable to the Group than those available to the Group from independent third parties.

11. 陝西重汽及其附屬公司、濰柴空氣淨化向陝汽集團及其附屬(關聯)公司採購汽車零部件、廢鋼、相關產品及勞務服務

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」)與陝汽集團及其若干附屬(關聯)公司作為賣方(「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(經多項補充協議補充,包括於二零一六年八月三十日訂立之協議),陝重汽買方同意按市價向陝重汽賣方採購若干汽車零部件、廢鋼、相關產品及勞務服務,由各方按每一至三個月結算一次。協議年期為截至二零一九年十二月三十一日止三個年度,於屆滿後雙方可選擇重續協議,為期三年。

向陝汽集團及其附屬(關聯)公司採購上述汽車零部件、廢鋼、相關產品和勞務服務於截至二零一八年十二月三十一日止年度之經批准年度上限為人民幣8,500,000,000元。於截至二零一八年十二月三十一日止年度,陝西重汽及其附屬公司、濰柴空氣淨化向陝汽集團及其附屬(關聯)公司採購該等汽車零部件、廢鋼、相關產品及勞務服務的總金額為人民幣6,599,533,968元。

12. 本公司向揚州亞星及其附屬公司銷售發動機、新能源動力總成及相關產品

於二零一二年十月二十六日,本公司與揚州亞星訂立柴油機供應框架協議(經多項補充協議補充),協議載有本公司和濰柴揚州向揚州亞星及其附屬公司銷售發動機、新能源動力總成及相關產品之一般條款及條件。上述發動機、新能源動力總成及相關產品將由本公司和濰柴揚州不時參考市價及/或根據公平合理原則協定的價格向揚州亞星及其附屬公司出售,並按每月基準結算。該等交易乃按一般商業條款及按對本集團而言不遜於本集團從獨立第三方可得的條款進行。

Pursuant to the latest supplemental agreement to the said framework agreement dated 28 March 2018, the Company and its subsidiaries have agreed to sell the said engines, new energy powertrains and related products to Yangzhou Yaxing and its subsidiaries on the same terms and for a period of three years ending 31 December 2020, upon the expiry of which the parties may renew the term for another three years on a mutually agreed basis.

The annual cap for the aforesaid sales of engines, new energy powertrain and related products by the Company and its subsidiaries to Yangzhou Yaxing and its subsidiaries for the year ended 2018 is RMB710 million. In the year ended 31 December 2018, the total sales of engines, new energy powertrain and related products made by the Company and its subsidiaries to Yangzhou Yaxing and its subsidiaries amounted to RMB443,387,107.

13. Sale of transmissions by SFGC to Yangzhou Yaxing and its subsidiaries

The transmissions supply framework agreement entered into between SFGC and Yangzhou Yaxing on 26 October 2012 (as supplemented by various supplemental agreements) sets out the general terms and conditions for the sale of transmissions by SFGC to Yangzhou Yaxing and its subsidiaries. The said transmissions shall be sold by SFGC to Yangzhou Yaxing and its subsidiaries from time to time with reference to market prices and/or price agreed according to the principle of fairness and reasonableness and settled on a monthly basis. The transactions shall be subject to normal commercial terms and terms no less favourable to the Group than those available to the Group from independent third parties.

Pursuant to the latest supplemental agreement to the said transmissions supply framework agreement dated 28 March 2018, SFGC has agreed to sell the said transmissions to Yangzhou Yaxing and its subsidiaries on the same terms and for a period of three years ending 31 December 2020, upon the expiry of which the parties shall have an option to extend the term for another three years on a mutually agreed basis.

The annual cap for the aforesaid sale of transmissions by SFGC to Yangzhou Yaxing and its subsidiaries for the year ended 31 December 2018 is RMB61.00 million. In the year ended 31 December 2018, the actual transaction amount of such sales was RMB5,886,976.

根據二零一八年三月二十八日訂立的上
述框架協議之最新補充協議，本公司及
其附屬公司同意向揚州亞星及其附屬
公司銷售上述發動機、新能源動力總成
及相關產品，其他條款不變，協議年期
為截至二零二零年十二月三十一日止，
為期三年。於屆滿後雙方可選擇重續協
議，為期三年。

截至二零一八年止年度，本公司及其附
屬公司向揚州亞星及其附屬公司銷售
發動機、新能源動力總成及相關產品的
年度上限為人民幣710,000,000元。於截
至二零一八年十二月三十一日止年度，
本公司及其附屬公司向揚州亞星及其附
屬公司銷售發動機、新能源動力總成及
相關產品的總金額為人民幣443,387,107
元。

13. 陝西法士特齒輪向揚州亞星及其附屬公司銷售變速箱

於二零一二年十月二十六日，陝西法士
特齒輪與揚州亞星訂立變速箱供應框
架協議(經多項補充協議補充)，協議載
有陝西法士特齒輪向揚州亞星及其附
屬公司銷售變速箱之一般條款及條件。
上述變速箱將由陝西法士特齒輪不時參
考市價及／或根據公平合理原則協定
的價格向揚州亞星及其附屬公司出售，
並按每月基準結算。該等交易乃按一般
商業條款及按對本集團而言不遜於本
集團從獨立第三方可得的條款進行。

根據二零一八年三月二十八日訂立的上
述變速箱供應框架協議之最新補充協
議，陝西法士特齒輪同意向揚州亞星及
其附屬公司銷售上述變速箱，其他條款
不變，協議年期為截至二零二零年十二
月三十一日止，為期三年。於屆滿後雙
方可選擇重續協議，為期三年。

截至二零一八年十二月三十一日止年
度，陝西法士特齒輪向揚州亞星及其附
屬公司銷售上述變速箱的年度上限為
人民幣61,000,000元。於截至二零一八
年十二月三十一日止年度，有關銷售的
實際交易金額為人民幣5,886,976元。

14. Sale of axles by Shaanxi Hande Axle Co., Ltd. ("Hande Axle", a subsidiary of Shaanxi Zhongqi) to Yangzhou Yaxing and its subsidiaries

The axles supply framework agreement entered into between Hande Axle and Yangzhou Yaxing on 26 October 2012 (as supplemented by various supplementary agreements) sets out the general terms and conditions for the sales of axles by Hande Axle to Yangzhou Yaxing and its subsidiaries. The said axles shall be sold by Hande Axle to Yangzhou Yaxing and its subsidiaries from time to time with reference to market prices and/or price agreed according to the principle of fairness and reasonableness and with a payment term of two months. The transactions shall be subject to normal commercial terms and terms no less favourable to the Group than those available to the Group from independent third parties.

Pursuant to the latest supplemental agreement to the said axles supply framework agreement dated 28 March 2018, Hande Axle has agreed to sell the said axles to Yangzhou Yaxing and its subsidiaries on the same terms and for a period of three years ending 31 December 2020, upon the expiry of which the parties shall have an option to extend the term for another three years on a mutually agreed basis.

The annual cap for the aforesaid sale of axles by Hande Axle to Yangzhou Yaxing and its subsidiaries for the year ended 31 December 2018 is RMB72.0 million. In the year ended 31 December 2018, the sales of axles made by Hande Axle to Yangzhou Yaxing and its subsidiaries was RMB55,043,096.

15. Provision of financial services to the Company and its subsidiaries by Shandong Finance

Pursuant to the financial services agreement entered into between the Company and Shandong Finance on 21 March 2013 (as supplemented by various supplementary agreements including the financial services agreement dated 30 March 2016), Shandong Finance has agreed to provide, inter alia, certain deposit services to the Company and its subsidiaries for a period ending 29 June 2019, upon the expiry of which the parties may extend the term for another three years on a mutually agreed basis.

14. 陝西漢德車橋有限公司(「漢德車橋」, 陝西重汽之附屬公司)向揚州亞星及其附屬公司銷售車橋

於二零一二年十月二十六日, 漢德車橋與揚州亞星訂立車橋供應框架協議(經多項補充協議補充), 協議載有漢德車橋向揚州亞星及其附屬公司銷售車橋之一般條款及條件。上述車橋將由漢德車橋不時參考市價及/或根據公平合理原則協定的價格向揚州亞星及其附屬公司出售, 付款期限為兩個月。該等交易乃按一般商業條款及按對本集團而言不遜於本集團從獨立第三方可得的條款進行。

根據二零一八年三月二十八日訂立的上述車橋供應框架協議之最新補充協議, 漢德車橋同意向揚州亞星及其附屬公司銷售上述車橋, 其他條款不變, 協議年期為截至二零二零年十二月三十一日止, 為期三年。於屆滿後雙方可選擇重續協議, 為期三年。

截至二零一八年十二月三十一日止年度, 漢德車橋向揚州亞星及其附屬公司銷售上述車橋的年度上限為人民幣72,000,000元。截至二零一八年十二月三十一日止年度, 漢德車橋向揚州亞星及其附屬公司作出的車橋銷售為人民幣55,043,096元。

15. 山重財務向本公司及其附屬公司提供金融服務

根據本公司與山重財務於二零一三年三月二十一日訂立之金融服務協議(經多項補充協議補充, 包括於二零一六年三月三十日訂立之金融服務協議), 山重財務同意向本公司及其附屬公司提供存款等金融服務, 協議年期為截至二零一九年六月二十九日止。於屆滿後雙方可選擇重續協議, 為期三年。

Pursuant to the said financial services agreement, Shandong Finance shall provide certain deposit services to the Group, the principal terms of which are as follows:

- (a) the interest rate for the deposit of the Group's funds with Shandong Finance shall, subject to the compliance of the relevant requirements of the People's Bank of China, be no less than the highest interest rate for the same type of deposit offered by the major commercial banks for the same period; and
- (b) the maximum daily balance (including interests) of the Group's deposit with Shandong Finance shall not exceed RMB17 billion from 30 June 2016 to 29 June 2017, RMB19 billion from 30 June 2017 to 29 June 2018 and RMB20 billion from 30 June 2018 to 29 June 2019.

During the period from 1 January 2018 to 29 June 2018, the maximum daily balance (including interests) of the Group's deposit in Shandong Finance amounted to RMB18,989,996,571, whereas during the period from 30 June 2018 to 31 December 2018, the maximum daily balance (including interests) of the Group's deposit in Shandong Finance amounted to RMB19,963,132,400.

As the existing financial services agreement will expire on 29 June 2019, the Company and Shandong Finance has entered into a new financial services agreement for a period of three years ending 29 June 2022, pursuant to which and subject to the relevant approval at a shareholders' meeting of the Company, Shandong Finance has agreed to provide, inter alia, certain deposit services to the Company and its subsidiaries. Upon expiry of such financial services agreement, the parties shall have an option to renew the agreement for a term of three years on a mutually agreed basis.

根據上述金融服務協議，山重財務須向本集團提供存款等服務，其主要條款如下：

- (a) 在符合中國人民銀行相關規定的前提下，本集團資金存於山重財務的利率，不低於同期中國國內主要商業銀行同類存款的最高存款利率；及
- (b) 本集團二零一六年六月三十日至二零一七年六月二十九日每日最高存款餘額(含利息)不超過人民幣170億元，二零一七年六月三十日至二零一八年六月二十九日不超過人民幣190億元，及二零一八年六月三十日至二零一九年六月二十九日不超過人民幣200億元。

二零一八年一月一日至二零一八年六月二十九日本集團於山重財務賬戶上的每日最高存款餘額(含利息)為人民幣18,989,996,571元，且二零一八年六月三十日至二零一八年十二月三十一日本集團於山重財務賬戶上的每日最高存款餘額(含利息)為人民幣19,963,132,400元。

由於目前的金融服務協議將於二零一九年六月二十九日到期，本公司與山重財務訂立新的金融服務協議，協議年期為截至二零二二年六月二十九日止，為期三年。根據該協議及於本公司股東大會上獲得相關批准，山重財務同意為本公司及其附屬公司提供若干存款服務等其他服務。該金融服務協議於屆滿後雙方可選擇重續協議，為期三年。

16. Supply of base engines, gas engine parts, utility and labour services, technology development services and related products and services by the Company and its subsidiaries and associates to Weichai Westport

Pursuant to the framework supply agreement entered into between the Company, Weichai Reproduction, Weichai After-sales Services and Weichai Westport on 25 December 2012 (as amended and supplemented by the supplemental agreements dated 8 December 2014 and 14 July 2017, collectively referred to as the "Weichai Westport Supply Agreement"), each of the Company, Weichai After-sales Services, Weichai Reproduction, Weichai Freshen Air and other associates of the Company has agreed to supply certain base engines, gas engine parts, utility and labour services, technology development services and related products and services to Weichai Westport, at market prices and/or prices agreed according to the principle of fairness and reasonableness and settled on a monthly basis for a term from 1 January 2018 to 31 December 2020, upon the expiry of which the parties may extend the term for three years on a mutually agreed basis.

The annual cap for the aforesaid supply of certain base engines, gas engine parts, utility and labour services, technology development services and related products for the year ended 31 December 2018 is RMB2.60 billion. In the year ended 31 December 2018, the total supply of the said products and services by the Company (and its subsidiaries and/or associates) to Weichai Westport amounted to RMB322,279,891.

17. Purchase of gas engines, gas engine parts, labour services and related products and services by the Company and its subsidiaries and associates from Weichai Westport

Pursuant to the framework purchase agreement entered into between the Company, Weichai Reproduction and Weichai After-sales Services and Weichai Westport on 25 December 2012 (as amended and supplemented by the supplemental agreements dated 8 December 2014 and 14 July 2017, collectively referred to as the "Weichai Westport Purchase Agreement"), each of the Company, Weichai After-sales Services, Weichai Reproduction, Weichai Freshen Air and other associates of the Company has agreed to purchase certain gas engines, gas engine parts, labour services and related products and services from Weichai Westport, at market prices and/or prices agreed according to the principle of fairness and reasonableness and settled on a monthly basis for a term from 1 January 2018 to 31 December 2020, upon the expiry of which the parties may extend the term for three years on a mutually agreed basis.

16. 本公司及其附屬(關聯)公司向西港新能源供應本體機、氣體機配件、提供動能與勞務、技術開發服務及相關產品及服務

根據本公司、濰柴再製造及濰柴後市場服務與西港新能源於二零一二年十二月二十五日訂立《供貨框架協議》(經二零一四年十二月八日及二零一七年七月十四日訂立的補充協議修訂及補充,統稱為「濰柴西港供應協議」),本公司、濰柴後市場服務、濰柴再製造、濰柴空氣淨化及本公司之其他附屬(關聯)公司各自同意以市場價及/或以公正合理為原則制定的價格向西港新能源供應若干本體機、氣體機配件、提供動能與勞務、技術開發服務及相關產品及服務,由各方按每月結算一次,協議年期自二零一八年一月一日起至二零二零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。

截至二零一八年十二月三十一日止年度,上述供應若干本體機、氣體機配件、提供動能與勞務、技術開發服務及相關產品的年度上限為人民幣2,600,000,000元。截至二零一八年十二月三十一日止年度,本公司及/或其附屬(關聯)公司向西港新能源供應上述產品及服務的總金額為人民幣322,279,891元。

17. 本公司及其附屬(關聯)公司向西港新能源採購氣體機、氣體機配件、接受勞務及相關產品及服務

根據本公司、濰柴再製造、濰柴後市場服務與西港新能源於二零一二年十二月二十五日訂立《採購框架協議》(經二零一四年十二月八日及二零一七年七月十四日訂立的補充協議修訂及補充,統稱為「濰柴西港採購協議」),本公司、濰柴後市場服務、濰柴再製造、濰柴空氣淨化及本公司之其他附屬(關聯)公司各自同意以市場價及/或以公正合理為原則制定的價格向西港新能源採購若干氣體機、氣體機配件、接受勞務及相關產品及服務,由各方按每月結算一次,協議年期自二零一八年一月一日起至二零二零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。

The annual cap for the aforesaid purchase of gas engines, gas engine parts, labour services and related products for the year ended 31 December 2018 is RMB5.4 billion. In the year ended 31 December 2018, the total purchase of the said products and services by the Company (and its subsidiaries and/or associates) from Weichai Westport amounted to RMB2,129,634,365.

18. Provision of logistics and storage services by Weichai Logistics (and/or its associates) to Weichai Westport

Pursuant to the framework logistics agreement on 25 December 2012 (as amended and supplemented by the supplemental agreements dated 8 December 2014 and 14 July 2017, collectively referred to as the "Weichai Westport Logistics Agreement") entered into between Weichai Logistics and Weichai Westport, Weichai Logistics (and/or its associates) has agreed to provide certain logistics and storage services to Weichai Westport for the transportation of certain products and after-sale components, at market price of comparable services and settled on a monthly basis, for a term from 1 January 2018 to 31 December 2020, upon the expiry of which the parties may extend the term for three years on a mutually agreed basis.

The annual cap for the aforesaid provision of logistics and storage services for the year ended 31 December 2018 is RMB9.5 million. In the year ended 31 December 2018, the provision of the said services by Weichai Logistics (and/or its associates) to Weichai Westport amounted to RMB8,095,134.

The annual cap for the above provision of services for the term from 1 January 2018 to 31 December 2020 does not exceed the 0.1% threshold referred to in Rule 14A.76(1) of the Listing Rules, and, accordingly, are not subject to the reporting, announcement and independent shareholders' approval requirements of Chapter 14A of the Listing Rules. The relevant terms and annual caps of the Weichai Westport Logistics Agreement are disclosed herein for the Shareholders' information.

截至二零一八年十二月三十一日止年度，採購上述氣體機、氣體機配件、接受勞務及相關產品的年度上限為人民幣5,400,000,000元。截至二零一八年十二月三十一日止年度，本公司及其附屬(關聯)公司向西港新能源採購上述產品和接受上述服務的總金額為人民幣2,129,634,365元。

18. 濰柴集約及／或其附屬(關聯)公司為西港新能源提供運輸、倉儲等服務

根據濰柴集約與西港新能源於二零一二年十二月二十五日訂立《運輸服務框架協議》(經二零一四年十二月八日及二零一七年七月十四日訂立的補充協議修訂及補充，統稱為「濰柴西港運輸協議」)，由濰柴集約及／或其附屬(關聯)公司以市場價向西港新能源提供若干產品及售後零件運輸的若干運輸及倉儲服務，由各方按每月結算一次。協議年期自二零一八年一月一日起至二零二零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。

截至二零一八年十二月三十一日止年度，提供上述運輸及倉儲服務的年度上限為人民幣9,500,000元。截至二零一八年十二月三十一日止年度，濰柴集約及／或其附屬(關聯)公司為西港新能源提供上述服務的金額為人民幣8,095,134元。

從二零一八年一月一日起至二零二零年十二月三十一日每一年擬定上述服務的交易上限皆未超過上市規則第14A.76(1)條中規定公司市值的0.1%，因此相應地，該交易不受上市規則第14A章中對申報、公告及獨立股東批准的要求約束。此中披露的濰柴西港運輸協議的相關條款及年度上限僅為股東提供信息而用。

19. Leasing of factory buildings by the Company to Weichai Westport

Pursuant to the leasing agreement on 25 December 2012 (as amended and supplemented by the supplemental agreements dated 8 December 2014 and 14 July 2017, collectively referred to as the "Weichai Westport Leasing Agreement") entered into between the Company and Weichai Westport, the Company has agreed to lease certain factory buildings to Weichai Westport for a term from 1 January 2018 to 31 December 2020. Upon expiry of the Weichai Westport Leasing Agreement, the parties may renew the term for another three years on a mutually agreed basis.

The annual cap for the aforesaid lease of certain factory buildings for the year ended 31 December 2018 is RMB9 million. In the year ended 31 December 2018, the total rental income received by the Company from Weichai Westport amounted to RMB8,515,344.

The annual cap for the aforesaid lease of certain factory buildings for the term from 1 January 2018 to 31 December 2020 does not exceed the 0.1% threshold referred to in Rule 14A.76(1) of the Listing Rules, and, accordingly, is not subject to the reporting, announcement and independent shareholders' approval requirements of Chapter 14A of the Listing Rules. The relevant terms and annual caps of the Weichai Westport Leasing Agreement are disclosed herein for the Shareholders' information.

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.

19. 本公司向西港新能源出租廠房

根據本公司與西港新能源二零一二年十二月二十五日訂立的房屋土地租賃協議(經二零一四年十二月八日及二零一七年七月十四日訂立的補充協議修訂及補充,統稱為「濰柴西港租賃協議」),本公司同意向西港新能源出租若干廠房,協議期限自二零一八年一月一日起至二零二零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。

截至二零一八年十二月三十一日止年度,租賃上述廠房的年度上限為人民幣9,000,000元。截至二零一八年十二月三十一日止年度,本公司向西港新能源收取的租金總金額為人民幣8,515,344元。

從二零一八年一月一日起至二零二零年十二月三十一日每一年擬定上述服務的交易上限皆未超過上市規則第14A.76(1)條中規定公司市值的0.1%,因此相應地,該交易不受上市規則第14A章中對申報、公告及獨立股東批准的要求約束。此中披露的濰柴西港租賃協議的相關條款及年度上限僅為股東提供信息而用。

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)按一般商業條款或不遜於獨立第三方向或獲本集團提供之條款;及(iii)根據規管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。

The auditors have issued an unqualified letter containing their findings and conclusions in respect of the above continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules.

In the letter the auditors have confirmed and stated that:

- a. nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors.
- b. for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group.
- c. nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.
- d. with respect to the aggregate amount of each of the continuing connected transactions set out above, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the annual cap as approved by the Company.

A copy of the auditors' letter has been provided by the Company to The Stock Exchange of Hong Kong Limited.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the remuneration committee of the Company (the "Remuneration Committee") on the basis of their merit, qualifications and competence.

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.

DIVIDEND POLICY

Acknowledging the importance of shareholders' interest and return, the Company has always adopted a policy of stable dividend distribution. Prior to proposing dividend distribution, the Board considers a multitude of factors including the Company's financial performance, distributable reserve, capital expenditure, expected financial performance, expected working capital requirement and such other factors as the Board may consider relevant.

核數師已按照上市規則第14A.56條就上述持續性關連交易出具載有其發現及結論的無保留意見函件。

核數師在函件中確認及指出：

- a. 彼等概無注意到任何事宜致令彼等相信所披露的持續性關連交易並未經由本公司董事會批准。
- b. 涉及本集團提供貨品或服務的交易而言，彼等概無注意到任何事宜致令彼等相信交易並非在各重大方面根據本集團的定價政策進行。
- c. 彼等概無注意到任何事宜致令彼等相信交易並非在各重大方面根據規管有關交易的相關協議進行。
- d. 就上述持續性關連交易的交易總額而言，彼等概無注意到任何事宜致令彼等相信所披露的持續性關連交易超出本公司批准的最高年度總額。

本公司已向香港聯合交易所有限公司提供該核數師函件的副本。

薪酬政策

本集團僱員的薪酬政策由本公司薪酬委員會(「薪酬委員會」)根據彼等的長處、資歷及工作能力釐訂。

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。

股息政策

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派息政策。董事會在建議派發股息前，會考慮因素包括本公司的財務表現、可分派儲備、資本開支、預期財務表現、預期營運資金需求及董事會認為相關的其他因素等。

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 that enabled the directors or 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.

PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

Based on the Company's confidence in its future development and judgment of its corporate value, having due regards for the interests of its shareholders and investors and taking into account the actual operating condition and financial position of the Company, a total number of 63,364,661 A shares were repurchased by the Company on the Shenzhen Stock Exchange from 8 October 2018 to 28 December 2018 at an aggregate consideration of RMB499,911,217.21. All of these repurchased A shares were subsequently cancelled by the Company on 7 January 2019. Particulars of the repurchases of the A shares of the Company are as follows:

Month of repurchase 回購月份	Number of A shares repurchased 回購A股數目	Purchase price per A share 每股A股回購價		Aggregate purchase price (RMB) 總回購價(人民幣)
		Highest (RMB) 最高(人民幣)	Lowest (RMB) 最低(人民幣)	
October 2018 二零一八年十月	11,898,000	8.49	7.93	99,997,314.28
December 2018 二零一八年十二月	51,466,661	7.85	7.65	399,913,902.93
	63,364,661			499,911,217.21

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

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.

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或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。

購買、出售或贖回本公司的證券

本公司基於未來發展的信心和公司價值的判斷，在充分考慮股東和投資者權益，結合公司實際經營情況及財務狀況，本公司於二零一八年十月八日至二零一八年十二月二十八日期間，在深圳證券交易所按總代價人民幣499,911,217.21元，共回購63,364,661股A股。本公司其後已於二零一九年一月七日將所回購的A股全數註銷。本公司回購的A股的詳情如下：

於本年度，除所披露者外，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。

優先購買權

本公司的公司章程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。

INCOME TAX FOR H SHAREHOLDERS

According to the regulations in the Enterprise Income Tax Law of the People's Republic of China, Implementation Regulations on Enterprise Income Tax Law of People's Republic of China which came into effect in 2008 and the Notice of the State Administration of Taxation on Issues Relating to the Withholding and Remittance of Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to Overseas Non-resident Enterprises which hold H Shares (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) issued by China's State Administration of Taxation on 6 November 2008 (collectively, the "Tax Law"), any domestic enterprise of the PRC which pays dividends to non-resident enterprise shareholders (as defined in the Tax Law) for the year of 2008 and thereafter shall withhold and remit enterprise income tax with the payer as withholding agent. After receiving dividends, non-resident enterprise shareholders may, where applicable, apply for tax refund pursuant to relevant requirements under tax treaty (arrangement).

In accordance with the Tax Law, the Company is obliged to withhold and remit enterprise income tax at the rate of 10% on behalf of the non-resident enterprise holders of H Shares whose names appear on the register of members for H Shares of the Company on the Record Date when distributing dividends to them. For holders of H Shares who are registered in the name of non-natural person registered shareholders (including HKSCC (Nominees) Limited, other corporate nominees, trustees, or other organisations or groups which are all treated as "non-resident enterprise" shareholders) on the register of members for H Shares of the Company on the Record Date, the Company will distribute the cash dividends, after withholding for payment of 10% enterprise income tax.

Pursuant to the Notice on the Tax Policies Concerning the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》), for mainland corporate investors that invest in a company via the Shenzhen-Hong Kong Stock Connect, corporate income tax will be levied according to the law. In particular, for any dividend to be distributed to resident enterprises in the mainland China which hold H shares for more than 12 consecutive months, corporate income tax may be exempted according to the law. Such mainland enterprises shall declare and pay taxes by themselves in respect of such dividends, which will not be withheld by such H share company.

H 股股東所得稅

根據二零零八年實施的《中華人民共和國企業所得稅法》、《中華人民共和國企業所得稅法實施條例》以及中國國家稅務總局於二零零八年十一月六日頒佈的《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)(以下統稱「稅法」)的規定，凡中國境內企業向非居民企業股東(定義見稅法)派發二零零八年度及往後年度股息時，需代扣代繳企業所得稅，並以支付人為扣繳義務人。非居民企業股東在獲得股息之後，可以根據稅收協議(安排)等相關規定申請辦理退稅(如符合)。

根據稅法，本公司向於記錄日期名列本公司H股股東名冊的H股非居民企業股東派發股息時，須按10%稅率代扣代繳企業所得稅。就於記錄日期名列本公司H股股東名冊以非自然人登記股東名義登記的H股股東(包括皆被視為「非居民企業」股東的香港中央結算(代理人)有限公司、其他企業代名人、受託人、或其他組織或團體)而言，本公司將於代扣代繳10%企業所得稅後派發現金股息。

根據《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》，對於深港通內地企業投資者，依法計徵企業所得稅。其中，內地居民企業連續持有H股滿12個月取得的股息紅利所得，依法免徵企業所得稅。H股公司對內地企業投資者不代扣股息紅利所得稅款，應納稅款由企業自行申報繳納。

According to the Notice of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax (Caishui [1994] No. 20) (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》(財稅字 [1994]第20號)), foreign individual resident shareholders are exempt from personal income tax in respect of the dividends or bonus received from domestic foreign invested enterprises for now. As the Company is a foreign invested enterprise, for all natural person shareholders whose names are registered on the register of members for H Shares of the Company on the Record Date, the Company does not need to withhold personal income tax. The Company shall obtain latest updates by consulting relevant tax authorities in the PRC in due course.

In respect of dividends for the H shares of a company invested in by mainland individual investors on the Hong Kong Stock Exchange through the Shenzhen-Hong Kong Stock Connect, the H share company shall apply to China Securities Depository and Clearing Co., Ltd., which will then provide the H share company with the register of mainland individual investors. The H share company shall withhold an individual income tax at the rate of 20% on such dividends.

For dividends received by investors (including enterprise and individual investors) in the Hong Kong market from investing in A shares listed on the Shenzhen Stock Exchange, and before Hong Kong Securities Clearing Company Limited is able to furnish China Securities Depository and Clearing Co., Ltd. with the identity, holding period and other detailed data of the investors in the Hong Kong market, the differentiated tax treatment based on the holding period of shares will not be implemented temporarily. Listed companies shall withhold income tax at the rate of 10% and make withholding filings with the relevant tax authorities. For those investors who are tax residents of other countries and the tax rate applicable to dividends is lower than 10% under the tax treaty between China and the relevant countries, such investors may, by themselves or request the withholding agent to act on their behalf to, apply to the relevant tax authorities in respect of the listed company for the preferential relevant treatment under the relevant treaties. With the relevant tax authorities, the amount being the difference between the tax withheld and the tax calculated at the rate as prescribed under the corresponding tax treaty shall be refunded.

If anyone would like to change the identity of the holders in the register of members, please enquire about the relevant procedures with the nominees or trustees. The Company will withhold for payment of the enterprise income tax for its non-resident enterprise shareholders strictly in accordance with the relevant laws and requirements of the relevant government departments and adhere strictly to the information set out in the Company's register of members on the Record Date.

根據財稅字[1994]第20號《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》，境外居民個人股東從境內外商投資企業取得的股息、紅利所得，暫免徵收個人所得稅。本公司作為一間外商投資企業就於記錄日期名列本公司H股股東名冊的所有自然人股東而言，本公司則無需代扣代繳個人所得稅。本公司會適時向中國有關稅務機關作出諮詢獲取最新情況。

對內地個人投資者通過深港通投資香港聯交所上市H股取得的股息紅利，H股公司應向中國證券登記結算有限責任公司提出申請，由中國結算向H股公司提供內地個人投資者名冊，H股公司按照20%的稅率代扣個人所得稅。

對香港市場投資者(包括企業和個人)投資深交所上市A股取得的股息紅利所得，在香港中央結算有限公司(以下簡稱香港結算)不具備向中國結算提供投資者的身份及持股時間等明細數據的條件之前，暫不執行按持股時間實行差別化徵稅政策，由上市公司按照10%的稅率代扣所得稅，並向其主管稅務機關辦理扣繳申報。對於香港投資者中屬於其他國家稅收居民且其所在國與中國簽訂的稅收協定規定股息紅利所得稅率低於10%的，企業或個人可以自行或委託代扣代繳義務人，向上市公司主管稅務機關提出享受稅收協定待遇退還多繳稅款的申請，主管稅務機關查實後，對符合退稅條件的，應按已徵稅款和根據稅收協定稅率計算的應納稅款的差額予以退稅。

倘任何人有意更改股東名冊內的股東身份，請向代名人或受託人查詢相關手續。本公司將嚴格恪守有關政府部門的相關法律及規定，並嚴格遵循本公司記錄日期的股東名冊所載資料，代扣代繳非居民企業股東的企業所得稅。

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales during the Year attributable to the Group's five largest customers were less than 30% of the Group's total sales.

The aggregate purchase during the Year attributable to the Group's five largest suppliers were less than 30% of the Group's total purchases.

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.

SUBSEQUENT EVENTS

- I. On 25 March 2019, the Company's 2018 profit distribution proposal was approved by the Company's third meeting of the fifth session of the Board. The Company proposed a distribution to all shareholders of a cash dividend of RMB2.80 (including tax) for every 10 shares held, based on the 7,933,873,895 shares available for distribution after deducting treasury shares as at 31 December 2018, without any capitalisation of reserve. Completion of the proposal is subject to the consideration and approval by the 2018 annual general meeting.
- II. **Repurchase and Cancellation of A Shares**
On 21 September 2018, the Company opened a dedicated securities account at the Shenzhen branch of China Securities Depository and Clearing Corporation Limited. As of 28 December 2018, 63,364,661 A Shares in aggregate had been repurchased by way of centralized bidding. Pursuant to relevant requirements, the relevant A shares repurchased no longer carry rights from the date of transfer to the dedicated account for such repurchase. On 7 January 2019, the Company completed the formalities of repurchase and cancellation of the relevant A shares at the Shenzhen branch of China Securities Depository and Clearing Corporation Limited.

主要客戶及供應商

於回顧年內，本集團五大客戶所佔總銷售額佔本集團總銷售額少於30%。

於回顧年內，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，於回顧年內任何時間，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。

期後事項

- 一、二零一九年三月二十五日，本公司五屆三次董事會審議通過了本公司二零一八年度利潤分配預案：公司擬以二零一八年十二月三十一日扣除庫存股的現有可予分配7,933,873,895股為基數，向全體股東每十股派發現金紅利人民幣2.80元(含稅)，不實施公積金轉增股本，此方案需經二零一八年度股東周年大會審議通過後實施。
- 二、**A股股份回購註銷**
於二零一八年九月二十一日，本公司在中國證券登記結算有限責任公司深圳分公司開立回購專用證券賬戶。截至二零一八年十二月二十八日，本公司通過集中競價方式累計回購A股股份63,364,661股。依據相關規定，回購的有關A股股份自過戶至回購專用賬戶之日起即失去其權利。於二零一九年一月七日，本公司在中國證券登記結算有限責任公司深圳分公司辦理完畢有關A股股份回購註銷手續。

ENVIRONMENTAL POLICY AND ITS IMPLEMENTATION

The Group keeps itself updated with and ensures the strict compliance with all such relevant environmental laws and regulations as applicable in the respective jurisdictions. Meanwhile, all-round and comprehensive internal management system and rules are in place to ensure the effective implementation of relevant policies and regulations.

During the year, the Group passed certificate renewal assessment in respect of environmental management system. During the course of production, hazardous and non-hazardous wastes are also disposed of in a safe and efficient manner, without polluting the environment. Pollutants so produced are in compliance with national or local emission standards. The Group has never been included in any list of highly-polluting enterprises by environmental authorities, nor has it been penalized by any environmental authorities.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group keeps itself updated with and ensures the strict compliance with all such relevant laws and regulations as applicable in the respective jurisdictions. During the year, the Group has complied with all applicable relevant laws and regulations in the respective jurisdictions in all material respects.

MAJOR RELATIONSHIPS INVOLVING THE GROUP

(1) Employees

In compliance with relevant laws and regulations of the PRC, the Company firmly upholds the human resources management philosophy of "taking up the responsibility for forming order, to allocate suitable people to suitable posts, encourage staff members to work hard on a long-term basis, and serve the overall development goal of the enterprise". In strict adherence to the strategy of "Talents Come First", a safe and good working environment and experience as well a sound system of remuneration and benefits is provided to employees to attract, retain and motivate the employees. The management team and staff team of the Group have been stable. During the year, the Group considered that the relationship with its employees and the turnover rate were acceptable.

環保政策及履行

本集團對所適用的國家相關環保法律法規進行適時更新，並確保已經嚴格遵從。同時，公司制定了齊備完善的內部管理制度和辦法，確保相關政策法規有效落地。

於本年度內，本集團通過環境體系再認證審核。對生產製造過程中，產生的有害及無害廢棄物均進行安全有效處置，未對環境造成污染；所產生的污染物均達到國家或地方規定的排放標準，未被環保部門列入的污染嚴重企業名單以及被處罰。

遵守法律及法規

本集團不斷更新彼於多個國家所適用的相關法律法規，並確保已經嚴格遵從。於本年度內，本集團在所有重大方面均已遵守彼於多個國家適用的相關法律法規。

計及本集團的主要關係

(1) 僱員

公司嚴格遵守國家相關法律法規，踐行「以建立秩序為己任，把合適的人配置到合適崗位，鼓勵員工長期奮鬥，服務企業發展大局」的人力資源管理理念，堅定不移的實施「人才第一」戰略，為僱員提供安全良好的工作環境和體驗、完善的薪酬和福利體系，以吸引、保留和激勵員工。一直以來，公司管理團隊及僱員隊伍較為穩定。於本年度內，本集團認為與僱員的關係良好及離職率為可接受。

(2) Suppliers

With mergers and reorganisation on a global basis and overseas market expansion, the Group owns production factories in many nations and regions and its suppliers are all over the world. Currently, the Group is in the course of forming its global supply chain system. All major suppliers have close and long-term relationship with the Group. During the year, the Group considered that the relationship with suppliers was sound and stable.

(3) Customers

With the "Objective of customer satisfaction", the Group steadfastly believes that "Quality is the most significant duty owed to customers" and sees quality as a "life-changing" factor for an enterprise. Directed by the strategic notion of "Directed by policy, sharing of channels and achieving win-win development", the Group focuses on enhancing customer satisfaction and strenuously builds up the Weichai service brand. During the year, the perceived defect rate continued to drop as quality kept improving, without any material incidents on quality or safety. The Group won the third China Quality Award as the highest scorer among its fellow candidates in the category of corporate manufacturers. The Group considered that the relationship with assembling factories and users was sound and stable.

(4) Society

With the notion of "Developing economy and service the community", the Group goes beyond its own growth to actively perform its social responsibilities to contribute to society, spread its positive energy as a corporation and strives to achieve win-win development vis-à-vis society, gaining recognition from different sectors of society.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises all independent non-executive directors of the Company. The chairman of the Audit Committee is Mr. Wang Gongyong, an independent non-executive director. Mr. Wang has appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of 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 matters of the Company. In accordance with the requirements of Appendix 16 to the Listing Rules, the Audit Committee has reviewed the audited consolidated financial statements for the year.

(2) 供應商

本集團通過全球範圍內的兼併重組及海外市場開拓，在多個國家和地區擁有生產工廠，供應商遍佈全球各地。目前本集團正在搭建全球化供應鏈體系。所有主要供應商與本集團有緊密長期關係。於本年度內，本集團認為與供應商的關係良好且穩定。

(3) 客戶

本集團堅持「客戶滿意是我們的宗旨」，始終認為「質量是對客戶最大的責任」，將質量視作企業的生命線，以「政策指引、渠道共享、共贏發展」戰略思路為指引，以提升客戶滿意度為主綫，全力打造濰柴服務品牌。於本年度內，客戶感受故障率持續下降，產品質量不斷提高。無重大質量安全事故發生，並以製造業組織第一名的成績摘取第三屆中國質量獎。本集團認為與主機廠及用戶的關係良好且穩定。

(4) 社會

本集團始終堅持「發展經濟、服務社會」的理念，在實現自身成長的同時，不忘回饋社會，積極踐行社會責任，傳遞企業正能量，致力於實現企業與社會共贏發展，得到了社會各界的肯定。

審核委員會

本公司審核委員會(「審核委員會」)由本公司所有獨立非執行董事組成。審核委員會主席為獨立非執行董事王貢勇先生。王先生具備上市規則第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，檢討及討論本公司的財務業績及內部監控事宜。根據上市規則附錄十六的規定，審核委員會已審閱本年度之經審核合併財務報表。

COMPLIANCE WITH CORPORATE GOVERNANCE CODE IN APPENDIX 14 TO THE LISTING RULES

During the Year, other than the roles of the Chairman and the Chief Executive Officer being performed by Mr. Tan Xuguang ("Mr. Tan") and directors not being able to attend all annual general meeting and extraordinary general meetings due to other important work-related affairs, the Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

Mr. Tan is in charge of the overall management of the Company. The Company considers 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 adopted a code of conduct regarding securities transactions by directors on terms no less than the required standard set out in the Model Code. Having made specific enquiry of all directors, the directors have confirmed that they have complied with the required standard set out in the Model Code during the Year.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, the Company has maintained the prescribed public float under the Listing Rules as at the date of this report.

AUDITORS

The Company appointed Ernst & Young Hua Ming LLP (安永華明會計師事務所(特殊普通合伙)) as the Company's only auditors with effect from 18 May 2011 for its accounts prepared under PRC accounting principles and financial regulations. Ernst & Young Hua Ming LLP (安永華明會計師事務所(特殊普通合伙)) will retire as auditors of the Company.

遵守上市規則附錄十四所載的企業管治守則

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及本公司董事在本年度內因彼等有其他重要公務在身而未能每次出席本公司股東周年大會及股東特別大會外，本公司一直遵守上市規則附錄十四所載「企業管治守則」的所有守則條文。

譚先生負責本公司之整體管理。本公司認為，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本公司之策略，從而令本集團能夠有效而迅速地把握商機。本公司相信，通過其董事會及其獨立非執行董事之監督，此足以維持職權平衡。

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，彼等於回顧年內已遵守標準守則所載規定的標準。

充足公眾持股量

根據本公司獲得之公開資料並就本公司董事所知，本公司於本報告刊發日期維持上市規則所規定的公眾持股量。

核數師

安永華明會計師事務所(特殊普通合伙)於二零一一年五月十八日獲委任為本公司根據中國會計準則及財務規例編製之賬目的唯一核數師。安永華明會計師事務所(特殊普通合伙)將退任本公司核數師。

APPROVAL OF THE FINANCIAL STATEMENTS

The audited consolidated financial statements for the year were approved by the Board on 25 March 2019.

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

The 2018 annual report of the Company will be despatched to the shareholders as well as made available on the Hong Kong Stock Exchange's website at www.hkexnews.hk and the Company's website at www.weichaipower.com in due course.

On behalf of the Board

Tan Xuguang

Chairman and Chief Executive Officer

Hong Kong,
25 March 2019

批准財務報表

董事會已於二零一九年三月二十五日批准本年度的經審核合併財務報表。

於香港聯交所及本公司網站公佈年報

本公司二零一八年度報告將適時寄送予各位股東及刊登於香港聯交所網www.hkexnews.hk及本公司網站www.weichaipower.com。

代表董事會

譚旭光

董事長兼首席執行官

香港，
二零一九年三月二十五日

Dear Shareholders,

In 2018, in accordance with relevant requirements including the Company Law, the Articles of Association and the Rules of Procedure of the Supervisory Committee, in compliance with the principle of integrity, all members of the Supervisory Committee of Weichai Power Co., Ltd. (the "Company") (the "Supervisory Committee") performed their duties of supervision by exercising effective supervision and examination, in a lawful manner, of the Company's procedures of making operational decisions, its state of operation, its financial conditions and its acquisition and disposal of assets and material connected transactions, thereby providing strong support to the Company's regulated operations and healthy development, and protecting the legitimate interests of the Company and its investors.

I. DETAILS OF CONVENING MEETINGS OF THE SUPERVISORY COMMITTEE

In this year, the Company held five meetings of the Supervisory Committee.

1. On 28 March 2018, the seventh meeting of the fourth session of the Supervisory Committee was convened, during which the Supervisory Committee considered and approved the full text and summary of the 2017 annual report of the Company, the work report of the Supervisory Committee for 2017, the financial report and auditors' report for 2017, the final financial report for 2017, the financial budget report 2018, profit distribution proposal for 2017, the re-appointment of Ernst & Young Hua Ming LLP as the Company's auditors for the year 2018, the re-appointment of Shandong Hexin Accountants LLP as the internal control auditors of the Company for the year 2018, the internal control self-evaluation report for 2017 and the internal audit report for 2017, the election of non-staff-representative supervisor for the fifth session of the Supervisory Committee, the change in accounting policies and the matters relating to provision for impairment of assets in 2017.
2. On 27 April 2018, the first provisional meeting of the Supervisory Committee of the Company in 2018 was convened, during which the Supervisory Committee considered and approved the 2018 first quarterly report of the Company. The contents of the report gave a true, accurate and complete view of the actual situation of the Company and do not contain false statements, misleading representations or material omissions.

各位股東：

2018年，濰柴動力股份有限公司(下稱「公司」)監事會根據《公司法》、《公司章程》及《監事會議事規則》等有關規定，認真履行監督職責，依法對公司經營決策程序、依法運作情況、財務情況、收購出售資產及重大關聯交易等方面進行了有效監督和核查，為公司規範運作和健康發展提供了有力保障，切實維護公司和投資者合法權益。

一、監事會會議召開情況

公司本年度共召開監事會會議5次。

1. 2018年3月28日，公司召開四屆七次監事會，會議審議通過了公司2017年年度報告全文及摘要、2017年度監事會工作報告、2017年度財務報告及審計報告、2017年度財務決算報告、2018年度財務預算報告、2017年度利潤分配、續聘安永華明會計師事務所(特殊普通合夥)為公司2018年度審計服務機構、續聘山東和信會計師事務所(特殊普通合夥)為公司2018年度內部控制審計服務機構、2017年度內部控制評價報告和2017年度內部控制審計報告、選舉公司第五屆監事會非職工代表監事、會計政策變更及2017年度計提資產減值準備的事宜。
2. 2018年4月27日，公司召開2018年第一次臨時監事會，會議審議通過了公司2018年第一季度報告。報告內容真實、準確、完整地反映了公司的實際情況，不存在任何虛假記載、誤導性陳述或者重大遺漏。

3. On 14 June 2018, the first meeting of the fifth session of the Supervisory Committee of the Company was convened, during which the Supervisory Committee considered and approved the resolution regarding the election of chairman of the fifth session of the Supervisory Committee.
 4. On 28 August 2018, the second meeting of the fifth session of the Supervisory Committee of the Company was convened, during which the Supervisory Committee considered and approved the full text and summary of the 2018 interim report of the Company, the change in accounting policies and the implementation of the 2018 interim profit distribution proposal by the Company. The contents of the interim report gave a true, accurate and complete view of the actual situation of the Company and do not contain false statements, misleading representations or material omissions.
 5. On 30 October 2018, the second provisional meeting of the Supervisory Committee of the Company in 2018 was convened, during which the Supervisory Committee considered and approved the 2018 third quarterly report of the Company. The contents of the third quarterly report gave a true, accurate and complete view of the actual situation of the Company and do not contain false statements, misleading representations or material omissions.
3. 2018年6月14日，公司召開五屆一次監事會，會議審議通過了於選舉公司第五屆監事會主席的議案。
 4. 2018年8月28日，公司召開五屆二次監事會，會議審議通過了公司2018年半年度報告全文及摘要、會計政策變更、公司實施2018年中期利潤分配的議案。半年度報告內容真實、準確、完整地反映了上市公司實際情況，不存在任何虛假記載、誤導性陳述或者重大遺漏。
 5. 2018年10月30日，公司召開2018年第二次臨時監事會，會議審議通過了公司2018年第三季度報告。第三季度報告內容真實、準確、完整地反映了公司的實際情況，不存在任何虛假記載、誤導性陳述或者重大遺漏。

II. OPINION OF THE SUPERVISORY COMMITTEE ON SUPERVISED MATTERS OF THE COMPANY IN THE REPORTING PERIOD

二、監事會對報告期內監督事項的意見

1. Compliance of the Company's operations with legal requirements

During the reporting period, pursuant to the laws and regulations of the PRC and the Articles of Association, the Supervisory Committee duly supervised the convening procedures and resolutions of general meetings of Shareholders and meetings of the Board, the Board's execution of resolutions approved at general meetings of shareholders, the performance of duties by the senior management of the Company. The Supervisory Committee was of the view that the Board and the senior management of the Company performed their duties with integrity and diligence, made decisions in a scientific approach, maintained sound production and operation. The Supervisory Committee was not aware of any action which would result in a breach of laws or regulations or the Articles of Association or would damage the interests of the Company and investors in the Company.

1. 公司依法運作情況

報告期內，公司監事會按照國家有關法律、法規和《公司章程》的規定，對公司股東大會、董事會的召開程序、決議事項以及董事會對股東大會決議的執行情況、公司高級管理人員的履職情況等進行了監督，認為公司董事會及高級管理人員勤勉盡責，科學決策，保持了較好的生產經營狀況，未發現有違反法律、法規、《公司章程》或損害公司及投資者利益的行為。

2. Financial position of the Company

During the reporting period, the Supervisory Committee further enhanced its internal control, especially the examination of the financial system. The Company has established a sound system on external investment, asset transfer and connected transactions, etc. In its operation, the Company observed the relevant laws and regulations of the PRC and the relevant provisions of the China Securities Regulatory Commission. On the control of the movement of funds and administrative expenses, the Company strictly controlled on each grade which ensured the normal operation of the Company and avoided financial risk.

The Supervisory Committee was of the view that the procedures adopted by the Board in preparing and considering the annual financial report of the Company are in compliance with the laws, administrative regulations and stipulations of the CSRC. The contents of the report gave a true, accurate and complete view of the actual situation of the listed company and do not contain false statements, misleading representations or material omissions.

3. There was no use of proceeds this year.

4. Acquisition and disposal of assets of the Company

During the reporting period, the Company's acquisitions and disposals of assets were conducted in such a way where the approval procedures were lawful, at reasonable considerations, and under effective decision-making, benefiting the integration of resources of the Company and aligning with the Company's development strategies. No insider dealing or other actions which would damage the interests of the shareholders or cause any asset loss occurred or emerged.

5. Material connected transactions

During the reporting period, the connected transactions of the Company were conducted under the principle of fairness and the procedures of the transactions were in compliance with laws and regulations. The Supervisory Committee was not aware of any action which would damage the interests of the Company and the shareholders.

In conclusion, the Supervisory Committee has no disagreement on the matters supervised during the reporting period.

Lu Wenwu

Chairman of the Supervisory Committee

Weifang, Shandong Province
25 March 2019

2. 公司的財務情況

報告期內，公司監事會加強了對內控制度，特別是財務制度的檢查，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。在運作過程中，均按照國家有關法律、法規及中國證券監督管理委員會的有關規定執行。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：董事會編製和審議公司年度財務報告的程序符合法律、行政法規及中國證監會的規定，報告內容真實、準確、完整地反映了公司的實際情況，不存在任何虛假記載、誤導性陳述或者重大遺漏。

3. 本年度無募集資金使用情況

4. 公司收購及出售資產情況

報告期內，公司發生的收購、出售資產行為，審批程序合法、交易價格合理、決策有效，有利於公司的資源整合，符合公司的發展戰略，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。

5. 重大關聯交易事項

報告期內，公司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情況。

綜上所述，監事會對報告期內的監督事項無異議。

魯文武
監事會主席

山東省濰坊
二零一九年三月二十五日

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

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。

CORPORATE GOVERNANCE CODE

For the year ended 31 December 2018, 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 Corporate Governance Code (the "Corporate Governance Code") 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, and that certain directors of the Company did not attend all of the Company's annual general meeting and extraordinary general meeting, in 2018 as required under code provisions A.6.7 and E.1.2 of the Corporate Governance Code due to other important work-related affairs. Currently, Mr. Tan Xuguang ("Mr. Tan") serves as the Chairman as well as the Chief Executive Officer of the Company. Despite such deviation, the directors believe 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.

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 Corporate Governance Code. In respect of the following areas, our internal corporate governance documents are more stringent than the Corporate Governance Code:

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. Wang Gongyong, the Chairman of the committee, holds the relevant professional qualification or professional knowledge related to accounting or financial management.

企業管治守則

截至二零一八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，及本公司某些董事因彼等有其他重要公務在身而未能按照企業管治守則第A.6.7條及第E.1.2條的守則條文所載規定每次出席本公司於二零一八年內舉行之股東周年大會和股東特別大會，本公司已全面遵守上市規則附錄十四所載「企業管治守則」的所有守則條文。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，從而令本集團能夠有效而迅速地把握商機。本公司相信，通過其董事會及其獨立非執行董事之監督，此足以維持職權平衡。

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，並涵蓋企業管治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，本公司另設立戰略發展及投資委員會（「戰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，當中委員會主席王貢勇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 and corporate governance policies, 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 15 directors, whose details are set out on pages 33 to 37 of this annual report. The Board currently includes six executive directors, four non-executive directors and five independent non-executive directors, namely, Mr. Tan Xuguang (Chairman and CEO), Mr. Zhang Quan, Mr. Xu Xinyu, Mr. Sun Shaojun, Mr. Yuan Hongming and Mr. Yan Jianbo as Executive Directors; Mr. Wang Yuepu, Mr. Jiang Kui, Mr. Gordon Riske and Mr. Michael Martin Macht as Non-executive Directors; and Mr. Zhang Zhong, Mr. Wang Gongyong, Mr. Ning Xiangdong, Mr. Li Hongwu and Mr. Wen Daocai as Independent Non-executive Directors.

The Company has formulated and implemented a "Diversity Policy regarding Members of the Board of Directors" to support the attainment of strategic goals and the needs for sustainable development. The composition of the Board of Directors will be based on a range of diversity elements, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge and length of service. Final decisions will be made based upon the merits of the individuals and his or her contributions to be made to the Board of 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 Rules 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 relationship or any relationship 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 2018.

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和企業管治政策、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的則由董事會授權本公司執行人員負責。

董事會現有十五名董事，彼等之個人履歷載於本年報第33至37頁。董事會成員目前包括六名執行董事、四名非執行董事及五名獨立非執行董事：譚旭光先生(董事長兼首席執行官)、張泉先生、徐新玉先生、孫少軍先生、袁宏明先生及嚴鑒鉞先生為執行董事，王曰普先生、江奎先生、Gordon Riske先生及Michael Martin Macht先生為非執行董事，而張忠先生、王貢勇先生、寧向東先生、李洪武先生及聞道才先生為獨立非執行董事。

本公司已制定和執行《董事會成員多元化政策》，以支持公司達到其戰略目標及可持續均衡發展的須要。在甄選董事會成員組合時將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。最終將按人選的長處及可為董事會提供的貢獻而作決定。

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二零一八年間訂立的重大合約中，直接或間接擁有個人重大權益。

The terms of office of Mr. Zhang Zhong, Mr. Wang Gongyong and Mr. Ning Xiangdong, independent non-executive directors of the Company, shall be from 14 June 2018 to 29 June 2020. The terms of office of other executive directors, non-executive directors and independent non-executive directors shall be from 14 June 2018 to the conclusion of the 2020 annual general meeting of the Company.

The Company attached great importance to the continuous professional development of the directors and company secretary and paid close attention to and actively organized relevant trainings for them. Each of the directors of the Company actively participated in various special trainings in respect to corporate governance and directors' responsibilities in full compliance with Code A.6.5 of Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules and regulatory requirements of the PRC. The company secretary of the Company completed relevant trainings as required under Rule 3.29 of the Hong Kong Listing Rules.

In 2018, the Board reviewed and revised, where necessary, the corporate governance policies and practice of the Company, reviewed and supervised the training and continuing professional development attended by the directors and senior management, reviewed and supervised the Company's policies and practice in its compliance with laws and regulations, reviewed and supervised the code of conduct of employees and directors, and reviewed the Company's compliance with the Corporate Governance Code.

In 2018, the Company held ten Board meetings. The principal activities of the Board in 2018 were as follows:

- Review of the annual and interim results of the Company;
- Review of the auditors' report, internal control audit report, final financial report, financial budget report and corporate social responsibilities report of the Company;
- Review of the annual profit distribution, interim dividend and the 2017 final dividend distribution proposal;
- Consideration and approval of continuing connected transactions;
- Consideration and approval of the Company's banking facilities;
- Consideration and approval of the amendments to the Articles of Association, the Rules of Procedure for General Meetings of Weichai Power Co., Ltd., the Rules of Procedure for Board Meetings of Weichai Power Co., Ltd. and the Terms of Reference of Nomination Committee under the Board of Directors of Weichai Power Co., Ltd.;
- Consideration and approval of the provision of financial guarantee to subsidiaries;
- Consideration and approval of the dealings in derivatives by subsidiaries;

本公司獨立非執行董事張忠先生、王貢勇先生、寧向東先生的任期自二零一八年六月十四日起至二零二零年六月二十九日止。其他各執行董事、非執行董事和獨立非執行董事的任期自二零一八年六月十四日起至本公司二零二零年股東周年大會結束之日止。

本公司注重董事和公司秘書的持續專業發展，關注並積極組織他們參加相關的培訓。本公司各董事全面按照香港上市規則附錄十四《企業管治守則》A.6.5以及內地監管的要求，積極參加了以公司治理監管、董事職責等為主題的多次專項培訓。本公司公司秘書已按照香港上市規則第3.29條的要求完成相關培訓。

董事會已在二零一八年度內檢討及修訂(如須要)本公司的企業管治政策及常規、檢討及監察董事及高級管理人員的培訓及持續專業發展、檢討及監察公司在遵守法律及監管規定方面的政策及常規、檢討及監察僱員及董事的操守準則和檢討公司遵守《企業管治守則》的情況。

本公司於二零一八年舉行十次董事會會議。董事會二零一八年度的主要工作如下：

- 審閱本公司年度及中期業績；
- 審閱本公司審計報告，內部控制審計報告，財務決算報告，財務預算報告和社會責任報告；
- 審閱年度利潤分配，中期股息及二零一七年末期股息派發方案；
- 審批日常性關聯交易；
- 審批公司辦理銀行授信業務；
- 審批修訂《公司章程》、《濰柴動力股份有限公司股東大會議事規則》、《濰柴動力股份有限公司董事會議事規則》及《濰柴動力股份有限公司董事會提名委員會工作細則》；
- 審批為子公司融資提供擔保；
- 審批子公司進行衍生品交易；

- Consideration and approval of the provision for impairment of assets;
- Consideration and approval of the change in accounting policies of the Company;
- Consideration and approval of the election of the fifth session of the Board of Directors and its specialized committees;
- Consideration and approval of the acquisition of wholly-owned subsidiaries by way of absorption;
- Consideration and approval of the repurchase of A shares of the Company.

The total remuneration of the directors in 2018, including the basic salary, performance-linked salary, incentive salary and discretionary bonus, amounted to approximately RMB8.16 million. Independent non-executive directors were only entitled to receive director's fees but not other salary or remuneration. For details of the remuneration of directors, please refer to Note V.30 to the financial statements of the Company.

AUDIT COMMITTEE

An Audit Committee has been established by the Board.

The Audit Committee is principally responsible for supervising the Company's internal audit system and its implementation, reviewing the Company's financial controls, risk management and internal control policies and systems as well as material connected transactions and proposing the engagement or removal of external auditor. It is also responsible for the communications between the internal auditor and the external auditor as well as review of financial information of the Company and the disclosure thereof.

The Audit Committee comprises all the independent non-executive directors, currently including Mr. Zhang Zhong, Mr. Wang Gongyong, Mr. Ning Xiangdong, Mr. Li Hongwu and Mr. Wen Daocai (appointed on 14 June 2018). As Mr. Wang Gongyong has the appropriate professional qualifications and experience in financial matters, he acts 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.

In 2018, the Company held six meetings of the Audit Committee.

1. On 23 March 2018, the sixth meeting of the Audit Committee of the fourth session of the Board of Directors was convened by way of concurrent phone conference and on-site meeting. The meeting considered and approved resolutions regarding the financial report and auditors' report for 2017, the re-appointment of Ernst & Young Hua

- 審批公司計提資產減值準備；
- 審批公司會計政策變更；
- 審批公司第五屆董事會及各專業委員會換屆選舉；
- 審批公司吸收合併全資子公司；
- 審批公司回購A股股份。

二零一八年度董事酬金總計約為人民幣8.16百萬元，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5.30。

審核委員會

董事會已成立審核委員會。

審核委員會主要負責監督公司的內部審計制度及其實施，審查公司財務監控、風險管理、內部控制制度及體系，並對重大關聯交易進行審計，提議聘請或更換外部審計機構，負責內部審計與外部審計的溝通以及審核公司的財務信息及披露。

審核委員會由全體獨立非執行董事組成，成員目前包括張忠先生、王貢勇先生、寧向東先生、李洪武先生及聞道才先生(於二零一八年六月十四日上任)。王貢勇先生具備適當的財務專業資格及經驗，故擔任審核委員會主席。審核委員會的工作細則符合香港會計師公會頒佈的《審核委員會有效運作指引》所載建議。

本公司於二零一八年舉行六次審核委員會會議。

1. 二零一八年三月二十三日，公司以電話會議與現場會議相結合的方式召開了四屆六次董事會審核委員會，本次會議審議通過了公司2017年度財務報告及審計報告、公司續聘安永華明會計師事

Ming LLP as the Company's auditors for the year 2018, the re-appointment of Shandong Hexin Accountants LLP as the internal control auditors of the Company for the year 2018, the internal control self-evaluation report for 2017, the internal audit report for 2017, the change in accounting policies, the provision for impairment of assets in 2017 and the engagement in the trading of derivative products by a controlling subsidiary of the Company, and resolved to submit the same resolutions to the Board of Directors for consideration and approval. The meeting also considered and approved the Company's internal audit work plan for 2018.

務所(特殊普通合夥)為公司2018年度審計服務機構、公司續聘山東和信會計師事務所(特殊普通合夥)為公司2018年度內部控制審計服務機構、公司2017年度內部控制評價報告、公司2017年度內部控制審計報告、公司會計政策變更、公司2017年度計提資產減值準備、公司控股子公司開展衍生品交易業務等議案，並決議將上述議案提交公司董事會審議；同時本次會議審閱通過了公司2018年度內部審計工作計劃。

2. On 23 April 2018, the first provisional meeting in 2018 of the Audit Committee was convened by way of facsimile. The meeting considered and approved the resolution regarding the review of the 2018 first quarterly report of the Company, and resolved to submit the same resolution to the Board of Directors for consideration and approval.
 3. On 23 August 2018, the first meeting of the Audit Committee of the fifth session of the Board of Directors was convened by way of concurrent phone conference and on-site meeting. The meeting considered and approved resolutions regarding the Company's 2018 interim financial report and review report issued by the accountant and the review of the change in accounting policies of the Company, and resolved to submit the same resolution to the Board of Directors for consideration and approval.
 4. On 26 October 2018, the second provisional meeting in 2018 of the Audit Committee was convened by way of facsimile. The meeting considered and approved the resolution regarding the review of the 2018 third quarterly report of the Company, and resolved to submit the same resolution to the Board of Directors for consideration and approval.
 5. On 14 December 2018, the third provisional meeting in 2018 of the Audit Committee was convened by way of facsimile. The meeting considered and approved the resolution regarding the determination of the auditor's fee for year 2018.
 6. On 28 December 2018, the fourth provisional meeting in 2018 of the Audit Committee was convened by way of facsimile. The meeting considered and approved the resolution regarding the engagement in the structured deposits business by Shaanxi Fast Gear Co., Ltd., a controlling subsidiary of the Company, and resolved to submit the same resolution to the Board of Directors for consideration and approval.
2. 二零一八年四月二十三日，公司以傳真方式召開了2018年第一次臨時審核委員會，本次會議審議通過了關於審核公司2018年第一季度報告的議案，並決議將上述議案提交公司董事會審議。
 3. 二零一八年八月二十三日，公司以電話會議與現場會議相結合的方式召開了五屆一次董事會審核委員會，本次會議審議通過了公司2018年半年度財務報告及會計師審閱報告、關於審核公司會計政策變更的議案，並決議將上述議案提交公司董事會審議。
 4. 二零一八年十月二十六日，公司以傳真方式召開了2018年第二次臨時審核委員會，本次會議審議通過了關於審核公司2018年第三季度報告的議案，並決議將上述議案提交公司董事會審議。
 5. 二零一八年十二月十四日，公司以傳真方式召開了2018年第三次臨時審核委員會，本次會議審議通過了關於核定公司2018年度審計服務機構酬金的議案。
 6. 二零一八年十二月二十八日，公司以傳真方式召開了2018年第四次臨時審核委員會，本次會議審議通過了關於審核公司控股子公司陝西法士特齒輪有限責任公司開展結構性存款業務的議案，並決議將上述議案提交公司董事會審議。

Further, those independent directors sitting on the Audit Committee have expressed their opinions on matters including connected transactions, change in accounting policies and profit distribution that occurred during the reporting period.

另外，審核委員會的獨立董事對報告期內關聯交易、會計政策變更、利潤分配等事項均發表了獨立董事意見。

In addition, in the course of audit of the financial report 2018 of the Company, the Audit Committee performed the following tasks on the principle of diligence in strict compliance with relevant requirements of the China Securities Regulatory Commission and Shenzhen Stock Exchange as well as the Terms of Reference of the Audit Committee under the Board of Directors and the Protocol of Work Procedures of the Audit Committee under the Board of Directors:

- (1) It carefully reviewed the Company's approval work plan for 2018 and relevant materials, and fixed the time arrangement for the audit work for year 2018 after discussion with CPA firm in charge of audit for the Company;
- (2) Before the CPA firm commenced its work, the Audit Committee had reviewed the first draft of the financial statements 2018 of the Company and considered that the Company's preparation of the financial statements essentially reflected the financial conditions and operating results of the Company, and agreed that the audit work for 2018 can be commenced based on such financial statements;
- (3) After the issue of preliminary audit opinion by the CPA firm, the Audit Committee reviewed the financial report after the issue of the preliminary audit opinion, and considered that the financial report 2018 of the Company gave a true, accurate and complete view of the overall operating conditions and financial position of the Company in 2018, and agreed that the annual report 2018 and summary thereof can be prepared based on such financial report;
- (4) After the supply of the preliminary audit outcome for year 2018 by the CPA firm, the Audit Committee convened a meeting on 20 March 2019, on which it concluded on the audit work for year 2018, and considered and approved resolutions regarding the financial report and auditors' report for year 2018, internal control self-evaluation report and audit report as well as re-appointment of the internal control auditors of the Company for year 2019.

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

In accordance with the requirements of Appendix 16 to the Listing Rules, the Audit Committee has reviewed the financial statements for the year ended 31 December 2018.

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

除此之外，公司審核委員會在公司二零一八年度財務報告審計工作中，嚴格按照中國證監會、深圳證券交易所有關規定及公司《董事會審核委員會工作細則》《董事會審核委員會年報工作規程》的規定，本著勤勉盡責的原則，履行了以下工作：

- (1) 認真審閱了公司2018年度審議工作計劃及相關材料，與負責公司年度審計工作的註冊會計師協商確定了公司2018年度審計工作的時間安排；
- (2) 在註冊會計師進場審計之前，審核委員會審閱了公司的2018年度財務報表初稿，認為公司編製的財務報表基本能夠反映公司的財務狀況和經營成果，同意以此財務報表為基礎開展2018年度審計工作；
- (3) 註冊會計師出具初步審計意見後，審核委員會審閱了出具初步審計意見後的財務報告，認為公司2018年度財務報告真實、準確、完整地反映了公司2018年的整體經營情況和財務狀況，同意以此財務報告為基礎編製公司2018年年度報告和年報摘要；
- (4) 在註冊會計師提供了2018年度初步審計結果後，審核委員會於二零一九年三月二十日召開會議，對2018年度的審計工作進行了總結，並就公司2018年度財務報告及審計報告、內控評價報告及審計報告以及關於聘請2019年度內部控制審計服務機構等議案進行了審議並形成了決議。

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、財務監控、內部審計、內部監控及風險管理制度的有效性。

審核委員會已根據上市規則附錄十六的規定，審閱截至二零一八年十二月三十一日止年度的財務報表。

本公司的核數師已審核財務報表，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”) has been 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. Michael Martin Macht (appointed as Vice Chairman of the SDIC on 14 June 2018), Mr. Wang Yuepu, Mr. Zhang Quan, Mr. Xu Xinyu, Mr. Sun Shaojun, Mr. Yuan Hongming, Mr. Yan Jianbo and Mr. Ning Xiangdong (appointed on 14 June 2018).

REMUNERATION COMMITTEE

A Remuneration Committee has been established by the Board.

The Remuneration Committee is responsible for the recommendation to the Board of the remuneration packages and terms of employment of 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 matters relating to their participation in incentive schemes operated by the Company. For details of the remuneration policy of the Company, please refer to page 77 of this annual report.

During the reporting period, the Company held two meetings of the Remuneration Committee.

1. On 12 March 2018, the first meeting in 2018 of the Remuneration Committee under the Board of Directors was convened by way of facsimile. The meeting considered and approved the resolution regarding the implementation of incentive scheme in 2017 vis-à-vis senior management and core members of the Company, and resolved to submit the same resolution to the Board of Directors for consideration and approval.
2. On 14 June 2018, the first meeting of the Remuneration Committee of the fifth session of the Board of Directors was convened by way of facsimile. The meeting considered and approved the resolution regarding the standards of subsidies applicable to directors and supervisors in the fifth session of the Company.

戰略發展及投資委員會

董事會已成立戰略發展及投資委員會。

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

戰略發展及投資委員會成員目前包括譚旭光先生(董事會董事長兼戰略發展及投資委員會主席)、Michael Martin Macht先生(於二零一八年六月十四日上任戰略發展及投資委員會副主席)、王曰普先生、張泉先生、徐新玉先生、孫少軍先生、袁宏明先生、嚴鑒鉞先生及寧向東先生(於二零一八年六月十四日上任)。

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的相關事宜。本公司薪酬政策詳情可參閱本年報第77頁。

於本報告期內，公司共召開兩次薪酬委員會會議。

1. 二零一八年三月十二日，公司以傳真方式召開了二零一八年第一次董事會薪酬委員會，本次會議審議通過了關於對公司高管及核心人員實施2017年度經營獎勵的議案，並決議將上述議案提交公司董事會審議。
2. 二零一八年六月十四日，公司以傳真方式召開了第五屆董事會薪酬委員會第一次會議，本次會議審議通過了關於公司第五屆董事、監事津貼標準的議案。

The Remuneration Committee currently comprises one executive director and two independent non-executive directors, being Mr. Zhang Zhong (chairman of the Remuneration Committee), Mr. Tan Xuguang and Mr. Wang Gongyong (appointed on 14 June 2018).

During the review period, in the course of performing its duties, the Remuneration Committee reviewed and discussed the remuneration policy of the Company, assessed the performance of executive directors and senior management members, and approved the service contracts of the respective directors, supervisors and senior management members.

NOMINATION COMMITTEE

A Nomination Committee has been established by the Board.

During the reporting period, the Company held four meetings of the Nomination Committee.

1. On 26 February 2018, the first meeting in 2018 of the Nomination Committee under the Board of Directors was convened by way of facsimile. The meeting considered and approved the resolution regarding the nomination of Mr. Liu Yuanqiang as a Vice President of the Company, and resolved to submit the same resolution to the Board of Directors for consideration and approval.
2. On 12 March 2018, the second meeting in 2018 of the Nomination Committee under the Board of Directors was convened by way of facsimile. The meeting considered and approved the resolution regarding the nomination of candidates for directorship for the fifth session of the Board of Directors, and resolved to submit the same resolution to the Board of Directors for consideration and approval.
3. On 9 July 2018, the third meeting in 2018 of the Nomination Committee under the Board of Directors was convened by way of facsimile. The meeting considered and approved the resolution regarding the nomination of Ms. Cao Zhiyue as a Vice President of the Company, and resolved to submit the same resolution to the Board of Directors for consideration and approval.
4. On 11 October 2018, the fourth meeting in 2018 of the Nomination Committee under the Board of Directors was convened by way of facsimile. The meeting considered and approved the resolution regarding the appointment of secretary to the Board of Directors, and resolved to submit the same resolution to the Board of Directors for consideration and approval.

The Nomination Committee currently comprises three independent non-executive directors and one executive director, including Mr. Zhang Zhong (chairman of the Nomination Committee), Mr. Xu Xinyu, Mr. Wang Gongyong and Mr. Li Hongwu. 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's membership whenever such vacancy arises. It will also 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.

薪酬委員會成員目前包括一名執行董事及兩名獨立非執行董事，包括張忠先生(薪酬委員會主席)、譚旭光先生及王貢勇先生(於二零一八年六月十四日上任)。

於回顧期間內，薪酬委員會履行其職責、檢討及討論薪酬政策，評估執行董事及高級管理人員表現和批准有關董事、監事及高級管理人員服務合約。

提名委員會

董事會已成立提名委員會。

於本報告期內，公司共召開四次提名委員會會議。

1. 二零一八年二月二十六日，公司以傳真方式召開了二零一八年第一次董事會提名委員會，本次會議審議通過了關於提名劉元強先生為公司副總裁的議案，並決議將上述議案提交公司董事會審議。
2. 二零一八年三月十二日，公司以傳真方式召開了二零一八年第二次董事會提名委員會，本次會議審議通過了關於提名公司第五屆董事會董事候選人的議案，並決議將上述議案提交公司董事會審議。
3. 二零一八年七月九日，公司以傳真方式召開了二零一八年第三次董事會提名委員會，本次會議審議通過了關於提名曹志月女士為公司副總裁的議案，並決議將上述議案提交公司董事會審議。
4. 二零一八年十月十一日，公司以傳真方式召開了二零一八年第四次董事會提名委員會，本次會議審議通過了關於聘任公司董事會秘書的議案，並決議將上述議案提交公司董事會審議。

提名委員會成員目前包括三名獨立非執行董事及一名執行董事，包括張忠先生(提名委員會主席)、徐新玉先生、王貢勇先生及李洪武先生。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 infringing 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 five 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 the Board meetings and general meetings of the Company and diligently performed their supervisory duties.

Attendances at meetings of the Shareholders, Board, Supervisory Committee and special 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五次會議，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以及出席本公司股東大會，並盡職履行其監督職責。

年內，股東大會、董事會、監事會及特別委員會會議的出席資料(出席次數／會議次數)如下：

Name	姓名	General Meeting 股東大會	Board 董事會	Supervisory Committee 監事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Executive Directors	執行董事						
Tan Xuguang	譚旭光	1/4	10/10			2/2	
Zhang Quan	張泉	3/4	9/10 ⁽¹⁾				
Xu Xinyu	徐新玉		8/10 ⁽²⁾				4/4
Sun Shaojun	孫少軍	1/4	8/10 ⁽²⁾				
Yuan Hongming	袁宏明		7/10 ⁽³⁾				
Yan Jianbo	嚴鑒鉞		9/10 ⁽¹⁾				
Non-executive Directors	非執行董事						
Wang Yuepu	王日普		7/10 ⁽³⁾				
Jiang Kui	江奎		9/10 ⁽¹⁾				
Gordon Riske	Gordon Riske		7/10 ⁽³⁾				
Michael Martin Macht (appointed on 14 June 2018)	Michael Martin Macht (於二零一八年六月十四日上任)		5/6 ⁽¹⁾				

Name	姓名	General Meeting 股東大會	Board 董事會	Supervisory Committee 監事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Independent Non-executive Directors							
Zhang Zhong	張忠	1/4	8/10 ⁽²⁾		6/6	2/2	4/4
Wang Gongyong	王貢勇	3/4	10/10		6/6	1/1	4/4
Ning Xiangdong	寧向東	2/4	10/10		6/6		
Li Hongwu	李洪武	3/4	10/10		6/6		4/4
Wen Daocai (appointed on 14 June 2018)	聞道才(於二零一八年六月十四日 上任)		6/6		4/4		
Loh Yih (retired on 14 June 2018)	盧毅(於二零一八年六月十四日 退任)		4/4			1/1	
Supervisors							
Lu Wenwu	魯文武	4/4		5/5			
Ma Changhai	馬常海	3/4		5/5			
Wu Hongwei	吳洪偉	1/4		4/5			

According to the requirements under Code I(d) of the Corporate Governance Code, the attendance of alternate directors shall not be included in the attendance of the relevant directors.

按照《企業管治守則》第I(d)條規定，替代董事的出席不得計入有關董事的出席次數。

Notes:

- (1) In addition, the director also appointed another director as his representative to attend and vote at one meeting of the board on his behalf.
- (2) In addition, the director also appointed another director as his representative to attend and vote at two meetings of the board on his behalf.
- (3) In addition, the director also appointed another director as his representative to attend and vote at three meetings of the board on his behalf.

附註：

- (1) 此外，該董事亦委任另一名董事為其代表，代其出席一次董事會會議並於會上投票。
- (2) 此外，該董事亦委任另一名董事為其代表，代其出席兩次董事會會議並於會上投票。
- (3) 此外，該董事亦委任另一名董事為其代表，代其出席三次董事會會議並於會上投票。

GENERAL MEETING AND INVESTOR RELATIONS

The shareholders' general 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 attention to such meetings. In 2018, the Company convened four general meetings. Matters reviewed and approved at the said meetings include the following:

I. 2017 ANNUAL GENERAL MEETING HELD ON 14 JUNE 2018

1. To consider and approve the full text and summary of the Annual Report of the Company for year 2017
2. To consider and approve the Report of the Board of Directors of the Company for year 2017
3. To consider and approve the Report of the Supervisory Committee of the Company for year 2017
4. To consider and approve the financial report of the Company and the Auditors' Report for year 2017
5. To consider and approve the 財務決算報告 (final financial report) of the Company for year 2017
6. To consider and approve the 財務預算報告 (financial budget report) of the Company for year 2018
7. To consider and approve the distribution of profit of the Company for year 2017
8. To consider and approve the re-appointment of Ernst & Young Hua Ming LLP (安永華明會計師事務所(特殊普通合夥)) as the auditor of the Company for year 2018 and to authorise the Directors to determine their remuneration
9. To consider and approve the re-appointment of 山東和信會計師事務所(特殊普通合夥)(Shandong Hexin Accountants LLP) as the internal control auditor of the Company for year 2018

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。二零一八年，本公司共召開四次股東大會，會上審閱及通過的主要事項包括：

一、二零一八年六月十四日召開二零一七年股東周年大會

1. 審議及批准公司2017年年度報告全文及摘要的議案
2. 審議及批准公司2017年度董事會工作報告的議案
3. 審議及批准公司2017年度監事會工作報告的議案
4. 審議及批准公司2017年度財務報告及審計報告的議案
5. 審議及批准公司2017年度財務決算報告的議案
6. 審議及批准公司2018年度財務預算報告的議案
7. 審議及批准關於公司2017年度利潤分配的議案
8. 審議及批准關於續聘安永華明會計師事務所(特殊普通合夥)為公司2018年度審計服務機構並授權董事會決定其酬金的議案
9. 審議及批准關於續聘山東和信會計師事務所(特殊普通合夥)為公司2018年度內部控制審計服務機構的議案

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| 10. To consider and approve the granting of a mandate to the Board of Directors for payment of interim dividend to the shareholders of the Company for year 2018 | 10. 審議及批准關於授權董事會向公司股東派發2018年度中期股息的議案 |
| 11. To consider and approve the amendments to the Articles of Association of Weichai Power Co., Ltd. | 11. 審議及批准關於修訂《濰柴動力股份有限公司章程》的議案 |
| 12. To consider and approve the amendments to the Rules of Procedure for Board Meetings of Weichai Power Co., Ltd. | 12. 審議及批准關於修訂《濰柴動力股份有限公司董事會議事規則》的議案 |
| 13. To consider and approve the amendments to the Rules of Procedure for General Meetings of Weichai Power Co., Ltd. | 13. 審議及批准關於修訂《濰柴動力股份有限公司股東大會議事規則》的議案 |
| 14. To consider and approve the grant of guarantee by the Company for financing to be made by its controlling subsidiary | 14. 審議及批准關於公司為控股子公司融資提供擔保的議案 |
| 15. To consider and approve the provision for impairment of assets in 2017 | 15. 審議及批准關於公司2017年度計提資產減值準備的議案 |
| 16. To consider and approve the election of non-staff-representative supervisors for the fifth session of the Supervisory Committee of the Company (cumulative voting, one by one) | 16. 審議及批准關於選舉公司第五屆監事會非職工代表監事的議案(累計投票制, 分項表決) |
| 16.01 To consider and approve the election of Mr. Lu Wenwu as a non-staff-representative supervisor for the fifth session of the Supervisory Committee of the Company | 16.01 審議及批准關於選舉魯文武先生為公司第五屆監事會非職工代表監事的議案 |
| 16.02 To consider and approve the election of Mr. Wu Hongwei as a non-staff-representative supervisor for the fifth session of the Supervisory Committee of the Company | 16.02 審議及批准關於選舉吳洪偉先生為公司第五屆監事會非職工代表監事的議案 |
| 17. To consider and approve the election of non-independent directors for the fifth session of the Board of Directors of the Company (cumulative voting, one by one) | 17. 審議及批准關於選舉公司第五屆董事會非獨立董事的議案(累計投票制, 分項表決) |
| 17.01 To consider and approve the election of Mr. Tan Xuguang as a non-independent director for the fifth session of the Board of Directors of the Company | 17.01 審議及批准關於選舉譚旭光先生為公司第五屆董事會非獨立董事的議案 |
| 17.02 To consider and approve the election of Mr. Wang Yuepu as a non-independent director for the fifth session of the Board of Directors of the Company | 17.02 審議及批准關於選舉王曰普先生為公司第五屆董事會非獨立董事的議案 |

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| 17.03 To consider and approve the election of Mr. Jiang Kui as a non-independent director for the fifth session of the Board of Directors of the Company | 17.03 審議及批准關於選舉江奎先生為公司第五屆董事會非獨立董事的議案 |
| 17.04 To consider and approve the election of Mr. Zhang Quan as a non-independent director for the fifth session of the Board of Directors of the Company | 17.04 審議及批准關於選舉張泉先生為公司第五屆董事會非獨立董事的議案 |
| 17.05 To consider and approve the election of Mr. Xu Xinyu as a non-independent director for the fifth session of the Board of Directors of the Company | 17.05 審議及批准關於選舉徐新玉先生為公司第五屆董事會非獨立董事的議案 |
| 17.06 To consider and approve the election of Mr. Sun Shaojun as a non-independent director for the fifth session of the Board of Directors of the Company | 17.06 審議及批准關於選舉孫少軍先生為公司第五屆董事會非獨立董事的議案 |
| 17.07 To consider and approve the election of Mr. Yuan Hongming as a non-independent director for the fifth session of the Board of Directors of the Company | 17.07 審議及批准關於選舉袁宏明先生為公司第五屆董事會非獨立董事的議案 |
| 17.08 To consider and approve the election of Mr. Yan Jianbo as a non-independent director for the fifth session of the Board of Directors of the Company | 17.08 審議及批准關於選舉嚴鑒鉞先生為公司第五屆董事會非獨立董事的議案 |
| 17.09 To consider and approve the election of Mr. Gordon Riske as a non-independent director for the fifth session of the Board of Directors of the Company | 17.09 審議及批准關於選舉Gordon Riske先生為公司第五屆董事會非獨立董事的議案 |
| 17.10 To consider and approve the election of Mr. Michael Martin Macht as a non-independent director for the fifth session of the Board of Directors of the Company | 17.10 審議及批准關於選舉Michael Martin Macht先生為公司第五屆董事會非獨立董事的議案 |
| 18. To consider and approve the election of independent directors for the fifth session of the Board of Directors of the Company (cumulative voting, one by one) | 18. 審議及批准關於選舉公司第五屆董事會獨立董事的議案(累計投票制·分項表決) |
| 18.01 To consider and approve the election of Mr. Zhang Zhong as an independent director of the Company | 18.01 審議及批准關於選舉張忠先生為公司獨立董事的議案 |
| 18.02 To consider and approve the election of Mr. Wang Gongyong as an independent director of the Company | 18.02 審議及批准關於選舉王貢勇先生為公司獨立董事的議案 |
| 18.03 To consider and approve the election of Mr. Ning Xiangdong as an independent director of the Company | 18.03 審議及批准關於選舉寧向東先生為公司獨立董事的議案 |

18.04 To consider and approve the election of Mr. Li Hongwu as an independent director of the Company

18.04 審議及批准關於選舉李洪武先生為公司獨立董事的議案

18.05 To consider and approve the election of Mr. Wen Daocai as an independent director of the Company

18.05 審議及批准關於選舉聞道才先生為公司獨立董事的議案

II. FIRST EXTRAORDINARY GENERAL MEETING IN 2018 HELD ON 14 SEPTEMBER 2018

二、二零一八年九月十四日召開二零一八年第一次臨時股東大會

1. To consider and approve the resolution regarding the repurchase the Company's A shares

1. 審議及批准關於回購公司A股股份的議案

1.01 Method of the share repurchase

1.01 回購股份的方式

1.02 Price range of the share repurchase

1.02 回購股份的價格區間

1.03 Type, quantity and proportion to the total share capital

1.03 擬回購股份的種類、數量和佔總股本的比例

1.04 The total proceeds of the share repurchase and the source of funding

1.04 擬用於回購的金額及資金來源

1.05 The period of share repurchase

1.05 回購股份的期限

1.06 The validity period of the resolution

1.06 決議的有效期

2. To consider and approve the resolution regarding seeking shareholders' authorization of the board of directors of the Company to handle matters in relation to and associated with the repurchase of the Company's A shares from the public

2. 審議及批准關於提請公司股東大會授權董事會辦理回購A股社會公眾股份相關事宜的議案

3. To consider and approve the resolution regarding supplementing the connected transaction agreement in respect of the sale of diesel engines, diesel engine parts and components, materials, semi-finished products, hydraulic products and related products and provision of processing services by the Company (and its subsidiaries) to Weichai Group Holdings Limited (and its associates)

3. 審議及批准關於修訂公司及其附屬公司向濰柴控股集團有限公司及其附屬(關聯)公司銷售柴油機、柴油機零部件、原材料、半成品、液壓產品及相關產品和提供加工服務關聯交易協議的議案

4. To consider and approve the resolution regarding supplementing the connected transaction agreement in respect of the supply and/or connection of utilities by Weichai Group Holdings Limited (and its associates) to the Company (and its subsidiaries)

4. 審議及批准關於修訂濰柴控股集團有限公司及其附屬(關聯)公司向公司及其附屬公司提供動能服務關聯交易協議的議案

- | | |
|---|--|
| <p>5. To consider and approve the resolution regarding supplementing the connected transaction agreement in respect of the purchase of diesel engine parts and components, materials, steel and scrap metal etc., diesel engines and related products and the processing and labour services by the Company (and its subsidiaries) from Weichai Heavy-duty Machinery Co., Ltd. (and its subsidiaries)</p> | <p>5. 審議及批准關於修訂公司及其附屬公司向濰柴重機股份有限公司及其附屬公司採購柴油機零部件、原材料、鋼材及廢金屬等、柴油機及相關產品、勞務和加工服務關聯交易協議的議案</p> |
| <p>6. To consider and approve the connected transaction in respect of the sale of diesel engines and related products by the Company (and its subsidiaries) to Weichai Heavy-duty Machinery Co., Ltd. (and its subsidiary)</p> | <p>6. 審議及批准關於公司及其附屬公司向濰柴重機股份有限公司及其附屬公司銷售柴油機及相關產品關聯交易的議案</p> |
| <p>7. To consider and approve the connected transaction in respect of the supply of semi-finished diesel engine parts, diesel engine parts and components, reserve parts and related products and provision of labour services by the Company (and its subsidiaries) to Weichai Heavy-duty Machinery Co., Ltd. (and its subsidiaries)</p> | <p>7. 審議及批准關於公司及其附屬公司向濰柴重機股份有限公司及其附屬公司供應柴油機零部件毛坯、柴油機零部件、備件及相關產品以及提供勞務服務關聯交易的議案</p> |
| <p>8. To consider and approve the connected transaction in respect of the sale of parts and components of transmissions and related products by Shaanxi Fast Gear Co., Ltd. to Shaanxi Fast Gear Automotive Transmission Co., Ltd.</p> | <p>8. 審議及批准關於陝西法士特齒輪有限責任公司向陝西法士特汽車傳動集團有限責任公司銷售傳動零部件及相關產品關聯交易的議案</p> |
| <p>9. To consider and approve the connected transaction in respect of the purchase of parts and components of transmissions and related products and labour services by Shaanxi Fast Gear Co., Ltd. from Shaanxi Fast Gear Automotive Transmission Co., Ltd.</p> | <p>9. 審議及批准關於陝西法士特齒輪有限責任公司向陝西法士特汽車傳動集團有限責任公司採購傳動零部件、相關產品及勞務服務關聯交易的議案</p> |
| <p>10. To consider and approve the engagement in the trading of the relevant financial derivative products by Société Internationale des Moteurs Baudouin, a controlling subsidiary of the Company</p> | <p>10. 審議及批准關於公司控股子公司法國博杜安動力國際有限公司開展衍生品交易業務的議案</p> |
| <p>11. To consider and approve the engagement in the trading of the relevant financial derivative products by KION Group AG, a controlling subsidiary of the Company</p> | <p>11. 審議及批准關於公司控股子公司KION Group AG開展衍生品交易業務的議案</p> |
| <p>12. To consider and approve engagement in the subscription of the relevant structured deposit products by Shaanxi Heavy-duty Motor Company Limited, a controlling subsidiary of the Company</p> | <p>12. 審議及批准關於公司控股子公司陝西重型汽車有限公司開展結構性存款業務的議案</p> |

III. FIRST CLASS MEETING OF THE HOLDERS OF A SHARES IN 2018 HELD ON 14 SEPTEMBER 2018

1. To consider and approve the resolution regarding the repurchase the Company's A shares
 - 1.01 Method of the share repurchase
 - 1.02 Price range of the share repurchase
 - 1.03 Type, quantity and proportion to the total share capital
 - 1.04 The total proceeds of the share repurchase and the source of funding
 - 1.05 The period of share repurchase
 - 1.06 The validity period of the resolution
2. To consider and approve the resolution regarding seeking shareholders' authorization of the board of directors of the Company to handle matters in relation to and associated with the repurchase of the Company's A shares from the public

IV. SECOND EXTRAORDINARY GENERAL MEETING IN 2018 HELD ON 3 DECEMBER 2018

1. To consider and approve the resolution regarding the merger and absorption of Weichai Power (Weifang) After-sales Service Co., Ltd. by the Company
2. To consider and approve the resolution regarding the amendments to the Terms of Reference of the Nomination Committee of Weichai Power Co., Ltd.
3. To consider and approve the resolution regarding the grant of guarantee by the Company for the financing taken by an overseas wholly-owned subsidiary of the Company

三、二零一八年九月十四日召開二零一八年第一次A股股東會議

1. 審議及批准關於回購公司A股股份的議案
 - 1.01 回購股份的方式
 - 1.02 回購股份的價格區間
 - 1.03 擬回購股份的種類、數量和佔總股本的比例
 - 1.04 擬用於回購的金額及資金來源
 - 1.05 回購股份的期限
 - 1.06 決議的有效期
2. 審議及批准關於提請公司股東大會授權董事會辦理回購A股社會公眾股份相關事宜的議案

四、二零一八年十二月三日召開二零一八年第二次臨時股東大會

1. 審議及批准關於公司吸收合併全資子公司濰柴(濰坊)後市場服務有限公司的議案
2. 審議及批准關於修訂《濰柴動力股份有限公司董事會提名委員會工作細則》的議案
3. 審議及批准關於公司為境外全資子公司融資提供擔保的議案

SHAREHOLDERS' RIGHTS

Shareholders of the Company holding more than 10% of the shares of the Company either individually or collectively requesting the convening of an extraordinary general meeting or a class meeting shall proceed in accordance with the procedures set forth in Article 104 of the Articles of Association.

Pursuant to Article 74 of the Articles of Association, shareholders of the Company who hold, individually or collectively, more than 3% of the Company's shares shall have the right to propose a motion to the Company for consideration at the general meeting of the Company. Shareholders who hold, individually or collectively, more than 3% of the Company's shares may propose a provisional motion in writing to the Board of Directors 10 business days prior to the general meeting. Within two days upon the receipt of the proposed motion, the Board of Directors shall issue a supplementary notice of the general meeting to announce the content of the provisional motion.

Shareholders of the Company are welcome to send their enquiries to the Board via our Capital Operation Department, details of which are set out in the section headed "Corporate Information" in this annual report.

PROCEDURES FOR SHAREHOLDERS TO PROPOSE CANDIDATES FOR ELECTION AS A DIRECTOR

Pursuant to the requirement of the Articles of Association, any shareholder who, by itself or jointly, holding shares representing more than 3% of the voting rights of the Company shall have the right to nominate candidates for directorship. The number of shares directly or indirectly held by each shareholder cannot be further subdivided in order to propose a motion by himself or jointly with other persons.

The period for service of notices in writing by shareholders to the Company of the intention to propose a candidate for election as a director in accordance with the Articles of Association and of such candidate's consent to be elected shall be at least 7 days, which shall commence from the day following the dispatch of the notice convening the general meeting for the election of directors and shall end on the date which is no later than 7 days prior to the date of such general meeting.

股東權利

單獨或合併持有本公司10%以上股份的本公司股東要求召集股東特別大會或類別股東會議，應當按照公司章程第104條所載程序辦理。

根據本公司的公司章程第74條，單獨或合併持有本公司3%以上股份的本公司股東，有權於本公司股東大會上向本公司提出提案以作考慮。單獨或合併持有本公司3%以上股份的本公司股東，可以在股東大會召開10個工作日前提出臨時提案並書面提交董事會。董事會應當在收到提案後2日內發出股東大會補充通告，公告臨時提案的內容。

歡迎本公司股東透過資本運營部向董事會提出查詢，有關詳情載於本年度報告「公司資料」一節。

股東提名人選參選董事的程序

依據公司章程規定，單獨或合併持有公司有表決權股份3%以上的股東可以提名董事候選人。每名股東直接和間接持有的股份均不得分拆自行或者與他人共同提出議案。

任何股東依據公司章程的規定向公司發出的有關提名董事候選人的意圖的書面通知以及候選人表明願意接受提名的書面通知的最短期限均為7天，向公司提出發出前述所指的通知的期限自發出載有就選舉董事而召開的股東大會的會議通知後一天起至不遲於有關股東大會召開七天前止。

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Pursuant to the relevant requirements of the Company Law of the People's Republic of China, Guidelines for the Articles of Association of Listed Companies (2016 revision), Rules for General Meetings of Listed Companies (2016 revision), and taking into consideration the actual circumstances and operation development needs of the Company, upon approval by the shareholders of the Company at the 2017 annual general meeting held on 14 June 2018, certain amendments were made to the articles of association of the Company, including provisions on soliciting voting rights from shareholders and provisional motions to be proposed at general meetings.

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 purpose of such system is 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.

The Company has an internal audit function. The management maintains and monitors the system of controls on an ongoing basis. The Audit Committee, which was delegated by the Board, reviews the Group's risk management and internal control policies and system at least once a year.

During the year, based on the evaluations made by the management, the Audit Committee reviewed and was satisfied that nothing had come to its attention to cause the Audit Committee to believe that the system of risk management and internal control covering financial, operational, compliance and all other material controls of the Group was inadequate, and there is an ongoing process to identify, evaluate and manage significant risks faced by the Group. The Audit Committee considered that the risk management and internal control system of the Group is effective and adequate.

COMPLIANCE WITH THE MODEL CODE

During the year, the Company 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 have complied with the required standard set out in the Model Code for the year.

修訂公司章程

根據《中華人民共和國公司法》、《上市公司章程指引(2016年修訂)》、《上市公司股東大會規則(2016年修訂)》等相關規定，結合本公司實際情況和經營發展需要，經本公司在二零一八年六月十四日在二零一七年股東周年大會上批准，對公司章程作出若干修訂，其中包括修訂股東大會徵集股東投票權和股東大會臨時提案等條款。

內部監控及管理

董事會了解其有責任維持一個適當的內部監控系統以保衛本集團資產及股東利益。

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，保障資產不會遭到不當使用，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。

本公司設有內部監控職能。管理層按持續基準維持及監察有關控制系統。審核委員會獲董事會授權，最少每年一次檢討本集團的風險管理和內部監控政策和系統。

於本年度，根據管理層之評估，審核委員會檢討並確信並無任何事件導致審核委員會相信本集團的風險管理和內部監控系統(涵蓋財務、營運、合規和所有其他重大監控)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。審核委員會認為本集團的風險管理和內部監控系統有效、充足。

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，且向全體董事作出明確查詢後確認，彼等於年內已遵守標準守則所載規定的標準。

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 that financial statements of the Group are issued in a timely manner so that the final and interim results of the Group are announced within the periods of three months and two months, 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 2018 have been reviewed by the Audit Committee and audited by the external auditors, Ernst & Young Hua Ming LLP. 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 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 Hua Ming LLP as the auditor of the Company. For the year ended 31 December 2018, an amount of RMB9.8 million was paid/payable to Ernst & Young Hua Ming LLP for their audit service.

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三個月及兩個月時限內公佈。

本集團截至二零一八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華明會計師事務所(特殊普通合伙)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華明會計師事務所(特殊普通合伙)。於截至二零一八年十二月三十一日止年度，本集團共付予／應付安永華明會計師事務所(特殊普通合伙)人民幣9.8百萬元作為審核服務費。



Ernst & Young Hua Ming (2019) Shen Zi No. 60729920_B01
Weichai Power Co., Ltd.

安永華明(2019)審字第60729920_B01號
濰柴動力股份有限公司

To the shareholders of Weichai Power Co., Ltd.

濰柴動力股份有限公司全體股東：

I. OPINION

We have audited the financial statements of Weichai Power Co., Ltd. (the "Company"), which comprise the consolidated and the Company's balance sheets as at 31 December 2018, and the consolidated and the Company's income statements, the consolidated and the Company's statements of changes in shareholders' equity and the consolidated and the Company's statements of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and the Company's financial position as at 31 December 2018, and the consolidated and the Company's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises ("ASBEs").

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with China Code of Ethics for Certified Public Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

一、審計意見

我們審計了濰柴動力股份有限公司的財務報表，包括2018年12月31日的合併及公司的資產負債表，2018年度的合併及公司利潤表、股東權益變動表和現金流量表以及相關財務報表附註。

我們認為，後附的濰柴動力股份有限公司的財務報表在所有重大方面按照企業會計準則的規定編製，公允反映了濰柴動力股份有限公司2018年12月31日的合併及公司的財務狀況以及2018年度的合併及公司經營成果和現金流量。

二、形成審計意見的基礎

我們按照中國註冊會計師審計準則的規定執行了審計工作。審計報告的「註冊會計師對財務報表審計的責任」部分進一步闡述了我們在這些準則下的責任。按照中國註冊會計師職業道德守則，我們獨立於濰柴動力股份有限公司，並履行了職業道德方面的其他責任。我們相信，我們獲取的審計證據是充分、適當的，為發表審計意見提供了基礎。

三、關鍵審計事項

關鍵審計事項是我們根據職業判斷，認為對本期財務報表審計最為重要的事項。這些事項的應對以對財務報表整體進行審計並形成審計意見為背景，我們不對這些事項單獨發表意見。我們對下述每一事項在審計中是如何應對的描述也以此為背景。

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Weichai Power Co., Ltd.

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We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

我們已經履行了本報告「註冊會計師對財務報表審計的責任」部分闡述的責任，包括與這些關鍵審計事項相關的責任。相應地，我們的審計工作包括執行為應對評估的財務報表重大錯報風險而設計的審計程序。我們執行審計程序的結果，包括應對下述關鍵審計事項所執行的程序，為財務報表整體發表審計意見提供了基礎。

Key audit matter

關鍵審計事項：

How our audit addressed the key audit matter

該事項在審計中是如何應對：

Bad debt provision for accounts receivable
 應收賬款壞賬準備

As at 31 December 2018, the gross carrying amount of accounts receivable in the consolidated financial statements was RMB14,580,077,638.48, and the gross bad debt provision amounted to RMB1,424,714,144.28. In assessing the expected credit losses of accounts receivable on individual and group basis, the management of Weichai Power Co., Ltd. (the "Management") has taken into account reasonable and supportable information relating to historical events, prevailing conditions and forecast of future economic conditions. Other than receivables for which provision for bad debts has been recognized individually, expected credit losses in respect of accounts receivable have been assessed by the Management based on the expected loss rate of identical or similar group in prior year with similar distinctive credit risk characteristics.

Calculation of the expected credit losses in respect of accounts receivable requires judgments and estimates to be made by the Management.

Disclosures of accounts receivable and bad debt provision are set out in Note III.9 and Note V.4 to the financial statements.

Our procedures in relation to this as part of our audit included:

For the bad debt provision for accounts receivable, we understood and tested the internal control processes;

We examined the Management's calculation of expected credit losses in respect of accounts receivable;

For accounts receivable assessed individually, we reviewed, on a sampling basis, the bases upon which the Management arrived at the credit risks and the amount of expected credit losses, including the Management's assessment of the credit risks of customers taking into account the business operation of the respective customers, market conditions and historical payment and so forth;

For accounts receivable assessed by group, we reviewed the Management's determination of the group with similar distinctive credit risk characteristics and reviewed, on a sampling basis, key information including the age of each group, good credit history and overdue age. Based on grouping with similar distinctive credit risk characteristics, we have also reviewed the bases upon which the Management arrived at the credit risks and the amount of expected credit losses, including the Management's assessment of the credit risks of customers taking into account the business operation of the respective customers, market conditions and historical payment and so forth;

We have reviewed the disclosures on provision for bad debts in respect of accounts receivable made in the financial statements.

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濰柴動力股份有限公司

Key audit matter

關鍵審計事項：

於2018年12月31日，合併財務報表中應收賬款賬面餘額為人民幣14,580,077,638.48元，壞賬準備餘額為人民幣1,424,714,144.28元。濰柴動力股份有限公司管理層(以下簡稱管理層)基於單項和組合評估應收賬款的預期信用損失，考慮了有關過去事項、當前狀況以及未來經濟狀況預測的合理且有依據的信息。除已單項計提壞賬準備的應收款項外，管理層根據以前年度與之相同或相類似的、具有類似信用風險特徵的應收款項組合的預期損失率為基礎評估應收賬款的預期信用損失。

應收賬款預期信用損失的計算需要管理層的判斷和估計。

財務報表對應收賬款及壞賬準備的披露請參見附註三、9及附註五、4。

How our audit addressed the key audit matter

該事項在審計中是如何應對：

在審計中，我們執行了以下程序：

我們對應收賬款壞賬準備執行了內部控制流程的瞭解和測試；

我們檢查了管理層對於應收賬款預期信用損失的計算；

對於單項評估的應收賬款，我們抽樣覆核了管理層評估信用風險以及預期信用損失金額的依據，包括管理層結合客戶經營情況、市場環境、歷史還款情況等對信用風險作出的評估；

對於按照組合評估的應收賬款，我們覆核了管理層對於信用風險特徵組合的設定，抽樣覆核了各組合的賬齡、信用優質記錄、逾期賬齡等關鍵信息。並以信用風險特徵組合為基礎覆核了管理層評估信用風險以及預期信用損失金額的依據，包括管理層結合客戶經營情況、市場環境、歷史還款情況等對信用風險作出的評估；

我們覆核了財務報表中對於應收賬款壞賬準備的披露。

Ernst & Young Hua Ming (2019) Shen Zi No. 60729920_B01
Weichai Power Co., Ltd.

安永華明(2019)審字第60729920_B01號
濰柴動力股份有限公司

Key audit matter

關鍵審計事項：

Provision for decline in value of inventories

存貨跌價準備

As at 31 December 2018, the gross carrying amount of inventories in the consolidated financial statements was RMB21,695,068,144.16, and the gross provision for decline in value of inventories amounted to RMB1,020,781,010.69. At the balance sheet date, inventories are measured at the lower of cost and net realizable value. The Management's judgments and estimates are required for determining the provision for decline in value of inventories on the basis of clear evidence and taking into account the purpose of holding the inventories, effect of subsequent events and other factors. The difference between the actual outcome and original estimate will affect the carrying amount of inventories during the estimated revision period.

Disclosures of provision for decline in value of inventories are set out in Note III.12 and Note V.7 to the financial statements.

於2018年12月31日，合併財務報表中存貨賬面餘額為人民幣21,695,068,144.16元，存貨跌價準備餘額為人民幣1,020,781,010.69元。於資產負債表日，存貨按照成本與可變現淨值孰低計量，確定存貨跌價準備需要管理層在取得確鑿證據的基礎上，考慮持有存貨的目的、資產負債表日後事項的影響等因素作出判斷和估計，實際的結果與原先估計的差異將在估計被改變的期間影響存貨的賬面價值。

財務報表對存貨跌價準備的披露請參見附註三、12及附註五、7。

How our audit addressed the key audit matter

該事項在審計中是如何應對：

Our procedures in relation to this as part of our audit included:

For the provision for decline in value of inventories, we understood and tested the internal control processes;

We reviewed, on a sampling basis, the age and turnover of inventories;

We reviewed the Management's approach to provision for decline in value of inventories and examined the Management's calculation of provision for decline in value of inventories;

On a sampling basis, we compared the net realizable value, which was determined as the selling price net of sales rebate, cost estimated to be incurred up to completion, estimated selling expenses and tax, to the carrying cost to identify the higher one. We have also checked the record of sales made after the date of inventory record;

We have reviewed the disclosures on provision for decline in value of inventories made in the financial statements.

在審計中，我們執行了以下程序：

我們對存貨跌價準備執行了內部控制流程的瞭解和測試；

我們抽樣覆核了存貨的庫齡及周轉情況；

我們覆核了管理層計提存貨跌價準備的方法並檢查了管理層對於存貨跌價準備的計算；

我們抽樣比較了銷售價格扣除銷售返利、至完工時估計將要發生的成本、估計的銷售費用及稅金等後的可變現淨值與賬面成本孰高，並查看了存貨日後銷售記錄；

我們覆核了財務報表中對於存貨跌價準備的披露。

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濰柴動力股份有限公司

Key audit matter

關鍵審計事項：

Assessment for impairment of goodwill and trademark rights with an indefinite useful life

商譽及使用壽命不確定的商標使用權減值測試

As at 31 December 2018, included in the consolidated financial statements were goodwill of gross carrying amount of RMB23,275,457,696.04, provision for impairment of RMB238,071,400.00, trademark rights with an indefinite useful life of gross carrying amount of RMB7,629,669,081.10 and provision for impairment of RMB67,486,780.00. Goodwill and intangible assets with an indefinite useful life shall be tested for impairment every year, irrespective of whether there is any indication that the asset may be impaired. The test for impairment of goodwill and trademark rights with an indefinite useful life involves complicated procedures and the Management's selection and adoption of key parameters including estimation of future market and economic conditions, discount rate, long-term average growth rate etc.

Disclosures of assessment for impairment of goodwill and trademark rights with an indefinite useful life are set out in Notes III.19, 20 and Note V.21 to the financial statements.

於2018年12月31日，合併財務報表中商譽賬面餘額為人民幣23,275,457,696.04元，減值準備餘額為人民幣238,071,400.00元，使用壽命不確定的商標使用權賬面餘額為人民幣7,629,669,081.10元，減值準備餘額為人民幣67,486,780.00元。商譽和使用壽命不確定的無形資產，無論是否存在減值跡象，每年都應當進行減值測試。商譽和使用壽命不確定的商標使用權減值測試流程複雜，涉及管理層對未來市場和經濟環境的估計及折現率、長期平均增長率等關鍵參數的選用。

財務報表對商譽及使用壽命不確定的商標使用權減值測試的披露請參見附註三、19、20及附註五、21。

How our audit addressed the key audit matter

該事項在審計中是如何應對：

Our procedures in relation to this as part of our audit included:

For the assessment for impairment of goodwill and trademark rights with an indefinite useful life, we understood and tested the internal control processes;

We examined the Management's forecast of future cashflow and its calculation of the present value of future cashflow;

We took into account the actual operation of the asset groups or sets of asset groups and market analysis to review cashflow forecast;

We engaged valuation specialists for assisting in the review of valuation approaches, models and key parameters;

We checked the disclosures of assessment for impairment of goodwill and trademark rights with an indefinite useful life in the financial statements.

在審計中，我們執行了以下審計程序：

我們對商譽及使用壽命不確定的商標使用權減值測試執行了內部控制流程的瞭解和測試；

我們檢查了管理層對於未來現金流量的預測及未來現金流量現值的計算；

我們結合資產組及資產組組合的實際經營以及對於市場的分析覆核了現金流量預測；

我們引入了估值專家覆核了估值方法、模型和關鍵參數；

我們覆核了財務報表中對於商譽及使用壽命不確定的商標使用權減值測試的披露。

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濰柴動力股份有限公司

Key audit matter

關鍵審計事項：

Business of leasing of forklift trucks

叉車租賃業務

Leasing of forklift trucks is a principal business segment of KION GROUP AG, a subsidiary of Weichai Power Co., Ltd. The forklift trucks leasing business of KION GROUP AG primarily include 3 categories: direct leasing, sale and leaseback sub-leases and indirect leasing. The categorization of leasing business and the recognition of revenue from the business of indirect leasing involves judgments. The accounting treatment becomes complicated for the various categories of leasing business.

For policies on forklift trucks leasing business, please refer to Notes III.16 and 31 to the financial statements. For disclosures of forklift trucks leasing business, please refer to Notes V.13, 17 and 37 and Note XIV.

叉車租賃業務為濰柴動力股份有限公司之子公司KION GROUP AG的主要業務，KION GROUP AG的叉車租賃業務主要有3類：直接租賃、售後租回再轉租、間接租賃。租賃業務的分類、間接租賃業務的收入確認均涉及判斷，不同類別的租賃業務的會計處理較為複雜。

財務報表對叉車租賃業務的政策請參見附註三、16及31；對叉車租賃業務的披露請參見附註五、13、17、37及附註十四。

How our audit addressed the key audit matter

該事項在審計中是如何應對：

Our procedures in relation to this as part of our audit included:

For the workflow of forklift trucks leasing business, we understood and tested the internal control processes, including the engagement of information technology specialists for testing the internal control of the system of forklift trucks leasing business;

We performed test of details on a sampling basis, including the examination of whether the relevant data available from the system of forklift trucks leasing business agreed to the original invoices, evaluated the judgments made by the Management on the categorization of leases, re-calculated the booked amounts of relevant assets and liabilities etc.;

We performed confirmation procedures as well as cut-off procedures.

在審計中，我們執行了以下審計程序：

我們對叉車租賃業務流程執行了內部控制流程的瞭解和測試，包括引入信息技術專家對叉車租賃業務系統的內部控制進行測試；

我們抽取樣本進行了細節測試，包括檢查叉車租賃業務系統中的相關數據與原始單據是否一致、評價管理層對於租賃分類等的判斷、重新計算相關資產和負債入賬金額等；

我們執行了函證程序，並檢查了租賃業務收入確認的歸屬期間。

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IV. OTHER INFORMATION

The Management of Weichai Power Co., Ltd. is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASBEs, and for designing, implementing and maintaining such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

四、其他信息

濰柴動力股份有限公司管理層對其他信息負責。其他信息包括年度報告中涵蓋的信息，但不包括財務報表和我們的審計報告。

我們對財務報表發表的審計意見不涵蓋其他信息，我們也不對其他信息發表任何形式的鑒證結論。

結合我們對財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與財務報表或我們在審計過程中瞭解到的情況存在重大不一致或者似乎存在重大錯報。

基於我們已執行的工作，如果我們確定其他信息存在重大錯報，我們應當報告該事實。在這方面，我們無任何事項需要報告。

五、管理層和治理層對財務報表的責任

管理層負責按照企業會計準則的規定編製財務報表，使其實現公允反映，並設計、執行和維護必要的內部控制，以使財務報表不存在由於舞弊或錯誤導致的重大錯報。

在編製財務報表時，管理層負責評估濰柴動力股份有限公司的持續經營能力，披露與持續經營相關的事項(如適用)，並運用持續經營假設，除非計劃進行清算、終止運營或別無其他現實的選擇。

治理層負責監督濰柴動力股份有限公司的財務報告過程。

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VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit 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 internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

六、註冊會計師對財務報表審計的責任

我們的目標是對財務報表整體是否不存在由於舞弊或錯誤導致的重大錯報獲取合理保證，並出具包含審計意見的審計報告。合理保證是高水平的保證，但並不能保證按照審計準則執行的審計在某一重大錯報存在時總能發現。錯報可能由於舞弊或錯誤導致，如果合理預期錯報單獨或匯總起來可能影響財務報表使用者依據財務報表作出的經濟決策，則通常認為錯報是重大的。

在按照審計準則執行審計工作的過程中，我們運用職業判斷，並保持職業懷疑。同時，我們也執行以下工作：

- (1) 識別和評估由於舞弊或錯誤導致的財務報表重大錯報風險，設計和實施審計程序以應對這些風險，並獲取充分、適當的審計證據，作為發表審計意見的基礎。由於舞弊可能涉及串通、偽造、故意遺漏、虛假陳述或凌駕於內部控制之上，未能發現由於舞弊導致的重大錯報的風險高於未能發現由於錯誤導致的重大錯報的風險。
- (2) 瞭解與審計相關的內部控制，以設計恰當的審計程序，但目的並非對內部控制的有效性發表意見。
- (3) 評價管理層選用會計政策的恰當性和作出會計估計及相關披露的合理性。

Ernst & Young Hua Ming (2019) Shen Zi No. 60729920_B01
Weichai Power Co., Ltd.

- (4) Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

安永華明(2019)審字第60729920_B01號
濰柴動力股份有限公司

- (4) 對管理層使用持續經營假設的恰當性得出結論。同時，根據獲取的審計證據，就可能導致對濰柴動力股份有限公司持續經營能力產生重大疑慮的事項或情況是否存在重大不確定性得出結論。如果我們得出結論認為存在重大不確定性，審計準則要求我們在審計報告中提請報表使用者注意財務報表中的相關披露；如果披露不充分，我們應當發表非無保留意見。我們的結論基於截至審計報告日可獲得的信息。然而，未來的事項或情況可能導致濰柴動力股份有限公司不能持續經營。
- (5) 評價財務報表的總體列報、結構和內容(包括披露)，並評價財務報表是否公允反映相關交易和事項。
- (6) 就濰柴動力股份有限公司中實體或業務活動的財務信息獲取充分、適當的審計證據，以對財務報表發表審計意見。我們負責指導、監督和執行集團審計，並對審計意見承擔全部責任。

我們與治理層就計劃的審計範圍、時間安排和重大審計發現等事項進行溝通，包括溝通我們在審計中識別出的值得關注的內部控制缺陷。

Ernst & Young Hua Ming (2019) Shen Zi No. 60729920_B01
Weichai Power Co., Ltd.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the benefits of public interest for such communication.

Ernst & Young Hua Ming LLP
 Beijing, the People's Republic of China

Chinese Certified Public Accountant:
Liu Ying (Engagement partner)

Chinese Certified Public Accountant:
You Jin

25 March 2019

安永華明(2019)審字第60729920_B01號
濰柴動力股份有限公司

我們還就已遵守與獨立性相關的職業道德要求向治理層提供聲明，並與治理層溝通可能被合理認為影響我們獨立性的所有關係和其他事項，以及相關的防範措施(如適用)。

從與治理層溝通過的事項中，我們確定哪些事項對本期財務報表審計最為重要，因而構成關鍵審計事項。我們在審計報告中描述這些事項，除非法律法規禁止公開披露這些事項，或在極少數情形下，如果合理預期在審計報告中溝通某事項造成的負面後果超過在公眾利益方面產生的益處，我們確定不應在審計報告中溝通該事項。

安永華明會計師事務所(特殊普通合夥)
 中國北京

中國註冊會計師：
劉穎(項目合夥人)

中國註冊會計師：
游瑾

2019年3月25日

CONSOLIDATED BALANCE SHEET

31 December 2018 (Expressed in Renminbi Yuan)

合併資產負債表

2018年12月31日(人民幣元)

ASSETS	資產	Note V 附註五	31 December 2018 2018年12月31日	31 December 2017 2017年12月31日
Current assets	流動資產			
Cash and cash equivalents	貨幣資金	1	38,209,952,558.31	34,221,837,770.90
Financial assets held for trading	交易性金融資產	2	4,115,199,600.23	–
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產	3	–	384,067,087.32
Notes receivable and accounts receivable	應收票據及應收賬款	4	38,148,028,169.82	38,863,774,260.96
Prepayments	預付款項	5	1,109,227,313.17	559,802,492.16
Other receivables	其他應收款	6	1,087,148,524.03	888,122,035.12
Inventories	存貨	7	20,674,287,133.47	19,850,822,463.67
Contract assets	合同資產	8	935,892,539.90	–
Assets classified as held-for-sale	劃分為持有待售的資產		5,525,306.60	–
Non-current assets due within one year	一年內到期的非流動資產	9	2,127,858,173.40	1,778,971,213.80
Other current assets	其他流動資產	10	1,692,343,618.45	3,792,776,498.74
Total current assets	流動資產合計		108,105,462,937.38	100,340,173,822.67
Non-current assets	非流動資產			
Available-for-sale financial assets	可供出售金融資產	11	–	594,847,216.31
Investment in other equity instruments	其他權益工具投資	12	1,315,633,672.96	–
Long-term receivables	長期應收款	13	6,483,298,008.60	5,197,814,237.00
Long-term equity investments	長期股權投資	14	4,463,591,313.13	2,638,935,915.48
Other non-current financial assets	其他非流動金融資產	15	192,949,412.40	–
Investment property	投資性房地產	16	593,459,307.58	569,210,526.81
Fixed assets	固定資產	17	29,454,072,247.73	27,068,307,958.45
Construction in progress	在建工程	18	2,848,101,239.62	1,218,747,351.06
Intangible assets	無形資產	19	23,299,455,749.37	23,839,954,192.45
Development expenditure	開發支出	20	440,148,223.16	515,853,805.25
Goodwill	商譽	21	23,037,386,296.04	22,583,192,662.42
Long-term prepaid expenses	長期待攤費用	22	228,459,134.85	283,430,938.92
Deferred tax assets	遞延所得稅資產	23	4,458,451,001.33	4,533,525,646.91
Other non-current assets	其他非流動資產	24	355,896,630.03	254,172,355.79
Total non-current assets	非流動資產合計		97,170,902,236.80	89,297,992,806.85
Total assets	資產總計		205,276,365,174.18	189,638,166,629.52

The financial statements have been signed by:

本財務報表由以下人士簽署：

Legal Representative:

法定代表人：

Tan Xuguang

譚旭光

Principal in charge of accounting:

主管會計工作負責人：

Kwong Kwan Tong

鄭焜堂

Head of accounting department:

會計機構負責人：

Li Xia

李霞

CONSOLIDATED BALANCE SHEET (CONTINUED)

31 December 2018 (Expressed in Renminbi Yuan)

合併資產負債表(續)

2018年12月31日(人民幣元)

LIABILITIES AND EQUITY	負債和股東權益	Note V 附註五	31 December 2018 2018年12月31日	31 December 2017 2017年12月31日
Current liabilities	流動負債			
Short-term loans	短期借款	25	5,472,765,901.24	3,174,887,395.62
Financial liabilities at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融負債	26	-	482,880,099.94
Financial liabilities held for trading	交易性金融負債	27	213,435,765.47	-
Notes payable and accounts payable	應付票據及應付賬款	28	46,794,371,199.93	43,016,241,784.82
Advances from customers	預收款項	29	-	5,814,905,624.90
Contract liabilities	合同負債	8	8,722,443,043.80	-
Payroll payable	應付職工薪酬	30	5,184,666,613.19	4,810,305,393.38
Taxes payable	應交稅費	31	2,506,794,642.37	2,700,258,706.06
Other payables	其他應付款	32	6,502,173,092.72	8,026,100,946.56
Non-current liabilities due within one year	一年內到期的非流動負債	33	6,898,699,368.61	5,596,251,134.50
Other current liabilities	其他流動負債	34	6,321,615,150.06	4,851,696,489.11
Total current liabilities	流動負債合計		88,616,964,777.39	78,473,527,574.89
Non-current liabilities	非流動負債			
Long-term borrowings	長期借款	35	10,908,512,233.85	15,678,594,729.35
Bonds payable	應付債券	36	12,265,020,075.27	10,459,780,084.07
Long-term payables	長期應付款	37	9,895,419,535.20	9,241,432,433.10
Long-term payroll payable	長期應付職工薪酬	38	9,580,057,732.13	9,236,773,057.02
Accruals and provisions	預計負債	39	364,979,471.20	344,923,046.70
Deferred income	遞延收益	40	3,056,191,818.80	3,121,664,308.58
Deferred tax liabilities	遞延所得稅負債	23	5,772,705,450.50	6,500,274,764.52
Other non-current liabilities	其他非流動負債	41	2,557,186,306.15	226,205,400.79
Total non-current liabilities	非流動負債合計		54,400,072,623.10	54,809,647,824.13
Total liabilities	負債總計		143,017,037,400.49	133,283,175,399.02

The financial statements have been signed by:

本財務報表由以下人士簽署：

Legal Representative:

法定代表人：

Tan Xuguang

譚旭光

Principal in charge of accounting:

主管會計工作負責人：

Kwong Kwan Tong

鄭焜堂

Head of accounting department:

會計機構負責人：

Li Xia

李霞

CONSOLIDATED BALANCE SHEET (CONTINUED)

31 December 2018 (Expressed in Renminbi Yuan)

合併資產負債表(續)

2018年12月31日(人民幣元)

LIABILITIES AND EQUITY	負債和股東權益	Note V 附註五	31 December 2018 2018年12月31日	31 December 2017 2017年12月31日
Shareholders' equity	股東權益			
Share capital	股本	42	7,997,238,556.00	7,997,238,556.00
Capital reserve	資本公積	43	113,699,432.76	135,898,754.99
Less: Treasury shares	減：庫存股	44	499,911,217.21	-
Other comprehensive income	其他綜合收益	45	(1,570,594,557.01)	(1,527,566,155.73)
Special reserve	專項儲備	46	155,056,854.10	118,355,897.38
Surplus reserve	盈餘公積	47	674,283,390.61	616,811,881.87
Retained earnings	未分配利潤	48	32,443,962,374.77	27,898,783,968.43
Total equity attributable to the shareholders of the parent	歸屬於母公司股東權益合計		39,313,734,834.02	35,239,522,902.94
Minority interests	少數股東權益	49	22,945,592,939.67	21,115,468,327.56
Total shareholders' equity	股東權益合計		62,259,327,773.69	56,354,991,230.50
Total liabilities and shareholders' equity	負債和股東權益總計		205,276,365,174.18	189,638,166,629.52

The financial statements have been signed by:

本財務報表由以下人士簽署：

Legal Representative:
法定代表人：

Principal in charge of accounting:
主管會計工作負責人：

Head of accounting department:
會計機構負責人：

Tan Xuguang
譚旭光

Kwong Kwan Tong
鄭焜堂

Li Xia
李霞

CONSOLIDATED INCOME STATEMENT

2018 (Expressed in Renminbi Yuan)

合併利潤表

2018年度(人民幣元)

		Note V 附註五	2018 2018年	2017 2017年
Revenue	營業收入	50	159,255,832,286.92	151,569,392,236.63
Less: Cost of sales	減：營業成本	50	123,686,413,712.22	118,467,630,098.34
Taxes and surcharges	税金及附加	51	723,216,029.13	738,068,687.50
Distribution and selling expenses	銷售費用	52	10,619,172,364.29	10,337,770,491.89
General and administrative expenses	管理費用	53	6,259,505,543.37	5,869,208,641.49
Research & development expenses	研發費用	54	4,320,202,297.54	3,732,379,103.17
Finance expenses	財務費用	55	75,343,939.85	590,752,971.58
Incl: Interest expenses	其中：利息費用		1,150,950,408.70	1,395,035,066.86
Interest income	利息收入		1,059,722,329.53	957,162,142.94
Impairment loss of assets	資產減值損失	56	633,519,321.29	1,950,139,536.86
Impairment loss of credit	信用減值損失	57	210,300,037.17	-
Add: Other income	加：其他收益	58	232,190,063.55	162,038,898.12
Investment income	投資收益	59	464,812,907.17	153,922,745.85
Incl: investment income from associates and jointly controlled enterprises	其中：對聯營企業和合營企業的投資收益		173,768,638.90	84,871,118.66
Gain on change of fair value	公允價值變動收益	60	177,062,305.75	100,768,888.41
Gain on disposal of assets	資產處置收益	61	1,501,183.76	84,730,636.32
Operating profit	營業利潤		13,603,725,502.29	10,384,903,874.50
Add: Non-operating income	加：營業外收入	62	307,054,979.29	298,582,901.77
Less: Non-operating expenses	減：營業外支出	63	52,496,406.05	161,219,278.15
Total profit	利潤總額		13,858,284,075.53	10,522,267,498.12
Less: Income tax expenses	減：所得稅費用	65	2,232,550,533.06	1,343,900,720.30
Net profit	淨利潤		11,625,733,542.47	9,178,366,777.82
Breakdown by continuity of operations	按經營持續性分類			
Net profit from continuing operations	持續經營淨利潤		11,625,733,542.47	9,178,366,777.82
Net profit from discontinued operations	終止經營淨利潤		-	-
Breakdown by attributable interests	按所有權歸屬分類			
Net profit attributable to shareholders of the parent	歸屬於母公司股東的淨利潤		8,657,527,308.21	6,808,342,544.23
Minority interests	少數股東損益		2,968,206,234.26	2,370,024,233.59

The financial statements have been signed by:

本財務報表由以下人士簽署：

Legal Representative:

法定代表人：

Tan Xuguang

譚旭光

Principal in charge of accounting:

主管會計工作負責人：

Kwong Kwan Tong

鄭焜堂

Head of accounting department:

會計機構負責人：

Li Xia

李霞

CONSOLIDATED INCOME STATEMENT (CONTINUED)

2018 (Expressed in Renminbi Yuan)

合併利潤表(續)

2018年度(人民幣元)

		Note V 附註五	2018 2018年	2017 2017年
Net other comprehensive income after tax	其他綜合收益的稅後淨額			
Net other comprehensive income attributable to shareholders of the parent after tax	歸屬於母公司股東的其他綜合收益的稅後淨額	45	(36,596,730.76)	(1,107,993,627.48)
Incl: Those other comprehensive income not to be reclassified into profit or loss	其中：不能重分類進損益的其他綜合收益			
Changes arising from re-measurement of defined benefit plan	重新計量設定受益計劃變動額		9,319,184.93	77,224,147.46
Other comprehensive income not to be reclassified into profit or loss using the equity method	權益法下不能轉損益的其他綜合收益		3,130,071.69	3,280,767.28
Change in fair value of investment in other equity instruments	其他權益工具投資公允價值變動		(242,977,232.68)	–
Those other comprehensive income to be reclassified into profit or loss	將重分類進損益的其他綜合收益			
Other comprehensive income to be reclassified into profit or loss using the equity method	權益法下可轉損益的其他綜合收益		1,037,935.29	1,967,785.30
Change in fair value of available-for-sale financial assets	可供出售金融資產公允價值變動		–	9,271,806.53
Cashflow hedging reserve (effective portion of cashflow hedging)	現金流量套期儲備(現金流量套期的有效部分)		(11,148,493.39)	(33,967,485.76)
Exchange differences on foreign currency translation	外幣財務報表折算差額		204,041,803.40	(1,165,770,648.29)
Net other comprehensive income attributable to minority owners after tax	歸屬於少數股東的其他綜合收益的稅後淨額	45	93,647,018.66	(786,314,023.80)
Total comprehensive income	綜合收益總額		11,682,783,830.37	7,284,059,126.54
Incl:	其中：			
Total comprehensive income attributable to the shareholders of the parent	歸屬於母公司股東的綜合收益總額		8,620,930,577.45	5,700,348,916.75
Total comprehensive income attributable to minority owners	歸屬於少數股東的綜合收益總額		3,061,853,252.92	1,583,710,209.79
Earnings per share	每股收益	66		
Basic earnings per share	基本每股收益		RMB1.08元	RMB0.85元
Diluted earnings per share	稀釋每股收益		RMB1.08元	RMB0.85元

The financial statements have been signed by:

本財務報表由以下人士簽署：

Legal Representative:

法定代表人：

Tan Xuguang

譚旭光

Principal in charge of accounting:

主管會計工作負責人：

Kwong Kwan Tong

鄭焜堂

Head of accounting department:

會計機構負責人：

Li Xia

李霞

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2018 (Expressed in Renminbi Yuan)

合併股東權益變動表

2018年度(人民幣元)

2018

2018年度

		Equity attributable to shareholders of the parent 歸屬於母公司股東權益									
		Share capital 股本	Capital reserve 資本公積	Less: Treasury shares 減：庫存股	Other comprehensive income 其他綜合收益	Special reserve 專項儲備	Surplus reserve 盈餘公積	Retained earnings 未分配利潤	Subtotal 小計	Minority interests 少數股東權益	Total equity 股東權益合計
I. At end of previous year	一、上年年末餘額	7,997,238,556.00	135,898,754.99	-	(1,527,566,155.73)	118,355,897.38	616,811,881.87	27,898,783,968.43	35,239,522,902.94	21,115,468,327.56	56,354,991,230.50
Add: Change in accounting policies	加：會計政策變更	-	-	-	27,644,503.70	-	-	208,898,780.20	236,543,283.90	(119,710.55)	236,423,573.35
II. At beginning of year	二、本年年初餘額	7,997,238,556.00	135,898,754.99	-	(1,499,921,652.03)	118,355,897.38	616,811,881.87	28,107,682,748.63	35,476,066,186.84	21,115,348,617.01	56,591,414,803.85
III. Movements in current year	三、本年增減變動金額										
(I) Total comprehensive income	(一) 綜合收益總額	-	-	-	(36,596,730.76)	-	-	8,657,527,308.21	8,620,930,577.45	3,061,853,252.92	11,682,783,830.37
(II) Injection and reduction	(二) 股東投入和減少資本										
1. Capital injection from shareholders	1. 股東投入資本	-	6,045,559.92	-	-	-	-	-	6,045,559.92	213,978,524.71	220,024,084.63
2. Acquisition of additional shares in subsidiaries	2. 增持子公司股份	43	(25,592,887.14)	-	-	-	(616,811,881.87)	(238,258,458.60)	(880,663,227.61)	(236,443,163.53)	(1,117,106,391.14)
3. Amount of share-based payment taken to owners' equity	3. 股份支付計入股東權益的金額	43	3,393,564.91	-	-	-	-	-	3,393,564.91	4,147,690.39	7,541,255.30
4. Disposal of subsidiaries	4. 處置子公司	-	-	-	-	(404,624.63)	-	-	(404,624.63)	(55,718,152.58)	(56,122,777.21)
5. Repurchase of shares in subsidiaries	5. 子公司股份回購	-	(6,045,559.92)	-	-	-	-	(6,111,068.00)	(12,156,627.92)	(15,530,652.61)	(27,687,280.53)
6. Repurchase of shares	6. 回購股份	44	-	499,911,217.21	-	-	-	-	(499,911,217.21)	-	(499,911,217.21)
7. Others	7. 其他	-	-	-	-	-	-	-	-	(14,783,900.53)	(14,783,900.53)
(III) Profit appropriation	(三) 利潤分配										
1. Appropriation to surplus reserve	1. 提取盈餘公積	47	-	-	-	-	674,283,390.61	(674,283,390.61)	-	-	-
2. Distribution to shareholders	2. 對股東的分配	48	-	-	-	-	-	(3,436,670,939.08)	(3,436,670,939.08)	(958,335,392.12)	(4,395,006,331.20)
3. Distribution to holders of other equity instruments of subsidiaries	3. 對子公司其他權益工具持有者的分配	-	-	-	-	-	-	-	-	(191,666,477.59)	(191,666,477.59)
(IV) Internal transfer of owners' equity	(四) 股東權益內部結轉										
1. Other comprehensive income transfer to retained earnings	1. 其他綜合收益結轉留存收益	45	-	-	(34,076,174.22)	-	-	34,076,174.22	-	-	-
(V) Special reserve	(五) 專項儲備	46									
1. Appropriation during the year	1. 本年提取	-	-	-	-	83,691,640.41	-	-	83,691,640.41	52,472,479.09	136,164,119.50
2. Used during the year	2. 本年使用	-	-	-	-	(46,586,059.06)	-	-	(46,586,059.06)	(29,729,885.49)	(76,315,944.55)
IV. At end of year	四、本年年末餘額	7,997,238,556.00	113,699,432.76	499,911,217.21	(1,570,594,557.01)	155,056,854.10	674,283,390.61	32,443,962,374.77	39,313,734,834.02	22,945,592,939.67	62,259,327,773.69

The financial statements have been signed by:

本財務報表由以下人士簽署：

Legal Representative:

法定代表人：

Tan Xuguang

譚旭光

Principal in charge of accounting:

主管會計工作負責人：

Kwong Kwan Tong

鄭焜堂

Head of accounting department:

會計機構負責人：

Li Xia

李霞

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

2018 (Expressed in Renminbi Yuan)

合併股東權益變動表(續)

2018年度(人民幣元)

2017

2017年度

		Equity attributable to shareholders of the parent 歸屬於母公司股東權益									
		Share capital 股本	Capital reserve 資本公積	Other comprehensive income 其他綜合收益	Special reserve 專項儲備	Surplus reserve 盈餘公積	Retained earnings 未分配利潤	Subtotal 小計	Minority interests 少數股東權益	Total equity 股東權益合計	
I.	At beginning of year before adjustment	3,998,619,278.00	30,139,859.91	(295,101,754.34)	98,711,320.61	-	27,905,900,916.04	31,738,269,620.22	12,823,400,239.00	44,561,669,859.22	
	1. Adjustment for purchase price allocation in respect of business combination	-	-	(124,470,773.91)	-	-	-	(124,470,773.91)	(163,256,396.49)	(287,727,170.40)	
II.	At beginning of year	3,998,619,278.00	30,139,859.91	(419,572,528.25)	98,711,320.61	-	27,905,900,916.04	31,613,798,846.31	12,660,143,842.51	44,273,942,688.82	
III.	Movements in current year										
(I)	Total comprehensive income	-	-	(1,107,993,627.48)	-	-	6,808,342,544.23	5,700,348,916.75	1,583,710,209.79	7,284,059,126.54	
(II)	Injection and reduction										
1.	Injection	-	(9,776,743.51)	-	-	-	-	(9,776,743.51)	2,614,709,531.01	2,604,932,787.50	
2.	Injection by holders of other equity instruments of subsidiaries	-	-	-	-	-	-	-	5,053,277,241.69	5,053,277,241.69	
3.	Wholly state-owned capital reserve	-	77,000,000.00	-	-	-	-	77,000,000.00	-	77,000,000.00	
4.	Amount of share-based payment taken to shareholders' equity	-	10,815,592.84	-	-	-	-	10,815,592.84	14,185,777.56	25,001,370.40	
5.	Repurchase of shares of subsidiaries	-	(14,947,636.88)	-	-	-	-	(14,947,636.88)	(19,198,713.55)	(34,146,350.43)	
6.	Amount of contributed capital taken to shareholders' equity by way of transfer of capital reserve by minority shareholders of subsidiaries	-	42,667,682.63	-	-	-	-	42,667,682.63	(42,667,682.63)	-	
7.	Others	-	-	-	-	-	-	-	1,790,576.80	1,790,576.80	
(III)	Profit appropriation										
1.	Appropriation to surplus reserve	-	-	-	-	616,811,881.87	(616,811,881.87)	-	-	-	
2.	Distribution to shareholders	3,998,619,278.00	-	-	-	-	(6,197,859,880.90)	(2,199,240,602.90)	(696,942,866.25)	(2,896,183,469.15)	
3.	Distribution to holders of other equity instruments of subsidiaries	-	-	-	-	-	-	-	(57,034,780.76)	(57,034,780.76)	
4.	Appropriation to staff benefit fund	-	-	-	-	-	(787,729.07)	(787,729.07)	(262,576.34)	(1,050,305.41)	
(IV)	Special reserve										
1.	Appropriation during the year	-	-	-	61,531,924.51	-	-	61,531,924.51	28,944,918.78	90,476,843.29	
2.	Used during the year	-	-	-	(41,887,347.74)	-	-	(41,887,347.74)	(25,187,151.05)	(67,074,498.79)	
IV.	At end of year	7,997,238,556.00	135,898,754.99	(1,527,566,155.73)	118,355,897.38	616,811,881.87	27,898,783,968.43	35,239,522,902.94	21,115,468,327.56	56,354,991,230.50	

The financial statements have been signed by:

本財務報表由以下人士簽署：

Legal Representative:

法定代表人：

Tan Xuguang

譚旭光

Principal in charge of accounting:

主管會計工作負責人：

Kwong Kwan Tong

鄺焜堂

Head of accounting department:

會計機構負責人：

Li Xia

李霞

CONSOLIDATED CASH FLOW STATEMENT

2018 (Expressed in Renminbi Yuan)

合併現金流量表

2018年度(人民幣元)

		Note V 附註五	2018 2018年	2017 2017年
I. CASH FLOWS FROM OPERATING ACTIVITIES	一、經營活動產生的現金流量			
Cash received from sales of goods or rendering of services	銷售商品、提供勞務收到的現金		143,893,896,451.25	122,969,631,397.00
Refunds of taxes	收到的稅費返還		467,342,670.18	278,322,804.68
Other cash received relating to operating activities	收到其他與經營活動有關的現金	67	1,815,341,147.17	1,314,202,770.63
Subtotal of cash inflows from operating activities	經營活動現金流入小計		146,176,580,268.60	124,562,156,972.31
Cash paid for goods and services	購買商品、接受勞務支付的現金		80,094,653,898.82	68,195,202,618.01
Cash paid to and on behalf of employees	支付給職工以及為職工支付的現金		23,468,421,972.75	22,471,363,021.34
Cash paid for all types of taxes	支付的各項稅費		7,656,796,881.42	7,370,768,653.70
Other cash paid relating to operating activities	支付其他與經營活動有關的現金	67	12,695,078,782.36	10,081,708,199.87
Subtotal of cash outflows from operating activities	經營活動現金流出小計		123,914,951,535.35	108,119,042,492.92
Net cash flows from operating activities	經營活動產生的現金流量淨額	68	22,261,628,733.25	16,443,114,479.39
II. CASH FLOWS USED IN INVESTING ACTIVITIES	二、投資活動使用的現金流量			
Cash received from sale of investments	收回投資收到的現金		11,860,810,752.16	3,729,000,000.00
Cash received from return on investments	取得投資收益收到的現金		324,204,188.68	118,513,945.06
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	處置固定資產、無形資產和其他長期資產收回的現金淨額		63,112,831.87	105,057,581.46
Net cash received from disposal of subsidiaries and other business units	處置子公司及其他營業單位收到的現金淨額	68	108,601,950.68	-
Other cash received relating to investing activities	收到其他與投資活動有關的現金		9,715,290.23	1,670,803.75
Subtotal of cash inflows from investing activities	投資活動現金流入小計		12,366,445,013.62	3,954,242,330.27
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	購建固定資產、無形資產和其他長期資產支付的現金		3,683,603,315.61	2,541,669,616.96
Cash paid for acquisition of investments	投資支付的現金		15,814,013,079.57	6,457,131,515.70
Net cash paid for acquisition of subsidiaries and other business units	取得子公司及其他營業單位支付的現金淨額	68	12,739,088.60	53,540,018.40
Other cash paid relating to investing activities	支付其他與投資活動有關的現金		37,053,486.40	123,917,301.20
Subtotal of cash outflows from investing activities	投資活動現金流出小計		19,547,408,970.18	9,176,258,452.26
Net cash flows used in investing activities	投資活動使用的現金流量淨額		(7,180,963,956.56)	(5,222,016,121.99)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

2018 (Expressed in Renminbi Yuan)

合併現金流量表(續)

2018年度(人民幣元)

		Note V 附註五	2018 2018年	2017 2017年
III. CASH FLOWS USED IN FINANCING ACTIVITIES	三、籌資活動使用的現金流量			
Cash received from capital contributions	吸收投資收到的現金		252,524,084.63	7,658,210,029.19
<i>Incl: Cash received by subsidiaries from capital contributions of minority shareholders</i>	<i>其中：子公司吸收少數股東投資收到的現金</i>		252,524,084.63	2,604,932,787.50
<i>Cash received by a subsidiary from the issue of perpetual bonds</i>	<i>子公司發行永續債收到的現金</i>		-	5,053,277,241.69
Cash received from borrowings	取得借款收到的現金		18,462,276,990.98	22,931,065,117.95
Other cash received relating to financing activities	收到其他與籌資活動有關的現金	67	119,120,223.32	37,419,091.20
Subtotal of cash inflows from financing activities	籌資活動現金流入小計		18,833,921,298.93	30,626,694,238.34
Cash repayments of borrowings	償還債務支付的現金		18,798,295,792.82	32,993,551,141.52
Cash paid for distribution of dividends or profits and for interest expenses	分配股利、利潤或償付利息支付的現金		5,281,737,986.40	3,573,468,251.78
<i>Incl: Cash paid to minority shareholders for distribution of dividends or profits by subsidiaries</i>	<i>其中：子公司支付給少數股東的股利、利潤</i>		1,088,640,123.31	525,266,206.85
Other cash paid relating to financing activities	支付其他與籌資活動有關的現金	67	1,734,182,913.57	657,413,942.22
Subtotal of cash outflows from financing activities	籌資活動現金流出小計		25,814,216,692.79	37,224,433,335.52
Net cash flows used in financing activities	籌資活動使用的現金流量淨額		(6,980,295,393.86)	(6,597,739,097.18)
IV. EFFECT OF CHANGES IN EXCHANGE RATE ON CASH	四、匯率變動對現金的影響		24,978,636.47	32,399,090.67
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	五、現金及現金等價物淨增加額		8,125,348,019.30	4,655,758,350.89
Add: Cash and cash equivalents at beginning of year	加：年初現金及現金等價物餘額		26,254,590,256.11	21,598,831,905.22
VI. CASH AND CASH EQUIVALENTS AT END OF YEAR	六、年末現金及現金等價物餘額	68	34,379,938,275.41	26,254,590,256.11

The financial statements have been signed by:

本財務報表由以下人士簽署：

Legal Representative:

法定代表人：

Tan Xuguang

譚旭光

Principal in charge of accounting:

主管會計工作負責人：

Kwong Kwan Tong

鄭焜堂

Head of accounting department:

會計機構負責人：

Li Xia

李霞

BALANCE SHEET

31 December 2018 (Expressed in Renminbi Yuan)

資產負債表

2018年12月31日(人民幣元)

ASSETS	資產	Note XV 附註十五	31 December 2018 2018年12月31日	31 December 2017 2017年12月31日
Current assets	流動資產			
Cash and cash equivalents	貨幣資金		19,192,409,975.78	14,229,215,401.61
Notes receivable and accounts receivable	應收票據及應收賬款	1	22,096,166,689.15	24,511,854,655.99
Prepayments	預付款項		385,395,385.93	90,735,869.78
Other receivables	其他應收款	2	501,826,716.43	623,760,403.93
Inventories	存貨		1,971,178,990.99	1,337,111,784.14
Other current assets	其他流動資產		164,194,933.94	29,109,553.59
Total current assets	流動資產合計		44,311,172,692.22	40,821,787,669.04
Non-current assets	非流動資產			
Available-for-sale financial assets	可供出售金融資產		-	256,480,000.00
Investment in other equity instruments	其他權益工具投資		170,082,200.00	-
Long-term equity investments	長期股權投資	3	14,531,123,322.77	12,588,403,518.10
Investment property	投資性房地產		1,372,826,553.46	1,201,197,929.43
Fixed assets	固定資產		2,561,908,781.20	3,043,915,670.87
Construction in progress	在建工程		922,996,632.68	176,542,666.47
Intangible assets	無形資產		447,349,640.19	463,712,921.79
Goodwill	商譽		341,073,643.76	341,073,643.76
Deferred tax assets	遞延所得稅資產		949,075,808.16	724,662,933.48
Other non-current assets	其他非流動資產		2,266,184,774.12	958,732,818.89
Total non-current assets	非流動資產合計		23,562,621,356.34	19,754,722,102.79
Total assets	資產總計		67,873,794,048.56	60,576,509,771.83

The financial statements have been signed by:

本財務報表由以下人士簽署：

Legal Representative:

法定代表人：

Tan Xuguang

譚旭光

Principal in charge of accounting:

主管會計工作負責人：

Kwong Kwan Tong

鄺焜堂

Head of accounting department:

會計機構負責人：

Li Xia

李霞

BALANCE SHEET (CONTINUED)

31 December 2018 (Expressed in Renminbi Yuan)

資產負債表(續)

2018年12月31日(人民幣元)

LIABILITIES AND EQUITY	負債和股東權益	Note XV 附註十五	31 December 2018 2018年12月31日	31 December 2017 2017年12月31日
Current liabilities	流動負債			
Notes payable and accounts payable	應付票據及應付賬款		21,299,987,574.50	17,699,735,161.03
Advances from customers	預收款項		-	53,587,374.55
Contract liabilities	合同負債		1,481,303,661.91	-
Payroll payable	應付職工薪酬		916,685,488.49	859,386,749.65
Taxes payable	應交稅費		569,997,419.03	741,716,110.76
Other payables	其他應付款		1,783,055,862.95	2,497,504,438.30
Other current liabilities	其他流動負債		1,681,702,830.61	1,617,152,913.39
Total current liabilities	流動負債合計		27,732,732,837.49	23,469,082,747.68
Non-current liabilities	非流動負債			
Long term payroll payable	長期應付職工薪酬		13,444,746.89	18,825,899.20
Long-term payables	長期應付款		5,515,822.60	-
Deferred income	遞延收益		803,454,411.80	521,977,016.97
Total non-current liabilities	非流動負債合計		822,414,981.29	540,802,916.17
Total liabilities	負債合計		28,555,147,818.78	24,009,885,663.85
Shareholders' equity	股東權益			
Share capital	股本		7,997,238,556.00	7,997,238,556.00
Capital reserve	資本公積		1,084,612,950.62	1,080,313,374.62
Less: Treasury shares	減：庫存股		499,911,217.21	-
Other comprehensive income	其他綜合收益		(47,258,130.00)	26,180,000.00
Special reserve	專項儲備		74,867,864.57	59,958,938.53
Surplus reserve	盈餘公積		2,811,115,722.19	2,136,832,331.58
Retained earnings	未分配利潤		27,897,980,483.61	25,266,100,907.25
Total shareholders' equity	股東權益合計		39,318,646,229.78	36,566,624,107.98
Total liabilities and shareholders' equity	負債和股東權益總計		67,873,794,048.56	60,576,509,771.83

The financial statements have been signed by:

本財務報表由以下人士簽署：

Legal Representative:

法定代表人：

Tan Xuguang

譚旭光

Principal in charge of accounting:

主管會計工作負責人：

Kwong Kwan Tong

鄭焜堂

Head of accounting department:

會計機構負責人：

Li Xia

李霞

INCOME STATEMENT

31 December 2018 (Expressed in Renminbi Yuan)

利潤表

2018年12月31日(人民幣元)

		Note XV 附註十五	2018 2018年	2017 2017年
Revenue	營業收入	4	39,893,048,205.03	39,828,795,944.92
Less: Cost of sales	減：營業成本	4	28,946,245,242.44	29,289,649,626.90
Taxes and surcharges	稅金及附加		306,411,463.18	333,613,540.08
Distribution and selling expenses	銷售費用		1,276,464,299.55	1,589,172,660.28
General and administrative expenses	管理費用		1,107,952,484.34	796,631,254.93
Research & development expenses	研發費用		1,952,681,747.66	1,455,492,475.18
Finance expenses	財務費用		(182,620,590.84)	(134,784,315.05)
Incl: Interest expenses	其中：利息費用		-	-
Interest income	利息收入		222,103,675.51	152,427,574.21
Impairment loss of assets	資產減值損失		212,114,306.07	265,476,819.04
Impairment loss of credit	信用減值損失		(53,016,548.71)	-
Add: Other income	加：其他收益		107,910,016.33	47,074,312.09
Investment income	投資收益	5	1,155,318,040.93	773,907,314.72
Incl: Investment income from associates and jointly controlled enterprises	其中：對聯營企業和合營企業的投資收益		88,197,647.06	52,520,823.20
Gain on disposal of assets	資產處置收益		1,501,577.25	4,410,052.48
Operating profit	營業利潤		7,591,545,435.85	7,058,935,562.85
Add: Non-operating income	加：營業外收入		6,472,950.52	4,029,099.11
Less: Non-operating expenses	減：營業外支出		12,913,841.38	9,508,744.67
Total profit	利潤總額		7,585,104,544.99	7,053,455,917.29
Less: Income tax expenses	減：所得稅費用		842,270,638.94	885,337,098.61
Net profit	淨利潤		6,742,833,906.05	6,168,118,818.68
Incl: Net profit from continuing operations	其中：持續經營淨利潤		6,742,833,906.05	6,168,118,818.68
Net profit from discontinued operations	終止經營淨利潤		-	-
Net other comprehensive income after tax	其他綜合收益的稅後淨額		(72,749,630.00)	(19,040,000.00)
Those other comprehensive income not to be reclassified into profit or loss	不能重分類進損益的其他綜合收益其他權益工具			
Change in fair value of investment in other equity instruments	投資公允價值變動		(72,749,630.00)	-
Those other comprehensive income to be reclassified into profit or loss	將重分類進損益的其他綜合收益可供出售金融			
Change in fair value of available-for-sale financial assets	資產公允價值變動		-	(19,040,000.00)
Total comprehensive income	綜合收益總額		6,670,084,276.05	6,149,078,818.68

The financial statements have been signed by:

本財務報表由以下人士簽署：

Legal Representative:

法定代表人：

Tan Xuguang

譚旭光

Principal in charge of accounting:

主管會計工作負責人：

Kwong Kwan Tong

鄭焜堂

Head of accounting department:

會計機構負責人：

Li Xia

李霞

STATEMENT OF CHANGES IN EQUITY

2018 (Expressed in Renminbi Yuan)

股東權益變動表

2018年度(人民幣元)

2018

2018年度

	Note V 附註五	Share capital 股本	Capital reserve 資本公積	Treasury shares 減：庫存股	Less: Other comprehensive income 其他綜合收益	Special reserve 專項儲備	Surplus reserve 盈餘公積	Retained earnings 未分配利潤	Total equity 股東權益合計
I. At end of previous year	一、上年年末餘額	7,997,238,556.00	1,080,313,374.62	-	26,180,000.00	59,958,938.53	2,136,832,331.58	25,266,100,907.25	36,566,624,107.98
Add: Change in accounting policies	加：會計政策變更 附註三.40	-	-	-	(688,500.00)	-	-	-	(688,500.00)
II. At beginning of year	二、本年年初餘額	7,997,238,556.00	1,080,313,374.62	-	25,491,500.00	59,958,938.53	2,136,832,331.58	25,266,100,907.25	36,565,935,607.98
III. Movements in current year	三、本年增減變動金額								
(I) Total comprehensive income	(一) 綜合收益總額	-	-	-	(72,749,630.00)	-	-	6,742,833,906.05	6,670,084,276.05
(II) Injection and reduction	(二) 股東投入 和減少資本								
1. Acquisition of subsidiaries by way of absorption	1. 吸收合併 子公司	-	4,299,576.00	-	-	-	-	-	4,299,576.00
2. Repurchase of shares	2. 回購股份	-	-	499,911,217.21	-	-	-	-	(499,911,217.21)
(III) Profit appropriation	(三) 利潤分配								
1. Appropriation to surplus reserve	1. 提取盈餘公積	-	-	-	-	-	674,283,390.61	(674,283,390.61)	-
2. Distribution to shareholders	2. 對股東的分配	-	-	-	-	-	-	(3,436,670,939.08)	(3,436,670,939.08)
(IV) Special reserve	(四) 專項儲備								
1. Appropriation during the year	1. 本年提取	-	-	-	-	25,839,156.10	-	-	25,839,156.10
2. Used during the year	2. 本年使用	-	-	-	-	(10,930,230.06)	-	-	(10,930,230.06)
IV. At end of year	四、本年年末餘額	7,997,238,556.00	1,084,612,950.62	499,911,217.21	(47,258,130.00)	74,867,864.57	2,811,115,722.19	27,897,980,483.61	39,318,646,229.78

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主管會計工作負責人：

Kwong Kwan Tong

鄺焜堂

Head of accounting department:

會計機構負責人：

Li Xia

李霞

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

2018 (Expressed in Renminbi Yuan)

股東權益變動表(續)

2018年度(人民幣元)

2017

2017年度

		Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
		股本	資本公積	其他綜合收益	專項儲備	盈餘公積	未分配利潤	股東權益合計
I. At beginning of year	一、本年年初餘額	3,998,619,278.00	1,003,313,374.62	45,220,000.00	50,137,320.74	1,520,020,449.71	25,912,653,851.34	32,529,964,274.41
II. Movements in current year	二、本年增減變動金額							
(I) Total comprehensive income	(一) 綜合收益總額	-	-	(19,040,000.00)	-	-	6,168,118,818.68	6,149,078,818.68
(II) Injection and reduction	(二) 股東投入和減少資本							
1. Wholly state-owned capital reserve	1. 國有獨享資本公積	-	77,000,000.00	-	-	-	-	77,000,000.00
(III) Profit appropriation	(三) 利潤分配							
1. Appropriation to surplus reserve	1. 提取盈餘公積	-	-	-	-	616,811,881.87	(616,811,881.87)	-
2. Distribution to shareholders	2. 對股東的分配	3,998,619,278.00	-	-	-	-	(6,197,859,880.90)	(2,199,240,602.90)
(IV) Special reserve	(四) 專項儲備							
1. Appropriation during the year	1. 本年提取	-	-	-	14,869,007.10	-	-	14,869,007.10
2. Used during the year	2. 本年使用	-	-	-	(5,047,389.31)	-	-	(5,047,389.31)
III. At end of year	三、本年年末餘額	7,997,238,556.00	1,080,313,374.62	26,180,000.00	59,958,938.53	2,136,832,331.58	25,266,100,907.25	36,566,624,107.98

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CASH FLOW STATEMENT

2018 (Expressed in Renminbi Yuan)

現金流量表

2018年度(人民幣元)

		Note XV 附註十五	2018 2018年	2017 2017年
I. CASH FLOWS FROM OPERATING ACTIVITIES	一、經營活動產生的現金流量			
Cash received from sales of goods or rendering of services	銷售商品、提供勞務收到的現金		46,284,166,495.26	31,378,651,669.01
Other cash received relating to operating activities	收到其他與經營活動有關的現金		884,553,280.43	349,297,330.33
Subtotal of cash inflows from operating activities	經營活動現金流入小計		47,168,719,775.69	31,727,948,999.34
Cash paid for goods and services	購買商品、接受勞務支付的現金		28,736,008,707.85	17,577,330,256.95
Cash paid to and on behalf of employees	支付給職工以及為職工支付的現金		1,724,647,121.08	1,453,539,104.26
Cash paid for all types of taxes	支付的各項稅費		3,359,382,765.33	3,520,888,803.02
Other cash paid relating to operating activities	支付其他與經營活動有關的現金		1,277,103,671.90	836,218,436.68
Subtotal of cash outflows from operating activities	經營活動現金流出小計		35,097,142,266.16	23,387,976,600.91
Net cash flows from operating activities	經營活動產生的現金流量淨額	6	12,071,577,509.53	8,339,972,398.43

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Kwong Kwan Tong

鄭焜堂

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會計機構負責人：

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李霞

CASH FLOW STATEMENT (CONTINUED)

2018 (Expressed in Renminbi Yuan)

現金流量表(續)

2018年度(人民幣元)

	Note XV 附註十五	2018 2018年	2017 2017年
II. CASH FLOWS FROM INVESTING ACTIVITIES	二、投資活動產生的現金流量		
Cash received from sale of investments	收回投資收到的現金	252,059,352.16	40,000,000.00
Cash received from return on investments	取得投資收益收到的現金	872,544,148.84	389,986,034.29
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	處置固定資產、無形資產和其他長期資產收回的現金淨額	96,245.71	1,523,964.48
Other cash received relating to investing activities	收到其他與投資活動有關的現金	180,422.79	-
Subtotal of cash inflows from investing activities	投資活動現金流入小計	1,124,880,169.50	431,509,998.77
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	購建固定資產、無形資產和其他長期資產支付的現金	775,354,076.09	326,079,806.55
Cash paid for acquisition of investments	投資支付的現金	2,034,544,580.00	1,384,118,235.65
Other cash paid relating to investing activities	支付其他與投資活動有關的現金	1,447,585,755.23	503,022,200.00
Subtotal of cash outflows from investing activities	投資活動現金流出小計	4,257,484,411.32	2,213,220,242.20
Net cash flows used in investing activities	投資活動使用的現金流量淨額	(3,132,604,241.82)	(1,781,710,243.43)

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Head of accounting department:

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Li Xia

李霞

CASH FLOW STATEMENT (CONTINUED)

2018 (Expressed in Renminbi Yuan)

現金流量表(續)

2018年度(人民幣元)

		Note XV 附註十五	2018 2018年	2017 2017年
III. CASH FLOWS FROM FINANCING ACTIVITIES	三、籌資活動產生的現金流量			
Cash paid for distribution of dividends or profits and for interest expenses	分配股利、利潤或償付利息支付的現金		3,503,047,597.73	2,164,030,079.95
Other cash paid relating to financing activities	支付的其他與籌資活動有關的現金		499,911,217.21	-
Subtotal of cash outflows from financing activities	籌資活動現金流出小計		4,002,958,814.94	2,164,030,079.95
Net cash flows used in financing activities	籌資活動使用的現金流量淨額		(4,002,958,814.94)	(2,164,030,079.95)
IV. EFFECT OF CHANGES IN EXCHANGE RATE ON CASH	四、匯率變動對現金的影響		44,368.54	(11,879.29)
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	五、現金及現金等價物淨增加額		4,936,058,821.31	4,394,220,195.76
Add: Cash and cash equivalents at beginning of year	加：年初現金及現金等價物餘額		14,138,495,877.47	9,744,275,681.71
VI. CASH AND CASH EQUIVALENTS AT END OF YEAR	六、年末現金及現金等價物餘額	7	19,074,554,698.78	14,138,495,877.47

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主管會計工作負責人：

Kwong Kwan Tong

鄭焜堂

Head of accounting department:

會計機構負責人：

Li Xia

李霞

I. CORPORATE BACKGROUND

Weichai Power Co., Ltd. (the “Company”) is a joint stock company limited by shares incorporated in Shandong, the People’s Republic of China. It was established on 23 December 2002.

The RMB ordinary A shares and overseas listed foreign H shares issued by the Company were listed on the Shenzhen Stock Exchange and The Stock Exchange of Hong Kong Limited, respectively. The registered address of the Company’s headquarters is 197, Section A, Fu Shou East Street, High Technology Industrial Development Zone, Weifang, Shandong Province. The Company operates in the transportation equipment manufacturing industry. The approved scope of operations of the Company covers: Design, development, production, sale, repair, import and export of diesel engines and auxiliary products; automobile, automobile axle and components, gear boxes and components and other automobile components, hydraulic pumps, hydraulic motors, hydraulic valves, gears and gear transmission devices, ancillary casting and casting products of hydraulic components, internal combustion engines, new-energy powertrain systems and ancillary products; technical consultation and technical services; leasing of self-owned houses; sale of steel; business management service; forklift trucks production, warehouses technology and supply chain solution services. For the aforesaid business scopes, operating permit(s) should be held for those operations requiring administrative permission.

Weichai Group Holdings Limited and Shandong Heavy Industry Group Co., Ltd., established in the PRC, are the parent company and ultimate parent company of the Group respectively.

These financial statements were approved by the board of directors of the Company on 25 March 2019. Pursuant to the Articles of Association, these financial statements will be submitted to the general meeting of the Company for consideration and approval.

The consolidation scope of consolidated financial statements is determined on the basis of control. Please refer to Note VI for changes this period.

一、基本情況

濰柴動力股份有限公司(「本公司」)是一家在中華人民共和國山東省註冊的股份有限公司，於2002年12月23日成立。

本公司所發行人民幣普通股A股及境外上市外資H股已分別在深圳證券交易所和香港聯合交易所有限公司上市。本公司總部註冊地址位於山東省濰坊市高新技術產業開發區福壽東街197號甲。本公司所屬行業為交通運輸設備製造業。本集團主要經營活動為：柴油機及配套產品，汽車，汽車車橋及零部件，汽車變速器及零部件以及其他汽車零部件，液壓泵、液壓馬達、液壓閥門、齒輪和齒輪傳動裝置、液壓元件附屬鑄件和鑄造品、內燃機、新能源動力總成系統及配套產品的設計、開發、生產、銷售、維修、進出口；技術諮詢和技術服務；自有房屋租賃、鋼材銷售、企業管理服務；叉車生產、倉庫技術及供應鏈解決方案服務。以上經營範圍涉及行政許可的憑許可證經營。

本集團的母公司和最終母公司為於中國成立的濰柴控股集團有限公司和山東重工集團有限公司。

本財務報表業經本公司董事會於2019年3月25日決議批准。根據本公司章程，本財務報表將提交股東大會審議。

合併財務報表的合併範圍以控制為基礎確定，本年度變化情況參見附註六。

II. PREPARATION BASIS OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises-Basic Standard and specific accounting standards, implementation guidance, interpretations and other relevant provisions issued and amended subsequently by the Ministry of Finance (the "MOF") (collectively referred to as "Accounting Standards for Business Enterprises").

The financial statements are presented on a going concern basis.

In preparing these financial statements, all the assets (other than certain financial instruments) are carried at historical cost. Disposal groups held for sale are presented at the lower of carrying amount and the net amount of fair value minus disposal expenses. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant provisions.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Accounting policies and accounting estimates are formulated based on the actual characteristics of production and operation. These are reflected in the provision for bad debts in respect of account receivables, classification of leases, classification of fixed assets and depreciation estimation, classification of intangible assets and long-term pre-paid expenses, estimation of amortization, recognition and measurement of revenue etc.

1. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements present, fairly and fully, the financial position of the Company and the Group as at 31 December 2018 and the results of operations and the cash flows for year 2018 in accordance with Accounting Standards for Business Enterprises.

2. Accounting year

The accounting year of the Group is from 1 January to 31 December of each calendar year.

3. Functional currency

The functional currency of the Company and the currency used in preparing the financial statements were Renminbi. The amounts in the financial statements were denominated in Renminbi, unless otherwise stated.

The subsidiaries, jointly controlled enterprises and associates of the Company may determine their own functional currencies based on the major economic environment in which they operate the business. In preparation of financial statements, their functional currencies shall be translated into RMB.

財務報表附註(續)

2018年度

二、財務報表的編製基礎

本財務報表按照財政部頒佈的《企業會計準則—基本準則》以及其後頒佈及修訂的具體會計準則、應用指南、解釋以及其他相關規定(統稱「企業會計準則」)編製。

本財務報表以持續經營為基礎列報。

編製本財務報表時，除某些金融工具外，均以歷史成本為計價原則。持有待售的處置組，按照賬面價值與公允價值減去出售費用後的淨額孰低列報。資產如果發生減值，則按照相關規定計提相應的減值準備。

三、重要會計政策及會計估計

本集團根據實際生產經營特點制定了具體會計政策和會計估計，主要體現在應收款項壞賬準備的計提、租賃的分類、固定資產分類及折舊估計、無形資產和長期待攤費用的分類、攤銷估計、收入確認和計量等。

1. 遵循企業會計準則的聲明

本財務報表符合企業會計準則的要求，真實、完整地反映了本公司及本集團於2018年12月31日的財務狀況以及2018年度的經營成果和現金流量。

2. 會計期間

本集團會計年度採用公曆年度，即每年自1月1日起至12月31日止。

3. 記賬本位幣

本公司記賬本位幣和編製本財務報表所採用的貨幣均為人民幣。除有特別說明外，均以人民幣元為單位表示。

本公司下屬子公司、合營企業及聯營企業，根據其經營所處的主要經濟環境自行決定其記賬本位幣，編製財務報表時折算為人民幣。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

4. Business combination

Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. For a business combination involving entities under common control, the party that, on the combination date, obtains control of another entity participating in the combination is the absorbing party, while that other entity participating in the combination is a party being absorbed. Combination date is the date on which the absorbing party effectively obtains control of the party being absorbed.

Assets and liabilities that are obtained by the absorbing party in a business combination involving entities under common control, including goodwill arising from the acquisition of the party being absorbed by the ultimate controller, shall be accounted for on the basis of the carrying amounts on the financial statements of the ultimate controller at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) shall be adjusted to share premium under capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

三、重要會計政策及會計估計(續)

4. 企業合併

企業合併分為同一控制下企業合併和非同一控制下企業合併。

同一控制下企業合併

參與合併的企業在合併前後均受同一方或相同的多方最終控制，且該控制並非暫時性的，為同一控制下的企業合併。同一控制下的企業合併，在合併日取得對其他參與合併企業控制權的一方為合併方，參與合併的其他企業為被合併方。合併日，是指合併方實際取得對被合併方控制權的日期。

合併方在同一控制下企業合併中取得的資產和負債(包括最終控制方收購被合併方而形成的商譽)，按合併日在最終控制方財務報表中的賬面價值為基礎進行相關會計處理。合併方取得的淨資產賬面價值與支付的合併對價的賬面價值(或發行股份面值總額)的差額，調整資本公積中的股本溢價，不足沖減的則調整留存收益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

4. Business combination (Continued)

Business combinations not involving entities under common control

A business combination not involving entities under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination. For a business combination not involving entities under common control, the party that, on the acquisition date, obtains control of another entity participating in the combination is the acquirer, while that other entity participating in the combination is the acquiree. Acquisition date refers to the date on which the acquirer effectively obtains control of the acquiree.

The acquirer shall measure the acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination not involving entities under common control at their fair values on the acquisition date.

The excess of the sum of the consideration paid (or equities securities issued) for business combination and equity interests in the acquiree held prior to the date of acquisition over the share of the attributable net identifiable assets of the acquiree, measured at fair value, was recognized as goodwill, which is subsequently measured at cost less cumulative impairment loss.

In case the fair value of the sum of the consideration paid (or equities securities issued) and equity interests in the acquiree held prior to the date of acquisition is less than the fair value of the share of the attributable net identifiable assets of the acquiree, a review of the measurement of the fair values of the identifiable assets, liabilities and contingent liabilities, the consideration paid for the combination (or equities securities issued) and the equity interests in the acquiree held prior to the date of acquisition is conducted. If the review indicates that the fair value of the sum of the consideration paid (or equities securities issued) and equity interests in the acquiree held prior to the date of acquisition is indeed less than the fair value of the share of the attributable net identifiable assets of the acquiree, the difference is recognized in current profit or loss.

三、重要會計政策及會計估計(續)

4. 企業合併(續)

非同一控制下的企業合併

參與合併的企業在合併前後不受同一方或相同的多方最終控制的，為非同一控制下的企業合併。非同一控制下的企業合併，在購買日取得對其他參與合併企業控制權的一方為購買方，參與合併的其他企業為被購買方。購買日，是指購買方實際取得對被購買方控制權的日期。

非同一控制下企業合併中所取得的被購買方可辨認資產、負債及或有負債在收購日以公允價值計量。

支付的合併對價的公允價值(或發行的權益性證券的公允價值)與購買日之前持有的被購買方的股權的公允價值之和大於合併中取得的被購買方可辨認淨資產公允價值份額的差額，確認為商譽，並以成本減去累計減值損失進行後續計量。

支付的合併對價的公允價值(或發行的權益性證券的公允價值)與購買日之前持有的被購買方的股權的公允價值之和小於合併中取得的被購買方可辨認淨資產公允價值份額的，對取得的被購買方各項可辨認資產、負債及或有負債的公允價值以及支付的合併對價的公允價值(或發行的權益性證券的公允價值)及購買日之前持有的被購買方的股權的公允價值的計量進行覆核，覆核後支付的合併對價的公允價值(或發行的權益性證券的公允價值)與購買日之前持有的被購買方的股權的公允價值之和仍小於合併中取得的被購買方可辨認淨資產公允價值份額的，其差額計入當期損益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

4. Business combination (Continued)

Business combinations not involving entities under common control (Continued)

For a business combination involving enterprises not under common control and achieved in stages, the Group remeasures its previously-held long-term equity investments in the acquiree to its fair value at the acquisition date. The difference between the fair value and the carrying amount is recognized as profit or loss for the current period; the amount recognized in other comprehensive income using the equity method and relating to the previously-held long-term equity investments in the acquiree shall be accounted for in accordance with the same accounting treatment for direct disposal of relevant asset or liability by investee. Movement of other owners' equity (excluding net profit or loss, other comprehensive income and profit distribution) shall be transferred to profit or loss for the current period to which the acquisition date belongs. For the previously-held other investments in equity instruments in the acquiree held prior to acquisition date, the change of fair value of the investments in equity instruments accrued to other comprehensive income prior to the acquisition date is taken to retained profit or accumulated loss.

5. Consolidated financial statements

The consolidation scope of consolidated financial statements is determined on the basis of control, including the financial statements of the Company and all of its subsidiaries. A subsidiary is an entity that is controlled by the Company, including separable parts of an enterprise or investee and structured entities controlled by the Company etc.

In preparation of consolidated financial statements, the subsidiaries use the same accounting period and accounting policies as those of the Company. When the accounting policies of a subsidiary are different from those of the Company, the Company shall make adjustments to the financial statements of the subsidiary based on its own accounting policies. All intra-group assets, liabilities, interests, income, expenses and cash flow are eliminated in full on consolidation.

Where the amount of losses of a subsidiary attributable to the minority shareholders in the current period exceeds their share of the opening balance of owner's equity of the subsidiary, the excess shall be allocated against minority interests.

三、重要會計政策及會計估計(續)

4. 企業合併(續)

非同一控制下的企業合併(續)

通過多次交易分步實現非同一控制下企業合併的，對於購買日之前持有的被購買方的長期股權投資，按照該長期股權投資在購買日的公允價值進行重新計量，公允價值與其賬面價值的差額計入當期損益；購買日之前持有的被購買方的長期股權投資在權益法核算下的其他綜合收益，採用與被投資單位直接處置相關資產或負債相同的基礎進行會計處理，除淨損益、其他綜合收益和利潤分配外的其他股東權益變動，轉為購買日所屬當期損益。對於購買日之前持有的被購買方的其他權益工具投資，該權益工具投資在購買日之前累計在其他綜合收益的公允價值變動轉入留存損益。

5. 合併財務報表

合併財務報表的合併範圍以控制為基礎確定，包括本公司及全部子公司的財務報表。子公司，是指被本公司控制的主體(含企業、被投資單位中可分割的部分，以及本公司所控制的結構化主體等)。

編製合併財務報表時，子公司採用與本公司一致的會計期間和會計政策，對子公司可能存在的與本公司不一致的會計政策，已按照本公司的會計政策調整一致。本集團內部各公司之間的所有交易產生的資產、負債、權益、收入、費用和現金流量於合併時全額抵銷。

子公司少數股東分擔的當期虧損超過了少數股東在該子公司期初股東權益中所享有的份額的，其餘額仍沖減少數股東權益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. Consolidated financial statements (Continued)

For subsidiaries acquired through business combinations not involving entities under common control, the operating results and cash flows of the acquiree shall be included in the consolidated financial statements, from the day on which the Group gains control, till the Group ceases the control of it. While preparing the consolidated financial statements, the acquirer shall adjust the subsidiary's financial statements, on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities recognized on the acquisition date.

For subsidiaries acquired through business combinations involving entities under common control, the operating results and cash flows of the acquiree shall be included in the consolidated financial statements from the beginning of the period in which the combination occurs. While preparing the comparative consolidated financial statements, adjustments are made to related items in the financial statements for the prior period as if the reporting entity established through combination has been existing since the ultimate controller begins to exercise control.

The Group's control over an investee is re-assessed if change in relevant facts and situations causes changes in one or more of the control substances.

Where there is no loss of control, the change in minority interests is accounted for as equity transaction.

三、重要會計政策及會計估計(續)

5. 合併財務報表(續)

對於通過非同一控制下的企業合併取得的子公司，被購買方的經營成果和現金流量自本集團取得控制權之日起納入合併財務報表，直至本集團對其控制權終止。在編製合併財務報表時，以購買日確定的各項可辨認資產、負債及或有負債的公允價值為基礎對子公司的財務報表進行調整。

對於通過同一控制下的企業合併取得的子公司，被合併方的經營成果和現金流量自合併當期期初納入合併財務報表。編製比較合併財務報表時，對前期財務報表的相關項目進行調整，視同合併後形成的報告主體自最終控制方開始實施控制時一直存在。

如果相關事實和情況的變化導致對控制要素中的一項或多項發生變化的，本集團重新評估是否控制被投資方。

不喪失控制權情況下，少數股東權益發生變化作為權益性交易。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Classification of joint arrangements and joint operation

Joint arrangements are in the form of joint operation or jointly-controlled enterprise. A joint operation is a joint arrangement under which the joint venture parties are entitled to assets and undertake liabilities under the arrangement. A jointly-controlled enterprise is a joint arrangement under which the joint venture parties are only entitled to the net assets under such arrangement.

The following items should be recognized by a joint venture party in relation to its share of profit in the joint operation: solely held assets, as well as jointly held assets according to its share; solely assumed liabilities, as well as jointly assumed liabilities according to its share; income derived from its entitled share of production of the joint operation; income derived from the sales of production of the joint operation according to its share; solely incurred expenses, as well as expenses incurred by the joint operation according to its share.

7. Cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments held by the Group, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

三、重要會計政策及會計估計(續)

6. 合營安排分類及共同經營

合營安排分為共同經營和合營企業。共同經營，是指合營方享有該安排相關資產且承擔該安排相關負債的合營安排。合營企業，是指合營方僅對該安排的淨資產享有權利的合營安排。

合營方確認其與共同經營中利益份額相關的下列項目：確認單獨所持有的資產，以及按其份額確認共同持有的資產；確認單獨所承擔的負債，以及按其份額確認共同承擔的負債；確認出售其享有的共同經營產出份額所產生的收入；按其份額確認共同經營因出售產出所產生的收入；確認單獨所發生的費用，以及按其份額確認共同經營發生的費用。

7. 現金及現金等價物

現金，是指本集團的庫存現金以及可以隨時用於支付的存款；現金等價物，是指本集團持有的期限短、流動性強、易於轉換為已知金額的現金、價值變動風險很小的投資。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

8. Foreign currency operations and foreign currency translation

The Group translates the amount of foreign currency transactions occurred into its functional currency.

Foreign currency transactions are recorded, on initial recognition, in the functional currency, by applying to the foreign currency amount the spot exchange rate prevailing on the transaction dates. At the balance sheet date, foreign currency monetary items are translated using the spot exchange rate prevailing on the balance sheet date. All the resulting differences on settlement and monetary items translation are taken to profit or loss in the current period, except for those relating to foreign currency borrowings specifically for construction and acquisition of qualifying assets, which are capitalized in accordance with the principle of capitalization of borrowing costs. Non-monetary foreign currency items measured at historical cost shall still be translated at the spot exchange rate prevailing on the transaction date, and the amount denominated in the functional currency is not changed. Non-monetary foreign currency items measured at fair value are translated at the spot exchange rate prevailing at the date on which the fair values are determined. The difference thus resulted are recognized in profit or loss for the current period or as other comprehensive income based on the nature of the non-monetary items.

For foreign operations, the Group translates their functional currency amounts into RMB in preparing the financial statements as follows: asset and liability items in the balance sheet are translated using the spot exchange rate at the balance sheet date, and equity items other than "retained earnings" are translated using the spot exchange rate at the date of transactions; revenue and expense items in the income statement are translated using the average exchange rate for the period during which the transactions occur. The resulting foreign currency exchange differences in the financial statement are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the profit or loss for the current period. If the disposal only involves a portion of a particular foreign operation, the amount is recognized on a pro-rata basis.

三、重要會計政策及會計估計(續)

8. 外幣業務和外幣報表折算

本集團對於發生的外幣交易，將外幣金額折算為記賬本位幣金額。

外幣交易在初始確認時，採用交易發生日的即期匯率將外幣金額折算為記賬本位幣金額。於資產負債表日，對於外幣貨幣性項目採用資產負債表日即期匯率折算，由此產生的結算和貨幣性項目折算差額，除屬於與購建符合資本化條件的資產相關的外幣專門借款產生的差額按照借款費用資本化的原則處理之外，均計入當期損益。以歷史成本計量的外幣非貨幣性項目，仍採用交易發生日的即期匯率折算，不改變其記賬本位幣金額。以公允價值計量的外幣非貨幣性項目，採用公允價值確定日的即期匯率折算，由此產生的差額根據非貨幣性項目的性質計入當期損益或其他綜合收益。

對於境外經營，本集團在編製財務報表時將其記賬本位幣折算為人民幣：對資產負債表中的資產和負債項目，採用資產負債表日的即期匯率折算，股東權益項目除「未分配利潤」項目外，其他項目採用發生時的即期匯率折算；利潤表中的收入和費用項目，採用交易發生當期平均匯率折算。按照上述折算產生的外幣財務報表折算差額，確認為其他綜合收益。處置境外經營時，將與該境外經營相關的其他綜合收益轉入處置當期損益，部分處置按處置比例計算。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

8. Foreign currency operations and foreign currency translation (Continued)

Foreign currency cash flows and the cash flows of foreign subsidiaries are translated using the average exchange rate for the period during which the cash flows occur. The effect of exchange rate changes on cash is separately presented as an adjustment item in the cash flow statement.

9. Financial instruments (Applicable since 1 January 2018)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and Derecognition of Financial Instruments

The Group recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument.

The Group derecognizes a financial asset (or part of a financial asset, or part of a group of similar financial assets), i.e. writes off the financial asset from the account and balance sheet, when the following conditions are met:

- (1) the rights to receive cash flows from the financial asset have expired;
- (2) the Group has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; and either (a) has transferred substantially all the risks and rewards of the ownership of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the ownership of the financial asset, but has transferred control of the financial asset.

三、重要會計政策及會計估計(續)

8. 外幣業務和外幣報表折算(續)

外幣現金流量以及境外子公司現金流量，採用現金流量發生當期平均匯率折算。匯率變動對現金影響額作為調節項目，在現金流量表單獨列報。

9. 金融工具(自2018年1月1日起適用)

金融工具，是指形成一個企業的金融資產，並形成其他單位的金融負債或權益工具的合同。

金融工具的確認和終止確認

本集團於成為金融工具合同的一方時確認一項金融資產或金融負債。

滿足下列條件的，終止確認金融資產(或金融資產的一部分，或一組類似金融資產的一部分)，即從其賬戶和資產負債表內予以轉銷：

- (1) 收取金融資產現金流量的權利屆滿；
- (2) 轉移了收取金融資產現金流量的權利，或在「過手協議」下承擔了及時將收取的現金流量全額支付給第三方的義務；並且(a)實質上轉讓了金融資產所有權上幾乎所有的風險和報酬，或(b)雖然實質上既沒有轉移也沒有保留金融資產所有權上幾乎所有的風險和報酬，但放棄了對該金融資產的控制。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Applicable since 1 January 2018) (Continued)

Recognition and Derecognition of Financial Instruments (Continued)

If the underlying obligation of a financial liability has been discharged or cancelled or has expired, the financial liability is derecognized. If an existing financial liability is replaced by the same creditor with a new financial liability that has substantially different terms, or if the terms of an existing financial liability are substantially revised, such replacement or revision is accounted for as the derecognition of the original liability and the recognition of a new liability, and the resulting difference is recognized in profit or loss for the current period.

Regular way purchase or sale of financial assets are recognized and derecognized using trade date for accounting. Regular way purchase or sale of financial assets refers to that the financial assets are delivered to or by the Group under the terms of a contract within a period as specified by law or general practice. The trade date is the date on which the Group undertakes to buy or sell a financial asset.

Classification and Measurement of Financial Assets

The financial assets of the Group are classified in the initial recognition based on the business model of the Group's financial asset management and the characteristics of the financial assets' contractual cash flows: financial assets at fair value through profit or loss, financial assets measured at amortized cost, or financial assets at fair value through other comprehensive income. Financial assets are measured at fair value on initial recognition. However, if the initial recognition of accounts receivable or notes receivable arising from sales of merchandises or provision of services etc. does not include significant financing components or does not consider financing components not exceeding one year, it shall be recognized as the transaction price.

三、重要會計政策及會計估計(續)

9. 金融工具(自2018年1月1日起適用)(續)

金融工具的確認和終止確認(續)

如果金融負債的責任已履行、撤銷或屆滿，則對金融負債進行終止確認。如果現有金融負債被同一債權人以實質上幾乎完全不同條款的另一金融負債所取代，或現有負債的條款幾乎全部被實質性修改，則此類替換或修改作為終止確認原負債和確認新負債處理，差額計入當期損益。

以常規方式買賣金融資產，按交易日會計進行確認和終止確認。常規方式買賣金融資產，是指按照合同條款的約定，在法規或通行慣例規定的期限內收取或交付金融資產。交易日，是指本集團承諾買入或賣出金融資產的日期。

金融資產分類和計量

本集團的金融資產於初始確認時根據本集團企業管理金融資產的業務模式和金融資產的合同現金流量特徵分類為：以公允價值計量且其變動計入當期損益的金融資產、以攤餘成本計量的金融資產、以公允價值計量且其變動計入其他綜合收益的金融資產。金融資產在初始確認時以公允價值計量，但是因銷售商品或提供服務等產生的應收賬款或應收票據未包含重大融資成分或不考慮不超過一年的融資成分的，按照交易價格進行初始計量。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Applicable since 1 January 2018) (Continued)

Classification and Measurement of Financial Assets (Continued)

For financial assets measured at fair value through profit or loss, the related transaction expense is directly recognised in profit or loss for the current period. Transaction costs related to other types of financial assets are included in their initial recognition amounts.

The subsequent measurement of a financial asset is determined by its category:

Debt instrument investment measured at amortized cost

Financial assets are classified as financial assets measured at amortized cost if the financial assets meet the following conditions: The Group's business model for managing the financial assets is to collect contractual cash flows; the contractual terms of the financial assets stipulate that cash flows generated on a specific date are only for the payment of the principal and the interest based on the outstanding principal amount. The effective interest method is adopted to recognize interest income for this type of financial assets. The gain or loss from its derecognition, revision or impairment is taken to profit or loss for the current period. This type of financial assets primarily include cash and cash equivalent, some notes receivable and accounts receivable measured at amortized cost, other receivables, debt investments in long-term receivables and so forth. Those debt investments and long-term receivables due within one year from the balance sheet date are presented as non-current assets due within one year. Those debt investments with original maturity within one year are presented as other current assets.

三、重要會計政策及會計估計(續)

9. 金融工具(自2018年1月1日起適用)(續)

金融資產分類和計量(續)

對於以公允價值計量且其變動計入當期損益的金融資產，相關交易費用直接計入當期損益，其他類別的金融資產相關交易費用計入其初始確認金額。

金融資產的後續計量取決於其分類：

以攤餘成本計量的債務工具投資

金融資產同時符合下列條件的，分類為以攤餘成本計量的金融資產：管理該金融資產的業務模式是以收取合同現金流量為目標；該金融資產的合同條款規定，在特定日期產生的現金流量僅為對本金和以未償付本金金額為基礎的利息的支付。此類金融資產採用實際利率法確認利息收入，其終止確認、修改或減值產生的利得或損失，均計入當期損益。此類金融資產主要包含貨幣資金、部分以攤餘成本計量的應收票據及應收賬款、其他應收款、債權投資和長期應收款等。本集團將自資產負債表日起一年內到期的債權投資和長期應收款列報為一年內到期的非流動資產，原到期日在一年以內的債權投資列報為其他流動資產。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Applicable since 1 January 2018) (Continued)

Classification and Measurement of Financial Assets (Continued)

Investment in debt instruments at fair value through other comprehensive income

Financial assets which satisfy all of the following criteria are classified as financial assets at fair value through other comprehensive income: That the business model upon which the Group manages the financial asset targets at both obtaining the contracted cashflow and also disposing of the financial asset; that the financial asset contract provides that the cashflow generated on certain dates are only for paying the principal and interest which is based on the outstanding principal amount. The effective interest method is adopted to recognize interest income for this type of financial assets. Other than interest income, impairment losses and exchange differences which are recognized as profit or loss for the current period, other fair value changes are taken to other comprehensive income. When a financial asset is derecognized, the cumulative gains or losses previously taken to other comprehensive income are transferred from other comprehensive income to profit or loss for the current period. This type of financial assets is presented as other debt investments. Other debt investments due within one year from the balance sheet date are presented as non-current assets due within one year. Notes receivable at fair value through other comprehensive income are presented as notes receivable and accounts receivable. Other debt investments with original maturity within one year are presented as other current assets.

Investment in equity instruments at fair value through other comprehensive income

The Group irrevocably opts to designate some of the investments in non-trading equity instruments as financial assets at fair value through other comprehensive income, and only recognizes relevant dividend incomes (other than dividend income expressed to be partial recovery of investment cost) in profit or loss for the current period, while subsequent change in fair value is taken to other comprehensive income, and no impairment provision is needed. When the financial asset is derecognized, the accumulated gain or loss previously taken to other comprehensive income is transferred from other comprehensive income to retained earnings. This type of financial assets is presented as investment in other equity instruments.

三、重要會計政策及會計估計(續)

9. 金融工具(自2018年1月1日起適用)(續)

金融資產分類和計量(續)

以公允價值計量且其變動計入其他綜合收益的債務工具投資

金融資產同時符合下列條件的，分類為以公允價值計量且其變動計入其他綜合收益的金融資產：本集團管理該金融資產的業務模式是既以收取合同現金流量為目標又以出售金融資產為目標；該金融資產的合同條款規定，在特定日期產生的現金流量僅為對本金和以未償付本金金額為基礎的利息的支付。此類金融資產採用實際利率法確認利息收入。除利息收入、減值損失及匯兌差額確認為當期損益外，其餘公允價值變動計入其他綜合收益。當金融資產終止確認時，之前計入其他綜合收益的累計利得或損失從其他綜合收益轉出，計入當期損益。此類金融資產列報為其他債權投資，自資產負債表日起一年內到期的其他債權投資列報為一年內到期的非流動資產，以公允價值計量且變動計入其他綜合收益的應收票據列報為應收票據及應收賬款，其他原到期日在一年以內的其他債權投資列報為其他流動資產。

以公允價值計量且其變動計入其他綜合收益的權益工具投資

本集團不可撤銷地選擇將部分非交易性權益工具投資指定為以公允價值計量且其變動計入其他綜合收益的金融資產，僅將相關股利收入(明確作為投資成本部分收回的股利收入除外)計入當期損益，公允價值的後續變動計入其他綜合收益，不需計提減值準備。當金融資產終止確認時，之前計入其他綜合收益的累計利得或損失從其他綜合收益轉出，計入留存收益。此類金融資產列報為其他權益工具投資。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Applicable since 1 January 2018) (Continued)

Classification and Measurement of Financial Assets (Continued)

Investment in equity instruments at fair value through other comprehensive income(Continued)

A financial asset held for trading satisfies one of the following conditions: The purpose of acquiring the relevant financial asset is primarily for sale or repurchase in the near future; it is part of a group of identifiable financial instruments centrally managed, and objective evidence is available to support that the enterprise recently adopts an approach of short-term sale for profit; it is a derivative, other than one which is designated as effective hedging instrument and one that satisfy the criteria for financial guarantee contracts.

Financial assets measured at fair value through profit or loss

The financial assets other than those measured at amortized cost and financial assets measured at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss for the current period. For such financial assets, fair value is used for subsequent measurement, and all changes in fair value are recognised in profit or loss for the current period. This type of financial assets is presented as financial assets held for trading. Those to be due after one year as of the balance sheet date and expected to be held for more than one year are presented as other non-current financial assets.

Only if the Group changes its business model for managing financial assets, all affected financial assets can be reclassified.

三、重要會計政策及會計估計(續)

9. 金融工具(自2018年1月1日起適用)(續)

金融資產分類和計量(續)

以公允價值計量且其變動計入其他綜合收益的權益工具投資(續)

滿足下列條件之一的，屬於交易性金融資產：取得相關金融資產的目的主要是為了在近期內出售或回購；屬於集中管理的可辨認金融工具組合的一部分，且有客觀證據表明企業近期採用短期獲利方式模式；屬於衍生工具，但是，被指定且為有效套期工具的衍生工具、符合財務擔保合同的衍生工具除外。

以公允價值計量且其變動計入當期損益的金融資產

上述以攤餘成本計量的金融資產和以公允價值計量且其變動計入其他綜合收益的金融資產之外的金融資產，分類為以公允價值計量且其變動計入當期損益的金融資產。對於此類金融資產，採用公允價值進行後續計量，所有公允價值變動計入當期損益。此類金融資產列報為交易性金融資產，自資產負債表日起超過一年到期且預期持有超過一年的列報為其他非流動金融資產。

當且僅當本集團改變管理金融資產的業務模式時，才對所有受影響的相關金融資產進行重分類。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Applicable since 1 January 2018) (Continued)

Classification and Measurement of Financial Liabilities

The Group's financial liabilities are, on initial recognition, classified into financial liabilities at fair value through profit or loss, other financial liabilities or derivatives designated as effective hedging instruments. For financial liabilities at fair value through profit or loss, relevant transaction costs are directly recognized in profit or loss for the current period, and transaction costs relating to other financial liabilities are included in the initial recognition amounts.

The subsequent measurement of financial liability is determined by its category:

Financial liabilities at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities designated upon initial recognition as measured at fair value through profit or loss.

A financial liability held for trading shall satisfy one of the following conditions: assuming the relevant financial liability is mainly for the purpose of selling or repurchasing in the near future; it belongs to a portfolio of identifiable financial instruments that are collectively managed, and there is objective evidence that the company has recently adopted short-term profit-making methods; it is a derivative, except for derivatives that are designated as effective hedging instruments or derivatives that qualify for financial guarantee contracts. Financial liabilities held for trading (including derivatives that are financial liabilities) are subsequently measured at fair value, except for hedge accounting, all changes in fair value are recognized in profit or loss.

三、重要會計政策及會計估計(續)

9. 金融工具(自2018年1月1日起適用)(續)

金融負債分類和計量

本集團的金融負債於初始確認時分類為：以公允價值計量且其變動計入當期損益的金融負債、其他金融負債、被指定為有效套期工具的衍生工具。對於以公允價值計量且其變動計入當期損益的金融負債，相關交易費用直接計入當期損益，其他金融負債的相關交易費用計入其初始確認金額。

金融負債的後續計量取決於其分類：

以公允價值計量且其變動計入當期損益的金融負債

以公允價值計量且其變動計入當期損益的金融負債，包括交易性金融負債(含屬於金融負債的衍生工具)和初始確認時指定為以公允價值計量且其變動計入當期損益的金融負債。

滿足下列條件之一的，屬於交易性金融負債：承擔相關金融負債的目的主要是為了在近期內出售或回購；屬於集中管理的可辨認金融工具組合的一部分，且有客觀證據表明企業近期採用短期獲利方式模式；屬於衍生工具，但是，被指定且為有效套期工具的衍生工具、符合財務擔保合同的衍生工具除外。交易性金融負債(含屬於金融負債的衍生工具)，按照公允價值進行後續計量，除與套期會計有關外，所有公允價值變動均計入當期損益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Applicable since 1 January 2018) (Continued)

Classification and Measurement of Financial Liabilities (Continued)

Financial liabilities at fair value through profit or loss (Continued)

This type of financial liabilities is subsequently measured at fair value. Other than fair value through other comprehensive income arising from the change in the credit risks of the Group, other fair value changes are taken to profit or loss. All fair value changes, including the influence of the change in credit risks, are taken to profit or loss for the current period, unless where taking the fair value changes arising from the change in the Group's credit risks would result in or increase the accounting mismatch in profit or loss.

Other financial liabilities

This kind of financial liabilities are measured at amortized costs by using the effective interest rate method.

Impairment of Financial Instruments

On the basis of expected credit losses, the Group performs the impairment treatment on financial assets carried at amortized cost, investment in debt instruments at fair value through other comprehensive income, lease receivables and contract assets and recognize the loss provision.

Credit loss refers to the difference between all contractual cash flows receivable from the contract and all cash flows expected to be received by the Group that are discounted at the original effective interest rate, that is, the present value of all cash shortfalls. Among them, financial assets that have been credit-depleted by the Group or purchased by the Group shall be discounted according to the actual interest rate adjusted by the financial assets.

三、重要會計政策及會計估計(續)

9. 金融工具(自2018年1月1日起適用)(續)

金融負債分類和計量(續)

以公允價值計量且其變動計入當期損益的金融負債(續)

對於此類金融負債，按照公允價值進行後續計量，除由本集團自身信用風險變動引起的公允價值變動計入其他綜合收益之外，其他公允價值變動計入當期損益。除非由本集團自身信用風險變動引起的公允價值變動計入其他綜合收益會造成或擴大損益中的會計錯配，本集團將所有公允價值變動(包括自身信用風險變動的影響金額)計入當期損益。

其他金融負債

對於此類金融負債，採用實際利率法，按照攤餘成本進行後續計量。

金融工具減值

本集團以預期信用損失為基礎，對以攤餘成本計量的金融資產、以公允價值計量且其變動計入其他綜合收益的債務工具投資、租賃應收款及合同資產進行減值處理並確認損失準備。

信用損失，是指本集團按照原實際利率折現的、根據合同應收的所有合同現金流量與預期收取的所有現金流量之間的差額，即全部現金短缺的現值。其中，對於本集團購買或源生的已發生信用減值的金融資產，應按照該金融資產經信用調整的實際利率折現。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Applicable since 1 January 2018) (Continued)

Impairment of Financial Instruments (Continued)

For receivables and contractual assets that do not contain significant financing components, the Group uses a simplified measurement method to measure loss provision based on the amount of expected credit losses for the entire duration of the life.

For lease receivables and receivables and contractual assets with significant financing components, the Group uses a simplified measurement method to measure loss provisions based on the amount of expected credit losses for the entire duration of the life.

For financial assets other than those measured by the aforesaid simplified measurement method, the Group assesses whether its credit risk has increased significantly since the initial recognition on each balance sheet date. If the credit risk has not increased significantly since the initial recognition and it is still stage one, the Group measures the loss provision based on the amount of expected credit loss over the next 12 months, and calculates interest income based on carrying amount and effective interest rate. If the credit risk has increased significantly since the initial recognition but no credit loss has occurred, it is at stage two and the Group measures loss provision based on the amount of expected credit losses for the entire duration of the life, and calculates interest income based on carrying amount and effective interest rate. If there has been credit loss since initial recognition, it is at stage three and the Group measures loss provision based on the amount of expected credit losses for the entire duration of the life, and calculates interest income based on amortized costs and effective interest rate. For those financial instruments of low credit risk as of the balance sheet date, the Group assumes that its credit risk has not increased significantly since the initial recognition.

三、重要會計政策及會計估計(續)

9. 金融工具(自2018年1月1日起適用)(續)

金融工具減值(續)

對於不含重大融資成分的應收款項以及合同資產，本集團運用簡化計量方法，按照相當於整個存續期內的預期信用損失金額計量損失準備。

對於租賃應收款、包含重大融資成分的應收款項以及合同資產，本集團選擇運用簡化計量方法，按照相當於整個存續期內的預期信用損失金額計量損失準備。

除上述採用簡化計量方法以外的金融資產，本集團在每個資產負債表日評估其信用風險自初始確認後是否已經顯著增加，如果信用風險自初始確認後未顯著增加，處於第一階段，本集團按照相當於未來12個月內預期信用損失的金額計量損失準備，並按照賬面餘額和實際利率計算利息收入；如果信用風險自初始確認後已顯著增加但尚未發生信用減值的，處於第二階段，本集團按照相當於整個存續期內預期信用損失的金額計量損失準備，並按照賬面餘額和實際利率計算利息收入；如果初始確認後發生信用減值的，處於第三階段，本集團按照相當於整個存續期內預期信用損失的金額計量損失準備，並按照攤餘成本和實際利率計算利息收入。對於資產負債表日只具有較低信用風險的金融工具，本集團假設其信用風險自初始確認後未顯著增加。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Applicable since 1 January 2018) (Continued)

Impairment of Financial Instruments (Continued)

Expected credit losses of financial instruments are assessed on individual basis and group basis. Expected credit losses of accounts receivable and long-term receivables are assessed taking into account the credit risk characteristics of different customers, on the basis of groupings by age, by quality of credit history and by overdue age.

In assessing expected credit losses, the Group considers reasonable and evidenced information, including those on relevant historical events, prevailing conditions and forecast on future economic conditions.

For disclosures on the criteria adopted by the Group in judging the significant increase in credit risk, the definition of assets with incurred credit losses and assumptions underlying the measurement of expected credit losses, please refer to Note VIII.3.

When the Group no longer reasonably expects to be able to fully or partially recover the contractual cash flows of financial assets, the Group directly writes down the carrying amount of the financial assets.

Elimination of financial instruments

The net amount after eliminating financial assets and financial liabilities is presented in the balance sheet if the following conditions are satisfied: A lawful right exists for eliminating recognized amounts, and such lawful right is currently enforceable; it is planned that the financial assets and financial liabilities are to be netted against each other, or that they are to be realized and settled simultaneously.

三、重要會計政策及會計估計(續)

9. 金融工具(自2018年1月1日起適用)(續)

金融工具減值(續)

本集團基於單項和組合評估金融工具的預期信用損失。本集團考慮了不同客戶的信用風險特徵，以賬齡組合、信用記錄優質組合和逾期賬齡組合為基礎評估應收賬款和長期應收款的預期信用損失。

本集團在評估預期信用損失時，考慮有關過去事項、當前狀況以及未來經濟狀況預測的合理且有依據的信息。

關於本集團對信用風險顯著增加判斷標準、已發生信用減值資產的定義、預期信用損失計量的假設等披露參見附註八、3。

當本集團不再合理預期能夠全部或部分收回金融資產合同現金流量時，本集團直接減記該金融資產的賬面餘額。

金融工具抵銷

同時滿足下列條件的，金融資產和金融負債以相互抵銷後的淨額在資產負債表內列示：具有抵銷已確認金額的法定權利，且該種法定權利是當前可執行的；計劃以淨額結算，或同時變現該金融資產和清償該金融負債。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Applicable since 1 January 2018) (Continued)

Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make payments of specified amounts to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are measured, on initial recognition, at fair value. Other than financial guarantee contracts designated as financial liabilities at fair value through profit or loss for the current period, other financial guarantee contracts are, after initial recognition, subsequently measured at the higher of: the amount of provision for expected credit losses recognized as at the balance sheet date; and the amount initially recognized less the accumulated amortization determined according to the principles of revenue recognition.

Derivative Financial Instruments

The Group uses derivative financial instruments such as forward currency contracts, interest rate swaps and cross-currency interest rate swap instruments to hedge its risks associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss for the current period, except where it relates to hedge accounting.

三、重要會計政策及會計估計(續)

9. 金融工具(自2018年1月1日起適用)(續)

財務擔保合同

財務擔保合同，是指特定債務人到期不能按照債務工具條款償付債務時，發行方向蒙受損失的合同持有人賠付特定金額的合同。財務擔保合同在初始確認時按照公允價值計量，除指定為以公允價值計量且其變動計入當期損益的金融負債的財務擔保合同外，其餘財務擔保合同在初始確認後按照資產負債表日確定的預期信用損失準備金額和初始確認金額扣除按照收入確認原則確定的累計攤銷額後的餘額兩者孰高者進行後續計量。

衍生金融工具

本集團使用衍生金融工具，例如以遠期外匯合同、利率互換合約和交叉貨幣利率互換工具，分別對匯率風險和利率風險進行套期保值。衍生金融工具初始以衍生交易合同簽訂當日的公允價值進行計量，並以其公允價值進行後續計量。公允價值為正數的衍生金融工具確認為一項資產，公允價值為負數的確認為一項負債。

除與套期會計有關外，衍生工具公允價值變動產生的利得或損失直接計入當期損益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Applicable since 1 January 2018) (Continued)

Transfer of Financial Assets

If the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, the Group derecognizes the financial asset; if the Group retains substantially all the risks and rewards of ownership of the financial asset, the Group does not derecognize the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it is accounted for as follows: if the Group has not retained control, it derecognizes the financial asset and recognizes any resulting assets or liabilities; if the Group has retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes the relevant liability.

For ongoing involvement by providing financial guarantee in respect of the transferred financial assets, the assets arising from such involvement is recognized as the lower of the carrying amount of the financial assets and the amount of the financial guarantee. Amount of financial guarantee refers to the maximum amount to be repayable on demand among the considerations received.

10. Financial instruments (Applicable to year 2017)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and Derecognition of Financial Instruments

The Group recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument.

三、重要會計政策及會計估計(續)

9. 金融工具(自2018年1月1日起適用)(續)

金融資產轉移

本集團已將金融資產所有權上幾乎所有的風險和報酬轉移給轉入方的，終止確認該金融資產；保留了金融資產所有權上幾乎所有的風險和報酬的，不終止確認該金融資產。

本集團既沒有轉移也沒有保留金融資產所有權上幾乎所有的風險和報酬的，分別下列情況處理：放棄了對該金融資產控制的，終止確認該金融資產並確認產生的資產和負債；未放棄對該金融資產控制的，按照其繼續涉入所轉移金融資產的程度確認有關金融資產，並相應確認有關負債。

通過對所轉移金融資產提供財務擔保方式繼續涉入的，按照金融資產的賬面價值和財務擔保金額兩者之中的較低者，確認繼續涉入形成的資產。財務擔保金額，是指所收到的對價中，將被要求償還的最高金額。

10. 金融工具(適用於2017年度)

金融工具，是指形成一個企業的金融資產，並形成其他單位的金融負債或權益工具的合同。

金融工具的確認和終止確認

本集團於成為金融工具合同的一方時確認一項金融資產或金融負債。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Applicable to year 2017) (Continued)

Recognition and Derecognition of Financial Instruments (Continued)

The Group derecognizes a financial asset (or part of a financial asset, or part of a group of similar financial assets), i.e. writes off the financial asset from the account and balance sheet, when the following conditions are met:

- (1) the rights to receive cash flows from the financial asset have expired;
- (2) the Group has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; and either (a) has transferred substantially all the risks and rewards of the ownership of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the ownership of the financial asset, but has transferred control of the financial asset.

If the underlying obligation of a financial liability has been discharged or cancelled or has expired, the financial liability is derecognized. If an existing financial liability is replaced by the same creditor with a new financial liability that has substantially different terms, or if the terms of an existing financial liability are substantially revised, such replacement or revision is accounted for as the derecognition of the original liability and the recognition of a new liability, and the resulting difference is recognized in profit or loss for the current period.

Regular way purchase or sale of financial assets are recognized and derecognized using trade date for accounting. Regular way purchase or sale of financial assets refers to that the financial assets are delivered to or by the Group under the terms of a contract within a period as specified by law or general practice. The trade date is the date on which the Group undertakes to buy or sell a financial asset.

三、重要會計政策及會計估計(續)

10. 金融工具(適用於2017年度)(續)

金融工具的確認和終止確認(續)

滿足下列條件的，終止確認金融資產(或金融資產的一部分，或一組類似金融資產的一部分)，即從其賬戶和資產負債表內予以轉銷：

- (1) 收取金融資產現金流量的權利屆滿；
- (2) 轉移了收取金融資產現金流量的權利，或在「過手協議」下承擔了及時將收取的現金流量全額支付給第三方的義務；並且(a)實質上轉讓了金融資產所有權上幾乎所有的風險和報酬，或(b)雖然實質上既沒有轉移也沒有保留金融資產所有權上幾乎所有的風險和報酬，但放棄了對該金融資產的控制。

如果金融負債的責任已履行、撤銷或屆滿，則對金融負債進行終止確認。如果現有金融負債被同一債權人以實質上幾乎完全不同條款的另一金融負債所取代，或現有負債的條款幾乎全部被實質性修改，則此類替換或修改作為終止確認原負債和確認新負債處理，差額計入當期損益。

以常規方式買賣金融資產，按交易日會計進行確認和終止確認。常規方式買賣金融資產，是指按照合同條款的約定，在法規或通行慣例規定的期限內收取或交付金融資產。交易日，是指本集團承諾買入或賣出金融資產的日期。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Applicable to year 2017) (Continued)

Classification and Measurement of Financial Assets

Financial assets are, on initial recognition, classified into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, available-for-sale financial assets and derivatives designated as effective hedging instruments. A financial asset is recognized initially at fair value. In the case of financial assets at fair value through profit or loss, relevant transaction costs are directly charged to the profit and loss of the current period; transaction costs relating to financial assets of other categories are included in the amount initially recognized.

The subsequent measurement of a financial asset is determined by its category:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets at fair value through profit or loss and those designated upon initial recognition as financial assets at fair value through profit or loss. A financial asset at fair value through profit or loss is the financial asset that meets one of the following conditions: the financial asset is acquired for the purpose of selling it in a short term; the financial asset is a part of a portfolio of identifiable financial instruments that are collectively managed, and there is objective evidence indicating that the enterprise recently manages this portfolio for the purpose of short-term profits; the financial asset is a derivative, except for a derivative that is designated as an effective hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity investment (without a quoted price from an active market) whose fair value cannot be reliably measured. For such kind of financial assets, fair values are adopted for subsequent measurement. All the realized or unrealized gains or losses on these financial assets are recognized in profit or loss for the current period. Dividend income or interest income related to financial assets at fair value through profit or loss is charged to profit or loss for the current period.

三、重要會計政策及會計估計(續)

10. 金融工具(適用於2017年度)(續)

金融資產分類和計量

本集團的金融資產於初始確認時分類為：以公允價值計量且其變動計入當期損益的金融資產、持有至到期投資、貸款和應收款項、可供出售金融資產、被指定為有效套期工具的衍生工具。金融資產在初始確認時以公允價值計量。對於以公允價值計量且其變動計入當期損益的金融資產，相關交易費用直接計入當期損益，其他類別的金融資產相關交易費用計入其初始確認金額。

金融資產的後續計量取決於其分類：

以公允價值計量且其變動計入當期損益的金融資產

以公允價值計量且其變動計入當期損益的金融資產，包括交易性金融資產和初始確認時指定為以公允價值計量且其變動計入當期損益的金融資產。交易性金融資產，是指滿足下列條件之一的金融資產：取得該金融資產的目的是為了在短期內出售；屬於進行集中管理的可辨認金融工具組合的一部分，且有客觀證據表明企業近期採用短期獲利方式對該組合進行管理；屬於衍生工具，但是，被指定且為有效套期工具的衍生工具、屬於財務擔保合同的衍生工具、與在活躍市場中沒有報價且其公允價值不能可靠計量的權益工具投資掛鈎並須通過交付該權益工具結算的衍生工具除外。對於此類金融資產，採用公允價值進行後續計量，所有已實現和未實現的損益均計入當期損益。與以公允價值計量且其變動計入當期損益的金融資產相關的股利或利息收入，計入當期損益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Applicable to year 2017) (Continued)

Classification and Measurement of Financial Assets (Continued)

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity date that the Group has the positive intention and ability to hold to maturity. Such kind of financial assets are subsequently measured at amortized cost using the effective interest method. Gains or losses arising from amortization or impairment and derecognition are recognized in profit or loss for the current period.

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 kind of financial assets are subsequently measured at amortized cost using the effective interest method. Gains or losses arising from amortization or impairment are recognized in profit or loss for the current period.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are on initial recognition designated as available for sale or are not classified as any of the aforesaid categories. After initial recognition, available-for-sale financial assets are measured at fair value. The discount/premium is amortized using effective interest method and recognized as interest income or expense. Changes in the fair value of an available-for-sale financial asset is recognized as other comprehensive income in capital reserve, except for impairment losses and exchange differences resulted from monetary financial assets, until the financial asset is derecognized or determined to be impaired, at which time the accumulated gain or loss is transferred to profit or loss for the current period. Dividends or interest income relating to an available-for-sale financial asset are recognized in profit or loss for the current period.

Investments in equity investments, which do not have quoted prices in an active market and whose fair values cannot be reliably measured, are measured at cost.

三、重要會計政策及會計估計(續)

10. 金融工具(適用於2017年度)(續)

金融資產分類和計量(續)

持有至到期投資

持有至到期投資，是指到期日固定、回收金額固定或可確定，且本集團有明確意圖和能力持有至到期的非衍生金融資產。對於此類金融資產，採用實際利率法，按照攤餘成本進行後續計量，其攤銷或減值以及終止確認產生的利得或損失，均計入當期損益。

貸款和應收款項

貸款和應收款項，是指在活躍市場中沒有報價、回收金額固定或可確定的非衍生金融資產。對於此類金融資產，採用實際利率法，按照攤餘成本進行後續計量，其攤銷或減值產生的利得或損失，均計入當期損益。

可供出售金融資產

可供出售金融資產，是指初始確認時即指定為可供出售的非衍生金融資產，以及除上述金融資產類別以外的金融資產。對於此類金融資產，採用公允價值進行後續計量。其折價或溢價採用實際利率法進行攤銷並確認為利息收入或費用。除減值損失及外幣貨幣性金融資產的匯兌差額確認為當期損益外，可供出售金融資產的公允價值變動作為其他綜合收益確認，直到該金融資產終止確認或發生減值時，其累計利得或損失轉入當期損益。與可供出售金融資產相關的股利或利息收入，計入當期損益。

對於在活躍市場中沒有報價且其公允價值不能可靠計量的權益工具投資，按成本計量。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Applicable to year 2017) (Continued)

Classification and Measurement of Financial Liabilities

The Group's financial liabilities are, on initial recognition, classified into financial liabilities at fair value through profit or loss, other financial liabilities or derivatives designated as effective hedging instruments. For financial liabilities at fair value through profit or loss, relevant transaction costs are directly recognized in profit or loss for the current period, and transaction costs relating to other financial liabilities are included in the initial recognition amounts.

The subsequent measurement of a financial liability is determined by its category:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and those designated upon initial recognition as financial liabilities at fair value through profit or loss.

A financial liability held for trading is the financial liability that meets one of the following conditions: the financial liability is assumed for the purpose of repurchasing it in a short term; the financial liability is a part of a portfolio of identifiable financial instruments that are collectively managed, and there is objective evidence indicating that the enterprise recently manages this portfolio for the purpose of short-term profits; the financial liability is a derivative, except for a derivative that is designated as effective hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity investment (without a quoted price from an active market) whose fair value cannot be reliably measured. For such kind of financial liabilities, fair values are adopted for subsequent measurement, except that all the realized or unrealized gains or losses on these financial liabilities are recognized in profit or loss for the current period.

Other financial liabilities

After initial recognition, such kind of financial liabilities are measured at amortized costs by using the effective interest method.

三、重要會計政策及會計估計(續)

10. 金融工具(適用於2017年度)(續)

金融負債分類和計量

本集團的金融負債於初始確認時分類為：以公允價值計量且其變動計入當期損益的金融負債、其他金融負債、被指定為有效套期工具的衍生工具。對於以公允價值計量且其變動計入當期損益的金融負債，相關交易費用直接計入當期損益，其他金融負債的相關交易費用計入其初始確認金額。

金融負債的後續計量取決於其分類：

以公允價值計量且其變動計入當期損益的金融負債

以公允價值計量且其變動計入當期損益的金融負債，包括交易性金融負債和初始確認時指定為以公允價值計量且其變動計入當期損益的金融負債。

交易性金融負債，是指滿足下列條件之一的金融負債：承擔金融負債的目的是為了在近期內回購；屬於集中管理的可辨認金融工具組合的一部分，且有客觀證據表明企業近期採用短期獲利方式；屬於衍生工具，但是，被指定且為有效套期工具的衍生工具、屬於財務擔保合同的衍生工具、與在活躍市場中沒有報價且其公允價值不能可靠計量的權益工具投資掛鈎並須通過交付該權益工具結算的衍生工具除外。對於此類金融負債，按照公允價值進行後續計量，所有已實現和未實現的損益均計入當期損益除外。

其他金融負債

對於此類金融負債，採用實際利率法，按照攤餘成本進行後續計量。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Applicable to year 2017) (Continued)

Impairment of Financial Assets

The Group assesses at the balance sheet date the carrying amount of every financial asset. If there is objective evidence indicating a financial asset may be impaired, a provision is provided for the impairment. Objective evidence that a financial asset is impaired is one or more events that occur after the initial recognition of the asset and have an impact (which can be reliably estimated) on the expected future cash flows of the financial asset. Where there arises any of the following objective evidences indicating that accounts receivable have been impaired, an impairment provision will be made: a serious financial difficulty occurs to the debtor; the debtor breaches any of the contractual stipulations (such as he fails to pay or delays the payment of interests or the principal); the debtor will probably go bankrupt or carry out other financial reorganisations; other objective evidences show that the accounts receivable are impaired.

Financial assets carried at amortized cost

If an impairment on a financial asset has incurred, the carrying amount of the asset is reduced to the present value of expected future cash flows (excluding future credit losses that have not been incurred) and such reduction is taken to profit or loss for the current period. The present value of expected future cash flows is discounted at the financial asset's original effective interest rate (i.e. effective interest rate computed on initial recognition) and includes the value of any related collateral. Interest income upon impairment is recognized at a rate equal to the discount rate used for discounting future cashflow upon recognition of impairment loss.

For a financial asset that is individually significant, the asset is individually assessed for impairment, and the amount of impairment loss is recognized in profit or loss for the current period if there is objective evidence of impairment. For a financial asset that is not individually significant, it is included in a group of financial assets with similar credit risk characteristics and collectively assessed for impairment. If no impairment incurs for an individually assessed financial asset (whether the financial asset is individually significant or not individually significant), it is included in a group of financial assets with similar credit risk characteristics and collectively assessed for impairment. Assets for which an impairment loss is individually recognized is not included in a group of financial assets with similar credit risk characteristics and collectively assessed for impairment.

三、重要會計政策及會計估計(續)

10. 金融工具(適用於2017年度)(續)

金融資產減值

本集團於資產負債表日對金融資產的賬面價值進行檢查，有客觀證據表明該金融資產發生減值的，計提減值準備。表明金融資產發生減值的客觀證據，是指金融資產初始確認後實際發生的、對該金融資產的預計未來現金流量有影響，且企業能夠對該影響進行可靠計量的事項。金融資產發生減值的客觀證據，包括發行人或債務人發生嚴重財務困難、債務人違反合同條款(如償付利息或本金發生違約或逾期等)、債務人很可能倒閉或進行其他財務重組，以及公開的數據顯示預計未來現金流量確已減少且可計量。

以攤餘成本計量的金融資產

發生減值時，將該金融資產的賬面通過備抵項目價值減記至預計未來現金流量(不包括尚未發生的未來信用損失)現值，減記金額計入當期損益。預計未來現金流量現值，按照該金融資產原實際利率(即初始確認時計算確定的實際利率)折現確定，並考慮相關擔保物的價值。減值後利息收入按照確定減值損失時對未來現金流量進行折現採用的折現率作為利率計算確認。

對單項金額重大的金融資產單獨進行減值測試，如有客觀證據表明其已發生減值，確認減值損失，計入當期損益。對單項金額不重大的金融資產，包括在具有類似信用風險特徵的金融資產組合中進行減值測試或單獨進行減值測試。單獨測試未發生減值的金融資產(包括單項金額重大和不重大的金融資產)，包括在具有類似信用風險特徵的金融資產組合中再進行減值測試。已單項確認減值損失的金融資產，不包括在具有類似信用風險特徵的金融資產組合中進行減值測試。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Applicable to year 2017) (Continued)

Impairment of Financial Assets (Continued)

Financial assets carried at amortized cost (Continued)

If, subsequent to the Group's recognition of an impairment loss on a financial asset carried at amortized cost, there is objective evidence of a recovery in value of the financial asset and the recovery can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed and recognized in profit or loss for the current period. However, the reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment loss not been recognized at the date the impairment is reversed.

Available-for-sale financial assets

If there is objective evidence that an available-for-sale asset is impaired, the accumulated loss arising from decline in fair value previously recognized in other comprehensive income is removed and recognized in profit or loss. The accumulated loss that removed from other comprehensive income is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss on the financial asset previously recognized in profit or loss.

Objective evidence indicating that available-for-sale equity investment is impaired include significant or prolonged decline in fair value. Judgments shall be made in distinguishing "significant" and "prolonged". "Significant" is judged by the extent of fair value below its cost and "prolonged" is judged by the length of period where fair value falls below its cost. Where objective evidence of impairment exists, the accumulated loss of the transfer is represented by the balance of acquisition cost after deduction of the current fair value and impairment loss previously charged to profit and loss. The impairment loss on an available-for-sale equity investment is not reversed through profit or loss, and any increase of fair value that occurs after the impairment is recognized directly in other comprehensive income.

三、重要會計政策及會計估計(續)

10. 金融工具(適用於2017年度)(續)

金融資產減值(續)

以攤餘成本計量的金融資產(續)

本集團對以攤餘成本計量的金融資產確認減值損失後，如有客觀證據表明該金融資產價值已恢復，且客觀上與確認該損失後發生的事項有關，原確認的減值損失予以轉回，計入當期損益。但是，該轉回後的賬面價值不超過假定不計提減值準備情況下該金融資產在轉回日的攤餘成本。

可供出售金融資產

如果有客觀證據表明該金融資產發生減值，原計入其他綜合收益的因公允價值下降形成的累計損失，予以轉出，計入當期損益。該轉出的累計損失，為可供出售金融資產的初始取得成本扣除已收回本金和已攤銷金額、當前公允價值和原已計入損益的減值損失後的餘額。

可供出售權益工具投資發生減值的客觀證據，包括公允價值發生嚴重或非暫時性下跌。「嚴重」根據公允價值低於成本的程度進行判斷，「非暫時性」根據公允價值低於成本的期間長短進行判斷。存在發生減值的客觀證據的，轉出的累計損失，為取得成本扣除當前公允價值和原已計入損益的減值損失後的餘額。可供出售權益工具投資發生的減值損失，不通過損益轉回，減值之後發生的公允價值增加直接在其他綜合收益中確認。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Applicable to year 2017) (Continued)

Impairment of Financial Assets (Continued)

Available-for-sale financial assets (Continued)

The determination of what is “significant” and “prolonged” requires judgment. The Group takes into account, among other factors, the extent and duration of the period of the fair value being lower than cost, in such determination.

If, after an impairment loss has been recognized on an available-for-sale debt instrument, the fair value of the debt instrument increases in a subsequent period and the increase can be objectively related to an event occurring after the original impairment loss was recognized, the original impairment loss is reversed with the amount of the reversal recognized in profit or loss for the current period.

Financial assets carried at cost

If there is objective evidence that such a financial asset is impaired, the difference between its carrying amount and the present value of expected future cash flows which are discounted at the current market yield rate of similar financial assets is recognized as an impairment loss in profit or loss for the current period. Once an impairment loss is recognized, it is not reversed.

Elimination of financial instruments

The net amount after eliminating financial assets and financial liabilities is presented in the balance sheet if the following conditions are satisfied: A lawful right exists for eliminating recognized amounts, and such lawful right is currently enforceable; it is planned that the financial assets and financial liabilities are to be netted against each other, or that they are to be realized and settled simultaneously.

三、重要會計政策及會計估計(續)

10. 金融工具(適用於2017年度)(續)

金融資產減值(續)

可供出售金融資產(續)

在確定何謂「嚴重」或「非暫時性」時，需要進行判斷。本集團根據公允價值低於成本的程度或期間長短，結合其他因素進行判斷。

對於已確認減值損失的可供出售債務工具，在隨後的會計期間公允價值已上升且客觀上與確認原減值損失確認後發生的事項有關的，原確認的減值損失予以轉回，計入當期損益。

以成本計量的金融資產

如果有客觀證據表明該金融資產發生減值，將該金融資產的賬面價值，與按照類似金融資產當時市場收益率對未來現金流量折現確定的現值之間的差額，確認為減值損失，計入當期損益。發生的減值損失一經確認，不再轉回。

金融工具抵銷

同時滿足下列條件的，金融資產和金融負債以相互抵銷後的淨額在資產負債表內列示：具有抵銷已確認金額的法定權利，且該種法定權利是當前可執行的；計劃以淨額結算，或同時變現該金融資產和清償該金融負債。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Applicable to year 2017) (Continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to settle a debt or assume a liability to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are measured, on initial recognition, at fair value. For financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss, they are, after initial recognition, subsequently measured at the higher of: the amount of the best estimate of the expenditure required to settle the present obligation at the balance sheet date; and the amount initially recognized less the accumulated amortization determined according to the principles of revenue recognition.

Derivative financial instruments

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its risks associated with fluctuations in foreign currency and interest rate. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. A financial derivative that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured is measured at cost.

Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss for the current period, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

三、重要會計政策及會計估計(續)

10. 金融工具(適用於2017年度)(續)

財務擔保合同

財務擔保合同，是指當特定債務人到期不能按照債務工具條款償付時，要求簽發人向蒙受損失的合同持有人賠付特定金額的合同。財務擔保合同在初始確認時按照公允價值計量，不屬於指定為以公允價值計量且其變動計入當期損益的金融負債的財務擔保合同，在初始確認後，按照資產負債表日履行相關現時義務所需支出的當前最佳估計數確定的金額，和初始確認金額扣除按照收入確認原則確定的累計攤銷額後的餘額，以兩者之中的較高者進行後續計量。

衍生金融工具

本集團使用衍生金融工具，例如以遠期外匯合同、利率互換合約和交叉貨幣利率互換工具，分別對匯率風險和利率風險進行套期保值。衍生金融工具初始以衍生交易合同簽訂當日的公允價值進行計量，並以其公允價值進行後續計量。公允價值為正數的衍生金融工具確認為一項資產，公允價值為負數的確認為一項負債。但對於在活躍市場中沒有報價且其公允價值不能可靠計量的權益工具掛鈎並須通過交付該權益工具結算的衍生金融工具，按成本計量。

除現金流量套期中屬於有效套期的部分計入其他綜合收益並於被套期項目影響損益時轉出計入當期損益之外，衍生工具公允價值變動而產生的利得或損失，直接計入當期損益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Applicable to year 2017) (Continued)

Transfer of Financial Assets

If the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, the Group derecognizes the financial asset; if the Group retains substantially all the risks and rewards of ownership of the financial asset, the Group does not derecognize the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it is accounted for as follows: if the Group has not retained control, it derecognizes the financial asset and recognizes any resulting assets or liabilities; if the Group has retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes the relevant liability.

For ongoing involvement by way of provision of financial guarantee in respect of the transferred financial assets, the assets arising from such involvement is recognized as the lower of the carrying amount of the financial assets and the amount of the financial guarantee. Amount of financial guarantee refers to the maximum amount to be repayable on demand among the considerations received.

11. Receivables (Applicable to year 2017)

The recognition standard and provision method in respect of provision for bad debts of receivables in year 2017 are as follows:

(1) *Receivables Which Are Individually Significant and for Which Provision for Bad Debt Is Recognized Separately*

In judging receivables which are individually significant, the Group takes into account accounts receivables and other receivables due from individual customers, risks specific to particular customers, risks specific to particular countries, interest on long-term receivables and the extent of guaranteed portion of receivables etc. Receivables which are individually significant are tested for impairment individually. When objective evidence indicates that the receivable has been impaired, bad debt provision is made based on the shortfall of the present value of future cash flow as compared to its carrying amount, and is charged to profit and loss for the current period.

三、重要會計政策及會計估計(續)

10. 金融工具(適用於2017年度)(續)

金融資產轉移

本集團已將金融資產所有權上幾乎所有的風險和報酬轉移給轉入方的，終止確認該金融資產；保留了金融資產所有權上幾乎所有的風險和報酬的，不終止確認該金融資產。

本集團既沒有轉移也沒有保留金融資產所有權上幾乎所有的風險和報酬的，分別下列情況處理：放棄了對該金融資產控制的，終止確認該金融資產並確認產生的資產和負債；未放棄對該金融資產控制的，按照其繼續涉入所轉移金融資產的程度確認有關金融資產，並相應確認有關負債。

通過對所轉移金融資產提供財務擔保方式繼續涉入的，按照金融資產的賬面價值和財務擔保金額兩者之中的較低者，確認繼續涉入形成的資產。財務擔保金額，是指所收到的對價中，將被要求償還的最高金額。

11. 應收款項(適用2017年度)

本集團2017年度應收款項壞賬準備的確認標準和計提方法如下：

(1) *單項金額重大並單獨計提壞賬準備的應收款項*

本集團在判斷單項金額重大的應收款項時，會考慮單個客戶應收賬款和其他應收款餘額、特定客戶風險、特定國家風險、長期應收款利息及應收款項被擔保部分等因素。本集團對單項金額重大的應收款項單獨進行減值測試。當存在客觀證據表明該應收款項發生減值的，本集團根據其未來現金流量現值低於其賬面價值的差額，計提壞賬準備，計入當期損益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Receivables (Applicable to year 2017) (Continued)

(2) *Receivables for Which Provision for Bad Debt Is Recognized by Group With Distinctive Credit Risk Characteristics*

Other than receivables for which provision for bad debts has been recognized individually, provision for bad debt is recognized by group based on the actual loss rate of identical or similar group in prior year or with similar distinctive credit risk characteristics, taking into account the current situation.

Other than business segments located overseas, the grouping of receivables is based on their ages which are taken as a distinctive credit risk characteristic. Ageing analysis is conducted to determine the provision for bad debt for trade receivables and other receivables, at the following percentages:

Age 賬齡		Percentage provided for 計提比例(%)
Within 1 year	1年以內	5
1-2 years	1至2年	15
2-3 years	2至3年	30
3-4 years	3至4年	50
4-5 years	4至5年	80
Over 5 years	5年以上	100

For business segments located overseas, grouping of receivables is based on their overdue ages which are taken as a distinctive credit risk characteristic.

If objective evidence shows a recovery in value of the receivables, the original bad debt provision can be reversed and carried through profit and loss in the current period.

三、重要會計政策及會計估計(續)

11. 應收款項(適用2017年度)(續)

(2) 按信用風險特徵組合計提壞賬準備的應收款項

除已單獨計提壞賬準備的應收款項外，根據以前年度與之相同或相類似的、具有類似信用風險特徵的應收款項組合的實際損失率為基礎，結合現時情況確定應計提的壞賬準備。

除位於境外的某板塊業務外，本集團以賬齡作為信用風險特徵確定應收款項組合，並採用賬齡分析法對應收賬款和其他應收款項計提壞賬準備比例如下：

本集團對位於境外的某板塊業務，以逾期賬齡作為信用風險特徵確定應收款項組合。

如有客觀證據表明應收款項的價值已經恢復，則原確認的壞賬準備予以轉回，計入當期損益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Receivables (Applicable to year 2017) (Continued)

(3) *Receivables Which Are Not Individually Significant But Provision for Bad Debt Is Recognized Separately*

For receivables which are not individually significant but objective evidence shows that the impairment has occurred, bad debt provision will be made according to the difference between the present value of future cash flows and its carrying amounts and will be carried through profit and loss for the current period.

If clear evidence indicates that the receivables are indeed not recoverable, such as in case of cancellation, bankruptcy or insolvency of the debtor or its serious cash flow problem, then it is recognized as a bad debt and written off for bad debt provision already made.

For the recognition standard and provision method in respect of provision for bad debts of receivables since 1 January 2018, please refer to Note III.9.

12. Inventories

Inventories include raw materials, work in progress, finished goods, materials under entrusted processing, self made semi-finished goods and second-hand forklift trucks etc. Inventories are initially carried at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other costs. The actual cost of inventories transferred out is assigned by using weighted average method, first-in-first-out method or specific identification method. Low value consumables are amortized by using immediate write-off method.

The Groups adopts perpetual inventory system.

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the cost of inventories is higher than the net realizable value, a provision for impairment of inventories is recognized in profit or loss for the current period. If factors that previously resulted in the provision for decline in value of inventories no longer exist, so that the net realizable value is higher than the carrying amount, the amount of the write-down is reversed. The reversal is limited to the amount originally provided for the decline in value of inventories. The amount of the reversal is recognized in profit or loss for the current period.

三、重要會計政策及會計估計(續)

11. 應收款項(適用2017年度)(續)

(3) *單項金額不重大但單獨計提壞賬準備的應收款項*

本集團對於單項金額不重大但存在客觀證據表明該應收款項發生減值的，本集團根據其未來現金流量現值低於其賬面價值的差額，計提壞賬準備，計入當期損益。

對於有確鑿證據表明應收款項確實無法收回時，如債務單位已撤銷、破產、資不抵債、現金流量嚴重不足等，確認為壞賬，並沖銷已計提的壞賬準備。

本集團2018年1月1日起應收款項壞賬準備的確認標準和計提方法詳見附註三、9。

12. 存貨

存貨包括在途物資、原材料、在產品、產成品、委托加工材料、自製半成品、周轉材料和二手車等。存貨按照成本進行初始計量。存貨成本包括採購成本、加工成本和其他成本。發出存貨，採用加權平均法、先進先出法或個別計價法確定其實際成本。低值易耗品採用一次轉銷法進行攤銷。

存貨的盤存制度採用永續盤存制。

於資產負債表日，存貨按照成本與可變現淨值孰低計量，對成本高於可變現淨值的，計提存貨跌價準備，計入當期損益。如果以前計提存貨跌價準備的影響因素已經消失，使得存貨的可變現淨值高於其賬面價值，則在原先已計提的存貨跌價準備金額內，將以前減記的金額予以恢復，轉回的金額計入當期損益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Inventories (Continued)

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. The provision for decline in value of inventories is made on an individual basis or a category basis.

13. Non-current assets or disposal groups held-for-sale

The Company shall classify a non-current asset or disposal group as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuous use, and when all of the following conditions are met: according to the practice of disposing of this type of assets or disposal groups in a similar transaction, a non-current asset or disposal group is available for immediate sale in its present condition; the sale will likely occur as the Company has made a resolution in respect of a disposal plan and obtained a firm purchase commitment from a buyer, and the sale is expected to be completed within one year (and approval has been obtained where approval of the sale is required from relevant competent authorities or regulatory bodies). If sale of any investment in a subsidiary will result in the loss of control over the respective subsidiary, whether or not any part of the equity investments is retained after the sale, if the criteria for held-for-sale categorization is satisfied, the investment in subsidiary is classified as held for sale in the respective financial statements, and all assets and liabilities of the subsidiary shall be classified as held for sale in the consolidated financial statements.

For a non-current asset or disposal group classified as held for sale (other than financial assets and deferred tax assets), its carrying amount is written down to its fair value less costs to sell if its carrying amount is higher than its fair value less costs to sell. The reduced amount is recognized as asset impairment loss and charged to current profit or loss, with provision made for the impairment of the held-for-sale assets. No depreciation or amortization is provided for a non-current asset in the non-current assets or disposal groups held for sale.

14. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, jointly controlled enterprises and associates.

三、重要會計政策及會計估計(續)

12. 存貨(續)

可變現淨值，是指在日常活動中，存貨的估計售價減去至完工時估計將要發生的成本、估計的銷售費用以及相關稅費後的金額。計提存貨跌價準備時按單個存貨項目或類別計提。

13. 持有待售的非流動資產或處置組

主要通過出售而非持續使用一項非流動資產或處置組收回其賬面價值的，劃分為持有待售類別。同時滿足下列條件的，劃分為持有待售類別：根據類似交易中出售此類資產或處置組的慣例，在當前狀況下即可立即出售；出售極可能發生，即企業已經就一項出售計劃作出決議且獲得確定的購買承諾，預計出售將在一年內完成(有關規定要求企業相關權力機構或者監管部門批准後方可出售的，已經獲得批准)。因出售對子公司的投資等原因導致喪失對子公司控制權的，無論出售後是否保留部分權益性投資，滿足持有待售劃分條件的在個別財務報表中將對子公司投資整體劃分為持有待售類別，在合併財務報表中將子公司所有資產和負債劃分為持有待售類別。

持有待售的非流動資產或處置組(除金融資產、遞延所得稅資產外)，其賬面價值高於公允價值減去出售費用後的淨額的，將賬面價值減記至公允價值減去出售費用後的淨額，減記的金額確認為資產減值損失，計入當期損益，同時計提持有待售資產減值準備。持有待售的非流動資產或處置組中的非流動資產，不計提折舊或攤銷。

14. 長期股權投資

長期股權投資包括對子公司、合營企業和聯營企業的權益性投資。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Long-term equity investments (Continued)

A long-term equity investment is initially recorded at its initial investment cost on acquisition. For a long-term equity investment acquired under business combination involving entities under common control, the initial investment cost is determined as the initial investment cost of the long-term equity investment is the carrying value of the absorbing party's share of the owner's equity of the party being absorbed as of the date of business combination on the consolidated financial statements of the ultimate controller. The difference between the initial investment cost and the carrying value of the consideration for combination is adjusted to capital reserve (or charged against retained earnings if there is any shortfall). Other comprehensive income held prior to the acquisition date is accounted for on the same basis as where the assets or liabilities are directly disposed of by the investee in disposing of such assets or liabilities. Owners' equity recognized as a result of changes in other owners' equity of the investee other than net gains and losses, other comprehensive income and profit appropriation is taken to profit and loss for the current period upon the disposal of such investment. In particular, those which remain as long-term equity investments upon disposal are carried forward in proportion, and those which are converted to financial instruments upon disposal are carried forward in full. For a long-term equity investment acquired through a business combination involving entities not under common control, the initial investment cost is the cost of business combination (Business combination involving entities not under common control which is achieved after multiple transactions, the initial investment cost is the sum of carrying value of equity investments of the acquiree held prior to the date of acquisition and the addition to investment cost on the date of acquisition). Cost of business combination includes the sum of fair values of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer. Other comprehensive income recognized on equity method held prior to the date of acquisition is accounted for on the same basis as where the assets or liabilities are directly disposed of by the investee in disposing of such assets or liabilities. Accumulated fair value change of equity investments held prior to the date of acquisition being taken to other comprehensive income as financial instrument is taken to profit or loss for the current period under cost method. Long-term equity investments acquired by means other than business combination, initial investment cost is determined as follows: for a long-term equity investment acquired by paying cash, the initial investment cost is the actual purchase price paid and those costs, taxes and other necessary expenditures directly attributable to the acquisition of the long-term equity investment; for a long-term equity investment acquired by the issue of equity securities, the initial investment cost is the fair value of the equity securities issued. For a long-term equity investment acquired by the swap of non-monetary assets, initial investment cost is determined based on Accounting Standard for Business Enterprises No. 7 – Swap of Non-monetary Assets. For a long-term equity investment acquired by way of debt restructuring, initial investment cost is determined based on Accounting Standard for Business Enterprises No. 12 – Debt Restructuring.

三、重要會計政策及會計估計(續)

14. 長期股權投資(續)

長期股權投資在取得時以初始投資成本進行初始計量。通過同一控制下的企業合併取得的長期股權投資，以合併日取得被合併方所有者權益在最終控制方合併財務報表中的賬面價值的份額作為初始投資成本；初始投資成本與合併對價賬面價值之間差額，調整資本公積(不足沖減的，沖減留存收益)；合併日之前的其他綜合收益，在處置該項投資時採用與被投資單位直接處置相關資產或負債相同的基礎進行會計處理，因被投資方除淨損益、其他綜合收益和利潤分配以外的其他股東權益變動而確認的股東權益，在處置該項投資時轉入當期損益；其中，處置後仍為長期股權投資的按比例結轉，處置後轉換為金融工具的則全額結轉。通過非同一控制下的企業合併取得的，以合併成本作為初始投資成本(通過多次交易分步實現非同一控制下的企業合併的，以購買日之前所持被購買方的股權投資的賬面價值與購買日新增投資成本之和作為初始投資成本)，合併成本包括購買方付出的資產、發生或承擔的負債、發行的權益性證券的公允價值之和；購買日之前持有的因採用權益法核算而確認的其他綜合收益，在處置該項投資時採用與被投資單位直接處置相關資產或負債相同的基礎進行會計處理；購買日之前持有的股權投資作為其他權益工具投資計入其他綜合收益的累計公允價值變動在改按成本法核算時轉入留存收益。除企業合併形成的長期股權投資以外方式取得的長期股權投資，按照下列方法確定初始投資成本：支付現金取得的，以實際支付的購買價款及與取得長期股權投資直接相關的費用、稅金及其他必要支出作為初始投資成本；發行權益性證券取得的，以發行權益性證券的公允價值作為初始投資成本。通過非貨幣性資產交換取得的，按照《企業會計準則第7號—非貨幣性資產交換》確定初始投資成本；通過債務重組取得的，按照《企業會計準則第12號—債務重組》確定初始投資成本。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Long-term equity investments (Continued)

For a long-term equity investment where the Company can exercise control over the investee, the Company uses the cost method in the Company's financial statements. Control refers to the power over an investee, and exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns.

Under the cost method, the long-term equity investment is measured at its initial investment cost. For addition or reduction of investments, the cost of long-term equity investments is adjusted accordingly. Cash dividend or profit distribution declared by an investee is recognized as profit or loss in the current period.

The equity method is adopted for a long-term equity investment when the Group holds joint control, or exercises significant influence on the investee. Joint control refers to the contractually-agreed shared control over an arrangement and related activities under such arrangement shall be decided upon with the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but cannot control or jointly control with other parties over the formulation of those policies.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the investing entity's interest in the fair values of the investee's identifiable net assets at the acquisition date, the excess is included in the initial investment cost. Where the initial investment cost is less than the investing entity's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is charged to profit or loss for the current period, and the cost of the long-term equity investment is adjusted accordingly.

三、重要會計政策及會計估計(續)

14. 長期股權投資(續)

本公司能夠對被投資單位實施控制的長期股權投資，在本公司個別財務報表中採用成本法核算。控制，是指擁有對被投資方的權力，通過參與被投資方的相關活動而享有可變回報，並且有能力運用對被投資方的權力影響回報金額。

採用成本法時，長期股權投資按初始投資成本計價。追加或收回投資的，調整長期股權投資的成本。被投資單位宣告分派的現金股利或利潤，確認為當期投資收益。

本集團對被投資單位具有共同控制或重大影響的，長期股權投資採用權益法核算。共同控制，是指按照相關約定對某項安排所共有的控制，並且該安排的相關活動必須經過分享控制權的參與方一致同意後才能決策。重大影響，是指對被投資單位的財務和經營政策有參與決策的權力，但並不能夠控制或者與其他方一起共同控制這些政策的制定。

採用權益法時，長期股權投資的初始投資成本大於投資時應享有被投資單位可辨認淨資產公允價值份額的，歸入長期股權投資的初始投資成本；長期股權投資的初始投資成本小於投資時應享有被投資單位可辨認淨資產公允價值份額的，其差額計入當期損益，同時調整長期股權投資的成本。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Long-term equity investments (Continued)

Under the equity method, the Group recognizes its share of the net profits or losses and other comprehensive income made by the investee as investment income or losses and other comprehensive income after the acquisition of the long-term equity investments, and adjusts the carrying amount of the investment accordingly. The Group recognizes its share of the investee's net profits or losses after making appropriate adjustments to the investee's net profits based on the fair value of the investee's identifiable assets at the acquisition date, using the Group's accounting policies and periods, and eliminating the portion of the profits or losses arising from internal transactions with its jointly controlled enterprises and associates, attributable to the investing entity according to its share ratio (but impairment losses for assets arising from internal transactions shall be recognized in full). The carrying amount of the investment is reduced accordingly based on the Group's share of any profit distributions or cash dividends declared by the investee. The Group's share of net losses of the investee is recognized to the extent the carrying amount of the investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero, except that the Group has incurred obligations to assume additional losses. The Group adjusts the carrying amount of the long-term equity investment for any changes in owners' equity of the investee (other than net profits or losses, other comprehensive income and profit distribution) and includes the corresponding adjustments in the shareholders' equity.

三、重要會計政策及會計估計(續)

14. 長期股權投資(續)

採用權益法時，取得長期股權投資後，按照應享有或應分擔的被投資單位實現的淨損益和其他綜合收益的份額，分別確認投資損益和其他綜合收益並調整長期股權投資的賬面價值。在確認應享有被投資單位淨損益的份額時，以取得投資時被投資單位可辨認資產等的公允價值為基礎，按照本集團的會計政策及會計期間，並抵銷與聯營企業及合營企業之間發生的內部交易損益按照應享有的比例計算歸屬於投資方的部分(但內部交易損失屬於資產減值損失的，應全額確認)，對被投資單位的淨利潤進行調整後確認，但投出或出售的資產構成業務的除外。按照被投資單位宣告分派的利潤或現金股利計算應享有的部分，相應減少長期股權投資的賬面價值。本集團確認被投資單位發生的淨虧損，以長期股權投資的賬面價值以及其他實質上構成對被投資單位淨投資的長期權益減記至零為限，本集團負有承擔額外損失義務的除外。對於被投資單位除淨損益、其他綜合收益和利潤分配以外股東權益的其他變動，調整長期股權投資的賬面價值並計入股東權益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Long-term equity investments (Continued)

On disposal of the long-term equity investments, the difference between book value and consideration received is recognized in profit or loss for the current period. For long-term equity investments under equity method, when the use of the equity method is discontinued, other comprehensive income previously accounted for under the equity method shall be dealt with on the same basis as if the relevant assets or liabilities were disposed of directly by the investee. Shareholders' equity recognized as a result of changes in shareholders' equity other than the net-off of profit and loss, other comprehensive income and profit allocation of the investee shall be transferred in full to current profit and loss. If the equity method remains in use, other comprehensive income previously accounted for under the equity method shall be dealt with on the same basis as if the relevant assets or liabilities were disposed of directly by the investee and transferred to current profit and loss on a pro-rata basis. Shareholders' equity recognized as a result of changes in shareholders' equity other than the net-off of profit and loss, other comprehensive income and profit allocation of the investee shall be transferred to current profit and loss on a pro-rata basis.

15. Investment property

Investment property is property held to earn rentals or for capital appreciation or both. Investment property includes a land use right that is leased out and a building that is leased out.

An investment property is measured initially at its cost. If the economic benefits relating to an investment property will probably flow in and the cost can be reliably measured, subsequent costs incurred for the property is included in the cost of the investment property. Otherwise, subsequent costs are recognized in profit or loss for the period in which they are incurred.

三、重要會計政策及會計估計(續)

14. 長期股權投資(續)

處置長期股權投資，其賬面價值與實際取得價款的差額，計入當期損益。採用權益法核算的長期股權投資，因處置終止採用權益法的，原權益法核算的相關其他綜合收益採用與被投資單位直接處置相關資產或負債相同的基礎進行會計處理，因被投資方除淨損益、其他綜合收益和利潤分配以外的其他股東權益變動而確認的股東權益，全部轉入當期損益；仍採用權益法的，原權益法核算的相關其他綜合收益採用與被投資單位直接處置相關資產或負債相同的基礎進行會計處理並按比例轉入當期損益，因被投資方除淨損益、其他綜合收益和利潤分配以外的其他股東權益變動而確認的股東權益按相應的比例轉入當期損益。

15. 投資性房地產

投資性房地產，是指為賺取租金或資本增值，或兩者兼有而持有的房地產，包括已出租的土地使用權、已出租的建築物。

投資性房地產按照成本進行初始計量。與投資性房地產有關的後續支出，如果與該資產有關的經濟利益很可能流入且其成本能夠可靠地計量，則計入投資性房地產成本。否則，於發生時計入當期損益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Investment property (Continued)

The Group uses the cost model for subsequent measurement of its investment property. Depreciation or amortization is calculated on the straight-line basis over its useful life, as follows:

Item 項目	Estimated useful lives (years) 預計使用壽命(年)	Estimated net residual value rate (%) 預計淨殘值率(%)	Annual depreciation rate (%) 年折舊率(%)
Land use rights 土地使用權	48.5–50	0	2.00–2.06
Houses and buildings 房屋及建築物	14.5–30	0–5	3.17–6.90

16. Fixed assets

A fixed asset is recognized only when the economic benefits associated with the asset will probably flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditure incurred for a fixed asset that meet the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognized. Otherwise, such expenditure shall be recognized in profit or loss for the period in which they are incurred.

Fixed assets are initially measured at cost. The cost of a purchased fixed asset comprises the purchase price, relevant taxes and any directly attributable expenditure for bringing the asset to working condition for its intended use. Other than fixed assets arising from the use and appropriation of safety funds, special reserve offset against the cost of fixed assets, and equivalent amounts of accumulated depreciation recognized; the straight line method or double-declining balance method is adopted for the depreciation of fixed assets of the Group.

三、重要會計政策及會計估計(續)

15. 投資性房地產(續)

本集團採用成本模式對投資性房地產進行後續計量，在其使用壽命內採用直線法計提折舊或攤銷。列示如下：

Item 項目	Estimated useful lives (years) 預計使用壽命(年)	Estimated net residual value rate (%) 預計淨殘值率(%)	Annual depreciation rate (%) 年折舊率(%)
Land use rights 土地使用權	48.5–50	0	2.00–2.06
Houses and buildings 房屋及建築物	14.5–30	0–5	3.17–6.90

16. 固定資產

固定資產僅在與其有關的經濟利益很可能流入本集團，且其成本能夠可靠地計量時才予以確認。與固定資產有關的後續支出，符合該確認條件的，計入固定資產成本，並終止確認被替換部分的賬面價值；否則，於發生時計入當期損益。

固定資產按照成本進行初始計量。購置固定資產的成本包括購買價款，相關稅費，以及為使固定資產達到預定可使用狀態前所發生的可直接歸屬於該項資產的其他支出。除使用提取的安全生產費形成的固定資產，按照形成固定資產的成本沖減專項儲備，並確認相同金額的累計折舊之外，本集團固定資產的折舊採用直線法或雙倍餘額遞減法計提。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Fixed assets (Continued)

The expected useful lives, net residual value rates and annual depreciation rates of fixed assets are presented as follows:

Item	項目	Estimated useful lives (years) 預計使用壽命 (年)	Estimated net residual value rate (%) 預計淨殘值率 (%)	Annual depreciation rate (%) 年折舊率 (%)
Land ownership	土地所有權	indefinite 無期限	0	0
Houses and buildings	房屋及建築物	10–50	0–5	1.90–10.00
Machinery and equipment	機器設備	3–15	0–5	6.33–33.33
Vehicles	運輸設備	4–10	0–5	9.50–25.00
Electronic equipment	電子設備	2–15	0–5	6.33–50.00
Forklift trucks and equipment leased out (long-term)	租出的叉車及設備(長期)	2–15	0	6.67–50.00
Forklift trucks and equipment leased out (short-term)	租出的叉車及設備(短期)	2–15	0	6.67–50.00
Others	其他	2–15	0–5	6.33–50.00

Forklift trucks and equipment leased out (long-term)

If the control over the leased assets remains with KION GROUP AG, a subsidiary of the Company, as the lessor under an operating lease, the assets are reported as a separate item in the balance sheet and, being measured at cost and are depreciated. To fund leases, industrial trucks are generally sold by KION GROUP AG to leasing companies. The industrial trucks are then leased back to companies of KION GROUP AG internally (head lease), who sub-lease them to external end customers (described below as "sale and leaseback sub-leases"). These long-term leases generally have a term of four to five years. If, in the case of sale and leaseback sub-leases, the main control over the respective leased assets incidental to the head lease are substantially remained by KION GROUP AG and are not transferred to the end customers, the corresponding assets are reported as forklift trucks and equipment leased out (long-term) under fixed assets. However, if the main control incidental to the head lease is transferred to the end customers, a corresponding lease receivable is recognized. In both cases, the long-term finance leases, which are funded for terms that match those of the leases, are recognized as lease liabilities.

三、重要會計政策及會計估計(續)

16. 固定資產(續)

各類固定資產的原始預計使用壽命、淨殘值率及年折舊率列示如下：

租出的叉車及設備(長期)

在經營租賃的情況下，本公司之子公司KION GROUP AG作為出租人保留了租賃資產相關控制，相關資產在財務報表附註中單獨披露，租賃資產以成本計量，並計提折舊。為滿足融資需求，KION GROUP AG通常將工業叉車銷售給第三方租賃公司，然後再租回到KION GROUP AG內部的公司(首次租賃)，再轉租給外部最終用戶(以下稱為「售後租回再轉租」)，租賃期通常為4到5年。如果售後租回再轉租的首次租賃的對應租賃資產的主要控制權仍然由KION GROUP AG保留，同時也未通過轉租轉移給最終客戶，則相應資產列示為固定資產項下的租出的叉車及設備(長期)。如果主要控制權轉移給了最終客戶，則確認相應收租賃款項。上述兩種情況下，與租賃期相匹配的長期融資租賃項目確認為租賃負債。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Fixed assets (Continued)

Forklift trucks and equipment leased out (short-term)

Forklift trucks and equipment leased out (short-term) arises from short-term rental transactions as well as the sale of industrial trucks in relation to which main control remains with KION GROUP AG ("indirect leasing").

In the case of short-term rentals, the subsidiaries of KION GROUP AG, a subsidiary group under the Company, rent industrial trucks to customers directly. Short-term rental agreements usually have a term within one year. The main control of products remains within the aforesaid companies. The industrial trucks are carried at cost and depreciated over the normal useful life, depending on the product group.

In an indirect leasing arrangement, industrial trucks are sold to finance partners who then enter into leases with end customers. However, the subsidiaries of KION GROUP AG retain main control over the assets leased out, the aforesaid leased-out assets are recognized as asset items in the balance sheet upon disposal, measured at cost, and written down to their guaranteed residual value, or zero, on a straight-line basis over the lease period. If the Company provides a residual value guarantee, an amount equivalent to the residual value obligation is recognized under financial liabilities.

For fixed assets leased in under finance lease, depreciation for leased assets is provided for using policy similar to that applied to self-owned fixed assets. When it can be reasonably determined that the ownership of a leased asset will be obtained at the end of the lease term, it is depreciated over the period of expected use; otherwise, the lease asset is depreciated over the shorter period of the lease term and its useful life.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least at each year-end, and make adjustments if necessary.

三、重要會計政策及會計估計(續)

16. 固定資產(續)

租出的叉車及設備(短期)

租出的叉車及設備(短期)產生於短期租賃交易和主要控制權仍由KION GROUP AG保留的售出工業叉車(間接租賃)。

在短期租賃情況下，本公司之子公司KION GROUP AG下屬子公司直接租賃給最終客戶，租賃期通常為1年以內，主要商品控制權仍由上述公司保留。工業叉車按成本計量，在正常使用年限內進行攤銷，使用年限取決於所屬的產品類別。

在間接租賃協議情況下，工業叉車銷售給金融合作夥伴，再由金融合作夥伴租賃給最終客戶，但KION GROUP AG下屬子公司仍保留相應租出資產的主要控制權，上述租出資產在出售時確認為資產負債表的資產項目，按成本計量，並在租賃期內按直線法折舊到擔保餘值或者零。對於公司提供的餘值擔保，義務被確認為金融負債。

以融資租賃方式租入的固定資產採用與自有固定資產一致的政策計提租賃資產折舊。能夠合理確定租賃期屆滿時取得租賃資產所有權的，在租賃資產使用壽命內計提折舊，無法合理確定租賃期屆滿能夠取得租賃資產所有權的，在租賃期與租賃資產使用壽命兩者中較短的期間內計提折舊。

本集團至少於每年年度終了，對固定資產的使用壽命、預計淨殘值和折舊方法進行覆核，必要時進行調整。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Construction in progress

The cost of construction in progress is determined according to the actual expenditure incurred for the construction, including all necessary construction expenditure incurred during the construction period, borrowing costs that shall be capitalized before the construction gets ready for its intended use and other relevant expenses.

A construction in progress is transferred to fixed asset when the asset is ready for its intended use.

18. Borrowing costs

Borrowing costs are interest and other costs incurred by the Group in connection with the borrowing of the funds. Borrowing costs include interest, amortization of discounts or premiums related to borrowings, ancillary costs incurred in connection with the arrangement of borrowings, and exchange differences arising from foreign currency borrowings.

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized. The amounts of other borrowing costs incurred are recognized as an expense in the period in which they are incurred. Qualifying assets are assets (fixed assets, investment property and inventories, etc.) that necessarily take a substantial period of time for acquisition, construction or production to get ready for their intended use or sale.

The capitalization of borrowing costs commences only when all of the following conditions are satisfied:

- (1) expenditures for the asset are being incurred;
- (2) borrowing costs are being incurred;
- (3) activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced.

三、重要會計政策及會計估計(續)

17. 在建工程

在建工程成本按實際工程支出確定，包括在建期間發生的各項必要工程支出、工程達到預定可使用狀態前的應予資本化的借款費用以及其他相關費用等。

在建工程在達到預定可使用狀態時轉入固定資產。

18. 借款費用

借款費用，是指本集團因借款而發生的利息及其他相關成本，包括借款利息、折價或者溢價的攤銷、輔助費用以及因外幣借款而發生的匯兌差額等。

可直接歸屬於符合資本化條件的資產的購建或者生產的借款費用，予以資本化，其他借款費用計入當期損益。符合資本化條件的資產，是指需要經過相當長時間的購建或者生產活動才能達到預定可使用或者可銷售狀態的固定資產、投資性房地產和存貨等資產。

借款費用同時滿足下列條件的，才能開始資本化：

- (1) 資產支出已經發生；
- (2) 借款費用已經發生；
- (3) 為使資產達到預定可使用或者可銷售狀態所必要的購建或者生產活動已經開始。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Borrowing costs (Continued)

Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Any borrowing costs subsequently incurred are recognized as an expense in the period in which they are incurred.

During the capitalization period, the amount of interest to be capitalized for each accounting period shall be determined as follows:

- (1) where funds are borrowed for a specific purpose, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds.
- (2) where funds are borrowed for a general purpose, the amount of interest to be capitalized on such borrowings is determined by applying a weighted average interest rate to the weighted average of the excess amounts of accumulated expenditure on the asset over and above the amounts of specific-purpose borrowings.

Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted by activities other than those necessary to prepare the asset for its intended use or sale, when the interruption is for a continuous period of more than 3 months. Borrowing costs incurred during these periods are recognized as an expense for the current period until the acquisition, construction or production is resumed.

19. Intangible assets

An intangible asset shall be recognized only when it is probable that the economic benefit associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. However, intangible assets acquired in a business combination not involving entities under common control with a fair value that can be measured reliably are recognized separately as intangible assets and measured at the fair value.

三、重要會計政策及會計估計(續)

18. 借款費用(續)

購建或者生產符合資本化條件的資產達到預定可使用或者可銷售狀態時，借款費用停止資本化。之後發生的借款費用計入當期損益。

在資本化期間內，每一會計期間的利息資本化金額，按照下列方法確定：

- (1) 專門借款以當期實際發生的利息費用，減去暫時性的存款利息收入或投資收益後的金額確定。
- (2) 佔用的一般借款，根據累計資產支出超過專門借款部分的資產支出加權平均數乘以所佔用一般借款的加權平均利率計算確定。

符合資本化條件的資產在購建或者生產過程中，發生除達到預定可使用或者可銷售狀態必要的程序之外的非正常中斷、且中斷時間連續超過3個月的，暫停借款費用的資本化。在中斷期間發生的借款費用確認為費用，計入當期損益，直至資產的購建或者生產活動重新開始。

19. 無形資產

無形資產僅在與其有關的經濟利益很可能流入本集團，且其成本能夠可靠地計量時才予以確認，並以成本進行初始計量。但非同一控制下企業合併中取得的無形資產，其公允價值能夠可靠地計量的，即單獨確認為無形資產並按照公允價值計量。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

19. Intangible assets(Continued)

The useful life of an intangible asset is determined according to the period over which it is expected to generate economic benefits for the Group. An intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

The original useful lives of the intangible assets are as follows:

		Useful lives (years) 使用壽命(年)
Technology know-how	專有技術	3-20
Land use rights	土地使用權	30-50
Software	軟件	2-10
License	特許權	3-15
Orders on hand	在手訂單	1-25
Customer relationship	客戶關係	2-17
Intangible assets from internal R&D	內部研發形成無形資產	5-07
Others	其他	3-10
Trademark rights	商標使用權	Indefinite 不確定

Land use rights that are acquired by the Group are generally accounted for as intangible assets. Buildings, such as plants that are developed and constructed by the Group, and relevant land use rights and buildings, are accounted for as intangible assets and fixed assets, respectively. Payments for the land and buildings acquired are allocated between the land use rights and the buildings; if they cannot be reasonably allocated, all of the land use rights and buildings are accounted for as fixed assets.

An intangible asset with a finite useful life is amortized using the straight-line method over its useful life. For an intangible asset with a finite useful life, the Group reviews the useful life and amortization method at least at each year-end and makes adjustment if necessary.

三、重要會計政策及會計估計(續)

19. 無形資產(續)

無形資產按照其能為本集團帶來經濟利益的期限確定使用壽命，無法預見其為本集團帶來經濟利益期限的作為使用壽命不確定的無形資產。

各項無形資產的原始使用壽命如下：

本集團取得的土地使用權，通常作為無形資產核算。自行開發建造廠房等建築物，相關的土地使用權和建築物分別作為無形資產和固定資產核算。外購土地及建築物支付的價款在土地使用權和建築物之間進行分配，難以合理分配的，全部作為固定資產處理。

使用壽命有限的無形資產，在其使用壽命內採用直線法攤銷。本集團至少於每年年度終了，對使用壽命有限的無形資產的使用壽命及攤銷方法進行覆核，必要時進行調整。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

19. Intangible assets(Continued)

An intangible asset with an indefinite useful life are tested for impairment at least once every year, irrespective of whether there is any indication that the asset may be impaired. This category of intangible assets will not be amortized and will be reviewed every accounting period based on its useful life. If there are evidence indicates that its useful life is limited, the asset will be accounted for in accordance to the policy for intangible asset with definite useful life stated above.

The Group classifies the expenditure on an internal research and development project into expenditure on the research phase and expenditure on the development phase. Expenditure on the research phase is recognized in profit or loss for the period in which it is incurred. Expenditure on the development phase is capitalized when the Group can demonstrate all of the following: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) the intention to complete the intangible asset and use or sell it; (iii) how the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; (iv) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and (v) its ability to measure reliably the expenditure attributable to the intangible asset during its development. Expenditure in the development phase that does not meet the above criteria is recognized in profit or loss for the period in which it is incurred.

20. Impairment of assets

The Group determines the impairment of assets, other than the impairment of inventories, deferred income taxes, financial assets and assets held-for-sale, using the following methods:

三、重要會計政策及會計估計(續)

19. 無形資產(續)

對使用壽命不確定的無形資產，無論是否存在減值跡象，每年均進行減值測試。此類無形資產不予攤銷，在每個會計期間對其使用壽命進行覆核。如果有證據表明使用壽命是有限的，則按上述使用壽命有限的無形資產的政策進行會計處理。

本集團將內部研究開發項目的支出，區分為研究階段支出和開發階段支出。研究階段的支出，於發生時計入當期損益。開發階段的支出，只有在同時滿足下列條件時，才能予以資本化，即：完成該無形資產以使其能夠使用或出售在技術上具有可行性；具有完成該無形資產並使用或出售的意圖；無形資產產生經濟利益的方式，包括能夠證明運用該無形資產生產的產品存在市場或無形資產自身存在市場，無形資產將在內部使用的，能夠證明其有用性；有足夠的技術、財務資源和其他資源支持，以完成該無形資產的開發，並有能力使用或出售該無形資產；歸屬於該無形資產開發階段的支出能夠可靠地計量。不滿足上述條件的開發支出，於發生時計入當期損益。

20. 資產減值

本集團對除存貨、遞延所得稅、金融資產、持有待售資產外的資產減值，按以下方法確定：

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Impairment of assets(Continued)

The Group assesses at the balance sheet date whether there is any indication that an asset may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset and performs test for impairment. Goodwill arising from a business combination and an intangible asset with an indefinite useful life are tested for impairment at least at each year-end, irrespective of whether there is any indication that the asset may be impaired. Intangible assets that have not been ready for intended use are tested for impairment each year.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flow expected to be derived from the asset. The Group estimates the recoverable amount on an individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group to which the asset belongs. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount is reduced to the recoverable amount. The reduction in carrying amount is recognized in profit or loss for the current period. A provision for impairment of the asset is recognized accordingly.

For the purpose of impairment testing, the carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis, to each of the related asset groups; if it is impossible to allocate to the related asset groups, it is allocated to each of the related sets of asset groups. Each of the related asset groups or sets of asset groups is an asset group or set of asset group that is able to benefit from the synergies of the business combination and shall not be larger than a reportable segment determined by the Group.

三、重要會計政策及會計估計(續)

20. 資產減值(續)

本集團於資產負債表日判斷資產是否存在可能發生減值的跡象，存在減值跡象的，本集團將估計其可收回金額，進行減值測試。對因企業合併所形成的商譽和使用壽命不確定的無形資產，無論是否存在減值跡象，至少於每年末進行減值測試。對於尚未達到可使用狀態的無形資產，也每年進行減值測試。

可收回金額根據資產的公允價值減去處置費用後的淨額與資產預計未來現金流量的現值兩者之間較高者確定。本集團以單項資產為基礎估計其可收回金額；難以對單項資產的可收回金額進行估計的，以該資產所屬的資產組為基礎確定資產組的可收回金額。資產組的認定，以資產組產生的主要現金流入是否獨立於其他資產或者資產組的現金流入為依據。

當資產或者資產組的可收回金額低於其賬面價值時，本集團將其賬面價值減記至可收回金額，減記的金額計入當期損益，同時計提相應的資產減值準備。

就商譽的減值測試而言，對於因企業合併形成的商譽的賬面價值，自購買日起按照合理的方法分攤至相關的資產組；難以分攤至相關的資產組的，將其分攤至相關的資產組組合。相關的資產組或者資產組組合，是能夠從企業合併的協同效應中受益的資產組或者資產組組合，且不大於本集團確定的報告分部。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Impairment of assets (Continued)

In testing an asset group or a set of asset groups to which goodwill has been allocated for impairment, if there is any indication of impairment, the Group firstly tests the asset group or set of asset groups excluding the amount of goodwill allocated for impairment, determines the recoverable amount and recognizes any impairment loss. After that, the Group tests the asset group or set of asset groups including goodwill for impairment, whereby the carrying amount of the related asset group or set of asset groups is compared to its recoverable amount. If the carrying amount of the asset group or set of asset groups is higher than its recoverable amount, the amount of the impairment loss firstly reduces the carrying amount of the goodwill allocated to the asset group or set of asset groups, and then reduce the carrying amount of other assets (other than the goodwill) within the asset group or set of asset groups, pro rata on the basis of the carrying amount of each asset.

Once the above impairment loss is recognized, it cannot be reversed in subsequent accounting periods.

21. Long-term prepaid expenses

Long-term prepaid expenses are amortized using straight-line method with amortization period as follows:

		Amortization period (years)
		攤銷期(年)
Industrial mould fee	工裝模具費	1-5
Industrial equipment fee	工位器具費	5
Expenditure on improvement of fixed assets leased in	租入固定資產改良支出	The shorter of useful life and lease term 使用壽命與租賃期孰短

三、重要會計政策及會計估計(續)

20. 資產減值(續)

對包含商譽的相關資產組或者資產組組合進行減值測試時，如與商譽相關的資產組或者資產組組合存在減值跡象的，首先對不包含商譽的資產組或者資產組組合進行減值測試，計算可收回金額，確認相應的減值損失。然後對包含商譽的資產組或者資產組組合進行減值測試，比較其賬面價值與可收回金額，如可收回金額低於賬面價值的，減值損失金額首先抵減分攤至資產組或者資產組組合中商譽的賬面價值，再根據資產組或者資產組組合中除商譽之外的其他各項資產的賬面價值所佔比重，按比例抵減其他各項資產的賬面價值。

上述資產減值損失一經確認，在以後會計期間不再轉回。

21. 長期待攤費用

長期待攤費用採用直線法攤銷，攤銷期如下：

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Payroll

Payroll are all forms of consideration or compensation given by the Group for obtaining services rendered by employees or for terminating working relationship. Payroll include short-term remuneration, post-employment benefits, severance benefits and other long-term staff benefits. The benefits provided to spouses, children, persons receiving maintenance, widows or widowers of deceased staff and other beneficiaries are also included in payroll.

Short-term remuneration

Short-term remuneration actually incurred during the accounting period in which the staff members provide services are recognized as liability and taken to the profit and loss for the current period or the costs of the relevant asset.

Post-employment benefits (Defined contribution plan)

The employees of the Group participate in pension insurance and unemployment insurance administered by local governments, as well as annuity plan. The relevant expenditure is recognized, when incurred, in the costs of relevant assets or the profit and loss for the current period.

Post-employment benefits (Defined benefit plan)

Some overseas subsidiaries of the group operate defined benefit pension plan, under which contributions shall be made to a separately-administered fund. The cost of providing benefits under the defined benefit pension plan is determined using the projected unit credit method.

Any re-measurements arising from the defined benefit pension plan, including actuarial gains and losses, change to the effect on maximum assets (net of amounts included under net interest) and return on assets under the plan (net of amount included under net interest), are recognized immediately in balance sheet, and included as incurred in owners' equity through other comprehensive income. No reversal to profit or loss will be made in subsequent periods.

三、重要會計政策及會計估計(續)

22. 職工薪酬

職工薪酬，是指本集團為獲得職工提供的服務或解除勞動關係而給予的除股份支付以外各種形式的報酬或補償。職工薪酬包括短期薪酬、離職後福利、辭退福利和其他長期職工福利。本集團提供給職工配偶、子女、受贍養人、已故員工遺屬及其他受益人等的福利，也屬於職工薪酬。

短期薪酬

在職工提供服務的會計期間，將實際發生的短期薪酬確認為負債，並計入當期損益或相關資產成本。

離職後福利(設定提存計劃)

本集團的職工參加由當地政府管理的養老保險和失業保險，還參加了企業年金，相應支出在發生時計入相關資產成本或當期損益。

離職後福利(設定受益計劃)

本集團的部分海外子公司運作設定受益退休金計劃，該等計劃要求向獨立管理的基金繳存費用。設定受益計劃下提供該福利的成本採用預期累積福利單位法。

設定受益退休金計劃引起的重新計量，包括精算利得或損失，資產上限影響的變動(扣除包括在設定受益計劃淨負債利息淨額中的金額)和計劃資產回報(扣除包括在設定受益計劃淨負債利息淨額中的金額)，均在資產負債表中立即確認，並在其發生期間通過其他綜合收益計入股東權益，後續期間不轉回至損益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Payroll (Continued)

Post-employment benefits (Defined benefit plan) (Continued)

Previous service costs are recognized as expenses for the current period on the earlier of the following dates: when amendments are made to the defined benefit plan; or when the Group recognizes the relevant reorganization costs or severance benefits.

Net interest is calculated by multiplying the net liabilities or net assets under the defined benefit plan with the discount rate. Changes in the net obligations under the defined benefit plan are recognized under cost of sales, general and administrative expenses, research & development expenses, selling expenses and finance expenses in the income statement. Costs of services include costs of services for the current period, costs of services for previous periods, and gains or losses on settlement. Net interest includes interest income accrued upon assets under the plan, interest expenses incurred due to obligations under the plan, and interest under the effect of maximum assets.

Severance benefits

Where the Group provides severance benefits to its employees, payroll payable arising from such severance benefits are recognized on the earlier of the following dates and included in profit or loss for the current period: when the company is unable to unilaterally withdraw the severance benefits provided under its plan to terminate working relationship with employees or redundancy plan; or when the company recognizes costs or expenses relating to reorganization involving the payment of severance benefits.

Other long-term staff benefits

For other long-term staff benefits provided to staff members, the provisions for post-employment benefits apply for recognizing and measuring the net liabilities or net assets for other long-term staff benefits, but movements are taken to profit and loss for the current period or the costs of the relevant assets.

三、重要會計政策及會計估計(續)

22. 職工薪酬(續)

離職後福利(設定受益計劃)(續)

在下列日期孰早日將過去服務成本確認為當期費用：修改設定受益計劃時；本集團確認相關重組費用或辭退福利時。

利息淨額由設定受益計劃淨負債或淨資產乘以折現率計算而得。本集團在利潤表的營業成本、管理費用、研發費用、銷售費用、財務費用中確認設定受益計劃淨義務的如下變動：服務成本，包括當期服務成本、過去服務成本和結算利得或損失；利息淨額，包括計劃資產的利息收益、計劃義務的利息費用以及資產上限影響的利息。

辭退福利

本集團向職工提供辭退福利的，在下列兩者孰早日確認辭退福利產生的職工薪酬負債，並計入當期損益：企業不能單方面撤回因解除勞動關係計劃或裁減建議所提供的辭退福利時；企業確認與涉及支付辭退福利的重組相關的成本或費用時。

其他長期職工福利

向職工提供的其他長期職工福利，適用離職後福利的有關規定確認和計量其他長期職工福利淨負債或淨資產，但變動均計入當期損益或相關資產成本。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Accruals and provisions

Except for contingent consideration transferred and contingent liability assumed in business combinations not involving entities under common control, the Group recognizes an obligation related to a contingency as a provision when all of the following conditions are satisfied:

- (1) the obligation is a present obligation of the Group;
- (2) it is probable that an outflow of economic benefits from the Group will be required to settle the obligation;
- (3) the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, with comprehensive consideration of factors such as the risks, uncertainty and time value of money relating to a contingency. The carrying amount of a provision is reviewed at the balance sheet date. If there is clear evidence that the carrying amount does not reflect the current best estimate, the carrying amount is adjusted to the best estimate.

A contingent liability recognized in a business combination involving entities not under common control from the acquiree is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognized in accordance with the general guidance for provisions above; and the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with the guidance for revenue recognition.

三、重要會計政策及會計估計(續)

23. 預計負債

除了非同一控制下企業合併中的或有對價及承擔的或有負債之外，當與或有事項相關的義務同時符合以下條件，本集團將其確認為預計負債：

- (1) 該義務是本集團承擔的現時義務；
- (2) 該義務的履行很可能導致經濟利益流出本集團；
- (3) 該義務的金額能夠可靠地計量。

預計負債按照履行相關現時義務所需支出的最佳估計數進行初始計量，並綜合考慮與或有事項有關的風險、不確定性和貨幣時間價值等因素。每個資產負債表日對預計負債的賬面價值進行覆核。有確鑿證據表明該賬面價值不能反映當前最佳估計數的，按照當前最佳估計數對該賬面價值進行調整。

非同一控制下企業合併中取得的被購買方或有負債在初始確認時按照公允價值計量，在初始確認後，按照預計負債確認的金額，和初始確認金額扣除收入確認原則確定的累計攤銷額後的餘額，以兩者之中的較高者進行後續計量。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Share-based payments

Share-based payments can be distinguished into equity-settled share-based payments and cash-settled share-based payments. Equity-settled share-based payments are transactions of the Group settled through the payment of shares or other equity instruments in consideration for receiving services.

Equity-settled share-based payments made in exchange for services rendered by employees are measured at the fair value of equity instruments granted to employees. Instruments which are vested immediately upon the grant are charged to relevant costs or expenses at the fair value on the date of grant and the capital reserve is credited accordingly. Instruments of which vesting is conditional upon completion of services or fulfillment of performance conditions are measured by recognizing services rendered during the period in relevant costs or expenses and crediting the capital reserve accordingly at the fair value on the date of grant according to the best estimates conducted by the Group at each balance sheet date during the pending period based on subsequent information such as latest updates on the change in the number of entitled employees and whether performance conditions have been fulfilled, and etc. For the fair value of equity instruments, see Note XI.

The cost of equity-settled transactions is recognized, together with a corresponding increase in capital reserve, over the period in which the performance and service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

No cost or expense is recognized for awards that do not ultimately vest because non-market conditions and/or conditions on duration of service are not satisfied. Where vesting is conditional upon a market or non-vesting condition as stipulated under the agreement on the share-based payment, it is treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other conditions on operating results and/or service duration are satisfied.

三、重要會計政策及會計估計(續)

24. 股份支付

股份支付，分為以權益結算的股份支付和以現金結算的股份支付。以權益結算的股份支付，是指本集團為獲取服務以股份或其他權益工具作為對價進行結算的交易。

以權益結算的股份支付換取職工提供服務的，以授予職工權益工具的公允價值計量。授予後立即可行權的，在授予日按照公允價值計入相關成本或費用，相應增加資本公積；完成等待期內的服務或達到規定業績條件才可行權的，在等待期內每個資產負債表日，本集團根據最新取得的可行權職工人數變動、是否達到規定業績條件等後續信息對可行權權益工具數量作出最佳估計，以此為基礎，按照授予日的公允價值，將當期取得的服務計入相關成本或費用，相應增加資本公積。權益工具的公允價值參見附註十一。

在滿足業績條件和服務期限條件的期間，應確認以權益結算的股份支付的成本或費用，並相應增加資本公積。可行權日之前，於每個資產負債表日為以權益結算的股份支付確認的累計金額反映了等待期已屆滿的部分以及本集團對最終可行權的權益工具數量的最佳估計。

對由於未滿足非市場條件和／或服務期限條件而最終未能行權的股份支付，不確認成本或費用。股份支付協議中規定了市場條件或非可行權條件的，無論是否滿足市場條件或非可行權條件，只要滿足所有其他業績條件和／或服務期限條件，即視為可行權。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Share-based payments (Continued)

Where the terms of an equity-settled share-based payment are modified, as a minimum, services obtained are recognized as if the terms had not been modified. In addition, an expense is recognized for any modification which increases the total fair value of the instrument granted, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. Where employees or other parties are permitted to choose to fulfill non-vesting conditions but have not fulfilled during the pending period, equity-settled share-based payments are deemed cancelled. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the new awards are treated as if they were a modification of the original award.

A cash-settled share-based payment shall be measured in accordance with the fair value of liability calculated and confirmed based on the shares or other equity instruments undertaken by the Group. Initial measurement is based on fair value as at the date of grant, and reference is made to the terms and conditions attached to the equity instruments. Refer to Note XI. If the right may be exercised immediately after the grant, the fair value of the liability undertaken by the enterprise shall, on the date of the grant, be included in the relevant costs or expenses, and the liabilities shall be increased accordingly. If the right may not be exercised until the vesting period comes to an end or until the specified performance conditions are met, on each balance sheet date within the vesting period, the services obtained in the current period shall, based on the best estimate of the information about the exercisable right, be included in the relevant costs or expenses at the fair value of the liability undertaken by the enterprise, and the liabilities shall be increased accordingly. On each balance sheet date prior to settlement of the relevant liabilities and on the settlement date, the fair value of the liability is re-measured and any change of fair value is taken to profit or loss for the current period.

三、重要會計政策及會計估計(續)

24. 股份支付(續)

如果修改了以權益結算的股份支付的條款，至少按照未修改條款的情況確認取得的服務。此外，增加所授予權益工具公允價值的修改，或在修改日對職工有利的變更，均確認取得服務的增加。

如果取消了以權益結算的股份支付，則於取消日作為加速行權處理，立即確認尚未確認的金額。職工或其他方能夠選擇滿足非可行權條件但在等待期內未滿足的，作為取消以權益結算的股份支付處理。但是，如果授予新的權益工具，並在新權益工具授予日認定所授予的新權益工具是用於替代被取消的權益工具的，則以與處理原權益工具條款和條件修改相同的方式，對所授予的替代權益工具進行處理。

以現金結算的股份支付，按照本集團承擔的以股份或其他權益工具為基礎計算確定的負債的公允價值計量。初始按照授予日的公允價值計量，並考慮授予權益工具的條款和條件，參見附註十一。授予後立即可行權的，在授予日以承擔負債的公允價值計入成本或費用，相應增加負債；完成等待期內的服務或達到規定業績條件才可行權的，在等待期內以對可行權情況的最佳估計為基礎，按照承擔負債的公允價值，將當期取得的服務計入相關成本或費用，增加相應負債。在相關負債結算前的每個資產負債表日以及結算日，對負債的公允價值重新計量，其變動計入當期損益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Other equity instruments

The Group is entitled to extend the term of its perpetual bonds for an indefinite number of times upon maturity. The Group is also entitled to defer payment of coupon interest on its perpetual bonds. The Group is not contractually obliged to pay cash or other financial assets, and classified as equity instruments.

26. Revenue (Applicable since 1 January 2018)

The Group has fulfilled its performance obligations of the contract that the revenue is recognized when the customers take control of the relevant goods or services. Taking control of the relevant goods or services means being able to dominate the use of the goods or the provision of the services and obtain almost all of the economic benefits from them.

Contracts for sale of goods

Contracts for sale of goods between the Group and its customers usually include only the performance obligations in respect of the transfer of goods. In general, the Group recognizes revenue at the point of time when the customer accepts the goods or obtains the goods online, taking into full consideration of the following factors: obtaining the present right to receiving payment in respect of the goods; transfer of substantial risks and returns in respect of the title to the goods; transfer of legal title in respect of the goods; transfer of the physical asset of the goods; and the customer accepts the goods or obtains the goods online.

三、重要會計政策及會計估計(續)

25. 其他權益工具

本集團有權對發行的永續債到期後不限次數展期，對於永續債票面利息，本集團有權遞延支付，本集團並無合同義務支付現金或其他金融資產，分類為權益工具。

26. 收入(自2018年1月1日起適用)

本集團在履行了合同中的履約義務，即在客戶取得相關商品或服務控制權時確認收入。取得相關商品或服務的控制權，是指能夠主導該商品的使用或該服務的提供並從中獲得幾乎全部的經濟利益。

銷售商品合同

本集團與客戶之間的銷售商品合同通常僅包含轉讓商品的履約義務。本集團通常在綜合考慮了下列因素的基礎上，以客戶接受或上線領用商品時點確認收入：取得商品的現時收款權利、商品所有權上的主要風險和報酬的轉移、商品的法定所有權的轉移、商品實物資產的轉移、客戶接受或上線領用該商品。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Revenue (Applicable since 1 January 2018) (Continued)

Contracts for provision of services

For revenue from the contracts for provision of services between the Group and its customers, while the Group performs the contract, the customer obtains and consumes the economic benefit brought by the Group's performance, and in respect of the portion of revenue arising from the Group's performance completed to date, the Group is entitled, during the entire validity period of the contract, to recognize revenue according to progress of performance within such period for satisfying such performance obligations during a period of time, however other than circumstances that the progress of performance cannot be reasonably determined. The Group determines progress of performance in respect of the provision of services using the input or output method. When the progress of performance cannot be reasonably determined, if the costs incurred are expected to be compensated, the Group recognizes revenue based on the amount of costs incurred, until the progress of performance can be reasonably determined.

Construction contracts – Project business contracts

For the project business contracts between the Group and its customers, the Group recognizes revenue according to progress of performance within such period for satisfying such performance obligations during a period of time. Progress of performance refers to the contract cost actually incurred on a cumulative basis as of the balance sheet date as a percentage of the expected total cost under contract (the input method). Based on the progress of performance of the project, revenue from project business contracts is recognized as the contract cost actually incurred plus the gross profit margin under contract. If the total contract cost is likely to exceed total contract revenue, the expected loss is recognized as expenses for the current period immediately. If the sum of the cost actually incurred and the recognized gross profit margin under contract exceed the contract settlement fee, the excess is taken to contract assets. Where the contract settlement fee exceeds the sum of the cost actually incurred and the recognized gross profit margin under contract, the excess is taken to contract liabilities.

三、重要會計政策及會計估計(續)

26. 收入(自2018年1月1日起適用)(續)

提供服務合同

本集團與客戶之間的提供服務合同收入，由於本集團履約的同時客戶即取得並消耗本集團履約所帶來的經濟利益，且本集團在整個合同期間內有權就累計至今已完成的履約部分收入款項，本集團將其作為在某一時段內履行的履約義務，按照履約進度確認收入，履約進度不能合理確定的除外。本集團按照投入法或產出法確定提供服務的履約進度。對於履約進度不能合理確定時，本集團已經發生的成本預計能夠得到補償的，按照已經發生的成本金額確認收入，直到履約進度能夠合理確定為止。

建造合同—項目業務合同

本集團對與客戶之間的項目業務合同在某一時段內履行的履約義務，按照項目的履約進度確認收入。履約進度是指資產負債表日累計實際發生的合同成本佔合同預計總成本的比例(投入法)。按照項目的履約進度，本集團以實際發生的合同成本加上合同毛利確認為項目業務合同收入。若合同總成本很可能超過合同總收入，本集團將預期損失立即確認為當期費用。若實際發生的成本與已確認的合同毛利之和超過合同結算價款，則超過部分計入合同資產。若合同結算價款超過實際發生的成本與已確認的合同毛利之和，則超過部分計入合同負債。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Revenue (Applicable since 1 January 2018) (Continued)

Construction contracts – Project business contracts (Continued)

When the progress of performance of project business contracts cannot be reasonably determined, if the costs incurred are expected to be compensated, the Group recognizes revenue based on the amount of costs incurred, until the progress of performance can be reasonably determined. If the costs incurred are not expected to be recovered, it is recognized as expenses for the current period immediately when the contract cost is incurred. For changes, claims and awards under contract, revenue is recognized only when it is likely to happen and the amount can be reliably estimated.

Variable consideration

Some of the Group's contracts with customers involve sales rebates, volume discount, commercial discount, performance bonus and claims, which give rise to variable consideration. The best estimate of variable consideration is arrived at using either an expected value or most likely outcome method. Variable consideration is included in the transaction price to the extent it is highly probable that there will not be a significant reversal in the amount of cumulative revenue recognized when the uncertainty is resolved.

Consideration payable to customers

Consideration payable to customers is set off against transaction price and is applied against revenue for the current period at the later of the point at which the relevant revenue is recognized and the point of commitment to pay consideration to customers, unless the payable consideration is for obtaining other distinguishable goods from the customers.

三、重要會計政策及會計估計(續)

26. 收入(自2018年1月1日起適用) (續)

建造合同—項目業務合同(續)

當對於項目業務合同的履約進度不能合理確定時，本集團已經發生的成本預計能夠得到補償的，按照已經發生的成本金額確認收入，直到履約進度能夠合理確定為止。若已經發生的成本預計不可能收回的，本集團在合同成本發生時立即確認為當期費用。對於的合同變更、索賠、獎勵等，本集團只有在其可能發生且金額能夠可靠估計時才確認為收入。

可變對價

本集團部分與客戶之間的合同存在銷售返利、數量折扣、商業折扣、業績獎金和索賠等的安排，形成可變對價。本集團按照期望值或最有可能發生金額確定可變對價的最佳估計數，但包含可變對價的交易價格不超過在相關不確定性消除時累計已確認收入極可能不會發生重大轉回的金額。

應付客戶對價

對於應付客戶對價，本集團將該應付客戶對價沖減交易價格，並在確認相關收入與承諾支付客戶對價二者孰晚的時點沖減當期收入，除非該應付對價是為了向客戶取得其他可明確區分商品。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Revenue (Applicable since 1 January 2018) (Continued)

Warranty obligations

In accordance with contractual arrangements and legal requirements, the Group provides warranty for goods that it sells and assets that it builds. For the guarantee-type warranties under which the Group warrants to the customers that the goods sold satisfy certain pre-set criteria, accounting treatments are as set out in Note III.23. For the service-type warranties under which the Group provides a separate service in addition to the warranty to the customers that the goods sold satisfy certain pre-set criteria, it is treated as a standalone performance obligation and part of the transaction price is apportioned to the service-type warranty based on the proportion of the separate selling prices under the guarantee-type and service-type warranties, and revenue is recognized when the customer acquires control of the service. In assessing whether a separate service is provided to the customer in addition to the warranty that the goods sold satisfy certain pre-set criteria, the Group considers whether the warranty is a statutory requirement, the validity period of the warranty and the nature of the Group's commitment to perform.

A principal/an agent

In acquiring control over a product or other assets from a third party and reselling the same to a customer, or in providing substantial service to integrate the products with other products to create a bundle which is then transferred to a customer, the Group can freely determine the price at which the product is transacted, i.e. the Group is in control of that product prior to transferring the same to a customer; in this case the Group is a principal, and revenue shall be recognized based on the total consideration received or receivable. Otherwise, the Group is an agent, and revenue shall be recognized at the amount of commissions or service charges expected to be entitled to collect, and such amount shall be determined based on net amount of total consideration received or receivable less amounts payable to other related parties.

三、重要會計政策及會計估計(續)

26. 收入(自2018年1月1日起適用)(續)

質保義務

根據合同約定、法律規定等，本集團為所銷售的商品或所建造的資產等提供質量保證。對於為向客戶保證所銷售的商品符合既定標準的保證類質量保證，本集團按照三、23進行會計處理。對於為向客戶保證所銷售的商品符合既定標準之外提供了一項單獨服務的服務類質量保證，本集團將其作為一項單項履約義務，按照提供商品和服務類質量保證的單獨售價的相對比例，將部分交易價格分攤至服務類質量保證，並在客戶取得服務控制權時確認收入。在評估質量保證是否在向客戶保證所銷售商品符合既定標準之外提供了一項單獨服務時，本集團考慮該質量保證是否為法定要求、質量保證期限以及本集團承諾履行任務的性質等因素。

主要責任人/代理人

對於本集團自第三方取得商品或其他資產控制權後，再轉讓給客戶控制權後，通過提供重大的服務將商品與其他商品整合成某組合產出轉讓給客戶，本集團有權自主決定所交易商品的價格，即本集團在向客戶轉讓商品前能夠控制該商品，因此本集團是主要責任人，按照已收或應收對價總額確認收入。否則，本集團為代理人，按照預期有權收取的佣金或手續費的金額確認收入，該金額應當按照已收或應收對價總額扣除應支付給其他相關方的價款後的淨額。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Revenue (Applicable since 1 January 2018) (Continued)

Interest Income

It is determined according to the length of time for which the Group's cash and cash equivalents is used by others and the effective interest rate.

Royalty income

It is determined according to period and method of charging as stipulated in the relevant contract or agreement.

Lease Income

Lease income from operating leases is recognized on a straight-line basis over the lease term. Contingent rents are charged to profit or loss in the period in which they actually arise.

27. Revenue (Applicable to year 2017)

Revenue is recognized only when it is probable that the associated economic benefits will flow to the Group, its amount can be measured reliably, and the following conditions are satisfied.

Revenue From the Sales of Goods

Revenue is recognized when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods; the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; and the associated costs incurred or to be incurred can be measured reliably. The amount of revenue arising from the sale of goods is determined in accordance with the consideration received or receivable from the buyer under contract or agreement, except where the consideration received or receivable under contract or agreement is not fair. Where the consideration receivable under contract or agreement is deferred, such that the arrangement is in substance of a financing nature, the amount of revenue arising on the sale of goods is measured at the fair value of the consideration receivable under contract or agreement.

三、重要會計政策及會計估計(續)

26. 收入(自2018年1月1日起適用) (續)

利息收入

按照他人使用本集團貨幣資金的時間和實際利率計算確定。

使用費收入

按照有關合同或協議約定的收費時間和方法計算確定。

租賃收入

經營租賃的租金收入在租賃期內各個期間按照直線法確認，或有租金在實際發生時計入當期損益。

27. 收入(適用於2017年度)

收入在經濟利益很可能流入本集團，且金額能夠可靠計量，並同時滿足下列條件時予以確認。

銷售商品收入

本集團已將商品所有權上的主要風險和報酬轉移給購貨方，並不再對該商品保留通常與所有權相聯繫的繼續管理權和實施有效控制，且相關的已發生或將發生的成本能夠可靠地計量，確認為收入的實現。銷售商品收入金額，按照從購貨方已收或應收的合同或協議價款確定，但已收或應收的合同或協議價款不公允的除外；合同或協議價款的收取採用遞延方式，實質上具有融資性質的，按照應收的合同或協議價款的公允價值確定。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Revenue (Applicable to year 2017) (Continued) *Revenue From the Rendering of Services*

When the outcome of a transaction involving the rendering of services can be estimated reliably at the balance sheet date, revenue associated with the transaction is recognized using the percentage of completion method, or otherwise, the revenue is recognized to the extent of costs incurred that are expected to be recoverable. The outcome of a transaction involving rendering of services can be estimated reliably when all of the following conditions are satisfied: the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the Group; the stage of completion of the transaction can be measured reliably; the costs incurred and to be incurred for the transaction can be measured reliably. The Group determines the stage of completion of a transaction involving the rendering of services by using the proportion of costs incurred to date to the estimated total costs. The total service revenue on a transaction involving rendering of services is determined in accordance with the consideration received or receivable from the recipient of services under contract or agreement, except where the consideration received or receivable under contract or agreement is not fair.

Revenue from the rendering of services is recognized during the accounting period in which the services are rendered. For the rendering of services across periods, the recognition shall be in proportion to the percentage of completion, namely the completion schedule of transaction. Revenue from long-term service agreements is recognized in stages based on the average terms of service agreements and accrued costs.

三、重要會計政策及會計估計(續)

27. 收入(適用於2017年度)(續) *提供勞務收入*

於資產負債表日，在提供勞務交易的結果能夠可靠估計的情況下，按完工百分比法確認提供勞務收入；否則按已經發生並預計能夠得到補償的勞務成本金額確認收入。提供勞務交易的結果能夠可靠估計，是指同時滿足下列條件：收入的金額能夠可靠地計量，相關的經濟利益很可能流入本集團，交易的完工進度能夠可靠地確定，交易中已發生和將發生的成本能夠可靠地計量。本集團以已經發生的成本佔估計總成本的比例確定提供勞務交易的完工進度。提供勞務收入總額，按照從接受勞務方已收或應收的合同或協議價款確定，但已收或應收的合同或協議價款不公允的除外。

提供勞務收入應在提供勞務的會計期間予以確認。對於跨期提供勞務的，應當按照完工百分比法確認提供勞務收入，即交易的完工進度。長期服務協議根據服務協議的平均期限和累計成本為基礎分期確認收入。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Revenue (Applicable to year 2017) (Continued)

Revenue From the Rendering of Services (Continued)

Revenue from financial service transactions is recognised in the amount of the sale value of the leased asset if classified as a finance lease and in the amount of the lease payments if classified as an operating lease. If industrial trucks are first sold to and then leased back from a finance partner to refinance leases, the selling margin in connection with an operating lease sub-lease is deferred and recognised as revenue in profit or loss over the term of the refinancing. As part of the financial services provided by the company, industrial trucks are also sold to finance partners who then enter into leases directly with the end customer ('indirect end customer finance'). If significant risks and rewards remain with the company as a result of an agreed residual value guarantee that accounts for more than 10 per cent of the asset's value or as a result of an agreed customer default guarantee ('sale with risk'), the proceeds from the sale are deferred and recognised as revenue on a straight-line basis over the term until the residual value guarantee or the default guarantee expires.

Where the contracts or agreements entered into with other entities cover the sale of goods or provision of services, the portion of sale of goods and the portion of provision of services are dealt with separately if the two portions can be distinguished and separately measured. If the two portions cannot be distinguished, or can be distinguished but cannot be separately measured, such contract is fully taken as to relate to sale of goods.

Interest Income

It is determined according to the length of time for which the Group's cash and cash equivalents is used by others and the effective interest rate.

Royalty Income

It is determined according to period and method of charging as stipulated in the relevant contract or agreement.

Lease Income

Lease income from operating leases is recognized on a straight-line basis over the lease term. Contingent rents are charged to profit or loss in the period in which they actually arise.

三、重要會計政策及會計估計(續)

27. 收入(適用於2017年度)(續)

提供勞務收入(續)

對於金融服務交易，融資租賃按照租賃資產的售價確認收入，經營租賃按照租金確認收入。如工業叉車先銷售給金融服務公司，再融資租賃回來並對出租，則這部分銷售毛利作為遞延收益，在融資期間內確認為收入；部分由企業提供的金融服務，如工業叉車先銷售給租賃公司，再由租賃公司出租給終端客戶。如果重大風險和報酬還留在企業內部，則企業保留貨款的10%以上作為擔保餘值/違約保證金，這部分收入將會確認為遞延收益，在租賃期內按直線法分期確認收入。

本集團與其他企業簽訂的合同或協議包括銷售商品和提供勞務時，如銷售商品部分和提供勞務部分能夠區分並單獨計量的，將銷售商品部分和提供勞務部分分別處理；如銷售商品部分和提供勞務部分不能夠區分，或雖能區分但不能夠單獨計量的，將該合同全部作為銷售商品處理。

利息收入

按照他人使用本集團貨幣資金的时间和實際利率計算確定。

使用費收入

按照有關合同或協議約定的收費時間和方法計算確定。

租賃收入

經營租賃的租金收入在租賃期內各個期間按照直線法確認，或有租金在實際發生時計入當期損益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Contract assets and contract liabilities (Applicable since 1 January 2018)

Contract assets and contract liabilities are included in the balance sheet based on the relationship between performing performance obligations and customers' payments.

Contract assets

The Group's right to receive consideration from customers unconditionally (i.e. subject to the passage of time only) is included as receivables. Where the right to receive consideration for the goods already transferred to the customers is subject to factors other than the passage of time, the right is included as contract assets.

For details of the method of determining expected credit losses of contract assets and the accounting treatment therefor, please refer to Note III.9.

The obligation to transfer goods to customers for consideration received or receivable from customers is included as contract liability if payment is received prior to the transfer of the committed goods.

Contract assets and contract liabilities under the same contract are set off against each other and are shown as a net amount.

三、重要會計政策及會計估計(續)

28. 合同資產與合同負債(自2018年1月1日起適用)

本集團根據履行履約義務與客戶付款之間的關係在資產負債表中列示合同資產或合同負債。

合同資產

本集團將擁有的、無條件(即,僅取決於時間流逝)向客戶收取對價的權利作為應收款項列示,將已向客戶轉讓商品而有權收取對價的權利,且該權利取決於時間流逝之外的其他因素作為合同資產列示。

本集團對合同資產的預期信用損失的確定方法及會計處理方法詳見附註三、9。

本集團將已收或應收客戶對價而應向客戶轉讓商品的義務作為合同負債列示,如企業在轉讓承諾的商品之前已收取的款項。

本集團將同一合同下的合同資產和合同負債相互抵消後以淨額列示。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Government grants

Government grant is recognized when the Group can comply with the conditions attached to it and it can be received. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value; if fair value is not reliably determinable, it is measured at nominal amount.

Government grants for purchasing, building or forming long-term assets in other methods regulated in government documents are recognized as government grants related to assets. Judgments should be made based on the necessary basic conditions for obtaining the government grants when government documents are unclearly stated. Government grants with purchasing, building or forming long-term assets in other methods as basic conditions, are recognized as government grants related to assets, whereas the rest as government grants related to income.

A government grant related to income is accounted for as follows: (a) if the grant is a compensation for related costs or expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income, and recognized in profit or loss over the periods in which the related costs or expenses or losses are recognized; (b) if the grant is a compensation for related costs or expenses or losses already incurred, it is recognized immediately in profit or loss for the current period.

A government grant related to an asset shall be recognized as deferred income, and amortized to profit or loss for the current period over the useful life of the related asset by stages based on reasonable and systematic methods. (However, a government grant measured at nominal amount is recognized immediately in profit or loss for the current period). Where the relevant assets are disposed of, transferred, retired or damaged before the end of useful life, the relevant deferred income not yet allocated shall be taken to profit or loss in the period in which the assets are disposed of.

Government grants received by the Group are accounted for using total amount method.

三、重要會計政策及會計估計(續)

29. 政府補助

政府補助在能夠滿足其所附的條件並且能夠收到時，予以確認。政府補助為貨幣性資產的，按照收到或應收的金額計量。政府補助為非貨幣性資產的，按照公允價值計量；公允價值不能可靠取得的，按照名義金額計量。

政府文件規定用於購建或以其他方式形成長期資產的，作為與資產相關的政府補助；政府文件不明確的，以取得該補助必須具備的基本條件為基礎進行判斷，以購建或以其他方式形成長期資產為基本條件的作為與資產相關的政府補助，除此之外的作為與收益相關的政府補助。

與收益相關的政府補助，用於補償以後期間的相關成本費用或損失的，確認為遞延收益，並在確認相關成本費用或損失的期間計入當期損益；用於補償已發生的相關成本費用或損失的，直接計入當期損益。

與資產相關的政府補助，確認為遞延收益，在相關資產使用壽命內按照合理、系統的方法分期計入損益(但按照名義金額計量的政府補助，直接計入當期損益)，相關資產在使用壽命結束前被出售、轉讓、報廢或發生毀損的，尚未分配的相關遞延收益餘額轉入資產處置當期的損益。

本集團對收到的政府補助採用總額法進行核算。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Income tax

Income tax comprises current and deferred tax. Income tax is recognized as income or an expense in profit or loss for the current period, or recognized directly in shareholders' equity if it arises from a business combination or relates to a transaction or event which is recognized directly in shareholders' equity.

The Group measures a current tax asset or liability arising from the current and prior period based on the amount of income tax expected to be paid by the Group or returned by tax authority calculated by related tax laws.

For temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, and temporary differences between the carrying amounts and the tax bases of items, the tax bases of which can be determined for tax purposes, but which have not been recognized as assets and liabilities according to the tax laws, deferred taxes are provided using the liability method.

A deferred tax liability is recognized for all taxable temporary differences, except:

- (1) where the taxable temporary differences arise from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction which contains both of the following characteristics: the transaction is not a business combination; and at the time of the transaction, it affects neither accounting profit nor taxable profit or deductible loss.
- (2) in respect of taxable temporary differences associated with investments in subsidiaries, jointly-controlled enterprises and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

三、重要會計政策及會計估計(續)

30. 所得稅

所得稅包括當期所得稅和遞延所得稅。除由於企業合併產生的調整商譽，或與直接計入股東權益的交易或者事項相關的計入股東權益外，均作為所得稅費用或收益計入當期損益。

本集團對於當期和以前期間形成的當期所得稅負債或資產，按照稅法規定計算的預期應交納或返還的所得稅金額計量。

本集團根據資產與負債於資產負債表日的賬面價值與計稅基礎之間的暫時性差異，以及未作為資產和負債確認但按照稅法規定可以確定其計稅基礎的項目的賬面價值與計稅基礎之間的差額產生的暫時性差異，採用資產負債表債務法計提遞延所得稅。

各種應納稅暫時性差異均據以確認遞延所得稅負債，除非：

- (1) 應納稅暫時性差異是在以下交易中產生的：商譽的初始確認，或者具有以下特徵的交易中產生的資產或負債的初始確認：該交易不是企業合併，並且交易發生時既不影響會計利潤也不影響應納稅所得額或可抵扣虧損。
- (2) 對於與子公司、合營企業及聯營企業投資相關的應納稅暫時性差異，該暫時性差異轉回的時間能夠控制並且該暫時性差異在可預見的未來很可能不會轉回。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Income tax (Continued)

A deferred tax asset is recognized for deductible temporary differences, carryforward of deductible tax losses from prior years and tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and deductible tax losses and tax credits can be utilized, except:

- (1) where the deductible temporary differences arises from a transaction that is not a business combination and, at the time of the transaction, neither the accounting profit nor taxable profit or deductible loss is affected.
- (2) in respect of the deductible temporary differences associated with investments in subsidiaries, associates and jointly-controlled enterprises, a deferred tax asset is only recognized to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the deductible temporary differences can be utilized in the future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, according to the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects at the balance sheet date, to recover the assets or settle the liabilities.

三、重要會計政策及會計估計(續)

30. 所得稅(續)

對於可抵扣暫時性差異、能夠結轉以後年度的可抵扣虧損和稅款抵減，本集團以很可能取得用來抵扣可抵扣暫時性差異、可抵扣虧損和稅款抵減的未來應納稅所得額為限，確認由此產生的遞延所得稅資產，除非：

- (1) 可抵扣暫時性差異是在以下交易中產生的：該交易不是企業合併，並且交易發生時既不影響會計利潤也不影響應納稅所得額或可抵扣虧損。
- (2) 對於與子公司、合營企業及聯營企業投資相關的可抵扣暫時性差異，同時滿足下列條件的，確認相應的遞延所得稅資產：暫時性差異在可預見的未來很可能轉回，且未來很可能獲得用來抵扣可抵扣暫時性差異的應納稅所得額。

本集團於資產負債表日，對於遞延所得稅資產和遞延所得稅負債，依據稅法規定，按照預期收回該資產或清償該負債期間的適用稅率計量，並反映資產負債表日預期收回資產或清償負債方式的所得稅影響。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Income tax (Continued)

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the balance sheet date and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Where all of the following conditions are satisfied, deferred tax assets and deferred tax liabilities are presented on a net basis after offsetting: With the legal rights of net settlement of current income tax assets and current income tax liabilities granted, and deferred income tax assets and deferred income tax liabilities are related to income tax to be paid by the same entity liable to pay tax to the same tax collection and management authority or related to different entities liable to pay tax, but the relevant entity liable to pay tax is intended to apply net settlement of current income tax assets and liabilities or, at the same time, acquire assets or repay debt whenever every significant deferred income tax assets and liabilities would be reversed in the future.

三、重要會計政策及會計估計(續)

30. 所得稅(續)

於資產負債表日，本集團對遞延所得稅資產的賬面價值進行覆核，如果未來期間很可能無法獲得足夠的應納稅所得額用以抵扣遞延所得稅資產的利益，減記遞延所得稅資產的賬面價值。於資產負債表日，本集團重新評估未確認的遞延所得稅資產，在很可能獲得足夠的應納稅所得額可供所有或部分遞延所得稅資產轉回的限度內，確認遞延所得稅資產。

同時滿足下列條件時，遞延所得稅資產和遞延所得稅負債以抵銷後的淨額列示：擁有以淨額結算當期所得稅資產及當期所得稅負債的法定權利；遞延所得稅資產和遞延所得稅負債是與同一稅收徵管部門對同一應納稅主體徵收的所得稅相關或者對不同的納稅主體相關，但在未來每一具有重要性的遞延所得稅資產和遞延所得稅負債轉回的期間內，涉及的納稅主體意圖以淨額結算當期所得稅資產及當期所得稅負債或是同時取得資產、清償債務。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

31. Leases

A finance lease is a lease that transfers in substance all the risks and rewards incidental to ownership of an asset. An operating lease is a lease other than a finance lease.

In the Case of the Lessee of an Operating Lease

Lease payments under an operating lease are recognized by a lessee on a straight-line basis over the lease term, and either included in the cost of the related asset or charged to profit or loss for the current period. Contingent rents are charged to profit or loss in the period in which they actually arise.

In the Case of the Lessor of an Operating Lease

Rent income under an operating lease is recognized by a lessor on a straight-line basis over the lease term, through profit or loss for the current period. Contingent rents are charged to profit or loss in the period in which they actually arise.

In the Case of the Lessee of a Finance Lease

At the commencement of lease term, for an asset leased in under finance lease, the difference between the book value of the leased-in asset, which is determined as the lower of the fair value of such leased asset as at the commencement of lease term and the present value of minimum lease payments, and the book value of long-term payables, which is determined as the minimum lease payments, is treated as unrecognized finance costs which is apportioned to the leasing period using effective interest rate method. Contingent rents are charged to profit or loss in the period in which they actually arise.

In the Case of the Lessor of a Finance Lease

At the commencement of lease term, for an asset leased out under finance lease, the book value of finance lease receivable is measured at the sum of minimum lease receipts and initial direct costs, whilst risk exposure shall be recorded simultaneously; and unrealized finance income shall be measured at the difference between the sum of minimum lease receipt, initial direct costs and risk exposure, and its present value. These are recognized using effective interest rate method during the leasing period. Contingent rents are charged to profit or loss in the period in which they actually arise.

三、重要會計政策及會計估計(續)

31. 租賃

實質上轉移了與資產所有權有關的全部風險和報酬的租賃為融資租賃，除此之外的均為經營租賃。

作為經營租賃承租人

經營租賃的租金支出，在租賃期內各個期間按照直線法計入相關的資產成本或當期損益，或有租金在實際發生時計入當期損益。

作為經營租賃出租人

經營租賃的租金收入在租賃期內各個期間按直線法確認為當期損益，或有租金在實際發生時計入當期損益。

作為融資租賃承租人

融資租入的資產，於租賃期開始日將租賃開始日租賃資產的公允價值與最低租賃付款額現值兩者中較低者作為租入資產的入賬價值，將最低租賃付款額作為長期應付款的入賬價值，其差額作為未確認融資費用，在租賃期內各個期間採用實際利率法進行分攤。或有租金在實際發生時計入當期損益。

作為融資租賃出租人

融資租出的資產，於租賃期開始日將租賃開始日最低租賃收款額與初始直接費用之和作為應收融資租賃款的入賬價值，同時記錄未擔保餘值；將最低租賃收款額、初始直接費用及未擔保餘值之和與其現值之和的差額作為未實現融資收益，在租賃期內各個期間採用實際利率法進行確認。或有租金在實際發生時計入當期損益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Hedge accounting (Applicable since 1 January 2018)

For the purpose of hedge accounting, the Group adopts fair value hedging against interest rate risks and cash flow hedging against interest rate risks and exchange rate risks.

- (1) Fair value hedging refers to the hedging against the risk of fair value change in respect of definite commitments which are not yet recognized (other than exchange rate risks) of assets and liabilities already recognized.
- (2) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognized firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and the risk management strategy. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are assessed on an ongoing basis as complying with the validity requirements of a hedge as at the initial designated date and in subsequent periods.

If the hedging instrument expires or is sold, terminated or exercised (with the expiry of rollover of the hedging strategic component or unfulfilled replacement or the termination of processing of the contract), if its objective of risk management changes, so that the hedge relationship no longer satisfies the objective of risk management, or if the hedge no longer fulfills the other conditions under the accounting requirement of a hedge, the Group will cease the adoption of such hedge accounting.

三、重要會計政策及會計估計(續)

32. 套期會計(自2018年1月1日起適用)

就套期會計方法而言，本集團的套期保值分類為：

- (1) 公允價值套期，是指對已確認資產或負債，尚未確認的確定承諾(除匯率風險外)的公允價值變動風險進行的套期。
- (2) 現金流量套期，是指對現金流量變動風險進行的套期，此現金流量變動源於與已確認資產或負債、很可能發生的預期交易有關的某類特定風險，或一項未確認的確定承諾包含的匯率風險。

在套期關係開始時，本集團對套期關係有正式指定，並準備了關於套期關係、風險管理目標和風險管理策略的正式書面文件。該文件載明瞭套期工具、被套期項目，被套期風險的性質，以及本集團對套期有效性評估方法。套期有效性，是指套期工具的公允價值或現金流量變動能夠抵銷被套期風險引起的被套期項目公允價值或現金流量的程度。此類套期在初始指定日及以後期間被持續評價符合套期有效性要求。

如果套期工具已到期、被出售、合同終止或已行使(但作為套期策略組成部分的展期或替換不作為已到期或合同終止處理)，或因風險管理目標發生變化，導致套期關係不再滿足風險管理目標，或者該套期不再滿足套期會計方法的其他條件時，本集團終止運用套期會計。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Hedge accounting (Applicable since 1 January 2018) (Continued)

Where the hedge relationship no longer satisfies the validity requirements due to the hedging ratio, and the objective of risk management designated for the hedge relationship does not change, the hedge relationship will be re-balanced.

For the method to assess hedging validity, risk management strategy and how such strategy is applied to manage risks, please refer to Note V.70.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Fair value hedges

Gains or losses arising from a hedging instrument are recognized in profit or loss for the current period. Gains or losses in respect of the hedged item attributable to hedged risk are recognized in profit or loss and the carrying amount of the hedged item at fair value is adjusted.

For fair value hedge relating to debt instruments carried at amortized cost, the carrying amount of the hedged items is adjusted and amortized to profit or loss over the remaining term of the hedge using the effective interest rate method. Effective interest rate amortization may begin upon the adjustment of the carrying amount but no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. For the hedged items which are debt instruments at fair value through other comprehensive income, the cumulative gains or losses arising from the hedging already recognized are amortized in the same manner, and taken to profit or loss for the current period, but no adjustment shall be made to the carrying amount of financial assets. If the hedged item is derecognized, the unamortized fair value is recognized directly in profit or loss for the current period.

三、重要會計政策及會計估計(續)

32. 套期會計(自2018年1月1日起適用)(續)

套期關係由於套期比率的原因不再符合套期有效性要求的，但指定該套期關係的風險管理目標沒有改變的，本集團對套期關係進行再平衡。

本集團對套期有效性的評估方法，風險管理策略以及如何應用該策略來管理風險的詳細信息，參見附註五、70。

滿足套期會計方法的嚴格條件的，按如下方法進行處理：

公允價值套期

套期工具產生的利得或損失計入當期損益。被套期項目因套期風險敞口形成利得或損失，計入當期損益，同時調整未以公允價值計量的被套期項目的賬面價值。

就與按攤餘成本計量的債務工具有關的公允價值套期而言，對被套期項目賬面價值所作的調整，在套期剩餘期間內採用實際利率法進行攤銷，計入當期損益。按照實際利率法的攤銷可於賬面價值調整後隨即開始，並不得晚於被套期項目終止根據套期風險而產生的公允價值變動而進行的調整。被套期項目為以公允價值計量且其變動計入其他綜合收益的債務工具，按照同樣的方式對累積已確認的套期利得或損失進行攤銷，並計入當期損益，但不調整金融資產賬面價值。如果被套期項目終止確認，則將未攤銷的公允價值確認為當期損益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Hedge accounting (Applicable since 1 January 2018) (Continued)

Fair value hedges (Continued)

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit or loss for the current period.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized directly in other comprehensive income, while the ineffective portion is recognized immediately in profit or loss.

If the expected transaction being hedged is subsequently recognized as non-financial assets or non-financial liabilities, or when the expected transaction of non-financial assets or non-financial liabilities becomes the firm commitment under applicable fair value hedges, the amount of cashflow hedging reserve originally recognized in other comprehensive income is transferred out and taken to the initial recognized amount of that asset or liability item. For other cashflow hedges, during the same period in which the expected cashflow being hedged affects profit or loss, for example when the expected sale occurs, the cashflow hedging reserve recognized in other comprehensive income is transferred out and taken to profit or loss for the current period.

When the Group no longer applies hedging accounting to cashflow hedges, if the future cashflow being hedged is still expected to occur, the amount previously taken to other comprehensive income is not transferred out until the expected transaction actually occurs or the committed performance is confirmed; if the future cashflow being hedged is no longer expected to occur, the accumulated amount of cashflow hedging reserve shall be transferred out from other comprehensive income and taken to profit or loss for the current period.

三、重要會計政策及會計估計(續)

32. 套期會計(自2018年1月1日起適用)(續)

公允價值套期(續)

被套期項目為尚未確認的確定承諾的，該確定承諾的公允價值因被套期風險引起的累計公允價值變動確認為一項資產或負債，相關的利得或損失計入當期損益。

現金流量套期

套期工具利得或損失中屬於套期有效的部分，直接確認為其他綜合收益，屬於套期無效的部分，計入當期損益。

如果被套期的預期交易隨後確認為非金融資產或非金融負債，或非金融資產或非金融負債的預期交易形成適用公允價值套期的確定承諾時，則原在其他綜合收益中確認的現金流量套期儲備金額轉出，計入該資產或負債的初始確認金額。其餘現金流量套期在被套期的預期現金流量影響損益的相同期間，如預期銷售發生時，將其他綜合收益中確認的現金流量套期儲備轉出，計入當期損益。

本集團對現金流量套期終止運用套期會計時，如果被套期的未來現金流量預期仍然會發生的，則以前計入其他綜合收益的金額不轉出，直至預期交易實際發生或確定承諾履行；如果被套期的未來現金流量預期不再發生的，則累計現金流量套期儲備的金額應當從其他綜合收益中轉出，計入當期損益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Hedge accounting (Applicable to year 2017)

For the purpose of hedge accounting, the Group adopts cash flow hedging against interest rate risks and exchange rate risks.

Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while the ineffective portion is recognised immediately in profit or loss.

三、重要會計政策及會計估計(續)

33. 套期會計(適用於2017年度)

就套期會計方法而言，本集團對利率風險和匯率風險進行現金流量套期。

現金流量套期，是指對現金流量變動風險進行的套期，此現金流量變動源於與已確認資產或負債、很可能發生的預期交易有關的某類特定風險，或一項未確認的確定承諾包含的匯率風險。

在套期關係開始時，本集團對套期關係有正式指定，並準備了關於套期關係、風險管理目標和套期策略的正式書面文件。該文件載明瞭套期工具、被套期項目或交易，被套期風險的性質，以及本集團對套期工具有效性評價方法。套期有效性，是指套期工具的公允價值或現金流量變動能夠抵銷被套期風險引起的被套期項目公允價值或現金流量的程度。此類套期預期高度有效，並被持續評價以確保此類套期在套期關係被指定的會計期間內高度有效。

滿足套期會計方法的嚴格條件的，按如下方法進行處理：

現金流量套期

套期工具利得或損失中屬於有效套期的部分，直接確認為其他綜合收益，屬於無效套期的部分，計入當期損益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Hedge accounting (Applicable to year 2017) (Continued)

Cash flow hedges (Continued)

Amounts recognized in other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when hedged financial income or financial expense is recognised or when a forecast sale occurs. If the hedged item is the cost of a non-financial assets or non-financial liability, the amount that would otherwise be recognized in other comprehensive income is transferred out in the same period as the profit or loss of that non-financial assets or non-financial liability, and recognized in profit or loss in current period.

If the hedging instrument expires or is sold, terminated or exercised (with the expiry of rollover of the hedging strategic component or unfulfilled replacement or the termination of processing of the contract), if its designation as a hedge is revoked, or if the hedge no longer fulfills the accounting requirement of a hedge, the amounts previously taken to other comprehensive income remain in other comprehensive income until the forecast transaction or firm commitment occurs or is fulfilled in actual terms.

34. Repurchase of shares

Consideration and transaction costs paid for the repurchase of the Company's own equity instruments are charged against shareholders' equity. Other than share-based payments, issuance (including refinancing), repurchase, sale or cancellation of its own equity instruments is treated as change in equity.

35. Profit appropriation

Interim and final cash dividends are recognized as liabilities upon approval by shareholders in general meeting.

三、重要會計政策及會計估計(續)

33. 套期會計(適用於2017年度)(續)

現金流量套期(續)

如果被套期交易影響當期損益的，如當被套期財務收入或財務費用被確認或預期銷售發生時，則在其他綜合收益中確認的金額轉入當期損益。如果被套期項目是一項非金融資產或非金融負債的成本，則原在其他綜合收益中確認的金額，在該非金融資產或非金融負債影響損益的相同期間轉出，計入當期損益。

如果套期工具已到期、被出售、合同終止或已行使(但作為套期策略組成部分的展期或替換不作為已到期或合同終止處理)，或者撤銷了對套期關係的指定，或者該套期不再滿足套期會計方法的條件，則以前計入其他綜合收益的金額不轉出，直至預期交易實際發生或確定承諾履行。

34. 回購股份

回購自身權益工具支付的對價和交易費用，減少股東權益。除股份支付之外，發行(含再融資)、回購、出售或註銷自身權益工具，作為權益的變動處理。

35. 利潤分配

本公司的中期及年度現金股利，於股東大會批准後確認為負債。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

36. Safety funds

Safety funds provided for as required were included in cost of product or the current profit and loss, and credited in special reserve. And the funds are treated separately depending on whether fixed assets are resulted when being used: funds related to expenditure is offset against special reserve directly while those forming fixed assets will consolidate expenditure incurred and recognized as fixed assets when such assets are ready for their intended use, at the same time offsetting equivalent amounts in the special reserve and recognizing equivalent amounts of accumulated depreciation.

37. Fair value measurement

The Group measures its derivative financial instruments, other debt investments, some notes receivable and listed equity investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

三、重要會計政策及會計估計(續)

36. 安全生產費

按照規定提取的安全生產費，計入相關產品的成本或當期損益，同時計入專項儲備；使用時區分是否形成固定資產分別進行處理：屬於費用性支出的，直接沖減專項儲備；形成固定資產的，歸集所發生的支出，於達到預定可使用狀態時確認固定資產，同時沖減等值專項儲備並確認等值累計折舊。

37. 公允價值計量

本集團於每個資產負債表日以公允價值計量衍生金融工具、其他債權投資、部分應收票據和上市的權益工具投資。公允價值，是指市場參與者在計量日發生的有序交易中，出售一項資產所能收到或者轉移一項負債所需支付的價格。本集團以公允價值計量相關資產或負債，假定出售資產或者轉移負債的有序交易在相關資產或負債的主要市場進行；不存在主要市場的，本集團假定該交易在相關資產或負債的最有利市場進行。主要市場(或最有利市場)是本集團在計量日能夠進入的交易市場。本集團採用市場參與者在對該資產或負債定價時為實現其經濟利益最大化所使用的假設。

以公允價值計量非金融資產的，考慮市場參與者將該資產用於最佳用途產生經濟利益的能力，或者將該資產出售給能夠用於最佳用途的其他市場參與者產生經濟利益的能力。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

37. Fair value measurement (Continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs only under the circumstances where such relevant observable inputs cannot be obtained or practicably obtained.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2 – based on inputs other than inputs within Level 1 that are observable for the asset or liability, either directly or indirectly; Level 3 – based on input for the asset or liability that is not based on observable market data.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group re-assess them at each balance sheet date to determine whether transfers have occurred between levels in the hierarchy.

38. Segment reporting

The Group identifies operating segments based on the internal organization structure, managerial requirements and internal reporting system, identifies reportable segments based on operating segments and discloses segment information by operating segment.

三、重要會計政策及會計估計(續)

37. 公允價值計量(續)

本集團採用在當前情況下適用並且有足夠可利用數據和其他信息支持的估值技術，優先使用相關可觀察輸入值，只有在可觀察輸入值無法取得或取得不切實可行的情況下，才使用不可觀察輸入值。

在財務報表中以公允價值計量或披露的資產和負債，根據對公允價值計量整體而言具有重要意義的最低層次輸入值，確定所屬的公允價值層次：第一層次輸入值，在計量日能夠取得的相同資產或負債在活躍市場上未經調整的報價；第二層次輸入值，除第一層次輸入值外相關資產或負債直接或間接可觀察的輸入值；第三層次輸入值，相關資產或負債的不可觀察輸入值。

每個資產負債表日，本集團對在財務報表中確認的持續以公允價值計量的資產和負債進行重新評估，以確定是否在公允價值計量層次之間發生轉換。

38. 分部報告

本集團以內部組織結構、管理要求、內部報告制度為依據確定經營分部，以經營分部為基礎確定報告分部並披露分部信息。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

38. Segment reporting (Continued)

An operating segment is a component of the Group that meets all the following conditions:

- (1) it engages in business activities from which it may earn revenues and incur expenses;
- (2) its operating results are regularly reviewed by the Company's management to make decisions about resources to be allocated to the segment and assess its performance;
- (3) the Group is able to obtain relevant accounting information such as its financial position, operating results and cash flows of such segment.

If two or more segments have similar economic characteristics and meet certain conditions, then they can be aggregated into a single operating segment.

39. Significant accounting judgments and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that will affect the reported amounts and disclosure of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the balance sheet date. However, uncertainty about these estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments which have significant effect on the amounts recognized in the financial statements.

三、重要會計政策及會計估計(續)

38. 分部報告(續)

經營分部是指本集團內同時滿足下列條件的組成部分：

- (1) 該組成部分能夠在日常活動中產生收入、發生費用；
- (2) 本公司管理層能夠定期評價該組成部分的經營成果，以決定向其配置資源、評價其業績；
- (3) 本集團能夠取得該組成部分的財務狀況、經營成果和現金流量等有關會計信息。

兩個或多個經營分部具有相似的經濟特徵，並且滿足一定條件的，則可合併為一個經營分部。

39. 重大會計判斷和估計

編製財務報表要求管理層作出判斷、估計和假設，這些判斷、估計和假設會影響收入、費用、資產和負債的列報金額及其披露，以及資產負債表日或有負債的披露。這些假設和估計的不確定性所導致的結果可能造成對未來受影響的資產或負債的賬面金額進行重大調整。

判斷

在應用本集團的會計政策的過程中，管理層作出了以下對財務報表所確認的金額具有重大影響的判斷。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

39. Significant accounting judgments and estimates (Continued)

Judgments (Continued)

Confirmation of functional currency

Since the Company owns a number of overseas subsidiaries, associates and branch organizations, when recognizing its functional currency, multiple factors are taken into consideration to recognize the major economic environment of their operating locations. Under circumstances with multiple factors and no obvious functional currency, the Group uses judgment to confirm its functional currency. Such judgment is the best to reflect economic influence of the underlying transactions, events and environment.

Finance lease – in the case of the lessor

Leases where all risks and rewards relating to the ownership of the assets are substantially transferred are referred to as finance leases. The Group does not retain all substantial risks and rewards of the ownership of these leased assets, and thus they are regarded as finance leases.

Operating lease – in the case of the lessor

The Group has entered into leasing contracts for its investment properties, certain intangible assets and certain fixed assets. The Group is of the opinion that, according to the terms of such leasing contracts, the Group has retained all material risks and returns of ownership of these investment properties, intangible assets and fixed assets and therefore they are accounted for as operating lease.

三、重要會計政策及會計估計(續)

39. 重大會計判斷和估計(續)

判斷(續)

記賬本位幣的確定

本公司在境外擁有多家子公司、聯營企業及分支機構，在確定其記賬本位幣時，考慮多個因素確定其經營所處的主要經濟環境。在多個因素混合在一起，記賬本位幣不明顯的情況下，本集團運用判斷以確定其記賬本位幣，該判斷最能反映基礎交易、事項和環境的經濟影響。

融資租賃—作為出租人

實質上轉移了與資產所有權有關的全部風險和報酬的租賃為融資租賃。本集團未保留這些租賃資產所有權上的所有重大風險和報酬，因此作為融資租賃處理。

經營租賃—作為出租人

本集團就投資性房地產、部分無形資產和部分固定資產簽訂了租賃合同。本集團認為，根據租賃合同的條款，本集團保留了這些投資性房地產、無形資產和固定資產所有權上的所有重大風險和報酬，因此作為經營租賃處理。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

39. Significant accounting judgments and estimates (Continued)

Judgments (Continued)

Method of ascertaining of performance progress for construction contracts (only applicable to situations where control is transferred within a period of time)

The input method is adopted by the Group to ascertain the progress of performance of construction contracts. Specifically, the construction costs actually incurred on a cumulative basis as a percentage of estimated total costs is used to ascertain progress of performance. Costs actually incurred on a cumulative basis include direct and indirect costs incurred by the Group in the course of transfer of goods to customers. The Group considers that the consideration of construction contracts signed with customers is determined based on construction costs. The construction costs actually incurred on a cumulative basis as a percentage of estimated total costs can practically reflect the progress of performance of the construction service. The Group determines progress of performance by referring to the construction costs actually incurred on a cumulative basis as a percentage of estimated total costs, and recognizes revenue accordingly. As the period of validity of construction contracts is relatively long and may span over a number of accounting periods, the Group shall review and revise budget as the duration of the construction contracts continues, and adjust the amount of recognized revenue accordingly.

Business model

The classification of financial assets at initial recognition depends on the business model of the Group's management of financial assets. In judging the business model, the Group considers corporate appraisal, methods of reporting the results of financial assets to key management members, risks affecting the results of financial assets and its management, as well as the methods of remunerating relevant business managers and so forth. In assessing whether the objective is to collect contractual cash flows, the Group needs to analyze and judge the reasons for disposing of the financial assets before maturity, time, frequency and value of the financial assets and so forth.

三、重要會計政策及會計估計(續)

39. 重大會計判斷和估計(續)

判斷(續)

建造合同履約進度的確定方法(僅適用於控制權在一段時間內轉移的情形)

本集團按照投入法確定提供建造合同的履約進度，具體而言，本集團按照累計實際發生的建造成本佔預計總成本的比例確定履約進度，累計實際發生的成本包括本集團向客戶轉移商品過程中所發生的直接成本和間接成本。本集團認為，與客戶之間的建造合同價款以建造成本為基礎確定，實際發生的建造成本佔預計總成本的比例能夠如實反映建造服務的履約進度。本集團按照累計實際發生的建造成本佔預計總成本的比例確定履約進度，並據此確認收入。鑒於建造合同存續期間較長，可能跨越幾個會計期間，本集團會隨著建造合同的推進覆核並修訂預算，相應調整收入確認金額。

業務模式

金融資產於初始確認時的分類取決於本集團管理金融資產的業務模式，在判斷業務模式時，本集團考慮包括企業評價和向關鍵管理人員報告金融資產業績的方式、影響金融資產業績的風險及其管理方式以及相關業務管理人員獲得報酬的方式等。在評估是否以收取合同現金流量為目標時，本集團需要對金融資產到期日前的出售原因、時間、頻率和價值等進行分析判斷。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

39. Significant accounting judgments and estimates (Continued)

Judgments (Continued)

Contractual cash flow characteristics

The classification of financial assets at initial recognition depends on the contractual cash flow characteristics of the financial assets. When it is necessary to judge whether the contractual cash flow is only the payment of the principal and the interest based on the outstanding principal, including the assessment of the correction of the time value of money, it is necessary to judge whether there is a significant difference compared with the benchmark cash flow. For financial assets with advanced payment characteristics, it is necessary to judge whether the fair value of the advanced payment characteristics is minimal.

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 future accounting periods, are discussed below.

Impairment of financial instruments

The Group uses the expected credit loss model to assess the impairment of financial instruments. The application of the expected credit loss model requires significant judgments and estimations, and all reasonable and evidenced information, including forward-looking information, should be considered. In making such judgments and estimations, the Group infers the expected changes in the debtor's credit risk based on the historical repayment data in combination with economic policies, macroeconomic indicators, and industry risks.

三、重要會計政策及會計估計(續)

39. 重大會計判斷和估計(續)

判斷(續)

合同現金流量特徵

金融資產於初始確認時的分類取決於金融資產的合同現金流量特徵，需要判斷合同現金流量是否僅為對本金和以未償付本金為基礎的利息的支付時，包含對貨幣時間價值的修正進行評估時，需要判斷與基準現金流量相比是否具有顯著差異，對包含提前還款特徵的金融資產，需要判斷提前還款特徵的公允價值是否非常小等。

估計的不確定性

以下為於資產負債表日有關未來的關鍵假設以及估計不確定性的其他關鍵來源，可能會導致未來會計期間資產和負債賬面金額重大調整。

金融工具減值

本集團採用預期信用損失模型對金融工具的減值進行評估，應用預期信用損失模型需要做出重大判斷和估計，需考慮所有合理且有依據的信息，包括前瞻性信息。在做出該等判斷和估計時，本集團根據歷史還款數據結合經濟政策、宏觀經濟指標、行業風險等因素推斷債務人信用風險的預期變動。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

39. Significant accounting judgments and estimates (Continued)

Estimation uncertainty (Continued)

Impairment of non-current assets other than financial assets (other than goodwill and trademarks with indefinite useful life)

At the balance sheet date, the Company makes its judgment as to whether there is any evidence indicating potential impairment of non-current assets other than financial assets. Intangible assets with indefinite useful life shall be tested for impairment when there is any indication of impairment in addition to the annual impairment testing. Other non-current assets other than financial assets shall be tested for impairment if there is any evidence indicating that their carrying amount cannot be recovered. When the carrying amount of an asset or asset groups is higher than the recoverable amount, which is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset, it indicates impairment. The net amount of the fair value less costs of disposal is determined by making reference to the price in a sale agreement in an arm's length transaction or the observable market price less the incremental costs directly attributable to such assets disposal. In projecting the present value of future cashflow, the management is required to estimate the projected future cashflow of the asset or asset group and select an appropriate discount rate for determining the present value of future cashflow.

Impairment of goodwill and trademarks

The Group determines whether goodwill and trademarks with indefinite useful life are impaired at least on an annual basis. This requires an estimation of the value in use of the asset group to which goodwill and trademarks are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the asset group and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

三、重要會計政策及會計估計(續)

39. 重大會計判斷和估計(續)

估計的不確定性(續)

除金融資產之外的非流動資產減值 (除商譽和使用壽命不確定的商標外)

本集團於資產負債表日對除金融資產之外的非流動資產判斷是否存在可能發生減值的跡象。對使用壽命不確定的無形資產，除每年進行的減值測試外，當其存在減值跡象時，也進行減值測試。其他除金融資產之外的非流動資產，當存在跡象表明其賬面金額不可收回時，進行減值測試。當資產或資產組的賬面價值高於可收回金額，即公允價值減去處置費用後的淨額和預計未來現金流量的現值中的較高者，表明發生了減值。公允價值減去處置費用後的淨額，參考公平交易中類似資產的銷售協議價格或可觀察到的市場價格，減去可直接歸屬於該資產處置的增量成本確定。預計未來現金流量現值時，管理層必須估計該項資產或資產組的預計未來現金流量，並選擇恰當的折現率確定未來現金流量的現值。

商譽及商標減值

本集團至少每年測試商譽和使用壽命不確定的商標是否發生減值。進行測定時必須估算獲分配相關商譽及商標之資產組的使用價值。使用價值之估算需要本集團估算預期資產組所產生之未來現金流量及選擇合適折現率以計算該等現金流量之現值。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

39. Significant accounting judgments and estimates (Continued)

Estimation uncertainty (Continued)

Defined benefit plans

The management of the Group recognizes defined benefit plans liabilities based on calculating model of the present value of the defined benefit liabilities less fair value of the planned assets. The present value of defined benefit liabilities comprises of various assumptions, including term of benefits and discount rate. Inconsistency between the future events and such assumptions may subject the defined benefit plans liabilities on the balance sheet date to material adjustment.

Fair value

Fair value of derivatives as at the balance sheet date is calculated by the management of the Group based on models. In the course of business combination, fair value of identifiable net assets as of the acquisition date is assessed. The aforesaid calculation is on the basis of some assumptions. Fair value may differ significantly if future events deviate from such assumptions.

Deferred tax assets

Deferred tax assets are recognized for all unused deductible temporary differences and deductible losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and deductible losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profit together with future tax planning strategies.

Net realizable values of inventories

The net realizable values of inventories are based on the saleability of the evaluated inventory and their net realizable values. The management's judgments and estimates are required for determining inventory impairment on the basis of clear evidence, purpose of holding the inventories, effect of subsequent events and other factors. The difference between the actual outcome and original estimate will affect the carrying amount of inventories and provision and reversal of decline in value of inventories during the estimated revision period.

三、重要會計政策及會計估計(續)

39. 重大會計判斷和估計(續)

估計的不確定性(續)

設定受益計劃

本集團的管理層依據模型計算的設定受益義務的現值減計劃資產的公允價值確定設定受益計劃淨負債。設定受益義務的現值計算包含多項假設，包括受益期限及折現率。倘若未來事項與該等假設不符，可能導致對於資產負債表日設定受益計劃淨負債的重大調整。

公允價值

本集團管理層依據模型計算衍生工具於資產負債表日的公允價值；在企業合併過程中，對收購日可辨認淨資產的公允價值進行評估，上述公允價值評估包含多項假設，倘未來事項與該假設不符，可能導致公允價值的重大調整。

遞延所得稅資產

在很可能有足夠的應納稅所得額用以抵扣可抵扣暫時性差異和可抵扣虧損的限度內，應就所有尚未利用的可抵扣暫時性差異和可抵扣虧損確認遞延所得稅資產。這需要管理層運用大量的判斷來估計未來取得應納稅所得額的時間和金額，結合納稅籌劃策略，以決定應確認的遞延所得稅資產的金額。

存貨可變現淨值

存貨可變現淨值是基於評估存貨的可售性及其可變現淨值。鑒定存貨減值要求管理層在取得確鑿證據，並且考慮持有存貨的目的、資產負債表日後事項的影響等因素的基礎上作出判斷和估計。實際的結果與原先估計的差異將在估計被改變的期間影響存貨的賬面價值及存貨跌價準備的計提或轉回。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

39. Significant accounting judgments and estimates (Continued)

Estimation uncertainty (Continued)

Bad debt provision for receivable

Bad debt provision for receivable is based on the recoverability of assessed receivable. The management's judgments and estimates are required for determining bad debt provision for receivable. The difference between the actual outcome and original estimate will affect the carrying amount of receivable and bad debt provision for receivable and reversal of such provision during the estimated revision period.

Recognition of provision

The Group uses contract terms, existing knowledge and historical experience, to estimate and recognize the provision for product quality assurance. On condition that such contingent matters have formed a present obligation and the discharge of which is probable to give rise to an outflow of the Group's economic benefits, the Group recognizes the best estimate.

Estimated useful lives of fixed assets and intangible assets

The Group reviews the estimated useful lives of fixed assets and intangible assets at least once at the end of the year. Estimated useful lives are determined by the management based on historical experience of similar assets and expected technological advancement. Corresponding adjustment to depreciation expenses for future periods will be made in case of substantial changes in previous estimates.

Quality warranty

For groups of contracts with similar characteristics, the Group reasonably estimates maintenance fee charge based on historical data on and current situation of maintenance, and taking into account all relevant data including product upgrade and market changes. The Group re-assesses maintenance fee charge at least on every balance sheet date and determines accruals and provisions based on the re-assessed maintenance fee charge.

三、重要會計政策及會計估計(續)

39. 重大會計判斷和估計(續)

估計的不確定性(續)

應收款項壞賬準備

應收款項壞賬準備是基於評估應收款項的可收回性。鑒定應收款項壞賬準備要求管理層的判斷和估計。實際的結果與原先估計的差異將在估計被改變的期間影響應收款項的賬面價值及應收款項壞賬準備的計提或轉回。

預計負債的確認

本集團根據合約條款、現有知識及歷史經驗，對產品質量保證估計並計提相應準備；在該等或有事項已經形成一項現實義務，且履行該等現實義務很可能導致經濟利益流出本集團的情況下，以最佳估計數進行計量。

固定資產及無形資產的預計可使用年限

本集團至少於每年年度終了，對固定資產及無形資產的預計使用壽命進行覆核。預計使用壽命是管理層基於對同類資產歷史經驗並結合預期技術更新而確定的。當以往的估計發生重大變化時，則相應調整未來期間的折舊及攤銷費用。

質量保證

本集團對具有類似特徵的合同組合，根據歷史保修數據、當前保修情況，考慮產品改進、市場變化等全部相關信息後，對保修費率予以合理估計。本集團至少於每一資產負債表日對保修費率進行重新評估，並根據重新評估後的保修費率確定預計負債。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

39. Significant accounting judgments and estimates (Continued)

Estimation uncertainty (Continued)

Limitations on the estimation of variable consideration

In estimating variable consideration, the Group considers all such information as shall be reasonably obtained, including historical data, current data and projected data, thereby estimating the amount of possible consideration and the probability to the extent of such quantities as shall be reasonable. If it is estimated that multiple outcomes are possible for the contracts, the Group estimates the amount of variable consideration based on the expected value approach. If it is estimated that only two outcomes are possible, the variable consideration is arrived at using the most likely outcome method. Variable consideration is included in the transaction price to the extent it is highly probable that there will not be a significant reversal in the amount of cumulative revenue recognized when the uncertainty is resolved. In assessing whether it is highly probable that there will not be a significant reversal in the amount of cumulative revenue recognized when the uncertainty relevant to the variable consideration is resolved, the Group also considers the possibility of reversal of income and the ratio of reversed amount. The Group considers that “highly probable” shall mean a probability of more than 75%. On each balance sheet date, the Group re-assesses the amount of variable consideration, including re-assessing whether the estimation of variable consideration is limited, to reflect the circumstance as at the end of the reporting period as well as changes during the reporting period.

40. Change of accounting policies

In 2017, the MOF issued Accounting Standards for Business Enterprises No. 14 – Revenue (the “New Standard on Revenue”); Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments; Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets; Accounting Standards for Business Enterprises No. 24 – Hedge Accounting; and Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments (the “New Standard on Financial Instruments”). With effect from 1 January 2018, the Group has adopted the newly amended accounting standards set out above for accounting treatment. According to the transitional requirements, no adjustment is made to information for the comparative period. Adjustments arising from the difference in first adopting the new standards and the original standards will be dealt with in the opening retained earnings or other comprehensive income on a retrospective basis.

三、重要會計政策及會計估計(續)

39. 重大會計判斷和估計(續)

估計的不確定性(續)

評估可變對價的限制

本集團對可變對價進行估計時，考慮能夠合理獲得的所有信息，包括歷史信息、當前信息以及預測信息，在合理的數量範圍內估計各種可能發生的對價金額以及概率。估計合同可能產生多個結果時，本集團按照期望值法估計可變對價金額，當合同僅由兩個可能結果時，本集團按照最可能發生金額估計可變對價金額。包含可變對價的交易價格不超過在相關不確定性消除時累計已確認收入極可能不會發生重大轉回的金額。本集團在評估與可變對價相關的不確定性消除時，累計已確認的收入金額是否極可能不會發生重大轉回時，同時考慮收入轉回的可能性及轉回金額的比重。本集團認為「極可能」發生的概率高於75%。本集團在每一資產負債表日，重新評估可變對價金額，包括重新評估對可變對價的估計是否受到限制，以反映報告期末存在的情況以及報告期內發生的情況變化。

40. 會計政策變更

2017年，財政部頒佈了修訂的《企業會計準則第14號—收入》(簡稱「新收入準則」)、《企業會計準則第22號—金融工具確認和計量》、《企業會計準則第23號—金融資產轉移》、《企業會計準則第24號—套期保值》以及《企業會計準則第37號—金融工具列報》(統稱「新金融工具準則」)。本集團自2018年1月1日開始按照新修訂的上述準則進行會計處理，根據銜接規定，對可比期間信息不予調整，首日執行新準則與現行準則的差異追溯調整本報告期初未分配利潤或其他綜合收益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

40. Change of accounting policies (Continued)

New Standard on Revenue

The New Standard on Revenue establishes a new model to recognize revenue arising from contracts with customers. According to the New Standard on Revenue, the method of revenue recognition should reflect the model under which goods and services are delivered to a customer. Revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for delivering goods and services to a customer. The standard also provides for the judgments and estimates to be made on each part of revenue recognition. Adjustments are only made to the cumulative effect of contracts that remain outstanding as of 1 January 2018. For changes in contracts incurred before 1 January 2018, a simplified approach is adopted in respect of the final arrangements for all contracts based on changes in contracts, identify performance obligations that have been performed or remain outstanding, determine the transaction price and apportion the transaction price between performance obligations that have been performed or remain outstanding.

Except for certain indirect leasing business as described in Note III.16 and construction contracts – project business contracts as described in Note III.26 being affected by the New Standard on Revenue and leading to changes in the time of revenue recognition, for major sales contracts, service contracts and construction contracts, there have been no material changes in the time and manner of revenue recognition. On 1 January 2018, adjustments are only made to the cumulative effect of contracts that remain outstanding, and contracts entered into and performed prior to 1 January 2018 under the aforesaid indirect leasing business were all completed prior to 1 January 2018, thus has no impacts on the opening retained earnings; the aforesaid changes in time of revenue recognition for construction contracts have given rise to an increase of RMB46,813,800.00 in contract assets, a decrease of RMB62,418,400.00 in contract liabilities, a decrease of RMB19,505,750.00 in deferred tax assets, and an increase of RMB89,726,450.00 in opening retained earnings.

三、重要會計政策及會計估計(續)

40. 會計政策變更(續)

新收入準則

新收入準則為規範與客戶之間的合同產生的收入建立了新的收入確認模型。根據新收入準則，確認收入的方式應當反映主體向客戶轉讓商品或提供服務的模式，收入的金額應當反映主體因向客戶轉讓該等商品和服務而預計有權獲得的對價金額。同時，新收入準則對於收入確認的每一個環節所需要進行的判斷和估計也做出了規範。本集團僅對在2018年1月1日尚未完成的合同的累積影響數進行調整，對2018年1月1日之前或發生的合同變更，本集團採用簡化處理方法，對所有合同根據合同變更的最終安排，識別已履行的和尚未履行的履約義務、確定交易價格以及在已履行的和尚未履行的履約義務之間分攤交易價格。

本集團除了附註三、16中提及的部分間接租賃業務和附註三、26中提到的建造合同—項目業務合同受到新收入準則影響，收入確認時點發生變化外，對於主要的銷售合同、服務合同和建造合同，收入的確認時點和方式沒有發生重大變化。於2018年1月1日，本集團選擇僅對尚未完成的合同的累計影響數進行調整，上述間接租賃業務中於2018年1月1日前簽訂且開始履行的合同均已在2018年1月1日前完成，因此對期初未分配利潤沒有影響；上述建造合同收入確認時點發生的改變，導致合同資產增加人民幣46,813,800.00元，合同負債減少人民幣62,418,400.00元，遞延所得稅資產減少人民幣19,505,750.00元，以及期初未分配利潤增加人民幣89,726,450.00元。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

40. Change of accounting policies (Continued) New Standard on Revenue (Continued)

The application of the New Standard on Revenue has the following effect on the financial statements of 2018:

Consolidated Income Statement

		As stated in financial statements 報表數	Based on the original standards 假設按原準則	Effect 影響
Revenue	營業收入	159,255,832,286.92	161,190,481,686.92	(1,934,649,400.00)
Cost of sales	營業成本	123,686,413,712.22	125,342,522,680.64	(1,656,108,968.42)
Distribution and selling expenses	銷售費用	10,619,172,364.29	10,831,198,795.87	(212,026,431.58)
Income tax expenses	所得稅費用	2,232,550,533.06	2,251,784,533.06	(19,234,000.00)
Net profit	淨利潤	11,625,733,542.47	11,668,543,542.47	(42,810,000.00)

The aforesaid effect was primarily because of the changes under the New Standard on Revenue arising from the recognition and measurement of indirect lease contracts (Note III.16), construction contracts, apportionments of transportation service for sales of merchandises (Note III.26) and consideration payable to customers (Note III.26).

New Standard on Financial Instruments

The New Standard on Financial Instruments has changed the classification and measurement of financial assets, affirming three major categories of measurement, namely at amortised cost, fair value through other comprehensive income and fair value through profit or loss. Such categorization takes into account the entity's own business model and the characteristics of the contract cashflow of its financial assets. An investment in equity instruments is required to be measured at fair value through profit or loss with the irrevocable option at inception to be measured at fair value through other comprehensive income for equity instruments not held for trading.

三、重要會計政策及會計估計(續)

40. 會計政策變更(續) 新收入準則(續)

執行新收入準則對2018年度財務報表的影響如下：

合併利潤表

上述影響主要因為本集團在新收入準則下，對間接租賃合同(附註三、16)、建造合同、銷售商品時運輸服務(附註三、26)的拆分、應付客戶對價(附註三、26)等根據新收入準則確認和計量導致的變化。

新金融工具準則

新金融工具準則改變了金融資產的分類和計量方式，確定了三個主要的計量類別：攤餘成本；以公允價值計量且其變動計入其他綜合收益；以公允價值計量且其變動計入當期損益。企業需考慮自身業務模式，以及金融資產的合同現金流特徵進行上述分類。權益工具投資需按公允價值計量且其變動計入當期損益，但在初始確認時可選擇將非交易性權益工具投資不可撤銷地指定為以公允價值計量且其變動計入其他綜合收益的金融資產。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

40. Change of accounting policies (Continued)

New Standard on Financial Instruments (Continued)

The New Standard on Financial Instruments requires the measurement of impairment of financial assets be changed from the “incurred loss model” to the “expected credit loss model”, which is applicable to financial assets measured at amortized cost, financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts.

The new hedge accounting model has strengthened the link between enterprises’ risk management and financial statements, broadened the scope of hedging instruments and hedged items, abandoned retrospective validity test, introduced a re-balancing mechanism and the concept of cost of hedging. Based on the Group’s evaluation, all hedging relationships still satisfy the criteria of validity of hedging and subsequent treatment will be based on the continuation of such hedging relationships.

The yields for wealth management products held by the Group depend on the yield rates of the subject assets. Prior to 1 January 2018, such products were classified as available-for-sale financial assets. After 1 January 2018, the Group analyzed that the contract cashflow not only represented payment of principal plus interest on outstanding principal amount. Therefore, such products were re-classified as financial assets at fair value through profit or loss for the current period, and presented as financial assets held for trading.

三、重要會計政策及會計估計(續)

40. 會計政策變更(續)

新金融工具準則(續)

新金融工具準則要求金融資產減值計量由「已發生損失模型」改為「預期信用損失模型」，適用於以攤餘成本計量的金融資產、以公允價值計量且其變動計入其他綜合收益的金融資產，以及貸款承諾和財務擔保合同。

新套期會計模型加強了企業風險管理與財務報表之間的聯繫，擴大了套期工具及被套期項目的範圍，取消了回顧有效性測試，引入了再平衡機制及套期成本的概念。本集團評估所有的套期關係依然滿足套期有效性標準，作為持續的套期關係進行後續處理。

本集團持有的理財產品，其收益取決於標的資產的收益率。本集團於2018年1月1日之前將其分類為可供出售金融資產。2018年1月1日之後，本集團分析其合同現金流量代表的不僅僅為對本金和以未償本金為基礎的利息的支付，因此將該等理財產品重分類為以公允價值計量且其變動計入當期損益的金融資產，列報為交易性金融資產。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

40. Change of accounting policies (Continued)

New Standard on Financial Instruments (Continued)

The yields for some structured deposits held by the Group are linked to variables such as bullion and foreign exchanges. Prior to 1 January 2018, the derivatives embedded in structured deposits were accounted for separately, and the host debt contracts were presented as cash and cash equivalents. After 1 January 2018, the Group analyzed that the contract cashflow not only represented payment of principal plus interest on outstanding principal amount. Therefore, such structured deposits were re-classified as financial assets at fair value through profit or loss for the current period, and presented as financial assets held for trading.

In its day-to-day capital management, the Group endorses or discounts some of its bank acceptance notes. The business model for managing the aforesaid notes receivable is for the dual purposes of receipt of contract cashflow and sale. Therefore, after 1 January 2018, such notes receivable were re-classified as financial assets at fair value through other comprehensive income, and presented as notes receivable and accounts receivable.

After 1 January 2018, some of the equity investments held by the Group were designated as financial assets at fair value through other comprehensive income and presented as investments in other equity instruments.

三、重要會計政策及會計估計(續)

40. 會計政策變更(續)

新金融工具準則(續)

本集團持有的某些結構性存款，其收益與黃金、外匯等變量掛鉤。本集團於2018年1月1日之前將結構性存款中嵌入的衍生工具單獨核算，主債務合同列報為貨幣資金。2018年1月1日之後，本集團分析其合同現金流量代表的不僅僅為對本金和以未償本金為基礎的利息的支付，因此將該等結構性存款重分類為以公允價值計量且其變動計入當期損益的金融資產，列報為交易性金融資產。

本集團在日常資金管理中將部分銀行承兌匯票背書或貼現，管理上述應收票據的業務模式既以收取合同現金流量為目標又以出售為目標，因此本集團2018年1月1日之後將該等應收票據重分類為以公允價值計量且其變動計入其他綜合收益金融資產，列報為應收票據及應收賬款。

本集團於2018年1月1日之後將部分持有的股權投資指定為以公允價值計量且其變動計入其他綜合收益的金融資產，列報為其他權益工具投資。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

40. Change of accounting policies (Continued)

New Standard on Financial Instruments (Continued)

On the date of first adoption, the categorization and measurement of financial assets conducted according to the standards on the recognition and measurement of financial instruments before and after amendment are compared as follows:

The Group

	Standards on the recognition and measurement of financial instruments before amendment 修訂前的金融工具確認計量準則		Standards on the recognition and measurement of financial instruments after amendment 修訂後的金融工具確認計量準則	
	Measurement categories 計量類別	Carrying amount 賬面價值	Measurement categories 計量類別	Carrying amount 賬面價值
Notes receivable 應收票據	Amortized cost (Loans and receivables) 攤餘成本(貸款和應收款)	25,291,238,910.52	Amortized cost 攤餘成本	18,244,008,954.57
			Fair value through other comprehensive income (required by standard) 以公允價值計量且其變動計入其他綜合收益(準則要求)	7,047,229,955.95
Accounts receivable 應收賬款	Amortized cost (Loans and receivables) 攤餘成本(貸款和應收款)	13,572,535,350.44	Amortized cost 攤餘成本	13,605,102,150.64
			Fair value through profit or loss (required by standard) 以公允價值計量且其變動計入當期損益(準則要求)	145,122,780.00
Long-term receivables 長期應收款	Amortized cost (Loans and receivables) 攤餘成本(貸款和應收款)	5,197,814,237.00	Amortized cost 攤餘成本	5,054,002,243.40
			Fair value through profit or loss (required by standard) 以公允價值計量且其變動計入當期損益(準則要求)	143,811,993.60
Other non-current debt investments 其他非流動債務投資	Amortized cost (Loans and receivables) 攤餘成本(貸款和應收款)	17,227,478.40	Fair value through profit or loss (required by standard) 以公允價值計量且其變動計入當期損益(準則要求)	17,227,478.40
Equity investments 股權投資	Fair value through other comprehensive income (Available-for-sale) 以公允價值計量且其變動計入其他綜合收益(可供出售類)	319,262,446.10	Fair value through profit or loss (required by standard) 以公允價值計量且其變動計入當期損益(準則要求)	3,378,395.90
	Cost method (Available-for-sale) 成本法(可供出售類)	275,584,770.21	Fair value through other comprehensive income (designated) 以公允價值計量且其變動計入其他綜合收益(指定)	438,106,427.08
			Long-term equity investments 長期股權投資	190,118,644.10
Wealth management products 理財產品	Fair value through other comprehensive income (Available-for-sale) 以公允價值計量且其變動計入其他綜合收益(可供出售類)	2,365,000,000.00	Fair value through profit or loss (required by standard) 以公允價值計量且其變動計入當期損益(準則要求)	2,365,000,000.00

三、重要會計政策及會計估計(續)

40. 會計政策變更(續)

新金融工具準則(續)

在首次執行日，金融資產按照修訂前後金融工具確認計量準則的規定進行分類和計量結果對比如下：

本集團

Standards on the recognition and measurement of financial instruments after amendment
修訂後的金融工具確認計量準則

Measurement categories
計量類別

Amortized cost
攤餘成本

Fair value through other comprehensive income (required by standard)
以公允價值計量且其變動計入其他綜合收益(準則要求)

Amortized cost
攤餘成本

Fair value through profit or loss (required by standard)
以公允價值計量且其變動計入當期損益(準則要求)

Amortized cost
攤餘成本

Fair value through profit or loss (required by standard)
以公允價值計量且其變動計入當期損益(準則要求)

Fair value through profit or loss (required by standard)
以公允價值計量且其變動計入當期損益(準則要求)

Fair value through profit or loss (required by standard)
以公允價值計量且其變動計入當期損益(準則要求)

Fair value through other comprehensive income (designated)
以公允價值計量且其變動計入其他綜合收益(指定)

Long-term equity investments
長期股權投資

Fair value through profit or loss (required by standard)
以公允價值計量且其變動計入當期損益(準則要求)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

40. Change of accounting policies (Continued) New Standard on Financial Instruments (Continued)

On the date of first adoption, the categorization and measurement of financial assets conducted according to the standards on the recognition and measurement of financial instruments before and after amendment are compared as follows: (Continued)

The Company

	Standards on the recognition and measurement of financial instruments before amendment 修訂前的金融工具確認計量準則		Standards on the recognition and measurement of financial instruments after amendment 修訂後的金融工具確認計量準則	
	Measurement categories 計量類別	Carrying amount 賬面價值	Measurement categories 計量類別	Carrying amount 賬面價值
Equity investments 股權投資	Fair value through other comprehensive income (Available-for-sale) 以公允價值計量且其變動計入其他綜合收益(可供出售類)	224,800,000.00		
	Cost method (Available-for-sale) 成本法(可供出售類)	31,680,000.00	Fair value through other comprehensive income (designated) 以公允價值計量且其變動計入其他綜合收益(指定)	255,670,000.00

On the date of first adoption, the original carrying amount of the financial assets and the new carrying amount of the financial assets as categorized and measured according to the standards on the recognition and measurement of financial instruments after amendment are reconciled as follows:

The Group

		Carrying amount presented according to the original standard applicable to financial instruments 按原金融工具準則列示的賬面價值 31 December 2017 2017年12月31日		Reclassified 重分類	Re-measured 重新計量	Carrying amount presented according to the New Standard on Financial Instruments 按新金融工具準則列示的賬面價值 1 January 2018 2018年1月1日	
Financial assets measured at amortized cost Notes receivable 應收票據	以攤餘成本計量的金融資產						
Balance presented according to the original standard applicable to financial instruments	按原金融工具準則列示的餘額	25,291,238,910.52	-	-	-	-	-
Less: Transferred to fair value through other comprehensive income (New Standard on Financial Instruments)	減：轉出至以公允價值計量且其變動計入其他綜合收益(新金融工具準則)	-	(7,047,229,955.95)	-	-	-	-
Balance presented according to the New Standard on Financial Instruments	按新金融工具準則列示的餘額	-	-	-	-	18,244,008,954.57	-
Accounts receivable 應收賬款	應收賬款						
Balance presented according to the original standard applicable to financial instruments	按原金融工具準則列示的餘額	13,572,535,350.44	-	-	-	-	-
Less: Transferred to fair value through profit or loss (New Standard on Financial Instruments)	減：轉出至以公允價值計量且其變動計入當期損益(新金融工具準則)	-	(145,122,780.00)	-	-	-	-
Re-measured: Allowance for expected credit losses	重新計量：預期信用損失準備	-	-	-	177,689,580.20	-	-
Balance presented according to the New Standard on Financial Instruments	按新金融工具準則列示的餘額	-	-	-	-	13,605,102,150.64	-

三、重要會計政策及會計估計(續)

40. 會計政策變更(續) 新金融工具準則(續)

在首次執行日，金融資產按照修訂前後金融工具確認計量準則的規定進行分類和計量結果對比如下(續)：

本公司

在首次執行日，原金融資產賬面價值調整為按照修訂後金融工具確認計量準則的規定進行分類和計量的新金融資產賬面價值的調節表：

本集團

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

40. Change of accounting policies (Continued) New Standard on Financial Instruments (Continued)

On the date of first adoption, the categorization and measurement of financial assets conducted according to the standards on the recognition and measurement of financial instruments before and after amendment are compared as follows: (Continued)

The Group (Continued)

		Carrying amount presented according to the original standard applicable to financial instruments 按原金融工具準則 列示的賬面價值 31 December 2017 2017年12月31日	Reclassified 重分類	Re-measured 重新計量	Carrying amount presented according to the New Standard on Financial Instruments 按新金融工具準則 列示的賬面價值 1 January 2018 2018年1月1日
<i>Long-term receivables</i>	<i>長期應收款</i>				
Balance presented according to the original standard applicable to financial instruments	按原金融工具準則列示的餘額	5,197,814,237.00	-	-	-
Less: Transferred to fair value through profit or loss (New Standard on Financial Instruments)	減：轉出至以公允價值計量且其變動計入當期損益(新金融工具準則)	-	(143,811,993.60)	-	-
Balance presented according to the New Standard on Financial Instruments	按新金融工具準則列示的餘額	-	-	-	5,054,002,243.40
<i>Other non-current assets</i>	<i>其他非流動資產</i>				
Balance presented according to the original standard applicable to financial instruments	按原金融工具準則列示的餘額	17,227,478.40	-	-	-
Less: Transferred to fair value through profit or loss (New Standard on Financial Instruments)	減：轉出至以公允價值計量且其變動計入當期損益(新金融工具準則)	-	(17,227,478.40)	-	-
Balance presented according to the New Standard on Financial Instruments	按新金融工具準則列示的餘額	-	-	-	-
Financial assets at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的金融資產				
<i>Notes receivable</i>	<i>應收票據</i>				
Balance presented according to the original standard applicable to financial instruments	按原金融工具準則列示的餘額	-	-	-	-
Add: Transferred to fair value through other comprehensive income (the New Standard on Financial Instruments)	加：轉入至以公允價值計量且其變動計入其他綜合收益(新金融工具準則)	-	7,047,229,955.95	-	-
Balance presented according to the New Standard on Financial Instruments	按新金融工具準則列示的餘額	-	-	-	7,047,229,955.95

三、重要會計政策及會計估計(續)

40. 會計政策變更(續)

新金融工具準則(續)

在首次執行日，原金融資產賬面價值調整為按照修訂後金融工具確認計量準則的規定進行分類和計量的新金融資產賬面價值的調節表：(續)

本集團(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

40. Change of accounting policies (Continued)

New Standard on Financial Instruments (Continued)

On the date of first adoption, the categorization and measurement of financial assets conducted according to the standards on the recognition and measurement of financial instruments before and after amendment are compared as follows: (Continued)

The Group (Continued)

	Carrying amount presented according to the original standard applicable to financial instruments 按原金融工具準則列示的賬面價值 31 December 2017 2017年12月31日	Reclassified 重分類	Re-measured 重新計量	Carrying amount presented according to the New Standard on Financial Instruments 按新金融工具準則列示的賬面價值 1 January 2018 2018年1月1日
<i>Equity investments – Available-for-sale financial assets (Note 1)</i> 股權投資 – 可供出售金融資產(註1)				
Balance presented according to the original standard applicable to financial instruments	594,847,216.31	-	-	-
Less: Transferred to fair value through profit or loss (New Standard on Financial Instruments)	-	(3,378,395.90)	-	-
Transferred to fair value through other comprehensive income-Equity instruments (New Standard on Financial Instruments)	-	(401,350,176.31)	-	-
Transferred to long-term equity investments	-	(190,118,644.10)	-	-
Add: Transferred to fair value through other comprehensive income-Equity instruments (New Standard on Financial Instruments)	-	401,350,176.31	-	-
Remeasured: Cost method changed to measurement of fair value	-	-	36,756,250.77	-
Balance presented according to the New Standard on Financial Instruments	-	-	-	438,106,427.08
<i>Wealth management products – Available-for-sale financial assets (Note 2)</i> 理財產品 – 可供出售金融資產(註2)				
Balance presented according to the original standards applicable to financial instruments	2,365,000,000.00	-	-	-
Less: Transferred to fair value through profit or loss (New Standard on Financial Instruments)	-	(2,365,000,000.00)	-	-
Balance presented according to the New Standard on Financial Instruments	-	-	-	-
Financial assets at fair value through profit or loss				
<i>Financial assets held for trading</i> 交易性金融資產				
Balance presented according to the original standard applicable to financial instruments	384,067,087.32	-	-	-
Add: Transferred to fair value through profit or loss (the New Standard on Financial Instruments)	-	2,510,122,780.00	-	-
Balance presented according to the New Standard on Financial Instruments	-	-	-	2,894,189,867.32
<i>Other non-current financial assets</i> 其他非流動金融資產				
Balance presented according to the original standard applicable to financial instruments	-	-	-	-
Add: Transferred to fair value through profit or loss (the New Standard on Financial Instruments)	-	164,417,867.90	-	-
Balance presented according to the New Standard on Financial Instruments	-	-	-	164,417,867.90

三、重要會計政策及會計估計(續)

40. 會計政策變更(續)

新金融工具準則(續)

在首次執行日，原金融資產賬面價值調整為按照修訂後金融工具確認計量準則的規定進行分類和計量的新金融資產賬面價值的調節表：(續)

本集團(續)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

40. Change of accounting policies (Continued)

New Standard on Financial Instruments (Continued)

On the date of first adoption, the categorization and measurement of financial assets conducted according to the standards on the recognition and measurement of financial instruments before and after amendment are compared as follows: (Continued)

The Company

		Carrying amount presented according to the original standard applicable to financial instruments 按原金融工具準則 列示的賬面價值 31 December 2017 2017年12月31日	Reclassified 重分類	Re-measured 重新計量	Carrying amount presented according to the New Standard on Financial Instruments 按新金融工具準則 列示的賬面價值 1 January 2018 2018年1月1日
Financial assets at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的金融資產				
Equity investments – Available-for-sale financial assets (Note 1)	股權投資 – 可供出售金融資產(註1)				
Balance presented according to original standard applicable to financial instruments	按原金融工具準則列示的餘額	256,480,000.00	-	-	-
Less: Transferred out to fair value through other comprehensive income – Equity instruments (the New Standard on Financial Instruments)	減：轉出至以公允價值計量且其變動計入其他綜合收益 – 權益工具(新金融工具準則)	-	(256,480,000.00)	-	-
Add: Transferred in to fair value through other comprehensive income – Equity instruments (the New Standard on Financial Instruments)	加：轉入至以公允價值計量且其變動計入其他綜合收益 – 權益工具(新金融工具準則)	-	256,480,000.00	-	-
Remeasured: Cost method changed to measurement of fair value	重新計量：成本法轉公允價值計量	-	-	(810,000.00)	-
Balance presented according to the New Standard on Financial Instruments	按新金融工具準則列示的餘額	-	-	-	255,670,000.00

Note 1: The investment in equity instruments was strategic investments aiming to uplift the Group's long term profitability through equity participation. The Group designated that such investments shall be measured at fair value through other comprehensive income.

Note 2: The wealth management products did not pass the contract cashflow characteristics test under the New Standard on Financial Instruments. They were measured at fair value through profit or loss as required by the standard.

40. 會計政策變更(續)

新金融工具準則(續)

在首次執行日，原金融資產賬面價值調整為按照修訂後金融工具確認計量準則的規定進行分類和計量的新金融資產賬面價值的調節表(續)：

本公司

註1：此權益工具投資為戰略投資，旨在通過參股協作提升本集團長期盈利能力，本集團指定將其以公允價值計量且其變動計入其他綜合收益。

註2：此理財產品在新金融工具準則下未通過合同現金流量特徵測試，按準則規定以公允價值計量且變動計入當期損益。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

40. Change of accounting policies (Continued)

New Standard on Financial Instruments (Continued)

On the date of first adoption, the original provision for impairment of financial assets as of 31 December 2017 and the new provision for loss of financial assets as categorized and measured according to the standards applicable to the financial instruments after amendment are reconciled as follows:

The Group

Measurement categories	計量類別	Provision for loss	Reclassified	Re-measured	Provision for loss
		made according to the original standard applicable to financial instruments			made according to the New Standard on Financial Instruments
		按原金融工具準則計提損失準備	重分類	重新計量	按新金融工具準則計提損失準備
Loans and receivables (Original standard applicable to financial instruments)/Financial assets measured at amortized cost (the New Standard on Financial Instruments)	貸款和應收款(原金融工具準則)/以攤餘成本計量的金融資產(新金融工具準則)				
Accounts receivable	應收賬款	1,433,114,728.64	-	(177,689,580.20)	1,255,425,148.44
Other receivables	其他應收款	48,508,702.99	-	-	48,508,702.99

本集團

The Company

Measurement categories	計量類別	Provision for loss	Reclassified	Re-measured	Provision for loss
		made according to the original standard on financial instruments			made according to the New Standard on Financial Instruments
		按原金融工具準則計提損失準備	重分類	重新計量	按新金融工具準則計提損失準備
Loans and receivables (Original standard applicable to financial instruments)/Financial assets measured at amortized cost (the New Standard on Financial Instruments)	貸款和應收款(原金融工具準則)/以攤餘成本計量的金融資產(新金融工具準則)				
Accounts receivable	應收賬款	89,097,053.93	-	-	89,097,053.93
Other receivables	其他應收款	14,749,851.41	-	-	14,749,851.41

本公司

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

40. Change of accounting policies (Continued)

New Standard on Financial Instruments (Continued)

Other than such adjustments as have arisen from the change in the “Formats of financial statements” mentioned below, major impacts of the changes in accounting policies arising from the New Standard on Revenue and the New Standard on Financial Instruments stated above on the financial statements as at 1 January 2018 are as follows:

The Group

	Carrying amount presented according to the original standards 按原準則列示的賬面價值	Reclassified 重分類		Re-measured 重新計量		Carrying amount presented according to the new standards 按新準則列示的賬面價值
		Impact of the New Standard on Revenue 新收入準則影響	Impact of the New Standard on Financial Instruments 新金融工具準則影響	Impact of the New Standard on Revenue 新收入準則影響	Impact of the New Standard on Financial Instruments 新金融工具準則影響	
	31 December 2017 2017年12月31日					1 January 2018 2018年1月1日
Financial assets at fair value through profit or loss 以公允價值計量且其變動計入當期損益的金融資產	384,067,087.32	-	(384,067,087.32)	-	-	-
Financial assets held for trading 交易性金融資產	-	-	2,894,189,867.32	-	-	2,894,189,867.32
Accounts receivable 應收賬款	13,572,535,350.44	(1,590,884,422.70)	(145,122,780.00)	-	177,689,580.20	12,014,217,727.94
Contract assets 合同資產	-	735,764,692.30	-	46,813,800.00	-	782,578,492.30
Inventories 存貨	19,850,822,463.67	(735,764,692.30)	-	-	-	19,115,057,771.37
Other current assets 其他流動資產	3,792,776,498.74	-	(2,365,000,000.00)	-	-	1,427,776,498.74
Available-for-sale financial assets 可供出售金融資產	594,847,216.31	-	(594,847,216.31)	-	-	-
Investment in other equity instruments 其他權益工具投資	-	-	401,350,176.31	-	36,756,250.77	438,106,427.08
Other non-current financial assets 其他非流動金融資產	-	-	164,417,867.90	-	-	164,417,867.90
Long-term receivables 長期應收款	5,197,814,237.00	-	(143,811,993.60)	-	-	5,054,002,243.40
Long-term equity investments 長期股權投資	2,638,935,915.48	-	190,118,644.10	-	-	2,829,054,559.58
Deferred tax assets 遞延所得稅資產	4,533,525,646.91	-	-	(19,505,750.00)	(58,453,657.62)	4,455,566,239.29
Other non-current assets 其他非流動資產	254,172,355.79	-	(17,227,478.40)	-	-	236,944,877.39
Receipts in advance 預收賬款	(5,814,905,624.90)	5,814,905,624.90	-	-	-	-
Contract liabilities 合同負債	-	(7,417,610,663.24)	-	62,418,400.00	-	(7,355,192,263.24)
Other payables 其他應付款	(7,723,245,808.19)	2,811,214,342.64	-	-	-	(4,912,031,465.55)
Other current liabilities 其他流動負債	(4,851,696,489.11)	382,375,118.40	-	-	-	(4,469,321,370.71)
Deferred income 遞延收益	(3,121,664,308.58)	305,225,976.00	-	-	-	(2,816,438,332.58)
Deferred tax liabilities 遞延所得稅負債	(6,500,274,764.52)	-	-	-	(9,295,050.00)	(6,509,569,814.52)
Other non-current liabilities 其他非流動負債	(226,205,400.79)	(305,225,976.00)	-	-	-	(531,431,376.79)
Retained earnings 未分配利潤	(27,898,783,968.43)	-	-	(89,726,450.00)	(119,172,330.20)	(28,107,682,748.63)
Other comprehensive income 其他綜合收益	1,527,566,155.73	-	-	-	(27,644,503.70)	1,499,921,652.03
Minority interests 少數股東權益	(21,115,468,327.56)	-	-	-	119,710.55	(21,115,348,617.01)

三、重要會計政策及會計估計(續)

40. 會計政策變更(續)

新金融工具準則(續)

除下述的「財務報表格式」變更引起的調整影響外，上述新收入準則和新金融工具準則引起的會計政策變更對2018年1月1日的財務報表的主要影響如下：

本集團

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

40. Change of accounting policies (Continued)

New Standard on Financial Instruments (Continued)

Other than such adjustments as have arisen from the change in the "Formats of financial statements" mentioned below, major impacts of the changes in accounting policies arising from the New Standard on Revenue and the New Standard on Financial Instruments stated above on the financial statements as at 1 January 2018 are as follows: (Continued)

The Company

		Carrying amount presented according to the original standards 按原準則列示 的賬面價值	Reclassified 重分類	Impact of the New Standard on Revenue 新收入 準則影響	Impact of the New Standard on Financial Instruments 新金融工具 準則影響	Re-measured 重新計量	Impact of the New Standard on Financial Instruments 新金融工具 準則影響	Carrying amount presented according to the new standards 按新準則列示 的賬面價值
		31 December 2017 2017年12月31日						1 January 2018 2018年1月1日
Accounts receivable	應收賬款	1,492,883,648.61	(397,204,441.44)	-	-	-	-	1,095,679,207.17
Available-for-sale financial assets	可供出售金融資產	256,480,000.00	-	(256,480,000.00)	-	-	-	-
Investment in other equity instruments	其他權益工具投資	-	-	256,480,000.00	-	(810,000.00)	255,670,000.00	
Deferred tax assets	遞延所得稅資產	724,662,933.48	-	-	-	121,500.00	724,784,433.48	
Receipts in advance	預收賬款	(53,587,374.55)	53,587,374.55	-	-	-	-	
Other payables	其他應付款	(2,497,504,438.30)	1,503,283,483.34	-	-	-	(994,220,954.96)	
Contract liabilities	合同負債	-	(1,159,666,416.45)	-	-	-	(1,159,666,416.45)	
Other comprehensive income	其他綜合收益	(26,180,000.00)	-	-	-	688,500.00	(25,491,500.00)	

三、重要會計政策及會計估計(續)

40. 會計政策變更(續)

新金融工具準則(續)

除下述的「財務報表格式」變更引起的調整影響外，上述新收入準則和新金融工具準則引起的會計政策變更對2018年1月1日的財務報表的主要影響如下：(續)

本公司

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

40. Change of accounting policies (Continued)

Formats of financial statements

As required by the Notice on Revising and Circulating General Corporate Financial Statement Formats 2018 (Cai Kuai [2018] No.15), other than the changes in presentation arising from the adoption of the aforesaid New Standard on Financial Instrument and the New Standard on Revenue, “notes receivable and accounts receivable” are classified under the new “notes receivable and accounts receivable” item; “dividend receivable” and “interest receivable” are classified under the “other receivables” item; “disposal of fixed assets” are classified under the “fixed assets” item; “materials used in construction” are classified under the “construction in progress” item; “notes payable” and “accounts payable” are classified under the new “notes payable and accounts payable” item; “special payables” are classified under the “long-term payables” item; the “research & development expenses” item is separated from the “general and administrative expenses” in the income statement; the “interest expenses” and “interest income” items are separately listed under the finance expenses item; the new item of “transfer of changes in defined benefit plan to retained earnings” has been added under the statement of changes in equity; and the Group has restated the financial statements for the comparative period on a retrospective basis. The changes in accounting policies has no impact on consolidated and company net profit and shareholders’ equity.

三、重要會計政策及會計估計(續)

40. 會計政策變更(續)

財務報表格式

根據《關於修訂印發2018年度一般企業財務報表格式的通知》(財會[2018]15號)要求，除執行上述新金融工具準則以及新收入準則產生的列報變化外，本集團將「應收票據」和「應收賬款」歸並至新增的「應收票據及應收賬款」項目，將「應收股利」及「應收利息」歸並至「其他應收款」項目，將「固定資產清理」歸並至「固定資產」項目，將「工程物資」歸並至「在建工程」項目，將「應付票據」和「應付賬款」歸並至新增的「應付票據及應付賬款」項目，將「專項應付款」歸並至「長期應付款」項目；在利潤表中從「管理費用」項目中分拆「研發費用」項目，在財務費用項目下分拆「利息費用」和「利息收入」明細項目；股東權益變動表中新增「設定受益計劃變動額結轉留存收益」項目；本集團相應追溯調整了比較數據。該會計政策變更對合併及公司淨利潤和股東權益無影響。

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

40. Change of accounting policies (Continued)

Formats of financial statements (Continued)

Major impacts of the retrospective adjustment arising from the changes in accounting policies stated above on the balance sheet as at 31 December 2017 are as follows:

The Group

		Closing balance before changes in accounting policies 會計政策變更前 年末餘額	Adjustment arising from changes in accounting policies 會計政策變更 調整額	Closing balance after changes in accounting policies 會計政策變更後 年末餘額
Notes receivable	應收票據	25,291,238,910.52	(25,291,238,910.52)	-
Accounts receivable	應收賬款	13,572,535,350.44	(13,572,535,350.44)	-
Notes receivable and accounts receivable	應收票據及應收賬款	-	38,863,774,260.96	38,863,774,260.96
Interests receivable	應收利息	25,264,533.85	(25,264,533.85)	-
Dividends receivable	應收股利	5,228,280.90	(5,228,280.90)	-
Other receivables	其他應收款	857,629,220.37	30,492,814.75	888,122,035.12
Fixed assets	固定資產	27,067,404,030.16	903,928.29	27,068,307,958.45
Construction in progress	在建工程	1,218,157,893.32	589,457.74	1,218,747,351.06
Materials used in construction	工程物資	589,457.74	(589,457.74)	-
Disposal of fixed assets	固定資產清理	903,928.29	(903,928.29)	-
Notes payable	應付票據	12,361,446,846.30	(12,361,446,846.30)	-
Accounts payable	應付賬款	30,654,794,938.52	(30,654,794,938.52)	-
Notes payable and accounts payable	應付票據及應付賬款	-	43,016,241,784.82	43,016,241,784.82
Interests payable	應付利息	95,394,487.50	(95,394,487.50)	-
Dividends payable	應付股利	207,460,650.87	(207,460,650.87)	-
Other payables	其他應付款	7,723,245,808.19	302,855,138.37	8,026,100,946.56
Long-term payables	長期應付款	9,218,432,433.10	23,000,000.00	9,241,432,433.10
Special payables	專項應付款	23,000,000.00	(23,000,000.00)	-

三、重要會計政策及會計估計(續)

40. 會計政策變更(續)

財務報表格式(續)

上述會計政策變更引起的追溯調整對2017年12月31日的資產負債表主要影響如下：

本集團

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

40. Change of accounting policies (Continued)

Formats of financial statements (Continued)

Major impacts of the retrospective adjustment arising from the changes in accounting policies stated above on the balance sheet as at 31 December 2017 are as follows: (Continued)

The Company

		Closing balance before changes in accounting policies 會計政策變更前 年末餘額	Adjustment arising from changes in accounting policies 會計政策變更 調整額	Closing balance after changes in accounting policies 會計政策變更後 年末餘額
Notes receivable	應收票據	23,018,971,007.38	(23,018,971,007.38)	-
Accounts receivable	應收賬款	1,492,883,648.61	(1,492,883,648.61)	-
Notes receivable and accounts receivable	應收票據及應收賬款	-	24,511,854,655.99	24,511,854,655.99
Interests receivable	應收利息	23,116,750.00	(23,116,750.00)	-
Dividends receivable	應收股利	240,204,169.02	(240,204,169.02)	-
Other receivables	其他應收款	360,439,484.91	263,320,919.02	623,760,403.93
Notes payable	應付票據	9,339,569,093.38	(9,339,569,093.38)	-
Accounts payable	應付賬款	8,360,166,067.65	(8,360,166,067.65)	-
Notes payable and accounts payable	應付票據及應付賬款	-	17,699,735,161.03	17,699,735,161.03

Affected items in income statements for the year of 2017:

The Group

		Incurred before changes in accounting policies 會計政策變更前 發生額	Adjustment arising from changes in accounting policies 會計政策變更 調整額	Incurred after changes in accounting policies 會計政策變更後 發生額
General and administrative expenses	管理費用	9,601,587,744.66	(3,732,379,103.17)	5,869,208,641.49
Research & development expenses	研發費用	-	3,732,379,103.17	3,732,379,103.17

The Company

		Incurred before changes in accounting policies 會計政策變更前 發生額	Adjustment arising from changes in accounting policies 會計政策變更 調整額	Incurred after changes in accounting policies 會計政策變更後 發生額
General and administrative expenses	管理費用	2,252,123,730.11	(1,455,492,475.18)	796,631,254.93
Research & development expenses	研發費用	-	1,455,492,475.18	1,455,492,475.18

三、重要會計政策及會計估計(續)

40. 會計政策變更(續)

財務報表格式(續)

上述會計政策變更引起的追溯調整對2017年12月31日的資產負債表主要影響如下:(續)

本公司

2017年度受影響的利潤表項目:

本集團

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

40. Change of accounting policies (Continued) *Change in items presented on cashflow from government grants related to assets*

Pursuant to the "Issues Related to Revising the Formats for Publishing General Corporate Financial Statement 2018" and the "Digest of Issues Related to the General Corporate Financial Statement Formats 2018" (Cai Kuai [2018] No. 15) issued by the MOF, the government grants received by an enterprise, whether related to assets or related to income, are presented as cashflow from operating activities in the preparation of cashflow statements. Accordingly, in preparing cashflow statements, cashflow originally presented as cashflow from investing activities was changed to be presented as cashflow from operating activities. Corresponding adjustments have been made to the comparative figures on a retrospective basis. This change in accounting policy has resulted in a decrease in net cashflow from investing activities in the consolidated and company cashflow statement and an increase (in equal magnitude) in net cashflow from operating activities. This has had no influence on the net increase in cash and cash equivalents.

2017

The Group

		Incurring before changes in accounting policies 會計政策變更前 本年發生額	Adjustment arising from changes in accounting policies 會計政策變更	Incurring after changes in accounting policies 會計政策變更後 本年發生額
Other cash received relating to operating activities	收到其他與經營活動有關的現金	1,129,420,486.63	184,782,284.00	1,314,202,770.63
Other cash received relating to investing activities	收到其他與投資活動有關的現金	186,453,087.75	— (184,782,284.00)	1,670,803.75

The Company

		Incurring before changes in accounting policies 會計政策變更前 本年發生額	Adjustment arising from changes in accounting policies 會計政策變更	Incurring after changes in accounting policies 會計政策變更後 本年發生額
Other cash received relating to operating activities	收到其他與經營活動有關的現金	297,947,330.33	51,350,000.00	349,297,330.33
Other cash received relating to investing activities	收到其他與投資活動有關的現金	51,350,000.00	— (51,350,000.00)	—

三、重要會計政策及會計估計(續)

40. 會計政策變更(續)

與資產相關的政府補助的現金流量列報項目變更

根據財政部財會[2018]15號《關於修訂印發2018年度一般企業財務報表格式的問題》及《關於2018年度一般企業財務報表格式有關問題的解讀》的規定，企業實際收到的政府補助，無論是與資產相關還是與收益相關，在實際編製現金流量表時均作為經營活動產生的現金流量列報。據此，本集團編製現金流量表時，將原作為投資活動的現金流量，變更為作為經營活動的現金流量，相應追溯調整了比較數據。該會計政策變更減少了合併及公司現金流量表中投資活動產生的現金流量淨額並以相同金額增加了經營活動現金產生的現金流量淨額，但對現金和現金等價物淨增加額無影響。

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本公司

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

40. Change of accounting policies (Continued)

Standards to come into effect

The revised Accounting Standards for Business Enterprises No. 21 – Leases were issued by the MOF in 2018. The Group will adopt these standards with effect from 1 January 2019. Based on information currently available, the effect of the standard has been assessed.

Changes in standards on leases

Under the revised Accounting Standards for Business Enterprises No. 21 – Leases, the distinguishment of finance lease and operating lease is abandoned for the lessee; a lessee is required to recognize right-of-use assets and lease liabilities for all leases (except for short-term leases and low-value asset leases for which the simplified approach is elected), and depreciation and interest expenses are recognized respectively.

Pursuant to the revised Accounting Standards for Business Enterprises No. 21– Leases, the Group will adjust the respective amounts of the opening retained earnings and other related items in the financial statements based on the cumulative effect of the first adoption of the new standards on leases in the year of first adoption, but will not adjust those figures in the comparative period. Based on information currently available, the Group has assessed and concluded that the changes in the said standard will affect the gearing ratio of the Group to a certain extent, but will not significantly affect the operating results of the Group.

三、重要會計政策及會計估計(續)

40. 會計政策變更(續)

即將生效的準則

2018年財政部發佈了修訂後的《企業會計準則第21號—租賃》。本集團將從2019年1月1日開始實施上述準則。本集團依據目前獲取的信息，對該準則的影響做了評估。

租賃準則的變更

在新修訂的《企業會計準則第21號—租賃》下，取消承租人關於融資租賃與經營租賃的分類，要求承租人對所有租賃(選擇簡化處理的短期租賃和低價值資產租賃除外)確認使用權資產和租賃負債，並分別確認折舊和利息費用。

根據新修訂的《企業會計準則第21號—租賃》，本集團將根據首次執行新租賃準則的累積影響數，調整首次執行當年年初留存收益及財務報表其他相關項目金額，不調整可比期間信息。本集團依據目前獲取的信息評估該準則變化對本集團資產負債率有一定影響，對本集團經營成果的影響預計不重大。

IV. TAXATION

1. Major categories of taxes and respective tax rates

Value-added tax (VAT)
增值稅

- Before 1 May 2018, for the Group's PRC subsidiaries, output VAT is calculated by applying 17%, 11% and 6% to the taxable income for normal taxpayers, but the Group may pay it after deducting deductible input VAT for the current period. After 1 May 2018, for the Group's PRC subsidiaries, output VAT is calculated by applying 16%, 10% and 6% to the taxable income for normal taxpayers, but the Group may pay it after deducting deductible input VAT for the current period.

2018年5月1日之前，本集團境內子公司一般納稅人按應稅收入的17%、11%、6%的稅率計算銷項稅，並按扣除當期允許抵扣的進項稅額後的差額計繳增值稅。2018年5月1日之後，本集團境內子公司一般納稅人按應稅收入的16%、10%、6%的稅率計算銷項稅，並按扣除當期允許抵扣的進項稅額後的差額計繳增值稅。

- The basis of computation and applicable rate of VAT primarily applicable to major overseas subsidiaries of the Group are set out below:

本集團境外子公司主要適用的增值稅計稅依據及適用稅率列示如下：

Basis of computation 計稅依據	Applicable country 適用國家	Tax rate 稅率
Amount of taxable added-value 應納稅增值額	Germany 德國	19%

Value-added tax rates applicable in other countries follow the tax laws and regulations in force in the respective countries.
其他國家增值稅稅率遵循當地稅務法律法規確定。

City maintenance and construction tax
城市維護建設稅

- It is levied at 7% or 5% on the actual turnover taxes paid.
按實際繳納的流轉稅的7%或5%計繳。

Education surcharge
教育費附加

- It is levied at 3% on the actual turnover taxes paid.
按實際繳納的流轉稅的3%計繳。

Local education surcharge
地方教育費附加

- It is levied at 2% on the actual turnover taxes paid.
按實際繳納的流轉稅的2%計繳。

Corporate income tax
企業所得稅

- It is levied at 15% or 25% on the taxable profit, except that for oversea subsidiaries, it is levied at the statutory tax rate of the countries or regions in which the subsidiaries operate.

除海外子公司按其所在國家、地區的法定稅率計繳外，企業所得稅按應納稅所得額的15%或25%計繳。

- The basis of computation and applicable rate of corporate income tax primarily applicable to major overseas subsidiaries of the Group are set out below:

本集團境外主要子公司主要適用的企業所得稅計稅依據及適用稅率列示如下：

Basis of computation 計稅依據	Applicable country 適用國家	2018 2018年度
Amount of taxable income 應納稅所得額	Germany 德國	30.77%
Amount of taxable income 應納稅所得額	United States of America 美國	21.00%

Income tax rates applicable in other countries follow the tax laws and regulations in force in the respective countries. Certain oversea subsidiaries enjoy tax benefits in pursuant to the local tax policies.

其他國家所得稅稅率遵循當地稅務法律法規確定。某些境外子公司按照當地稅收政策享受稅收優惠。

IV. TAXATION (CONTINUED)

2. Tax benefits

Value-added tax

In accordance with the Notice Concerning Exemption from Value-added Tax and Consumption Tax applicable to Special-purpose Military Vehicles (《關於軍用特種車輛免徵增值稅和消費稅的通知》) issued by MOF and State Administration of Taxation, the sale of special-purpose military vehicles to army and armed police by Shaanxi Heavy-duty Motor Co., Ltd., a subsidiary of the Company, is exempted from value-added tax.

Preferential corporate income tax for the Company

The Company continued to be recognized as a high-tech enterprise on 28 December 2017 and is entitled to enjoy a preferential income tax rate of 15% from 2017 to 2019.

Preferential corporate income tax for the domestic subsidiaries of the Company

Weichai Power (Weifang) Reconstruction Co., Ltd. and Shaanxi Automobile Datong Special Purpose Vehicle Co., Ltd. were recognized as high-tech enterprises and are therefore entitled to enjoy a preferential income tax rate of 15% from 2016 to 2018.

Shaanxi Heavy-duty Motor Co., Ltd., Shaanxi Fast Gear Co., Ltd., Baoji Fast Gear Co., Ltd., Zhuzhou Gear Co., Ltd., Zhuzhou Torch Machinery Manufacturing Co., Ltd., Zhuzhou Euro Grace Gear Automotive Transmission Co., Ltd., Weichai Power Yangzhou Diesel Engine Co., Ltd., Weichai Power Freshen Air Technology Co., Ltd., Baudouin (Weifang) Power Co., Ltd. and Linde Hydraulics (China) Co., Ltd. were recognized as high-tech enterprises in 2017 and are therefore entitled to enjoy a preferential income tax rate of 15% from 2017 to 2019.

Shaanxi Hande Axle Co., Hande Axle (Zhuzhou) Gear Co., Ltd. and Zhuzhou Torch Sparkplugs Co., Ltd. were recognized as high-tech enterprises in 2018 and are therefore entitled to enjoy a preferential income tax rate of 15% from 2018 to 2020.

Other than the aforesaid companies, Xi'an Fast Auto Drive Co., Ltd. was yet to obtain the latest High-tech Enterprise Certificate (《高新技術企業證書》). As at the approval date of these financial statements, it had passed the review stage and met the criteria for the recognition as a high-tech enterprise. Notice had been released that the Company is expected to be entitled to enjoy the preferential tax rate of 15% for the period from 2018 to 2020.

四、稅項(續)

2. 稅收優惠

增值稅

本公司之子公司陝西重型汽車有限公司根據財政部、國家稅務總局《關於軍用特種車輛免徵增值稅和消費稅的通知》銷售給軍隊、武警部隊使用的軍用特種車輛免徵增值稅。

本公司企業所得稅優惠

本公司於2017年12月28日繼續被認定為高新技術企業，自2017年至2019年享受15%的所得稅優惠稅率。

本公司境內子公司企業所得稅優惠

濰柴動力(濰坊)再製造有限公司、陝汽大同專用汽車有限公司已通過高新技術企業認定，自2016年至2018年享受15%所得稅優惠稅率。

陝西重型汽車有限公司、陝西法士特齒輪有限責任公司、寶雞法士特齒輪有限責任公司、株洲齒輪有限責任公司、株洲湘火炬機械製造有限責任公司、株洲歐格瑞傳動股份有限公司、濰柴動力揚州柴油機有限責任公司、濰柴動力空氣淨化科技有限公司、博杜安(濰坊)動力有限公司和林德液壓(中國)有限公司於2017年通過高新技術企業認定，自2017年至2019年享受15%所得稅優惠稅率。

陝西漢德車橋有限公司、漢德車橋(株洲)齒輪有限公司和株洲湘火炬火花塞有限責任公司於2018年通過高新技術企業認定，自2018年至2020年享受15%所得稅優惠稅率。

除上述公司外，西安法士特汽車傳動有限公司尚未取得最新一期的《高新技術企業證書》，截至本財務報表批准日，已通過審查階段，符合擬認定高新技術企業條件，且已公示，預計自2018年至2020年可享受15%的所得稅優惠稅率。

IV. TAXATION (CONTINUED)

2. Tax benefits

Preferential corporate income tax for the domestic subsidiaries of the Company (Continued)

Pursuant to the requirement of Cai Shui [2015] No. 34, Shaanxi Fast Automotive Components Import and Export Company Limited meets the criteria of a low-margin small-scale industrial enterprise and is subject to corporate income tax at the reduced rate of 20% based on its taxable income which is taken as 50% of its income (equivalent to a 10% tax rate for corporate income tax).

Pursuant to the requirement of the Notice Concerning Issues on Taxation Policies Relating to the Thorough Implementation of China's Strategy of Western Development (Cai Shui Fa [2011] No. 58) 《關於深入實施西部大開發戰略有關稅收政策問題的通知》 promulgated by MOF, the State Administration of Taxation and the General Administration of Customs dated 27 July 2011, the following companies have implemented preferential tax policy of 15% for the Western Development:

Shaanxi Heavy-duty Motor Co., Ltd., Shaanxi Hande Axle Co., Ltd., Shaanxi Jinding Casting Co., Ltd., Shaanxi Automobile Xinjiang Motor Co., Ltd, Xi'an Fast Auto Drive Co., Ltd., Shaanxi Fast Gear Co., Ltd., Baoji Fast Gear Co., Ltd., Fast Eaton (Xi'an) Power Transmission System Co., Ltd. and Weichai (Chongqing) Automotive Co., Ltd.

Pursuant to the requirement of the Announcement concerning the Cancellation of 22 Matters of Approvals About Non-administrative Permissions to be Sought for Taxation Issues" numbered 58 of 2015 issued by the State Administration of Taxation on 18 August 2015, for those companies entitled to the preferential tax treatment at 15% under the western development strategy of China, only filing is required instead of approval. All the aforesaid companies have passed the examination of 2017 Taxation Filing, and they are expected to be entitled again to enjoy a preferential policy for the Western Development in 2018.

四、稅項(續)

2. 稅收優惠(續)

本公司境內子公司企業所得稅優惠(續)

根據財稅[2015]34號的規定，陝西法士特汽車零部件進出口有限公司符合工業企業小型微利企業的認定標準，其所得減按50%計入應納稅所得額，按20%的稅率繳納企業所得稅(相當於減按10%的稅率繳納企業所得稅)。

根據財政部、國家稅務總局、海關總署2011年7月27日財稅發[2011]58號文《關於深入實施西部大開發戰略有關稅收政策問題的通知》的規定，下列公司享受西部大開發15%的稅收優惠政策：

陝西重型汽車有限公司、陝西漢德車橋有限公司、陝西金鼎鑄造有限公司、陝西新疆汽車有限公司、西安法士特汽車傳動有限責任公司、陝西法士特齒輪有限責任公司、寶雞法士特齒輪有限責任公司、法士特伊頓(西安)動力傳動系統有限責任公司和濰柴(重慶)汽車有限公司。

根據2015年8月18日國家稅務總局公告2015年第58號文《關於公佈已取消的22項稅務非行政許可審批事項的公告》的規定，享受西部大開發15%的稅收優惠政策的企業不需要審批只需備案，上述公司均已通過2017年的稅務備案審核，預期2018年仍將獲得享受西部大開發優惠政策的資格。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and cash equivalents

五、合併財務報表主要項目註釋

1. 貨幣資金

		31 December 2018	1 January 2018 and 31 December 2017
		2018年12月31日	2018年1月1日及 2017年12月31日
Cash at bank	庫存現金	81,701,285.69	138,172,603.17
Bank deposits	銀行存款	33,625,686,012.23	26,110,295,839.47
Other cash and cash equivalents	其他貨幣資金	4,502,565,260.39	7,973,369,328.26
		38,209,952,558.31	34,221,837,770.90

As at 31 December 2018 other cash and cash equivalents of the Group amounted to RMB3,830,014,282.90 (31 December 2017: RMB7,967,247,514.79) which are used for letter of guarantee, and as security monies and pledged fixed deposits in special accounts for issuing such as bank acceptance bills and letter of credit.

As at 31 December 2018, the Group held cash and cash equivalents of RMB1,595,051,221.34 (31 December 2017: RMB1,348,285,336.19), which were deposited overseas.

Interest income earned on bank current deposits is calculated by using current deposit interest rate of the bank. The deposit periods for fixed deposits vary from seven days to twelve months depending on the cash requirements of the Group, and earn interest income at respective deposit interest rates of the bank.

於2018年12月31日，本集團其他貨幣資金中包含人民幣3,830,014,282.90元(2017年12月31日：7,967,247,514.79元)用於保函以及辦理銀行承兌票據、信用證等專戶而儲存的保證金和用於質押的定期存單等。

於2018年12月31日，本集團存放於境外的貨幣資金折合人民幣為1,595,051,221.34元(2017年12月31日：折合人民幣為1,348,285,336.19元)。

銀行活期存款按照銀行活期存款利率取得利息收入。定期存款的存款期自7天至12個月不等，依本集團的現金需求而定，並按照相應的銀行存款利率取得利息收入。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Financial assets held for trading (Applicable to 2018 only)

五、合併財務報表主要項目註釋(續)

2. 交易性金融資產(僅適用2018年)

		31 December 2018 2018年12月31日	1 January 2018 2018年1月1日
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產		
Other debt investments	其他債務工具投資	122,072,598.80	145,122,780.00
Warrants and cash compensation (Note 1)	認股權證及現金補償(註1)	189,752,130.38	150,169,737.92
Derivative financial assets	衍生金融資產		
Forward contracts	遠期合同	69,754,649.70	232,883,050.40
Cross currency interest rate swap instruments	交叉貨幣利率互換工具	85,236,433.51	-
Structured deposits and wealth management products	結構性存款及理財產品	3,648,383,787.84	2,365,000,000.00
Others	其他	-	1,014,299.00
		4,115,199,600.23	2,894,189,867.32

Note 1: In 2017, through Weichai America Corp., a wholly-owned subsidiary of the Company, the Company acquired 40.7% shares in the U.S.-based Power Solutions International Inc. (hereinafter, "PSI Inc.") and became its largest shareholder. Pursuant to the share purchase agreement signed at the time, Weichai America Corp. held a call option to further increase its holding in PSI Inc. to 51%. As of 31 December 2018, the Group had not exercised the call option.

註1: 2017年,本公司通過全資子公司濰柴動力北美有限公司獲得美國Power Solutions International Inc.(以下簡稱「PSI公司」)40.7%股份,成為PSI公司的第一大股東。根據當時簽訂的股份購買協議,濰柴動力北美有限公司享有認購期權,可進一步增持PSI公司股份至51%。截止2018年12月31日,本集團尚未行使該認購期權。

3. Financial assets at fair value through profit or loss (Applicable to 2017 only)

3. 以公允價值計量且其變動計入當期損益的金融資產(僅適用2017年)

		31 December 2017 2017年12月31日
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產	
Forward contracts	遠期合同	232,883,050.40
Warrants and cash compensation	認股權證及現金補償	150,169,737.92
Others	其他	1,014,299.00
		384,067,087.32

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

4. Notes receivable and accounts receivable

4. 應收票據及應收賬款

		31 December 2018 2018年12月31日	1 January 2018 2018年1月1日	31 December 2017 2017年12月31日
Notes receivable	應收票據	24,992,664,675.62	25,291,238,910.52	25,291,238,910.52
Accounts receivable	應收賬款	13,155,363,494.20	12,014,217,727.94	13,572,535,350.44
		38,148,028,169.82	37,305,456,638.46	38,863,774,260.96

*Notes receivable**應收票據*

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Commercial acceptance bills	商業承兌匯票	89,602,575.97	31,956,300.00
Bank acceptance bills	銀行承兌匯票	24,903,062,099.65	25,259,282,610.52
		24,992,664,675.62	25,291,238,910.52

As at 31 December 2018, the Group's notes receivable measured at amortized cost amounted to RMB18,056,440,277.52 (1 January 2018: RMB18,244,008,954.57), and its notes receivable at fair value through other comprehensive income amounted to RMB6,936,224,398.10 (1 January 2018: RMB7,047,229,955.95).

於2018年12月31日，本集團以攤餘成本計量的應收票據金額為人民幣18,056,440,277.52元（2018年1月1日：人民幣18,244,008,954.57元），以公允價值計量且其變動計入其他綜合收益的應收票據金額為人民幣6,936,224,398.10元（2018年1月1日：人民幣7,047,229,955.95元）。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Notes receivable and accounts receivable (Continued)

Notes receivable (Continued)

Among which, notes receivable that were pledged are presented as follows:

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Commercial acceptance bills	商業承兌匯票	34,142,935.00	–
Bank acceptance bills	銀行承兌匯票	11,998,543,246.32	8,862,401,073.29
		12,032,686,181.32	8,862,401,073.29

Notes receivable which had been endorsed but not yet expired as at the balance sheet date are presented as follows:

已背書但在資產負債表日尚未到期的應收票據如下：

		31 December 2018 2018年12月31日		1 January 2018 and 31 December 2017 2018年1月1日及2017年12月31日	
		Derecognition 終止確認	No derecognition 未終止確認	Derecognition 終止確認	No derecognition 未終止確認
Commercial acceptance bills	商業承兌匯票	–	500,000.00	–	7,321,000.00
Bank acceptance bills	銀行承兌匯票	10,293,024,756.84	51,739,351.00	11,897,133,700.14	–
		10,293,024,756.84	52,239,351.00	11,897,133,700.14	7,321,000.00

Notes receivable already discounted but not yet expired as at the balance sheet date are presented as follows:

已貼現但在資產負債表日尚未到期的應收票據如下：

		31 December 2018 2018年12月31日		1 January 2018 and 31 December 2017 2018年1月1日及2017年12月31日	
		Derecognition 終止確認	No derecognition 未終止確認	Derecognition 終止確認	No derecognition 未終止確認
Bank acceptance bills	銀行承兌匯票	80,882,470.11	–	19,718,076.84	–

As at 31 December 2018, the Group has not transferred any notes into accounts receivable due to issuers' failure in performance (31 December 2017: nil).

於2018年12月31日，本集團無因出票人無力履約而將票據轉為應收賬款的票據(2017年12月31日：無)。

As at 31 December 2018, the right of use of notes receivable with a carrying value of RMB12,032,686,181.32 (31 December 2017: RMB8,862,401,073.29) was restricted as pledged to secure notes payable.

於2018年12月31日，賬面價值人民幣為12,032,686,181.32元(2017年12月31日：人民幣8,862,401,073.29元)的應收票據使用權作為開立應付票據的質押物而受到限制。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Notes receivable and accounts receivable (Continued)

Accounts receivable

The Group trades with its customers primarily on credit terms, and generally requires prepayments or cash on delivery for new customers. Credit period is generally one to six months. Accounts receivable is non-interest bearing.

An aging analysis of accounts receivable based on invoice dates is presented as follows:

		31 December 2018 2018年12月31日	31 December 2017 2017年12月31日
Within 3 months	3個月以內	10,103,238,883.37	11,174,158,713.17
3 to 6 months	3個月至6個月	1,220,352,210.75	973,070,634.78
6 months to 1 year	6個月至1年	1,506,786,694.46	980,112,626.07
1 to 2 years	1年至2年	369,976,898.67	597,200,935.15
2 to 3 years	2年至3年	298,548,409.40	190,287,768.61
Over 3 years	3年以上	1,081,174,541.83	1,090,819,401.30
		14,580,077,638.48	15,005,650,079.08
Less: provision for bad debt in respect of accounts receivable	減：應收賬款壞賬準備	1,424,714,144.28	1,433,114,728.64
		13,155,363,494.20	13,572,535,350.44

Changes in provision for bad debts of accounts receivable are presented as follows:

		2018 2018年	2017 2017年
Opening balance	年初餘額	1,433,114,728.64	1,144,057,968.02
Opening effect of changes in accounting policies	會計政策變化年初影響	(177,689,580.20)	-
Opening balance under the new standards	新準則下的年初餘額	1,255,425,148.44	1,144,057,968.02
Provision for the year	本年計提	286,420,152.44	370,477,690.97
Decrease during the year:	本年減少：		
Reversal	轉回	(80,698,124.50)	(33,037,659.83)
Decrease upon disposal of subsidiaries	處置子公司減少	(7,188,013.81)	-
Eliminated	轉銷	(25,405,904.25)	(45,663,345.00)
Written off	核銷	-	(1,984,107.32)
Adjustments for exchange differences	匯兌差額調整	(3,839,114.04)	(735,818.20)
Closing balance	年末餘額	1,424,714,144.28	1,433,114,728.64

五、合併財務報表主要項目註釋(續)

4. 應收票據及應收賬款(續)

應收賬款

本集團與客戶間的貿易條款以信用交易為主，且一般要求新客戶預付款或採取貨到付款方式進行，信用期通常為1-6個月。應收賬款並不計息。

根據開票日期，應收賬款的賬齡分析如下：

應收賬款壞賬準備的變動如下：

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Notes receivable and accounts receivable (Continued)

Accounts receivable (Continued)

五、合併財務報表主要項目註釋(續)

4. 應收票據及應收賬款(續)

應收賬款(續)

		31 December 2018 2018年12月31日			
		Gross carrying amount 賬面餘額		Provision for bad debt 壞賬準備	
		Amount	Proportion	Amount	Percentage
		金額	比例	金額	計提比例
			(%)		(%)
Items for which provision for bad debts is recognized separately	單項計提壞賬準備	3,101,867,667.31	21.27	959,850,396.54	30.94
Items for which provision for bad debts is recognized by group with distinctive credit risk characteristics	按信用風險特徵組合計提壞賬準備	11,478,209,971.17	78.73	464,863,747.74	4.05
		14,580,077,638.48	100.00	1,424,714,144.28	9.77
		1 January 2018 2018年1月1日			
		Gross carrying amount 賬面餘額		Provision for bad debt 壞賬準備	
		Amount	Proportion	Amount	Percentage
		金額	比例	金額	計提比例
			(%)		(%)
Items for which provision for bad debts is recognized separately	單項計提壞賬準備	2,185,136,974.38	16.47	673,438,965.67	30.82
Items for which provision for bad debts is recognized by group with distinctive credit risk characteristics	按信用風險特徵組合計提壞賬準備	11,084,505,902.00	83.53	581,986,182.77	5.25
		13,269,642,876.38	100.00	1,255,425,148.44	9.46
		31 December 2017 2017年12月31日			
		Gross carrying amount 賬面餘額		Provision for bad debt 壞賬準備	
		Amount	Proportion	Amount	Percentage
		金額	比例	金額	計提比例
			(%)		(%)
Individually significant items for which provision for bad debt is recognized separately	單項金額重大並單獨計提壞賬準備	1,558,286,912.47	10.38	541,702,763.60	34.76
Items for which provision for bad debt is recognized by group with distinctive credit risk characteristics	按信用風險特徵組合計提壞賬準備	12,820,513,104.70	85.44	759,675,762.97	5.93
Not individually significant items for which provision for bad debt is recognized separately	單項金額不重大但單獨計提壞賬準備	626,850,061.91	4.18	131,736,202.07	21.02
		15,005,650,079.08	100.00	1,433,114,728.64	9.55

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Notes receivable and accounts receivable (Continued)

Accounts receivable (Continued)

As at 31 December 2018, items for which provision for bad debts is recognized and expected credit loss is assessed separately are presented as follows:

	Gross carrying amount 賬面餘額	Provision for bad debt 壞賬準備	Percentage 計提比例	Reasons 計提理由
Customer 1 客戶1	139,866,808.83	139,866,808.83	100%	Bad repayment ability 償債能力差
Customer 2 客戶2	56,927,140.00	56,927,140.00	100%	Long credit age 長賬齡
Customer 3 客戶3	49,159,575.31	49,159,575.31	100%	Bad repayment ability 償債能力差
Customer 4 客戶4	47,883,191.17	47,883,191.17	100%	Bad repayment ability 償債能力差
Customer 5 客戶5	40,516,068.59	38,490,265.16	95%	Bad repayment ability 償債能力差
Customer 6 客戶6	37,449,568.86	35,577,090.42	95%	Liquidation 公司清算中
Customer 7 客戶7	32,989,886.43	32,989,886.43	100%	Assets have been preserved 財產已查封
Customer 8 客戶8	32,623,150.80	29,360,835.72	90%	Litigation 訴訟
Customer 9 客戶9	29,745,233.41	27,638,613.63	93%	Bad repayment ability 償債能力差
Customer 10 客戶10	26,400,747.00	25,080,709.65	95%	Litigation 訴訟
Others 其他	2,608,306,296.91	476,876,280.22		Long credit age etc. 長賬齡等
	3,101,867,667.31	959,850,396.54		

五、合併財務報表主要項目註釋(續)

4. 應收票據及應收賬款(續)

應收賬款(續)

於2018年12月31日，單項評估預期信用損失計提壞賬準備的應收賬款情況如下：

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Notes receivable and accounts receivable (Continued)

Accounts receivable (Continued)

As at 31 December 2017, individually significant items for which provision for bad debt is recognized separately are presented as follows:

	Gross carrying amount 賬面餘額	Provision for bad debt 壞賬準備	Percentage 計提比例	Reasons 計提理由
Customer 1 客戶1	56,927,140.00	56,927,140.00	100%	Long credit age 長賬齡
Customer 2 客戶2	49,159,575.31	49,159,575.31	100%	Bad repayment ability 償債能力差
Customer 3 客戶3	40,516,068.59	38,490,265.16	95%	Bad repayment ability 償債能力差
Customer 4 客戶4	37,449,568.86	35,577,090.42	95%	Liquidation 公司清算中
Customer 5 客戶5	32,989,886.43	32,456,366.43	98%	Assets have been preserved 財產已查封
Customer 6 客戶6	32,623,150.80	26,098,520.64	80%	Litigation 訴訟
Customer 7 客戶7	29,745,233.41	21,312,766.31	72%	Bad repayment ability 償債能力差
Customer 8 客戶8	28,369,816.49	26,663,258.86	94%	Long credit age 長賬齡
Customer 9 客戶9	26,400,747.00	25,080,709.65	95%	Litigation 訴訟
Customer 10 客戶10	24,671,392.36	19,737,113.89	80%	Bad repayment ability 償債能力差
Others 其他	1,199,434,333.22	210,199,956.93		Long credit age etc. 長賬齡等
	1,558,286,912.47	541,702,763.60		

五、合併財務報表主要項目註釋(續)

4. 應收票據及應收賬款(續)

應收賬款(續)

於2017年12月31日，單項金額重大並單獨計提壞賬準備的應收賬款情況如下：

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Notes receivable and accounts receivable (Continued)

Accounts receivable (Continued)

The Group's accounts receivable for which grouping of expected credit loss is determined using aging analysis are presented as follows:

		31 December 2018 2018年12月31日		
		Carrying amount estimated to be in default 估計發生違約 的賬面餘額	Expected credit loss rate (%) 預期信用 損失率(%)	Provision for bad debts 壞賬準備
Within 1 year	1年以內	2,739,496,401.28	4.95	135,535,329.96
1 to 2 years	1至2年	156,025,486.22	23.74	37,047,858.92
2 to 3 years	2至3年	83,623,407.61	26.55	22,200,464.58
3 to 4 years	3至4年	76,916,263.87	50.30	38,691,421.82
4 to 5 years	4至5年	65,664,316.88	90.94	59,712,116.54
Over 5 years	5年以上	137,110,859.43	99.04	135,790,891.79
		3,258,836,735.29	13.16	428,978,083.61

		31 December 2017 2017年12月31日		
		Gross carrying amount 賬面餘額	Percentage (%) 計提比例(%)	Provision for bad debts 壞賬準備
Within 1 year	1年以內	4,153,297,472.89	5.68	235,956,825.77
1 to 2 years	1至2年	179,278,257.61	12.93	23,184,910.36
2 to 3 years	2至3年	115,587,025.62	27.13	31,359,396.59
3 to 4 years	3至4年	179,392,572.43	46.41	83,254,744.56
4 to 5 years	4至5年	38,460,830.81	74.84	28,784,084.45
Over 5 years	5年以上	142,884,643.24	100.00	142,884,643.24
		4,808,900,802.60	11.34	545,424,604.97

五、合併財務報表主要項目註釋(續)

4. 應收票據及應收賬款(續)

應收賬款(續)

本集團應收賬款按賬齡計算預期信用損失的組合情況如下：

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Notes receivable and accounts receivable (Continued)

Accounts receivable (Continued)

The Group's accounts receivable for which grouping of expected credit loss is determined using overdue ages are presented as follows:

		31 December 2018 2018年12月31日		
		Carrying amount estimated to be in default 估計發生違約 的賬面餘額	Expected credit loss rate (%) 預期信用 損失率(%)	Provision for bad debts 壞賬準備
Not overdue or overdue for less than 90 days	未逾期或逾期小於90天	7,026,511,254.02	0.05	3,817,909.19
Overdue for more than 90 days but less than 180 days	逾期大於90天 且小於180天	219,004,165.07	2.21	4,836,018.31
Overdue for more than 180 days	逾期大於180天	179,185,225.96	4.55	8,144,872.95
		7,424,700,645.05	0.23	16,798,800.45

The Group's accounts receivable for which bad debts are provided for using overdue ages as credit risk characteristics are presented as follows:

採用逾期賬齡作為信用風險特徵計提壞賬準備的應收賬款情況如下：

		31 December 2017 2017年12月31日			
		Amount 金額	Proportion (%) 比例(%)	Provision for bad debt 壞賬準備	Percentage (%) 計提比例(%)
Neither overdue nor impaired	未逾期無減值	6,211,411,030.00	77.53	-	-
Overdue and impaired	逾期有減值	229,356,410.80	2.86	214,251,158.00	93.41
Overdue and not impaired	逾期無減值	1,570,844,861.30	19.61	-	-
		8,011,612,302.10	100.00	214,251,158.00	2.67

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Notes receivable and accounts receivable (Continued)

Accounts receivable (Continued)

Bad debt provisions for the Group's accounts receivable with good credit history are presented as follows:

		31 December 2018 2018年12月31日		
		Carrying amount estimated to be in default 估計發生違約 的賬面餘額	Expected credit loss rate (%) 預期信用 損失率(%)	Provision for bad debts 壞賬準備
Accounts receivable with good credit history	信用記錄優質的 應收款項組合	794,672,590.83	2.40	19,086,863.68

As at 31 December 2018, the top five balances in respect of accounts receivable (at historical cost) had a sum of closing balance of RMB1,179,592,972.06 (31 December 2017: RMB1,460,834,595.71), accounting for 8.09% (31 December 2017: 9.74%) of the total of closing balance of accounts receivable (at historical cost). The closing balance in respect of bad debt provided for the top five amounted to RMB148,165,056.20 (31 December 2017: RMB62,847,994.57).

In 2018, provision for bad debts of RMB286,420,152.44 (2017: RMB370,477,690.97) was made, and provision for bad debts of RMB80,698,124.50 (2017: RMB33,037,659.83) was reversed.

In 2018, no accounts receivable was written off (2017: RMB1,984,107.32).

五、合併財務報表主要項目註釋(續)

4. 應收票據及應收賬款(續)

應收賬款(續)

信用記錄優質的應收款項組合計提壞賬準備的情況如下：

於2018年12月31日，餘額前五名的應收賬款原值的年末餘額合計為人民幣1,179,592,972.06元(2017年12月31日：人民幣1,460,834,595.71元)，佔應收賬款原值的年末餘額合計數的比例為8.09%(2017年12月31日：9.74%)，該前五名相應計提的壞賬準備年末餘額為人民幣148,165,056.20元(2017年12月31日：人民幣62,847,994.57元)。

2018年計提壞賬準備人民幣286,420,152.44元(2017年：人民幣370,477,690.97元)，轉回壞賬準備人民幣80,698,124.50元(2017年：人民幣33,037,659.83元)。

2018年無實際核銷的應收賬款(2017年：人民幣1,984,107.32元)。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Prepayments

An aging analysis of prepayments is presented as follows:

		31 December 2018		1 January 2018 and 31 December 2017	
		2018年12月31日		2018年1月1日及 2017年12月31日	
		Amount	Proportion	Amount	Proportion
		金額	比例	金額	比例
			(%)		(%)
Within 1 year	1年以內	1,081,507,314.55	97.50	526,645,255.35	94.08
1 to 2 years	1至2年	11,254,953.38	1.01	20,047,546.92	3.58
2 to 3 years	2至3年	10,001,118.20	0.91	5,656,242.87	1.01
Over 3 years	3年以上	6,463,927.04	0.58	7,453,447.02	1.33
		1,109,227,313.17	100.00	559,802,492.16	100.00

As at 31 December 2018, there was no significant prepayments with an age of more than one year (31 December 2017: Nil).

As at 31 December 2018, the closing balances of the top 5 prepayments amounted in aggregate to RMB204,295,626.77, representing 18.42% of the total closing balances of all prepayments as at year end.

As at 31 December 2017, the closing balances of the top 5 prepayments amounted in aggregate to RMB156,630,224.47, representing 27.98% of the total closing balances of all prepayments at year end.

5. 預付款項

預付款項的賬齡分析如下：

於2018年12月31日，無賬齡一年以上的重要預付款(2017年12月31日：無)。

於2018年12月31日，餘額前五名的預付款項的年末餘額合計為人民幣204,295,626.77元，佔預付款項年末餘額合計數的比例為18.42%。

於2017年12月31日，餘額前五名的預付款項的年末餘額合計為人民幣156,630,224.47元，佔預付款項年末餘額合計數的比例為27.98%。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

6. Other receivables

6. 其他應收款

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Interest receivable	應收利息	23,747,780.97	25,264,533.85
Dividend receivable	應收股利	1,608,696.50	5,228,280.90
Other receivables	其他應收款	1,061,792,046.56	857,629,220.37
		1,087,148,524.03	888,122,035.12

*Interests receivable**應收利息*

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Fixed deposits	定期存款	23,747,780.97	25,264,533.85

*Dividends receivable**應收股利*

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Shaanxi Eurostar Auto Co., Ltd.	陝西歐舒特汽車股份有限公司	-	2,240,000.00
Proplan Transport	Proplan Transport	-	2,988,280.90
Others	其他	1,608,696.50	-
		1,608,696.50	5,228,280.90

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

Other receivables

An aging analysis of other receivables is presented as follows:

		31 December 2018	1 January 2018 and 31 December 2017
		2018年12月31日	2018年1月1日及 2017年12月31日
Within 1 year	1年以內	999,955,220.70	786,463,049.04
1 to 2 years	1年至2年	36,423,129.01	34,618,444.64
2 to 3 years	2年至3年	6,965,029.24	16,715,314.94
Over 3 years	3年以上	65,772,478.95	68,341,114.74
		1,109,115,857.90	906,137,923.36
Less: Provision for bad debts in respect of other receivables	減：其他應收款壞賬準備	47,323,811.34	48,508,702.99
		1,061,792,046.56	857,629,220.37

Change in the provision for bad debts in respect of other receivables based on 12-month expected credit losses and lifetime expected credit losses is as follows:

其他應收款按照12個月預期信用損失及整個存續期預期信用損失計提的壞賬準備的變動如下：

		Stage 1	Stage 2	Stage 2	Stage 3	Total
		Expected credit loss for the next 12 months	Lifetime expected credit loss (individually)	Lifetime expected credit loss (by group)	Financial assets with incurred credit loss (lifetime)	Total
		第一階段 未來12個月 預期信用損失	第二階段 整個存續期 預期信用損失 (單項評估)	第二階段 整個存續期 預期信用損失 (組合評估)	第三階段 已發生信用 減值金融資產 (整個存續期)	合計
Balance as at 1 January 2018	2018年1月1日餘額	9,296,007.38	-	-	39,212,695.61	48,508,702.99
1 January 2018 In this year, balance	2018年1月1日餘額在本年					
- Transferred to Stage 2	- 轉入第二階段	-	-	-	-	-
- Transferred to Stage 3	- 轉入第三階段	-	-	-	-	-
- Transferred to Stage 2	- 轉回第二階段	-	-	-	-	-
- Transferred to Stage 1	- 轉回第一階段	-	-	-	-	-
Provided for this year	本年計提	4,378,976.96	-	-	1,344,000.00	5,722,976.96
Reversed this year	本年轉回	(1,144,967.73)	-	-	-	(1,144,967.73)
Decrease upon disposal of subsidiary	處置子公司減少	(7,270,909.62)	-	-	-	(7,270,909.62)
Written off during the year	本年轉銷	-	-	-	(93,440.06)	(93,440.06)
Adjustment for exchange difference	匯兌差額調整	1,601,448.80	-	-	-	1,601,448.80
		6,860,555.79	-	-	40,463,255.55	47,323,811.34

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

6. Other receivables (Continued)
Other receivables (Continued)6. 其他應收款(續)
其他應收款(續)

		31 December 2017 2017年12月31日			
		Gross carrying amount 賬面餘額	Proportion 比例(%)	Provision for bad debt 壞賬準備	Percentage 計提比例(%)
Individually significant items for which provision for bad debt is recognized separately	單項金額重大並單獨計提壞賬準備	34,443,385.29	3.80	-	-
Items for which provision for bad debt is recognized by group with distinctive credit risk characteristics	按信用風險特徵組合計提壞賬準備	768,023,556.04	84.76	26,326,849.04	3.43
Not individually significant items for which provision for bad debt is recognized separately	單項金額雖不重大但單獨計提壞賬準備	103,670,982.03	11.44	22,181,853.95	21.40
		906,137,923.36	100.00	48,508,702.99	5.35

The Group's other receivables for which bad debts are provided for using aging analysis are presented as follows:

本集團採用賬齡分析法計提壞賬準備的其他應收款情況如下：

		31 December 2017 2017年12月31日			
		Gross carrying amount 賬面餘額	Proportion 比例(%)	Provision for bad debt 壞賬準備	Percentage 計提比例(%)
Within 1 year	1年以內	115,601,615.69	73.10	3,412,673.94	2.95
1 to 2 years	1年至2年	12,050,002.74	7.62	680,121.73	5.64
2 to 3 years	2年至3年	9,106,807.44	5.76	2,175,938.61	23.89
3 to 4 years	3年至4年	1,389,743.01	0.88	495,322.13	35.64
4 to 5 years	4年至5年	1,628,140.13	1.03	1,197,929.70	73.58
Over 5 years	5年以上	18,364,862.93	11.61	18,364,862.93	100.00
		158,141,171.94	100.00	26,326,849.04	16.65

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

Other receivables (Continued)

The ages (calculated based on the invoice date) of and bad debt provision for other receivables for which bad debts are provided for using overdue ages as a distinctive credit risk characteristic are presented as follows:

		31 December 2017 2017年12月31日			
		Gross carrying amount 賬面餘額	Proportion 比例(%)	Provision for bad debt 壞賬準備	Percentage 計提比例(%)
Within 1 year	1年以內	556,545,861.30	91.25	-	-
1 to 2 years	1年至2年	22,259,961.90	3.65	-	-
2 to 3 years	2年至3年	4,798,414.50	0.79	-	-
Over 3 year	3年以上	26,278,146.40	4.31	-	-
		609,882,384.10	100.00	-	-

In 2018, bad debt provision in the amount of RMB47,323,811.35 (2017: RMB48,508,702.99) was made, while bad debt provision in the amount of RMB1,144,967.73 (2017: RMB11,677,167.96) was recovered or reversed.

In 2018, other receivables in the amount of RMB93,440.06 (2017: RMB306,229.04) was written off.

6. 其他應收款(續)

其他應收款(續)

採用逾期賬齡作為信用風險特徵計提壞賬準備的其他應收款以發票日計算的賬齡及壞賬準備情況如下：

2018年計提壞賬準備人民幣47,323,811.35元(2017年：人民幣48,508,702.99元)，收回或轉回壞賬準備人民幣1,144,967.73元(2017年：人民幣11,677,167.96元)。

2018年實際轉銷的其他應收款為人民幣93,440.06元(2017年：人民幣306,229.04元)。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

Other receivables (Continued)

Other receivables are classified as follows based on nature:

		31 December 2018	1 January 2018 and 31 December 2017
		2018年12月31日	2018年1月1日及 2017年12月31日
Fund-in-transit for notes	票據托收在途資金	180,920,844.15	-
Reserve fund	備用金	46,106,462.29	45,557,451.03
Corporate lending and payment on behalf	企業暫借款及代付款	53,772,210.31	46,344,186.61
Deposit	押金	33,007,133.36	11,613,258.47
Commission receivable	應收佣金	22,501,882.83	119,819,921.10
Others	其他	772,807,324.96	682,803,106.15
		1,109,115,857.90	906,137,923.36
Less: Bad debt provision for other receivables	減：其他應收款項壞賬準備	47,323,811.34	48,508,702.99
		1,061,792,046.56	857,629,220.37

As at 31 December 2018, the top 5 other receivables are presented as follows:

於2018年12月31日，其他應收款金額前五名如下：

	Closing balance	Percentage of total other receivables (%) 佔其他 應收款餘額 合計數的 比例(%)	Nature	Age	Closing balance of bad debt provision
	年末餘額		性質	賬齡	壞賬準備 年末餘額
First place 第一名	180,920,844.15	16.31	Fund-in-transit for notes 票據托收 在途資金	Within 1 year 1年以內	-
Second place 第二名	40,955,058.70	3.69	Others 其他	Within 1 year 1年以內	-
Third place 第三名	33,908,183.30	3.06	Others 其他	Within 1 year 1年以內	-
Fourth place 第四名	23,887,181.20	2.15	Others 其他	Within 1 year 1年以內	-
Fifth place 第五名	23,235,855.30	2.09	Others 其他	Within 1 year 1年以內	-
	302,907,122.65	27.30			-

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

Other receivables (Continued)

As at 1 January 2018 and 31 December 2017, the top 5 other receivables are presented as follows:

	Closing balance	Percentage of total other receivables (%)	Nature	Age	Closing balance of bad debt provision
	年末餘額	佔其他應收款餘額合計數的比例(%)	性質	賬齡	壞賬準備年末餘額
First place 第一名	119,819,921.10	13.22	Commission receivable 應收佣金	Within 1 year 1年以內	—
Second place 第二名	34,443,385.29	3.80	Tax refund receivable 應收退稅款	Within 1 year 1年以內	—
Third place 第三名	34,041,434.90	3.76	Others 其他	1 to 2 years 1至2年	—
Fourth place 第四名	19,568,168.40	2.16	Others 其他	Within 1 year 1年以內	—
Fifth place 第五名	18,694,310.80	2.06	Others 其他	Within 1 year 1年以內	—
	226,567,220.49	25.00			—

五、合併財務報表主要項目註釋(續)

6. 其他應收款(續)

其他應收款(續)

於2018年1月1日及2017年12月31日，其他應收款金額前五名如下：

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories

五、合併財務報表主要項目註釋(續)

7. 存貨

		31 December 2018 2018年12月31日			1 January 2018 2018年1月1日			31 December 2017 2017年12月31日		
		Gross carrying amount 賬面餘額	Provision for decline in value 跌價準備	Carrying amount 賬面價值	Gross carrying amount 賬面餘額	Provision for decline in value 跌價準備	Carrying amount 賬面價值	Gross carrying amount 賬面餘額	Provision for decline in value 跌價準備	Carrying amount 賬面價值
Raw materials	原材料	6,053,712,375.34	(302,209,688.44)	5,751,502,686.90	4,567,989,108.76	(215,650,465.41)	4,352,338,643.35	4,567,989,108.76	(215,650,465.41)	4,352,338,643.35
Finished goods	產成品	12,636,147,930.14	(541,620,198.82)	12,094,527,731.32	12,826,266,436.98	(535,367,439.39)	12,290,898,997.59	12,826,266,436.98	(535,367,439.39)	12,290,898,997.59
OEM materials	委托加工物資	298,473,716.91	(1,568,547.80)	296,905,169.11	198,682,585.73	(2,228,686.48)	196,453,899.25	198,682,585.73	(2,228,686.48)	196,453,899.25
Self-made semi-finished goods and work in progress	自製半成品及在產品	1,955,228,080.25	(82,367,019.00)	1,872,861,061.25	1,862,698,054.81	(81,459,284.93)	1,781,238,769.88	2,598,462,747.11	(81,459,284.93)	2,517,003,462.18
Second-hand vehicles	二手車	751,506,041.52	(93,015,556.63)	658,490,484.89	553,295,796.60	(59,168,335.30)	494,127,461.30	553,295,796.60	(59,168,335.30)	494,127,461.30
		21,695,068,144.16	(1,020,781,010.69)	20,674,287,133.47	20,008,931,982.88	(893,874,211.51)	19,115,057,771.37	20,744,696,675.18	(893,874,211.51)	19,850,822,463.67

The changes in provision for decline in value are as follows:
2018

存貨跌價準備變動如下：
2018年

		Opening balance 年初餘額	Charge during the year 本年計提	Decrease during the year 本年減少		Adjustment of exchange differences 匯兌差額調整	Closing balance 年末餘額
				Reversal 轉回	Write-off 轉銷		
Raw materials	原材料	215,650,465.41	155,182,324.84	(60,919,388.99)	(8,770,706.60)	1,066,993.78	302,209,688.44
Finished goods	產成品	535,367,439.39	362,733,456.33	(39,832,849.29)	(317,216,542.25)	568,694.64	541,620,198.82
OEM materials	委托加工物資	2,228,686.48	623,973.26	(1,326,970.67)	-	42,858.73	1,568,547.80
Self-made semi-finished goods and work in progress	自製半成品及在產品	81,459,284.93	21,150,861.25	(19,671,464.88)	(671,744.67)	100,082.37	82,367,019.00
Second-hand vehicles	二手車	59,168,335.30	44,964,191.74	(11,449,108.69)	-	332,138.28	93,015,556.63
		893,874,211.51	584,654,807.42	(133,199,782.52)	(326,658,993.52)	2,110,767.80	1,020,781,010.69

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)
2017

		Opening balance 年初餘額	Charge during the year 本年計提	Decrease during the year 本年減少		Adjustment of exchange differences 匯兌差額調整	Closing balance 年末餘額
				Reversal 轉回	Write-off 轉銷		
Raw materials	原材料	163,651,027.37	106,799,685.78	(44,064,505.23)	(19,373,308.23)	8,637,565.72	215,650,465.41
Finished goods	產成品	399,709,065.68	455,349,455.05	(30,414,230.91)	(292,355,224.31)	3,078,373.88	535,367,439.39
OEM materials	委托加工物資	679,124.35	10,265.04	(515,460.54)	-	2,054,757.63	2,228,686.48
Self made semi-finished goods and work in progress	自製半成品及在產品	64,180,637.89	22,705,341.20	(4,912,082.27)	(1,283,189.79)	768,577.90	81,459,284.93
Second-hand vehicles	二手車	38,111,090.22	31,341,604.31	(13,122,209.22)	-	2,837,849.99	59,168,335.30
		666,330,945.51	616,206,351.38	(93,028,488.17)	(313,011,722.33)	17,377,125.12	893,874,211.51

8. Contract assets and contract liabilities (Applicable to 2018 only)

8. 合同資產及合同負債
(僅適用2018年)

		31 December 2018 2018年12月31日		
		Gross carrying amount 賬面餘額	Provision for impairment 減值準備	Carrying value 賬面價值
Contract assets	合同資產			
Construction contracts	建造合同	900,438,438.50	-	900,438,438.50
Others	其他	35,454,101.40	-	35,454,101.40
		935,892,539.90	-	935,892,539.90
		1 January 2018 2018年1月1日		
		Gross carrying amount 賬面餘額	Provision for impairment 減值準備	Carrying value 賬面價值
Contract assets	合同資產			
Construction contracts	建造合同	782,578,492.30	-	782,578,492.30
		31 December 2018 2018年12月31日		1 January 2018 2018年1月1日
Contract liabilities	合同負債			
Construction contracts	建造合同	(3,913,731,012.80)		(1,997,022,091.90)
Sales and other services	銷售及其他服務	(4,808,712,031.00)		(5,358,170,171.34)
		(8,722,443,043.80)		(7,355,192,263.24)

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Contract assets and contract liabilities (Applicable to 2018 only) (Continued)

Information on completed and unsettled assets from construction contracts contained as part of the year-end balance of contract assets is summarized as follows:

		Recognized costs and gross profit/(loss) on cumulative basis 累計已確認成本及毛利/(虧損)	Expected loss 預計損失	Amount already settled 已辦理結算的金額	Total 合計
31 December 2018	2018年12月31日	15,179,259,961.70	-	(18,192,552,536.00)	(3,013,292,574.30)
				Incl.: Contract assets 其中：合同資產	900,438,438.50
				Contract liabilities 合同負債	(3,913,731,012.80)
				Total 合計	(3,013,292,574.30)

As at 31 December 2018, there had been no indication of impairment of the Group's contract assets. No provision for impairment was necessary.

Revenue recognized during the year and included in the opening carrying value of contract liabilities and long-term contract liabilities amounted to RMB5,405,612,209.46.

9. Non-current assets due within one year

As at 31 December 2018, none of the Group's non-current assets due within one year was pledged to secure its bank borrowings (31 December 2017: Nil).

As at 31 December 2018, in the opinion of the Company, there was no need to provide for credit loss in respect of non-current assets due within one year.

五、合併財務報表主要項目註釋(續)

8. 合同資產及合同負債(僅適用2018年)(續)

合同資產年末餘額中含有建造合同形成的已完工未結算資產的匯總信息如下：

Incl.: Contract assets 其中：合同資產	900,438,438.50
Contract liabilities 合同負債	(3,913,731,012.80)
Total 合計	(3,013,292,574.30)

於2018年12月31日，本集團合同資產無減值跡象，無需計提減值準備。

本集團在本年確認的包括在合同負債及長期合同負債年初賬面價值中的收入為人民幣5,405,612,209.46元。

9. 一年內到期的非流動資產

	31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Finance lease receivables 融資租賃應收款	2,127,858,173.40	1,778,971,213.80

於2018年12月31日，本集團無一年內到期的非流動資產質押用於取得銀行借款(2017年12月31日：無)。

於2018年12月31日，本集團認為無需對一年內到期的非流動資產計提信用減值準備。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 五、合併財務報表主要項目註釋(續)

10. Other current assets

10. 其他流動資產

		31 December 2018 2018年12月31日	1 January 2018 2018年1月1日	31 December 2017 2017年12月31日
Input tax credit to be deducted	待抵扣進項稅額	1,021,920,183.00	976,689,410.88	976,689,410.88
Prepaid expenses	待攤費用	386,732,428.41	317,226,252.50	317,226,252.50
Prepaid corporate income tax	預繳企業所得稅	263,223,777.08	112,464,979.01	112,464,979.01
Others	其他	20,467,229.96	21,395,856.35	21,395,856.35
Principal-protected fixed income wealth management products	保本固定收益型理財產品	-	-	900,000,000.00
Principal-protected variable income wealth management products	保本浮動收益型理財產品	-	-	1,465,000,000.00
		1,692,343,618.45	1,427,776,498.74	3,792,776,498.74

11. Available-for-sale financial assets (Applicable to 2017 only)

11. 可供出售金融資產(僅適用2017年)

		31 December 2017 2017年12月31日		
		Gross carrying amount 賬面餘額	Provision for impairment 減值準備	Carrying amount 賬面價值
Available-for-sale equity instruments	可供出售權益工具			
At fair value	按公允價值計量	319,262,446.10	-	319,262,446.10
At cost	按成本計量	404,076,700.21	(128,491,930.00)	275,584,770.21
		723,339,146.31	(128,491,930.00)	594,847,216.31

Available-for-sale financial assets at fair value:

以公允價值計量的可供出售金融資產：

		31 December 2017 2017年12月31日
Cost of equity instruments	權益工具成本	220,938,445.40
Fair value	公允價值	319,262,446.10
Fair value changes accrued to other comprehensive income	累計計入其他綜合收益的公允價值變動	97,267,793.70
Adjustment of exchange differences	匯兌差額調整	1,056,207.00
Impairment provided for	已計提減值	-

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Available-for-sale financial assets (Applicable to 2017 only) (Continued)

Available-for-sale financial assets at cost:

2017

	Gross carrying amount 賬面餘額				Closing balance	Provision for impairment Opening and closing balance 減值準備	Percentage of shareholding (%) 持股比例	Cash dividend for the year 本年 現金紅利
	Opening balance 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	Adjustment of exchange differences 匯兌差額調整				
Xiamen Fengtai Bus & Coach International Co., Ltd 廈門豐泰國際新能源汽車有限公司	24,999,800.00	-	-	-	24,999,800.00	-	15.47	-
Huarong Xiangjiang Bank Corporation Limited 華融湘江銀行	20,000,000.00	-	-	-	20,000,000.00	-	0.32	2,000,000.00
Zhuzhou Gear Share Co., Ltd. 株洲齒輪股份有限公司	1,680,000.00	-	-	-	1,680,000.00	-	2.45	-
Yangzhou Suken Yinhe Auto Connecting Rod Co., Ltd. 揚州蘇鑿銀河連杆有限公司	1,563,949.23	-	-	-	1,563,949.23	-	15.00	-
Others 其他	328,078,709.68	49,066,044.00	(31,641,838.20)	10,330,035.50	355,832,950.98	128,491,930.00		18,394,992.00
	376,322,458.91	49,066,044.00	(31,641,838.20)	10,330,035.50	404,076,700.21	128,491,930.00		20,394,992.00

五、合併財務報表主要項目註釋(續)

11. 可供出售金融資產(僅適用2017年)(續)

以成本計量的可供出售金融資產：

2017年

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Investment in other equity instruments (Applicable to 2018 only)

五、合併財務報表主要項目註釋(續)

12. 其他權益工具投資(僅適用2018年)

		Fair value changes accrued to other comprehensive income		Fair value as at 31 December 2018	Fair value as at 1 January 2018	Dividend income for the year 本年股利收入	
		Cost	累計計入其他綜合收益的公允價值變動	2018年12月31日公允價值	2018年1月1日公允價值	Equity instruments derecognized this year	Equity instruments held
		成本	公允價值變動	2018年12月31日公允價值	2018年1月1日公允價值	本年終止確認的權益工具	仍持有的權益工具
XCMG Construction Machinery Co., Ltd. (Note 1)	徐工集團工程機械股份有限公司(註1)	1,199,540,273.14	(193,236,003.16)	1,006,304,269.98	-	-	-
Beiqi Foton Motor Co., Ltd.	北汽福田汽車股份有限公司	194,000,000.00	(48,400,000.00)	145,600,000.00	224,800,000.00	-	408,000.00
Zhike Hengye Heavy-duty Machinery Co., Ltd.	智科恒業重型機械股份有限公司	38,630,876.88	(7,776,300.00)	30,854,576.88	37,222,376.88	-	-
Xiamen Fengtai Bus & Coach International Co., Ltd.	廈門豐泰國際新能源汽車有限公司	24,999,800.00	21,500,200.00	46,500,000.00	32,620,000.00	-	-
Balyo SA	Balyo SA	23,516,325.00	17,289,635.00	40,805,960.00	91,084,050.20	-	-
Huarong Xiangjiang Bank	華融湘江銀行	20,000,000.00	23,644,500.00	43,644,500.00	49,560,000.00	-	3,000,000.00
Others	其他	3,243,949.23	(1,319,583.13)	1,924,366.10	2,820,000.00	-	-
		1,503,931,224.25	(188,297,551.29)	1,315,633,672.96	438,106,427.08	-	3,408,000.00

The reason for designating the Group's investment in other equity instruments as at fair value through other comprehensive income is that the investment in other equity instruments is strategic investment with an aim of enhancing the Group's competitiveness in the long run through share participation. It follows that the Group's investment in other equity instruments was designated as at fair value through other comprehensive income.

Note 1: As a participant in the private placement of shares conducted by XCMG Construction Machinery Co., Ltd. ("XCMG"), on 19 July 2018, Huzhou Yingcan Investment Partnership LLP, a subsidiary of the Company, subscribed for 367,957,139 shares under the private placement. Upon completion, the Group's shareholding in XCMG was 4.70%.

本集團的其他權益工具投資指定為以公允價值計量且其變動計入其他綜合收益的原因為權益工具投資為戰略投資，旨在通過參股協作提升本集團長期盈利能力，本集團指定將其以公允價值計量且其變動計入其他綜合收益。

註1：本公司之子公司湖州盈燦投資合夥企業作為徐工集團工程機械股份有限公司(下稱「徐工股份」)的非公開發行股份對象，於2018年07月19日認購徐工股份367,957,139股非公開發行的股份，增發完成後，本集團對徐工股份的持股比例為4.70%。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

13. Long-term receivables

13. 長期應收款

		31 December 2018 2018年12月31日			1 January 2018 2018年1月1日			31 December 2017 2017年12月31日		
		Gross carrying amount 賬面餘額	Provision for impairment 減值準備	Carrying amount 賬面價值	Gross carrying amount 賬面餘額	Provision for impairment 減值準備	Carrying amount 賬面價值	Gross carrying amount 賬面餘額	Provision for impairment 減值準備	Carrying amount 賬面價值
Finance lease receivables	融資租賃應收款	8,611,156,182.00	-	8,611,156,182.00	6,832,973,457.20	-	6,832,973,457.20	6,832,973,457.20	-	6,832,973,457.20
Other long-term receivables	其他長期應收款	-	-	-	-	-	-	143,811,993.60	-	143,811,993.60
		8,611,156,182.00	-	8,611,156,182.00	6,832,973,457.20	-	6,832,973,457.20	6,976,785,450.80	-	6,976,785,450.80
Less: Finance lease receivables classified as due within one year	減：分類為一年內到期的融資租賃應收款	2,127,858,173.40	-	2,127,858,173.40	1,778,971,213.80	-	1,778,971,213.80	1,778,971,213.80	-	1,778,971,213.80
		6,483,298,008.60	-	6,483,298,008.60	5,054,002,243.40	-	5,054,002,243.40	5,197,814,237.00	-	5,197,814,237.00

The discount rate ranged from 0% to 15%.

採用的折現率區間為0%-15%。

As at 31 December 2018, among the finance lease receivables, unrealized finance income amounted to RMB845,829,077.80 (31 December 2017: RMB674,563,451.10).

於2018年12月31日，融資租賃應收款中未實現融資收益為人民幣845,829,077.80元(2017年12月31日：人民幣674,563,451.10元)。

As at 31 December 2018, in the opinion of the Company, there was no need to provide for credit loss in respect of long-term receivables.

於2018年12月31日，本集團認為無需對長期應收款計提信用減值準備。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments
2018

五、合併財務報表主要項目註釋(續)

14. 長期股權投資
2018年

		31 December 2017 2017年12月31日	Effect of change in standards 準則變更影響	1 January 2018 2018年1月1日	Increase in investment 增加投資	Decrease in investment 減少投資	Change during the year 本年變動			31 December 2018 2018年12月31日	Closing provision for impairment 年末減值準備	
							Gains and losses on investment under equity method 權益法下 投資損益	Other comprehensive income 其他綜合收益	Declaration of cash dividend 宣告現金股利			
Jointly-controlled enterprises Xi'an FC Intelligence Transmission Co., Ltd. (Note 1)	合營企業 西安雙特智能傳動 有限公司(註1)	106,244,043.95	-	106,244,043.95	-	-	826,169.97	-	-	107,070,213.92	-	
Associates Shanzhong Finance Leasing Co., Ltd. Shandong Heavy Industry Group Finance Co., Ltd. Ceres Power Holdings PLC Ballard Power Systems Inc. (Note 2) Other associates which are not individually significant	聯營企業 山重融資租賃有限公司 山東重工集團財務有限公司 Finance Co., Ltd. Ceres Power Holdings PLC 巴拉德動力系統 有限公司(註2) 單項不重大的其他聯營企業	461,023,063.87 962,366,597.64 - - 1,109,302,210.02	- - - - 190,118,644.10	461,023,063.87 962,366,597.64 - - 1,299,420,854.12	- - 439,508,257.93 1,118,247,464.66 97,214,245.59	- - - - (437,394.46)	21,964,651.22 91,583,232.37 - - 59,394,585.34	- - (82,205,100.81) - - 19,514,414.06	- - - - - (98,485,026.13)	482,987,715.09 971,744,729.20 - - - - 1,336,621,678.52	- - - - - - (44,844,091.33)	
		2,638,935,915.48	190,118,644.10	2,829,054,559.58	1,654,969,968.18	(437,394.46)	173,768,638.90	26,925,667.87	(180,690,126.94)	(40,000,000.00)	4,463,591,313.13	(44,844,091.33)

2017

2017年

		Opening balance 年初餘額	Increase in investment 增加投資	Decrease in investment 減少投資	Change during the year 本年變動			Closing carrying amount 年末賬面價值	Closing provision for impairment 年末減值準備
					Gains and losses on investment under equity method 權益法下 投資損益	Other equity changes 其他權益變動	Other comprehensive income 其他綜合收益		
Jointly-controlled enterprises Xi'an FC Intelligence Transmission Co., Ltd. (Note 1)	合營企業 西安雙特智能傳動 有限公司(註1)	129,176,924.53	-	-	(22,932,880.58)	-	-	106,244,043.95	-
Associates Shanzhong Finance Leasing Co., Ltd. Shandong Heavy Industry Group Finance Co., Ltd. Other associates which are not individually significant	聯營企業 山重融資租賃有限公司 山東重工集團財務有限公司 Finance Co., Ltd. 單項不重大的其他聯營企業	407,713,378.98 267,764,440.23 740,316,048.11	35,217,391.30 648,207,280.00 354,321,016.80	- - -	18,092,293.59 46,394,877.41 42,861,801.05	- - -	- - 22,303,978.46	461,023,063.87 962,366,597.64 1,109,302,210.02	- - (4,844,091.33)
		1,544,970,791.85	1,037,745,688.10	-	84,416,091.47	-	22,303,978.46	2,638,935,915.48	(44,844,091.33)

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (Continued)

Note 1: Xi'an FC Intelligence Transmission Co., Ltd. is held as to 51% by the Group, and as to 4% and 45% by Shaanxi Fast Gear Automotive Transmission Co., Ltd. ("Transmission Co") and Caterpillar (China) Investment Co., Ltd ("Caterpillar") respectively. Its board of directors comprises seven directors, three of whom being nominated by the Group, one being nominated by Transmission Co and three being nominated by Caterpillar. According to its articles of association, board resolutions require unanimous approval or approval by substantially all directors, and thus Xi'an FC Intelligence Transmission Co. is a jointly-controlled enterprise of the Group.

Note 2: In November 2018, Weichai Power (Hong Kong) International Development Co., Ltd., a subsidiary of the Group, subscribed for 19.9% shareholding in Ballard Power Systems Inc. ("Ballard") at a consideration of US\$163,602,000. As the Group has board seats in Ballard and exercises significant influence on it, Ballard is considered an associate of the Group.

Provision for impairment of long-term equity investments is presented as follows:

2018

		Opening balance 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	Adjustment of exchange differences 匯兌差額調整	Closing balance 年末餘額
Zhuzhou Auto Trading Market	株洲汽車交易市場	284,499.56	-	-	-	284,499.56
Torque Turbine Engine Co.	Torque Turbine Engine Co.	4,559,591.77	-	-	-	4,559,591.77
Chongqing Yunyang Automobile Manufacturing Company Limited	重慶雲陽汽車製造有限公司	-	40,000,000.00	-	-	40,000,000.00
		4,844,091.33	40,000,000.00	-	-	44,844,091.33

2017

		Opening balance 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	Adjustment of exchange differences 匯兌差額調整	Closing balance 年末餘額
Zhuzhou Auto Trading Market	株洲汽車交易市場	284,499.56	-	-	-	284,499.56
Torque Turbine Engine Co.	Torque Turbine Engine Co.	4,559,591.77	-	-	-	4,559,591.77
		4,844,091.33	-	-	-	4,844,091.33

五、合併財務報表主要項目註釋(續)

14. 長期股權投資(續)

註1：本集團持有西安雙特智能傳動有限公司51%股權，另外兩位股東為陝西法士特汽車傳動集團有限責任公司(「傳動集團」)和卡特彼勒(中國)投資有限公司(「卡特彼勒」)，股權分別為4%和45%。董事會由七名董事組成，其中三名由本集團委任，一名由傳動集團委任，另外三名由卡特彼勒委任，根據公司章程約定，董事會決議需要董事會全體或者絕大多數同意通過，因此西安雙特智能傳動有限公司屬於本集團合營企業。

註2：2018年11月本集團之子公司濰柴動力(香港)國際發展有限公司以163,602,000美元的對價認購巴拉德動力系統有限公司(下稱「巴拉德」)19.9%的股權。本集團佔有巴拉德董事席位，對其具有重大影響，巴拉德屬於本集團聯營企業。

長期股權投資減值準備的情況：

2018年

2017年

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

15. Other non-current financial assets (Applicable to 2018 only)

15. 其他非流動金融資產(僅適用2018年)

		31 December 2018 2018年12月31日	1 January 2018 2018年1月1日
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產		
Investment in other debt instruments	其他債務工具投資	184,715,621.34	164,417,867.90
Interest rate swap contracts (Note V.70)	利率互換合約(附註五、70)	8,233,791.06	-
		192,949,412.40	164,417,867.90

16. Investment property

16. 投資性房地產

Subsequent measurement under the cost model:

採用成本模式進行後續計量：

2018

2018年

		Houses and buildings 房屋及建築物	Land use rights 土地使用權	Total 合計
Gross carrying amount	原價			
Opening balance	年初餘額	723,095,330.53	62,341,667.04	785,436,997.57
Transfer from construction in progress	在建工程轉入	33,283,391.86	-	33,283,391.86
Transfer from fixed assets	固定資產轉入	43,167,946.65	-	43,167,946.65
Transfer from intangible assets	無形資產轉入	-	4,017,504.80	4,017,504.80
Closing balance	年末餘額	799,546,669.04	66,359,171.84	865,905,840.88
Less: Accumulated depreciation and amortization	減：累計折舊和攤銷			
Opening balance	年初餘額	208,256,880.37	7,969,590.39	216,226,470.76
Provision	計提	33,498,242.60	2,356,236.32	35,854,478.92
Transfer from fixed assets	固定資產轉入	6,445,038.39	-	6,445,038.39
Transfer from intangible assets	無形資產轉入	-	472,720.56	472,720.56
Closing balance	年末餘額	248,200,161.36	10,798,547.27	258,998,708.63
Less: Accumulated impairment provision	減：累計減值準備			
Opening balance	年初餘額	-	-	-
Transfer from fixed assets	固定資產轉入	13,447,824.67	-	13,447,824.67
Closing balance	年末餘額	13,447,824.67	-	13,447,824.67
Carrying amount	賬面價值			
At year end	年末	537,898,683.01	55,560,624.57	593,459,307.58
At year beginning	年初	514,838,450.16	54,372,076.65	569,210,526.81

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

16. Investment property (Continued)
201716. 投資性房地產(續)
2017年

		Houses and buildings 房屋及建築物	Land use rights 土地使用權	Total 合計
Gross carrying amount	原價			
Opening balance	年初餘額	733,197,517.53	62,341,667.04	795,539,184.57
Transfer from construction in progress	在建工程轉入	7,665,755.07	–	7,665,755.07
Transfer from fixed assets	固定資產轉入	256,862.25	–	256,862.25
Transfer to fixed assets	轉出至固定資產	(18,024,804.32)	–	(18,024,804.32)
Closing balance	年末餘額	723,095,330.53	62,341,667.04	785,436,997.57
Less: Accumulated depreciation and amortization	減：累計折舊和攤銷			
Opening balance	年初餘額	180,745,184.75	6,677,407.00	187,422,591.75
Provision	計提	33,566,778.04	1,292,183.39	34,858,961.43
Transfer to fixed assets	轉出至固定資產	(6,055,082.42)	–	(6,055,082.42)
Closing balance	年末餘額	208,256,880.37	7,969,590.39	216,226,470.76
Carrying amount	賬面價值			
At year end	年末	514,838,450.16	54,372,076.65	569,210,526.81
At year beginning	年初	552,452,332.78	55,664,260.04	608,116,592.82

As at 31 December 2018, investment properties for which the Group had not obtained real estate certificates had a carrying amount of RMB19,788,768.27, for which the Group was in the process of applying for real estate certificates (31 December 2017: RMB16,042,210.35).

於2018年12月31日，本集團尚未獲得房地產證的投資性房地產賬面價值為人民幣19,788,768.27元，尚在申請房地產證過程中(2017年12月31日：人民幣16,042,210.35元)。

17. Fixed assets

17. 固定資產

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Fixed assets	固定資產	29,453,038,997.44	27,067,404,030.16
Disposal of fixed assets	固定資產清理	1,033,250.29	903,928.29
		29,454,072,247.73	27,068,307,958.45

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Fixed assets (Continued)

2018

五、合併財務報表主要項目註釋(續)

17. 固定資產(續)

2018年

		Houses and buildings	Machinery and equipment	Electronic equipment	Vehicles	Forklift trucks and equipment leased out (long-term)	Forklift trucks and equipment leased out (short-term)	Others	Total
		房屋及建築物	機器設備	電子設備	運輸設備	租出的叉車及設備(長期)	租出的叉車及設備(短期)	其他	合計
Gross carrying amount	原價								
Opening balance	年初餘額	12,670,326,175.16	17,496,254,819.76	1,304,847,699.26	404,662,474.72	5,410,718,506.26	7,130,148,156.74	2,529,767,449.51	46,946,725,281.41
Addition	購置	137,593,160.38	404,690,821.40	26,352,372.68	16,429,401.94	2,459,276,758.40	5,165,341,487.33	556,375,340.62	8,766,059,342.75
Transfer from construction-in-progress	在建工程轉入	392,049,305.83	651,042,537.77	1,776,930.74	16,871,143.56	-	-	95,862,158.20	1,157,602,076.10
Decrease upon disposal of subsidiaries	因處理子公司減少	(27,443,180.47)	(184,572,959.80)	(7,038,871.27)	(3,201,286.80)	-	-	(3,609,297.79)	(225,865,596.13)
Disposals or retirements	處置或報廢	(68,669,081.60)	(871,458,227.28)	(50,782,844.03)	(16,174,254.98)	(2,307,602,717.00)	(3,327,128,145.60)	(714,415,583.88)	(7,356,230,854.37)
Transfer to investment property	轉入投資性房地產	(43,167,946.65)	-	-	-	-	-	-	(43,167,946.65)
Adjustment for exchange differences	匯兌差額調整	113,366,286.01	17,977,035.09	474,270.09	272,391.26	(13,406,845.72)	(89,999,502.33)	9,369,202.50	38,052,836.90
Closing balance	年末餘額	13,174,054,718.66	17,513,934,026.94	1,275,629,557.47	418,859,869.70	5,548,985,701.94	8,878,361,996.14	2,473,349,269.16	49,283,175,140.01
Less: Accumulated depreciation	減: 累計折舊								
Opening balance	年初餘額	2,907,717,358.01	10,605,688,215.75	1,035,983,208.25	322,171,632.36	1,333,704,664.26	2,049,457,365.95	1,209,342,996.88	19,464,065,441.46
Provision	計提	583,285,541.63	1,379,340,543.04	94,754,650.33	27,326,536.03	1,542,655,984.80	1,212,119,203.40	445,823,504.47	5,285,305,963.70
Decrease upon disposal of subsidiaries	因處理子公司減少	(19,486,110.69)	(74,043,190.36)	(4,657,942.85)	(2,075,621.54)	-	-	(2,142,429.03)	(102,405,294.47)
Disposals or retirements	處置或報廢	(60,754,986.76)	(773,821,078.21)	(47,996,536.11)	(14,450,564.03)	(2,247,484,528.80)	(1,460,660,306.00)	(662,160,705.81)	(5,267,328,705.72)
Transfer to investment property	轉入投資性房地產	(6,445,038.39)	-	-	-	-	-	-	(6,445,038.39)
Adjustment for exchange differences	匯兌差額調整	81,136,251.79	(31,466,905.53)	347,525.32	115,323.26	(17,544,982.42)	(46,475,879.58)	36,313,510.47	22,424,843.31
Closing balance	年末餘額	3,485,453,015.59	11,105,697,584.69	1,078,430,904.94	333,087,306.08	611,331,137.84	1,754,440,383.77	1,027,176,876.98	19,395,617,209.89
Less: Provision for impairment	減: 減值準備								
Opening balance	年初餘額	196,075,379.40	210,254,959.51	7,049,355.92	58,339.59	-	-	1,817,775.37	415,255,809.79
Provision	計提	20,580,858.21	6,756,158.69	112,255.63	116.00	2,943,538.21	23,124,436.19	2,214,697.62	55,732,060.55
Decrease upon disposal of subsidiaries	因處理子公司減少	-	(660,547.27)	(28,132.90)	-	-	-	(6,223.91)	(694,904.08)
Disposals or retirements	處置或報廢	-	(22,590,666.23)	(8,663.40)	-	-	-	-	(22,599,329.63)
Transfer to investment property	轉入投資性房地產	(13,447,824.67)	-	-	-	-	-	-	(13,447,824.67)
Adjustment for exchange differences	匯兌差額調整	20,857.36	255,006.94	-	-	(800.71)	(6,290.69)	4,347.82	273,120.72
Closing balance	年末餘額	203,229,270.30	194,014,911.64	7,124,815.25	58,455.59	2,942,737.50	23,118,145.50	4,030,596.90	434,518,932.68
Carrying amount	賬面價值								
At year end	年末	9,485,372,432.77	6,214,221,530.61	190,073,837.28	85,714,108.03	4,934,711,826.60	7,100,803,466.87	1,442,141,795.28	29,453,038,997.44
At year beginning	年初	9,566,533,437.75	6,680,311,644.50	261,815,135.09	82,432,502.77	4,077,013,842.00	5,080,690,790.79	1,318,606,677.26	27,067,404,030.16

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Fixed assets (Continued)
2017

五、合併財務報表主要項目註釋(續)

17. 固定資產(續)
2017年

		Houses and buildings	Machinery and equipment	Electronic equipment	Vehicles	Forklift trucks and equipment leased out (long-term)	Forklift trucks and equipment leased out (short-term)	Others	Total
		房屋及建築物	機器設備	電子設備	運輸設備	租出的叉車 及設備(長期)	租出的叉車 及設備(短期)	其他	合計
Gross carrying amount	原價								
Opening balance	年初餘額	11,970,692,560.82	16,909,302,759.76	1,215,459,453.91	405,996,127.49	3,972,096,113.21	5,766,139,952.46	2,152,990,305.28	42,392,677,272.93
Addition	購置	141,543,736.53	278,643,822.86	26,869,723.49	16,175,999.81	2,497,225,084.80	2,652,229,525.19	531,214,453.77	6,143,902,346.45
Transfer from construction-in-progress	在建工程轉入	469,768,892.58	721,744,162.78	82,503,851.76	13,471,970.72	-	-	43,398,353.53	1,330,887,231.37
Increase arising from acquisition of subsidiaries	因收購子公司增加	10,996,737.04	10,420,162.63	-	-	3,472,014.00	3,853,554.00	5,265,252.00	34,007,719.67
Transfer from investment property	投資性房地產轉入	18,024,804.32	-	-	-	-	-	-	18,024,804.32
Disposals or retirements	處置或報廢	(103,665,253.02)	(525,929,285.44)	(19,826,617.52)	(30,789,817.92)	(1,335,351,846.00)	(1,516,873,316.40)	(232,174,760.45)	(3,764,611,436.75)
Transfer to investment property	轉入投資性房地產	(256,862.25)	-	-	-	-	-	-	(256,862.25)
Adjustment for exchange differences	匯兌差額調整	163,221,559.14	102,073,737.17	(158,712.38)	(191,805.38)	273,277,140.25	224,798,441.49	29,073,845.38	792,094,205.67
Closing balance	年末餘額	12,670,326,175.16	17,496,254,819.76	1,304,847,699.26	404,662,474.72	5,410,718,506.26	7,130,148,156.74	2,529,767,449.51	46,946,725,281.41
Less: Accumulated depreciation	減: 累計折舊								
Opening balance	年初餘額	2,411,881,195.60	9,506,867,000.02	916,550,609.71	323,427,437.82	831,005,088.41	1,511,254,405.97	941,889,482.10	16,442,875,219.63
Provision	計提	571,456,983.65	1,480,044,591.82	134,313,820.88	27,170,015.73	886,576,867.20	1,468,349,059.20	485,152,792.01	5,053,064,130.49
Transfer from investment property	投資性房地產轉入	6,055,082.42	-	-	-	-	-	-	6,055,082.42
Disposals or retirements	處置或報廢	(74,718,712.82)	(418,261,977.02)	(14,846,627.11)	(28,311,602.40)	(444,868,009.20)	(929,065,161.60)	(214,964,232.49)	(2,125,036,322.64)
Adjustment for exchange differences	匯兌差額調整	(6,957,190.84)	37,038,600.93	(34,595.23)	(114,218.79)	60,990,717.85	(1,080,937.62)	(2,735,044.74)	87,107,331.56
Closing balance	年末餘額	2,907,717,358.01	10,605,688,215.75	1,035,983,208.25	322,171,632.36	1,333,704,664.26	2,049,457,365.95	1,209,342,996.88	19,464,065,441.46
Less: Provision for impairment	減: 減值準備								
Opening balance	年初餘額	1,850,543.45	151,417,045.50	144,649.06	58,339.59	-	-	375,366.68	153,845,944.28
Provision	計提	194,174,853.58	128,284,866.38	7,033,531.99	-	-	-	1,436,339.68	330,929,591.63
Disposals or retirements	處置或報廢	-	(70,053,804.59)	(128,825.13)	-	-	-	(5,704.14)	(70,188,333.86)
Adjustment for exchange differences	匯兌差額調整	49,982.37	606,852.22	-	-	-	-	11,773.15	668,607.74
Closing balance	年末餘額	196,075,379.40	210,254,959.51	7,049,355.92	58,339.59	-	-	1,817,775.37	415,255,809.79
Carrying amount	賬面價值								
At year end	年末	9,566,533,437.75	6,680,311,644.50	261,815,135.09	82,432,502.77	4,077,013,842.00	5,080,690,790.79	1,318,606,677.26	27,067,404,030.16
At year beginning	年初	9,556,960,821.77	7,251,018,714.24	298,764,195.14	82,510,350.08	3,141,091,024.80	4,254,885,546.49	1,210,725,456.50	25,795,956,109.02

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Fixed assets (Continued)

Fixed assets which are temporarily idle are presented as follows:

31 December 2018

		Gross carrying amount 原價	Accumulated depreciation 累計折舊	Provision for impairment 減值準備	Carrying amount 賬面價值
Houses and buildings	房屋建築物	419,164,815.03	(84,225,891.17)	(64,781,594.65)	270,157,329.21
Machinery and equipment	機器設備	311,907,265.34	(194,615,347.45)	(65,337,834.04)	51,954,083.85
Electronic equipment	電子設備	37,865,028.96	(29,747,257.74)	(6,951,803.45)	1,165,967.77
Vehicles	運輸設備	2,446,629.03	(2,211,343.22)	-	235,285.81
		771,383,738.36	(310,799,839.58)	(137,071,232.14)	323,512,666.64

1 January 2018 and 31 December 2017

2018年1月1日及2017年12月31日

		Gross carrying amount 原價	Accumulated depreciation 累計折舊	Provision for impairment 減值準備	Carrying amount 賬面價值
Houses and buildings	房屋建築物	377,994,957.48	(66,336,182.93)	(126,729,546.42)	184,929,228.13
Machinery and equipment	機器設備	268,769,786.39	(174,520,361.99)	(25,474,315.01)	68,775,109.39
Electronic equipment	電子設備	31,128,096.50	(24,481,074.37)	(1,583,571.77)	5,063,450.36
Vehicles	運輸設備	3,523,809.69	(2,441,616.74)	(95,604.70)	986,588.25
		681,416,650.06	(267,779,236.03)	(153,883,037.90)	259,754,376.13

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

17. Fixed assets (Continued)

17. 固定資產(續)

Fixed assets leased in under finance lease are presented as follows:

融資租入固定資產如下：

31 December 2018

2018年12月31日

		Gross carrying amount 原價	Accumulated depreciation 累計折舊	Provision for impairment 減值準備	Carrying amount 賬面價值
Houses and buildings	房屋建築物	44,195,993.60	(25,087,878.70)	-	19,108,114.90
Machinery and equipment	機器設備	70,586,463.50	(38,249,276.06)	-	32,337,187.44
Electronic equipment	電子設備	350,107,289.50	(98,249,425.23)	-	251,857,864.27
Forklift trucks and equipment leased out (long-term)	租出的叉車及設備 (長期)	3,630,774,690.48	(400,002,043.98)	-	3,230,772,646.50
Forklift trucks and equipment leased out (short-term)	租出的叉車及設備 (短期)	5,766,665,636.45	(1,131,555,876.55)	-	4,635,109,759.90
		9,862,330,073.53	(1,693,144,500.52)	-	8,169,185,573.01

Fixed assets leased in under finance lease are presented as follows:

融資租入固定資產如下：

1 January 2018 and 31 December 2017

2018年1月1日及2017年12月31日

		Gross carrying amount 原價	Accumulated depreciation 累計折舊	Provision for impairment 減值準備	Carrying amount 賬面價值
Houses and buildings	房屋建築物	34,915,292.50	(21,120,826.10)	-	13,794,466.40
Machinery and equipment	機器設備	68,262,322.70	(23,040,191.90)	-	45,222,130.80
Electronic equipment	電子設備	225,853,178.10	(55,755,235.80)	-	170,097,942.30
Forklift trucks and equipment leased out (long-term)	租出的叉車及設備 (長期)	4,357,443,567.58	(1,074,079,681.58)	-	3,283,363,886.00
Forklift trucks and equipment leased out (short-term)	租出的叉車及設備 (短期)	5,238,393,336.89	(1,318,572,432.99)	-	3,919,820,903.90
		9,924,867,697.77	(2,492,568,368.37)	-	7,432,299,329.40

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Fixed assets (Continued)

Fixed assets leased out under operating lease are presented as follows:

		31 December 2018	1 January 2018 and 31 December 2017
		2018年12月31日	2018年1月1日及 2017年12月31日
Houses and buildings	房屋建築物	3,973,642.98	-
Electronic equipment	電子設備	2,449.49	119,023.30
Machinery and equipment	機器設備	119,023.30	5,822,311.21
Vehicles	運輸設備	-	2,449.49
Forklift trucks and equipment leased out (long-term)	租出的叉車及設備 (長期)	4,934,711,826.60	4,077,013,842.00
Forklift trucks and equipment leased out (short-term)	租出的叉車及設備 (短期)	7,100,803,466.87	5,080,690,790.79

As at 31 December 2018, the fixed assets for which the Group had not obtained real estate certificates had a carrying amount of RMB1,514,223,277.39 (31 December 2017: RMB1,742,360,572.97).

As at 31 December 2018, fixed assets with a carrying amount of RMB524,775,451.64 (31 December 2017: RMB582,039,959.05) were pledged for securing bank borrowings of the Group, among which the pledge over fixed assets with a carrying amount of RMB471,146,646.01 had yet to be registered. Fixed assets with a carrying amount of RMB143,841,009.00 (31 December 2017: RMB143,016,159.00) was used to provide guarantee to the obligations under the staff retirement benefit.

In 2018, in view of the existence of idle fixed assets and the fact that the recoverable amounts of some fixed assets were lower than their carrying amount, provision for impairment in the amount of RMB55,732,060.55 was made for the year.

五、合併財務報表主要項目註釋(續)

17. 固定資產(續)

經營性租出固定資產賬面價值如下：

		31 December 2018	1 January 2018 and 31 December 2017
		2018年12月31日	2018年1月1日及 2017年12月31日
Houses and buildings	房屋建築物	3,973,642.98	-
Electronic equipment	電子設備	2,449.49	119,023.30
Machinery and equipment	機器設備	119,023.30	5,822,311.21
Vehicles	運輸設備	-	2,449.49
Forklift trucks and equipment leased out (long-term)	租出的叉車及設備 (長期)	4,934,711,826.60	4,077,013,842.00
Forklift trucks and equipment leased out (short-term)	租出的叉車及設備 (短期)	7,100,803,466.87	5,080,690,790.79

於2018年12月31日，本集團尚未獲得房地產證的固定資產賬面價值為人民幣1,514,223,277.39元(2017年12月31日：人民幣1,742,360,572.97元)。

於2018年12月31日，本集團將賬面價值為人民幣524,775,451.64元(2017年12月31日：人民幣582,039,959.05元)的固定資產用於抵押取得銀行借款，其中，賬面價值為人民幣471,146,646.01元的固定資產，尚未辦理抵押登記。本集團將賬面價值為人民幣143,841,009.00元(2017年12月31日：人民幣143,016,159.00元)的固定資產用於對員工退休福利下的義務提供擔保。

2018年由於存在閑置的固定資產，以及部分固定資產的可收回金額低於賬面價值，因此本集團本年計提減值準備人民幣55,732,060.55元。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Construction in progress

五、合併財務報表主要項目註釋(續)

18. 在建工程

		31 December 2018 2018年12月31日			1 January 2018 and 31 December 2017 2018年1月1日及2017年12月31日		
		Gross carrying amount 賬面餘額	Provision for impairment 減值準備	Carrying amount 賬面價值	Gross carrying amount 賬面餘額	Provision for impairment 減值準備	Carrying amount 賬面價值
Hande project	漢德項目	285,243,943.71	-	285,243,943.71	22,917,351.13	-	22,917,351.13
Transmission project	傳動項目	240,852,744.16	-	240,852,744.16	68,508,438.60	-	68,508,438.60
Production line construction and renovation project	生產線建設改造項目	334,266,860.43	-	334,266,860.43	30,450,000.00	-	30,450,000.00
Factory area renovation project	廠區改造項目	294,879,949.87	(59,515,308.59)	235,364,641.28	75,644,996.61	(42,097,845.65)	33,547,150.96
Trial platform renovation project	試驗台改造項目	40,239,802.21	-	40,239,802.21	8,251,014.42	-	8,251,014.42
Others	其他	1,515,312,833.81	(4,727,672.83)	1,510,585,160.98	889,120,381.98	(4,298,324.83)	884,822,057.15
Materials used in construction	工程物資	2,972,510.00	-	2,972,510.00	589,457.74	-	589,457.74
Tentative construction equipment	暫估工程設備	198,575,576.85	-	198,575,576.85	169,661,881.06	-	169,661,881.06
		2,912,344,221.04	(64,242,981.42)	2,848,101,239.62	1,265,143,521.54	(46,396,170.48)	1,218,747,351.06

Movement in key construction-in-progress in 2018 is presented as follows:

重要在建工程2018年變動如下：

		Budget 預算	Opening balance 年初餘額	Increase during the year 本年增加	Fixed asset transferred in during the year 本年轉入 固定資產	Other decreases 其他減少	Closing balance 年末餘額	Source of funding 資金來源	Actual costs as a percentage of budget (%) 工程投入 佔預算比例(%)
Hande project – Hande Phase 3	漢德項目 – 漢德三期	723,876,400.00	179,514.56	264,697,403.81	(50,267,779.80)	(51,739,900.00)	162,869,238.57	Internal fund 自有資金	36.59%
Transmission project – Light-duty and medium-duty truck transmission project	傳動項目 — 中輕卡傳動項目	186,225,000.00	1,235,872.94	106,998,533.78	(11,829,876.36)	-	96,404,530.36	Internal fund 自有資金	58.12%

Movement in key construction-in-progress 2017 is presented as follows:

重要在建工程2017年變動如下：

		Budget 預算	Opening balance 年初餘額	Increase during the year 本年增加	Fixed asset transferred in during the year 本年轉入 固定資產	Other decreases 其他減少	Closing balance 年末餘額	Source of funding 資金來源	Actual costs as a percentage of budget (%) 工程投入 佔預算比例(%)
Weichai Power Testing Centre	濰柴動力實驗中心	942,310,000.00	30,610,563.83	12,379,973.50	(34,502,770.79)	(236,752.12)	8,251,014.42	Internal fund 自有資金	99.77%
Project of global accessories distribution centre of Weichai Power	濰柴動力全球配件分銷中心項目	419,620,000.00	154,066,700.50	17,047,928.69	(149,836,900.75)	(283,638.33)	20,994,090.11	Internal fund 自有資金	34.42%

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

19. Intangible assets
201819. 無形資產
2018年

		Opening balance 年初餘額	Addition 購置	Internal R&D 內部研發	Increase upon acquisition of subsidiaries 收購子公司增加	Disposals and retirements 處置或報廢	Adjustment of exchange differences 匯兌差額調整	Closing balance 年末餘額
Gross carrying amount	資產原價							
Technology know-how	專有技術	1,257,451,112.50	46,404.97	36,044,514.30	-	(25,320,000.26)	2,942,756.29	1,271,164,787.80
Trademark rights	商標使用權	7,620,445,681.54	219,780.00	-	-	-	40,335,997.25	7,661,001,458.79
Licence	特許權	878,966,936.75	181,874,400.00	-	-	(190,555,208.20)	7,466,774.99	877,752,903.54
Land use rights	土地使用權	1,854,999,464.31	87,466,233.80	-	-	(8,858,995.80)	722,264.75	1,934,328,967.06
Orders on hand	在手訂單	290,871,616.55	-	-	-	-	1,677,610.80	292,549,227.35
Customer relationship	客戶關係	10,227,888,290.55	-	-	749,817.60	-	240,344,279.65	10,468,982,387.80
Software	軟件	506,222,999.03	32,219,307.13	-	-	(8,473,258.58)	1,796,012.00	531,765,059.58
Others	其他	7,044,038,941.42	680,350,681.82	64,367,154.60	-	(792,713,415.20)	189,797,117.25	7,185,840,479.89
		29,680,885,042.65	982,176,807.72	100,411,668.90	749,817.60	(1,025,920,878.04)	485,082,812.98	30,223,385,271.81
		Opening balance 年初餘額	Provision 計提			Disposals and retirements 處置或報廢	Adjustment of exchange differences 匯兌差額調整	Closing balance 年末餘額
Less: Accumulated amortization	減: 累計攤銷							
Technology know-how	專有技術	712,237,921.40	82,945,819.80			(25,320,000.00)	1,327,784.27	771,191,525.47
Trademark rights	商標使用權	23,257,866.02	1,034,923.94			-	(306,334.65)	23,986,455.31
Licence	特許權	463,526,369.80	239,527,670.20			(190,516,155.20)	140,935.73	512,678,820.53
Land use rights	土地使用權	257,899,179.40	39,914,501.50			(1,810,796.51)	-	296,002,884.39
Orders on hand	在手訂單	115,552,063.00	14,129,375.40			-	732,840.30	130,414,278.70
Customer relationship	客戶關係	1,973,916,322.20	701,538,465.28			-	35,915,764.34	2,711,370,551.82
Software	軟件	158,218,725.11	32,583,349.58			(8,289,707.57)	141,155.95	182,653,523.07
Others	其他	1,430,204,843.76	903,912,927.40			(791,018,515.00)	28,805,520.87	1,571,904,777.03
		5,134,813,290.69	2,015,587,033.10			(1,016,955,174.28)	66,757,666.81	6,200,202,816.32
		Opening balance 年初餘額	Increase during the year 本年增加			Decrease during the year 本年減少	Adjustment of exchange differences 匯兌差額調整	Closing balance 年末餘額
Less: Provision for impairment	減: 減值準備							
Technology know-how	專有技術	-	-			-	-	-
Trademark rights	商標使用權	67,099,780.00	-			-	387,000.00	67,486,780.00
Licence	特許權	-	7,284,275.89			-	(1,981.67)	7,282,294.22
Land use rights	土地使用權	-	-			-	-	-
Orders on hand	在手訂單	19,412,122.40	-			-	111,960.00	19,524,082.40
Customer relationship	客戶關係	546,264,037.11	-			-	3,150,594.27	549,414,631.38
Software	軟件	-	6,255,999.88			-	(1,701.78)	6,254,298.10
Others	其他	73,341,620.00	-			-	423,000.02	73,764,620.02
		706,117,559.51	13,540,275.77			-	4,068,870.84	723,726,706.12
Net carrying amount	賬面淨值							
Technology know-how	專有技術	545,213,191.10						499,973,262.33
Trademark rights	商標使用權	7,530,088,035.52						7,569,528,223.48
Licence	特許權	415,440,566.95						357,791,788.79
Land use rights	土地使用權	1,597,100,284.91						1,638,326,082.67
Orders on hand	在手訂單	155,907,431.15						142,610,866.25
Customer relationship	客戶關係	7,707,707,931.24						7,208,197,204.60
Software	軟件	348,004,273.92						342,857,238.41
Others	其他	5,540,492,477.66						5,540,171,082.84
		23,839,954,192.45						23,299,455,749.37

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

19. Intangible assets (Continued)
201719. 無形資產(續)
2017年

		Opening balance 年初餘額	Addition 購置	Internal R&D 內部研發	Increase upon acquisition of subsidiaries 收購子公司增加	Disposals and retirements 處置或報廢	Adjustment of exchange differences 匯兌差額調整	Closing balance 年末餘額
Gross carrying amount	資產原價							
Technology know-how	專有技術	1,203,947,761.26	313,272.85	10,450,741.42	-	(113,207.53)	42,852,544.50	1,257,451,112.50
Trademark rights	商標使用權	7,158,387,201.30	-	-	-	-	462,058,480.24	7,620,445,681.54
Licence	特許權	887,268,974.30	90,322,958.02	-	824,126.40	(124,931,457.60)	25,482,335.63	878,966,936.75
Land use rights	土地使用權	1,787,320,511.64	67,326,162.02	-	-	-	352,790.65	1,854,999,464.31
Orders on hand	在手訂單	272,399,257.63	-	-	-	-	18,472,358.92	290,871,616.55
Customer relationship	客戶關係	10,155,067,134.06	4,681,603.99	-	-	-	68,139,552.50	10,227,888,290.55
Software	軟件	337,607,404.33	157,920,259.36	-	-	(3,963.93)	10,699,299.27	506,222,999.03
Others	其他	6,944,095,395.61	581,126,667.47	6,058,855.20	-	(381,127,936.80)	(106,114,040.06)	7,044,038,941.42
		28,746,093,640.13	901,690,923.71	16,509,596.62	824,126.40	(506,176,565.86)	521,943,321.65	29,680,885,042.65
Less: Accumulated amortization	減: 累計攤銷							
Technology know-how	專有技術	615,156,122.99	82,575,651.98	-	-	-	14,506,146.43	712,237,921.40
Trademark rights	商標使用權	22,036,046.54	1,881,118.44	-	-	-	(659,298.96)	23,257,866.02
Licence	特許權	379,844,746.30	193,565,025.20	-	-	(124,931,457.60)	15,048,055.90	463,526,369.80
Land use rights	土地使用權	218,164,781.14	36,199,342.60	-	-	-	3,535,055.66	257,899,179.40
Orders on hand	在手訂單	95,054,282.74	13,745,541.26	-	-	-	6,752,239.00	115,552,063.00
Customer relationship	客戶關係	1,182,864,411.96	723,457,814.84	-	-	-	67,594,095.40	1,973,916,322.20
Software	軟件	131,372,405.35	24,701,838.58	-	-	-	2,144,481.18	158,218,725.11
Others	其他	697,961,236.05	1,108,684,410.40	-	-	(381,051,628.80)	4,610,826.11	1,430,204,843.76
		3,342,454,033.07	2,184,810,743.30	-	-	(505,983,086.40)	113,531,600.72	5,134,813,290.69
		Opening balance 年初餘額	Increase during the year 本年增加			Decrease during the year 本年減少	Adjustment for exchange differences 匯兌差額調整	Closing balance 年末餘額
Less: Provision for impairment	減: 減值準備							
Technology know-how	專有技術	-	-	-	-	-	-	-
Trademark rights	商標使用權	-	66,179,333.94	-	-	-	920,446.06	67,099,780.00
Licence	特許權	-	-	-	-	-	-	-
Land use rights	土地使用權	-	-	-	-	-	-	-
Orders on hand	在手訂單	18,179,318.40	-	-	-	-	1,232,804.00	19,412,122.40
Customer relationship	客戶關係	159,441,682.80	371,696,846.38	-	-	-	15,125,507.93	546,264,037.11
Software	軟件	-	-	-	-	-	-	-
Others	其他	68,830,949.10	-	-	-	-	4,510,670.90	73,341,620.00
		246,451,950.30	437,876,180.32	-	-	-	21,789,428.89	706,117,559.51
Net carrying amount	賬面淨值							
Technology know-how	專有技術	588,791,638.27	-	-	-	-	-	545,213,191.10
Trademark rights	商標使用權	7,136,351,154.76	-	-	-	-	-	7,530,088,035.52
Licence	特許權	507,424,228.00	-	-	-	-	-	415,440,566.95
Land use rights	土地使用權	1,569,155,730.50	-	-	-	-	-	1,597,100,284.91
Orders on hand	在手訂單	159,165,656.49	-	-	-	-	-	155,907,431.15
Customer relationship	客戶關係	8,812,761,039.30	-	-	-	-	-	7,707,707,931.24
Software	軟件	206,234,998.98	-	-	-	-	-	348,004,273.92
Others	其他	6,177,303,210.46	-	-	-	-	-	5,540,492,477.66
		25,157,187,656.76	-	-	-	-	-	23,839,954,192.45

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Intangible assets (Continued)

As at 31 December 2018, intangible assets with carrying amount of RMB247,596,065.82 (31 December 2017: RMB253,010,437.60) were pledged to secure bank borrowings of the Group.

The trademarks are renewable every 10 years at minimal cost. The management of the Group 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 V.21.

As at 31 December 2018, the intangible assets for which the Group had not obtained title certificates had a carrying amount of RMB1,514,223,277.39, for which the Group was in the process of applying (31 December 2017: RMB146,343,370.26).

五、合併財務報表主要項目註釋(續)

19. 無形資產(續)

於2018年12月31日，本集團將賬面價值為人民幣247,596,065.82元(2017年12月31日：人民幣253,010,437.60元)的無形資產用於抵押取得銀行借款。

商標每十年須按最低成本重續一次。本集團管理層認為，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限。除非該等商標的可使用年限被認定為有限，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五、21披露。

於2018年12月31日，本集團尚未辦妥產權證書的無形資產賬面價值為人民幣1,514,223,277.39元，還在辦理產權證的過程中(2017年12月31日：人民幣146,343,370.26元)。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Expenditure on development

Capitalization of expenditure on development starts when the development stage is reached. Capitalized expenditure on development of the Group is presented as follows:

2018

			Increase during the year 本年增加		Decrease during the year 本年減少	
		Opening balance 年初餘額	Internal R&D 內部開發	Recognition of intangible assets 確認無形資產	Other decrease 其他變動	Closing balance 年末餘額
Improvement project on driver's cabin	駕駛室改進項目	46,460,506.85	1,613,207.54	-	-	48,073,714.39
Hydraulics project	液壓項目	291,390,703.03	68,761,437.67	(64,367,154.60)	1,721,851.50	297,506,837.60
Others	其他	178,002,595.37	72,164,651.17	(36,044,514.30)	(119,555,061.07)	94,567,671.17
		515,853,805.25	142,539,296.38	(100,411,668.90)	(117,833,209.57)	440,148,223.16

2017

			Increase during the year 本年增加		Decrease during the year 本年減少	
		Opening balance 年初餘額	Internal R&D 內部開發	Recognition of intangible assets 確認無形資產	Other decrease 其他變動	Closing balance 年末餘額
Improvement project on driver's cabin	駕駛室改進項目	43,415,166.75	3,045,340.10	-	-	46,460,506.85
Hydraulics project	液壓項目	162,264,750.28	135,184,807.95	(6,058,855.20)	-	291,390,703.03
Others	其他	240,094,549.89	-	(10,450,741.42)	(51,641,213.10)	178,002,595.37
		445,774,466.92	138,230,148.05	(16,509,596.62)	(51,641,213.10)	515,853,805.25

五、合併財務報表主要項目註釋(續)

20. 開發支出

當開發支出達到開發階段的時候開始資本化，本集團資本化的開發支出如下：

2018年

2017年

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Goodwill
2018

五、合併財務報表主要項目註釋(續)

21. 商譽
2018年

		Opening balance	Increase during the year Business combination not involving entities under common control 本年增加 非同一控制下 企業合併	Decrease during the year 本年減少	Provision for impairment 計提減值	Adjustment for exchange differences 匯兌差額調整	Closing balance	Asset group unit
		年初餘額					年末餘額	資產組組合
Merger with TAGC	合併瀚火炬	299,502,336.46	-	(6,347,483.78)	-	-	293,154,852.68	Asset group unit B 資產組組合B
Merger with Linde Hydraulics GmbH & Co. KG	合併林德液壓合夥企業	827,542,331.55	-	-	-	4,772,875.29	832,315,206.84	Asset group unit C 資產組組合C
Merger with KION GROUP AG	合併KION GROUP AG	6,685,808,921.91	-	-	-	(41,175,811.19)	6,644,633,110.72	Asset group unit D 資產組組合D
Merger with Egemin Automation Inc., Retrotech Inc. and Dematic Group	合併Egemin Automation Inc. Retrotech Inc. Dematic Group	14,601,864,008.60	-	-	-	497,769,400.00	15,099,633,408.60	Asset group unit E 資產組組合E
Others	其他	168,475,063.90	1,515,256.40	-	-	(2,340,603.10)	167,649,717.20	
		22,583,192,662.42	1,515,256.40	(6,347,483.78)	-	459,025,861.00	23,037,386,296.04	

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Goodwill (Continued)

2017

五、合併財務報表主要項目註釋(續)

21. 商譽(續)

2017年

		Opening balance	Increase during the year Business combination not involving entities under common control 本年增加非同一控制下企業合併	Decrease during the year 本年減少	Provision for impairment 計提減值	Adjustment for exchange differences 匯兌差額調整	Closing balance	Asset group unit 資產組組合
		年初餘額					年末餘額	資產組組合
Merger with TAGC	合併湘火炬	537,573,736.46	-	-	(238,071,400.00)	-	299,502,336.46	Asset group unit B 資產組組合B
Merger with Linde Hydraulics GmbH & Co. KG	合併林德液壓合夥企業	774,987,671.35	-	-	-	52,554,660.20	827,542,331.55	Asset group unit C 資產組組合C
Merger with KION GROUP AG	合併KION GROUP AG	6,284,946,311.89	-	-	-	400,862,610.02	6,685,808,921.91	Asset group unit D 資產組組合D
Merger with Egemin Automation Inc., Retrotech Inc. and Dematic Group	合併Egemin Automation Inc., Retrotech Inc. Dematic Group	15,110,170,128.00	-	-	-	(508,306,119.40)	14,601,864,008.60	Asset group unit E 資產組組合E
Others	其他	89,391,391.20	74,425,477.20	-	-	4,658,195.50	168,475,063.90	
		22,797,069,238.90	74,425,477.20	-	(238,071,400.00)	(50,230,653.68)	22,583,192,662.42	

Balance as at 31 December 2018 mainly represented goodwill arising from merger with Torch Automotive Group Co., Ltd (TAGC), Linde Hydraulics GmbH & Co. KG, KION Group AG, Egemin Inc., Retrotech Inc. and Dematic Group. Goodwill arising from merger would be allocated to material asset group units to test for impairment on an annual basis.

2018年12月31日商譽餘額主要為合併湘火炬、林德液壓合夥企業、KION GROUP AG、Egemin Inc.、Retrotech Inc.和Dematic Group而產生的商譽。本集團每年度將該等合併取得的商譽分配至重要資產組組合進行商譽減值測試。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Goodwill (Continued)

Further, the trademark with indefinite useful life comprised in the intangible assets in Note V.19 amounted to RMB7,562,182,301.10 and is included in those asset group units for impairment testing.

Carrying amount of material goodwill and trademarks is allocated to the following asset group units as follows:

		Carrying amount of goodwill 商譽的賬面金額		Carrying amount of trademark 商標的賬面金額	
		2018 2018年	2017 2017年	2018 2018年	2017 2017年
Asset group unit A	資產組組合A	-	-	116,422,784.00	116,422,784.00 <i>Note 1 註1</i>
Asset group unit B	資產組組合B	293,154,852.68	299,502,336.46	94,197,000.00	94,197,000.00 <i>Note 1 註1</i>
Asset group unit C	資產組組合C	832,315,206.84	827,542,331.55	-	- <i>Note 2 註2</i>
Asset group unit D	資產組組合D	6,644,633,110.72	6,685,808,921.91	4,600,495,319.60	4,575,674,439.60 <i>Note 3 註3</i>
Asset group unit E	資產組組合E	15,099,633,408.60	14,601,864,008.60	2,751,067,197.50	2,735,486,380.00 <i>Note 4 註4</i>

The key assumptions in ascertaining the forecast of cashflow adopted by the management in the course of testing for impairment of goodwill are explained below:

Note 1: Trademarks related to the manufacturing of diesel engines and major parts of the Group are allocated to asset group unit A: manufacture and sale of diesel engines and related parts and are tested for impairment.

The goodwill and trademark acquired through the mergers with TAGC are allocated to asset group unit B: major automobile components other than automotive and diesel engines are tested for impairment.

The recoverable amount of asset group units A and B has been determined based on the present value of the expected future cash flows of the asset group, which was determined based on cash flow projection in accordance to the 5-year financial budget approved by the management. The discount rate used for the cash flow projection of asset group units A and B was the pre-tax rate of 14.46%. The estimated growth rate of cash flows beyond the 5-year period of 2.5% was the long-term average growth rate in the industries or regions in which the enterprises operate.

五、合併財務報表主要項目註釋(續)

21. 商譽(續)

此外，包含於附註五、19無形資產中的永久可使用的商標價值為人民幣7,562,182,301.10元，亦包括在該等資產組組合中進行減值測試。

重要商譽及商標的賬面金額分配至資產組的情況如下：

以下說明了管理層為進行商譽的減值測試，在確定現金流量預測時作出的關鍵假設：

註1：本集團生產柴油機及其主要零部件相關的商標分配至資產組組合A：生產及銷售柴油機及相關零部件，進行減值測試。

本集團合併湘火炬取得的商譽及商標分配至資產組組合B：汽車及柴油機外的主要汽車零部件，進行減值測試。

資產組組合A和B的可收回金額按照資產組組合的預計未來現金流量的現值確定，其預計未來現金流量根據管理層批准的5年期的財務預算為基礎的現金流量預測來確定。資產組組合A、B現金流量預測所用的稅前折現率是14.46%，5年以後的現金流量的估計長期平均增長率2.5%為企業所處行業或地區的長期平均增長率。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Goodwill (Continued)

Note 2: The goodwill and trademark acquired through the mergers with Linde Hydraulics GmbH & Co. KG are allocated to asset group unit C: manufacture of hydraulic pumps, hydraulic motors, hydraulic valves, gears and other components and are tested for impairment.

The recoverable amount of asset group unit C has been determined based on the present value of the expected future cash flows of the asset group, which was determined based on cash flow projection in accordance to the 5-year financial budget approved by the management. The discount rate used for the cash flow projection of asset group unit C was the pre-tax rate of 8.95%. The estimated growth rate of cash flows beyond the 5-year period of 2% was the long-term average growth rate.

Note 3: The goodwill and trademark acquired through the mergers with KION GROUP AG are allocated to asset group unit D: forklift trucks production and warehousing technology services and are tested for impairment.

The recoverable amount of that asset group unit is determined as the fair value of shares held in KION GROUP AG, i.e. market value as at 31 December 2018, minus the cost of disposal.

Note 4: Due to the adjustment of the Group's strategy, the goodwill and trademarks acquired through the merger of Egemin Automation Inc. and Retrotech Inc. and the goodwill and trademarks acquired through the merger of Dematic Group are combined and allocated to asset group unit E: intelligent supply chains and automation solutions and are tested for impairment.

The recoverable amount has been determined based on the present value of the expected future cash flows of the asset group unit, which was determined based on cash flow projection in accordance to the 5-year financial budget approved by the management. The discount rate used for the cash flow projection of the asset group unit was the pre-tax rate of 10.9%. The estimated growth rate of cash flows beyond the 5-year period of 1.3% was the long-term average growth rate.

五、合併財務報表主要項目註釋(續)

21. 商譽(續)

註2：本集團合併林德液壓合夥企業取得的商譽及商標分配至資產組組合C：生產液壓泵、液壓馬達、液壓閥門、齒輪及其它零部件，進行減值測試。

資產組組合C的可收回金額按照資產組組合的預計未來現金流量的現值確定，其預計未來現金流量根據管理層批准的5年期的財務預算為基礎的現金流量預測來確定。資產組組合C現金流量預測所使用的稅前折現率是8.95%，5年以後現金流量估計長期平均增長率2%。

註3：本集團合併KION GROUP AG取得的商譽及商標分配至資產組組合D：叉車生產及倉庫技術服務。

該資產組組合的可收回金額基於所持KION GROUP AG股份的公允價值即2018年12月31日的市價減去處置費用確定。

註4：本集團因戰略調整，將合併Egemin Automation Inc.和Retrotech Inc.取得的商譽及商標與合併Dematic Group取得的商譽及商標匯總，共同分配至資產組組合E：智能供應鏈和自動化解決方案，進行減值測試。

其可收回金額按照資產組組合的預計未來現金流量的現值確定，其預計未來現金流量根據管理層批准的5年期的財務預算為基礎的現金流量預測來確定。資產組組合現金流量預測所使用的稅前折現率是10.9%，5年以後現金流量估計長期平均增長率1.3%。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Long-term prepaid expenses
2018

五、合併財務報表主要項目註釋(續)

22. 長期待攤費用
2018年

		Opening balance 年初餘額	Increase during the year 本年增加	Amortization during the year 本年攤銷	Other decrease 其他減少	Provision for impairment 減值準備	Closing balance 年末餘額
Industrial mould fee	工裝模具費	213,983,352.98	63,638,770.44	(39,295,263.23)	(11,703,554.98)	(54,509,251.69)	172,114,053.52
Industrial equipment fee	工位器具費	47,918,751.28	8,832,086.22	(20,242,378.41)	(6,171,472.37)	-	30,336,986.72
Expenditure on improvement of fixed assets leased in	租入固定資產 改良支出	21,528,834.66	13,524,636.05	(7,630,644.93)	(1,414,731.17)	-	26,008,094.61
		283,430,938.92	85,995,492.71	(67,168,286.57)	(19,289,758.52)	(54,509,251.69)	228,459,134.85

2017

2017年

		Opening balance 年初餘額	Increase during the year 本年增加	Amortization during the year 本年攤銷	Other decrease 其他減少	Provision for impairment 減值準備	Closing balance 年末餘額
Industrial mould fee	工裝模具費	253,413,425.54	73,277,335.29	(46,239,907.50)	-	(66,467,500.35)	213,983,352.98
Industrial equipment fee	工位器具費	51,083,535.88	19,444,104.78	(22,478,747.13)	(130,142.25)	-	47,918,751.28
Expenditure on improvement of fixed assets leased in	租入固定資產 改良支出	28,162,755.78	16,722,696.13	(23,298,664.08)	(57,953.17)	-	21,528,834.66
		332,659,717.20	109,444,136.20	(92,017,318.71)	(188,095.42)	(66,467,500.35)	283,430,938.92

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Deferred tax assets/ liabilities

Deferred tax assets and deferred tax liabilities without offset are as follows:

	31 December 2018 2018年12月31日		1 January 2018 2018年1月1日		31 December 2017 2017年12月31日		
	Deductible temporary difference 可抵扣暫時性差異	Deferred tax assets 遞延所得稅資產	Deductible temporary difference 可抵扣暫時性差異	Deferred tax assets 遞延所得稅資產	Deductible temporary difference 可抵扣暫時性差異	Deferred tax assets 遞延所得稅資產	
Deferred tax assets	遞延所得稅資產						
Accruals	預提項目	15,060,229,514.88	3,327,521,171.64	12,684,315,213.29	2,856,062,049.82	12,684,315,213.29	2,856,062,049.82
Finance lease payables	融資租賃應付款	11,887,077,867.15	2,753,624,467.84	13,312,106,872.98	3,507,581,037.78	13,312,106,872.98	3,507,581,037.78
Provision for impairment of assets	資產減值準備	5,639,208,720.88	1,161,645,365.58	3,405,850,808.66	559,487,497.09	3,600,908,308.66	618,004,747.09
Fixed assets leased in under finance lease	融資租入固定資產	4,065,764,079.85	988,618,200.76	1,707,515,487.82	328,871,191.28	1,707,515,487.82	328,871,191.28
Unrealized profit for internal transactions	內部交易未實現利潤	2,178,792,918.83	576,902,895.70	1,908,044,316.93	500,829,987.20	1,908,044,316.93	500,829,987.20
Deferred income	遞延收益	1,089,524,842.40	165,375,356.04	613,952,274.92	92,093,162.04	613,952,274.92	92,093,162.04
Tax and accounting differences for construction contracts	建造合同稅會差異	1,042,925,857.89	234,995,245.80	434,277,771.88	119,671,677.40	499,296,938.55	139,177,427.40
Finance lease receivables	融資租賃應收款	713,683,981.39	172,027,874.14	450,681,815.85	102,372,425.58	450,681,815.85	102,372,425.58
Deductible losses	可抵扣虧損	699,066,872.67	175,130,921.49	1,038,444,727.10	313,185,213.65	1,038,444,727.10	313,185,213.65
Adjustment of fair value upon business combination	企業合併公允價值調整	563,051,376.20	126,868,459.10	1,499,613,773.84	418,100,242.34	1,499,613,773.84	418,100,242.34
Deductible goodwill arising from business combination (before tax)	企業合併可稅前抵扣商譽	122,221,697.50	37,604,261.60	104,165,854.52	32,093,044.54	104,165,854.52	32,093,044.54
Others	其他	612,146,032.04	141,446,491.61	515,512,088.02	134,846,334.43	515,088,138.79	134,782,742.05
		43,673,693,761.68	9,861,760,711.30	37,674,481,005.81	8,965,193,863.15	37,934,133,723.25	9,043,153,270.77

五、合併財務報表主要項目註釋(續)

23. 遞延所得稅資產/負債

未經抵銷的遞延所得稅資產和遞延所得稅負債：

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Deferred tax assets/ liabilities (Continued)

五、合併財務報表主要項目註釋(續)

23. 遞延所得稅資產/負債(續)

	31 December 2018 2018年12月31日		1 January 2018 2018年1月1日		31 December 2017 2017年12月31日		
	Taxable temporary difference 應納稅 暫時性差異	Deferred tax liabilities 遞延 所得稅負債	Taxable temporary difference 應納稅 暫時性差異	Deferred tax liabilities 遞延 所得稅負債	Taxable temporary difference 應納稅 暫時性差異	Deferred tax liabilities 遞延 所得稅負債	
Deferred tax liabilities	遞延所得稅負債						
Fair value adjustment upon business combination	企業合併的公允價值 調整	18,064,714,274.59	5,536,702,363.48	19,102,803,506.47	5,862,624,924.79	19,102,803,506.47	5,862,624,924.79
Finance lease receivables	融資租賃應收款	9,078,652,755.36	2,295,357,684.80	7,427,843,835.42	1,858,432,946.46	7,427,843,835.42	1,858,432,946.46
Fixed assets leased in under finance lease	融資租入固定資產	6,737,630,145.95	1,608,734,585.16	5,262,210,839.16	1,408,922,473.47	5,262,210,839.16	1,408,922,473.47
Intangible assets generated from internal R&D	內部研發形成無形資產	2,149,602,421.02	632,817,480.00	1,568,575,626.37	461,191,983.64	1,568,575,626.37	461,191,983.64
Payroll and benefits	職工薪酬福利	689,730,586.20	135,075,574.90	764,611,849.54	168,865,255.04	764,611,849.54	168,865,255.04
Finance lease payables	融資租賃應付款	679,500,605.97	144,118,330.39	3,419,945,941.06	889,044,354.54	3,419,945,941.06	889,044,354.54
Amortization of finance expenses for long-term borrowings	長期借款融資費用攤銷	130,981,097.28	30,599,524.90	116,075,139.00	34,531,935.35	116,075,139.00	34,531,935.35
Amortization of taxable value of trademark rights	商標權計稅價值攤銷	108,892,004.06	16,333,800.61	108,892,004.06	16,333,800.61	108,892,004.06	16,333,800.61
Accounts payable	應付賬款	35,783,367.57	7,556,471.71	24,668,330.99	5,912,571.59	24,668,330.99	5,912,571.59
Change in fair value of financial instruments	金融工具公允價值變動	33,383,787.44	5,007,568.12	67,980,200.00	13,915,050.00	30,800,000.00	4,620,000.00
Prepaid expenses	待攤費用	28,701,348.09	5,685,349.64	26,482,741.82	5,625,113.95	26,482,741.82	5,625,113.95
Others	其他	2,876,888,103.47	758,026,426.76	1,118,377,497.58	293,797,028.94	1,118,377,497.58	293,797,028.94
		40,614,460,497.00	11,176,015,160.47	39,008,467,511.47	11,019,197,438.38	38,971,287,311.47	11,009,902,388.38

Deferred tax assets and deferred tax liabilities are presented in net amount after offsetting:

遞延所得稅資產和遞延所得稅負債以抵銷後的淨額列示：

	31 December 2018 2018年12月31日		1 January 2018 2018年1月1日		31 December 2017 2017年12月31日		
	Offset amount 抵銷金額	After offsetting 抵銷後餘額	Offset amount 抵銷金額	After offsetting 抵銷後餘額	Offset amount 抵銷金額	After offsetting 抵銷後餘額	
Deferred tax assets	遞延所得稅資產	5,403,309,709.97	4,458,451,001.33	4,509,627,623.86	4,455,566,239.29	4,509,627,623.86	4,533,525,646.91
Deferred tax liabilities	遞延所得稅負債	5,403,309,709.97	5,772,705,450.50	4,509,627,623.86	6,509,569,814.52	4,509,627,623.86	6,500,274,764.52

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Deferred tax assets/ liabilities (Continued)

Deductible temporary difference and deductible losses in respect of deferred tax assets not yet recognized are presented as follows:

		31 December 2018	1 January 2018 and 31 December 2017
		2018年12月31日	2018年1月1日及 2017年12月31日
Deductible temporary difference	可抵扣暫時性差異	3,470,642,996.61	2,463,706,407.84
Deductible losses	可抵扣虧損	8,991,813,128.02	8,323,012,198.61
		12,462,456,124.63	10,786,718,606.45

Deductible losses in respect of deferred tax assets not yet recognized will fall due in the following years:

		31 December 2018	1 January 2018 and 31 December 2017
		2018年12月31日	2018年1月1日及 2017年12月31日
2018	2018年	-	241,966,716.38
2019	2019年	98,802,576.09	116,333,764.14
2020	2020年	525,766,398.63	552,593,604.25
2021	2021年	716,517,082.11	680,042,285.73
2022	2022年	575,421,541.41	452,855,476.39
2023	2023年	981,502,253.41	-
2024	2024年	-	-
2025	2025年	1,839,813.24	-
2026	2026年	6,903,541.89	-
2027	2027年	15,985,060.08	-
2028	2028年	8,330,027.05	-
Indefinite	無到期期限	6,060,744,834.11	6,279,220,351.72
		8,991,813,128.02	8,323,012,198.61

Note: Pursuant to the requirements under the "Notice Concerning the Extension of Maximum Years Allowed for the Carry-forward of Losses Incurred by High-tech Enterprises and Technology Enterprises of Small and Medium Size" (Cai Shui [2018] No. 76) issued by the MOF and the State Administration of Taxation in July 2018, for those high-tech enterprises and technology enterprises of small and medium size that qualified for the carry-forward of losses in 2018, their losses incurred between 2013 and 2017 for which making-up process has not ended are allowed to be carried forward for a maximum of 10 years, irrespective of whether those enterprises were qualified for the carry-forward of losses between 2013 to 2017.

Deferred tax related to deductible losses and temporary difference is recognized based on profit forecast.

五、合併財務報表主要項目註釋(續)

23. 遞延所得稅資產/負債(續)

未確認遞延所得稅資產的可抵扣暫時性差異及可抵扣虧損如下：

未確認遞延所得稅資產的可抵扣虧損將於以下年度到期：

註：根據財政部、國家稅務總局2018年7月發佈的財稅[2018]76號文《關於延長高新技術企業和科技型中小企業虧損結轉年限的通知》的規定，2018年具備資格的高新技術企業和科技型中小企業無論2013年至2017年是否具備資格，其2013年至2017年發生的尚未彌補完的虧損，均准予結轉以後年度彌補，最長結轉年限為10年。

本集團根據盈利預測確認與可抵扣虧損和暫時性差異相關的遞延所得稅。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

24. Other non-current assets

24. 其他非流動資產

		31 December 2018 2018年12月31日	1 January 2018 2018年1月1日	31 December 2017 2017年12月31日
Scheme assets under defined benefit scheme	設定受益計劃之計劃資產	261,024,739.90	188,885,880.70	188,885,880.70
Others	其他	94,871,890.13	48,058,996.69	65,286,475.09
		355,896,630.03	236,944,877.39	254,172,355.79

25. Short-term loans

25. 短期借款

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Pledged loans (Note 1)	質押借款(註1)	360,000,000.00	400,000,000.00
Credit loans	信用借款	5,112,765,901.24	2,774,887,395.62
		5,472,765,901.24	3,174,887,395.62

Note 1: Among the short-term loans, RMB360,000,000.00 (31 December 2017: RMB400,000,000.00) represented the loan secured by the pledge of fixed deposit of RMB421,060,000.00 by Shaanxi Automobile Xinjiang Motor Co., Ltd., a subsidiary of the Company, to Shanghai Pudong Development Bank Co., Ltd. Urumqi branch (31 December 2017: RMB421,060,000.00).

註1: 短期借款中人民幣360,000,000.00元(2017年12月31日: 人民幣400,000,000.00元)為本公司之子公司陝汽新疆汽車有限公司向浦發銀行烏魯木齊分行質押人民幣421,060,000.00元的定期存單獲得(2017年12月31日: 421,060,000.00元)。

As at 31 December 2018, the above loans carried interest at rates ranging from 0.60%~4.35% (31 December 2017: 0.75%~4.57%) per annum.

於2018年12月31日, 上述借款的年利率為0.60%~4.35%(2017年12月31日0.75%~4.57%)。

26. Financial liabilities at fair value through profit or loss for the current period (Applicable to 2017 only)

26. 以公允價值計量且其變動計入當期損益的金融負債(僅適用2017年)

		31 December 2017 2017年12月31日
Forward contracts	遠期合同	43,919,146.70
Cross currency interest rate swap instruments (Note V. 70)	交叉貨幣利率互換工具(附註五、70)	438,960,953.24
		482,880,099.94

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

27. Financial liabilities held for trading (Applicable to 2018 only)

27. 交易性金融負債(僅適用2018年)

		31 December 2018 2018年12月31日	1 January 2018 2018年1月1日
Forward contracts	遠期合同	52,106,601.75	43,919,146.70
Cross currency interest rate swap instruments (Note V.70)	交叉貨幣利率互換工具 (附註五·70)	161,329,163.72	438,960,953.24
		213,435,765.47	482,880,099.94

28. Notes payable and accounts payable

28. 應付票據及應付賬款

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Notes payable	應付票據	15,925,016,265.08	12,361,446,846.30
Accounts payable	應付賬款	30,869,354,934.85	30,654,794,938.52
		46,794,371,199.93	43,016,241,784.82

*Notes payable**應付票據*

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Commercial acceptance bills	商業承兌匯票	63,822,851.51	169,119,826.48
Bank acceptance bills	銀行承兌匯票	15,861,193,413.57	12,192,327,019.82
		15,925,016,265.08	12,361,446,846.30

As at 31 December 2018, the Group had no outstanding notes payable which were due (31 December 2017: Nil).

於2018年12月31日，本集團無到期未付的應付票據(2017年12月31日：無)。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Notes payable and accounts payable (Continued)

Accounts payable

As at 31 December 2018, the aging analysis of accounts payable based on invoice dates is as follows:

		31 December 2018	1 January 2018 and 31 December 2017
		2018年12月31日	2018年1月1日及 2017年12月31日
Within 3 months	3個月內	25,790,622,056.71	25,318,485,036.54
3 months to 6 months	3至6個月	3,587,333,365.53	4,290,483,494.50
6 months to 1 year	6個月至1年	832,856,320.45	411,725,923.30
Over 1 year	1年以上	658,543,192.16	634,100,484.18
		30,869,354,934.85	30,654,794,938.52

Accounts payable are non-interest bearing, and are generally settled within three to four months.

應付賬款不計息，並通常在3至4個月內清償。

As at 31 December 2018, there was no accounts payable which was significant and aged over one year (31 December 2017: Nil).

於2018年12月31日，無賬齡一年以上的重要的應付款項(2017年12月31日：無)。

29. Advances from customers

29. 預收款項

		31 December 2018	1 January 2018	31 December 2017
		2018年12月31日	2018年1月1日	2017年12月31日
Advances from customers	預收款項	-	-	5,814,905,624.90

As at 31 December 2018, there was no material advances from customers which aged over one year (31 December 2017: nil).

於2018年12月31日，無賬齡一年以上的的重要預收款項(2017年12月31日：無)。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

30. Payroll payable
201830. 應付職工薪酬
2018年

		Opening balance 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	Closing balance 年末餘額
Short-term remuneration	短期薪酬	4,047,452,935.16	20,377,304,458.58	(19,906,631,672.46)	4,518,125,721.28
Post-employment benefits (defined contribution plan)	離職後福利(設定提存計劃)	458,059,460.95	2,671,546,525.03	(2,641,545,502.36)	488,060,483.62
Severance benefits	辭退福利				
Portion due within 1 year	一年內支付的部分	112,926,637.97	88,474,498.98	(95,898,339.27)	105,502,797.68
Cash-settled share-based payment due within 1 year	一年內到期的 以現金結算的股份支付	168,974,411.10	38,857,735.00	(159,437,847.00)	48,394,299.10
Other long-term payroll due within 1 year	一年內到期的 其他長期職工薪酬	22,891,948.20	142,608,266.88	(140,916,903.57)	24,583,311.51
		4,810,305,393.38	23,318,791,484.47	(22,944,430,264.66)	5,184,666,613.19

2017

2017年

		Opening balance 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	Closing balance 年末餘額
Short-term remuneration	短期薪酬	3,360,957,243.87	19,050,216,379.34	(18,363,720,688.05)	4,047,452,935.16
Post-employment benefits (defined contribution plan)	離職後福利(設定提存計劃)	396,891,852.17	2,506,112,185.16	(2,444,944,576.38)	458,059,460.95
Severance benefits	辭退福利				
Portion due within 1 year	一年內支付的部分	244,764,498.25	27,849,366.89	(159,687,227.17)	112,926,637.97
Cash-settled share-based payment due within 1 year	一年內到期的 以現金結算的股份支付	147,801,950.40	174,108,954.30	(152,936,493.60)	168,974,411.10
Other long-term payroll due within 1 year	一年內到期的 其他長期職工薪酬	18,376,602.00	220,688,311.10	(216,172,964.90)	22,891,948.20
		4,168,792,146.69	21,978,975,196.79	(21,337,461,950.10)	4,810,305,393.38

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Payroll payable (Continued)

Short-term remuneration

2018

五、合併財務報表主要項目註釋(續)

30. 應付職工薪酬(續)

短期薪酬

2018年

		Opening balance 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	Closing balance 年末餘額
Salaries, bonuses, allowances and subsidies	工資、獎金、津貼和補貼	3,208,736,270.82	17,940,069,049.86	(17,541,631,344.66)	3,607,173,976.02
Staff welfare	職工福利費	32,082,584.34	479,747,448.09	(485,958,054.12)	25,871,978.31
Social security	社會保險費	85,581,848.81	1,228,047,318.24	(1,211,055,936.32)	102,573,230.73
Incl: Medical insurance	其中：醫療保險費	61,956,964.00	1,056,888,893.78	(1,047,576,559.31)	71,269,298.47
Work injury insurance	工傷保險費	15,249,450.45	84,755,128.87	(83,898,383.29)	16,106,196.03
Maternity insurance	生育保險費	853,243.64	17,448,948.72	(17,147,968.37)	1,154,223.99
Supplementary medical insurance	補充醫療保險	7,522,190.72	68,954,346.87	(62,433,025.35)	14,043,512.24
Housing funds	住房公積金	22,743,598.85	295,437,341.56	(285,773,530.57)	32,407,409.84
Labor union operating funds and employee education costs	工會經費和職工教育經費	497,853,296.00	158,058,004.34	(94,497,806.42)	561,413,493.92
Other short-term remuneration	其他短期薪酬	200,455,336.34	275,945,296.49	(287,715,000.37)	188,685,632.46
		4,047,452,935.16	20,377,304,458.58	(19,906,631,672.46)	4,518,125,721.28

2017

2017年

		Opening balance 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	Closing balance 年末餘額
Salaries, bonuses, allowances and subsidies	工資、獎金、津貼和補貼	2,656,161,495.05	16,945,370,936.49	(16,392,796,160.72)	3,208,736,270.82
Staff welfare	職工福利費	24,301,210.24	411,246,716.21	(403,465,342.11)	32,082,584.34
Social security	社會保險費	68,950,706.91	1,035,545,860.13	(1,018,914,718.23)	85,581,848.81
Incl: Medical insurance	其中：醫療保險費	58,039,607.35	888,688,631.25	(884,771,274.60)	61,956,964.00
Work injury insurance	工傷保險費	7,306,903.96	80,909,039.36	(72,966,492.87)	15,249,450.45
Maternity insurance	生育保險費	328,196.16	12,607,276.43	(12,082,228.95)	853,243.64
Supplementary medical insurance	補充醫療保險	3,275,999.44	53,340,913.09	(49,094,721.81)	7,522,190.72
Housing funds	住房公積金	14,844,500.60	236,687,015.07	(228,787,916.82)	22,743,598.85
Labor union operating funds and employee education costs	工會經費和職工教育經費	395,756,768.88	159,786,369.77	(57,689,842.65)	497,853,296.00
Other short-term remuneration	其他短期薪酬	200,942,562.19	261,579,481.67	(262,066,707.52)	200,455,336.34
		3,360,957,243.87	19,050,216,379.34	(18,363,720,688.05)	4,047,452,935.16

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

30. Payroll payable (Continued)

30. 應付職工薪酬(續)

Post-employed benefit (defined contribution plan) is presented as follows:

離職後福利(設定提存計劃)如下:

2018

2018年

		Opening balance 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	Closing balance 年末餘額
Basic pension insurance	基本養老保險	391,491,489.28	2,120,449,082.11	(2,107,949,824.56)	403,990,746.83
Unemployment insurance	失業保險費	16,012,883.04	204,740,464.75	(204,653,880.17)	16,099,467.62
Contribution to pension fund	企業年金繳費	50,555,088.63	346,356,978.17	(328,941,797.63)	67,970,269.17
		458,059,460.95	2,671,546,525.03	(2,641,545,502.36)	488,060,483.62

2017

2017年

		Opening balance 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	Closing balance 年末餘額
Basic pension insurance	基本養老保險	335,457,306.14	2,055,136,044.56	(1,999,101,861.42)	391,491,489.28
Unemployment insurance	失業保險費	13,480,163.15	175,773,229.08	(173,240,509.19)	16,012,883.04
Contribution to pension fund	企業年金繳費	47,954,382.88	275,202,911.52	(272,602,205.77)	50,555,088.63
		396,891,852.17	2,506,112,185.16	(2,444,944,576.38)	458,059,460.95

Total remuneration of directors, supervisors, senior management and chief executive officer incurred during the year is presented as follows:

本年度發生董事、監事、高級管理人員及首席執行官酬金總額情況如下:

		2018 2018年	2017 2017年
Fees	袍金	617,548.40	613,214.00
Other emolument:	其他薪酬:		
Wages, allowances and non-cash benefits in kind	工資、津貼和非現金利益金額	28,004,460.06	21,853,673.99
Contribution to pension schemes	養老金計劃供款	897,782.82	623,726.46
Total	合計	29,519,791.28	23,090,614.45

Note: Certain executive directors of the Company are entitled to performance-linked bonus and share-based payment.

註: 本公司的某些執行董事有權取得與績效掛鈎的獎金及股份支付。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Payroll payable (Continued)

Remuneration of independent non-executive directors

Fees paid to independent non-executive directors during the year were as follows:

		2018	2017
		2018年	2017年
Mr. Loh Yih (Note)	盧毅先生(註)	71,848.40	156,114.00
Mr. Zhang Zhenhua	張振華先生	-	29,400.00
Mr. Zhang Zhong	張忠先生	120,000.00	120,000.00
Mr. Wang Gongyong	王貢勇先生	120,000.00	120,000.00
Mr. Li Hongwu	李洪武先生	120,000.00	67,700.00
Mr. Wen Daocai (Note)	聞道才先生(註)	65,700.00	-
Mr. Ning Xiangdong	寧向東先生	120,000.00	120,000.00
Total	合計	617,548.40	613,214.00

Note: Mr. Loh Yih ceased to be a non-executive director of the Company with effect from 14 June 2018. Mr. Wen Daocai became a non-executive director of the Company with effect from 14 June 2018.

30. 應付職工薪酬(續)

獨立非執行董事酬金

年內付予獨立非執行董事的袍金如下：

Remuneration of executive directors, non-executive directors and supervisors

2018

執行董事、非執行董事及監事酬金

2018年

		Wages, allowances and non-cash benefits		Performance-linked bonus	Contribution to pension schemes	Total remuneration
		Fees	工資、津貼及非現金利益金額	績效掛鈎獎金	養老金計劃供款	薪酬總額
Executive directors:	執行董事：					
Mr. Tan Xuguang (Note)	譚旭光先生(註)	-	-	-	57,161.25	57,161.25
Mr. Xu Xinyu	徐新玉先生	-	2,405,300.00	-	57,161.25	2,462,461.25
Mr. Sun Shaojun	孫少軍先生	-	2,370,200.00	-	57,161.25	2,427,361.25
Mr. Zhang Quan	張泉先生	-	2,167,200.00	-	57,161.25	2,224,361.25
Mr. Yuan Hongming	袁宏明先生	-	-	-	-	-
Mr. Yan Jianbo	嚴鑒鉞先生	-	-	-	-	-
		-	6,942,700.00	-	228,645.00	7,171,345.00

Note: Mr. Tan Xuguang is the chairman and chief executive officer of the Company.

註：譚旭光先生為本公司董事長及首席執行官。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

30. Payroll payable (Continued)

Remuneration of executive directors, non-executive directors and supervisors (Continued)
2018 (Continued)

30. 應付職工薪酬(續)

執行董事、非執行董事及監事酬金(續)
2018年(續)

		Fees	Wages, allowances and non-cash benefits	Performance-linked bonus	Contribution to pension schemes	Total remuneration
		袍金	工資、津貼及非現金利益金額	績效掛鈎獎金	養老金計劃供款	薪酬總額
Non-executive directors:		非執行董事：				
Mr. Jiang Kui	江奎先生	-	100,000.00	-	-	100,000.00
Mr. Wang Yuepu	王日普先生	-	100,000.00	-	-	100,000.00
Mr. Michael Macht (Note)	Michael Macht先生(註)	-	72,800.00	-	-	72,800.00
Mr. Gordon Riske	Gordon Riske先生	-	100,000.00	-	-	100,000.00
		-	372,800.00	-	-	372,800.00
Supervisors:		監事：				
Mr. Lu Wenwu	魯文武先生	-	1,363,200.00	-	57,161.25	1,420,361.25
Mr. Wu Hongwei	吳洪偉先生	-	-	-	-	-
Mr. Ma Changhai	馬常海先生	-	909,600.00	-	55,998.33	965,598.33
		-	2,272,800.00	-	113,159.58	2,385,959.58
Senior management:		高級管理人員：				
Mr. Dai Lixin (Note)	戴立新先生(註)	-	1,232,800.00	-	57,161.25	1,289,961.25
Mr. Kwong Kwan Tong	鄺焜堂先生	-	1,495,060.06	-	-	1,495,060.06
Mr. Feng Gang	馮剛先生	-	1,805,400.00	-	57,161.25	1,862,561.25
Mr. Tong Dehui	佟德輝先生	-	1,916,100.00	-	57,161.25	1,973,261.25
Mr. Li Shaohua	李紹華先生	-	1,582,600.00	-	52,044.12	1,634,644.12
Ms. Ren Bingbing	任冰冰女士	-	1,751,900.00	-	52,044.12	1,803,944.12
Mr. Ding Yingdong	丁迎東先生	-	2,011,100.00	-	57,161.25	2,068,261.25
Mr. Hu Haoyan	胡浩然先生	-	1,934,100.00	-	-	1,934,100.00
Mr. Zhang Jiyuan	張紀元先生	-	1,803,300.00	-	57,161.25	1,860,461.25
Mr. Liu Yuanqiang (Note)	劉元強先生(註)	-	1,600,100.00	-	57,161.25	1,657,261.25
Ms. Cao Zhiyue (Note)	曹志月女士(註)	-	1,132,600.00	-	55,961.25	1,188,561.25
Mr. Hao Qinggui (Note)	郝慶貴先生(註)	-	151,100.00	-	52,961.25	204,061.25
		-	18,416,160.06	-	555,978.24	18,972,138.30

Note: Mr. Michael Macht became a non-executive Director with effect from 14 June 2018. Mr. Dai Lixin ceased to be a vice president and the secretary to the Board with effect from 15 October 2018. Mr. Liu Yuanqiang became a vice president of the Company with effect from 1 March 2018. Ms. Cao Zhiyue became a vice president of the Company with effect from 13 July 2018. Mr. Hao Qinggui became the secretary to the Board with effect from 15 October 2018.

註：Michael Macht先生於2018年6月14日開始擔任非執行董事。戴立新先生已於2018年10月15日離任副總裁和董事會秘書。劉元強先生於2018年3月1日開始擔任副總裁。曹志月女士於2018年7月13日開始擔任副總裁。郝慶貴先生於2018年10月15日開始擔任董事會秘書。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Payroll payable (Continued)

Remuneration of executive directors, non-executive directors and supervisors (Continued)

2017

五、合併財務報表主要項目註釋(續)

30. 應付職工薪酬(續)

執行董事、非執行董事及監事酬金(續)

2017年

		Fees	Wages, allowances and non-cash benefits	Performance-linked bonus	Contribution to pension schemes	Total remuneration
		袍金	工資、津貼及非現金利益金額	績效掛鉤獎金	養老金計劃供款	薪酬總額
Executive directors:	執行董事：					
Mr. Tan Xuguang (Note)	譚旭光先生(註)	-	-	-	53,600.49	53,600.49
Mr. Xu Xinyu	徐新玉先生	-	1,991,800.00	-	53,600.49	2,045,400.49
Mr. Li Dakai (Note)	李大開先生(註)	-	800,000.00	-	-	800,000.00
Mr. Sun Shaojun	孫少軍先生	-	2,034,400.00	-	53,600.49	2,088,000.49
Mr. Zhang Quan	張泉先生	-	2,041,800.00	-	53,600.49	2,095,400.49
Mr. Yuan Hongming (Note)	袁宏明先生(註)	-	-	-	-	-
Mr. Yan Jianbo (Note)	嚴鑒鉞先生(註)	-	-	-	-	-
		-	6,868,000.00	-	214,401.96	7,082,401.96

Note: Mr. Tan Xuguang is the chairman and chief executive officer of the Company. Mr. Yuan Hongming and Mr. Yan Jianbo became executive directors of the Company with effect from 8 June 2017, and also took up the role of executive presidents of the Company with effect from 5 September 2017. Mr. Li Dakai ceased to be an executive director of the Company with effect from 29 March 2017, and ceased to be an executive president of the Company with effect from 31 August 2017.

註：譚旭光先生為本公司董事長及首席執行官。袁宏明先生、嚴鑒鉞先生於2017年6月8日開始擔任執行董事，並於2017年9月5日開始擔任執行總裁。李大開先生已於2017年3月29日離任執行董事，並於2017年8月31日離任執行總裁。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

30. Payroll payable (Continued)

Remuneration of executive directors, non-executive directors and supervisors (Continued)
2017 (Continued)

30. 應付職工薪酬(續)

執行董事、非執行董事及監事酬金(續)
2017年(續)

		Fees	Wages, allowances and non-cash benefits	Performance-linked bonus	Contribution to pension schemes	Total remuneration
		袍金	工資、津貼及非現金利益金額	績效掛鈎獎金	養老金計劃供款	薪酬總額
Non-executive directors:	非執行董事：					
Mr. Jiang Kui	江奎先生	-	100,000.00	-	-	100,000.00
Mr. Wang Yuepu	王曰普先生	-	100,000.00	-	-	100,000.00
Mr. Gordon Riske	Gordon Riske先生	-	100,000.00	-	-	100,000.00
		-	300,000.00	-	-	300,000.00
Supervisors:	監事：					
Mr. Lu Wenwu	魯文武先生	-	1,144,700.00	-	53,014.59	1,197,714.59
Mr. Wu Hongwei (Note)	吳洪偉先生(註)	-	-	-	-	-
Ms. Jiang Jianfang (Note)	蔣建芳女士(註)	-	66,700.00	-	-	66,700.00
Mr. Ma Changhai	馬常海先生	-	695,800.00	-	50,000.49	745,800.49
		-	1,907,200.00	-	103,015.08	2,010,215.08
Senior management:	高級管理人員：					
Mr. Dai Lixin	戴立新先生	-	1,128,200.00	-	53,600.49	1,181,800.49
Mr. Kwong Kwan Tong	鄺焜堂先生	-	1,479,873.99	-	-	1,479,873.99
Mr. Feng Gang	馮剛先生	-	1,587,900.00	-	53,528.67	1,641,428.67
Mr. Tong Dehui	佟德輝先生	-	1,303,500.00	-	53,449.92	1,356,949.92
Mr. Zhou Chongyi (Note)	周崇義先生(註)	-	210,000.00	-	-	210,000.00
Mr. Li Shaohua	李紹華先生	-	1,251,900.00	-	19,264.68	1,271,164.68
Ms. Ren Bingbing	任冰冰女士	-	1,222,600.00	-	19,264.68	1,241,864.68
Mr. Ding Yingdong	丁迎東先生	-	1,333,100.00	-	53,600.49	1,386,700.49
Mr. Hu Haoyan	胡浩然先生	-	1,716,100.00	-	-	1,716,100.00
Mr. Zhang Jiyuan	張紀元先生	-	1,545,300.00	-	53,600.49	1,598,900.49
		-	12,778,473.99	-	306,309.42	13,084,783.41

Note: Mr. Wu Hongwei became a supervisor of the Company with effect from 30 August 2017. Ms. Jiang Jianfang ceased to be a supervisor of the Company with effect from 30 August 2017. Mr. Zhou Chongyi ceased to be a vice president of the Company with effect from 28 April 2017.

註：吳洪偉先生於2017年8月30日開始擔任監事。蔣建芳女士已於2017年8月30日離任監事。周崇義先生已於2017年4月28日離任副總裁。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Payroll payable (Continued)

Highest payments to employees

The five highest paid employees during the year included one director (2017: one director), details of whose remuneration are set out above. Details of the remuneration of the remaining four (2017: four) non-director and non-supervisor, highest paid employees for the year are as follows:

		2018	2017
		2018年	2017年
Wages, allowances and non-cash benefits	工資、津貼和 非現金利益金額	22,111,808.60	17,611,886.40
Performance-linked bonus	績效掛鈎獎金	8,521,364.60	9,393,514.80
Cash-settled share option expenses	以現金結算的股份期權費用	(8,068,349.80)	35,246,665.20
Contribution to pension schemes	養老金計劃供款	2,085,430.20	3,441,490.80
		24,650,253.60	65,693,557.20

The number of non-director and non-supervisor, highest paid employees whose remuneration fell within the following bands is as follows:

薪酬介於下列範圍的非董事及非監事最高薪酬僱員的人數如下：

		2018	2017
		2018年	2017年
Nil to RMB1,000,000	零至人民幣1,000,000元	-	-
RMB3,000,001 to RMB3,500,000	人民幣3,000,001元至 人民幣3,500,000元	-	1
RMB4,500,001 to RMB5,000,000	人民幣4,500,001元至 人民幣5,000,000元	1	-
RMB5,000,001 to RMB5,500,000	人民幣5,000,001元至 人民幣5,500,000元	1	-
RMB6,000,001 to RMB6,500,000	人民幣6,000,001元至 人民幣6,500,000元	1	-
RMB8,500,001 to RMB9,000,000	人民幣8,500,001元至 人民幣9,000,000元	1	-
RMB11,500,001 to RMB12,000,000	人民幣11,500,001元至 人民幣12,000,000元	-	1
RMB22,000,001 to RMB22,500,000	人民幣22,000,001元至 人民幣22,500,000元	-	1
RMB28,000,001 to RMB28,500,000	人民幣28,000,001元至 人民幣28,500,000元	-	1

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Payroll payable (Continued)

Highest payments to employees (Continued)

The number of senior management whose remuneration fell within the following bands is as follows:

		2018	2017
		2018年	2017年
Nil to RMB1,000,000	零至人民幣1,000,000元	1	1
RMB1,000,001 to RMB1,500,000	人民幣1,000,001元至 人民幣1,500,000元	3	6
RMB1,500,001 to RMB2,000,000	人民幣1,500,001元至 人民幣2,000,000元	7	3
RMB2,000,001 to RMB2,500,000	人民幣2,000,001元至 人民幣2,500,000元	1	-

31. Taxes payable

31. 應交稅費

		31 December 2018	1 January 2018 and 31 December 2017
		2018年12月31日	2018年1月1日及 2017年12月31日
Corporate income tax	企業所得稅	1,285,612,434.69	1,543,088,566.82
Value-added tax	增值稅	848,008,328.66	681,877,198.39
Individual income tax	個人所得稅	225,248,076.47	257,630,025.18
Property tax	房產稅	16,868,256.01	18,426,617.01
Stamp duty	印花稅	12,628,700.49	15,120,039.70
Land use tax	土地使用稅	11,994,962.25	15,450,670.55
City construction tax	城建稅	6,936,202.42	5,502,891.22
Educational surtax	教育費附加	5,303,372.75	3,990,803.55
Other taxes	其他稅項	94,194,308.63	159,171,893.64
		2,506,794,642.37	2,700,258,706.06

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Other payables

32. 其他應付款

		31 December 2018 2018年12月31日	1 January 2018 2018年1月1日	31 December 2017 2017年12月31日
Interests payable	應付利息	101,293,322.06	95,394,487.50	95,394,487.50
Dividends payable	應付股利	295,006,756.48	207,460,650.87	207,460,650.87
Other payables	其他應付款	6,105,873,014.18	4,912,031,465.55	7,723,245,808.19
		6,502,173,092.72	5,214,886,603.92	8,026,100,946.56
Interests payable	應付利息			
Interests on medium-term notes	中期票據利息	28,310,900.31	26,954,508.38	26,954,508.38
Interests on borrowings	借款利息	72,982,421.75	68,439,979.12	68,439,979.12
		101,293,322.06	95,394,487.50	95,394,487.50
Dividends payable	應付股利			
Dividends payable to minority shareholders of subsidiaries	應付子公司少數股東股利	235,721,872.26	151,016,140.79	151,016,140.79
Coupon interest on perpetual bonds payable (Note 1)	應付永續債票息(註1)	59,284,884.22	56,444,510.08	56,444,510.08
		295,006,756.48	207,460,650.87	207,460,650.87
		31 December 2018 2018年12月31日	1 January 2018 2018年1月1日	31 December 2017 2017年12月31日
Other payables	其他應付款			
Sales discount	銷售折讓	717,852,252.23	-	2,806,603,102.35
Guarantees and deposit	保證金及押金	1,918,503,603.48	2,429,156,446.19	2,429,156,446.19
Payables for purchase of construction and fixed assets	應付工程款及固定資產採購款	360,512,406.31	622,779,150.47	622,779,150.47
After-sales expenses and repair and maintenance expenses	三包及修理維護費	375,407,604.95	482,901,056.33	482,901,056.33
Technology development expenses	技術開發費	321,350,415.35	18,048,633.64	18,048,633.64
Commissions	佣金	247,526,444.86	184,967,215.16	184,967,215.16
Land facility fee and land premiums	土地配套費及土地款	137,033,794.39	137,039,104.43	137,039,104.43
Transportation expenses	運費	94,178,369.00	68,668,537.42	68,668,537.42
Others	其他	1,933,508,123.61	968,471,321.91	973,082,562.20
		6,105,873,014.18	4,912,031,465.55	7,723,245,808.19

Note 1: On 31 December 2018, Weichai International Hong Kong Energy Group Co., Limited, a subsidiary of the Company, confirmed the distribution of coupon interest in the amount of RMB59,284,884.22 to holders of perpetual bonds on 14 March 2019, as stipulated in relevant agreements.

As at 31 December 2018, there was no other payables in significant amount aging over 1 year (31 December 2017: Nil).

註1: 於2018年12月31日, 本公司之子公司濰柴國際(香港)能源集團有限公司按照相關協議約定, 計提將於2019年3月14日向永續債持有者派發的永續債票息人民幣59,284,884.22元。

於2018年12月31日, 無賬齡一年以上的重要的其他應付款(2017年12月31日: 無)。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

33. Non-current liabilities due within one year

33. 一年內到期的非流動負債

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Long-term payable due within one year	一年內到期的長期應付款	5,029,290,418.61	3,838,848,634.50
Long-term borrowings due within one year	一年內到期的長期借款	1,869,408,950.00	1,757,402,500.00
		6,898,699,368.61	5,596,251,134.50
Include:	其中：		
Credit loans	信用借款	1,777,413,450.00	1,747,402,500.00
Mortgage loans (Note V. 35, Notes 1, 2)	抵押借款 (附註五、35、註1、2)	90,995,500.00	10,000,000.00
Other loans (Note V. 35, Note 4)	其他借款 (附註五、35、註4)	1,000,000.00	-

34. Other current liabilities

34. 其他流動負債

		31 December 2018 2018年12月31日	1 January 2018 2018年1月1日	31 December 2017 2017年12月31日
Product quality assurance deposit	產品質量保證金	3,093,569,889.51	3,047,633,625.09	3,047,633,625.09
Deferred income	遞延收益			
(portion due within one year)	(一年內到期部分)	199,815,799.90	211,965,084.10	594,340,202.50
Operating finance lease loans	經營性融資租賃借款	2,411,828,418.50	668,859,969.80	668,859,969.80
Others	其他	616,401,042.15	540,862,691.72	540,862,691.72
		6,321,615,150.06	4,469,321,370.71	4,851,696,489.11

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Long-term borrowings

五、合併財務報表主要項目註釋(續)

35. 長期借款

		31 December 2018	1 January 2018 and 31 December 2017
		2018年12月31日	2018年1月1日及 2017年12月31日
Credit loans	信用借款	10,011,535,482.40	14,994,076,977.90
Mortgage loans (Notes 1,2)	抵押借款(註1、2)	548,976,751.45	684,517,751.45
Guaranteed loans (Note 3)	擔保借款(註3)	200,000,000.00	-
Other loans (Note 4)	其他借款(註4)	148,000,000.00	-
		10,908,512,233.85	15,678,594,729.35

Long-term borrowings are classified according to dates of maturity as follows:

長期借款按到期日劃分如下：

		31 December 2018	1 January 2018 and 31 December 2017
		2018年12月31日	2018年1月1日及 2017年12月31日
Due within 1 year	1年內到期	1,869,408,950.00	1,757,402,500.00
Due within 1 to 2 years	1到2年內到期	2,808,386,962.40	2,972,878,811.20
Due within 2 to 5 years	2到5年內到期	7,941,125,271.45	12,534,448,166.70
Due over 5 years	5年以上	159,000,000.00	171,267,751.45
		12,777,921,183.85	17,435,997,229.35
Less: Long-term borrowings classified as due within one year	減：分類為一年內到期的長期借款	1,869,408,950.00	1,757,402,500.00
		10,908,512,233.85	15,678,594,729.35

As at 31 December 2018, the loans above carried interest at rates ranging from 1.2% to 5.047% per annum (31 December 2017: 1.1% to 5.047%).

於2018年12月31日，上述借款的年利率為1.2%~5.047% (2017年12月31日：1.1%~5.047%)。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Long-term borrowings (Continued)

Note 1: An amount of RMB528,976,751.45 under long-term borrowings (31 December 2017: RMB674,517,751.45) was loan provided to Weichai (Chongqing) Automotive Co., Ltd., a subsidiary of the Company, from the Chongqing Branch of China Construction Bank Corporation and Shandong Heavy Industry Group Finance Co., Ltd., and secured by the assets under phase one light-duty vehicle project of the company, as stipulated in the loan agreement. As at 31 December 2018, the assets already invested by the company in the project included fixed assets with a carrying amount of RMB471,146,646.01 and intangible assets with a carrying amount of RMB247,596,065.82; the intangible assets had been pledged and mortgage in respect of the fixed assets had not been registered. The long-term borrowings will mature on 20 September 2024. Non-current liabilities in the amount of RMB90,995,500.00 due within one year will mature on 21 December 2019.

Note 2: Mortgage loans amounting to RMB20,000,000.00 under long-term borrowings (31 December 2017: mortgage loans amounting to RMB10,000,000.00 under long-term borrowings and amounting to RMB10,000,000.00 under non-current liabilities due within one year) were loans provided to Shaanxi Jinding Casting Co., Ltd., a subsidiary of the Company, from Rural Credit Cooperative of Qishan County, Shaanxi Province, and secured by machinery and equipment with a carrying amount of RMB53,628,805.63.

Note 3: Guaranteed loans amounting to RMB200,000,000.00 under long-term borrowings (31 December 2017: Nil) represented guarantee provided to Shaanxi Heavy-duty Motor Co., Ltd., a subsidiary of the Company, from the Shaanxi branch of the Bank of Communications.

Note 4: The loans amounting to RMB148,000,000.00 under long-term borrowings and amounting to RMB1,000,000.00 under non-current liabilities due within one year (31 December 2017: nil) were loans provided to Shaanxi Fast Gear Co., Ltd., a subsidiary of the Company, from CDB Capital Co., Ltd., and the loan agreed in the loan agreement were used in medium-duty and light-duty gear boxes and new energy transmission system projects. The RMB148,000,000.00 under long-term borrowings will mature on 22 October 2030 and the RMB1,000,000.00 under non-current liabilities due within one year will mature on 21 September 2019.

五、合併財務報表主要項目註釋(續)

35. 長期借款(續)

註1：長期借款中人民幣528,976,751.45元(2017年12月31日：人民幣674,517,751.45元)為中國建設銀行股份有限公司重慶市分行與山東重工集團財務有限公司向本公司之子公司濰柴(重慶)汽車有限公司提供貸款，借款協議約定以公司輕型車一期項目資產作為抵押。截至2018年12月31日，公司該項目已投資的資產包括賬面價值人民幣471,146,646.01元的固定資產和人民幣247,596,065.82元的無形資產，無形資產已辦理抵押，固定資產尚未辦理抵押登記。該筆長期借款將於2024年9月20日到期，人民幣90,995,500.00元的一年內到期的非流動負債將於2019年12月21日到期。

註2：長期借款中人民幣20,000,000.00元的抵押借款(2017年12月31日：長期借款人民幣10,000,000.00元，一年內到期的非流動負債10,000,000.00元)為陝西省岐山縣農村信用合作聯社向本公司之子公司陝西金鼎鑄造有限公司提供貸款，以賬面價值人民幣53,628,805.63元的機器設備用於抵押。

註3：長期借款中人民幣200,000,000.00元的擔保借款(2017年12月31日：無)為交通銀行陝西省分行向本公司之子公司陝西重型汽車有限公司提供擔保。

註4：長期借款中人民幣148,000,000.00元及一年內到期的非流動負債中人民幣1,000,000.00元(2017年12月31日：無)為國開發基金有限公司向本公司之子公司陝西法士特齒輪有限責任公司提供貸款，借款協議約定該筆借款用於中輕型變速器及新能源傳動系統項目。該人民幣148,000,000.00元的長期借款將於2030年10月22日到期，人民幣1,000,000.00元的一年內到期的非流動負債將於2019年9月21日到期。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

36. Bonds payable

As at 31 December 2018, balance of bonds payable are listed as follows:

		Issuing date	Bond period	Issued amount	At the beginning of year	Issued this year	Accrued interest this year	Fair value hedging adjustments	Amortisation	Exchange gains or losses	Repaid this year	At the end of year	Note
	面值	發行日期	債券期限	發行金額	年初餘額	本年發行	本年計提利息	套期調整	折溢攤銷	匯兌損益	本年償還	年末餘額	註
Medium-term notes	中期票據	2017-2-21	Note (1) 註(1)	7,344,731,360.00	7,859,147,557.80	-	89,805,248.90	-	4,608,254.00	49,273,173.00	-	7,913,028,984.80	(1)
Medium-term notes	中期票據	2018.6月	7 years 7年	1,500,359,700.00	-	1,500,359,700.00	10,240,726.50	53,291,014.30	242,128.60	61,764,212.21	-	1,615,657,055.11	(2)
Corporate bonds	企業債券	2015-9-30	5 years 5年	2,522,317,954.03	2,600,632,526.27	-	128,466,366.57	-	4,886,091.96	130,815,417.13	-	2,736,334,035.36	(3)
Total	合計				10,459,780,084.07	1,500,359,700.00	228,512,341.97	53,291,014.30	9,736,474.56	241,852,802.34	-	12,265,020,075.27	

36. 應付債券

於2018年12月31日，應付債券餘額列示如下：

As at 31 December 2017, balance of bonds payable are listed as follows:

		Issuing date	Bond period	Issued amount	At the beginning of year	Issued this year	Accrued interest this year	Amortisation	Exchange gains or losses	Repaid this year	At the end of year	Note
	面值	發行日期	債券期限	發行金額	年初餘額	本年發行	本年計提利息	折溢攤銷	匯兌損益	本年償還	年末餘額	註
Medium-term notes	中期票據	2017-2-21	Note (1) 註(1)	7,344,731,360.00	-	7,344,731,360.00	93,210,222.00	3,746,722.80	510,669,475.00	-	7,859,147,557.80	(1)
Corporate bonds	企業債券	2015-9-30	5 years 5年	2,522,317,954.03	2,756,201,597.01	-	116,055,373.41	4,559,923.41	(160,128,994.15)	-	2,600,632,526.27	(3)
Total	合計				2,756,201,597.01	7,344,731,360.00	209,265,595.41	8,306,646.21	350,540,480.85	-	10,459,780,084.07	

於2017年12月31日，應付債券餘額列示如下：

- (1) KION GROUP AG, a subsidiary of the Company, issued medium-term notes with total par value of EUR1,010 million on 21 February 2017, which will mature in May 2022, April 2024 and April 2027, at floating interest rate based on EURIBOR (Euro Interbank Offered Rate).
- (2) KION GROUP AG, a subsidiary of the Company, issued medium-term notes with total par value of EUR200 million in June 2018 with bond period of 7 years. Nominal amount of EUR100 million of such notes are at floating interest rate based on EURIBOR while the other nominal amount of EUR100 million are at fixed interest rate.
- (3) Weichai International Hong Kong Energy Group Co., Limited, a subsidiary of the Company, issued medium-term notes with registered amount of USD400 million on 30 September 2015, nominal interest rate of 4.125%, maturity of 5 years and interest payable at every six months.

- (1) 本公司之子公司KION GROUP AG，於2017年2月21日發行票面總額為10.1億歐元的中期票據，分別於2022年5月、2024年4月和2027年4月到期，利率為以EURIBOR(歐元銀行同業拆借利率)為基準的浮動利率。
- (2) 本公司之子公司KION GROUP AG，於2018年6月發行票面總額為2億歐元的中期票據，債券期限為7年，該票據中1億歐元面額利率為以EURIBOR(歐元銀行同業拆借利率)為基準的浮動利率，另1億歐元面額利率為固定利率。
- (3) 本公司之子公司濰柴國際(香港)能源集團有限公司，於2015年9月30日發行註冊資金為4億美元的企業債券，票面利率為4.125%，債券期限為5年，付息頻率為6個月。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

37. Long-term payables

Long-term payables

37. 長期應付款

長期應付款

		31 December 2018	1 January 2018 and 31 December 2017
		2018年12月31日	2018年1月1日及 2017年12月31日
Government grants for national debt projects	國債項目政府撥款	5,500,000.00	5,500,000.00
Rental payable for sale and leaseback	應付售後租回租賃款	6,618,985,672.90	6,227,780,255.40
Finance lease payables	融資租賃應付款	3,242,418,039.70	2,982,756,871.60
Other financial liabilities	其他金融負債	-	2,395,306.10
Special payables	專項應付款	28,515,822.60	23,000,000.00
		9,895,419,535.20	9,241,432,433.10

		31 December 2018	1 January 2018 and 31 December 2017
		2018年12月31日	2018年1月1日及 2017年12月31日
Long-term payables	長期應付款		
Due within 1 year or on demand	1年內到期或隨時要求償付	5,029,290,418.61	3,838,848,634.50
Due within 2 years	2年內到期	3,399,364,465.62	3,886,718,526.21
Due within 3 to 5 years (inclusive)	3年到5年內到期(含3年和5年)	5,795,444,094.64	4,916,000,182.09
Due over 5 years	5年以上	672,095,152.34	415,713,724.80
		14,896,194,131.21	13,057,281,067.60
Less: Long-term payables classified as due within one year	減：分類為一年內到期的 長期應付款	5,029,290,418.61	3,838,848,634.50
		9,866,903,712.60	9,218,432,433.10

As at 31 December 2018, the balance of unrecognized finance costs in finance lease payables amounted to RMB1,191,104,566.08 (31 December 2017: RMB839,543,441.76).

於2018年12月31日，融資租賃應付款中未確認融資費用的餘額為人民幣1,191,104,566.08元(2017年12月31日：人民幣839,543,441.76元)。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Long-term payables
Special payables

2018

		At year- beginning 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	At year-end 年末餘額
Interest subsidy for liquid fund granted by provincial finance office	省財政廳撥付的流動 資金貸款貼息	23,000,000.00	-	-	23,000,000.00
Compensation for relocation	拆遷補償款	-	5,515,822.60	-	5,515,822.60
		23,000,000.00	5,515,822.60	-	28,515,822.60

2017

		At year- beginning 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	At year-end 年末餘額
Interest subsidy for liquid fund granted by provincial finance office	省財政廳撥付的流動 資金貸款貼息	23,000,000.00	-	-	23,000,000.00
National debt special fund – establishment of key industry revitalization and technological renovation projects	國債專項資金 – 重點 產業振興和技術 改造項目建設	20,000,000.00	-	20,000,000.00	-
		43,000,000.00	-	20,000,000.00	23,000,000.00

五、合併財務報表主要項目註釋(續)

37. 長期應付款
專項應付款

2018年

2017年

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Long-term payroll payable

五、合併財務報表主要項目註釋(續)

38. 長期應付職工薪酬

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Defined benefit obligations	設定受益義務	9,069,002,084.84	8,702,957,010.83
Long-term severance benefits	長期辭退福利	109,201,663.32	122,580,290.88
Cash-settled share-based payments	以現金結算的股份支付	41,370,965.60	138,108,512.30
Other long-term payroll payable	其他長期職工薪酬	360,483,018.37	273,127,243.01
		9,580,057,732.13	9,236,773,057.02

Defined benefit obligations

The Group operates defined benefit schemes for its staff in some overseas subsidiaries who meet conditions. The scheme requires that contribution be made to an independently administered fund. Under the scheme, staff are entitled to enjoy retirement benefit provided for under defined benefit of the plans.

The Group's defined benefit scheme is one requiring contribution prior to termination of service. The scheme requires that contribution be made to an independently administered fund. The scheme is administered by an independent trustee in the legal form of a fund. The assets held under the fund is held separately with assets of the Group. The trustee is responsible for the investment strategies of the scheme.

The trustee assesses the level of capital of the scheme. The assessment includes asset-liabilities matching strategies and investment risk management strategies. The trustee determines the amount to be deployed based on the result of its annual assessment. The investment portfolio is composed of 19% equity instrument investment, 58% debt instrument investment, 5% insurance business and 18% real estate.

The scheme is exposed to interest rate risk, risk of change of anticipated age of beneficiaries of the pension, and risks of the securities market.

The latest actuarial valuation of the assets under the scheme and the present value of the defined benefit obligations are determined by using the projected unit credit method.

設定受益義務

本集團部分境外子公司為符合條件的員工運作若干設定受益計劃，該計劃要求向獨立管理的基金繳存費用。在該計劃下，員工有權享受設定受益計劃約定的退休福利。

本集團的設定受益計劃是離職前薪水退休金計劃，該計劃要求向獨立管理的基金繳存費用。該計劃以基金為法律形式，並由獨立受托人進行管理，其持有的資產與本集團的資產單獨分開。受托人負責確定該計劃的投資策略。

受托人審核計劃的資金水平。該審核包括資產－負債匹配策略和投資風險管理策略。受托人根據年度審核的結果決定應繳存額。投資組合由19%的權益工具投資、58%的債務工具投資、5%的保險業務和18%的房地產等混合而成。

該計劃受利率風險、退休金受益人的預期壽命變動風險和證券市場風險的影響。

該計劃資產的最近精算估值和設定受益義務的現值使用預期累積福利單位法確定。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Long-term payroll payable (Continued)

Defined benefit obligations (Continued)

The following table sets out the key actuarial assumptions used as at the balance sheet date:

		2018 2018年	2017 2017年
Discount rate (%)	折現率(%)	1.43%-4.25%	1.41%-3.60%
Expected growth rate of future pension expenses (%)	預期未來退休金費用增長率(%)	0.00%-4.12%	0.00%-3.40%
Expected rate of salary increment (%)	預期薪金增長率(%)	0.26%-4.25%	0.00%-4.25%

The actuarial valuation illustrates that the market value of assets under the scheme is RMB6,119,650,690.75 (31 December 2017: RMB6,182,857,501.63). Such actuarial valuation of assets accounts for 41% of the benefit provided for qualifying staff.

The following table shows the quantitative sensitivity analysis of key assumptions used:

2018

		Increase/(decrease) of defined benefit obligations		Increase/(decrease) of defined benefit obligations	
		Increase 增加	Decrease 減少	Increase 增加	Decrease 減少
Discount rate	折現率	1.00%	(2,896,779,634.51)	1.00%	4,044,585,539.86
Future growth of salary	未來薪金增長	0.50%	983,664,433.93	0.50%	(984,461,256.62)
Future growth of pension expenses	未來退休金費用增長	0.25%	1,165,395,009.75	0.25%	(1,135,204,167.56)

2017

		Increase/(decrease) of defined benefit obligations		Increase/(decrease) of defined benefit obligations	
		Increase 增加	Decrease 減少	Increase 增加	Decrease 減少
Discount rate	折現率	1.00%	(2,800,490,672.88)	1.00%	3,903,322,979.56
Future growth of salary	未來薪金增長	0.50%	936,732,044.44	0.50%	(911,429,747.30)
Future growth of pension expenses	未來退休金費用增長	0.25%	1,119,790,395.07	0.25%	(1,079,258,179.98)

五、合併財務報表主要項目註釋(續)

38. 長期應付職工薪酬(續)

設定受益義務(續)

下表為資產負債表日所使用的主要精算假設：

精算估值顯示計劃資產的市值為人民幣6,119,650,690.75元(2017年12月31日：人民幣6,182,857,501.63元)，且這些資產的精算價值佔為符合條件員工計提的福利的41%。

下表為所使用的重大假設的定量敏感性分析：

2018年

2017年

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Long-term payroll payable (Continued)
Defined benefit obligations (Continued)

The aforesaid sensitivity analysis is the judgment made to the effect on the net amount of defined benefit based on the reasonable changes occurring on the balance sheet date upon certain key assumptions. Sensitivity analysis is conducted based on the changes in significant assumptions with all other assumptions remaining unchanged. Since the changes in assumptions are not independent from each other, sensitivity analysis may not represent the actual changes in the defined benefit obligations.

Scheme recognized in the profit and loss is set out below:

		2018 2018年	2017 2017年
Current cost of service	當期服務成本	329,308,470.82	311,859,616.88
Historical cost of service	過去服務成本	10,622,416.00	(694,402.80)
Interest expenses	利息淨額	162,752,334.92	166,215,124.09
Net amount of the cost of post-employment benefit	離職後福利成本淨額	502,683,221.74	477,380,338.17
Debited to cost of sales	計入營業成本	188,024,573.80	183,162,092.40
Debited to distribution and selling expenses	計入銷售費用	51,799,899.20	49,600,200.00
Debited to general and administrative expenses	計入管理費用	77,339,687.90	57,219,677.18
Debited to research & development expenses	計入研發費用	21,502,581.80	21,183,244.50
Debited to finance expenses	計入財務費用	164,016,479.04	166,215,124.09
		502,683,221.74	477,380,338.17

五、合併財務報表主要項目註釋(續)

38. 長期應付職工薪酬(續)
設定受益義務(續)

上述敏感性分析，系根據關鍵假設在資產負債表日發生合理變動時對設定受益淨額的影響的推斷。敏感性分析，是在其他假設保持不變的前提下，根據重大假設的變動作出的。由於因為假設的變化往往並非彼此孤立，敏感性分析可能不代表設定受益義務的實際變動。

在損益中確認的有關計劃如下：

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Long-term payroll payable (Continued)
Defined benefit obligations (Continued)

The change in defined benefit obligations and the change in fair value of assets under the scheme are as follows:

2018

		Present value of defined benefit scheme obligations 設定受益計劃義務現值	Fair value of assets under the scheme 計劃資產公允價值	Net liabilities/ (Net assets) of defined benefit scheme 設定受益計劃淨負債/(淨資產)
Opening balance	年初餘額	14,696,928,631.76	(6,182,857,501.63)	8,514,071,130.13
Accounted for profit or loss in the current period	計入當期損益			
Cost of services	服務成本	339,930,886.82	-	339,930,886.82
Net interest	利息淨額	313,992,121.10	(151,239,786.18)	162,752,334.92
Accounted for other comprehensive income	計入其他綜合收益			
Actuarial gains or losses	精算利得或損失	(222,188,953.03)	(582,638.48)	(222,771,591.51)
Return on assets under the scheme (net of amount included in net interest)	計劃資產回報 (計入利息淨額的除外)	-	242,660,984.71	242,660,984.71
Adjustment for exchange differences	匯兌差額調整	(702,430.81)	-	(702,430.81)
Benefits paid	已支付的福利	(388,806,747.59)	250,419,028.85	(138,387,718.74)
Contribution from employers	僱主繳存	(838,104.01)	(156,491,926.20)	(157,330,030.21)
Other changes	其他變動	189,312,631.45	(121,558,851.82)	67,753,779.63
Closing balance	年末餘額	14,927,628,035.69	(6,119,650,690.75)	8,807,977,344.94 (註)(Note)

Note: In 2018, the assets under the scheme amounted in aggregate to RMB261,024,739.90 to be under other non-current assets.

註：2018年計劃資產中有共計人民幣261,024,739.90元在其他非流動資產中核算。

五、合併財務報表主要項目註釋(續)

38. 長期應付職工薪酬(續)
設定受益義務(續)

設定受益義務變動和計劃資產公允價值變動如下：

2018年

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

38. Long-term payroll payable (Continued)
Defined benefit obligations (Continued)
201738. 長期應付職工薪酬(續)
設定受益義務(續)
2017年

		Present value of defined benefit scheme obligations 設定受益計劃 義務現值	Fair value of assets under the scheme 計劃資產 公允價值	Net liabilities/ (Net assets) of defined benefit scheme 設定受益計劃 淨負債/(淨資產)
Opening balance	年初餘額	13,803,168,602.96	(5,830,951,970.18)	7,972,216,632.78
Business combinations not involving entities under common control	非同一控制下企業合併	3,660,706.80	-	3,660,706.80
Accounted for profit or loss in the current period	計入當期損益			
Cost of services	服務成本	311,165,214.08	-	311,165,214.08
Net interest	利息淨額	313,342,628.86	(147,127,504.77)	166,215,124.09
Accounted for other comprehensive income	計入其他綜合收益			
Actuarial gains or losses	精算利得或損失	55,453,451.14	(3,499,339.82)	51,954,111.32
Return on assets under the scheme (net of amount included in net interest)	計劃資產回報 (計入利息淨額的除外)	-	(264,622,806.80)	(264,622,806.80)
Adjustment for exchange differences	匯兌差額調整	(11,305,532.74)	-	(11,305,532.74)
Benefits paid	已支付的福利	(362,340,593.23)	225,497,456.83	(136,843,136.40)
Contribution from employers	僱主繳存	(9,591,283.65)	(72,659,704.17)	(82,250,987.82)
Other changes	其他變動	593,375,437.54	(89,493,632.72)	503,881,804.82
Closing balance	年末餘額	14,696,928,631.76	(6,182,857,501.63)	8,514,071,130.13 (Note) (註)

Note: In 2017, the assets under the scheme amounted in aggregate to RMB188,885,880.70 to be under other non-current assets.

註：2017年計劃資產中有共計人民幣188,885,880.70元在其他非流動資產中核算。

Fair value of assets under the scheme is mainly classified as follows:

計劃資產公允價值的主要分類如下：

		31 December 2018 2018年12月1日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Stocks	股票	1,182,423,057.45	1,288,016,254.34
Bonds	債券	3,572,513,231.41	3,798,988,533.16
Real estates	房地產	121,205,743.69	97,743,486.63
Insurance	保險	281,733,764.60	361,184,071.60
Others	其他	961,774,893.60	636,925,155.90

The assets under the scheme comprise neither ordinary shares nor debentures of the Company nor real estates occupied by the Group.

計劃資產無本公司普通股、債券，也無由本集團佔用的房地產。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Long-term payroll payable (Continued)

Defined benefit obligations (Continued)

It is anticipated that the contribution to be made to the defined benefit obligations within the next 12 months will amount to RMB429,335,745.56.

The average term of the defined benefit obligations as at the balance sheet date is 12.9 to 22.58 years (31 December 2017: 14.1 to 22.2 years).

39. Provisions

2018

		Opening Balance 年初金額	Increase during year 本年增加	Decrease during year 本年減少	Adjustment for exchange differences 匯兌差額調整	Closing balance 年末餘額
Product quality assurance deposit	產品質量保證金	170,246,186.00	42,302,209.60	(28,946,083.60)	691,528.50	184,293,840.50
Pending litigation	未決訴訟	60,491,231.90	22,721,035.40	(3,905,300.00)	(394,518.50)	78,912,448.80
Guarantee provided to external parties	對外提供擔保	20,410,816.80	1,554,309.40	(5,287,776.20)	(119,547.00)	16,557,803.00
Debt restructuring	債務重組	4,213,242.00	-	(3,991,216.60)	5,546.30	227,571.70
Others	其他	89,561,570.00	31,989,918.80	(36,978,383.40)	414,701.80	84,987,807.20
		344,923,046.70	98,567,473.20	(79,108,759.80)	597,711.10	364,979,471.20

40. Deferred income

		31 December 2018 2018年12月31日	1 January 2018 2018年1月1日	31 December 2017 2017年12月31日
Government grant	政府補助	1,754,505,236.70	1,282,880,662.98	1,282,880,662.98
Deferred income of indirect leasing business	間接租賃業務之遞延收益	257,901,514.50	271,871,143.50	271,871,143.50
Deferred income of sale and leaseback sub-leases	售後租回再轉租業務之遞延收益	1,043,785,067.60	1,261,686,526.10	1,261,686,526.10
Deferred income of forklift truck services	叉車服務對應之遞延收益	-	-	264,903,689.60
Others	其他	-	-	40,322,286.40
		3,056,191,818.80	2,816,438,332.58	3,121,664,308.58

五、合併財務報表主要項目註釋(續)

38. 長期應付職工薪酬(續)

設定受益義務(續)

預計未來12個月內將向設定受益義務做出的繳存額為人民幣429,335,745.56元。

資產負債表日的設定受益義務的平均期限是12.9至22.58年(2017年12月31日: 14.1至22.2年)。

39. 預計負債

2018年

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Deferred income (Continued)

As at 31 December 2018, the liability items related to government grant are as follows:

		Opening balance	Increase during the year	Credited to other income during the year	Other decrease	Closing balance	Related to assets/income
		年初金額	本年新增	本年計入其他收益	其他減少	年末餘額	與資產/收益相關
Land-related government grant	與土地相關的政府補助	817,871,760.31	160,738,572.89	(22,123,407.43)	-	956,486,925.77	Related to assets 與資產相關
Special funds for industry revitalization and technological renovation	產業振興和技改專項資金	329,270,758.60	177,120,763.78	(33,040,750.53)	(3,447,040.00)	469,903,731.85	Related to assets 與資產相關
Special assistance fund	專項補助資金	23,604,155.73	72,390,510.48	(1,620,682.60)	-	94,373,983.61	Related to assets 與資產相關
National debt special fund	國債專項資金	9,904,347.32	-	(1,992,202.80)	(1,935,536.13)	5,976,608.39	Related to assets 與資產相關
Position-based allowances for project teams	項目人才團隊崗位津貼等	99,820,566.55	171,864,825.76	(46,227,338.63)	-	225,458,053.68	Related to income 與收益相關
Others	其他	2,409,074.47	-	(103,141.07)	-	2,305,933.40	Related to assets 與資產相關
		1,282,880,662.98	582,114,672.91	(105,107,523.06)	(5,382,576.13)	1,754,505,236.70	

As at 31 December 2017, the liability items related to government grant are as follows:

		Opening balance	Increase during the year	Credited to other income during the year	Other decrease	Closing balance	Related to assets/income
		年初金額	本年新增	本年計入其他收益	其他減少	年末餘額	與資產/收益相關
Land-related government grant	與土地相關的政府補助	781,178,886.58	60,488,883.99	(23,796,010.26)	-	817,871,760.31	Related to assets 與資產相關
Special funds for industry revitalization and technological renovation	產業振興和技改專項資金	237,653,157.89	112,950,000.00	(21,332,399.29)	-	329,270,758.60	Related to assets 與資產相關
Special assistance fund	專項補助資金	12,477,130.71	11,343,400.00	(216,374.98)	-	23,604,155.73	Related to assets 與資產相關
National debt special fund	國債專項資金	9,961,013.99	-	(56,666.67)	-	9,904,347.32	Related to assets 與資產相關
Position-based allowances for project teams	項目人才團隊崗位津貼等	48,585,229.00	71,956,837.55	(16,691,500.00)	(4,030,000.00)	99,820,566.55	Related to income 與收益相關
Others	其他	2,512,215.55	-	-	(103,141.08)	2,409,074.47	Related to assets 與資產相關
		1,092,367,633.72	256,739,121.54	(62,092,951.20)	(4,133,141.08)	1,282,880,662.98	

40. 遞延收益(續)

於2018年12月31日，涉及政府補助的負債項目如下：

於2017年12月31日，涉及政府補助的負債項目如下：

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

41. Other non-current liabilities

41. 其他非流動負債

		31 December 2018 2018年12月31日	1 January 2018 2018年1月1日	31 December 2017 2017年12月31日
Quality assurance deposit	質量保證金	40,708,256.67	27,465,215.19	27,465,215.19
Interest rate swap contracts (Note V.70)	利率互換合約 (附註五·70)	61,695,472.60	14,715,137.80	14,715,137.80
Long-term contract liabilities (Note)	長期合同負債(註)	1,806,776,084.78	305,225,976.00	—
Others	其他	648,006,492.10	184,025,047.80	184,025,047.80
		2,557,186,306.15	531,431,376.79	226,205,400.79

Note: For details of revenue recognized by the Group during year which was included in the opening carrying amount of long-term contract liabilities, please refer to Note V.8.

註：本集團在本年確認的包括在長期合同負債年初賬面價值中的收入詳見附註五·8。

42. Share capital
201842. 股本
2018年

		Opening balance 年初餘額		Increase(decrease) of shares in current year 本年增(減)股數	Closing balance 年末餘額	
		No. of shares 股數	Percentage 比例 (%)		No. of shares 股數	Percentage 比例 (%)
i. Restricted shares	一、有限售條件股份					
State-owned legal person shares	國有法人持股	1,642,531,008	20.54		1,642,531,008	20.54
Other domestic shares	其他內資持股	96,335,291	1.20	8,128,474	104,463,765	1.31
Incl: Domestic non-state-owned legal person shares	其中：境內非國有法人持股	—	—	—	—	—
Domestic natural person shares	境內自然人持股	96,335,291	1.20	8,128,474	104,463,765	1.31
		1,738,866,299	21.74	8,128,474	1,746,994,773	21.84
ii. Non-restricted shares	二、無限售條件股份					
RMB ordinary Shares	人民幣普通股	4,315,332,257	53.96	(8,128,474)	4,307,203,783	53.86
Domestic listed foreign shares	境內上市的外資股	—	—	—	—	—
Overseas listed foreign shares	境外上市的外資股	1,943,040,000	24.30	—	1,943,040,000	24.30
		6,258,372,257	78.26	(8,128,474)	6,250,243,783	78.16
iii. Total no. of shares	三、股份總數	7,997,238,556	100.00	—	7,997,238,556	100.00

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

42. Share capital (Continued)
201742. 股本(續)
2017年

		Opening balance 年初餘額		Increase(decrease) of shares in current year 本年增(減)股數	Closing balance 年末餘額	
		No. of shares	Percentage		No. of shares	Percentage
		股數	(%)		股數	(%)
i. Restricted shares	一. 有限售條件股份					
State-owned legal person shares	國有法人持股	821,265,504	20.54	821,265,504	1,642,531,008	20.54
Other domestic shares	其他內資持股	46,378,011	1.16	49,957,280	96,335,291	1.20
Incl: Domestic non-state-owned legal person shares	其中：境內非國有法人持股	-	-	-	-	-
Domestic natural person shares	境內自然人持股	46,378,011	1.16	49,957,280	96,335,291	1.20
		867,643,515	21.70	871,222,784	1,738,866,299	21.74
ii. Non-restricted shares	二. 無限售條件股份					
RMB ordinary Shares	人民幣普通股	2,159,455,763	54.00	2,155,876,494	4,315,332,257	53.96
Domestic listed foreign shares	境內上市的外資股	-	-	-	-	-
Overseas listed foreign shares	境外上市的外資股	971,520,000	24.30	971,520,000	1,943,040,000	24.30
		3,130,975,763	78.30	3,127,396,494	6,258,372,257	78.26
iii. Total no. of shares	三. 股份總數	3,998,619,278	100.00	3,998,619,278	7,997,238,556	100.00

43. Capital reserve
201843. 資本公積
2018年

		At year- beginning 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	At year-end 年末餘額
Share premium (Notes 1, 2)	股本溢價(註1、2)	25,592,887.14	6,045,559.92	(31,638,447.06)	-
Wholly state-owned capital reserve	國有獨享資本公積	77,000,000.00	-	-	77,000,000.00
Other capital reserve (Note 3)	其他資本公積(註3)	33,305,867.85	3,393,564.91	-	36,699,432.76
		135,898,754.99	9,439,124.83	(31,638,447.06)	113,699,432.76

2017

2017年

		At year- beginning 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	At year-end 年末餘額
Share premium	股本溢價	-	50,317,267.53	(24,724,380.39)	25,592,887.14
Wholly state-owned capital reserve	國有獨享資本公積	-	77,000,000.00	-	77,000,000.00
Other capital reserve	其他資本公積	30,139,859.91	3,166,007.94	-	33,305,867.85
		30,139,859.91	130,483,275.47	(24,724,380.39)	135,898,754.99

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Capital reserve (Continued)

Note 1: In June 2018, the Company acquired 1.74% minority interests of KION GROUP AG in the secondary market at a consideration of approximately EUR150 million through Weichai Power (Luxembourg) Holding S.à r.l. ("Weichai Lux"). Upon the completion of such transaction, the percentage of shareholding increased from 43.26% to 45.00%. The above equity transaction led to a decrease of RMB25,592,887.14 in share premium, a decrease of RMB616,811,881.87 in surplus reserve and a decrease of RMB238,258,458.60 in retained earnings.

Note 2: KION GROUP AG, a subsidiary of the Company, repurchased shares for use in equity-settled share-based payment, leading to a decrease of RMB6,045,559.92 in the share premium and a decrease of RMB6,111,068.00 in retained earnings.

Note 3: For the increase in capital reserve arising from equity-settled share-based payment, please refer to Note XI. Share-based Payment.

44. Treasury shares

		At year- beginning 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	At year-end 年末餘額
Treasury shares (Note 1)	庫存股(註1)	-	499,911,217.21	-	499,911,217.21

Note 1: Upon convening the fourth extraordinary board meeting 2018, the first extraordinary general meeting 2018 and the first A shareholders' general meeting 2018 on 13 July 2018 and 14 September 2018 respectively, the Company considered and approved the "Resolution concerning the Repurchase of A Shares" regarding the proposed repurchase of some A shares of the Company from the public with internal funds. As of the balance sheet date, 63,364,661 A shares in aggregate had been repurchased by way of centralized bidding, representing approximately 0.79% of the total share capital of the Company, at a total of RMB499,911,217.21.

五、合併財務報表主要項目註釋(續)

43. 資本公積(續)

註1: 2018年6月,本公司通過濰柴動力(盧森堡)控股有限公司(「濰柴盧森堡」)以1.50億歐元的對價從二級市場購買KION GROUP AG 1.74%的少數股權,此次交易完成後,持股比例由43.26%上升至45.00%,上述權益性交易沖減股本溢價人民幣25,592,887.14元,沖減盈餘公積人民幣616,811,881.87元,沖減未分配利潤人民幣238,258,458.60元。

註2: 本公司之子公司KION GROUP AG回購股份以用於權益結算的股份支付引起資本公積股本溢價減少人民幣6,045,559.92元,未分配利潤減少人民幣6,111,068.00元。

註3: 權益結算的股份支付引起的資本公積的增加,參見附註十一、股份支付。

44. 庫存股

註1: 經2018年7月13日和9月14日分別召開的2018年第四次臨時董事會、2018年第一次臨時股東大會和2018年第一次A股股東大會,公司審議通過了《審議及批准關於回購公司A股股份的議案》,擬以自有資金回購公司部分A股社會公眾股份。截止資產負債表日,公司累計以集中競價方式回購A股股份共計63,364,661股,佔公司總股本的比例約為0.79%,支付的總金額為人民幣499,911,217.21元。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other comprehensive income

Other comprehensive income, on a cumulative basis, attributable to owners of the parent as shown in the consolidated balance sheet is as follows:

		1 January 2017 2017年1月1日	Increase/(Decrease) 增減變動	31 December 2017 2017年12月31日	Adjustment for change in accounting standards 準則變更調整	1 January 2018 2018年1月1日
Changes arising from re-measuring of defined benefit plan	重新計量設定受益計劃變動額	(559,951,639.63)	104,152,091.25	(455,799,548.38)	-	(455,799,548.38)
Other comprehensive income not to be reclassified into profit or loss using the equity method	權益法下不能轉損益的其他綜合收益	(165,577,229.27)	3,280,767.28	(162,296,461.99)	-	(162,296,461.99)
Other comprehensive income to be reclassified into profit or loss using the equity method	權益法下可轉損益的其他綜合收益	34,674,207.98	1,967,785.30	36,641,993.28	-	36,641,993.28
Change in fair value of available-for-sale financial assets	可供出售金融資產公允價值變動	53,200,000.00	6,353,967.55	59,553,967.55	(59,553,967.55)	-
Change in fair value of investment in other equity instruments	其他權益工具投資公允價值變動	-	-	-	96,451,054.25	96,451,054.25
Effective portion of cashflow hedging	現金流量套期的有效部分	(59,830,990.05)	(25,984,960.43)	(85,815,950.48)	-	(85,815,950.48)
Exchange differences on foreign currency translation	外幣財務報表折算差額	155,927,720.30	(1,165,770,648.29)	(1,009,842,927.99)	-	(1,009,842,927.99)
Relevant income tax effect	相關的所得稅影響	121,985,402.42	(31,992,630.14)	89,992,772.28	(9,252,583.00)	80,740,189.28
		(419,572,528.25)	(1,107,993,627.48)	(1,527,566,155.73)	27,644,503.70	(1,499,921,652.03)

		1 January 2018 2018年1月1日	Increase/(Decrease) 增減變動	Internal transfer within shareholders' equity 股東權益內部結轉	31 December 2018 2018年12月31日
Changes arising from re-measuring of defined benefit plan	重新計量設定受益計劃變動額	(455,799,548.38)	(18,540,701.01)	-	(474,340,249.39)
Other comprehensive income not to be reclassified into profit or loss using the equity method	權益法下不能轉損益的其他綜合收益	(162,296,461.99)	3,130,071.69	-	(159,166,390.30)
Other comprehensive income to be reclassified into profit or loss using the equity method	權益法下可轉損益的其他綜合收益	36,641,993.28	1,037,935.29	-	37,679,928.57
Change in fair value of investment in other equity instruments	其他權益工具投資公允價值變動	96,451,054.25	(261,607,020.12)	(34,076,174.22)	(199,232,140.09)
Effective portion of cashflow hedging	現金流量套期的有效部分	(85,815,950.48)	(28,641,048.32)	-	(114,456,998.80)
Exchange differences on foreign currency translation	外幣財務報表折算差額	(1,009,842,927.99)	204,041,803.40	-	(805,801,124.59)
Relevant income tax effect	相關的所得稅影響	80,740,189.28	63,982,228.31	-	144,722,417.59
		(1,499,921,652.03)	(36,596,730.76)	(34,076,174.22)	(1,570,594,557.01)

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other comprehensive income (Continued)

Incurred in current period for other comprehensive income in consolidated income statement:

2018

五、合併財務報表主要項目註釋(續)

45. 其他綜合收益(續)

合併利潤表中其他綜合收益當期發生額：

2018年

		Incurred pre-tax	Less: Amount recognised in other comprehensive income in previous period and recognised in profit or loss in current period	Less: income tax	Attributable to parent company	Attributable to minority interests
		稅前發生額	減：前期計入其他綜合收益當期轉入損益	減：所得稅	歸屬於母公司股東	歸屬於少數股東
Those other comprehensive income not to be reclassified into profit or loss	不能重分類進損益的其他綜合收益					
Changes arising from re-measuring of defined benefit plan	重新計量設定受益計劃變動額	(19,186,962.39)	-	(28,830,980.20)	9,319,184.93	324,832.88
Other comprehensive income not to be reclassified into profit or loss using the equity method	權益法下不能轉損益的其他綜合收益	6,886,479.37	-	-	3,130,071.69	3,756,407.68
Change in fair value of investment in other equity instruments	其他權益工具投資公允價值變動	(289,857,984.84)	-	(18,630,598.09)	(242,977,232.68)	(28,250,154.07)
Other comprehensive income to be reclassified into profit or loss	將重分類進損益的其他綜合收益					
Other comprehensive income to be reclassified into profit or loss using the equity method	權益法下可轉損益的其他綜合收益	2,283,564.30	-	-	1,037,935.29	1,245,629.01
Cashflow hedging reserve	現金流量套期儲備	31,643,041.26	137,135,691.41	(40,138,939.50)	(11,148,493.39)	(54,205,217.26)
Exchange differences on foreign currency translation	外幣報表折算差額	374,817,323.82	-	-	204,041,803.40	170,775,520.42
		106,585,461.52	137,135,691.41	(87,600,517.79)	(36,596,730.76)	93,647,018.66

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other comprehensive income (Continued)

Incurred in current period for other comprehensive income in consolidated income statement: (Continued)

2017

		Incurred pre-tax	Less: Amount recognised in other comprehensive income in previous period and recognised in profit or loss in current period 減：前期計入其他綜合收益當期轉入損益	Less: income tax 減：所得稅	Attributable to parent company 歸屬於母公司股東	Attributable to minority interests 歸屬於少數股東
		稅前發生額	當期轉入損益	減：所得稅	歸屬於 母公司股東	歸屬於 少數股東
Other comprehensive income not to be reclassified into profit or loss	以後不能重分類進損益的其他綜合收益					
Changes arising from re-measuring net assets or net liabilities of defined benefit plan	重新計量設定受益計劃淨負債或淨資產的變動	223,974,228.22	-	62,244,252.66	77,224,147.46	84,505,828.10
Share of investee's other comprehensive income not to be reclassified into profit or loss using the equity method	權益法下在被投資單位不能重分類進損益的其他綜合收益中享有的份額	7,583,835.60	-	-	3,280,767.28	4,303,068.32
Other comprehensive income to be reclassified into profit or loss	以後將重分類進損益的其他綜合收益					
Share of investee's other comprehensive income to be reclassified into profit or loss using the equity method	權益法下在被投資單位以後將重分類進損益的其他綜合收益中享有的份額	4,548,740.90	-	-	1,967,785.30	2,580,955.60
Change of fair value of available-for-sale financial assets	可供出售金融資產公允價值變動	44,067,793.70	-	(2,337,898.70)	9,271,806.53	37,133,885.87
Exchange portion of cashflow from hedging	現金流量套期的有效部分	(273,099,700.92)	(274,062,041.78)	18,452,439.50	(33,967,485.76)	16,477,387.12
Exchange differences on foreign currency translation	外幣報表折算差額	(2,097,085,797.10)	-	-	(1,165,770,648.29)	(931,315,148.81)
		(2,090,010,899.60)	(274,062,041.78)	78,358,793.46	(1,107,993,627.48)	(786,314,023.80)

五、合併財務報表主要項目註釋(續)

45. 其他綜合收益(續)

利潤表中其他綜合收益當期發生額(續)：

2017年

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Special reserve
2018

		At the beginning of year 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	At the end of year 年末餘額
Safety funds	安全生產費	118,355,897.38	83,691,640.41	(46,990,683.69)	155,056,854.10

2017

		At the beginning of year 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	At the end of year 年末餘額
Safety funds	安全生產費	98,711,320.61	61,531,924.51	(41,887,347.74)	118,355,897.38

47. Surplus reserve
2018

		At the beginning of year 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	At the end of year 年末餘額
Statutory surplus reserve	法定盈餘公積	616,811,881.87	674,283,390.61	(616,811,881.87)	674,283,390.61

2017

		At the beginning of year 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	At the end of year 年末餘額
Statutory surplus reserve	法定盈餘公積	-	616,811,881.87	-	616,811,881.87

According to the provisions of Company Law and the Articles of Association, the Company appropriated statutory surplus reserve at 10% of the net profit. Where the accumulated amount of the statutory surplus reserves reaches 50% or more of the Company's registered capital, additional appropriation is not needed.

The decrease in surplus reserve in the year was due to the equity transaction arising from the purchase of minority interests. Please refer to Note V.43 (Note 1).

五、合併財務報表主要項目註釋(續)

46. 專項儲備
2018年

		At the beginning of year 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	At the end of year 年末餘額
Safety funds	安全生產費	118,355,897.38	83,691,640.41	(46,990,683.69)	155,056,854.10

2017年

		At the beginning of year 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	At the end of year 年末餘額
Safety funds	安全生產費	98,711,320.61	61,531,924.51	(41,887,347.74)	118,355,897.38

47. 盈餘公積
2018年

		At the beginning of year 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	At the end of year 年末餘額
Statutory surplus reserve	法定盈餘公積	616,811,881.87	674,283,390.61	(616,811,881.87)	674,283,390.61

2017年

		At the beginning of year 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	At the end of year 年末餘額
Statutory surplus reserve	法定盈餘公積	-	616,811,881.87	-	616,811,881.87

根據公司法和本公司章程的規定，本公司按淨利潤的10%提取法定盈餘公積金。法定盈餘公積累計額為本公司註冊資本50%以上的，可不再提取。

本年盈餘公積的減少系由購買少數股權的權益性交易引起，參見附註五、43(註1)。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

48. Retained earnings

48. 未分配利潤

		2018 2018年	2017 2017年
Retained earnings at end of previous year, before adjustment	調整前上年年末未分配利潤	27,898,783,968.43	27,905,900,916.04
Add: Change in accounting policies	加：會計政策變更	208,898,780.20	-
Retained earnings at beginning of year, after adjustment	調整後年初未分配利潤	28,107,682,748.63	27,905,900,916.04
Net profit attributable to shareholders of the parent	歸屬於母公司股東的淨利潤	8,657,527,308.21	6,808,342,544.23
Other comprehensive income transferred to retained earnings	其他綜合收益結轉留存收益	34,076,174.22	-
Less: Appropriation of surplus reserves	減：提取盈餘公積	(附註五·47) 674,283,390.61	616,811,881.87
Dividend payable on ordinary shares in cash	應付普通股現金股利	3,436,670,939.08	2,199,240,602.90
Dividend payable on ordinary shares in scrip	應付普通股股票股利	-	3,998,619,278.00
Addition and reduction of shares of subsidiaries and others	增加、減少子公司股份及其他	244,369,526.60	787,729.07
Retained earnings at year end	年末未分配利潤	32,443,962,374.77	27,898,783,968.43

On 14 June 2018, the Company's 2017 profit distribution proposal was considered and approved at the Company's 2017 annual general meeting. Based on the total share capital of 7,997,238,556 shares as at 31 December 2017, the Company distributed to all shareholders a cash dividend of RMB2.50 (including tax), for every 10 shares held, without any capitalisation of reserve. Cash dividend amounting to RMB1,999,309,639.00 were distributed.

於2018年6月14日，本公司2017年度股東周年大會審議通過了2017年度利潤分配方案，本公司以2017年12月31日為基準日的總股本7,997,238,556股為基數，向全體股東每10股派發現金紅利人民幣2.50元(含稅)，不實施公積金轉增股本。共派發現金股利人民幣1,999,309,639.00元。

On 28 August 2018, as mandated by the shareholders of the Company, the Board considered and approved that based on the total share capital of 7,997,238,556 shares, the Company shall distribute to all shareholders a cash dividend of RMB1.80 (including tax), for every 10 shares held, without any capitalisation of reserve. At the time of implementation on 23 October 2018, distribution was made to shareholders of 7,985,340,556 shares, which were at the time available for distribution after deduction for treasury shares. Cash dividend amounting to RMB1,437,361,300.08 were distributed.

於2018年8月28日，本公司董事會根據股東會授權，審議通過以公司總股本7,997,238,556股為基數，向全體股東每10股派發現金紅利人民幣1.80元(含稅)，不實施公積金轉增股本。於2018年10月23日實施時，本公司對扣除庫存股的現有可予分配股份7,985,340,556股之股東進行派發。共派發現金股利人民幣1,437,361,300.08元。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

49. Minority interests

49. 少數股東權益

		31 December 2018 2018年12月31日	1 January 2018 2018年1月1日	31 December 2017 2017年12月31日
Interests attributable to minority holders of ordinary shares	歸屬於普通股 少數股東的權益	17,892,315,697.98	16,062,071,375.32	16,062,191,085.87
Interests attributable to holders of other equity instruments of minority shareholders	歸屬於少數股東 其他權益工具 持有者的權益	5,053,277,241.69	5,053,277,241.69	5,053,277,241.69
		22,945,592,939.67	21,115,348,617.01	21,115,468,327.56

On 14 September 2017, Weichai International Hong Kong Energy Group Co., Limited, a subsidiary of the Company, issued perpetual bond of par value of USD775 million, nominal interest rate of 3.75% and with interest payable every six months. Total net proceeds after deduction of issue expenses amounted to RMB5,053,277,241.69.

於2017年9月14日，本公司之子公司濰柴國際(香港)能源集團有限公司發行面值為7.75億美元，票面利率為3.75%，付息頻率為6個月的永續債，扣除發行費用後募集資金總額為人民幣5,053,277,241.69元。

The perpetual bond was issued with the guarantee provided by the Company for its subsidiary Weichai International Hong Kong Energy Group Co., Limited, without maturity date, without conversion right, and dividend distribution may be deferred for an indefinite number of times at the discretion of the Company. The Company is entitled to redeeming those perpetual bonds on 14 September 2022.

該等永續債由本公司為子公司濰柴國際(香港)能源集團有限公司提供擔保發行，無到期日，無轉股權，且分派股息可由本公司酌情延期，且不受次數限制。本公司有權於2022年9月14日贖回該等永續債。

As at 31 December 2018, change in other equity instruments issued and outstanding was as follows:

於2018年12月31日，發行在外的其他權益工具變動如下：

		At beginning of year 年初餘額	Issued during the year 本年發行	Redeemed during the year 本年贖回	At end of year 年末餘額
Perpetual bond	永續債	5,053,277,241.69	-	-	5,053,277,241.69

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Revenue and cost of sales

Revenue includes turnover and other revenue that arise in the course of the Group's ordinary activities. The Group's turnover, which arises from the principal activities of the Group, represents the net invoiced values of goods sold or the value of services rendered, after allowances for returns and trade discounts; and gross rental income received and receivable from investment properties.

五、合併財務報表主要項目註釋(續)

50. 營業收入及成本

收入包括本集團日常業務過程中產生的營業額及其他收入。本集團自主要業務中產生的營業額指年內扣除退貨，及商業折扣的所提供服務的價值或已出售貨物的發票淨額以及投資性房地產已收及應收的租金收入總額。

		2018 2018年		2017 2017年	
		Revenue 收入	Cost 成本	Revenue 收入	Cost 成本
Revenue from principal operations	主營業務	155,535,615,800.98	120,602,707,888.48	147,928,875,941.24	115,141,628,613.82
Other revenue	其他業務	3,720,216,485.94	3,083,705,823.74	3,640,516,295.39	3,326,001,484.52
		159,255,832,286.92	123,686,413,712.22	151,569,392,236.63	118,467,630,098.34

Revenue is listed as follows:

營業收入列示如下：

		2018 2018年	2017 2017年
Revenue from principal operations	主營業務收入		
Sales of goods and others	銷售商品及其他	95,227,454,179.10	89,552,556,147.34
Revenue from forklift truck production, warehouses technology and supply chain solution services	叉車生產、倉庫技術及供應鏈解決方案服務收入	60,308,161,621.88	58,376,319,793.90
		155,535,615,800.98	147,928,875,941.24
Other revenue	其他業務收入		
Sales of materials	銷售材料	2,563,512,961.78	2,651,520,228.76
Lease income	租賃收入	82,402,134.42	109,938,790.82
Sales of power	銷售動力	104,074,150.72	107,269,705.33
Provision of non-industrial labour	提供非工業勞務	13,137,855.41	35,518,016.04
Others	其他	957,089,383.61	736,269,554.44
		3,720,216,485.94	3,640,516,295.39
		159,255,832,286.92	151,569,392,236.63

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Revenue and cost of sales (Continued)

Breakdown of revenue (including rental income)
2018

Reporting segment	報告分部	Diesel engines 柴油機	Automobiles and other major automobile components 汽車及其他主要汽車零部件	Other components 其他零部件	Import & export services 進出口服務	Forklift trucks and supply chain solution 叉車及供應鏈解決方案	Total 合計
Based on customers' locations:							
Mainland China 中國大陸		32,478,333,143.17	57,799,947,064.74	689,590,850.85	12,977,674.85	4,067,797,773.19	95,048,646,506.80
Other countries and regions 其他國家和地區		982,585,888.82	5,373,805,440.22	1,468,681,682.67	141,748,919.73	56,240,363,848.68	64,207,185,780.12
Total 合計		33,460,919,031.99	63,173,752,504.96	2,158,272,533.52	154,726,594.58	60,308,161,621.87	159,255,832,286.92
Time for recognition of revenue:							
Goods (transferred at a certain point of time) 商品(在某一時點轉讓)		33,257,706,124.57	62,933,834,618.19	2,106,930,258.33	139,533,664.99	38,962,537,152.66	137,400,541,818.74
Services (provided at a certain period of time) 服務(在某一段內提供)		203,212,907.42	239,917,886.77	51,342,275.19	15,192,929.59	21,345,624,469.21	21,855,290,468.18
Total 合計		33,460,919,031.99	63,173,752,504.96	2,158,272,533.52	154,726,594.58	60,308,161,621.87	159,255,832,286.92

Information related to revenue expected to be recognized in respect of outstanding performance obligations under contracts

合同剩餘履約義務預計確認收入的相關信息

		2018 2018年
Within 1 year	1年以內	15,823,825,080.96
1 to 2 years	1至2年	3,976,784,068.30
2 to 3 years	2至3年	1,409,492,789.50
3 to 4 years	3至4年	887,168,654.20
4 to 5 years	4至5年	429,192,378.90
Over 5 years	5年以上	289,353,492.90
		22,815,816,464.76

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

51. Taxes and surcharges

51. 税金及附加

		2018 2018年	2017 2017年
City construction tax	城建稅	231,859,959.87	242,314,233.46
Educational surtax	教育費附加	167,314,736.11	174,571,328.09
Property tax	房產稅	133,012,043.84	131,515,330.38
Others	其他	191,029,289.31	189,667,795.57
		723,216,029.13	738,068,687.50

52. Distribution and selling expenses

52. 銷售費用

		2018 2018年	2017 2017年
Staff costs	員工成本	4,370,215,090.28	3,823,060,663.81
After-sales and product return fee	三包及產品返修費用	1,602,358,794.14	2,214,253,095.77
Freight and packaging	運費及包裝費	1,229,019,579.76	1,103,450,765.47
Marketing expenses	市場開拓費用	984,640,404.13	862,083,257.22
Depreciation of fixed asset	固定資產折舊	492,126,109.94	487,681,729.87
Travel expenses	差旅費	373,235,582.44	331,674,036.26
Lease expenses	租賃費	343,067,406.79	308,768,421.56
Office expenses	辦公費用	106,104,313.28	115,345,844.61
Others	其他	1,118,405,083.53	1,091,452,677.32
		10,619,172,364.29	10,337,770,491.89

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

53. General and administrative expenses

53. 管理費用

		2018 2018年	2017 2017年
Staff costs	員工成本	3,403,441,868.89	3,176,953,743.24
External support fee	外部支持費	802,575,493.97	651,101,837.15
Depreciation and amortization	折舊和攤銷費	527,180,710.10	527,366,950.46
Office expenses	辦公費	354,695,139.43	323,914,080.87
Travel expenses	差旅費	121,080,513.17	114,642,798.90
Lease expenses	租賃費	169,053,260.01	172,674,633.91
Repair expenses	修理費	76,968,479.23	58,827,020.93
Others	其他	804,510,078.57	843,727,576.03
		6,259,505,543.37	5,869,208,641.49

The audit fee in the amount of RMB9,800,000.00 in respect of these financial statements for the year is included in the above general and administrative expenses (2017: RMB12,600,000.00).

本年度財務報表審計費用人民幣9,800,000.00元已包括在上述管理費用中(2017年度:人民幣12,600,000.00元)。

54. Research & development expenses

54. 研發費用

		2018 2018年	2017 2017年
Staff costs	員工成本	1,829,947,794.20	1,892,125,796.96
Technology development costs	技術開發費	1,086,013,445.45	921,785,971.70
Publication/documentation/Information	出版/文獻/信息	464,249,866.30	122,270,285.66
Depreciation and amortization	折舊和攤銷費	278,216,067.48	299,911,477.82
Testing, examination and trial production costs	測試化驗試製費	244,543,505.68	202,695,513.43
Travel expenses	差旅費	65,167,904.87	28,475,421.04
Others	其他	352,063,713.56	265,114,636.56
		4,320,202,297.54	3,732,379,103.17

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

55. Finance expenses

55. 財務費用

		2018 2018年	2017 2017年
Interest expenses	利息支出	1,150,950,408.70	1,395,035,066.86
Less: interest income	減：利息收入	1,059,722,329.53	957,162,142.94
Exchange gains/ losses	匯兌損益	(17,440,921.77)	137,957,206.19
Handling fees and others	手續費及其他	1,556,782.45	14,922,841.47
		75,343,939.85	590,752,971.58

Breakdown of interest income is as follows:

利息收入明細如下：

		2018 2018年	2017 2017年
Cash and cash equivalents	貨幣資金	685,394,220.48	603,506,886.58
Interest income on receivables under finance leases	融資租賃應收賬款利息收入	333,087,447.17	276,398,047.61
Other interest income	其他利息收入	41,240,661.88	77,257,208.75
		1,059,722,329.53	957,162,142.94

56. Impairment loss of assets

56. 資產減值損失

		2018 2018年	2017 2017年
Loss from bad debt	壞賬損失	-	334,608,903.56
Loss due to decline in value of inventories	存貨跌價損失	451,455,024.90	523,177,863.21
Impairment loss of long-term equity investments	長期股權投資減值損失	40,000,000.00	-
Impairment loss of fixed assets	固定資產減值損失	55,732,060.55	330,929,591.63
Impairment loss of construction in progress	在建工程減值損失	18,282,708.38	19,008,097.79
Impairment loss of intangible assets	無形資產減值損失	13,540,275.77	437,876,180.32
Impairment loss of goodwill	商譽減值損失	-	238,071,400.00
Impairment loss of long-term prepaid expenses	長期待攤費用減值損失	54,509,251.69	66,467,500.35
		633,519,321.29	1,950,139,536.86

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Credit impairment losses

		2018 2018年	2017 2017年
Loss from bad debts in respect of accounts receivable	應收賬款壞賬損失	205,722,027.94	-
Loss from bad debts in respect of other receivables	其他應收款壞賬損失	4,578,009.23	-
		210,300,037.17	-

58. Other income

Government grants charged to profit or loss for the current year are presented as follows:

		2018 2018年	2017 2017年	Related to assets/income 與資產/ 收益相關	Extraordinary profit and loss recognized in 2018 計入2018年 非經常性損益
Income of financial subsidies	財政補貼收入	57,414,025.97	49,920,287.21	income 收益	57,414,025.97
Government support fund	政府扶持金	37,785,190.10	13,296,096.99	income 收益	37,785,190.10
Amortization of deferred income	遞延收益攤銷	58,880,184.43	46,474,351.20	assets 資產	58,880,184.43
Amortization of deferred income	遞延收益攤銷	46,227,338.63	15,618,600.00	income 收益	46,227,338.63
Others	其他	31,883,324.42	36,729,562.72	income 收益	31,883,324.42
		232,190,063.55	162,038,898.12		232,190,063.55

During the year, the government subsidy received by the Company and amortized via deferred income amounted in total to RMB232,190,063.55, including the following:

- (1) During the year, the Company and its subsidiaries received the subsidy on insurance for first products from the Gaixin District National Wealth Centre, Weifang City under the "Notice Regarding Subsidizing Insurance for First Technical Equipment and Core Parts and Components in 2017"; the central special funding in year 2017 in support of external trade and economic development from the central clearing on external trade and economic development 2017 under the "Notice Regarding the Publication of Guidelines for Declaration under Xi'an Industrial Development Special (Transformation and Upgrade) Capital Items in Year 2017"; and other income including financial subsidies and refund of land use taxes, in a total amount of RMB95,199,216.07.

五、合併財務報表主要項目註釋(續)

57. 信用減值損失

	2018 2018年	2017 2017年
Loss from bad debts in respect of accounts receivable	205,722,027.94	-
Loss from bad debts in respect of other receivables	4,578,009.23	-
	210,300,037.17	-

58. 其他收益

計入本年損益的政府補助如下：

	2018 2018年	2017 2017年	Related to assets/income 與資產/ 收益相關	Extraordinary profit and loss recognized in 2018 計入2018年 非經常性損益
Income of financial subsidies	57,414,025.97	49,920,287.21	income 收益	57,414,025.97
Government support fund	37,785,190.10	13,296,096.99	income 收益	37,785,190.10
Amortization of deferred income	58,880,184.43	46,474,351.20	assets 資產	58,880,184.43
Amortization of deferred income	46,227,338.63	15,618,600.00	income 收益	46,227,338.63
Others	31,883,324.42	36,729,562.72	income 收益	31,883,324.42
	232,190,063.55	162,038,898.12		232,190,063.55

本公司收到及通過遞延收益攤銷政府補助計入本年損益金額共計人民幣232,190,063.55元，其中：

- (1) 本年本公司及子公司根據《關於開展2017年首台(套)技術裝備及關鍵核心零部件保險補償工作的通知》取得濰坊市高新區國庫中心支付首台套產品保險補貼，根據《關於印發西安市2017年工業發展專項(轉型升級)資金項目申報指南的通知》取得2017年中央外經貿清算2017年中央外經貿發展專項資金，以及其他各項財政補貼和土地使用稅返還款等撥款收入共計人民幣95,199,216.07元；

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

58. Other income (Continued)

- (2) During the year, pursuant to Cai Shui [2017] No. 26, Shaanxi Heavy-duty Motor Company Limited, a subsidiary of the Company, obtained the exemption from value-added tax applicable to special-purpose military vehicles from State Administration of Taxation of Qishan, in a total amount of RMB31,883,324.42;
- (3) During the year, the Company and its subsidiaries amortized, via deferred income, government grants including land refunds and position stability subsidies, in a total amount of RMB105,107,523.06.

59. Investment income

		2018 2018年	2017 2017年
Gain on long-term equity investments under the equity method	權益法核算的長期股權投資收益	173,768,638.90	84,871,118.66
Investment income during the period in which the financial assets held for trading were held	交易性金融資產在持有期間取得的投資收益	117,375,926.97	-
Investment income during the period in which the investments in other equity instruments were held	其他權益工具投資在持有期間取得的投資收益	3,408,000.00	-
Investment income during the period in which the available-for-sale financial assets were held	可供出售金融資產在持有期間取得的投資收益	-	18,778,014.33
Investment income arising from disposal of financial assets at fair value through profit or loss	處置以公允價值計量且其變動計入當期損益的金融資產取得的投資收益	(12,687,416.00)	-
Investment income arising from disposal of long-term equity investments	處置長期股權投資產生的投資收益	31,250,749.70	-
Gain arising from re-measurement of equity interests originally held during business combination	企業合併中對原持有股權重新計量產生的收益	-	18,334,528.08
Gain on interest rate swap realized in cross currency interest rate swap instruments	交叉貨幣利率互換工具中已實現的利息掉期收益	93,868,899.13	27,830,078.11
Others	其他	57,828,108.47	4,109,006.67
		464,812,907.17	153,922,745.85

五、合併財務報表主要項目註釋(續)

58. 其他收益(續)

- (2) 本年本公司之子公司陝西重型汽車有限公司根據財稅[2017]26號取得岐山國稅局軍用特種車輛免徵增值稅共計人民幣31,883,324.42元；
- (3) 本年本公司及子公司遞延收益攤銷各項土地返還款以及穩崗補貼等政府補助共計人民幣105,107,523.06元。

59. 投資收益

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

60. Profit or loss on change of fair value

60. 公允價值變動損益

		2018 2018年	2017 2017年
Financial assets at fair value through profit or loss for the current period	以公允價值計量且其變動計入當期損益的金融資產		
Incl: forward contracts	其中：遠期合約	(107,915,330.04)	221,743,174.60
structured deposits	結構性存款	33,383,787.84	-
warrants and cash compensation	認股權證及現金補償	30,938,683.74	14,589,198.32
Cross currency interest rate swap instruments	交叉貨幣利率互換工具	220,655,164.21	(135,563,484.51)
		177,062,305.75	100,768,888.41

61. Gain on disposal of assets

61. 資產處置收益

		2018 2018年	2017 2017年
Gain on disposal of fixed assets	固定資產處置利得	1,501,183.76	65,550,293.37
Gain on disposal of other non-current assets	其他非流動資產處置利得	-	19,180,342.95
		1,501,183.76	84,730,636.32

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

62. Non-operating income

62. 營業外收入

		2018	2017	Extraordinary profit and loss recognised in the Year 2018 計入2018年度非經常性損益
		2018年	2017年	
Net penalty income	罰款淨收入	15,664,937.27	23,099,723.31	15,664,937.27
Reversal of provision for other liabilities	其他負債撥備轉回	19,192,000.02	18,697,475.20	19,192,000.02
Others	其他	272,198,042.00	256,785,703.26	272,198,042.00
		307,054,979.29	298,582,901.77	307,054,979.29

63. Non-operating expenses

63. 營業外支出

		2018	2017	Extraordinary profit and loss recognised in the Year 2018 計入2018年度非經常性損益
		2018年	2017年	
Donation expenditure	對外捐贈	7,576,671.07	6,048,000.00	7,576,671.07
Others	其他	44,919,734.98	155,171,278.15	44,919,734.98
		52,496,406.05	161,219,278.15	52,496,406.05

64. Expenses by nature

The supplemental information of the Group's cost of sales, distribution and selling expenses, general and administrative expenses and research & development expenses which are categorized by nature is as follows:

64. 費用按性質分類

本集團營業成本、銷售費用、管理費用和研發費用按照性質分類的補充資料如下：

		2018	2017
		2018年	2017年
Materials used	耗用的材料	100,971,517,237.86	93,481,706,631.64
Movement of inventories of finished goods and work in progress	產成品及在產品存貨變動	317,254,641.84	(3,265,158,006.45)
Staff remuneration	職工薪酬	23,439,771,264.95	21,889,669,721.17
Depreciation and amortization expenses	折舊費和攤銷費用	7,403,915,762.28	7,360,513,736.49
Rental	租金	1,591,109,918.93	1,626,184,279.42
Others	其他	11,161,725,091.56	17,314,071,972.62
		144,885,293,917.42	138,406,988,334.89

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. Expenses by nature (Continued)

Effect of purchase price allocation on total profit

For a business combination involving enterprises not under common control, the cost of business combination should be allocated between the identifiable assets and liabilities acquired on the date of acquisition, and assets and liabilities should be accounted for at fair value and are subsequently measured ("purchase price allocation"). The purchase price allocation of the Group primarily arose from the acquisition of KION GROUP AG and Dematic Group. In this year, the two purchase price allocations stated above resulted in a decrease in profit before tax of RMB1,372 million (2017: RMB2,306 million).

65. Income tax expenses

		2018 2018年	2017 2017年
Current tax expenses	當期所得稅費用	2,989,527,974.04	3,383,858,150.73
Deferred tax expenses	遞延所得稅費用	(756,977,440.98)	(2,039,957,430.43)
		2,232,550,533.06	1,343,900,720.30

五、合併財務報表主要項目註釋(續)

64. 費用按性質分類(續)

合併對價分攤對利潤總額的影響

本集團非同一控制下企業合併中，購買日需要將企業合併成本在取得的可辨認資產和負債之間分配，各項資產、負債以公允價值入賬並進行後續計量(「合併對價分攤」)。本集團重大合併對價分攤主要源自收購KION GROUP AG及Dematic Group，本年上述兩項合併對價分攤減少本集團稅前利潤人民幣13.72億元(2017年：人民幣23.06億元)。

65. 所得稅費用

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

65. Income tax expenses (Continued)

The relationship between income tax expenses and the total profit is listed as follows:

65. 所得稅費用(續)

所得稅費用與利潤總額的關係列示如下：

			2018 2018年	2017 2017年
Total profit	利潤總額		13,858,284,075.53	10,522,267,498.12
Tax at statutory tax rate	按法定稅率計算的稅項	Note 1 註1	3,464,572,984.25	2,630,566,874.53
Effect of different tax rates applicable to parent company and some subsidiaries	母公司及某些子公司適用不同稅率的影響	Note 2 註2	(860,669,504.18)	(636,856,922.41)
Effect of tax rate adjustment on opening deferred tax	稅率調整對年初遞延稅項之影響		(20,193,040.77)	(709,009,626.43)
Adjustments to current tax of previous periods	對以前期間當期所得稅的調整		(267,072,930.00)	(135,364,765.99)
Profit and loss attributable to associates and jointly-controlled enterprises	歸屬於聯營及合營公司的損益		(32,196,232.96)	24,345,057.42
Non-taxable income	無須納稅的收入		(74,565,976.52)	(216,861,142.24)
Expenses not deductible for tax	不可抵扣的費用		180,787,984.35	197,019,189.82
Tax incentives on eligible expenditures	由符合條件的支出而產生的稅收優惠		(414,410,818.11)	(220,304,739.96)
Utilization of deductible losses from prior years	利用以前年度的可抵扣虧損		(13,978,986.92)	(40,694,150.62)
Unrecognized deductible losses	未確認的可抵扣虧損		260,133,258.95	390,457,907.61
Effect of unrecognized deductible temporary difference	未確認的可抵扣暫時性差異的影響		23,098,693.84	86,627,127.35
Others	其他		(12,954,898.87)	(26,024,088.78)
Tax expense at the Group's effective tax rate	按本集團實際稅率計算的所得稅費用		2,232,550,533.06	1,343,900,720.30

Note 1: The Company is subject to a statutory tax rate of 25%.

註1：本公司法定稅率為25%。

Note 2: The PRC income tax of the Group is calculated based on the estimated taxable income gained in the PRC and applicable tax rate. Tax arising from the taxable income in other regions is calculated at applicable tax rate according to existing laws, interpretations and practices of the country in which the Group operates.

註2：本集團在中國境內所得稅按取得的估計應納稅所得額及適用稅率計提。源於其他地區應納稅所得的稅項根據本集團經營所在國家的現行法律、解釋公告和慣例，按照適用稅率計算。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Earnings per share (EPS)

The basic EPS is calculated by dividing the net profit of the current period attributable to the ordinary shareholders of the Company by the weighted average number of outstanding ordinary shares.

The calculation of basic EPS is detailed as follows:

		2018 2018年	2017 2017年
Earnings	收益		
Net profit of the current period attributable to ordinary shareholders of the Company	歸屬於本公司普通股股東的當年淨利潤	8,657,527,308.21	6,808,342,544.23
Shares	股份		
Weighted average number of the ordinary shares outstanding of the Company	本公司發行在外普通股的加權平均數	7,995,250,123.12	7,997,238,556.00
EPS (RMB/share)	每股收益(元/股)	1.08	0.85

The Company holds no material potential shares that are dilutive.

本集團無重大稀釋性潛在股。

67. Notes to items in cash flow statement
*Other cash received relating to operating activities*67. 現金流量表項目註釋
收到其他與經營活動有關的現金

		2018 2018年	2017 2017年
Government grants	政府補助	909,197,213.40	356,685,068.47
Interest income	利息收入	698,811,442.50	916,595,975.10
Others	其他	207,332,491.27	40,921,727.06
		1,815,341,147.17	1,314,202,770.63

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

67. Notes to items in cash flow statement (Continued)

67. 現金流量表項目註釋(續)

*Other cash paid relating to operating activities**支付其他與經營活動有關的現金*

		2018 2018年	2017 2017年
Cash settlement of confirmation business	保兌倉業務現金平倉	3,325,508,590.75	1,921,990,895.64
After-sales and product return fee	三包及產品返修	2,231,637,566.98	1,842,525,097.36
Marketing and external support fee	市場開拓費及外部支持費	1,832,031,059.50	1,652,831,638.10
Freight and packaging	運費及包裝	1,259,357,316.25	1,161,122,487.72
Travel expenses	差旅費	559,484,000.48	474,792,256.20
Office expenses	辦公費	467,597,298.66	471,500,157.93
Others	其他	3,019,462,949.74	2,556,945,666.92
		12,695,078,782.36	10,081,708,199.87

*Other cash received relating to financing activities**收到其他與籌資活動有關的現金*

		2018 2018年	2017 2017年
Interest income from cross currency interest rate swap instrument agreement	交叉貨幣利率互換工具協議利息收入	93,868,899.12	-
Bill financing	票據融資	-	37,419,091.20
Others	其他	25,251,324.20	-
		119,120,223.32	37,419,091.20

*Other cash paid relating to financing activities**支付其他與籌資活動有關的現金*

		2018 2018年	2017 2017年
Acquisition of minority interests in subsidiaries	購買子公司少數股權	1,123,266,396.81	-
Repurchase of shares	回購股份	527,598,497.74	34,146,350.43
Handling fee for guarantee for borrowings	借款擔保及保函手續費	38,818,682.00	614,339,555.79
Others	其他	44,499,337.02	8,928,036.00
		1,734,182,913.57	657,413,942.22

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

68. Supplement to cash flow statement

(1) Supplement to cash flow statement

68. 現金流量表補充資料

(1) 現金流量表補充資料

		2018 2018年	2017 2017年
Net profit	淨利潤	11,625,733,542.47	9,178,366,777.82
Add: Impairment loss of assets	加：資產減值損失	633,519,321.29	1,950,139,536.86
Impairment loss of credit	信用減值損失	210,300,037.17	-
Increase in special reserve	專項儲備的增加	37,105,581.35	19,644,576.77
Depreciation of fixed assets and investment properties	固定資產及投資性房地產的折舊	5,321,160,442.62	5,087,923,091.92
Amortization of intangible assets	無形資產攤銷	2,015,587,033.10	2,184,810,743.30
Amortization of long-term prepaid expenses	長期待攤費用攤銷	67,168,286.56	92,017,318.71
Loss/(Gain) from disposal and retirement of fixed assets, intangible assets and other long-term assets	處置和報廢固定資產、無形資產和其他長期資產的損失/(收益)	2,108,738.40	(76,357,836.84)
Loss from change of fair value	公允價值變動損失	(177,062,305.75)	(100,768,888.41)
Finance expenses	財務費用	665,169,064.99	963,560,080.39
Investment income	投資收益	(464,812,907.17)	(153,922,745.85)
Decrease/(increase) in deferred tax assets	遞延所得稅資產的減少/(增加)	51,414,305.55	(559,515,261.59)
Decrease in deferred tax liabilities	遞延所得稅負債的減少	(791,810,113.00)	(1,173,307,291.81)
Increase in inventories	存貨的增加	(1,347,529,707.73)	(4,300,720,625.93)
Increase in operating receivables	經營性應收項目的增加	(306,077,829.11)	(15,139,700,993.07)
Increase in operating payables	經營性應付項目的增加	4,726,291,999.14	18,566,356,649.40
Others	其他	(6,636,756.63)	(95,410,652.28)
Net cash flow from operating activities	經營活動產生的現金流量淨額	22,261,628,733.25	16,443,114,479.39

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

68. Supplement to cash flow statement (Continued)

68. 現金流量表補充資料(續)

(1) Supplement to cash flow statement (Continued)

(1) 現金流量表補充資料(續)

Non-cash payment of material investing activities:

不涉及現金的重大投資活動：

		2018 2018年	2017 2017年
Acquisition of long-term assets from the endorsement of bank acceptance bills received from the sale of goods and provision of services	銷售商品、提供勞務收到的銀行承兌匯票背書轉讓 購買長期資產	9,676,911,065.78	5,802,103,010.91
Net change in cash and cash equivalents: 現金及現金等價物淨變動：			
The closing balance of cash	現金的年末餘額	34,379,938,275.41	26,254,590,256.11
Less: The opening balance of cash	減：現金的年初餘額	26,254,590,256.11	21,598,831,905.22
Net increase in cash and cash equivalents	現金及現金等價物淨增加額	8,125,348,019.30	4,655,758,350.89

(2) Information related to disposal of major subsidiaries and other business units

(2) 處置主要子公司及其他營業單位信息

Information relating to disposal of major subsidiaries and other business units

處置主要子公司及其他營業單位信息

		2018 2018年	2017 2017年
Consideration for disposal of subsidiaries and other business units	處置子公司及其他營業單位的價格	190,198,600.00	-
Cash and cash equivalents received for disposal of subsidiaries and other business units	處置子公司及其他營業單位收到的現金和現金等價物	190,198,600.00	-
Less: Amount of cash and cash equivalents in subsidiaries and other business units disposal	減：處置子公司及其他營業單位持有的現金和現金等價物	81,596,649.32	-
Net cash received for disposal of subsidiaries and other business units	處置子公司及其他營業單位收到的現金淨額	108,601,950.68	-

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. Supplement to cash flow statement (Continued)

(3) Information related to acquisition of major subsidiaries and other business units

Information relating to acquisition of major subsidiaries and other business units

五、合併財務報表主要項目註釋(續)

68. 現金流量表補充資料(續)

(3) 取得主要子公司及其他營業單位信息

取得主要子公司及其他營業單位信息

		2018 2018年	2017 2017年
Consideration for acquisition of subsidiaries and other business units	取得子公司及其他營業單位的價格	12,739,088.60	55,699,773.60
Cash and cash equivalents paid for acquisition of subsidiaries and other business units	取得子公司及其他營業單位支付的現金和現金等價物	12,739,088.60	55,699,773.60
Less: Amount of cash and cash equivalents in subsidiaries and other business units acquired	減：取得子公司及其他營業單位持有的現金和現金等價物	-	2,159,755.20
Net cash paid for acquisition of subsidiaries and other business units	取得子公司及其他營業單位支付的現金淨額	12,739,088.60	53,540,018.40

(4) Cash and cash equivalents

(4) 現金及現金等價物

		31 December 2018 2018年12月31日	31 December 2017 2017年12月31日
Cash	現金	34,379,938,275.41	26,254,590,256.11
Incl: Cash at bank	其中：庫存現金	81,701,285.69	138,172,603.17
Bank deposits on demand	可隨時用於支付的 銀行存款	33,625,686,012.23	26,110,295,839.47
Other cash equivalents on demand	可隨時用於支付的 其他貨幣資金	672,550,977.49	6,121,813.47
Cash and cash equivalents at end of year	年末現金及現金等價物餘額	34,379,938,275.41	26,254,590,256.11

		31 December 2018 2018年12月31日	31 December 2017 2017年12月31日
Cash and cash equivalents at end of year	年末貨幣資金餘額	38,209,952,558.31	34,221,837,770.90
Less: Balance of restricted cash and cash equivalents	減：使用受到限制的貨幣 資金餘額	3,830,014,282.90	7,967,247,514.79
Closing balance of cash and cash equivalents at end of year	年末現金及現金等價物餘額	34,379,938,275.41	26,254,590,256.11

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

69. Foreign currency monetary items

69. 外幣貨幣性項目

		31 December 2018			1 January 2018 and 31 December 2017		
		2018年12月31日			2018年1月1日及2017年12月31日		
		Original currency 原幣	Exchange rate 匯率	RMB equivalent 折合人民幣	Original currency 原幣	Exchange rate 匯率	RMB equivalent 折合人民幣
Cash and cash equivalents	貨幣資金						
- USD	- 美元	122,132,057.96	6.8632	838,216,740.19	58,781,545.83	6.5342	384,090,376.76
- JPY	- 日元	2,104,889.00	0.0619	130,292.63	2,104,271.98	0.0579	121,837.35
- HKD	- 港幣	871,582.71	0.8762	763,680.77	6,028,854.87	0.8359	5,039,519.79
- EUR	- 歐元	493,512.31	7.8473	3,872,739.15	81,738.11	7.8023	637,745.26
- Russian Ruble	- 俄羅斯盧布	61,498,551.67	0.0986	6,063,757.19	69,430,158.59	0.1135	7,880,323.00
- GBP	- 英鎊	3,082,004.36	8.6762	26,740,086.23	722,518.70	8.7792	6,343,136.17
- THB	- 泰銖	51,707,195.48	0.2110	10,910,218.25	58,339,921.59	0.1998	11,656,316.33
- UAE Dirhams	- 阿聯酋 迪拉姆	441,686.16	1.8679	825,025.58	319,433.20	1.7790	568,271.66
- SGD	- 新加坡	235,906.95	5.0062	1,180,997.37	319,841.41	4.8831	1,561,817.59

		31 December 2018			1 January 2018 and 31 December 2017		
		2018年12月31日			2018年1月1日及2017年12月31日		
		Original currency 原幣	Exchange rate 匯率	RMB equivalent 折合人民幣	Original currency 原幣	Exchange rate 匯率	RMB equivalent 折合人民幣
Accounts receivable	應收賬款						
- USD	- 美元	136,290,344.30	6.8632	935,387,891.00	161,559,160.67	6.5342	1,055,659,867.65
- EUR	- 歐元	13,447.26	7.8473	105,524.68	22,197.54	7.8023	173,191.87

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

69. Foreign currency monetary items (Continued)

69. 外幣貨幣性項目(續)

		31 December 2018 2018年12月31日			1 January 2018 and 31 December 2017 2018年1月1日及2017年12月31日		
		Original currency 原幣	Exchange rate 匯率	RMB equivalent 折合人民幣	Original currency 原幣	Exchange rate 匯率	RMB equivalent 折合人民幣
Short-term borrowings	短期借款						
- USD	- 美元	98,180,000.00	6.8632	673,828,976.00	900,000.00	6.5342	5,880,780.00
- GBP	- 英鎊	27,767,540.78	8.6762	240,916,737.32	-	-	-
- Turkish Lira	- 土耳其里拉	-	-	-	91,904,468.40	1.7291	158,912,016.31

		31 December 2018 2018年12月31日			1 January 2018 and 31 December 2017 2018年1月1日及2017年12月31日		
		Original currency 原幣	Exchange rate 匯率	RMB equivalent 折合人民幣	Original currency 原幣	Exchange rate 匯率	RMB equivalent 折合人民幣
Interest payable	應付利息						
- USD	- 美元	12,763,111.16	6.8632	87,595,784.51	4,125,000.00	6.5342	26,953,575.00

		31 December 2018 2018年12月31日			1 January 2018 and 31 December 2017 2018年1月1日及2017年12月31日		
		Original currency 原幣	Exchange rate 匯率	RMB equivalent 折合人民幣	Original currency 原幣	Exchange rate 匯率	RMB equivalent 折合人民幣
Bonds payable	應付債券						
- USD	- 美元	398,696,531.55	6.8632	2,736,334,035.36	398,001,603.73	6.5342	2,600,622,079.09

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

70. Hedges

Cash flow hedging

KION GROUP AG, a subsidiary of the Company, conducted cash flow hedging on forward currency contracts designated to the exchange rate risk of forecast sale, forecast purchase and firm commitment. The total cash flow of the hedged item amounted to RMB3,077,122,512.50 (EUR392,125,000.00), of which the amount due within 1 year was RMB2,922,483,618.70 (EUR372,419,000.00), and the remaining portion will become due in 2020. The hedged items would affect the profit and loss for the period of 2019 to 2020. There was no material invalid hedge for the current year. As at 31 December 2018, the cashflow hedging reserve in respect of the aforesaid hedged item was a loss of RMB17,460,614.38.

Carrying amount and fair value changes of hedging instrument are as follows:

	Notional amount of hedging instrument 套期工具的名義金額	Carrying amount of hedging instrument 套期工具的賬面價值		Item shown in balance sheet which includes the hedging instrument 包含套期工具的資產負債表列示項目
		Assets 資產	Liabilities 負債	
Cashflow hedging	3,077,122,310.25	18,893,552.73	35,730,945.12	Financial assets held for trading/ Financial liabilities held for trading
– Forward foreign exchange contract (RMB equivalent)				交易性金融資產/交易性金融負債
現金流量套期				
– 遠期外匯合約(折合人民幣)				

五、合併財務報表主要項目註釋(續)

70. 套期

現金流量套期

子公司KION GROUP AG將遠期外匯合同指定對預期銷售、預期採購以及確定承諾的多種貨幣外匯風險進行現金流量套期。被套期項目現金流量總額折算為人民幣3,077,122,512.50元(歐元392,125,000.00)，其中1年內到期的金額為人民幣2,922,483,618.70元(歐元372,419,000.00)，剩餘部分將於2020年到期。被套期項目預期影響損益的期間為2019年至2020年。本年無重大無效套期的部分。截至2018年12月31日，上述套期項目現金流量套期儲備的金額為損失人民幣17,460,614.38元。

套期工具的賬面價值以及公允價值變動如下：

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

70. Hedges (Continued)

Cash flow hedging (Continued)

The change in fair value of hedging instrument is shown in profit or loss and other comprehensive income as follows:

	Loss on change in fair value of hedging instrument taken to other comprehensive income 計入其他綜合收益的套期工具的公允價值變動損失	Amount of loss reclassified from cashflow hedge reserve to profit or loss 從現金流量套期儲備重分類至當期損益的損失金額	Item in income statement which includes the reclassification adjustment 包含重分類調整的利潤表列示項目
Cashflow hedging	38,789,203.90	10,405,519.80	Revenue and cost of sales
- Forward foreign exchange contract 現金流量套期 - 遠期外匯合約			營業收入及成本

Time span and average price or interest of the notional amount of forward foreign exchange hedging instrument of major currencies are as follows:

主要幣種的遠期外匯套期工具的名義金額的時間分佈以及平均價格或利率如下：

	Within 6 months 6個月內	6 to 12 months 6至12個月	More than one year 1年以後	Total 合計
Notional amount of USD forward foreign exchange contract (RMB equivalent) 美元遠期外匯合約名義金額(折合人民幣)	262,547,116.10	250,689,845.80	5,885,475.00	519,122,436.90
Average exchange rate of EUR against USD 歐元兌美元的平均匯率				1.2077

KION GROUP AG, a subsidiary of the Company, conducted cash flow hedging on interest rate swap contracts designated to the interest rate risk of the floating-rate borrowings for acquiring Dematic Group, a subsidiary of the Company. The total cash flow of the hedged item amounted to RMB32,370,112.50 (EUR4,125,000.00), including project cashflow of RMB26,680,820.00 (EUR3,400,000.00) which become due between 2020 and 2023, while the balance in the amount of RMB5,689,292.50 (EUR725,000.00) will become due in 2024. There was no material invalid hedge for the current year. As at 31 December 2018, the cashflow hedging reserve in respect of the aforesaid hedged item was a loss of RMB66,746,946.92.

子公司KION GROUP AG將利率互換合約指定對收購子公司Dematic Group的浮動利率借款的利率風險進行現金流量套期。被套期項目現金流量總額折算為人民幣32,370,112.50元(歐元4,125,000.00)，其中金額為人民幣26,680,820.00元(歐元3,400,000.00)的項目現金流將於2020年到2023年到期，剩餘部分金額為人民幣5,689,292.50元(歐元725,000.00)將於2024年到期。本年無重大套期無效的部分。截至2018年12月31日，上述套期項目現金流量套期儲備的金額為損失人民幣66,746,946.92元。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

70. Hedges (Continued)

70. 套期(續)

*Cash flow hedging (Continued)**現金流量套期(續)*

Carrying amount and fair value changes of hedging instrument are as follows:

套期工具的賬面價值以及公允價值變動如下：

	Notional amount of hedging instrument 套期工具的名義金額	Carrying amount of hedging instrument 套期工具的賬面價值		Item shown in balance sheet which includes the hedging instrument 包含套期工具的資產負債表列示項目
		Assets 資產	Liabilities 負債	
Cashflow hedging	5,963,948,000.00	-	57,184,807.13	Other non-current liabilities
- Interest rate swap agreement (RMB equivalent)				其他非流動負債
現金流量套期				
- 利率互換協議(折合人民幣)				

The change in fair value of hedging instrument is shown in profit or loss and other comprehensive income as follows:

套期工具公允價值變動在當期損益及其他綜合收益列示如下：

	Loss on change in fair value of hedging instrument taken to other comprehensive income 計入其他綜合收益的套期工具的公允價值變動損失	Amount of loss reclassified from cashflow hedge reserve to profit or loss 從現金流量套期儲備重分類至當期損益的損失金額	Item in income statement which includes the reclassification adjustment 包含重分類調整的利潤表列示項目
Cashflow hedging	87,018,709.70	-	Finance expenses
- Interest rate swap agreement			財務費用
現金流量套期			
- 利率互換協議			

Time span and average price or interest of the notional amount of hedging instrument are as follows:

套期工具的名義金額的時間分佈以及平均價格或利率如下：

		Within 6 months	6 to 12 months	More than one year	Total
		6個月內	6至12個月	1年以後	合計
Interest rate swap agreement (RMB equivalent)	利率互換協議(折合人民幣)	-	-	5,963,948,000.00	5,963,948,000.00
Average interest rate of hedging instrument	套期工具的平均利率				0.50%

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

70. Hedges (Continued)

Cash flow hedging (Continued)

On 1 July 2016, Weichai International Hong Kong Energy Group Co., Limited ("Hong Kong Energy"), a subsidiary of the Company, used the bond cross currency swaps as hedging instrument, and conducted cash flow hedging on the foreign currency bond amounting to USD400 million against the cash flow fluctuation incurred by change in exchange rates. The total cash flow of the hedged items amounted to an equivalent of RMB2,971,765,600.00 (EUR378,699,119.44), of which the amount due within 1 year was RMB113,242,800.00 (EUR14,430,797.85), the amount due within 1-2 years was RMB2,858,522,800.00 (EUR364,268,321.59). The hedged items would affect the profit and loss for the period of 2018 to 2020. There was no material invalid hedge for the current year. As at 31 December 2018, the cashflow hedging reserve in respect of the aforesaid hedged item was a loss of RMB76,025,236.30.

Carrying amount and fair value changes of hedging instrument are as follows:

	Notional amount of hedging instrument 套期工具的名義金額	Carrying amount of hedging instrument 套期工具的賬面價值		Item shown in balance sheet which includes the hedging instrument 包含套期工具的資產負債表列示項目
		Assets 資產	Liabilities 負債	
Cashflow hedging – Cross currency interest rate swap instrument (RMB equivalent) 現金流量套期 – 交叉貨幣利率互換工具(折合人民幣)	2,971,765,600.00	–	161,329,163.72	Financial liabilities held for trading 交易性金融負債

五、合併財務報表主要項目註釋(續)

70. 套期(續)

現金流量套期(續)

2016年7月1日，子公司濰柴國際香港能源集團有限公司(「香港能源」)將交叉貨幣利率互換工具作為套期工具，指定對4億美元的外幣債券由於匯率變動引起的現金流量波動進行現金流量套期。被套期項目的現金流量總額折算為人民幣2,971,765,600.00元(歐元378,699,119.44)，其中1年內到期的金額為人民幣113,242,800.00元(歐元14,430,797.85)，1至2年內到期的為人民幣2,858,522,800.00元(歐元364,268,321.59)。被套期項目預期影響損益的期間為2018年至2020年。本年無重大套期無效的部分。截至2018年12月31日，上述套期項目現金流量套期儲備的金額為損失人民幣76,025,236.30元。

套期工具的賬面價值以及公允價值變動如下：

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

70. Hedges (Continued)

Cash flow hedging (Continued)

The change in fair value of hedging instrument is shown in profit or loss and other comprehensive income as follows:

	Loss on change in fair value of hedging instrument taken to other comprehensive income 計入其他綜合收益的套期工具的公允價值變動損失	Amount of loss reclassified from cashflow hedge reserve to profit or loss 從現金流量套期儲備重分類至當期損益的損失金額	Item in income statement which includes the reclassification adjustment 包含重分類調整的利潤表列示項目
Cashflow hedging	157,450,954.86	126,730,171.61	Finance expenses
– Cross currency interest rate swap instrument 現金流量套期 – 交叉貨幣利率互換工具			財務費用

Time span and average price or interest of the notional amount of hedging instrument are as follows:

套期工具的名義金額的時間分佈以及平均價格或利率如下：

	Within 6 months 6個月內	6 to 12 months 6至12個月	More than one year 1年以後	Total 合計
Notional amount of USD cross currency interest rate swap instrument (RMB equivalent) 美元交叉貨幣利率互換工具名義金額(折合人民幣)	56,621,400.00	56,621,400.00	2,858,522,800.00	2,971,765,600.00
Average exchange rate of EUR against USD 歐元兌美元的平均匯率				1.1160
Average interest rate of USD cross currency interest rate swap instrument 美元交叉貨幣利率互換工具平均利率				2.95%

Fair value hedging

On 31 December 2018, KION Group AG, a subsidiary of the Company, entered into interest rate swap contract with a notional amount of EUR100,000,000.00, pursuant to which the Group shall receive interest at fixed annual interest rate, and shall pay interest on the notional amount at variable rate based on London Interbank Offer Rate (LIBOR). The purpose of the swap is to conduct fair value hedging on the interest rate risk underlying fixed-rate medium-term notes. There was no material invalid hedge for the current year.

公允價值套期

於2018年12月31日，本集團子公司KION Group AG簽訂了名義金額為100,000,000.00歐元的利率互換合約，根據該協議本集團收到按固定年利率計算的利息，並支付以名義金額為基礎按照倫敦銀行同業拆借利率的可變年利率計算的利息。互換的目的是對該固定利率中期票據的利率風險進行公允價值套期。本年無重大套期無效的部分。

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

70. Hedges (Continued)

Fair value hedging (Continued)

Time span of the notional amount of hedging instrument are as follows:

		Within 6 months 6個月內	6 to 12 months 6至12個月	More than one year 1年以後	Total 合計
Notional amount of interest rate swap contract (RMB equivalent)	利率互換合約名義金額 (折人民幣)	-	-	784,730,000.00	784,730,000.00

Carrying amount and fair value changes of hedging instrument are as follows:

	Notional amount of hedging instrument 套期工具的名義金額	Carrying amount of hedging instrument 套期工具的賬面價值		Item shown in balance sheet which includes the hedging instrument 包含套期工具的資產負債表列示項目
		Assets 資產	Liabilities 負債	
Interest rate swap contract 利率互換合約	784,730,000.00	8,233,791.06	-	Other non-current financial assets 其他非流動金融資產

Carrying amount and relevant adjustment of hedged items are as follows:

	Carrying amount of hedged item 被套期項目的賬面價值		Cumulative amount of fair value hedging adjustment in respect of the hedged item 被套期項目公允價值套期調整的 累計金額(計入被套期項目的賬面價值)		Item shown in balance sheet which includes the hedged item 包含被套期項目的 資產負債表列示項目
	Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債	
Fixed-rate medium-term note 固定利率中期票據	-	836,435,859.70	-	53,291,014.30	Bonds payable 應付債券

五、合併財務報表主要項目註釋(續)

70. 套期(續)

公允價值套期(續)

套期工具的名義金額的時間分佈如下：

	Within 6 months 6個月內	6 to 12 months 6至12個月	More than one year 1年以後	Total 合計
Notional amount of interest rate swap contract (RMB equivalent)	-	-	784,730,000.00	784,730,000.00

套期工具的賬面價值以及公允價值變動如下：

	Carrying amount of hedging instrument 套期工具的賬面價值		Item shown in balance sheet which includes the hedging instrument 包含套期工具的資產負債表列示項目
	Assets 資產	Liabilities 負債	
Interest rate swap contract 利率互換合約	8,233,791.06	-	Other non-current financial assets 其他非流動金融資產

被套期項目的賬面價值以及相關調整如下：

	Carrying amount of hedged item 被套期項目的賬面價值		Cumulative amount of fair value hedging adjustment in respect of the hedged item 被套期項目公允價值套期調整的 累計金額(計入被套期項目的賬面價值)		Item shown in balance sheet which includes the hedged item 包含被套期項目的 資產負債表列示項目
	Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債	
Fixed-rate medium-term note 固定利率中期票據	-	836,435,859.70	-	53,291,014.30	Bonds payable 應付債券

VI. THE SIGNIFICANT CHANGE IN SCOPE OF CONSOLIDATION

1. Significant consolidation of businesses involving entities not under common control during the year
In July 2018, the Company and Weichai Power (Shanghai) Technology Development Co., Ltd. ("Shanghai Technology"), a subsidiary of the Company, acquired 100% interests in Huzhou Yingcan Investment Partnership LLP ("Yingcan Investment") by way of business consolidation involving entities not under common control. The consideration for consolidation was equal to the share of fair value of identifiable net assets acquired, which was RMB5 million. It did not give rise to any goodwill. The date of acquisition was determined as 9 July 2018.
2. Subsidiaries newly established during the year:
On 26 November 2018, Weichai Ballard Hydrogen Energy Technology Company Limited was established jointly by the Company and Ballard Hong Kong Limited with a registered capital of RMB1,100 million, comprising RMB561 million or 51.00% being contributed by the Company and RMB539 million or 49.00% being contributed by Ballard Hong Kong Limited.

六、重大合併範圍的變動

1. 本年度重要非同一控制下企業合併：
2018年7月，本公司及子公司濰柴動力(上海)科技發展有限公司(下稱「上海科技」)通過非同一控制下企業合併方式獲取湖州盈燦投資合夥企業(有限合夥)(下稱「盈燦投資」)100%股權。合併對價與取得的可辨認淨資產公允價值份額均為人民幣500萬元，未形成商譽。購買日確認為2018年7月9日。
2. 本年新設子公司：
於2018年11月26日，本公司與Ballard Hong Kong Limited共同設立濰柴巴拉德氫能科技有限公司，註冊資本為人民幣11億元，其中本公司認繳出資人民幣5.61億元，佔註冊資本的51.00%，Ballard Hong Kong Limited認繳出資人民幣5.39億元，佔註冊資本的49.00%。

VII. INTEREST IN OTHER ENTITIES

1. Interest in subsidiaries

Particulars of the principal subsidiaries of the Company are presented as follows:

七、在其他主體中的權益

1. 在子公司中的權益

本公司重要子公司的情况如下：

		Place of key operation 主要經營地	Place of registration 註冊地	Nature of business 業務性質	Registered capital 註冊資本	Percentage of shareholding (%) 持股比例(%)	
						Direct 直接	Indirect 間接
Subsidiaries acquired through establishment or investment 通過設立或投資等方式取得的子公司							
(1)	Weichai Power (Weifang) Casting Co., Ltd. 濰柴動力(濰坊)鑄鍛有限公司	Shandong 山東	Shandong 山東	Manufacturing industry 製造業	460,150,000.00	100.00	-
(2)	Weichai Power (Shanghai) Technology Development Co., Ltd. 濰柴動力(上海)科技發展有限公司	Shanghai 上海	Shanghai 上海	Manufacturing industry 製造業	650,000,000.00	100.00	-
(3)	Weichai Power Yangzhou Diesel Engine Co., Ltd. 濰柴動力揚州柴油機有限責任公司	Jiangsu 江蘇	Jiangsu 江蘇	Manufacturing industry 製造業	953,885,379.17	-	71.06
(4)	Weichai Power (Chongqing) Western Development Co., Ltd. 濰柴動力(重慶)西部發展有限公司	Chongqing 重慶	Chongqing 重慶	Manufacturing industry 製造業	417,854,500.00	100.00	-
(5)	Weichai Power (Beijing) International Resources Investment Co., Ltd. 濰柴動力(北京)國際資源投資有限公司	Beijing 北京	Beijing 北京	Project Investment 項目投資	300,000,000.00	100.00	-
(6)	Weichai Power (Luxembourg) Holding S.à r.l. 濰柴動力(盧森堡)控股有限公司	Luxembourg 盧森堡	Luxembourg 盧森堡	Project Investment 項目投資	EUR100,000.00 歐元100,000.00	-	100.00
(7)	Weichai Power (Hong Kong) International Development Co., Ltd. 濰柴動力(香港)國際發展有限公司	Hong Kong 香港	Hong Kong 香港	Services 服務業	USD336,242,497.00 美元336,242,497.00	100.00	-
(8)	Shandong Heavy Industry India Private Limited 山東重工印度有限責任公司	India 印度	India 印度	Manufacturing industry 製造業	Rupee823,889,270.00 盧比823,889,270.00	-	97.68

VII. INTEREST IN OTHER ENTITIES
(CONTINUED)

1. Interest in subsidiaries (Continued)

七、在其他主體中的權益(續)

1. 在子公司中的權益(續)

	Place of key operation 主要經營地	Place of registration 註冊地	Nature of business 業務性質	Registered capital 註冊資本	Percentage of shareholding (%) 持股比例(%)		
					Direct 直接	Indirect 間接	
Subsidiaries acquired through business combinations not involving entities under common control 非同一控制下企業合併取得的子公司							
(9)	Shandong Huadong Casting Co., Ltd. 山東華動鑄造有限公司	Shandong 山東	Shandong 山東	Manufacturing industry 製造業	450,150,000.00	-	100.00
(10)	Shaanxi Heavy-duty Motor Company Limited 陝西重型汽車有限公司	Shaanxi 陝西	Shaanxi 陝西	Manufacturing industry 製造業	3,706,330,000.00	51.00	-
(11)	Shaanxi Hande Axle Co., Ltd. 陝西漢德車橋有限公司	Shaanxi 陝西	Shaanxi 陝西	Manufacturing industry 製造業	320,000,000.00	3.06	94.00
(12)	Shaanxi Jinding Casting Co., Ltd. 陝西金鼎鑄造有限公司	Shaanxi 陝西	Shaanxi 陝西	Manufacturing industry 製造業	593,360,000.00	-	100.00
(13)	Shaanxi Fast Gear Co., Ltd. 陝西法士特齒輪有限責任公司	Shaanxi 陝西	Shaanxi 陝西	Manufacturing industry 製造業	256,790,000.00	51.00	-
(14)	Zhuzhou Gear Co., Ltd. 株洲齒輪有限責任公司	Hunan 湖南	Hunan 湖南	Manufacturing industry 製造業	531,314,951.00	87.91	-
(15)	Zhuzhou Torch Sparkplugs Co., Ltd. 株洲湘火炬火花塞有限責任公司	Hunan 湖南	Hunan 湖南	Manufacturing industry 製造業	282,480,000.00	100.00	-
(16)	Weichai (Chongqing) Automotive Co., Ltd. 濰柴(重慶)汽車有限公司	Chongqing 重慶	Chongqing 重慶	Manufacturing industry 製造業	3,030,410,000.00	84.33	15.67
(17)	Société Internationale des Moteurs Baudouin 法國博杜安動力國際有限公司	France 法國	France 法國	Manufacturing industry 製造業	EUR47,311,180.00 歐元47,311,180.00	-	100.00
(18)	KION GROUP AG KION GROUP AG	Germany 德國	Germany 德國	Manufacturing industry 製造業	EUR118,090,000.00 歐元118,090,000.00	-	45.00
(19)	Weichai America Corp. 濰柴動力北美有限公司	the U.S. 美國	the U.S. 美國	Manufacturing industry 製造業	USD87,837,230.00 美元87,837,230.00	100.00	-
(20)	Huzhou Yingcan Investment Partnership LLP (Note 1) 湖州盈燦投資合夥企業(有限合夥)(註1)	Jiangsu 江蘇	Jiangsu 江蘇	Project Investment 項目投資	1,406,800,000.00	100.00	-

Note 1: In July 2018, the Company and Weichai Power (Shanghai) Technology Development Co., Ltd. ("Shanghai Technology"), a subsidiary of the Company, entered into the Agreement on Participating in (Withdrawing from) Huzhou Yingcan Investment Partnership (Limited Partnership) with, among others, Hangzhou Gaomu Asset Management Company Limited, pursuant to which the Company and Shanghai Technology as a limited partner and a general partner respectively, participated in Yingcan Investment. Upon completion of this investment, the Company and Shanghai Technology hold a total of 100% interests in Huzhou Yingcan Investment Partnership (Limited Partnership).

註1: 2018年7月,本公司及其子公司濰柴動力(上海)科技發展有限公司(下稱「上海科技」)與杭州高目資產管理有限公司等簽署《湖州盈燦投資合夥企業(有限合夥)之入(退)夥協議》,本公司及上海科技分別作為有限合夥人與普通合夥人。本次投資完成後,本公司及上海科技合計持有湖州盈燦投資合夥企業(有限合夥)100%股權。

VII. INTEREST IN OTHER ENTITIES
(CONTINUED)

1. Interest in subsidiaries (Continued)

Details of the changes in paid-in capital of principal subsidiaries in 2018 are as follows:

		31 December 2017 2017年12月31日	Increase during the year 本年增加	Decrease during the year 本年減少	31 December 2018 2018年12月31日
Weichai Power Yangzhou Diesel Engine Co., Ltd.	濰柴動力揚州柴油機有限公司	793,885,379.17	49,500,000.00	-	843,385,379.17
Weichai Power (Chongqing) Western Development Co., Ltd.	濰柴動力(重慶)西部發展有限公司	339,504,500.00	50,000,000.00	-	389,504,500.00
KION GROUP AG (Euro)	KION GROUP AG(歐元)	117,929,171.00	61,000	(66,000)	117,924,171.00
Weichai America Corp.	濰柴動力北美有限公司	USD12,180,980.00 美元12,180,980.00	USD70,000,000.00 美元70,000,000.00	-	USD82,180,980.00 美元82,180,980.00
Weichai (Chongqing) Automotive Co., Ltd.	濰柴(重慶)汽車有限公司	2,530,410,000.00	280,000,000.00	-	2,810,410,000.00

Details of the changes in paid-in capital of principal subsidiaries in 2017 are as follows:

主要子公司實收資本2017年發生變化的詳情如下：

		31 December 2016 2016年12月31日	Increase during the year 本年增加	Decrease during the year 本年減少	31 December 2017 2017年12月31日
Weichai Power Yangzhou Diesel Engine Co., Ltd.	濰柴動力揚州柴油機有限公司	400,000,000.00	393,885,379.17	-	793,885,379.17
Weichai Power (Chongqing) Western Development Co., Ltd.	濰柴動力(重慶)西部發展有限公司	240,000,000.00	99,504,500.00	-	339,504,500.00
KION GROUP AG (Euro)	KION GROUP AG(歐元)	108,626,000.00	9,303,171.00	-	117,929,171.00
Weichai (Chongqing) Automotive Co., Ltd.	濰柴(重慶)汽車有限公司	1,895,410,000.00	635,000,000.00	-	2,530,410,000.00

VII. INTEREST IN OTHER ENTITIES
(CONTINUED)

1. Interest in subsidiaries (Continued)

Subsidiaries with material interests of minority shareholders are as follows:

2018

		Percentage of shareholding minority shareholders 少數股東 持股比例	Attributable to minority interests 歸屬少數 股東損益	Dividends paid to minority shareholders 向少數股東 支付股利	Accumulated minority interests at the end of year 年末累計少數 股東權益
KION GROUP AG	KION GROUP AG	55.00%	1,424,635,583.20	517,656,247.83	9,463,140,855.43
Shaanxi Heavy-duty Motor Company Limited	陝西重型汽車有限公司	49.00%	513,076,351.26	235,782,012.00	3,326,096,799.73
Shaanxi Fast Gear Co., Ltd.	陝西法士特齒輪 有限責任公司	49.00%	594,898,862.56	204,897,132.29	4,564,833,027.20

2017

		Percentage of shareholding Minority shareholders 少數股東 持股比例	Attributable to minority interests 歸屬少數 股東損益	Dividends paid to minority shareholders 向少數股東 支付股利	Accumulated minority interests at the end of year 年末累計少數 股東權益
KION GROUP AG	KION GROUP AG	56.74%	1,496,658,478.77	399,235,110.56	8,681,508,693.39
Shaanxi Heavy-duty Motor Company Limited	陝西重型汽車有限公司	49.00%	278,262,410.94	114,023,000.00	3,033,288,505.35
Shaanxi Fast Gear Co., Ltd.	陝西法士特齒輪 有限責任公司	49.00%	520,583,550.56	183,684,755.69	4,093,379,016.26

七、在其他主體中的權益(續)

1. 在子公司中的權益(續)

存在重要少數股東權益的子公司如下：

2018年

2017年

VII. INTEREST IN OTHER ENTITIES (CONTINUED)

1. Interest in subsidiaries (Continued)

The following table illustrates the summarized financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

		Shaanxi Heavy-duty		
		KION GROUP AG KION GROUP AG	Motor Company Limited 陝西重型汽車有限公司	Shaanxi Fast Gear Co., Ltd. 陝西法士特齒輪有限責任公司
2018	2018年			
Current assets	流動資產	22,115,017,593.70	25,981,307,059.83	11,638,155,694.01
Non-current assets	非流動資產	64,472,830,341.38	5,182,559,364.40	2,809,757,180.19
Total assets	資產合計	86,587,847,935.08	31,163,866,424.23	14,447,912,874.20
Current liabilities	流動負債	26,614,890,438.21	23,247,262,310.28	5,185,145,684.47
Non-current liabilities	非流動負債	42,660,192,762.92	1,270,176,955.12	321,563,666.67
Total liabilities	負債合計	69,275,083,201.13	24,517,439,265.40	5,506,709,351.14
Revenue	營業收入	60,540,107,209.00	51,120,014,045.86	13,923,677,192.09
Net profit	淨利潤	2,570,049,593.27	1,187,061,868.38	1,311,478,581.44
Total comprehensive income	綜合收益總額	2,766,228,221.74	1,187,185,338.13	1,313,514,470.20
Net cash flows from operating activities	經營活動產生的現金流量淨額	5,088,808,975.60	3,661,900,177.05	1,205,081,040.72
2017	2017年			
Current assets	流動資產	19,361,142,171.80	28,526,839,777.12	10,358,898,523.75
Non-current assets	非流動資產	60,199,532,911.91	4,640,599,745.75	2,795,625,846.01
Total assets	資產合計	79,560,675,083.71	33,167,439,522.87	13,154,524,369.76
Current liabilities	流動負債	22,233,551,114.50	26,178,924,353.86	5,041,427,877.49
Non-current liabilities	非流動負債	42,091,054,033.19	1,061,368,443.12	151,360,000.00
Total liabilities	負債合計	64,324,605,147.69	27,240,292,796.98	5,192,787,877.49
Revenue	營業收入	58,493,148,792.04	47,351,465,941.08	13,245,195,115.06
Net profit	淨利潤	2,628,519,397.89	666,369,865.41	1,026,810,494.19
Total comprehensive income	綜合收益總額	1,150,192,362.36	666,387,489.44	1,030,480,923.42
Net cash flows from operating activities	經營活動產生的現金流量淨額	4,699,260,302.40	2,161,917,417.64	134,985,444.43

七、在其他主體中的權益(續)

1. 在子公司中的權益(續)

下表列示了上述子公司主要財務信息。這些信息為本集團內各企業之間相互抵消前的金額：

VII. INTEREST IN OTHER ENTITIES (CONTINUED)

1. Interest in subsidiaries (Continued)

Particulars of the principal jointly-controlled enterprise and associates of the Company are presented as follows:

		Place of key operation 主要經營地	Place of registration 註冊地	Nature of Business 業務性質	Registered capital 註冊資本	Percentage of shareholding (%) 持股比例(%)		Accounting treatment 會計處理
						Direct 直接	Indirect 間接	
Jointly-controlled enterprise 合營企業								
(1)	Xi'an FC Intelligence Transmission Co., Ltd. (Note 1) 西安雙特智能傳動有限公司(註1)	Shaanxi 陝西	Shaanxi 陝西	Manufacturing industry 製造業	500,000,000.00	-	51.00	Equity Method 權益法
Associate 聯營企業								
(1)	Shanzhong Finance Leasing Co., Ltd. 山重融資租賃有限公司	Beijing 北京	Beijing 北京	Finance lease 融資租賃	1,100,000,000.00	19.565	19.565	Equity Method 權益法
(2)	Shandong Heavy Industry Group Finance Co., Ltd. 山東重工集團財務有限公司	Shandong 山東	Shandong 山東	Finance company 財務公司	1,600,000,000.00	31.25	6.25	Equity Method 權益法

2. Interest in jointly-controlled enterprises and associates

The Group holds 51% equity interest of Xi'an FC Intelligence Transmission Co., Ltd. ("FC Intelligence Transmission"), which is principally engaged in the production of automatic gear boxes. It is a key jointly-controlled enterprise of the Group and is accounted for using equity method in the Group's accounts.

七、在其他主體中的權益(續)

1. 在子公司中的權益(續)

本公司重要合營企業和聯營企業的情況如下：

2. 在合營企業和聯營企業中的權益

本集團持有西安雙特智能傳動有限公司(「雙特傳動」)51%股權，雙特傳動主要生產自動變速箱，為本集團重要的合營企業，本集團對該合營企業採用權益法核算。

VII. INTEREST IN OTHER ENTITIES (CONTINUED)

2. Interest in jointly-controlled enterprises and associates (Continued)

The following table illustrates the summarised financial information of Xi'an FC Intelligence Transmission Co., Ltd. The amounts disclosed are adjusted for differences in accounting policies and reconciled to the carrying accounts in this financial statement:

		2018 2018年	2017 2017年
Current assets	流動資產	237,457,344.81	344,159,079.23
including: cash and cash equivalents	其中：現金和現金等價物	48,421,897.13	45,410,730.31
Non-current assets	非流動資產	237,266,700.88	253,524,097.39
Total assets	資產合計	474,724,045.69	597,683,176.62
Current liabilities	流動負債	250,965,184.41	375,034,877.09
Non-current liabilities	非流動負債	-	-
Total liabilities	負債合計	250,965,184.41	375,034,877.09
Minority interests	少數股東權益	-	-
Shareholders' equity attributable to the Parent	歸屬於母公司的股東權益	223,758,861.28	222,648,299.53
Shares of net assets based on percentage of shareholding	按持股比例享有的淨資產份額	114,426,965.09	113,550,632.76
Carrying value of investment	投資的賬面價值	107,070,213.92	106,244,043.95

		2018 2018年	2017 2017年
Revenue	營業收入	302,799,641.01	206,817,806.36
Finance expenses	財務費用	2,938,294.01	7,442,782.44
Income tax expenses	所得稅費用	-	-
Net profit/(losses)	淨利潤/(損失)	868,322.19	(23,621,287.56)
Total comprehensive income	綜合收益總額	868,322.19	(23,621,287.56)
Dividend received	收到的股利	-	-

七、在其他主體中的權益(續)

2. 在合營企業和聯營企業中的權益(續)

下表列示了西安雙特智能傳動有限公司的財務信息，這些財務信息調整了所有會計政策差異且調節至本財務報表賬面金額：

		2018 2018年	2017 2017年
Current assets	流動資產	237,457,344.81	344,159,079.23
including: cash and cash equivalents	其中：現金和現金等價物	48,421,897.13	45,410,730.31
Non-current assets	非流動資產	237,266,700.88	253,524,097.39
Total assets	資產合計	474,724,045.69	597,683,176.62
Current liabilities	流動負債	250,965,184.41	375,034,877.09
Non-current liabilities	非流動負債	-	-
Total liabilities	負債合計	250,965,184.41	375,034,877.09
Minority interests	少數股東權益	-	-
Shareholders' equity attributable to the Parent	歸屬於母公司的股東權益	223,758,861.28	222,648,299.53
Shares of net assets based on percentage of shareholding	按持股比例享有的淨資產份額	114,426,965.09	113,550,632.76
Carrying value of investment	投資的賬面價值	107,070,213.92	106,244,043.95

		2018 2018年	2017 2017年
Revenue	營業收入	302,799,641.01	206,817,806.36
Finance expenses	財務費用	2,938,294.01	7,442,782.44
Income tax expenses	所得稅費用	-	-
Net profit/(losses)	淨利潤/(損失)	868,322.19	(23,621,287.56)
Total comprehensive income	綜合收益總額	868,322.19	(23,621,287.56)
Dividend received	收到的股利	-	-

VII. INTEREST IN OTHER ENTITIES (CONTINUED)

2. Interest in jointly-controlled enterprises and associates (Continued)

The Group holds 37.50% equity interest of Shandong Heavy Industry Group Finance Co., Ltd. ("Shandong Heavy Industry Finance Co."), which provides the Group with services of deposits, credit lending, settlement and other financial services. It is a key associate of the Group and is accounted for using equity method in the Group's accounts.

The following table illustrates the summarised financial information of Shandong Heavy Industry Finance Co.. The amounts disclosed are adjusted for differences in accounting policies and reconciled to the carrying accounts in this financial statement:

		2018 2018年	2017 2017年
Current assets	流動資產	18,144,321,814.71	17,606,355,393.06
including: cash and cash equivalents	其中：現金和現金等價物	5,482,693,219.23	11,496,560,615.14
Non-current assets	非流動資產	8,288,073,157.59	6,257,307,742.03
Total assets	資產合計	26,432,394,972.30	23,863,663,135.09
Current liabilities	流動負債	23,939,470,221.34	21,360,351,767.57
Non-current liabilities	非流動負債	-	-
Total liabilities	負債合計	23,939,470,221.34	21,360,351,767.57
Minority interests	少數股東權益	-	-
Shareholders' equity attributable to the Parent	歸屬於母公司的股東權益	2,492,924,750.96	2,503,311,367.52
Shares of net assets based on percentage of shareholding	按持股比例享有的淨資產份額	934,846,781.61	938,741,762.82
Carrying value of investment	投資的賬面價值	936,033,730.61	962,366,597.64

		2018 2018年	2017 2017年
Revenue	營業收入	654,610,891.33	450,500,880.95
Income tax expenses	所得稅費用	(81,462,773.19)	(64,186,642.58)
Net profit	淨利潤	244,221,958.83	192,410,971.89
Total comprehensive income	綜合收益總額	244,221,958.83	192,410,971.89
Dividend received	收到的股利	82,205,100.81	-

七、在其他主體中的權益(續)

2. 在合營企業和聯營企業中的權益(續)

本集團持有山東重工集團財務有限公司(「山東重工財務公司」)37.50%股權，山東重工財務公司為本集團提供存款、信貸、結算及其他金融服務，是本集團重要的聯營企業，本集團對該聯營企業採用權益法核算。

下表列示了山東重工財務公司的財務信息，這些財務信息調整了所有會計政策差異且調節至本財務報表賬面金額：

VII. INTEREST IN OTHER ENTITIES (CONTINUED)

2. Interest in jointly-controlled enterprises and associates (Continued)

The Group holds 39.13% equity interests of Shanzhong Finance Leasing Co., Ltd. ("Shanzhong Finance Leasing"), which provides the Group and its distributors with finance leasing services. It is a key associate of the Group and is accounted for using equity method in the Group's accounts.

The following table illustrates the summarised financial information of Shanzhong Finance Leasing Co., Ltd.. The amounts disclosed are adjusted for differences in accounting policies and reconciled to the carrying accounts in this financial statement:

		2018 2018年	2017 2017年
Current assets	流動資產	3,272,083,347.28	4,039,618,427.45
including: cash and cash equivalents	其中：現金和現金等價物	456,261,549.62	357,158,613.19
Non-current assets	非流動資產	2,174,536,928.45	906,214,006.89
Total assets	資產合計	5,446,620,275.73	4,945,832,434.34
Current liabilities	流動負債	3,188,853,293.71	3,051,818,481.73
Non-current liabilities	非流動負債	1,023,117,720.55	715,688,167.77
Total liabilities	負債合計	4,211,971,014.26	3,767,506,649.50
Minority interests	少數股東權益	-	-
Shareholders' equity attributable to the Parent	歸屬於母公司的股東權益	1,234,649,261.47	1,178,325,784.84
Shares of net assets based on percentage of shareholding	按持股比例享有的淨資產份額	483,118,256.01	461,078,879.61
Carrying value of investment	投資的賬面價值	482,987,715.09	461,023,063.87

		2018 2018年	2017 2017年
Revenue	營業收入	301,033,595.31	270,908,662.76
Income tax expenses	所得稅費用	(18,871,761.19)	(16,017,411.56)
Net profit	淨利潤	56,385,798.21	46,252,334.09
Total comprehensive income	綜合收益總額	56,244,427.84	46,252,334.09
Dividend received	收到的股利	-	-

七、在其他主體中的權益(續)

2. 在合營企業和聯營企業中的權益(續)

本集團持有山重融資租賃有限公司(「山重融資租賃」)39.13%股權，山重融資租賃為本集團及本集團的經銷商提供融資租賃業務服務，是本集團重要的聯營企業，本集團對該聯營企業採用權益法核算。

下表列示了山重融資租賃有限公司的財務信息，這些財務信息調整了所有會計政策差異且調節至本財務報表賬面金額：

VII. INTEREST IN OTHER ENTITIES (CONTINUED)

2. Interest in jointly-controlled enterprises and associates (Continued)

The following illustrates the combined financial information of the associates which, individually, are not significant to the Group:

		2018 2018年	2017 2017年
Associate	聯營企業		
Total carrying value of investments	投資賬面價值合計	1,336,621,678.52	1,109,302,210.02

The total amount of the following calculation based on the percentage of shareholding:

		2018 2018年	2017 2017年
Net profit	淨利潤	59,394,585.34	42,861,801.05
Other comprehensive income	其他綜合收益	19,514,414.06	22,303,978.46
Total comprehensive income	綜合收益總額	78,908,999.40	65,165,779.51

As the Group takes no responsibility for additional losses incurred by Shaanxi Eurostar Auto Co., Ltd., in recognizing the net losses incurred by Shaanxi Eurostar Auto Co., Ltd., the writing-off of carrying values of long-term equity investments and other long-term interests constituting effectively net investments in Shaanxi Eurostar Auto Co., Ltd. is limited to zero. The Group's unrecognised investment losses, for this year and on an accumulative basis, amounted to RMB33,883,109.42 (2017: RMB13,762,474.97) and RMB84,299,575.36 (2017: RMB50,416,465.93) respectively.

As the Group takes no responsibility for additional losses incurred by Baoding Shanqi Tianma Automobile Co., Ltd., in recognizing the net losses incurred by Baoding Shanqi Tianma Automobile Co., Ltd., the writing-off of the carrying values of long-term equity investments and other long-term interests constituting effectively net investments in Baoding Shanqi Tianma Automobile Co., Ltd. is limited to zero. The Group's unrecognised investment losses, for this year and on an accumulative basis, amounted to RMB125,048.67 (2017: RMB525,653.08) and RMB7,391,581.31 (2017: RMB7,266,532.64) respectively.

七、在其他主體中的權益(續)

2. 在合營企業和聯營企業中的權益(續)

下表列示了對本集團單項不重要的聯營企業的合計財務信息：

		2018 2018年	2017 2017年
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下列各項按持股比例計算的合計數：

		2018 2018年	2017 2017年
Net profit	淨利潤	59,394,585.34	42,861,801.05
Other comprehensive income	其他綜合收益	19,514,414.06	22,303,978.46
Total comprehensive income	綜合收益總額	78,908,999.40	65,165,779.51

由於本集團對陝西歐舒特汽車股份有限公司不負有承擔額外損失義務，因此在確認陝西歐舒特汽車股份有限公司發生的淨虧損時，以長期股權投資的賬面價值以及其他實質上構成對陝西歐舒特汽車股份有限公司淨投資的長期權益減記至零為限，本集團本年及累計未確認的投資損失金額分別為人民幣33,883,109.42元(2017年：人民幣13,762,474.97元)和人民幣84,299,575.36元(2017年：人民幣50,416,465.93元)。

由於本集團對保定陝汽天馬汽車有限公司不負有承擔額外損失義務，因此在確認保定陝汽天馬汽車有限公司發生的淨虧損時，以長期股權投資的賬面價值以及其他實質上構成對保定陝汽天馬汽車有限公司淨投資的長期權益減記至零為限，本集團本年及累計未確認的投資損失金額分別為人民幣125,048.67元(2017年：人民幣525,653.08元)和人民幣7,391,581.31元(2017年：人民幣7,266,532.64元)。

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

1. Financial instruments by category

The carrying amounts of each category of financial instruments as at the balance sheet date are presented as follows:

2018

Financial assets

		Financial assets at fair value through profit or loss		Measured at amortized cost	At fair value through other comprehensive income		Total	
		以公允價值計量且其變動計入當期損益的金融資產			以攤餘成本計量	以公允價值計量且其變動計入其他綜合收益		
		Required by standard	Designated		Required by standard	Designated		
		準則要求	指定	準則要求	指定		合計	
Cash and cash equivalents	貨幣資金	-	-	38,209,952,558.31	-	-	38,209,952,558.31	
Financial assets held for trading	交易性金融資產	4,115,199,600.23	-	-	-	-	4,115,199,600.23	
Notes receivable and accounts receivable	應收票據及應收賬款	-	-	31,211,803,771.72	6,936,224,398.10	-	38,148,028,169.82	
Other receivables	其他應收款	-	-	1,083,396,596.98	-	-	1,083,396,596.98	
Non-current assets due within one year	一年內到期的非流動資產	-	-	2,127,858,173.40	-	-	2,127,858,173.40	
Long-term receivables	長期應收款	-	-	6,483,298,008.60	-	-	6,483,298,008.60	
Investment in other equity instruments	其他權益工具投資	-	-	-	-	1,315,633,672.96	1,315,633,672.96	
Other non-current financial assets	其他非流動金融資產	192,949,412.40	-	-	-	-	192,949,412.40	
		4,308,149,012.63	-	79,116,309,109.01	6,936,224,398.10	1,315,633,672.96	91,676,316,192.70	

Financial liabilities

金融負債

		Financial liabilities at fair value through profit or loss		Measured at amortized cost	Total	
		以公允價值計量且其變動計入當期損益的金融負債				以攤餘成本計量
		Required by standard	Designated			Required by standard
		準則要求	指定	準則要求	合計	
Short-term loans	短期借款	-	-	5,472,765,901.24	5,472,765,901.24	
Financial liabilities held for trading	交易性金融負債	213,435,765.47	-	-	213,435,765.47	
Notes payable and accounts payable	應付票據及應付賬款	-	-	46,794,371,199.93	46,794,371,199.93	
Other payables	其他應付款	-	-	6,502,173,092.72	6,502,173,092.72	
Non-current liabilities due within one year	一年內到期的非流動負債	-	-	6,526,200,279.40	6,526,200,279.40	
Other current liabilities	其他流動負債	-	-	2,696,767,355.96	2,696,767,355.96	
Long-term borrowings	長期借款	-	-	10,908,512,233.85	10,908,512,233.85	
Bonds payable	應付債券	-	-	12,265,020,075.27	12,265,020,075.27	
Long-term payables	長期應付款	-	-	9,861,403,712.60	9,861,403,712.60	
Other non-current liabilities	其他非流動負債	61,695,472.60	-	648,006,492.10	709,701,964.70	
		275,131,238.07	-	101,675,220,343.07	101,950,351,581.14	

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Financial instruments by category (Continued)

The carrying amounts of each category of financial instruments as at the balance sheet date are presented as follows: (Continued)

2017

Financial assets

		Financial assets at fair value through profit or loss 以公允價值計量 且其變動計入 當期損益的 金融資產	Loans and receivables 貸款和 應收款項	Available-for-sale financial assets 可供出售 金融資產	Total 合計
Cash and cash equivalents	貨幣資金	-	34,221,837,770.90	-	34,221,837,770.90
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產	384,067,087.32	-	-	384,067,087.32
Notes receivable and accounts receivable	應收票據及應收賬款	-	38,863,774,260.96	-	38,863,774,260.96
Other receivables	其他應收款	-	888,122,035.12	-	888,122,035.12
Non-current assets due within one year	一年內到期的非流動資產	-	1,778,971,213.80	-	1,778,971,213.80
Other current assets	其他流動資產	-	-	2,365,000,000.00	2,365,000,000.00
Long-term receivables	長期應收款	-	5,197,814,237.00	-	5,197,814,237.00
Other non-current assets	其他非流動資產	-	17,227,478.40	-	17,227,478.40
Available-for-sale financial assets	可供出售金融資產	-	-	594,847,216.31	594,847,216.31
Total	合計	384,067,087.32	80,967,746,996.18	2,959,847,216.31	84,311,661,299.81

八. 與金融工具相關的風險(續)

1. 金融工具分類(續)

資產負債表日的各類金融工具的賬面價值如下:(續)

2017年

金融資產

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Financial instruments by category (Continued)

The carrying amounts of each category of financial instruments as at the balance sheet date are presented as follows: (Continued)

2017 (Continued)

Financial liabilities

		Financial liabilities at fair value through profit or loss 以公允價值計量 且其變動計入 當期損益的 金融負債	Other financial liabilities 其他金融負債	Total 合計
Short-term loans	短期借款	-	3,174,887,395.62	3,174,887,395.62
Financial liabilities at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融負債	482,880,099.94	-	482,880,099.94
Notes payable and accounts payable	應付票據及應付賬款	-	43,016,241,784.82	43,016,241,784.82
Other payables	其他應付款	-	8,026,100,946.56	8,026,100,946.56
Non-current liabilities due within one year	一年內到期的非流動負債	-	5,596,251,134.50	5,596,251,134.50
Other current liabilities	其他流動負債	-	820,424,695.89	820,424,695.89
Long-term borrowings	長期借款	-	15,678,594,729.35	15,678,594,729.35
Bonds payable	應付債券	-	10,459,780,084.07	10,459,780,084.07
Long-term payables	長期應付款	-	9,218,432,433.10	9,218,432,433.10
Other non-current liabilities	其他非流動負債	14,715,137.80	208,080,657.88	222,795,795.68
Total	合計	497,595,237.74	96,198,793,861.79	96,696,389,099.53

八. 與金融工具相關的風險(續)

1. 金融工具分類(續)

資產負債表日的各類金融工具的賬面價值如下:(續)

2017年(續)

金融負債

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

2. Transfers of Financial Assets

Transferred financial assets that had not been derecognised in their entirety

As at 31 December 2018, the Group had endorsed to its suppliers commercial acceptance bills, which remained outstanding, for settling account payables with a carrying amount of RMB500,000.00 (31 December 2017: RMB7,321,000.00). The Group had endorsed to its suppliers bank acceptance bills with higher credit risk, which remained outstanding, for settling account payables with a carrying amount of RMB51,739,351.00 (31 December 2017: Nil). The Group considered that it retained substantially all of the risks and rewards including the related default risk. Accordingly, its and all related settled account payables continued to be fully recognized. After endorsement, the Group no longer retained its right of use, including the right to sell, transfer or pledge to other third parties. As at 31 December 2018, the Group's settled account payables had a total carrying amount of RMB52,239,351.00 (31 December 2017: RMB7,321,000.00).

Transferred financial assets that had been derecognised in their entirety but continuously involved

As at 31 December 2018, the Group had endorsed to its suppliers bank acceptance bills with lower credit risk, which remained outstanding, for settling account payables with a carrying amount of RMB10,293,024,756.84 (31 December 2017: RMB11,897,133,700.14). As at 31 December 2018, the Group had discounted bank acceptance bills, which remained outstanding, with a carrying amount of RMB80,882,470.11 (31 December 2017: RMB19,718,076.84). As at 31 December 2018, they were due in 1 to 12 months. If acceptance banks dishonor the bills, endorsees shall have the right to turn to the Group for recourse ("Continuing Involvement") according to the Law of Negotiable Instruments.

八、與金融工具相關的風險(續)

2. 金融資產轉移

已轉移但未整體終止確認的金融資產

於2018年12月31日，本集團未到期的已背書給供應商用於結算應付賬款的商業承兌匯票的賬面價值為人民幣500,000.00元(2017年12月31日：人民幣7,321,000.00元)；本集團未到期的已背書給供應商用於結算應付賬款的信用風險較高的銀行承兌匯票的賬目價值為人民幣51,739,351.00元(2017年12月31日：無)。本集團認為，本集團保留了其幾乎所有的風險和報酬，包括與其相關的違約風險，因此，繼續全額確認其及與之相關的已結算應付賬款。背書後，本集團不再保留使用其的權利，包括將其出售、轉讓或質押給其他第三方的權利。於2018年12月31日，本集團以其結算的應付賬款賬面價值總計為人民幣52,239,351.00元(2017年12月31日：人民幣7,321,000.00元)。

已整體終止確認但繼續涉入的已轉移金融資產

於2018年12月31日，本集團未到期的已背書給供應商用於結算應付賬款的信用風險較低的銀行承兌匯票的賬面價值為人民幣10,293,024,756.84元(2017年12月31日：人民幣11,897,133,700.14元)；於2018年12月31日，本集團未到期的已貼現銀行承兌匯票的賬面價值為人民幣80,882,470.11元(2017年12月31日：人民幣19,718,076.84元)。於2018年12月31日，其到期日為1至12個月，根據《票據法》相關規定，若承兌銀行拒絕付款的，其持有人有權向本集團追索(「繼續涉入」)。

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

2. Transfers of Financial Assets (Continued)

Transferred financial assets that had not been derecognised in their entirety (Continued)

The Group considered substantially all risk and reward of the bills have been transferred. Therefore, the Group derecognized the book value of the related accounts payable that have been settled by the bills. The undiscounted cash flow and maximum loss of continuing involvement and repurchase were equal to the book value of the bills. The Group considers the fair value of continuing involvement is not significant.

In 2018, the Group did not recognize any significant profit or loss at the date of transfer. The Group had no current or accumulated gain or expense arising from the continuing involvement in financial assets which had been derecognized. The endorsement and discount were incurred evenly throughout the year.

3. Financial instruments risks

In its day-to-day activities, the Group is exposed to financial instruments risks, primarily including credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and price risk). The Group's major financial instruments include cash and cash equivalents, equity investments, debt investments, borrowings, notes receivable and accounts receivable, finance lease receivables, notes payable and accounts payable and finance lease payables and so forth. The risks in connection with these financial instruments and the risk management policies adopted by the Group to mitigate such risks are described as follows.

八、與金融工具相關的風險(續)

2. 金融資產轉移(續)

已整體終止確認但繼續涉入的已轉移金融資產(續)

本集團認為，本集團已經轉移了其幾乎所有的風險和報酬，因此，終止確認其及與之相關的已結算應付賬款的賬面價值。繼續涉入及回購的最大損失和未折現現金流量等於其賬面價值。本集團認為，繼續涉入公允價值並不重大。

2018年度，本集團於其轉移日確認的利得或損失並不重大。本集團無因繼續涉入已終止確認金融資產當年度和累計確認的收益或費用。背書和貼現在本年度大致均衡發生。

3. 金融工具風險

本集團在日常活動中面臨各種金融工具的風險，主要包括信用風險、流動性風險及市場風險(包括匯率風險、利率風險和價格風險)。本集團的主要金融工具包括貨幣資金、股權投資、債權投資、借款、應收票據及應收賬款、融資租賃應收款項、應付票據及應付賬款及融資租賃應付款項等。與這些金融工具相關的風險，以及本集團為降低這些風險所採取的風險管理策略如下所述。

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Financial instruments risks (Continued)

The Directors are responsible for planning and establishing the risk management structure of the Group, designating the risk management policies and the related guidance for the Group, and monitoring the implementation of risk management measures. The Group has risk management policies in place to identify and analyse the risk exposure of the Group. These risk management policies have defined particular risks, covering the aspects of the management of credit risk, liquidity risk and market risk. The Group will decide whether it is necessary to update the risk management policies and system by regularly evaluating changes in market environment and the operating activities of the Group. Risk management of the Group is carried out by the risk management committee in accordance with the policies approved by the board. Risk management committee identifies, evaluates and mitigates the relevant risks by closely working with other business departments. Internal audit department of the Group will conduct audit regularly on risk management control and procedures, and submit the audit results to the audit committee of the Group.

The Group spreads the risks from financial instruments by diversified investment and business portfolio, and develops risk management policies accordingly to mitigate the risk of over-concentration on any single industry, particular region or particular counterparties.

八、與金融工具相關的風險(續)

3. 金融工具風險(續)

董事會負責規劃並建立本集團的風險管理架構，制定本集團的風險管理政策和相關指引並監督風險管理措施的執行情況。本集團已制定風險管理政策以識別和分析本集團所面臨的風險，這些風險管理政策對特定風險進行了明確規定，涵蓋了市場風險、信用風險和流動性風險管理等諸多方面。本集團定期評估市場環境及本集團經營活動的變化以決定是否對風險管理政策及系統進行更新。本集團的風險管理由風險管理委員會按照董事會批准的政策開展。風險管理委員會通過與本集團其他業務部門的緊密合作來識別、評價和規避相關風險。本集團內部審計部門就風險管理控制及程序進行定期的審核，並將審核結果上報本集團的審計委員會。

本集團通過適當的多樣化投資及業務組合來分散金融工具風險，並通過制定相應的風險管理政策減少集中於任何單一行業、特定地區或特定交易對手的風險。

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Financial instruments risks (Continued)

Credit risk

The Group trades only with recognized 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 to ensure that the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Department of Credit Control in the Group.

For financial service transactions related to finance leasing, the Group only trades with third-party cooperation partners with high investment credit ratings, and thus the credit risk for finance lease receivables is relatively lower. The carrying amounts of other non-current assets due within one year and long-term receivables in the consolidated balance sheet represent the maximum credit risk to which the Group may be exposed.

Since the counterparties for cash and cash equivalents, bank acceptance bills receivable, interest rate swap contracts, forward foreign exchange contracts and cross currency interest rate swap contracts are reputable banks with high credit ratings, the credit risk of those financial instruments is lower.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, debt investments, financial assets held for trading and other receivables and so forth, 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 XII.4.

八、與金融工具相關的風險(續)

3. 金融工具風險(續)

信用風險

本集團僅與經認可的、信譽良好的第三方進行交易。按照本集團的政策，需對所有要求採用信用方式進行交易的客戶進行信用審核。另外，本集團對應收賬款餘額進行持續監控，以確保本集團不致面臨重大壞賬風險。對於未採用相關經營單位的記賬本位幣結算的交易，除非本集團信用控制部門特別批准，否則本集團不提供信用交易條件。

本集團對於融資租賃相關的金融服務交易，僅與具有較高投資信用評級的第三方合作夥伴進行交易，對應融資租賃應收款項的信用風險較低。合併資產負債表中一年內到期的其他非流動資產和長期應收款的賬面價值正是本集團可能面臨的最大信用風險。

由於貨幣資金、應收銀行承兌匯票、利率互換合約、遠期外匯合同和交叉貨幣利率掉期合約的交易對手是聲譽良好並擁有較高信用評級的銀行，這些金融工具信用風險較低。

本集團其他金融資產包括貨幣資金、債權投資、交易性金融資產及其他應收款等，這些金融資產的信用風險源自交易對手違約，最大風險敞口等於這些工具的賬面金額。本集團還因提供財務擔保而面臨信用風險，詳見附註十二、4中披露。

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Financial instruments risks (Continued)

Credit risk (Continued)

The Group trades with its customers primarily on credit terms, and generally requires payment in advance or cash on delivery for new customers. Credit period is generally from one to six months. Customers with good trading record could be granted a longer credit period. Since the Group trades only with recognized and creditworthy third parties, there is no requirement for collateral. Credit risk management is centralized according to customer/counterparty, geographical region and industry sector. The Group's maximum possible credit risk equals to the carrying amounts of accounts receivable in the consolidated balance sheet. As at 31 December 2018, the Group has no significant concentrations of credit risk as 8.09% (31 December 2017: 9.74%) of the Group's accounts receivable (at historical value) were receivables due from the top 5 customers.

2018

Criteria for judging significant increases in credit risk

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each balance sheet date. While determining whether the credit risk has significantly increased since initial recognition or not, the Group takes into account the reasonable and substantiated information that is accessible without exerting unnecessary cost or effort, including qualitative and quantitative analysis based on the historical data of the Group, external credit risk rating, and forward-looking information. Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Group compares the risk of default of financial instruments on the balance sheet date with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments.

八、與金融工具相關的風險(續)

3. 金融工具風險(續)

信用風險(續)

本集團與客戶間的貿易條款以信用交易為主，且一般要求新客戶預付款或採取貨到付款方式進行。信用期通常為1-6個月，交易記錄良好的客戶可獲得比較長的信貸期。由於本集團僅與經認可的且信譽良好的第三方進行交易，所以無需擔保物。信用風險集中按照客戶／交易對手、地理區域和行業進行管理。合併資產負債表中應收賬款的賬面價值正是本集團可能面臨的最大信用風險。於2018年12月31日，本集團的應收賬款中應收賬款前五名客戶的款項原值佔所有款項原值的8.09% (2017年12月31日：9.74%)，本集團並未面臨重大信用集中風險。

2018年

信用風險顯著增加判斷標準

本集團在每個資產負債表日評估相關金融工具的信用風險自初始確認後是否已顯著增加。在確定信用風險自初始確認後是否顯著增加時，本集團考慮在無須付出不必要的額外成本或努力即可獲得合理且有依據的信息，包括基於本集團歷史數據的定性和定量分析、外部信用風險評級以及前瞻性信息。本集團以單項金融工具或者具有相似信用風險特徵的金融工具組合為基礎，通過比較金融工具在資產負債表日發生違約的風險與在初始確認日發生違約的風險，以確定金融工具預計存續期內發生違約風險的變化情況。

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Financial instruments risks (Continued)

*Credit risk (Continued)**2018 (Continued)**Criteria for judging significant increases in credit risk (Continued)*

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative or qualitative criteria have been met:

- Quantitative criteria: At the reporting date, the remaining lifetime probability of default has increased by a certain proportion, comparing with the one at initial recognition
- Qualitative criteria: Significant adverse change in debtor's operation or financial status, or be listed on the alert customer list

Definition of credit-impaired asset

The standard adopted by the Group to determine whether a credit impairment occurs is consistent with the internal credit risk management objectives of the relevant financial instrument, taking into account quantitative and qualitative criteria. When the Group assesses whether the credit impairment of debtor occurred, the following factors are mainly considered:

- Significant financial difficulty of the issuer or the debtor;
- Debtors are in breach of contract, such as defaulting on interest or becoming overdue on interest or principal payments overdue;
- The creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the creditor would not otherwise consider;
- It is becoming probable that the debtor will enter bankruptcy or other financial restructuring;
- The disappearance of an active market for that financial asset because of financial difficulties;
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses;

The credit impairment of a financial asset may be caused by the combined effect of multiple events and may not be necessarily due to a single event.

八、與金融工具相關的風險(續)

3. 金融工具風險(續)

*信用風險(續)**2018年(續)**信用風險顯著增加判斷標準(續)*

當觸發以下一個或多個定量、定性標準時，本集團認為金融工具的信用風險已發生顯著增加：

- 定量標準主要為報告日剩餘存續期違約概率較初始確認時上升超過一定比例
- 定性標準主要為債務人經營或財務情況出現重大不利變化、預警客戶清單等

已發生信用減值資產的定義

為確定是否發生信用減值，本集團所採用的界定標準，與內部針對相關金融工具的信用風險管理目標保持一致，同時考慮定量、定性指標。本集團評估債務人是否發生信用減值時，主要考慮以下因素：

- 發行方或債務人發生重大財務困難；
- 債務人違反合同，如償付利息或本金違約或逾期等；
- 債權人出於與債務人財務困難有關的經濟或合同考慮，給予債務人在任何其他情況下都不會做出的讓步；
- 債務人很可能破產或進行其他財務重組；
- 發行方或債務人財務困難導致該金融資產的活躍市場消失；
- 以大幅折扣購買或源生一項金融資產，該折扣反映了發生信用損失的事實；

金融資產發生信用減值，有可能是多個事件的共同作用所致，未必是可單獨識別的事件所致。

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Financial instruments risks (Continued)

Credit risk (Continued)

Parameters of ECL measurement

According to whether there is a significant increase in credit risk and whether there is an impairment of assets, the Group measures the impairment loss for different assets with ECL of 12 months or the entire lifetime respectively. The key measuring parameters of ECL include probability of default (PD), loss given default (LGD) and exposure at default (EAD). The Group takes into account the quantitative analysis of historical statistics (such as ratings of counterparties, manners of guarantees and types of collaterals, repayments, etc.) and forward-looking information in order to establish the model of PD, LGD and EAD.

Relevant definitions are listed as follows:

- PD refers to the possibility that the debtor will not be able to fulfil its obligations of repayment over the next 12 months or throughout the entire remaining lifetime. The Group's PD is adjusted based on the results of the migration ratio model, taking into account the forward-looking information and deducting the prudential adjustment to reflect the debtor's point-in-time (PIT) PD under the current macroeconomic environment;
- LGD refers to the Group's expectation of the extent of the loss resulting from the default exposure. Depending on the type of counterparty, the method and priority of the recourse, and the type of collaterals, the LGD varies. The LGD is the percentage of loss of risk exposure at the time of default, calculated over the next 12 months or over the entire remaining lifetime;
- EAD is the amount that the Group should be reimbursed at the time of the default in the next 12 months or throughout the entire remaining lifetime.

八、與金融工具相關的風險(續)

3. 金融工具風險(續)

信用風險(續)

預期信用損失計量的參數

根據信用風險是否發生顯著增加以及是否已發生信用減值，本集團對不同的資產分別以12個月或整個存續期的預期信用損失計量減值準備。預期信用損失計量的關鍵參數包括違約概率、違約損失率和違約風險敞口。本集團考慮歷史統計數據(如交易對手評級、擔保方式及抵質押物類別、還款方式等)的定量分析及前瞻性信息，建立違約概率、違約損失率及違約風險敞口模型。

相關定義如下：

- 違約概率是指債務人在未來12個月或在整個剩餘存續期，無法履行其償付義務的可能性。本集團的違約概率以遷徙率模型結果為基礎進行調整，加入前瞻性信息，以反映當前宏觀經濟環境下債務人違約概率；
- 違約損失率是指本集團對違約風險暴露發生損失程度作出的預期。根據交易對手的類型、追索的方式和優先級，以及擔保品的不同，違約損失率也有所不同。違約損失率為違約發生時風險敞口損失的百分比，以未來12個月內或整個存續期為基準進行計算；
- 違約風險敞口是指，在未來12個月或在整個剩餘存續期中，在違約發生時，本集團應被償付的金額。

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Financial instruments risks (Continued)

Credit risk (Continued)

Forward-looking information

The assessment of a significant increase in credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Group identifies the key economic indicators that affect the credit risk and ECL of various business types.

The impact of these economic indicators on the PD and the LGD varies according to different types of business. The Group applied experts' judgement in this process, according to the result of experts' judgment, the Group predicts these economic indicators on a yearly basis and determines the impact of these economic indicators on the PD and the LGD by conducting analysis.

Quantitative data in respect of the Group's exposure to credit risk and expected credit losses arising from accounts receivable and other receivables are disclosed in Notes V.4 and 6. Quantitative data in respect of the Group's exposure to credit risk and expected credit losses arising from finance lease receivables are disclosed in Note V.9 and 13.

Liquidity risk

The Group maintains balance between continuity and flexibility of capital through bank loans and debts to manage its liquidity risk.

The Group's objective is to maintain a balance between continuity and flexibility of funding through the use of bank borrowings, bonds and other interest-bearing borrowings. As at 31 December 2018, 66.95% (31 December 2017: 67.50%) of the Group's borrowings would mature in less than one year.

八、與金融工具相關的風險(續)

3. 金融工具風險(續)

信用風險(續)

前瞻性信息

信用風險顯著增加的評估及預期信用損失的計算均涉及前瞻性信息。本集團通過進行歷史數據分析，識別出影響各業務類型信用風險及預期信用損失的關鍵經濟指標。

這些經濟指標對違約概率和違約損失率的影響，對不同的業務類型有所不同。本集團在此過程中應用了專家判斷，根據專家判斷的結果，每年度對這些經濟指標進行預測，並通過進行分析確定這些經濟指標對違約概率和違約損失率的影響。

本集團因應收賬款和其他應收款產生的信用風險敞口及預期信用損失的量化數據，參見附註五、4和6中；因融資租賃應收款項產生的信用風險敞口及預期信用損失的量化數據，參見附註五、9和13中。

流動性風險

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。

本集團的目標是運用銀行借款、債券和其他計息借款等多種融資手段以保持融資的持續性與靈活性的平衡。於2018年12月31日，本集團66.95%（2017年12月31日：67.50%）的債務在不足1年內到期。

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Financial instruments risks (Continued)

Liquidity risk (Continued)

The table below summarizes the maturity profile of financial liabilities based on the undiscounted contractual cash flows:

2018

		Less than 3 months 少於3個月	3 months to 1 year 3個月以上至1年	1 year to 5 years 1年以上至5年	Over 5 years 5年以上	Total 合計
Short-term loans (including interest)	短期借款(含息)	255,057,188.73	5,296,621,860.52	-	-	5,551,679,049.25
Notes payable and accounts payable	應付票據及應付賬款	12,049,756,557.35	34,744,614,642.58	-	-	46,794,371,199.93
Other payables	其他應付款	2,495,462,423.84	3,900,992,463.47	-	-	6,396,454,887.31
Non-current liabilities due within one year (including interest)	一年內到期的非流動負債(含息)	1,339,761,434.10	5,233,759,489.96	-	-	6,573,520,924.06
Other current liabilities	其他流動負債	-	2,696,767,355.96	-	-	2,696,767,355.96
Long-term borrowings (including interest)	長期借款(含息)	62,867,777.05	506,684,837.18	10,416,351,864.95	745,229,810.52	11,731,134,289.70
Bonds payable(including interest)	應付債券(含息)	-	113,785,850.00	9,004,757,275.36	3,738,453,720.00	12,856,996,845.36
Long-term payables	長期應付款	-	-	9,646,580,495.63	678,700,661.87	10,325,281,157.50
Other non-current liabilities	其他非流動負債	-	648,006,492.10	-	-	648,006,492.10
		16,202,905,381.07	53,141,232,991.77	29,067,689,635.94	5,162,384,192.39	103,574,212,201.17
Financial liabilities at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融負債					
Cash inflow	現金流入	77,598,897.94	2,664,870,186.19	8,209,929,769.68	1,569,460.00	10,953,968,313.81
Cash outflow	現金流出	(45,237,564.22)	(2,682,821,015.95)	(8,362,903,955.01)	-	(11,090,962,535.18)

八、與金融工具相關的風險(續)

3. 金融工具風險(續)

流動性風險(續)

下表概括了金融負債按未折現的合同現金流量所作的到期期限分析：

2018年

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Financial instruments risks (Continued)

Liquidity risk (Continued)

2017

		Less than 3 months 少於3個月	3 months to 1 year 3個月以上至1年	1 year to 5 years 1年以上至5年	Over 5 years 5年以上	Total 合計
Short-term loans (including interest)	短期借款(含息)	866,817,254.54	2,376,242,936.43	-	-	3,243,060,190.97
Notes payable and accounts payable	應付票據與應付賬款	33,915,717,410.80	9,018,516,227.72	82,008,146.30	-	43,016,241,784.82
Other payables	其他應付款	7,572,747,897.58	357,958,561.62	-	-	7,930,706,459.20
Non-current liabilities due within one year (including interest)	一年內到期的非流動負債(含息)	1,388,580,537.75	4,553,741,613.25	-	-	5,942,322,151.00
Other current liabilities	其他流動負債	-	820,424,695.89	-	-	820,424,695.89
Long-term borrowings (including interest)	長期借款(含息)	74,222,267.96	322,725,761.73	15,559,304,891.90	1,105,763,998.27	17,062,016,919.86
Bonds payable (including interest)	應付債券(含息)	59,297,480.00	177,892,440.00	8,871,142,139.68	2,305,579,650.00	11,413,911,709.68
Long-term payables	長期應付款	-	-	9,288,676,540.00	418,983,510.00	9,707,660,050.00
Other non-current liabilities	其他非流動負債	-	195,330,580.49	27,465,215.19	-	222,795,795.68
		43,877,382,848.63	17,822,832,817.13	33,828,596,933.07	3,830,327,158.27	99,359,139,757.10
Financial liabilities at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融負債					
Cash inflow	現金流入	148,501,186.75	1,572,420,936.75	8,758,970,384.69	20,285,980.00	10,500,178,488.19
Cash outflow	現金流出	(89,723,785.13)	(1,571,380,555.13)	(8,476,969,390.50)	(12,483,680.00)	(10,150,557,410.76)

Apart from the cash flow incurred by the aforementioned financial liabilities, the Group has to pay the financial guarantee contract upon request by the relevant counterparty. Please refer to Note XII.4 for the actual exposure amount.

*Market risk**Interest rate risk*

The Group's exposure to the risk of changes in market interest rates primarily relates to the Group's financial instruments with a floating interest rate.

The table below is a sensitivity analysis of interest rate risk for subsidiaries in China and Hong Kong. It reflects the effects on the net profit (through the impact on floating interest rate of financial assets and liabilities) and net other comprehensive income after tax, when there are reasonable and potential changes in interest rates, under the presumption that other variables remain unchanged.

八、與金融工具相關的風險(續)

3. 金融工具風險(續)

流動性風險(續)

2017年

		Less than 3 months 少於3個月	3 months to 1 year 3個月以上至1年	1 year to 5 years 1年以上至5年	Over 5 years 5年以上	Total 合計
Short-term loans (including interest)	短期借款(含息)	866,817,254.54	2,376,242,936.43	-	-	3,243,060,190.97
Notes payable and accounts payable	應付票據與應付賬款	33,915,717,410.80	9,018,516,227.72	82,008,146.30	-	43,016,241,784.82
Other payables	其他應付款	7,572,747,897.58	357,958,561.62	-	-	7,930,706,459.20
Non-current liabilities due within one year (including interest)	一年內到期的非流動負債(含息)	1,388,580,537.75	4,553,741,613.25	-	-	5,942,322,151.00
Other current liabilities	其他流動負債	-	820,424,695.89	-	-	820,424,695.89
Long-term borrowings (including interest)	長期借款(含息)	74,222,267.96	322,725,761.73	15,559,304,891.90	1,105,763,998.27	17,062,016,919.86
Bonds payable (including interest)	應付債券(含息)	59,297,480.00	177,892,440.00	8,871,142,139.68	2,305,579,650.00	11,413,911,709.68
Long-term payables	長期應付款	-	-	9,288,676,540.00	418,983,510.00	9,707,660,050.00
Other non-current liabilities	其他非流動負債	-	195,330,580.49	27,465,215.19	-	222,795,795.68
		43,877,382,848.63	17,822,832,817.13	33,828,596,933.07	3,830,327,158.27	99,359,139,757.10
Financial liabilities at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融負債					
Cash inflow	現金流入	148,501,186.75	1,572,420,936.75	8,758,970,384.69	20,285,980.00	10,500,178,488.19
Cash outflow	現金流出	(89,723,785.13)	(1,571,380,555.13)	(8,476,969,390.50)	(12,483,680.00)	(10,150,557,410.76)

除上述金融負債導致的現金流外，本集團還有財務擔保合同將於相關對手提出要求時支付，具體敞口金額參見附註十二、4。

*市場風險**利率風險*

本集團面臨的市場利率變動的風險主要與本集團以浮動利率計息的金融工具有關。

下表為中國大陸和香港子公司利率風險的敏感性分析，反映了在其他變量不變的假設下，利率發生合理、可能的變動時，將對淨損益(通過對浮動利率金融資產和負債的影響)和其他綜合收益的稅後淨額產生的影響。

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Financial instruments risks (Continued)

*Market risk (Continued)**Interest rate risk (Continued)*

2018

		Benchmark increase/ (decrease)	Net profit or loss increase/ (decrease)	Net other comprehensive income after tax increase/ (decrease)	Equity increase/ (decrease)
		基點 增加/(減少)	淨損益 增加/(減少)	其他綜合收益 的稅後淨額 增加/(減少)	股東權益 合計 增加/(減少)
RMB	人民幣	5%	(6,975,545.94)	-	(6,975,545.94)
RMB	人民幣	(5%)	6,975,545.94	-	6,975,545.94

2017

		Benchmark increase/ (decrease)	Net profit or loss increase/ (decrease)	Net other comprehensive income after tax increase/ (decrease)	Equity increase/ (decrease)
		基點 增加/(減少)	淨損益 增加/(減少)	其他綜合收益 的稅後淨額 增加/(減少)	股東權益 合計 增加/(減少)
RMB	人民幣	5%	(8,028,408.98)	-	(8,028,408.98)
RMB	人民幣	(5%)	8,028,408.98	-	8,028,408.98

八、與金融工具相關的風險(續)

3. 金融工具風險(續)

*市場風險(續)**利率風險(續)*

2018年

2017年

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Financial instruments risks (Continued)

*Market risk (Continued)**Exchange rate risk*

The table below is a sensitivity analysis of interest rate risk for KION GROUP AG. It reflects the effects on the net profit or loss (through the impact on floating-rate financial assets and liabilities) and net other comprehensive income after tax, when there are reasonable and potential changes in interest rates, under the presumption that other variables remain unchanged.

2018

		Benchmark increase/ (decrease)	Net profit or loss increase/ (decrease)	Net other comprehensive income after tax increase/ (decrease)	Equity increase/ (decrease)
		基點 增加/(減少)	淨損益 增加/(減少)	其他綜合收益 的稅後淨額 增加/(減少)	股東權益 合計 增加/(減少)
Euro (RMB equivalent)	歐元(折合人民幣)	50 bps	(4,808,108.37)	57,596,180.53	52,788,072.16
Euro (RMB equivalent)	歐元(折合人民幣)	(50 bps)	(3,402,006.45)	(19,436,213.62)	(22,838,220.07)

2017

		Benchmark increase/ (decrease)	Net profit or loss increase/ (decrease)	Net other comprehensive income after tax increase/ (decrease)	Equity increase/ (decrease)
		基點 增加/(減少)	淨損益 增加/(減少)	其他綜合收益 的稅後淨額 增加/(減少)	股東權益 合計 增加/(減少)
Euro (RMB equivalent)	歐元(折合人民幣)	50 bps	3,020.04	76,991,686.85	76,994,706.89
Euro (RMB equivalent)	歐元(折合人民幣)	(50 bps)	(9,297,836.20)	(38,034,721.12)	(47,332,557.32)

八、與金融工具相關的風險(續)

3. 金融工具風險(續)

*市場風險(續)**利率風險(續)*

下表為KION GROUP AG利率風險的敏感性分析，反映了在其他變量不變的假設下，利率發生合理、可能的變動時，將對淨損益(通過對浮動利率金融資產和負債的影響)和其他綜合收益的稅後淨額產生的影響。

2018年

2017年

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Financial instruments risks (Continued)

*Market risk (Continued)**Exchange rate risk (Continued)*

The Group has transactional currency exposures. Such exposures arise from sales or purchases in currencies other than the operational unit's functional currency.

The table below is a sensitivity analysis of exchange rate risk for subsidiaries in China and Hong Kong. It reflects the effects on the net profit or loss (due to changes in the fair value of monetary assets and monetary liabilities) and net other comprehensive income after tax (due to changes in the fair value of hedging instrument), when there are reasonable and potential changes in exchange rate, under the presumption that other variables remain unchanged.

2018

		Exchange rate	Net profit	Net other	Equity
		increase/ (decrease)	or loss increase/ (decrease)	comprehensive income after tax increase/ (decrease)	increase/ (decrease)
		匯率	淨損益	其他綜合收益	股東權益
		增加/(減少)	淨損益	的稅後淨額	合計
		%	增加/(減少)	增加/(減少)	增加/(減少)
If RMB weakens against USD	人民幣對美元貶值	5	86,362,186.71	-	86,362,186.71
If RMB strengthens against USD	人民幣對美元升值	5	(86,362,186.71)	-	(86,362,186.71)
If RMB weakens against EUR	人民幣對歐元貶值	5	142,549.38	-	142,549.38
If RMB strengthens against EUR	人民幣對歐元升值	5	(142,549.38)	-	(142,549.38)

八、與金融工具相關的風險(續)

3. 金融工具風險(續)

*市場風險(續)**匯率風險*

本集團面臨交易性的匯率風險。此類風險由於經營單位以其記賬本位幣以外的貨幣進行的銷售或採購所致。

下表為中國大陸和香港子公司匯率風險的敏感性分析，反映了在所有其他變量保持不變的假設下，以下所列外幣匯率發生合理、可能的變動時，將對淨損益(由於貨幣性資產和貨幣性負債的公允價值變化)和其他綜合收益的稅後淨額(由於套期工具的公允價值變化)產生的影響。

2018年

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Financial instruments risks (Continued)

*Market risk (Continued)**Exchange rate risk (Continued)*

2017

		Exchange rate increase/ (decrease) 匯率 增加/(減少) %	Net profit or loss increase/ (decrease) 淨損益 增加/(減少)	Net other comprehensive income after tax increase/ (decrease) 其他綜合收益 的稅後淨額 增加/(減少)	Equity increase/ (decrease) 股東權益 合計 增加/(減少)
If RMB weakens against USD	人民幣對美元貶值	5	60,363,439.64	-	60,363,439.64
If RMB strengthens against USD	人民幣對美元升值	5	(60,363,439.64)	-	(60,363,439.64)
If RMB weakens against EUR	人民幣對歐元貶值	5	31,411.44	-	31,411.44
If RMB strengthens against EUR	人民幣對歐元升值	5	(31,411.44)	-	(31,411.44)

The Group has entered into cross currency interest rate swap contracts in respect of corporate bonds issued by subsidiaries in Note V.36 and the other equity instruments issued by subsidiaries in Note V.49 in order to manage the expected cash flow fluctuation arising from changes in exchange rate.

八、與金融工具相關的風險(續)

3. 金融工具風險(續)

*市場風險(續)**匯率風險(續)*

2017年

本集團對附註五、36中子公司發行的企業債券及附註五、49中子公司發行的其他權益工具簽訂交叉貨幣利率互換工具管理其由於匯率變動引起的預期現金流量波動。

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Financial instruments risks (Continued)

*Market risk (Continued)**Exchange rate risk (Continued)*

The table below is a sensitivity analysis of exchange rate risk for KION GROUP AG. It reflects the effects on the net profit or loss (due to changes in the fair value of monetary assets and monetary liabilities) and net other comprehensive income after tax (due to changes in the fair value of hedging instrument), when there are reasonable and potential changes in exchange rate, under the presumption that other variables remain unchanged.

2018

	Exchange rate increase/ (decrease) 匯率 增加/(減少) %	Net profit or loss increase/ (decrease) 淨損益 增加/(減少)	Net other comprehensive income after tax increase/ (decrease) 其他綜合收益 的稅後淨額 增加/(減少)	Equity increase/ (decrease) 股東權益 合計 增加/(減少)	
If EUR weakens against GBP	歐元對英鎊貶值	10	(2,168,911.86)	(93,203,587.54)	(95,372,499.40)
If EUR strengthens against GBP	歐元對英鎊升值	10	1,202,447.76	59,609,204.53	60,811,652.29
If EUR weakens against USD	歐元對美元貶值	10	(73,690,640.98)	(22,876,658.34)	(96,567,299.32)
If EUR strengthens against USD	歐元對美元升值	10	160,978,662.76	49,067,068.21	210,045,730.97

2017

	Exchange rate increase/ (decrease) 匯率 增加/(減少) %	Net profit or loss increase/ (decrease) 淨損益 增加/(減少)	Net other comprehensive income after tax increase/ (decrease) 其他綜合收益 的稅後淨額 增加/(減少)	Equity increase/ (decrease) 股東權益 合計 增加/(減少)	
If EUR weakens against GBP	歐元對英鎊貶值	10	(2,259,864.45)	(87,555,928.83)	(89,815,793.28)
If EUR strengthens against GBP	歐元對英鎊升值	10	1,933,472.54	71,636,669.23	73,570,141.77
If EUR weakens against USD	歐元對美元貶值	10	(108,601,008.78)	(48,771,114.70)	(157,372,123.48)
If EUR strengthens against USD	歐元對美元升值	10	88,594,435.03	39,903,639.35	128,498,074.38

八、與金融工具相關的風險(續)

3. 金融工具風險(續)

*市場風險(續)**匯率風險(續)*

下表為 KION GROUP AG 匯率風險的敏感性分析，反映了在其他變量不變的假設下，以下所列外幣匯率發生合理、可能的變動時，將對淨損益(由於貨幣性資產和貨幣性負債的公允價值變化)和其他綜合收益的稅後淨額(由於套期工具的公允價值變化)產生的影響。

2018年

2017年

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Financial instruments risks (Continued)

*Market risk (Continued)**Equity investment price risk*

Equity investment price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of share indices and the value of individual securities. The Group was exposed to equity investment price risk arising from individual equity investments classified as investment in other equity instruments (Note V.12) as at 31 December 2018. The Group held listed equity investments that are listed on the stock exchanges and are valued at quoted market prices at the balance sheet date.

The following table demonstrates the sensitivity of the Group's net profit or loss and net other comprehensive income after tax to every 5% change in the fair values of the listed equity investments, with all other variables held constant (based on their carrying amounts at the balance sheet date).

		Carrying amount of equity investments	Net profit or loss increase/(decrease)	Net other comprehensive income after tax Increase/(Decrease) 其他綜合收益的稅後淨額	Equity increase/(decrease) 股東權益合計
		權益工具投資賬面價值	淨損益增加/(減少)	增加/(減少)	增加/(減少)
2018	2018年				
Equity investments	權益工具投資				
Investment in other equity instruments	其他權益工具投資	1,192,710,229.98	-	50,367,409.63	50,367,409.63
2017	2017年				
Equity investments	權益工具投資				
Available-for-sale financial assets	可供出售金融資產	319,262,446.10	-	12,821,456.01	12,821,456.01

八、與金融工具相關的風險(續)

3. 金融工具風險(續)

*市場風險(續)**權益工具投資價格風險*

權益工具投資價格風險，是指權益性證券的公允價值因股票指數水平和個別證券價值的變化而降低的風險。於2018年12月31日，本集團暴露於因歸類為其他權益工具投資(附註五、12)的個別權益工具投資而產生的權益工具投資價格風險之下。本集團持有的上市權益工具投資在證券交易所上市，並在資產負債表日以市場報價計量。

下表說明了，在所有其他變量保持不變，本集團的淨損益和其他綜合收益的稅後淨額對上市權益工具投資的公允價值的每5%的變動(以資產負債表日的賬面價值為基礎)的敏感性。

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Financial instruments risks (Continued)

Financial service risk

The Group is engaged in finance lease business under its forklift truck and supply chain solution segment. The Group's long-term lease business is therefore exposed to the risk of residue value of industrial forklift trucks due to the possible return of forklift trucks from leasees upon the expiry of lease period. Such risk can be eliminated by selling or re-leasing second-hand forklift trucks. Accordingly, it is necessary to monitor and forecast the residue value of second-hand forklift trucks on the market from time to time. The Group regularly assesses the risk arising from the aforesaid finance lease financial services.

Once the risk from the aforesaid financial services materializes, the Group immediately considers recognizing the impairment of the relevant assets and calculates the cost of the new forklift truck leasing agreement by adjusting the residue value of forklift trucks. Market demand for second-hand forklift trucks supports the residue value of the Group's industrial forklift trucks at a stable level, thereby lowering financial service risk. Most of the Group's forklift truck leasing agreements contain provisions on potential reselling, whereby the risk of residue value can be transferred to a lease company to mitigate the impact on the financial statements of the Group. The adoption of a uniform standard together with the use of an IT system helps the Group in calculating the residue value of second-hand forklift trucks and managing and reducing the risk arising from residue value.

By ensuring that most of the Group's finance lease business match with the maturity dates of borrowings and devising liquidity planning on an ongoing basis, the Group seeks to mitigate the liquidity risk and interest rate risk to which the Group is exposed. Fixed-interest-rate agreements are most commonly adopted for the Group's long-term lease business. The adequacy of liquidity is ensured with the banking facilities made available from banks and the Group's effective collection demand procedures.

八、與金融工具相關的風險(續)

3. 金融工具風險(續)

金融服務風險

本集團叉車及供應鏈解決方案分部從事融資租賃業務，這導致本集團的經營的長期租賃業務在租賃期滿後可能因承租人歸還叉車而面臨工業叉車的剩餘價值風險，該風險需要通過出售或重新租出二手叉車以消除，因此，二手叉車在市場中的剩餘價值需要不斷監控和預測。本集團會定期評估以上融資租賃金融服務產生的風險。

上述金融服務產生的風險一經確認，本集團會立即考慮確認相關資產的減值並通過調整叉車的剩餘價值來計算新叉車租賃協議的成本。市場上對二手叉車的需求能夠穩定本集團工業叉車的剩餘價值，從而降低金融服務風險。本集團大多數叉車租賃協議都包含了潛在再銷售協議，可以將剩餘價值風險轉移給租賃公司，降低對本集團財務報表的影響。本集團採用統一的標準並結合IT系統計算二手叉車的剩餘價值、管理和降低剩餘價值風險。

本集團通過確保大部分融資租賃業務和借款的到期日相匹配，並不斷更新流動性規劃以降低本集團面臨的流動性風險和利率風險。長期租賃業務主要採用固定利率協議。本集團通過各銀行提供的授信額度和有效的催款程序確保有充分的流動性。

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Financial instruments risks (Continued)

Financial service risk (Continued)

To eliminate the exchange rate risk associated with its leasing business, the Group generally uses local currencies in conducting finance lease business in each market for transactions.

The Group's exposure to customers' credit risks is minimal in its leasing business. Meanwhile, the proceeds from selling the returned forklift trucks also hedge against losses from customers' default. Further, there is always room for improvement for the Group's management of finance lease receivables and its management of credit risk. Relevant business processes, risk management and control processes also emerge and improve on an ongoing basis.

4. Capital Management

The key objectives of the Group's capital management are to maintain the Group's going concern and a sound capital ratio so as to support business development and maximize shareholders' value.

The Group makes adjustments based on latest economic conditions and the changes in the risk profiles of the relevant assets. To maintain or adjust capital structure, the Group may adjust its profit distribution to shareholders, return capital to shareholders, repurchase outstanding shares or issue new shares. The Group is not constrained by any external mandatory requirements on capital. In 2018 and 2017, there had been no change in the objectives, policies or procedures of capital management of the Group.

八、與金融工具相關的風險(續)

3. 金融工具風險(續)

金融服務風險(續)

為消除租賃業務中面臨的匯率風險，本集團在每個交易市場中一般採用當地貨幣進行融資租賃業務。

本集團在租賃業務中面臨的客戶自身信用風險較小，也通過出售收回租賃叉車所獲取的收益來對沖因客戶違約而造成的損失。此外，本集團的融資租賃應收款項的管理和信用風險管理處於持續完善中，相關的業務流程、風險管理和控制流程的也在持續更新中。

4. 資本管理

本集團資本管理的主要目標是確保本集團持續經營的能力，並保持健康的資本比率，以支持業務發展並使股東價值最大化。

本集團根據經濟形勢以及相關資產的風險特徵的變化對其進行調整。為維持或調整資本結構，本集團可以調整對股東的利潤分配、向股東歸還資本、回購已發行股份或發行新股。本集團不受外部強制性資本要求的約束。2018年度和2017年度，資本管理的目標、政策或程序未發生變化。

VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

4. Capital Management (Continued)

The Group manages its capital with the gearing ratio, which refers to interest-bearing liabilities (excluding long-term payables) divided by the total sum of adjusted owners' equity and interest-bearing liabilities. The gearing ratio of the Group as of the balance sheet date is as follows:

八、與金融工具相關的風險(續)

4. 資本管理(續)

本集團採用槓桿比率來管理資本，槓桿比率是指計息負債(不含長期應付款)和調整後股東權益加計息負債的比率。本集團於資產負債表日的槓桿比率如下：

		2018 2018年	2017 2017年
Short-term borrowings	短期借款	5,472,765,901.24	3,174,887,395.62
Long-term borrowings	長期借款	10,908,512,233.85	15,678,594,729.35
Bonds payable	應付債券	12,265,020,075.27	10,459,780,084.07
Non-current liabilities due within 1 year	一年內到期的非流動負債	1,869,408,950.00	1,757,402,500.00
Interest-bearing liabilities	有息負債	30,515,707,160.36	31,070,664,709.04
Owner's equity	股東權益	62,259,327,773.69	56,354,991,230.50
Add: Interest-bearing liabilities	加：有息負債	30,515,707,160.36	31,070,664,709.04
Owners' equity and interest-bearing liabilities	股東權益和有息負債	92,775,034,934.05	87,425,655,939.54
Gearing ratio	槓桿比率	32.89%	35.54%

IX. DISCLOSURE OF FAIR VALUE

1. Assets and liabilities measured at fair value
31 December 2018

九、公允價值的披露

1. 以公允價值計量的資產和負債
2018年12月31日

		Inputs used in the measurement of fair value 公允價值計量使用的輸入值			Total 合計
		Quoted prices in active markets (Level 1) 活躍市場報價 (第一層次)	Key observable inputs (Level 2) 重要可觀察 輸入值 (第二層次)	Key unobservable inputs (Level 3) 重要不可觀察 輸入值 (第三層次)	
Notes receivable	應收票據	-	6,936,224,398.10	-	6,936,224,398.10
Financial assets held for trading	交易性金融資產	-	3,925,447,469.85	189,752,130.38	4,115,199,600.23
Investment in other equity instruments	其他權益工具投資	186,405,960.00	1,006,304,269.98	122,923,442.98	1,315,633,672.96
Other non-current financial assets	其他非流動金融資產	-	192,949,412.40	-	192,949,412.40
		186,405,960.00	12,060,925,550.33	312,675,573.36	12,560,007,083.69
Financial liabilities held for trading	交易性金融負債	-	213,435,765.47	-	213,435,765.47
Other non-current liabilities	其他非流動負債	-	61,695,472.60	-	61,695,472.60
		-	275,131,238.07	-	275,131,238.07

1 January 2018

2018年1月1日

		Inputs used in the measurement of fair value 公允價值計量使用的輸入值			Total 合計
		Quoted prices in active markets (Level 1) 活躍市場報價 (第一層次)	Key observable inputs (Level 2) 重要可觀察 輸入值 (第二層次)	Key unobservable inputs (Level 3) 重要不可觀察 輸入值 (第三層次)	
Notes receivable	應收票據	-	7,047,229,955.95	-	7,047,229,955.95
Financial assets held for trading	交易性金融資產	-	2,744,020,129.40	150,169,737.92	2,894,189,867.32
Investment in other equity instruments	其他權益工具投資	315,884,050.20	-	122,222,376.88	438,106,427.08
Other non-current financial assets	其他非流動金融資產	-	164,417,867.90	-	164,417,867.90
		315,884,050.20	9,955,667,953.25	272,392,114.80	10,543,944,118.25
Financial liabilities held for trading	交易性金融負債	-	482,880,099.94	-	482,880,099.94
Other non-current liabilities	其他非流動負債	-	14,715,137.80	-	14,715,137.80
		-	497,595,237.74	-	497,595,237.74

IX. DISCLOSURE OF FAIR VALUE
(CONTINUED)

1. Assets and liabilities measured at fair value(Continued)
31 December 2017

九、公允價值的披露(續)

1. 以公允價值計量的資產和負債
(續)
2017年12月31日

		Inputs used in the measurement of fair value 公允價值計量使用的輸入值			
		Quoted prices in active markets (Level 1) 活躍市場報價 (第一層次)	Key observable inputs (Level 2) 重要可觀察 輸入值 (第二層次)	Key unobservable inputs (Level 3) 重要不可觀察 輸入值 (第三層次)	Total 合計
Continuously measured at fair value	持續的公允價值計量				
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產	-	233,897,349.40	150,169,737.92	384,067,087.32
Listing available-for-sale equity instruments for available-for-sale financial assets	可供出售金融資產 上市可供出售權益工具	319,262,446.10	-	-	319,262,446.10
		319,262,446.10	233,897,349.40	150,169,737.92	703,329,533.42
Financial liabilities at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融負債	-	497,595,237.74	-	497,595,237.74

IX. DISCLOSURE OF FAIR VALUE 九、公允價值的披露(續)
(CONTINUED)2. Assets and liabilities disclosed at fair value
31 December 20182. 以公允價值披露的資產和負債
2018年12月31日

		Inputs used in the measurement of fair value 公允價值計量使用的輸入值			
	Quoted prices in active markets (Level 1) 活躍市場報價 (第一層次)	Key observable inputs (Level 2) 重要可觀察 輸入值 (第二層次)	Key unobservable inputs (Level 3) 重要不可觀察 輸入值 (第三層次)		Total 合計
Long-term receivables	長期應收款	-	6,519,866,426.60	-	6,519,866,426.60
Long-term borrowings	長期借款	-	11,124,933,573.59	-	11,124,933,573.59
Bonds payable	應付債券	2,767,688,708.27	9,589,400,600.00	-	12,357,089,308.27
Long-term payables	長期應付款	-	9,110,055,169.50	-	9,110,055,169.50

1 January 2018

2018年1月1日

		Inputs used in the measurement of fair value 公允價值計量使用的輸入值			
	Quoted prices in active markets (Level 1) 活躍市場報價 (第一層次)	Key observable inputs (Level 2) 重要可觀察 輸入值 (第二層次)	Key unobservable inputs (Level 3) 重要不可觀察 輸入值 (第三層次)		Total 合計
Long-term receivables	長期應收款	-	4,922,346,233.20	-	4,922,346,233.20
Long-term borrowings	長期借款	-	17,810,131,082.56	-	17,810,131,082.56
Bonds payable	應付債券	2,761,153,144.16	7,966,382,369.00	-	10,727,535,513.16
Long-term payables	長期應付款	-	9,269,833,985.50	-	9,269,833,985.50

IX. DISCLOSURE OF FAIR VALUE
(CONTINUED)2. Assets and liabilities disclosed at fair value
(Continued)
31 December 2017

		Inputs used in the measurement of fair value			
		公允價值計量使用的輸入值			
	Quoted prices in active markets (Level 1)	Key observable inputs (Level 2)	Key unobservable inputs (Level 3)	Total	
	活躍市場報價 (第一層次)	重要可觀察輸入值 (第二層次)	重要不可觀察輸入值 (第三層次)	合計	
Long-term receivables	長期應收款	-	5,086,764,101.10	-	5,086,764,101.10
Long-term borrowings	長期借款	-	17,810,131,082.56	-	17,810,131,082.56
Bonds payable	應付債券	2,761,153,144.16	7,966,382,369.00	-	10,727,535,513.16
Long-term payables	長期應付款	-	9,269,833,985.50	-	9,269,833,985.50

3. Estimation of fair value
Fair value of financial assets

The management has assessed the cash and cash equivalents, notes receivable and accounts receivable, non-current assets due within 1 year, short-term borrowings, notes payable and accounts payable and long-term liabilities due within 1 year and long-term payables due within one year. In each case, the fair value and carrying value are similar due to short remaining period.

The finance team of the Group is led by the head of finance department. It is responsible for formulating policies and procedures applicable to the measurement of the fair value of financial instruments. The finance team directly reports to the Chief Financial Officer and the Audit Committee. On each balance sheet date, the finance team analyzes the change in value of financial instruments and ascertain the key inputs which apply to the valuation. The process and result of valuation is subject to approval by the Chief Financial Officer.

2. 以公允價值披露的資產和負債
(續)
2017年12月31日3. 公允價值估值
金融工具公允價值

管理層已經評估了貨幣資金、應收票據及應收賬款、一年內到期的非流動資產、短期借款、應付票據及應付賬款和一年內到期的長期負債、一年內到期的長期應付款等，因剩餘期限不長，公允價值與賬面價值相若。

本集團的財務團隊由財務部門負責人領導，負責制定金融工具公允價值計量的政策和程序。財務團隊直接向首席財務官和審計委員會報告。每個資產負債表日，財務團隊分析金融工具價值變動，確定估值適用的主要輸入值。估值流程和結果經首席財務官審核批准。

IX. DISCLOSURE OF FAIR VALUE (CONTINUED)

3. Estimation of fair value (Continued)

Fair value of financial assets (Continued)

The fair value of financial assets and liabilities is determined as the amount at which well-informed parties undergo exchange of assets or settlement of debts out of free will and in a fair transaction. The following methods and assumptions are used in estimating fair values.

Financial assets at fair value through profit or loss include the forward contracts, cross currency interest rate swap instruments, interest rate swap instruments, warrants and cash compensation, some structured deposits and investment in other debt instruments. Financial liabilities at fair value through profit or loss include the forward contracts, cross currency interest rate swap instruments and interest rate swap instruments. The Group believes that the fair value estimated using valuation techniques is reasonable and the most appropriate value as of the balance sheet date.

The fair values of listed equity instruments are determined according to quote prices on the market. The fair values of investments in non-listed equity instruments are estimated using the valuating model of market comparison approach, and the assumptions adopted are not supported by observable market price or interest rate. The Group needs to estimate unobservable market parameters such as price-to-book ratio. The Group believes that the fair value and its changes estimated using valuation techniques is reasonable and the most appropriate value as of the balance sheet date.

Fair values of long-term borrowings and medium-term notes under bonds payable are determined using discounted cash flows, at rates equal to market yield of other financial instruments with similar contract terms, credit risks and remaining term. As at 31 December 2018, non-performance risks underlying long-term borrowings were appraised as insignificant.

九、公允價值的披露(續)

3. 公允價值估值(續)

金融工具公允價值(續)

金融資產和金融負債的公允價值，在公平交易中，熟悉情況的交易雙方自願進行資產交換或者債務清償的金額確定。以下方法和假設用於估計公允價值。

公允價值計量且其變動計入當期損益的金融資產包括遠期合同、交叉貨幣利率互換工具、利率互換工具、認股權證及現金補償、部分結構性存款及其他債務工具投資。公允價值計量且其變動計入當期損益的金融負債包括遠期合同、交叉貨幣利率互換工具及利率互換工具。本集團相信，以估值技術估計的公允價值是合理的，並且亦是於資產負債表日最合適的價值。

上市的權益工具，以市場報價確定公允價值。非上市的權益工具投資，採用市場比較法估值模型估計公允價值，採用的假設並非由可觀察市場價格或利率支持。本集團需要就市淨率等不可觀測市場參數作出估計。本集團相信，以估值技術估計的公允價值及其變動，是合理的，並且亦是於資產負債表日最合適的價值。

長期借款及應付債券中的中期票據採用未來現金流量折現法確定公允價值，以有相似合同條款、信用風險和剩餘期限的其他金融工具的市場收益率作為折現率。2018年12月31日，針對長期借款等自身不履約風險評估為不重大。

IX. DISCLOSURE OF FAIR VALUE
(CONTINUED)

3. Estimation of fair value (Continued)

Fair value of financial assets (Continued)

Fair values of long-term receivables/ long-term payables are determined using the present value of net leasing receipts/ net leasing payments, at rates equal to the market yield of other finance leases with similar contract terms, credit risks and remaining term.

The fair values of corporate bonds under bonds payable are determined as quoted prices on the market.

4. Unobservable inputs

The key unobservable inputs of Level 3 of the measurements of fair value are summarized as follows:

	Closing/opening fair value	Valuation technique	Unobservable inputs	Range (weighted average) 範圍區間 (加權平均值)
	年末/年初公允價值	估值技術	不可觀察輸入值	
Warrants and cash compensation 認股權證及現金補償	189,752,130.38/ 150,169,737.92	Monte Carlo simulation method 蒙特卡洛模擬法	Share price and EBITDA of the Company 公司股價及折舊攤銷息稅前利潤	
Xiamen Fengtai Bus and Coach International Co., Ltd. 廈門豐泰國際新能源汽車 有限公司	46,500,000.00/ 32,620,000.00	Market comparison approach 市場比較法	Price-to-sales ratio 市銷率倍數	0.7
Huarong Xiangjiang Bank 華融湘江銀行	43,644,500.00/ 49,560,000.00	Market comparison approach 市場比較法	Price-to-Book ratio 市淨率	1.0
Others 其他	32,778,942.98/ 40,042,376.88	Market comparison approach 市場比較法	Price-to-Book ratio 市淨率	1.0
	312,675,573.36/ 272,392,114.80			

九、公允價值的披露(續)

3. 公允價值估值(續)

金融工具公允價值(續)

長期應收款/長期應付款的公允價值以淨租賃收款額/淨租賃付款額的現值，以有相似合同條款、信用風險和剩餘期限的其他融資租賃的市場收益率作為折現率確定。

應付債券中的企業債券，以市場報價確定公允價值。

4. 不可觀察輸入值

如下為第三層次公允價值計量的重要不可觀察輸入值概述：

IX. DISCLOSURE OF FAIR VALUE (CONTINUED)

5. Adjustments for fair value measurement

The adjustments for the continuous Level 3 measurement of fair value are as follows:

2018

				Total current profit/loss 本年利得或損失總額									Changes of unrealized current gain/loss of assets held at the end of period recognized through profit/loss 年末持有的資產計入損益的或未實現的變動
		Opening balance 年初餘額	Transfer into Level 3 轉入第三層次	Transfer out of Level 3 轉出第三層次	Recognized through profit or loss 計入損益	Recognized through other comprehensive income 計入其他綜合收益	Acquisition 購買	Issuance 發行	Sale 出售	Settlement 結算	Foreign exchange gain/loss 匯兌損益	Closing balance 年末餘額	
Financial assets held for trading 交易性金融資產		150,169,737.92	-	-	30,938,683.74	-	-	-	-	-	8,643,708.72	189,752,130.38	30,938,683.74
Investment in equity instruments 權益工具投資		122,222,376.88	-	-	-	(185,271,503.16)	1,192,276,839.24	-	-	-	-	1,129,227,712.96	-
		272,392,114.80	-	-	30,938,683.74	(185,271,503.16)	1,192,276,839.24	-	-	-	8,643,708.72	1,318,979,843.34	30,938,683.74

2017

					Total current profit/loss 本年利得或損失總額								Changes of unrealized current gain/loss of assets held at the end of year recognized through profit/loss 年末持有的資產計入損益的或未實現的變動
		Opening balance 年初餘額	Transfer into Level 3 轉入第三層次	Transfer out of Level 3 轉出第三層次	Recognized through profit or loss 計入損益	Recognized through other comprehensive income 計入其他綜合收益	Acquisition 購買	Issuance 發行	Sale 出售	Settlement 結算	Foreign exchange gain/loss 匯兌損益	Closing balance 年末餘額	
Financial assets held for trading 交易性金融資產		-	-	-	14,589,198.32	-	143,714,452.61	-	-	-	(8,133,913.01)	150,169,737.92	14,589,198.32

For the continuous Level 3 measurement of fair value, the profit or loss relating to financial assets and non-financial assets of gain and loss recognized through current profit and loss are as follows:

持續的第三層次的公允價值計量中，計入當期損益的利得和損失中與金融資產和非金融資產有關的損益信息如下：

		2018 2018年	
		Profit or loss relating to financial assets 與金融資產有關的損益	Profit or loss relating to non-financial assets 與非金融資產有關的損益
Total gain or loss recognized through current profit or loss 計入本年損益的利得或損失總額		30,938,683.74	-
Changes of unrealized current gain or loss recognized through assets held at the end of year 年末持有的資產計入的或未實現的變動		30,938,683.74	-

6. The level change in the fair value

In 2018, there were neither transfers between Level 1 and Level 2 for the measurement of fair value of financial assets and liabilities, nor transfer into or out of Level 3 (2017: nil).

6. 公允價值層次轉換

於2018年，並無金融資產和金融負債公允價值計量在第一層次和第二層次之間的轉移，亦無轉入或轉出第三層級的情況(2017年：無)。

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The related parties defined in these financial statements included the related parties under accounting standards and related parties under the information disclosure requirements of SFC.

1. Parent

	Registered address	Nature of business	Registered capital	Proportion of ownership interest in the Company	Proportion of voting power in the Company
	註冊地	業務性質	註冊資本	對本公司持股比例 (%)	對本公司表決權比例 (%)
Weichai Group Holdings Limited 濰柴控股集團有限公司	Weifang City, Shandong Province 山東省 濰坊市	External investment financial guarantee investment advisory planning and organization/ coordination and management of production operating activities of corporates under the Group 對外投資經濟擔保投資 諮詢規劃組織/協調管理 集團所屬企業生產經營活動	RMB1,200,000,000.00 人民幣1,200,000,000.00元	17.58	17.58

Shandong Heavy Industry Group Co., Ltd. is the ultimate controller of the Company.

本公司的最終控制人為山東重工集團有限公司。

2. Subsidiaries

Details of subsidiaries are set out in Note VII.1.

2. 子公司

子公司信息詳見附註七、1。

3. Associates

Details of associates are set out in Note VII.3 and Note X.4.

3. 聯營企業

與本集團發生重大交易的聯營企業詳見附註七、3及附註十、4。

十、關聯方關係及其交易

本財務報表中界定的關聯方既包括會計準則中界定的關聯方，也包括證監會和交易所在信息披露規定中界定的關聯方。

1. 母公司

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. Particulars of other related parties which entered into material transactions with the Group

十、關聯方關係及其交易(續)

4. 與本集團發生重大交易的其他關聯方情況

	Related party relationships 關聯方關係	Referred to as 簡稱
Shandong Heavy Industry Group Co., Ltd. 山東重工集團有限公司	Ultimate controller 最終控制人	Shandong Heavy Industry 山東重工
Weichai Group Holdings Limited 濰柴控股集團有限公司	Parent 母公司	Weichai Group Holdings 濰柴控股
Shandong Weichai Import and Export Co., Ltd. 山東濰柴進出口有限公司	Common control by parent 同一母公司控制	Weichai Import and Export 濰柴進出口
Weichai Heavy-duty Machinery Co., Ltd. 濰柴重機股份有限公司	Common control by parent 同一母公司控制	Weichai Heavy-duty Machinery 濰柴重機
Yangzhou Yaxing Coach Co., Ltd. 揚州亞星客車股份有限公司	Common control by parent 同一母公司控制	Yangzhou Yaxing 揚州亞星
Yangzhou Shengda Special Vehicles Co., Ltd. 揚州盛達特種車有限公司	Common control by parent 同一母公司控制	Shengda Special Vehicles 盛達特種車
Weichai Electric Equipment Co., Ltd. 濰柴電力設備有限公司	Common control by parent 同一母公司控制	Weichai Electric 濰柴電力
Chongqing Weichai Diesel Engine Limited 重慶濰柴發動機有限公司	Common control by parent 同一母公司控制	Chongqing Weichai 重慶濰柴
Yangzhou Yaxing Commercial Vehicles Co., Ltd. 揚州亞星商用車有限公司	Common control by parent 同一母公司控制	Yaxing Commercial Vehicles 亞星商用車
Weichai (Yangzhou) Yaxing New Energy Commercial Vehicles Co., Ltd. 濰柴(揚州)亞星新能源商用車有限公司	Common control by parent 同一母公司控制	New Energy Commercial Vehicles 新能源商用車
Weichai (Yangzhou) Yaxing Motor Company Limited 濰柴(揚州)亞星汽車有限公司	Common control by parent 同一母公司控制	Yaxing Motor 亞星汽車
Shantui Engineering Machinery Co., Ltd. 山推工程機械股份有限公司	Same ultimate controller 同一最終控制人	Shantui Engineering 山推工程
Shandong Heavy Industry Group Finance Co., Ltd. 山東重工集團財務有限公司	Same ultimate controller 同一最終控制人	Shandong Heavy Industry Finance Company 山東重工財務公司
Shanzhong Finance Leasing Co., Ltd. 山重融資租賃有限公司	Same ultimate controller 同一最終控制人	Shanzhong Finance Leasing 山重融資租賃
Shanzhong Jianji Co., Ltd. 山重建機有限公司	Same ultimate controller 同一最終控制人	Shanzhong Jianji 山重建機
Shantui Road Machinery Co., Ltd. 山推道路機械有限公司	Same ultimate controller 同一最終控制人	Shantui Road 山推道路

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

十、關聯方關係及其交易(續)

4. Particulars of other related parties which entered into material transactions with the Group (Continued)

4. 與本集團發生重大交易的其他關聯方情況(續)

	Related party relationships 關聯方關係	Referred to as 簡稱
Shandong Shantui Construction Machinery Import and Export Co., Ltd. 山東山推工程機械進出口有限公司	Same ultimate controller 同一最終控制人	Shantui Import and Export 山推進出口
Dezhou Degong Machinery Co., Ltd. 德州德工機械有限公司	Same ultimate controller 同一最終控制人	Dezhou Degong 德州德工
Shandong Automobile Manufacturing Co., Ltd. 山東汽車製造有限公司	Same ultimate controller 同一最終控制人	Shandong Automobile Manufacture 山汽製造
Beiqi Foton Motor Co., Ltd. 北汽福田汽車股份有限公司	Same key management personnel 同一關鍵管理人員	Beiqi Foton 北汽福田
Shaanxi Automobile Industry Co., Ltd. 陝西汽車實業有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Shaanxi Industry 陝汽實業
Shaanxi Automotive Group Co., Ltd. 陝西汽車集團有限責任公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Shaanxi Automotive 陝汽集團
Shaanxi Fast Gear Automotive Transmission Co., Ltd. 陝西法士特汽車傳動集團有限責任公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Shaanxi Fast Gear Automotive 陝法傳動
Shaanxi Huazhen Vehicle Parts Co., Ltd. 陝西華臻車輛部件有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Huazhen Parts 華臻部件
Shaanxi Huazhen Sancan Industry and Trading Services Co., Ltd. 陝西華臻工貿服務有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Huazhen Services 華臻服務
Shaanxi Tongli Special Purpose Vehicle Co., Ltd. 陝西通力專用汽車有限責任公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Tongli Special Purpose 通力專用
Shaanxi Lantong Transmission Axle Co., Ltd. 陝西藍通傳動軸有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Lantong Transmission 藍通傳動軸
Baoji Huashan Engineering Vehicles Co., Ltd. 寶雞華山工程車輛有限責任公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Baoji Vehicle 寶雞車輛
Xi'an Lande New Energy Automotive Technology Development Co., Ltd. 西安蘭德新能源汽車技術開發有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Lande New Energy 蘭德新能源

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. Particulars of other related parties which entered into material transactions with the Group (Continued)

十、關聯方關係及其交易(續)

4. 與本集團發生重大交易的其他關聯方情況(續)

	Related party relationships 關聯方關係	Referred to as 簡稱
Shaanxi Wanfang Vehicle Parts and Components Co. Ltd. 陝西萬方汽車零部件有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Shaanxi Wanfang 陝西萬方
Shaanxi Fangyuan Automobile Standard Components Co. Ltd. 陝西方圓汽車標準件有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Fangyuan Automobile 方圓汽車
Shaanxi Automobile Group Xunyang Baotong Special Purpose Vehicles Co., Ltd. 陝西汽車集團旬陽寶通專用車有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Xunyang Baotong 旬陽寶通
Shaanxi Automobile Group Yan'an Special Purpose Vehicles Co., Ltd. 陝西汽車集團延安專用車有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Yan'an Special Purpose Vehicles 延安專用車
Shaanxi Dongming Automobile System Co., Ltd. 陝西東銘車輛系統股份有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Dongming Automobile 東銘車輛
Shaanxi Zhongfu IDT Techology Co., Ltd. 陝西中富物聯科技服務有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Shaanxi Zhongfu 陝西中富
Shaanxi Zhongjiao Tianjian Vehicle Net Information Technology Co., Ltd. 陝西中交天健車聯網信息技術有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Zhongjiao Tianjian 中交天健
Shaanxi Deyin Logistic Services Co., Ltd. 陝西德銀物流服務有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Deyin Logistic 德銀物流
Shaanxi Deyin Leasing Co., Ltd. 德銀融資租賃有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Deyin Leasing 德銀租賃
Shaanxi Tongchuang Huaheng Vehicle Radiator Co. Ltd. 陝西同創華亨汽車散熱有限責任公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Tongchuang Huaheng 同創華亨
Shaanxi Automobile Group Changsha Huantong Automobile Manufacturing Co., Ltd. 陝西汽車集團長沙環通汽車製造有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Changsha Huantong 長沙環通
Shaanxi Automobile Group Wenzhou Yunding Automobile Co., Ltd. 陝西汽車集團溫州雲頂汽車有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Wenzhou Yunding 溫州雲頂
Shaanxi Wanfang Tianyun Vehicle Equipment Co. Ltd. 陝西萬方天運汽車電器有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Wanfang Tianyun 萬方天運

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

十、關聯方關係及其交易(續)

4. Particulars of other related parties which entered into material transactions with the Group (Continued)

4. 與本集團發生重大交易的其他關聯方情況(續)

	Related party relationships 關聯方關係	Referred to as 簡稱
Shaanxi Huazhen Vehicle Component Parts Co., Ltd. 陝西華臻汽車零部件有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Huazhen Component 華臻零部件
Shaanxi Sanzhen Vehicle Parts Co., Ltd. 陝西三臻汽車零部件有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Sanzhen Vehicles 三臻汽車
Shaanxi Huazhen Automobile Filtration System Co., Ltd. 陝西華臻汽車濾清系統有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	Huazhen Filtration 華臻濾清
J. Eberspaecher (Xi'an) GmbH & Co. KG 埃貝赫排氣技術(西安)有限公司	Associate of substantial shareholder(s) of subsidiary(ies) 子公司重要股東之聯繫人	J. Eberspaecher 埃貝赫
Xi'an FC Intelligence Transmission Co., Ltd. 西安雙特智能傳動有限公司	Jointly-controlled enterprise of subsidiary(ies) 子公司之合營企業	FC Intelligence Transmission 雙特傳動
Shaanxi Tonghui Automotive Transportation Co., Ltd. 陝西通匯汽車物流有限公司	Associate of subsidiary(ies) 子公司之聯營企業	Tonghui Transportation 通匯物流
CIMC – SHAC (Xi'an) Special Vehicles Co., Ltd. 中集陝汽重卡(西安)專用車有限公司	Associate of subsidiary(ies) 子公司之聯營企業	CIMC – SHAC 中集重卡
Xi'an Cummins Engine Co., Ltd. 西安康明斯發動機有限公司	Associate of subsidiary(ies) 子公司之聯營企業	Xi'an Cummins 西安康明斯
Baoding Shanqi Tianma Automobile Co., Ltd. 保定陝汽天馬汽車有限公司	Associate of subsidiary(ies) 子公司之聯營企業	Shanqi Tianma 陝汽天馬
Shaanxi Eurostar Auto Co., Ltd. 陝西歐舒特汽車股份有限公司	Associate of subsidiary(ies) 子公司之聯營企業	Eurostar 歐舒特
Shaanxi Automobile Wuhai Special Vehicles Co., Ltd. 陝汽烏海專用汽車有限公司	Associate of subsidiary(ies) 子公司之聯營企業	Shaanxi Wuhai 陝汽烏海
Weichai Power Westport New Energy Engine Co., Ltd. 濰柴西港新能源動力有限公司	Associate of parent 母公司之聯營企業	Westport New Energy 西港新能源
Suzhou Foresight Energy Company Limited 蘇州弗爾賽能源科技股份有限公司	Associate 聯營企業	Suzhou Foresight 蘇州弗爾賽

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major transactions between the Group and its related parties

(1) Transaction of goods and services with related parties

Purchase of goods from related parties (excluding tax)

十、關聯方關係及其交易(續)

5. 本集團與關聯方的主要交易

(1) 關聯方商品和勞務交易

自關聯方購買商品(不含稅)

		2018 2018年	2017 2017年
Shaanxi Fast Gear Automotive	陝法傳動	4,514,388,161.74	4,700,909,834.08
Westport New Energy	西港新能源	2,129,634,364.68	4,444,440,029.27
Baoji Vehicle	寶雞車輛	2,105,162,960.35	1,957,243,908.47
Shaanxi Wuhai	陝汽烏海	1,453,860,070.94	1,384,647,229.80
Shaanxi Wanfang	陝西萬方	1,231,905,300.43	1,384,920,784.24
Xi'an Cummins	西安康明斯	898,540,361.07	775,678,221.62
CIMC-SHAC	中集重卡	827,679,614.52	444,581,433.38
Tongli Special Purpose	通力專用	770,482,039.11	683,810,396.03
Weichai Import and Export	濰柴進出口	690,999,178.42	528,139,372.67
Wanfang Tianyun	萬方天運	609,944,281.09	596,269,643.29
Huazhen Components	華臻零部件	577,610,319.21	611,196,820.54
Weichai Group Holdings	濰柴控股	382,724,373.05	344,490,694.65
Weichai Heavy-duty Machinery	濰柴重機	354,110,087.02	314,902,064.10
Zhongjiao Tianjian	中交天健	210,347,523.19	148,998,965.89
Tongchuang Huaheng	同創華亨	209,179,530.85	188,483,689.97
Lantong Transmission	藍通傳動軸	186,811,005.57	218,652,008.65
Fangyuan Automobile	方圓汽車	84,157,140.17	97,023,226.46
Huazhen Parts	華臻部件	53,998,701.74	47,745,081.56
Dongming Automobile	東銘車輛	40,536,670.32	69,779,616.92
Others	其他	975,125,646.86	926,935,407.30
		18,307,197,330.33	19,868,848,428.89

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major transactions between the Group and its related parties (Continued)

(1) Transaction of goods and services with related parties (Continued)

Receiving services from related parties

			2018	2017
			2018年	2017年
Tonghui Transportation	通匯物流	註Note 1	274,150,343.62	274,279,058.48
Shaanxi Industry	陝汽實業		107,088,714.14	88,114,966.75
Shaanxi Fast Gear Automotive	陝法傳動		52,394,216.20	60,866,303.36
Others	其他		186,099,668.16	148,377,270.12
			619,732,942.12	571,637,598.71

Rendering services to related parties

向關聯方提供勞務

			2018	2017
			2018年	2017年
Others	其他		183,330,017.52	92,823,493.07

Note 1: From January to December 2018, Tonghui Transportation provided comprehensive services including warehousing, logistics distribution and receipt and payment services to Shaanxi Heavy-duty Motor Co., Ltd, a subsidiary of the Company. Agency services provided by Tonghui Transportation to Shaanxi Heavy-duty Motor Co., Ltd. amounted to RMB274,150,343.62 (2017: RMB274,279,058.48).

註1：於2018年1-12月，通匯物流為本公司之子公司陝西重型汽車有限公司提供倉儲、物流配送及代為收付等綜合服務。本年陝西重型汽車有限公司接受通匯物流的代理服務金額為人民幣274,150,343.62元(2017年：人民幣274,279,058.48元)。

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major transactions between the Group and its related parties (Continued)

(1) Transaction of goods and services with related parties (Continued)

Sale of goods to related parties (excluding tax)

十、關聯方關係及其交易(續)

5. 本集團與關聯方的主要交易(續)

(1) 關聯方商品和勞務交易(續)

向關聯方銷售商品(不含稅)

		2018 2018年	2017 2017年
Shaanxi Fast Gear Automotive	陝法傳動	1,944,356,238.86	2,112,451,368.35
Shaanxi Wuhai	陝汽烏海	1,114,737,155.77	1,135,084,226.97
Weichai Import and Export	濰柴進出口	944,766,942.05	569,935,257.66
Baoji Vehicle	寶雞車輛	685,025,614.05	508,183,179.75
Yangzhou Yaxing	揚州亞星	486,114,137.94	309,816,360.13
Beiqi Foton	北汽福田	370,825,404.47	448,519,857.19
Westport New Energy	西港新能源	322,279,891.38	2,569,344,324.79
Shaanxi Zhongfu	陝西中富	305,114,003.67	591,556,388.19
Weichai Electric	濰柴電力	283,101,773.78	240,671,300.74
Shaanxi Automotive	陝汽集團	281,812,134.55	-
Shantui Engineering	山推工程	226,919,947.42	167,136,818.14
CIMC-SHAC	中集重卡	138,223,064.69	44,759,637.81
Shaanxi Wanfang	陝西萬方	135,111,817.39	243,285,019.92
Shengda Special Vehicles	盛達特種車	132,833,842.24	79,714,632.46
Tongli Special Purpose	通力專用	130,339,661.52	57,196,968.86
Huazhen Components	華臻零部件	129,267,645.11	172,275,966.16
Weichai Heavy-duty Machinery	濰柴重機	121,111,895.60	102,232,892.53
Shanzhong Finance Leasing	山重融資租賃	80,665,000.00	-
Shantui Road	山推道路	70,100,339.56	45,258,767.52
Huazhen Services	華臻服務	45,463,360.48	44,412,005.89
Others	其他	2,115,475,667.94	1,912,538,715.75
		10,063,645,538.47	11,354,373,688.81

During the year, the prices for the Group's sale of goods and rendering of services to related parties as well as purchase of goods and receiving services from related parties were determined with reference to market rates.

本年度，本集團向關聯方銷售商品、提供勞務、採購商品及接受勞務參考市場價格決定。

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major transactions between the Group and its related parties (Continued)

(2) Leasing with related parties

As lessor

		Type of leased property	2018 2018年	2017 2017年
		租賃資產種類	Lease revenue 租賃收入	Lease revenue 租賃收入
As lessor	作為出租人	Buildings, equipment and land 房屋設備土地	34,996,777.87	37,408,815.46

As lessee

作為承租人

		Type of leased property	2018 2018年	2017 2017年
		租賃資產種類	Lease fee 租賃費	Lease fee 租賃費
As Lessee	作為承租人	Buildings 房屋	71,896,517.11	54,015,799.37

During the year, the prices for the Group's leasing with related parties were determined with reference to market rates.

本年度，本集團與關聯方租賃業務價格參考市場價格決定。

十、關聯方關係及其交易(續)

5. 本集團與關聯方的主要交易(續)

(2) 關聯方租賃

作為出租人

		Type of leased property	2018 2018年	2017 2017年
		租賃資產種類	Lease revenue 租賃收入	Lease revenue 租賃收入
As lessor	作為出租人	Buildings, equipment and land 房屋設備土地	34,996,777.87	37,408,815.46

As lessee

作為承租人

		Type of leased property	2018 2018年	2017 2017年
		租賃資產種類	Lease fee 租賃費	Lease fee 租賃費
As Lessee	作為承租人	Buildings 房屋	71,896,517.11	54,015,799.37

During the year, the prices for the Group's leasing with related parties were determined with reference to market rates.

本年度，本集團與關聯方租賃業務價格參考市場價格決定。

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major transactions between the Group and its related parties (Continued)

(3) Transfer of assets with related parties

			Particulars of transaction 交易內容	2018 2018年	2017 2017年
Others	其他	Purchase of fixed assets	購買固定資產	12,705.83	14,735.48
Others	其他	Sale of fixed assets	出售固定資產	167,410.72	295,301.18

During the year, the Group's purchase and sale of fixed assets from and to related parties were on prices determined with reference to market rates.

Except for the transactions with associates, all the above transactions of goods and services with related parties, leasing with related parties and transfer of assets with related parties also constitute connected transactions or continuing connected transactions as defined under Chapter 14A of the Hong Kong Listing Rules.

十、關聯方關係及其交易(續)

5. 本集團與關聯方的主要交易(續)

(3) 關聯方資產轉讓

本年度，本集團向關聯方採購和銷售固定資產價格參考市場價格決定。

除與聯營公司進行之交易外，所有上述關聯方商品和勞務交易、關聯方租賃及關聯方資產轉讓同時構成《香港上市規則》第14A章中定義的關連交易或持續關連交易。

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major transactions between the Group and its related parties (Continued)

(4) Other related party transactions

- (a) Deyin Leasing provides Shaanxi Heavy-duty Motor Company Limited, a subsidiary in the Group, with services of financial leasing. It was agreed among Deyin Leasing and third-party distributors that for the vehicle monies of related business to be receivable by the Group from distributors, Deyin Leasing may take up the payment obligation on behalf of the distributors. In 2018, the amount of vehicle sales through this business mode amounted to RMB3,666,286,332.00 (2017: RMB3,218,438,300.00).

Shanzhong Finance Leasing provides Shaanxi Heavy-duty Motor Company Limited, a subsidiary in the Group, with services of financial leasing. In 2018, the amount of vehicle sales through this business mode amounted to RMB4,149,569,138.00 (2017: RMB2,840,349,366.00). Shaanxi Heavy-duty Motor Company Limited guaranteed repurchase of physical assets upon presentation in respect of the failure to pay the instalment payments and interests under the finance lease. The balance of rental of repurchase of physical assets upon presentation (being outstanding balance of principal on finance lease borrowings) was RMB2,303,128,504.91 (31 December 2017: RMB1,507,220,000.00). For details, see Note XII.3.

十、關聯方關係及其交易(續)

5. 本集團與關聯方的主要交易(續)

(4) 其他關聯方交易

- (a) 德銀租賃為本集團之子公司陝西重型汽車有限公司提供融資租賃業務，德銀租賃和第三方經銷商同意對於本集團應收經銷商的相關業務的車款，可由德銀租賃代經銷商承擔付款義務。2018年通過該種業務模式銷售的車輛金額為人民幣3,666,286,332.00元（2017年：人民幣3,218,438,300.00元）。

山重融資租賃為本集團之子公司陝西重型汽車有限公司提供融資租賃業務，2018年通過該種業務模式銷售的車輛金額為人民幣4,149,569,138.00元（2017年：人民幣2,840,349,366.00元）。陝西重型汽車有限公司為融資租賃的承租方未能支付的融資租賃分期付款及利息提供見物回購責任，見物回購租金餘額（即尚未到期的融資租賃貸款本金餘額）為人民幣2,303,128,504.91元（2017年12月31日：人民幣1,507,220,000.00元）。具體情況參見附註十二、3。

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major transactions between the Group and its related parties (Continued)

(4) Other related party transactions (Continued)

- (b) On 30 March 2016, the Group entered into the Financial Services Agreement with Shandong Heavy Industry Group Finance Co., Ltd. (“Shandong Heavy Industry Finance Company”). Pursuant to the agreement, Shandong Heavy Industry Finance Company provided deposit, credit, accounting and clearing services as well as other financial services to the Company and its controlling subsidiaries. The interest rates for credit relating to financial services as well as fee rates are determined according to the Financial Services Agreement and based upon the relevant requirements of the People’s Bank of China’s under which the lending rate shall not exceed the minimum level permitted under the interest rates and fee rates for money lending of similar types and categories available to the Group from other major commercial banks in the PRC.

Shandong Heavy Industry Finance Company provides distributors of Shaanxi Heavy-duty Motor Company Limited, a subsidiary in the Group, with credit line to apply for establishing bank acceptance bills for the purchase of products from Shaanxi Heavy-duty Motor Company Limited. In 2018, the credit line amounted to RMB3,000,000,000.00 (2017: 1,200,000,000.00). Shaanxi Heavy-duty Motor Co., Ltd. assumes security obligation in favour of the distributors for the difference between amount of notes and guarantee money. As at 31 December 2018, open position of outstanding acceptance bill was RMB577,192,190.00 (31 December 2017: 869,863,962.00). For details, see Note XII.2.

十、關聯方關係及其交易(續)

5. 本集團與關聯方的主要交易(續)

(4) 其他關聯方交易(續)

- (b) 本集團與山東重工集團財務有限公司(「山東重工財務公司」)於2016年3月30日簽訂《金融服務協議》，根據協議，山東重工財務公司為公司及控股子公司提供存款、信貸、結算及其他金融服務等。有關金融服務信貸利率和費率根據《金融服務協議》滿足中國人民銀行有關貸款利率相關規定的基礎上不高於本集團在其他中國國內主要商業銀行取得的同類同檔次信貸利率及費率允許的最低水平確定。

山東重工財務公司為本集團之子公司陝西重型汽車有限公司的經銷商提供授信額度，申請開立銀行承兌匯票用於購買陝西重型汽車有限公司產品，2018年的授信額度為人民幣3,000,000,000.00元(2017年：人民幣1,200,000,000.00元)。陝西重型汽車有限公司為經銷商提供票據金額與保證金之間差額的退款保證責任。截至2018年12月31日，尚未到期的承兌匯票敞口額為人民幣577,192,190.00元(2017年12月31日：人民幣869,863,962.00元)。具體情況參見附註十二、2。

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major transactions between the Group and its related parties (Continued)

(4) Other related party transactions (Continued)

(b) (Continued)

Amounts of transactions with Shandong Heavy Industry Finance Company are as follows:

		2018 2018年	2017 2017年
Bank deposit placed	存放銀行存款	68,099,260,980.37	55,731,896,532.23
Interest income	利息收入	273,228,307.23	177,811,695.18
Interest expenses	利息支出	27,008,616.96	34,228,402.07
Acquisition of short-term borrowings	取得短期借款	80,000,000.00	60,000,000.00
Repayment of short-term borrowings	償還短期借款	60,000,000.00	90,000,000.00
Acquisition of long-term borrowings	取得長期借款	24,000,000.00	-
Repayment of long-term borrowings	償還長期借款	12,790,000.00	5,690,000.00
Establishment of bank acceptance bills	開具銀行承兌匯票	3,276,706,755.80	2,437,413,208.87

Balances of accounts with Shandong Heavy Industry Finance Company are as follows:

本集團與山東重工財務公司的各項往來餘額如下：

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Cash and cash equivalents placed with related parties	存放關聯方的貨幣資金	19,312,738,649.89	17,157,898,821.63
Interest receivable	應收利息	10,662,718.08	23,116,750.00
Short-term borrowings	短期借款	80,000,000.00	60,000,000.00
Long-term borrowings	長期借款	326,327,751.45	315,117,751.45
Balance of bank acceptance bills established	開具的銀行承兌匯票餘額	1,892,130,226.70	1,290,579,547.03

Note: Other than the aforementioned finance businesses, Shaanxi Hande Axle Co., Ltd. ("Hande Axle", a subsidiary of Weichai Power Co., Ltd.) entrusted Shandong Heavy Industry Group Finance Co., Ltd. to issue short-term loan to Hende Axle (Zhuzhou) Gear Co., Ltd. (a subsidiary of Hande Axle), and the balance of such entrusted loan as at 31 December 2018 was RMB160,000,000.00 (31 December 2017: RMB190,000,000.00). The entrusted loan was offset in preparation of consolidated financial statements. In year 2018, Shandong Heavy Industry Group Finance Co., Ltd. received a management fee for the entrusted loan of RMB80,000.00 (year 2017: RMB95,000.00).

註：除上述金融業務外，濰柴動力股份有限公司之子公司陝西漢德車橋有限公司(「漢德車橋」)委託山東重工集團財務有限公司向漢德車橋之子公司漢德車橋(株州)齒輪有限公司發放短期借款，於2018年12月31日該委託貸款餘額為人民幣160,000,000.00元(2017年12月31日：人民幣190,000,000.00元)。該委託貸款在編製合併財務報表時已予以抵銷。2018年度山東重工集團財務有限公司收取委託貸款管理費人民幣80,000.00元(2017年度：人民幣95,000.00元)。

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties

十、關聯方關係及其交易(續)

6. 關聯方應收應付款項餘額

		31 December 2018 2018年12月31日		1 January 2018 and 31 December 2017 2018年1月1日及2017年12月31日	
		Gross carrying amount 賬面餘額	Provision for bad debt 壞賬準備	Gross carrying amount 賬面餘額	Provision for bad debt 壞賬準備
Accounts receivable	應收賬款				
Westport New Energy	西港新能源	166,017,960.04	(4,979,488.80)	109,703,662.71	(5,468,207.36)
FC Intelligence Transmission	雙特傳動	139,187,856.31	(31,003,263.74)	132,671,268.07	(45,293,628.88)
Weichai Electric	濰柴電力	120,444,708.97	(2,411,155.44)	71,435,775.57	(3,571,788.78)
Weichai Heavy-duty Machinery	濰柴重機	105,452,900.67	(3,885,614.79)	167,162,805.37	(12,174,001.33)
Weichai Import and Export	濰柴進出口	86,540,109.87	(2,616,946.43)	53,526,646.62	(2,312,581.18)
Changsha Huantong	長沙環通	66,364,433.92	(66,364,433.92)	33,808,426.00	(27,046,740.80)
Beiqi Foton	北汽福田	57,282,725.62	(2,488,017.14)	31,682,677.47	(1,643,829.28)
Baoji Vehicle	寶雞車輛	47,639,575.16	(2,380,236.93)	33,317,361.32	(2,337,927.00)
Others	其他	473,965,133.96	(31,199,351.72)	420,399,102.07	(43,959,252.15)
		1,262,895,404.52	(147,328,508.91)	1,053,707,725.20	(143,807,956.76)
Other receivables	其他應收款				
Others	其他	160,739,314.17	(13,781,499.60)	136,151,059.74	(13,781,240.01)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

十、關聯方關係及其交易(續)

6. Amounts due from/to related parties (Continued)

6. 關聯方應收應付款項餘額(續)

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Notes receivable (Bank acceptance bills)	應收票據(銀行承兌匯票)		
Yangzhou Yaxing	揚州亞星	555,179,790.70	330,188,571.83
Weichai Heavy-duty Machinery	濰柴重機	259,000,000.00	250,538,450.43
Shantui Engineering	山推工程	140,885,358.49	105,737,160.00
Shengda Special Vehicles	盛達特種車	70,989,286.11	36,815,039.10
Weichai Import and Export	濰柴進出口	40,522,145.63	242,400,764.43
Others	其他	46,789,420.00	519,606,336.60
		1,113,366,000.93	1,485,286,322.39
Prepayments	預付款項		
Others	其他	38,548,108.22	42,604,072.47
Dividends receivable	應收股利		
Eurostar	歐舒特	-	2,240,000.00
Accounts payable	應付賬款		
Westport New Energy	西港新能源	525,150,338.93	109,825,882.97
Baoji Vehicle	寶雞車輛	399,807,389.51	340,450,408.43
Shaanxi Wanfang	陝西萬方	376,818,608.10	395,678,614.68
Shaanxi Fast Gear Automotive	陝法傳動	316,120,154.79	313,643,049.62
Tongli Special Purpose	通力專用	235,693,024.87	139,115,540.70
FC Intelligence Transmission	雙特傳動	191,861,611.27	120,104,029.37
Huazhen Components	華臻零部件	172,479,139.72	162,136,522.00
Weichai Import and Export	濰柴進出口	159,308,692.25	171,920,049.40
Xi'an Cummins	西安康明斯	142,269,805.90	121,846,970.08
Wanfang Tianyun	萬方天運	122,952,914.97	141,983,093.96
Tonghui Transportation	通匯物流	77,481,497.07	61,974,938.31
Tongchuang Huaheng	同創華亨	65,215,202.39	69,660,468.38
Lantong Transmission	藍通傳動軸	54,326,102.70	66,106,042.74
Zhongjiao Tianjian	中交天健	40,348,801.50	109,195,712.50
Others	其他	200,650,017.78	222,295,095.93
		3,080,483,301.75	2,545,936,419.07

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (Continued)

十、關聯方關係及其交易(續)

6. 關聯方應收應付款項餘額(續)

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Notes payable (Bank acceptance bills)	應付票據(銀行承兌匯票)		
Westport New Energy	西港新能源	768,230,794.38	1,469,711,159.77
Tonghui Transportation	通匯物流	33,122,839.84	1,786,320.00
Others	其他	25,572,235.89	24,980,325.23
		826,925,870.11	1,496,477,805.00
		31 December 2018 2018年12月31日	1 January 2018 2018年1月1日
Contract liabilities	合同負債		
Shaanxi Wuhai	陝汽烏海	63,787,027.16	45,247,953.07
Others	其他	466,533.80	19,732,602.27
		64,253,560.96	64,980,555.34
		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Other payables	其他應付款		
Shaanxi Industry	陝汽實業	33,161,581.34	46,473,888.26
Others	其他	76,052,439.22	111,290,897.85
		109,214,020.56	157,764,786.11
Dividends payable	應付股利		
Shaanxi Automotive	陝汽集團	124,222,012.00	92,793,833.33
Shaanxi Fast Gear Automotive	陝法傳動	107,365,860.26	58,222,307.46
		231,587,872.26	151,016,140.79
Long-term payables	長期應付款		
Other immaterial associates	其他非重大聯營企業	262,774,687.80	279,993,337.80
Non-current liabilities due within one year	一年內到期的非流動負債		
Other immaterial associates	其他非重大聯營企業	151,437,195.40	151,466,049.90
		31 December 2018 and 1 January 2018 2018年12月31日及 2018年1月1日	31 December 2017 2017年12月31日
Prepayments	預收款項		
Shaanxi Wuhai	陝汽烏海	-	45,247,953.07
Others	其他	-	19,732,602.27
		-	64,980,555.34

Other than long-term payables and non-current liabilities due within one year, amounts due from/to related parties were non-interest bearing and unsecured. Of which the terms of repayment for amounts of trading nature will follow the requirement of terms of trading, while amounts of non-trading nature have no fixed terms of repayment.

除長期應付款、一年內到期的非流動負債以外，應收及應付關聯方款項均不計利息、無抵押，其中，貿易往來的還款期遵從貿易條款規定，非貿易往來無固定還款期。

XI. SHARE-BASED PAYMENT

Share-based Payment Project Applicable to Staff Members of KION

On 1 October 2018, KION GROUP AG introduced a new equity-settled share-based payment project applicable to its staff members in countries included in the share-based payment project in the previous years ("KION Staff Member Scheme 2018"). An eligible staff member may participate in the project by giving a declaration of acceptance during the period from 2 to 19 October 2018. Only those who have, before the commencement of the agreement, signed permanent employment contract with KION GROUP AG and been working for KION GROUP AG for at least one year are qualified to participate in the project. Currently, KION GROUP AG, 19 German subsidiaries (2017: 17) and 62 overseas subsidiaries (2017: 60) have participated in KION Staff Member Scheme 2018. KION GROUP AG will consider extending the coverage of project to more countries in the years to come.

A staff member participating in the equity-settled share-based payment scheme is entitled to one bonus share, free of charge, to match with every three shares in KION GROUP AG upon the expiry of a three-year period from the date of grant. KION GROUP AG is entitled to provide cash payments in lieu of the grant of bonus shares. To motivate staff's participation in this project, KION GROUP AG will grant a first-time participant, on a free-of-charge basis, one share to correspond with every 21 shares initially purchased by him/her/it. If the participant has sold the shares of KION GROUP AG or no longer works for KION GROUP AG, he/she/it will no longer be eligible for such right to receive such free-of-charge shares. Fair value of the equity as at each assessment date is assessed using Monte-Carlo simulation, with the following key parameters for measurement:

Parameters for measurement (EUR)	計量參數(歐元)	Project 2018 2018項目	Project 2017 2017項目	Project 2016 2016項目
Dividend yield	股息生息率	0.99	0.88	0.88
Share price of KION GROUP AG on date of grant	授予日KION GROUP AG股價	44.59	64.62	55.02

十一、股份支付

KION員工股份支付項目

2018年10月1日，KION GROUP AG向以前年度包含在股份支付計劃的國家的員工實施了一項新的以權益結算的股份支付項目(KION 2018年員工激勵計劃)。自2018年10月2日至19日，有資格的員工可以通過發表一個接受聲明參與本項目，只有在協議開始前與KION GROUP AG簽訂了永久僱傭合同，且參與工作至少一年的員工才有資格加入本項目。目前參與2018年員工激勵計劃的有KION GROUP AG及19個(2017年：17個)德國子公司和62個(2017年：60個)德國以外的子公司，KION GROUP AG考慮在以後年度將這個項目拓展到更多的國家。

參與該權益結算的股份支付項目的員工，擁有在授予日起3年後以每3股KION GROUP AG股票無償獲得一股紅股的權利，KION GROUP AG有權通過現金支付替代授予紅股。KION GROUP AG為激勵員工參與本項目，對首次參與的員工最初購買的每21股股票無償贈送1股股票。如果本項目參與者出售了KION GROUP AG的股票或者離職，將無權獲得無償股票。授予的股權於每個評估日採用蒙特·卡羅模型評估公允價值，具體重要計量參數如下：

XI. SHARE-BASED PAYMENT (CONTINUED)

Share-based Payment Project Applicable to Staff Members of KION (Continued)

Movements in the number of bonus shares granted to staff members of KION GROUP AG are as follows:

Shares	股票(股數)	2018 2018年	2017 2017年
Opening balance	年初數	50,166	67,106
Preferential share options granted during the year	本年授予優惠認股權	17,455	12,098
Bonus shares issued during the year upon exercise of options	本年行權而發放紅股	(22,580)	(27,363)
Preferential share options lapsed during the year	本年失效優惠認股權	(1,386)	(1,675)
Closing balance	年末數	43,655	50,166

In 2018, 17,455 (2017: 12,098) preferential share options were granted by KION GROUP AG, and 1,386 options (2017: 1,675) have lapsed, while 22,580 (2017: 27,363) bonus shares were issued upon the exercise of share options by staff members. In addition, 4,225 (2017: 2,545) free-of-charge shares have been granted by KION GROUP AG in 2018. For KION Staff Member Scheme 2018, the fair value of the bonus shares under the project was EUR42.03 per share (KION Staff Member Scheme 2017: EUR62.02 per share; KION Staff Member Scheme 2016: EUR52.51 per share). In 2018, total costs recognized in respect of equity-settled share-based payments in relation to the project was EUR961,000.00, equivalent to RMB7,541,255.30 (2017: EUR938,000.00, equivalent to RMB7,318,557.40).

Share Incentive Scheme Applicable to KION Managers

In 2018, an equity incentive scheme operated by KION GROUP AG became applicable to managers from 1 January 2018, for a term of three years ("KION Senior Management Long-term Incentive Scheme 2018"). The remuneration component measured over the long term is based in equal parts on the total shareholder return (TSR) of KION GROUP AG shares compared with the MDAX index as a measure of market performance, and with return on capital employed (ROCE) as an internal measure. It also depends on the performance of KION GROUP AG shares during the relevant period.

The cash-settled share-based payment granted in 2016 is subject to appraisal for business performance during a period ending 31 December 2018, and has been settled in March 2019.

十一、股份支付(續)

KION員工股份支付項目(續)

KION GROUP AG授予員工紅股數量的變動如下：

2018年，KION GROUP AG授予17,455股優惠認股權(2017年：12,098股)，1,386股已失效(2017年：1,675股)，員工行權而發放紅股22,580股(2017年：27,363股)；此外，2018年KION GROUP AG已無償贈送4,225股股票(2017年：2,545股)。對於「KION 2018年員工激勵計劃」，本項目紅股的公允價值為每股42.03歐元(「KION 2017年員工激勵計劃」：每股62.02歐元；「KION 2016年員工激勵計劃」：每股52.51歐元)。2018年，與本項目相關的以權益結算的股份支付確認的費用總額為歐元961,000.00，折合人民幣7,541,255.30元(2017年：歐元938,000.00，折合人民幣7,318,557.40元)。

KION經理股權激勵計劃

在2018年，KION GROUP AG對經理實施了自2018年1月1日起為期三年的股權激勵計劃(KION 2018年高管長期激勵計劃)。KION GROUP AG的長期報酬的衡量是基於公司全體股東的回報率，與作為計量市場業績的MDAX指數作比較，以及公司的已動用資本回報率(ROCE)作為內部計量基礎。該計量還取決於KION GROUP AG股價在相關期間內的表現。

2016年授予的以現金結算的股份支付的業績考核期在2018年12月31日結束，並已於2019年3月完成支付。

XI. SHARE-BASED PAYMENT (CONTINUED)

Share Incentive Scheme Applicable to KION Managers (Continued)

At the beginning of the period subject to appraisal, on 1 January 2018, 188,531 (2017: 171,573; 2016: 180,963) virtual shares with specific fair value were granted to managers. Such virtual shares were apportioned in proportion to the total annual remuneration of the respective managers who were granted such shares. At the end of the performance period, the number of the virtual shares so granted is amended depending on the degree to which the relevant targets are achieved. The resulting final number of virtual shares multiplied by the smoothed price of KION GROUP AG shares at the end of the performance period determines the amount of cash actually paid. KION GROUP AG has the right to adjust it at the end of performance period when results or development performance is outstanding. The maximum amount payable is limited to 200 per cent of the value of the shares allotted to an individual at the grant date. Fair value of the cash-settled share-based payment as at each assessment date is assessed using Monte-Carlo simulation, with the following parameters for measurement:

十一、股份支付(續)

KION經理股權激勵計劃(續)

在2018年1月1日績效考核初期，經理被授予188,531份具有特定公允價值的虛擬股份（2017年：171,573份；2016年：180,963份），該虛擬股份按照每位經理被授予股份時個人總年薪的相應比例進行分配。在業績考核期末，授予虛擬股份的數量會按照相關目標的完成程度進行修訂。修訂後的虛擬股份數量乘以KION GROUP AG在業績考核期末的平滑股價來決定最終實際需要支付的金額，KION GROUP AG有權在業績表現或發展突出的情況下在考核期末做調整。最終的支付金額以虛擬股份於授予日當天公允價值的200%為上限。授予的以現金結算的股份支付於每個評估日採用蒙特·卡羅模型評估公允價值，具體計量參數如下：

Parameters for measurement (EUR)	計量參數(歐元)	Assessment date on 31 December 2018	
		2018 tranche 2018年份額	2017 tranche 2017年份額
Expected fluctuation of share price of KION GROUP AG	KION GROUP AG股價預期波動率	25.0%	30.0%
Expected fluctuation of price of MDAX index	MDAX指數預期波動率	10.0%	15.0%
Risk-free interest rate	無風險利率	(0.63%)	(0.69%)
Expected dividend yield	股息生息率	0.99	0.99
Share price of KION GROUP AG at valuation date	評估日KION GROUP AG股價	41.41	41.41
MDAX index at valuation date	評估日MDAX指數	21,523.65	21,523.65
60-day-average initial value of shares of KION GROUP AG	60日平均KION GROUP AG股票初始價格	69.85	53.85
60-day-average initial value of MDAX index	60日平均初始MDAX指數	26,396.96	21,178.13

XI. SHARE-BASED PAYMENT (CONTINUED)**Share Incentive Scheme Applicable to KION Managers (Continued)**

As at 31 December 2018, the fair value of the remaining virtual shares granted under the KION Senior Management Long-term Incentive Scheme 2017 was EUR23.76 per share, amounting in aggregate to EUR3,700,000.00, equivalent to RMB29,035,010.00 (2017: EUR65.60 per share, amounting in aggregate EUR11,600,000.00, equivalent to RMB90,506,680.00); the fair value of the remaining virtual shares granted under the KION Senior Management Long-term Incentive Scheme 2018 was EUR24.25 per share, amounting in aggregate to EUR4,300,000.00, equivalent to RMB33,743,390.00. The 2016 tranche to be paid, amounting in aggregate to EUR3,800,000.00, equivalent to RMB29,819,740.00, were calculated according to the initial overall target completion rate. According to the stage of completion of the long-term target set out at the beginning of the period subject to appraisal in 2015, in March 2018, the first share-based payment in respect of year 2015 had been settled to the senior management members.

As at 31 December 2018, accumulated liabilities incurred from the cash-settled share-based payments amounted to EUR7,659,000.00, equivalent to RMB60,102,470.70 (31 December 2017: EUR23,000,000.00, equivalent to RMB179,452,900.00). In particular, EUR3,795,000.00 belonged to the 2016 tranche, which was equivalent to RMB29,780,503.50 (31 December 2017: EUR7,800,000.00, equivalent to RMB60,857,940.00), and EUR2,438,000.00 belonged to the 2017 tranche, which was equivalent to RMB19,131,717.40 (31 December 2017: EUR3,900,000.00, which was equivalent to RMB30,428,970.00). EUR1,426,000.00 belonged to the 2018 tranche, which was equivalent to RMB11,190,249.80.

In 2018, for the tranche granted in 2016, total costs reversed in respect of cash-settled share-based payments amounted to EUR3,993,000.00, equivalent to RMB31,334,268.90 (2017: EUR5,200,000.00, equivalent to RMB39,680,160.00). For the tranche granted in 2017, total costs reversed in respect of cash-settled share-based payments amounted to EUR1,442,000.00, equivalent to RMB11,315,806.60 (2017: EUR3,900,000.00, equivalent to RMB29,760,120.00). For the tranche granted in 2018, total costs recognized in respect of cash-settled share-based payments amounted to EUR1,426,000.00, equivalent to RMB11,190,249.80.

十一、股份支付(續)**KION經理股權激勵計劃(續)**

截至2018年12月31日，2017年度高管長期激勵計劃剩餘的虛擬股份的公允價值為每股23.76歐元，總價值共計歐元3,700,000.00，折合人民幣29,035,010.00元（2017年：每股65.60歐元，總價值共計歐元11,600,000.00，折合人民幣90,506,680.00元），2018年度高管長期激勵計劃剩餘的虛擬股份的公允價值為每股24.25歐元，總價值共計歐元4,300,000.00，折合人民幣33,743,390.00元。根據初步總目標完成率計算出的即將支付的2016年度授予份額，其總價值共計歐元3,800,000.00，折合人民幣29,819,740.00元。根據2015年績效考核初期制定的長期目標的完成情況，於2018年3月，向高管結算了第一筆2015年度相關的股份支付。

截至2018年12月31日，以現金結算的股份支付產生的累計負債金額為歐元7,659,000.00，折合人民幣60,102,470.70元（2017年12月31日：歐元23,000,000.00，折合人民幣179,452,900.00元），其中，2016年授予的以現金結算的股份支付產生的累計負債金額為歐元3,795,000.00，折合人民幣29,780,503.50元（2017年12月31日：歐元7,800,000.00，折合人民幣60,857,940.00元），2017年授予的以現金結算的股份支付產生的累計負債金額為歐元2,438,000.00，折合人民幣19,131,717.40元（2017年12月31日：歐元3,900,000.00，折合人民幣30,428,970.00元），2018年授予的以現金結算的股份支付產生的累計負債金額為歐元1,426,000.00，折合人民幣11,190,249.80元。

2018年，對於2016年授予的以現金結算的股份支付沖回的費用總額為歐元3,993,000.00，折合人民幣31,334,268.90元（2017年：歐元5,200,000.00，折合人民幣39,680,160.00元），對於2017年授予的以現金結算的股份支付沖回的費用總額為歐元1,442,000.00，折合人民幣11,315,806.60元（2017年：歐元3,900,000.00，折合人民幣29,760,120.00元），對於2018年授予的以現金結算的股份支付確認的費用總額為歐元1,426,000.00，折合人民幣11,190,249.80元。

XI. SHARE-BASED PAYMENT (CONTINUED)**Share Incentive Scheme Applicable to KION Executive Board**

As part of the Share Incentive Scheme of KION GROUP AG, members of the Executive Board were granted virtual shares over a fixed period of time (3 years). The remuneration component measured over the long term of members of the Executive Board is on the same basis of the share incentive scheme applicable to senior management members. On 1 January 2018, i.e. the beginning of the period subject to appraisal, 72,170 virtual shares (2017: 82,265 shares; 2016: 104,438 shares) with specified fair value were granted to members of the Executive Committee by KION GROUP AG and apportioned in ways stipulated in the service contract of each member of the Executive Committee.

At the end of the performance period, the number of the virtual shares so granted is amended depending on the degree to which the relevant targets are achieved. The resulting final number of virtual shares multiplied by the smoothed price of KION GROUP AG shares at the end of the performance period determines the amount of cash actually paid. The Supervisory Board of KION GROUP AG can also use a personal performance factor with respect to the members of the Executive Board to adjust the final payment at the end of the performance period by +/- 30 per cent. The maximum amount payable is limited to 200 per cent of the value of the shares allotted to an individual at the grant date. Fair value of the cash-settled share-based payment as at each assessment date is assessed using Monte-Carlo simulation, with the same parameters for measurement as the share incentive scheme applicable to senior management members.

As at 31 December 2018, the fair value of the remaining virtual shares granted under the KION Senior Management Long-term Incentive Scheme 2017 was EUR23.76 per share, amounting in aggregate to EUR1,500,000.00, equivalent to RMB11,770,950.00 (2017: EUR65.60 per share, amounting in aggregate EUR4,200,000.00, equivalent to RMB32,769,660.00); the fair value of the remaining virtual shares granted under the KION Senior Management Long-term Incentive Scheme 2018 was EUR24.25 per share, amounting in aggregate to EUR1,800,000.00, equivalent to RMB14,125,140.00. The 2016 tranche to be paid, amounting in aggregate to EUR2,100,000.00, equivalent to RMB16,479,330.00, were calculated according to the initial overall target completion rate. According to the stage of completion of the long-term target set out at the beginning of the period subject to appraisal in 2015, in March 2018, the first share-based payment in respect of year 2015 had been settled to the senior management members.

十一、股份支付(續)**KION執行委員會股權激勵計劃**

作為KION GROUP AG股權激勵計劃的一部分，執行委員會成員在一個固定的期間內(3年)被授予虛擬股份。執行委員會成員的長期報酬的計量與上述經理股權激勵計劃方法一致。在2018年1月1日績效期間考核初期，KION GROUP AG授予執行委員會成員72,170份具有特定公允價值的虛擬股份(2017年：82,265份；2016年：104,438份)，該虛擬股份按照每位執行委員會成員的服務合同中規定的方式分配。

在業績考核期末，授予個人虛擬股份的數量會按照相關目標的完成程度進行修訂。修訂後的股份數量乘以KION GROUP AG在業績考核期末的平滑股價來決定最終實際需要支付的金額。KION GROUP AG監事會有權按照執行委員會委員的個人績效於業績考核期末在30%的幅度內做調整，對每個人最終的支付金額以授予日當天公允價值的200%為上限。授予的以現金結算的股份支付於每個評估日採用蒙特·卡羅模型評估公允價值，具體計量參數與經理股權激勵計劃相同。

截至2018年12月31日，2017年度高管長期激勵計劃剩餘的虛擬股份的公允價值為每股23.76歐元，總價值共計歐元1,500,000.00，折合人民幣11,770,950.00元(2017年：每股65.60歐元，總價值共計歐元4,200,000.00，折合人民幣32,769,660.00元)，2018年度高管長期激勵計劃剩餘的虛擬股份的公允價值為每股24.25歐元，總價值共計歐元1,800,000.00，折合人民幣14,125,140.00元。根據初步總目標完成率計算出的即將支付的2016年度授予份額，其總價值共計歐元2,100,000.00，折合人民幣16,479,330.00元。根據2015年績效考核初期制定的長期目標的完成情況，於2018年3月，向高管結算了第一筆2015年度相關的股份支付。

XI. SHARE-BASED PAYMENT (CONTINUED)**Share Incentive Scheme Applicable to KION Executive Board (Continued)**

As at 31 December 2018, accumulated liabilities incurred from the cash-settled share-based payments amounted to EUR3,780,000.00, equivalent to RMB29,662,794.00 (31 December 2017: EUR15,100,000.00, equivalent to RMB117,814,730.00). In particular, EUR2,098,000.00 belonged to the 2016 tranche, which was equivalent to RMB16,463,635.40 (31 December 2017: EUR4,000,000.00, equivalent to RMB31,209,200.00), and EUR1,138,000.00 belonged to the 2017 tranche, which was equivalent to RMB8,930,227.40 (31 December 2017: EUR1,600,000.00, which was equivalent to RMB12,483,680.00). EUR544,000.00 belonged to the 2018 tranche, which was equivalent to RMB4,268,931.20.

In 2018, for the tranche granted in 2016, total costs reversed in respect of cash-settled share-based payments amounted to EUR1,868,000.00, equivalent to RMB14,658,756.40 (2017: EUR2,300,000.00, equivalent to RMB17,550,840.00). For the tranche granted in 2017, total costs reversed in respect of cash-settled share-based payments amounted to EUR440,000.00, equivalent to RMB3,452,812.00 (2017: EUR1,600,000.00, equivalent to RMB12,209,280.00). For the tranche granted in 2018, total costs recognized in respect of cash-settled share-based payments amounted to EUR544,000.00, equivalent to RMB4,268,931.20.

十一、股份支付(續)**KION執行委員會股權激勵計劃(續)**

截至2018年12月31日，以現金結算的股份支付產生的累計負債金額為歐元3,780,000.00，折合人民幣29,662,794.00元（2017年12月31日：歐元15,100,000.00，折合人民幣117,814,730.00）。其中，2016年授予的以現金結算的股份支付產生的累計負債金額為歐元2,098,000.00，折合人民幣16,463,635.40元，（2017年12月31日：歐元4,000,000.00，折合人民幣31,209,200.00元），2017年授予的以現金結算的股份支付產生的累計負債金額為歐元1,138,000.00，折合人民幣8,930,227.40元，（2017年12月31日：歐元1,600,000.00，折合人民幣12,483,680.00元），2018年授予的以現金結算的股份支付產生的累計負債金額為歐元544,000.00，折合人民幣4,268,931.20元。

2018年，對於2016年授予的以現金結算的股份支付沖回的費用總額為歐元1,868,000.00，折合人民幣14,658,756.40元（2017年：歐元2,300,000.00，折合人民幣17,550,840.00元），對於2017年授予的以現金結算的股份支付沖回的費用總額為歐元440,000.00，折合人民幣3,452,812.00元（2017年：歐元1,600,000.00，折合人民幣12,209,280.00元），對於2018年授予的以現金結算的股份支付確認的費用總額為歐元544,000.00，折合人民幣4,268,931.20元。

XI. SHARE-BASED PAYMENT (CONTINUED)

Share Incentive Scheme Applicable to KION Executive Board (Continued)

In 2018, all the salaries of the Executive Board members of KION GROUP AG who joined the share-based incentive scheme are as follows:

		2018 2018年					
		Gordon Riske	Ching Pong Quek	Dr Eike Böhm	Dr Thomas Toepfer	Anke Groth	Susanna Schneeberger
		Gordon Riske	Ching Pong Quek	Dr Eike Böhm	Dr Thomas Toepfer	Anke Groth	Susanna Schneeberger
Wages, allowances and non-cash benefits	工資、津貼和非現金利益金額	11,200,400.40	6,912,381.00	5,194,049.00	1,601,173.00	6,146,942.20	3,858,436.40
Performance-linked bonus	績效掛鈎獎金	5,178,427.80	3,397,611.00	2,585,308.60	812,302.40	1,890,165.20	648,279.80
Cash settled share option expenses	以現金結算的股份期權費用	(5,701,738.00)	(5,022,215.80)	(3,803,762.20)	-	531,120.80	226,507.40
Pension contribution	養老金計劃供款	4,928,488.60	937,272.00	1,148,158.20	460,825.40	-	-

In 2017, all the salaries of the Executive Board members of KION GROUP AG who joined the share-based incentive scheme are as follows:

		2017 2017年					
		Gordon Riske	Bert-Jan Knoef	Theodor Maurer	Ching Pong Quek	Dr Eike Böhm	Dr Thomas Toepfer
		Gordon Riske	Bert-Jan Knoef	Theodor Maurer	Ching Pong Quek	Dr Eike Böhm	Dr Thomas Toepfer
Wages, allowances and non-cash benefits	工資、津貼和非現金利益金額	8,554,126.80	-	-	5,730,730.80	4,540,326.00	5,166,051.60
Performance-linked bonus	績效掛鈎獎金	5,066,851.20	-	-	3,258,351.60	2,533,425.60	2,853,919.20
Cash settled share option expenses	以現金結算的股份期權費用	21,640,948.80	76,308.00	76,308.00	18,084,996.00	14,033,041.20	3,128,628.00
Pension contribution	養老金計劃供款	5,066,851.20	-	-	946,219.20	1,159,881.60	1,106,466.00

十一、股份支付(續)

KION執行委員會股權激勵計劃(續)

於2018年，參與了本計劃的KION GROUP AG的執行委員會委員，其薪酬情況如下：

於2017年，參與了本計劃的KION GROUP AG的執行委員會委員，其薪酬情況如下：

XII. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Contracted, but not provided for	已簽約但未撥備		
Capital commitments	資本承諾	3,583,748,911.89	1,802,974,738.68
Investment commitments	投資承諾	-	4,920,000.00
		3,583,748,911.89	1,807,894,738.68

2. Exposure to Confirmation Risks

Shaanxi Heavy-duty Motor Co., Ltd., a subsidiary of the Company, entered into a tri-party cooperation agreement with distributors and endorsing bank. Distributors will deposit guarantee money of no lower than 30% to the bank and apply for establishment of bank acceptance bill according to the amount of credit facility provided by the bank. Shaanxi Heavy-duty Motor Co., Ltd. assumes security obligation in favour of the distributors for the difference between amount of notes and guarantee money. As at 31 December 2018, open position of outstanding acceptance bills was RMB2,482,464,077.00 (31 December 2017: RMB3,522,367,332.15). Further, pursuant to the tri-party indemnity agreement entered into among Shaanxi Heavy-duty Motor Co., Ltd., the distributors and the guarantors of the distributors, the distributors shall indemnify Shaanxi Heavy-duty Motor Co., Ltd. in respect of the aforesaid security obligation for the said difference in amount or losses suffered, and their guarantors shall be jointly liable for the same.

3. Business related to finance lease company

Shaanxi Heavy-duty Motor Co., Ltd., a subsidiary of the Company, entered into a cooperation agreement with Shanzhong Finance Leasing Co., Ltd.. It is agreed by and between the two parties that Shanzhong Finance Leasing Co., Ltd. shall provide finance lease service to Shaanxi Heavy-duty Motor Co., Ltd. or its distributors. Shaanxi Heavy-duty Motor Co., Ltd. shall provide joint liability guarantee in respect of the leasee's failure to pay the instalment payments and interests under the finance lease. As at 31 December 2018, risk exposure in respect of possible guarantee for joint liabilities was RMB2,303,128,504.91 (31 December 2017: RMB1,507,220,000.00).

十二、承諾及或有事項

1. 重要承諾事項

2. 保兌倉敞口風險

本公司之子公司陝西重型汽車有限公司與經銷商、承兌銀行三方簽訂三方合作協議，經銷商向銀行存入不低於30%的保證金，根據銀行給予的一定信用額度，申請開立銀行承兌匯票。陝西重型汽車有限公司為經銷商提供票據金額與保證金之間差額的還款保證責任。截至2018年12月31日，尚未到期的承兌匯票敞口額為人民幣2,482,464,077.00元(2017年12月31日：人民幣3,522,367,332.15元)。此外，根據陝西重型汽車有限公司、經銷商及經銷商的保證人的三方保證合同，經銷商賠償陝西重型汽車有限公司承擔的差額還款責任或遭受的損失，其保證人承擔連帶保證責任。

3. 與融資租賃公司有關的業務

本公司之子公司陝西重型汽車有限公司與山重融資租賃有限公司簽訂合作協議，雙方約定山重融資租賃有限公司為陝西重型汽車有限公司或其經銷商提供融資租賃服務，陝西重型汽車有限公司為融資租賃的承租方未能支付的融資租賃分期付款及利息提供見物回購責任。截至2018年12月31日，連帶責任保證風險敞口為人民幣2,303,128,504.91元(2017年12月31日：人民幣1,507,220,000.00元)。

XII. COMMITMENTS AND CONTINGENCIES (CONTINUED)

4. Guarantee

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Other guarantee	其他擔保	702,192,098.60	376,307,409.45

XIII. SUBSEQUENT EVENTS

Profit distribution

On 25 March 2019, the Company's 2018 profit distribution proposal was approved by the Company's third meeting of the fifth session of the Board. The Company proposed a distribution to all shareholders of a cash dividend of RMB2.80 (including tax) for every 10 shares held, based on the 7,933,873,895 shares available for distribution after deducting treasury shares as at 31 December 2018, without any capitalisation of reserve. Completion of the proposal is subject to the consideration and approval by the 2018 Annual General Meeting.

Repurchase and cancellation of shares

On 21 September 2018, the Company opened a dedicated securities account at the Shenzhen branch of China Securities Depository and Clearing Corporation Limited. As of 28 December 2018, 63,364,661 Shares in aggregate had been repurchased by way of centralized bidding. Pursuant to relevant requirements, the relevant shares repurchased no longer carry rights from the date of transfer to the dedicated account for such repurchase. On 7 January 2019, the Company completed the formalities of repurchase and cancellation of the relevant shares at the Shenzhen branch of China Securities Depository and Clearing Corporation Limited.

十二、承諾及或有事項

4. 擔保事項

十三、資產負債表日後事項

分紅

2019年3月25日，本公司五屆三次董事會審議通過了本公司2018年度的利潤分配預案：擬以2018年12月31日扣除庫存股的現有可予分配7,933,873,895股為基數，向全體股東每10股派發現金紅利人民幣2.80元(含稅)，不實施公積金轉增股本。此方案需經2018年度股東周年大會審議通過後實施。

股份回購註銷

於2018年9月21日，公司在中國證券登記結算有限責任公司深圳分公司開立回購專用證券賬戶。截至2018年12月28日，公司通過集中競價方式累計回購股份63,364,661股。依據相關規定，回購的股份自過戶至回購專用賬戶之日起即失去其權利。於2019年1月7日，公司在中國證券登記結算有限責任公司深圳分公司辦理完畢股份回購註銷手續。

XIV. OTHER SIGNIFICANT EVENTS

1. Leases

As the lessor

Finance leases: As at 31 December 2018, the balance of unrealized finance income is RMB845,829,077.80 (31 December 2017: RMB674,563,451.10) and is apportioned to the leasing period using effective interest rate method. Pursuant to the leasing contract signed with the lessee, the minimum lease receivables under non-cancellable leases are as follows:

		31 December 2018	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
		2018年12月31日	
Within 1 year (including 1 year)	1年以內(含1年)	2,488,425,913.80	2,048,127,156.91
1-2 years (including 2 years)	1年至2年(含2年)	2,305,462,615.50	1,972,308,596.17
2-3 years (including 3 years)	2年至3年(含3年)	1,871,147,586.00	1,535,591,697.45
Over 3 years	3年以上	2,751,988,244.50	1,951,509,457.77
		9,417,024,359.80	7,507,536,908.30

For fixed assets leased out under operating lease, refer to Note V.17.

經營租出固定資產，參見附註五、17。

十四、其他重要事項

1. 租賃

作為出租人

融資租賃：於2018年12月31日，未實現融資收益的餘額為人民幣845,829,077.80元（2017年12月31日：人民幣674,563,451.10元），採用實際利率法在租賃期內各個期間進行分攤。根據與承租人簽訂的租賃合同，不可撤銷租賃的最低租賃收款額如下：

XIV. OTHER SIGNIFICANT EVENTS
(CONTINUED)

1. Leases (Continued)

As the lessee

Finance leases: As at 31 December 2018, the balance of unrecognised finance costs is RMB1,188,852,390.98 (31 December 2017: RMB839,543,441.76) and is apportioned to the leasing period using effective interest rate method. Pursuant to the leasing contract signed with the lessor, the minimum lease payables under non-cancellable leases are as follows:

		31 December 2018	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
		2018年12月31日	
Within 1 year (including 1 year)	1年以內(含1年)	4,829,089,710.03	4,187,093,227.08
1-2 years (including 2 years)	1年至2年(含2年)	3,712,048,414.40	4,060,662,174.15
2-3 years (including 3 years)	2年至3年(含3年)	2,909,825,236.84	2,726,337,590.61
Over 3 years	3年以上	4,134,961,516.61	2,914,851,816.02
		15,585,924,877.88	13,888,944,807.86

For fixed assets leased in under finance lease, refer to Note V.17.

融資租入固定資產，參見附註五、17。

Material operating lease: Pursuant to the leasing contract signed with the lessor, the minimum lease payables under non-cancellable leases are as follows:

重大經營租賃：根據與出租人簽訂的租賃合同，不可撤銷租賃的最低租賃付款額如下：

		Minimum lease payments 最低租賃付款額	
		31 December 2018	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
		2018年12月31日	
Within 1 year (including 1 year)	1年以內(含1年)	825,223,539.23	777,978,622.64
1-2 years (including 2 years)	1年至2年(含2年)	632,349,723.87	548,215,590.35
2-3 years (including 3 years)	2年至3年(含3年)	450,521,186.32	394,306,850.08
Over 3 years	3年以上	1,687,828,149.09	1,787,396,253.09
		3,595,922,598.51	3,507,897,316.16

XIV. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. SEGMENT REPORTING

Operating segments

The Group organizes and manages its operating business in accordance with the nature of business and provision of products and services. Each operating segment of the Group is one operating group, providing products and services with risks and rewards different from those of other operating segments.

The details of operating 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 other automobile components (“Other components”);
- (d) provision of import and export services (“Import & export services”);
- (e) Forklift trucks production, warehousing technology and supply chain solution services (“Forklift trucks and supply chain solution”).

十四、其他重要事項(續)

2. 分部報告

經營分部

本集團的經營業務根據業務的性質以及所提供的產品和服務分開組織和管理。本集團的每個經營分部是一個業務集團，提供面臨不同於其他經營分部的風險並取得不同於其他經營分部的報酬的產品和服務。

以下是對經營分部詳細信息的概括：

- (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) 生產及銷售其他汽車零部件(「其他零部件」)；
- (d) 提供進出口服務(「進出口服務」)；
- (e) 叉車生產、倉庫技術及供應鏈解決方案服務(「叉車及供應鏈解決方案」)。

XIV. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. SEGMENT REPORTING (Continued)

Operating segments (Continued)

Management monitors the results of operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reported segment profit, which is a measure of adjusted total profits. The adjusted total profits are measured consistently with the Group's total profits, except that interest income, finance expenses, investment income, dividend income, gains and losses from changes in fair value of financial instruments as well as head office expenses are excluded from such measurement.

Segment assets exclude equity investments at fair value through other comprehensive income, derivative instruments, dividends receivable, interests receivable, long-term equity investments, goodwill, deferred tax assets and other unallocated head office assets as these assets are managed on a group basis.

Segment liabilities exclude derivative instruments, borrowings, income tax payable, deferred tax liabilities and other unallocated head office liabilities as these liabilities are managed on a group basis.

Inter-segment transfers are transacted with reference to the prices used in the transactions carried out with third parties.

十四、其他重要事項(續)

2. 分部報告(續)

經營分部(續)

管理層出於配置資源和評價業績的決策目的，對各業務單元的經營成果分開進行管理。分部業績，以報告的分部利潤為基礎進行評價。該指標系對利潤總額進行調整後的指標，除不包括利息收入、財務費用、投資收益、股利收入、金融工具公允價值變動損益以及總部費用之外，該指標與本集團利潤總額是一致的。

分部資產不包括以公允價值計量且其變動計入其他綜合收益的權益性投資、衍生工具、應收股利、應收利息、長期股權投資、商譽、遞延所得稅資產和其他未分配的總部資產，原因在於這些資產均由本集團統一管理。

分部負債不包括衍生工具、借款、應交所得稅、遞延所得稅負債以及其他未分配的總部負債，原因在於這些負債均由本集團統一管理。

分部間的轉移定價，參照向第三方進行交易所採用的價格制定。

XIV. OTHER SIGNIFICANT EVENTS
(CONTINUED)2. SEGMENT REPORTING (Continued)
Operating segments (Continued)

十四、其他重要事項(續)

2. 分部報告(續)
經營分部(續)

		Diesel engines 柴油機	Automobiles and other major automobile components 汽車及其他主要 汽車零部件	Other components 其他零部件	Import & export services 進出口服務	Forklift trucks and supply chain solution 叉車及 供應鏈解決方案	Total 合計
2018	2018年						
Segment revenue:	分部收入：						
Sale to external customers	外部客戶銷售	33,460,919,031.99	63,173,752,504.96	2,158,272,533.52	154,726,594.58	60,308,161,621.87	159,255,832,286.92
Inter-segment sale	分部間銷售	11,397,063,456.27	26,393,862.02	1,238,603,548.28	95,807,170.21	231,945,587.12	12,989,813,623.90
Total	合計	44,857,982,488.26	63,200,146,366.98	3,396,876,081.80	250,533,764.79	60,540,107,208.99	172,245,645,910.82
Adjustment:	調整：						
Elimination of inter-segment sale	抵銷分部間銷售						(12,989,813,623.90)
Revenue	收入						159,255,832,286.92
Segment results	分部業績	7,310,300,369.65	1,820,665,409.19	131,498,157.22	10,869,809.76	3,635,653,852.59	12,908,987,598.41
Adjustment:	調整：						
Elimination of inter-segment results	抵銷分部間業績						128,206,630.81
Interest income	利息收入						1,059,722,329.53
Dividend income and unallocated income	股息收入及未分配收益						948,930,192.21
Corporate and other unallocated expenses	企業及其他未分配開支						(52,496,406.05)
Finance expenses	財務成本						(1,135,066,269.38)
Profit before tax	稅前利潤						13,858,284,075.53
31 December 2018	2018年12月31日						
Segment assets	分部資產	38,342,387,280.54	29,704,349,607.56	19,372,419,842.97	13,975,511,178.08	82,463,781,937.58	183,858,449,846.73
Adjustment:	調整：						
Elimination of inter-segment assets	抵銷分部間資產						(26,648,491,505.38)
Corporate and other unallocated assets	企業及其他未分配資產						48,066,406,832.83
Total assets	總資產						205,276,365,174.18
Segment liabilities	分部負債	31,689,514,776.99	28,184,102,034.41	13,320,370,609.02	2,669,437,918.09	41,655,028,050.88	117,518,453,389.39
Adjustment:	調整：						
Elimination of inter-segment liabilities	抵銷分部間負債						(18,325,913,660.73)
Corporate and other unallocated liabilities	企業及其他未分配負債						43,824,497,671.83
Total liabilities	總負債						143,017,037,400.49
Other segment information:	其他分部資料：						
Share of profit and loss from:	應佔下列公司利潤及虧損：						
Gain(loss) from associates	聯營企業收益/(損失)	98,476,778.40	56,389,341.45	(210,339.46)	(74,895,064.93)	94,007,923.44	173,768,638.90
Reversal(loss) of impairment of inventories	存貨減值轉回/(損失)	(51,847,585.08)	(250,841,576.62)	(513,580.00)	-	(148,252,283.20)	(451,455,024.90)
Reversal(loss) of impairment of accounts receivable and other receivables	應收賬款及其他應收賬款的減值轉回/(損失)	28,101,534.38	(172,829,165.67)	(2,440,355.34)	2,562.92	(63,134,613.46)	(210,300,037.17)
Reversal(loss) of impairment of non-current assets	非流動資產減值轉回/(損失)	(6,865,120.49)	(131,926,714.64)	(343,900.00)	-	(42,928,561.26)	(182,064,296.39)
Depreciation and amortization	折舊及攤銷	(782,021,414.12)	(873,358,768.70)	(254,972,232.89)	(18,422,431.94)	(5,475,140,914.63)	(7,403,915,762.28)
Gain(loss) from disposal of fixed assets	固定資產處置利得/(損失)	4,669,003.02	(11,459,602.47)	(154,738.11)	6,819.99	8,439,701.33	1,501,183.76
Investment in associates and jointly controlled enterprises	於聯營及合營公司的投資	1,267,940,098.58	739,936,301.21	2,473,625.91	1,721,525,828.15	731,715,459.28	4,463,591,313.13
Capital expenditure	資本開支	1,352,206,532.64	1,675,439,010.38	270,963,966.75	960,886.76	9,818,639,217.53	13,118,209,614.06

XIV. OTHER SIGNIFICANT EVENTS
(CONTINUED)2. SEGMENT REPORTING (Continued)
Operating segments (Continued)

十四、其他重要事項(續)

2. 分部報告(續)
經營分部(續)

		Diesel engines 柴油機	Automobiles and other major automobile components 汽車及其他 主要汽車零部件	Other components 其他零部件	Import & export services 進出口服務	Forklift trucks and supply chain solution 叉車及 供應鏈解決方案	Total 合計
2017	2017年						
Segment revenue:	分部收入:						
Sale to external customers	外部客戶銷售	31,240,773,383.89	59,295,565,900.92	2,529,752,004.40	126,981,153.52	58,376,319,793.90	151,569,392,236.63
Inter-segment sale	分部間銷售	12,561,380,911.27	4,438,065.98	1,104,843,160.59	25,166,329.85	116,828,998.13	13,812,657,465.82
Total	合計	43,802,154,295.16	59,300,003,966.90	3,634,595,164.99	152,147,483.37	58,493,148,792.03	165,382,049,702.45
Adjustment:	調整:						
Elimination of inter-segment sale	抵銷分部間銷售						(13,812,657,465.82)
Revenue	收入						151,569,392,236.63
Segment results	分部業績	6,730,786,447.00	1,430,858,159.89	186,969,364.32	(37,211,928.27)	2,865,653,334.14	11,177,055,377.08
Adjustment:	調整:						
Elimination of inter-segment results	抵銷分部間業績						(456,090,165.26)
Interest income	利息收入						957,162,142.94
Dividend income and unallocated income	股息收入及未分配收益						553,274,536.03
Corporate and other unallocated expenses	企業及其他未分配開支						(161,219,278.15)
Finance expenses	財務成本						(1,547,915,114.52)
Profit before tax	稅前利潤						10,522,267,498.12
31 December 2017	2017年12月31日						
Segment assets	分部資產	37,778,526,803.73	32,471,332,085.77	18,251,755,485.49	11,966,343,480.78	75,034,006,890.41	175,501,964,746.18
Adjustment:	調整:						
Elimination of inter-segment assets	抵銷分部間資產						(25,214,008,750.78)
Corporate and other unallocated assets	企業及其他未分配資產						39,350,210,634.12
Total assets	總資產						189,638,166,629.52
Segment liabilities	分部負債	27,027,000,538.90	31,023,164,678.62	13,019,140,067.07	1,492,306,272.60	35,725,701,796.40	108,287,313,353.59
Adjustment:	調整:						
Elimination of inter-segment liabilities	抵銷分部間負債						(17,957,220,509.52)
Corporate and other unallocated liabilities	企業及其他未分配負債						42,953,082,554.95
Total liabilities	總負債						133,283,175,399.02
Other segment information:	其他分部資料:						
Share of profit and loss from:	應佔下列公司利潤及虧損:						
Gain(loss) from associates	聯營企業收益/(損失)	60,012,621.52	8,683,712.74	-	(87,742,088.80)	103,916,873.20	84,871,118.66
Reversal(loss) of impairment of inventories	存貨減值轉回/(損失)	(43,401,333.98)	(399,497,255.78)	313,303.81	-	(80,592,577.26)	(523,177,863.21)
Reversal(loss) of impairment of accounts receivable and other receivables	應收賬款及其他應收賬款的減值轉回/(損失)	(20,683,378.31)	(200,317,397.70)	(3,900,195.52)	111,285.96	(109,819,217.99)	(334,608,903.56)
Reversal(loss) of impairment of non-current assets	非流動資產減值轉回/(損失)	(261,236,754.62)	(343,488,614.19)	(373,375,706.97)	-	(114,251,694.31)	(1,092,352,770.09)
Depreciation and amortization	折舊及攤銷	(799,649,068.19)	(953,848,008.82)	(257,140,564.18)	(25,774,122.50)	(5,328,339,390.24)	(7,364,751,153.93)
Gain(loss) from disposal of fixed assets	固定資產處置利得/(損失)	4,483,133.39	30,557,433.65	21,286,009.28	-	(261,172.72)	56,065,403.60
Gain(loss) from disposal of intangible assets	無形資產處置利得/(損失)	-	20,292,433.24	-	-	-	20,292,433.24
Investment in associates and jointly controlled enterprises	於聯營及合營公司的投資	1,173,738,285.10	732,362,510.22	515,793,344.24	217,041,775.92	-	2,638,935,915.48
Capital expenditure	資本開支	499,159,014.83	698,831,978.35	267,750,153.96	855,191.70	6,991,232,548.82	8,457,828,887.66

XIV. OTHER SIGNIFICANT EVENTS
(CONTINUED)

2. SEGMENT REPORTING (Continued)

*Group information**Information about products and services*

Revenue from external transactions

		2018 2018年	2017 2017年
Engines, complete vehicles and key components	發動機、整車及關鍵零部件	82,874,860,825.64	77,639,455,555.51
Other non-major automobile components	其他非主要汽車零部件	10,311,044,913.94	9,913,699,950.11
Forklift trucks and supply chain solution	叉車及供應鏈解決方案	60,308,161,621.88	58,376,319,793.90
Others	其他	5,761,764,925.46	5,639,916,937.11
		159,255,832,286.92	151,569,392,236.63

Geographic information

Revenue from external transactions

		2018 2018年	2017 2017年
China	中國大陸	95,048,646,506.80	86,199,110,885.11
Other countries and regions	其他國家和地區	64,207,185,780.12	65,370,281,351.52
		159,255,832,286.92	151,569,392,236.63

Revenue from external transactions is attributable to the areas where customers are located.

對外交易收入歸屬於客戶所處區域。

Total non-current assets

非流動資產總額

		31 December 2018 2018年12月31日	31 December 2017 2017年12月31日
China	中國大陸	17,812,200,295.51	17,096,411,403.27
Other countries and regions	其他國家和地區	66,908,369,846.00	61,858,166,824.96
		84,720,570,141.51	78,954,578,228.23

Non-current assets are attributable to the areas where the assets are located, excluding financial assets and deferred tax assets.

非流動資產歸屬於該資產所處區域，不包括金融資產和遞延所得稅資產。

XIV. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. SEGMENT REPORTING (Continued)

Group information (Continued) *Information about major customers*

Revenue of RMB7,207,594,901.91 (2017: RMB6,615,166,611.85) was derived from sales by diesel engines segment and automobiles and other major automobile components segment to a single customer, including sales to a group of entities which are known to be under common control by that customer.

3. COMPARATIVE FIGURES

As stated in Note III. 40, in compliance with the requirement under the Notice on Revising and Circulating General Corporate Financial Statement Formats 2018 (Cai Kuai [2018] No.15), adjustments have been made to the accounting treatment and presentation of certain items in the financial statements and the amounts in financial statements in order to conform with the new requirements. Accordingly, certain prior year data have been adjusted and certain comparative data have been reclassified and restated to conform with the requirements on presentation and accounting treatment in the current year.

XV. NOTES TO KEY ITEMS OF THE COMPANY FINANCIAL STATEMENTS

1. Notes receivable and accounts receivable

		31 December 2018 2018年12月31日	1 January 2018 2018年1月1日	31 December 2017 2017年12月31日
Notes receivable	應收票據	21,026,407,121.15	23,018,971,007.38	23,018,971,007.38
Accounts receivable	應收賬款	1,069,759,568.00	1,095,679,207.17	1,492,883,648.61
		22,096,166,689.15	24,114,650,214.55	24,511,854,655.99

十四、其他重要事項(續)

2. 分部報告(續)

集團信息(續)

主要客戶信息

營業收入人民幣7,207,594,901.91元(2017年: 人民幣6,615,166,611.85元)來自於柴油機分部和汽車及其他主要汽車零部件分部對某一單個客戶(包括已知受該客戶控制下的所有主體)的收入。

3. 比較數據

如附註三、40所述，由於本集團執行《關於修訂印發2018年度一般企業財務報表格式的通知》(財會[2018]15號)的要求，財務報表中若干項目的會計處理和列報以及財務報表中的金額已經過修改，以符合新的要求。相應地，若干以前年度數據已經調整，若干比較數據已經過重分類並重述，以符合本年的列報和會計處理要求。

十五、公司主要財務報表項目註釋

1. 應收票據及應收賬款

XV. NOTES TO KEY ITEMS OF THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

1. Notes receivable and accounts receivable (Continued)

Notes receivable

		31 December 2018	1 January 2018 and 31 December 2017
		2018年12月31日	2018年1月1日及 2017年12月31日
Bank acceptance bills	銀行承兌匯票	21,026,407,121.15	23,018,971,007.38

Among which, notes receivable which had been pledged are presented as follows:

		31 December 2018	1 January 2018 and 31 December 2017
		2018年12月31日	2018年1月1日及 2017年12月31日
Bank acceptance bills	銀行承兌匯票	11,313,090,186.43	10,584,550,074.03

Notes receivable which had been endorsed but not yet expired as at the balance sheet date are presented as follows:

		31 December 2018	1 January 2018 and 31 December 2017
		2018年12月31日	2018年1月1日及 2017年12月31日
		Derecognition	Derecognition
		終止確認	終止確認
Bank acceptance bills	銀行承兌匯票	246,466,363.93	305,381,126.35

As at 31 December 2018 and 31 December 2017, the Group had not transferred any notes into accounts receivable due to issuers' failure in performance.

As at 31 December 2018, the right of use of notes receivable with a carrying value of RMB11,313,090,186.43 (31 December 2017: RMB10,584,550,074.03) was restricted as pledged to secure notes payable.

十五、公司主要財務報表項目註釋(續)

1. 應收票據及應收賬款(續)

應收票據

		31 December 2018	1 January 2018 and 31 December 2017
		2018年12月31日	2018年1月1日及 2017年12月31日
Bank acceptance bills	銀行承兌匯票	21,026,407,121.15	23,018,971,007.38

其中，已質押的應收票據如下：

		31 December 2018	1 January 2018 and 31 December 2017
		2018年12月31日	2018年1月1日及 2017年12月31日
Bank acceptance bills	銀行承兌匯票	11,313,090,186.43	10,584,550,074.03

已背書但在資產負債表日尚未到期的應收票據如下：

		31 December 2018	1 January 2018 and 31 December 2017
		2018年12月31日	2018年1月1日及 2017年12月31日
		Derecognition	Derecognition
		終止確認	終止確認
Bank acceptance bills	銀行承兌匯票	246,466,363.93	305,381,126.35

於2018年12月31日和2017年12月31日，本公司無因出票人無力履約而將票據轉為應收賬款的票據。

於2018年12月31日，賬面價值人民幣為11,313,090,186.43元(2017年12月31日：人民幣10,584,550,074.03元)的應收票據使用權作為開立應付票據的質押物而受到限制。

XV. NOTES TO KEY ITEMS OF THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

1. Notes receivable and accounts receivable (Continued)

Accounts receivable

The Company trades with its customers primarily on credit terms, and generally requires prepayments or cash on delivery for new customers. Credit period is generally one to six months. Accounts receivable is non-interest bearing.

An aging analysis of accounts receivable based on the invoice dates is presented as follows:

		31 December 2018 2018年12月31日	31 December 2017 2017年12月31日
Within 3 months	3個月以內	896,517,483.92	1,417,601,274.10
3 months to 6 months	3個月至6個月	111,916,043.10	25,014,065.18
6 months to 1 year	6個月至1年	48,322,669.23	78,161,998.60
1 to 2 years	1年至2年	27,568,188.67	36,377,612.60
2 to 3 years	2年至3年	17,531,501.58	21,357,222.02
Over 3 years	3年以上	4,486,414.67	3,468,530.04
		1,106,342,301.17	1,581,980,702.54
Less: provision for bad debts in respect of accounts receivable	減：應收賬款壞賬準備	36,582,733.17	89,097,053.93
		1,069,759,568.00	1,492,883,648.61

Changes in provision for bad debts in respect of accounts receivable are presented as follows:

		2018 2018年	2017 2017年
Opening balance	年初餘額	89,097,053.93	59,650,280.52
Provision for the year	本年計提	-	29,486,373.41
Reversal during the year	本年沖回	(52,514,320.76)	-
Eliminated during the year	本年轉銷	-	(39,600.00)
Closing balance	年末餘額	36,582,733.17	89,097,053.93

十五、公司主要財務報表項目註釋(續)

1. 應收票據及應收賬款(續)

應收賬款

本公司與客戶間的貿易條款以信用交易為主，且一般要求新客戶預付款或採取貨到付款方式進行，信用期通常為1-6個月。應收賬款並不計息。

根據開票日期，應收賬款賬齡分析如下：

應收賬款壞賬準備的變動如下：

XV. NOTES TO KEY ITEMS OF THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

1. Notes receivable and accounts receivable (Continued)

Accounts receivable (Continued)

十五、公司主要財務報表項目註釋(續)

1. 應收票據及應收賬款(續)

應收賬款(續)

		31 December 2018 2018年12月31日			
		Gross carrying amount 賬面餘額		Provision for bad debt 壞賬準備	
		Amount 金額	Proportion (%) 比例	Amount 金額	Percentage (%) 計提比例
			(%)		(%)
Items for which provision for bad debts is recognized separately	單項計提壞賬準備	-	-	-	-
Items for which provision for bad debts is recognized by group with distinctive credit risk characteristics	按信用風險特徵組合計提壞賬準備	1,106,342,301.17	100.00	36,582,733.17	3.31
		1,106,342,301.17	100.00	36,582,733.17	3.31
		1 January 2018 2018年1月1日			
		Gross carrying amount 賬面餘額		Provision for bad debt 壞賬準備	
		Amount 金額	Proportion (%) 比例	Amount 金額	Percentage (%) 計提比例
			(%)		(%)
Items for which provision for bad debts is recognized separately	單項計提壞賬準備	-	-	-	-
Items for which provision for bad debts is recognized by group with distinctive credit risk characteristics	按信用風險特徵組合計提壞賬準備	1,184,776,261.10	100.00	89,097,053.93	7.52
		1,184,776,261.10	100.00	89,097,053.93	7.52

XV. NOTES TO KEY ITEMS OF THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

1. Notes receivable and accounts receivable (Continued)

Accounts receivable (Continued)

		31 December 2017 2017年12月31日			
		Gross carrying amount 賬面餘額		Provision for bad debt 壞賬準備	
		Amount	Proportion (%)	Amount	Percentage (%)
		金額	比例 (%)	金額	計提比例 (%)
Individually significant items for which provision for bad debt is recognized separately	單項金額重大並單獨計提壞賬準備	-	-	-	-
Items for which provision for bad debt is recognized by group with distinctive credit risk characteristics	按信用風險特徵組合計提壞賬準備	1,581,980,702.54	100.00	89,097,053.93	5.63
Not individually significant items for which provision for bad debt is recognized separately	單項金額不重大但單獨計提壞賬準備	-	-	-	-
		1,581,980,702.54	100.00	89,097,053.93	5.63

As at 31 December 2018, there was no individually significant accounts receivable for which provision for bad debt was recognized separately (31 December 2017: Nil).

The Group's accounts receivable for which grouping of expected credit loss is determined using aging analysis are presented as follows:

於2018年12月31日，無單項金額重大並單獨計提壞賬準備的應收賬款情況(2017年12月31日：無)。

本公司應收賬款分賬齡的預期信用損失情況如下：

		2018 2018年		
		Carrying amount estimated to be in default 估計發生違約 的賬面餘額	Expected credit loss rate (%) 預期信用 損失率(%)	Provision for bad debts 壞賬準備
Within 1 year	1年以內	334,210,135.25	4.47	14,926,613.99
1 to 2 years	1年至2年	10,690,072.09	15.00	1,603,510.81
2 to 3 years	2年至3年	150,100.00	30.00	45,030.00
Over 5 years	5年以上	3,386,650.03	100.00	3,386,650.03
		348,436,957.37	5.73	19,961,804.83

XV. NOTES TO KEY ITEMS OF THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

1. Notes receivable and accounts receivable (Continued)

Accounts receivable (Continued)

		31 December 2017 2017年12月31日		
		Gross carrying amount 賬目餘額	Percentage (%) 計提比例 (%)	Provision for bad debts 壞賬準備
Within 1 year	1年以內	1,520,777,337.88	4.85	73,805,655.39
1 to 2 years	1至2年	36,377,612.60	15.00	5,456,641.89
2 to 3 years	2至3年	21,357,222.02	30.00	6,407,166.61
3 to 4 years	3至4年	81,880.01	50.00	40,940.01
Over 5 years	5年以上	3,386,650.03	100.00	3,386,650.03
		1,581,980,702.54	5.63	89,097,053.93

Bad debt provisions for the Group's accounts receivable with good credit history are presented as follows:

信用記錄優質的應收款項組合計提壞賬準備的情況如下：

		31 December 2018 2018年12月31日		
		Carrying amount estimated to be in default 估計發生違約的賬面餘額	Expected credit loss rate (%) 預期信用損失率(%)	Provision for bad debts 壞賬準備
Accounts receivable with good credit history	信用記錄優質的應收款項組合	757,905,343.80	2.19	16,620,928.34

As at 31 December 2018, the top five balances in respect of accounts receivable (at historical cost) had a sum of closing balance of RMB535,763,169.18 (31 December 2017: RMB934,596,324.81), accounting for 48.43% (31 December 2017: 59.08%) of the total of closing balance of accounts receivable (at historical cost). The closing balance in respect of bad debt provided for the top five amounted to RMB11,192,370.14 (31 December 2017: RMB46,729,816.24).

於2018年12月31日，餘額前五名的應收賬款原值的年末餘額合計為人民幣535,763,169.18元(2017年12月31日：人民幣934,596,324.81元)，佔應收賬款原值的年末餘額合計數的比例為48.43%(2017年12月31日：59.08%)，該前五名相應計提的壞賬準備年末餘額為人民幣11,192,370.14元(2017年12月31日：人民幣46,729,816.24元)。

XV. NOTES TO KEY ITEMS OF THE COMPANY
FINANCIAL STATEMENTS (CONTINUED)

十五、公司主要財務報表項目註釋(續)

2. Other receivables

2. 其他應收款

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Interest receivable	應收利息	10,662,718.08	23,116,750.00
Dividend receivable	應收股利	292,560,465.75	240,204,169.02
Other receivables	其他應收款	198,603,532.60	360,439,484.91
		501,826,716.43	623,760,403.93

*Interest receivable**應收利息*

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Fixed deposits	定期存款	10,662,718.08	23,116,750.00

*Dividend receivable**應收股利*

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Shaanxi Heavy-duty Motor Co., Ltd.	陝西重型汽車有限公司	122,839,167.59	92,142,500.00
Shaanxi Fast Gear Co., Ltd.	陝西法士特齒輪有限責任公司	111,748,140.27	60,598,728.17
Zhuzhou Torch Sparkplugs Co., Ltd.	株洲湘火炬火花塞有限 責任公司	51,516,557.89	83,025,940.85
Shaanxi Hande Axle Co., Ltd.	陝西漢德車橋有限公司	6,456,600.00	4,437,000.00
		292,560,465.75	240,204,169.02

*Other receivables**其他應收款*

The ageing analysis of other receivables is as follows:

其他應收款的賬齡分析如下：

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Within 1 year	1年以內	196,865,843.17	350,687,167.03
1 to 2 years	1至2年	4,175,428.86	11,436,306.26
Over 3 years	3年以上	5,459,484.50	13,065,863.03
		206,500,756.53	375,189,336.32
Less: Provision for bad debts in respect of other receivables	減：其他應收款壞賬準備	7,897,223.93	14,749,851.41
		198,603,532.60	360,439,484.91

XV. NOTES TO KEY ITEMS OF THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

Other receivables (Continued)

Change in the provision for bad debts in respect of other receivables based on 12-month expected credit losses and lifetime expected credit losses is as follows:

		Stage 1 Expected credit loss for the next 12 months 第一階段 未來12個月 預期信用損失	Stage 2 Lifetime expected credit loss (individually) 第二階段 整個存續期 預期信用損失 (單項評估)	Stage 2 Lifetime expected credit loss (by group) 第二階段 整個存續期 預期信用損失 (組合評估)	Stage 3 Financial assets with incurred credit loss (lifetime) 第三階段 已發生信用減值 金融資產 (整個存續期)	Total 合計
Balance as at 1 January 2018	2018年1月1日餘額	1,683,988.38	-	-	13,065,863.03	14,749,851.41
1 January 2018 in this year, balance	2018年1月1日餘額在本年					
- Transferred to Stage 2	- 轉入第二階段	-	-	-	-	-
- Transferred to Stage 3	- 轉入第三階段	-	-	-	-	-
- Transferred to Stage 2	- 轉回第二階段	-	-	-	-	-
- Transferred to Stage 1	- 轉回第一階段	2,662,920.23	-	-	(2,662,920.23)	-
Provided for this year	本年計提	1,764.28	-	-	-	1,764.28
Reversed this year	本年轉回	(503,992.23)	-	-	-	(503,992.23)
Decrease upon disposal of subsidiary	處置子公司減少	-	-	-	(6,350,399.53)	(6,350,399.53)
		3,844,680.66	-	-	4,052,543.27	7,897,223.93

31 December 2017

2017年12月31日

		Gross carrying amount 賬面餘額		Provision for bad debt 壞賬準備	
		Amount 金額	Proportion (%) 比例 (%)	Amount 金額	Percentage (%) 計提比例 (%)
Individually significant items for which provision for bad debt is recognized separately	單項金額重大並單獨計提壞賬準備	-	-	-	-
Items for which provision for bad debt is recognized by group with distinctive credit risk characteristics	按信用風險特徵組合計提壞賬準備	375,189,336.32	100.00	14,749,851.41	3.93
Not individually significant items for which provision for bad debt is recognized separately	單項金額雖不重大但單獨計提壞賬準備	-	-	-	-
		375,189,336.32	100.00	14,749,851.41	3.93

XV. NOTES TO KEY ITEMS OF THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

Other receivables (Continued)

The Group's accounts receivable for which bad debts are provided for using aging analysis are presented as follows:

		31 December 2017 2017年12月31日			
		Gross carrying amount 賬面餘額	Proportion (%) 比例 (%)	Provision for bad debt 壞賬準備	Percentage (%) 計提比例 (%)
Within 1 year	1年以內	350,687,167.03	93.47	534,572.48	0.15
1 to 2 years	1年至2年	11,436,306.26	3.05	1,149,415.90	10.05
2 to 3 years	2年至3年	-	-	-	-
3 to 4 years	3年至4年	-	-	-	-
4 to 5 years	4年至5年	-	-	-	-
Over 5 years	5年以上	13,065,863.03	3.48	13,065,863.03	100.00
		375,189,336.32	100.00	14,749,851.41	

In 2018, bad debt provision in the amount of RMB1,764.28 (2017: Nil) was made, while bad debt provision in the amount of RMB503,992.23 (2017: RMB9,450,814.22) was recovered or reversed. In 2018, no other receivables were written off (2017: Nil).

2018年計提壞賬準備人民幣1,764.28元(2017年：無)，收回或轉回壞賬準備人民幣503,992.23元(2017年：人民幣9,450,814.22元)。2018年無實際核銷的其他應收款(2017年：無)。

Other receivables by nature are as follows:

其他應收款按性質分類如下：

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2018年1月1日及 2017年12月31日
Advance to subsidiaries	子公司暫借款	191,459,127.78	357,846,133.92
Reserve fund	備用金	7,461,378.03	7,874,106.75
Corporate lending and payment on behalf	企業暫借款及代付款	-	6,350,399.53
Deposits	押金	1,656,955.62	-
Others	其他	5,923,295.10	3,118,696.12
		206,500,756.53	375,189,336.32
Less: Provision for bad debts	減：壞賬準備	7,897,223.93	14,749,851.41
		198,603,532.60	360,439,484.91

XV. NOTES TO KEY ITEMS OF THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

Other receivables (Continued)

As at 31 December 2018, the top 5 other receivables are presented as follows:

	Closing balance	Percentage of total other receivables (%)	Nature	Age	Closing balance of bad debt provision
	年末餘額	佔其他應收款餘額合計數的比例(%)	性質	賬齡	壞賬準備年末餘額
First place 第一名	186,715,172.93	90.42	Advance to subsidiaries 子公司暫借款	Within three years 3年以內	–
Second place 第二名	4,740,954.80	2.30	Advance to subsidiaries 子公司暫借款	Over five years 5年以上	4,740,954.80
Third place 第三名	3,615,542.80	1.75	Others 其他	Within one year 1年以內	180,777.14
Fourth place 第四名	480,000.00	0.23	Others 其他	Over five years 5年以上	480,000.00
Fifth place 第五名	255,414.00	0.12	Deposits 押金	Within four years 4年以內	127,707.00
	195,807,084.53	94.82			5,529,438.94

十五、公司主要財務報表項目註釋(續)

2. 其他應收款(續)

其他應收款(續)

於2018年12月31日，其他應收款金額前五名如下：

XV. NOTES TO KEY ITEMS OF THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

Other receivables (Continued)

As at 1 January 2018 and 31 December 2017, the top 5 other receivables are presented as follows:

	Closing balance	Percentage of total other receivables (%) 佔其他應收款餘額合計數的比例(%)	Nature	Age	Closing balance of bad debt provision 壞賬準備年末餘額
	年末餘額		性質	賬齡	
First place 第一名	351,605,179.07	93.71	Advance to subsidiaries 子公司暫借款	Within two years 2年以內	–
Second place 第二名	6,350,399.53	1.69	Corporate lending and payment on behalf 企業暫借款及代付款	Over five years 5年以上	6,350,399.53
Third place 第三名	6,240,954.85	1.66	Advance to subsidiaries 子公司暫借款	Over five years 5年以上	6,240,954.85
Fourth place 第四名	2,319,681.69	0.62	Others 其他	Within one year 1年以內	108,053.50
Fifth place 第五名	141,324.78	0.04	Others 其他	Within one year 1年以內	7,066.24
	366,657,539.92	97.72			12,706,474.12

十五、公司主要財務報表項目註釋(續)

2. 其他應收款(續)

其他應收款(續)

於2018年1月1日及2017年12月31日，其他應收款金額前五名如下：

3. Long-term equity investments

3. 長期股權投資

		31 December 2018 2018年12月31日	1 January 2018 and 31 December 2017 2017年12月31日及 2018年1月1日
Non-listed investment under cost method 非上市投資成本法		13,431,735,143.40	11,414,665,233.11
Non-listed investment under equity method 非上市投資權益法		1,299,388,179.37	1,173,738,284.99
		14,731,123,322.77	12,588,403,518.10
Less: Provision for impairment of long-term equity investment 減：長期股權投資減值準備		200,000,000.00	–
		14,531,123,322.77	12,588,403,518.10

XV. NOTES TO KEY ITEMS OF THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (Continued)

As at 31 December 2018, the breakdown of long-term equity investments under cost method was as follows:

		Opening balance 年初餘額	Changes during the year 本年變動				Closing provision for impairment 年末減值準備	Cash dividend distributed 發放現金股利
			Other increases 其他增加	Other decreases 其他減少	Additional investment 追加投資	Closing carrying amount 年末賬面價值		
Weichai Power (Hong Kong) International Development Co., Ltd.	濰柴動力(香港)國際發展有限公司	2,087,069,782.12	-	-	-	2,087,069,782.12	-	-
Shaanxi Heavy-duty Motor Co., Ltd.	陝西重型汽車有限公司	1,992,116,000.85	-	-	-	1,992,116,000.85	-	238,949,167.59
Shaanxi Fast Gear Co., Ltd.	陝西法士特齒輪有限責任公司	1,082,558,680.59	-	-	-	1,082,558,680.59	-	213,260,280.55
Zhuzhou Gear Co., Ltd.	株洲齒輪有限責任公司	532,334,743.21	-	-	-	532,334,743.21	-	-
Weichai Power (Weifang) Casting Co., Ltd.	濰柴動力(濰坊)鑄造有限公司	460,150,000.00	-	-	-	460,150,000.00	-	25,115,545.65
Weichai Power (Shanghai) Technology Development Co., Ltd.	濰柴動力(上海)科技發展有限公司	490,000,000.00	-	-	68,500,000.00	558,500,000.00	-	-
Weichai Power (Beijing) International Resource Investment Co., Ltd.	濰柴動力(北京)國際資源投資公司	300,000,000.00	-	-	-	300,000,000.00	-	891,818.52
Weichai America Corp.	Weichai America Corp.	290,338,047.28	-	-	441,641,000.00	731,979,047.28	-	-
Zhuzhou Torch Sparkplugs Co., Ltd.	株洲湘火炬火花塞有限責任公司	245,574,858.40	-	-	-	245,574,858.40	-	73,304,362.65
Weichai (Weifang) Medium-duty Diesel Engine Co., Ltd.	濰柴(濰坊)中型柴油機有限公司	244,712,475.43	-	-	-	244,712,475.43	-	105,674,301.45
Weichai Power (Chongqing) Western Development Co., Ltd.	濰柴動力(重慶)西部發展有限公司	339,504,500.00	-	-	50,000,000.00	389,504,500.00	-	-
Weichai (Weifang) After-sales Market Service Co., Ltd.	濰柴(濰坊)後市場服務有限公司	162,831,780.81	-	-	-	162,831,780.81	-	101,994,923.57
Weichai Power (Qingzhou) Drive Control Technology Co., Ltd.	濰柴動力(青州)傳控技術有限公司	150,000,000.00	-	-	-	150,000,000.00	-	-
Zhuzhou Torch Machinery Manufacturing Co., Ltd.	株洲湘火炬機械製造有限責任公司	130,898,993.14	-	-	-	130,898,993.14	-	-
Weichai Power (Weifang) Reconstruction Co., Ltd.	濰柴動力(濰坊)再製造有限公司	122,000,000.00	-	-	-	122,000,000.00	-	14,288,501.23
Weichai Power Freshen Air Technology Co., Ltd.	濰柴動力空氣淨化科技有限公司	100,000,000.00	-	-	-	100,000,000.00	-	118,677,183.91
Weichai Power (Weifang) Equipment Service Co., Ltd.	濰柴動力(濰坊)裝備技術服務有限公司	76,000,000.00	-	-	-	76,000,000.00	-	-
Weichai Power Hydraulic Technology Co., Ltd.	濰柴動力液壓科技有限公司	50,000,000.00	-	50,000,000.00	-	-	-	-
Weichai (Weifang) New Energy Technology Co., Ltd.	濰柴(濰坊)新能源科技有限公司	80,860,000.00	-	-	-	80,860,000.00	-	-
Weifang Weichai Power Technology Co., Ltd.	濰坊濰柴動力科技有限責任公司	140,770,000.00	-	-	-	140,770,000.00	-	-
Huzhou Yingcan Investment Partnership LLP	湖州盈燦投資合夥企業	-	-	-	1,138,365,000.00	1,138,365,000.00	-	-
Weichai Ballard Hydrogen Energy Technology Company Limited	濰柴巴拉德氫能科技有限公司	-	-	-	102,000,000.00	102,000,000.00	-	-
Other subsidiaries which are not individually significant	單項不重大的其他子公司	2,336,945,371.28	-	39,163,469.71	305,727,380.00	2,603,509,281.57	(200,000,000.00)	10,958,834.20
		11,414,665,233.11	-	89,163,469.71	2,106,233,380.00	13,431,735,143.40	(200,000,000.00)	903,114,919.32

As at 31 December 2018, breakdown of long-term equity investments under equity method was as follows:

於2018年12月31日，權益法長期股權投資明細如下：

		Opening balance 年初餘額	Changes during the year 本年變動				Closing balance 年末餘額	Closing provision for impairment 其中：年末減值準備
			Additional investment 追加投資	Increase upon merger and absorption 吸收合併增加	Investment gains and losses under the equity method 權益法下投資損益	Other comprehensive income 其他綜合收益		
Associates	聯營企業							
Shandong Heavy Industry Group Finance Co., Ltd.	山東重工集團財務有限公司	797,488,819.41	-	-	76,319,360.31	-	(71,032,463.05)	802,775,716.67
Shanzhong Finance Leasing Co., Ltd.	山重融資租賃有限公司	230,531,695.05	-	-	11,013,138.50	-	-	241,544,833.55
Other associates which are not individually significant	單項不重大的其他聯營企業	145,717,770.53	80,563,687.10	27,921,023.27	865,148.25	-	-	255,067,629.15
		1,173,738,284.99	80,563,687.10	27,921,023.27	88,197,647.06	-	(71,032,463.05)	1,299,388,179.37

XV. NOTES TO KEY ITEMS OF THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (Continued)

As at 31 December 2017, the breakdown of long-term equity investments under cost method was as follows:

		Opening balance 年初餘額	Changes during the year 本年變動			Closing carrying amount 年末賬面價值	Closing provision for impairment 年末減值準備	Cash dividend distributed 發放現金股利
			Other increases 其他增加	Other decreases 其他減少	Additional investment 追加投資			
Weichai Power (Hong Kong) International Development Co., Ltd.	濰柴動力(香港)國際發展有限公司	2,087,069,782.12	-	-	-	2,087,069,782.12	-	-
Shaanxi Heavy-duty Motor Co., Ltd.	陝西重型汽車有限公司	1,992,116,000.85	-	-	-	1,992,116,000.85	-	114,240,000.00
Shaanxi Fast Gear Co., Ltd.	陝西法士特齒輪有限責任公司	1,082,558,680.59	-	-	-	1,082,558,680.59	-	191,182,092.65
Zhuzhou Gear Co., Ltd.	株洲齒輪有限責任公司	532,334,743.21	-	-	-	532,334,743.21	-	-
Weichai Power (Weifang) Casting Co., Ltd.	濰柴動力(濰坊)鑄造有限公司	460,150,000.00	-	-	-	460,150,000.00	-	-
Weichai Power (Shanghai) Technology Development Co., Ltd.	濰柴動力(上海)科技發展有限公司	490,000,000.00	-	-	-	490,000,000.00	-	-
Weichai Power (Beijing) International Resource Investment Co., Ltd.	濰柴動力(北京)國際資源投資公司	300,000,000.00	-	-	-	300,000,000.00	-	-
Weichai America Corp.	Weichai America Corp.	290,338,047.28	-	-	-	290,338,047.28	-	-
Zhuzhou Torch Sparkplugs Co., Ltd.	株洲湘火炬火花塞有限責任公司	245,574,858.40	-	-	-	245,574,858.40	-	100,580,598.05
Weichai (Weifang) Medium-duty Diesel Engine Co., Ltd.	濰柴(濰坊)中型柴油機有限公司	244,712,475.43	-	-	-	244,712,475.43	-	66,877,954.35
Weichai Power (Chongqing) Western Development Co., Ltd.	濰柴動力(重慶)西部發展有限公司	240,000,000.00	-	-	99,504,500.00	339,504,500.00	-	-
Weichai (Weifang) After-sales Market Service Co., Ltd.	濰柴(濰坊)後市場服務有限公司	162,831,780.81	-	-	-	162,831,780.81	-	147,473,925.17
Weichai Power (Qingzhou) Drive Control Technology Co., Ltd.	濰柴動力(青州)傳控技術有限公司	150,000,000.00	-	-	-	150,000,000.00	-	-
Zhuzhou Torch Machinery Manufacturing Co., Ltd.	株洲湘火炬機械製造有限責任公司	130,898,993.14	-	-	-	130,898,993.14	-	-
Weichai Power (Weifang) Reconstruction Co., Ltd.	濰柴動力(濰坊)再製造有限公司	122,000,000.00	-	-	-	122,000,000.00	-	10,938,132.06
Weichai Power Freshen Air Technology Co., Ltd.	濰柴動力空氣淨化科技有限公司	100,000,000.00	-	-	-	100,000,000.00	-	80,146,540.11
Weichai Power (Weifang) Equipment Service Co., Ltd.	濰柴動力(濰坊)裝備技術服務有限公司	76,000,000.00	-	-	-	76,000,000.00	-	-
Weichai Power Hydraulic Technology Co., Ltd.	濰柴動力液壓科技有限公司	50,000,000.00	-	-	-	50,000,000.00	-	1,232,865.73
Weichai (Weifang) New Energy Technology Co., Ltd.	濰柴(濰坊)新能源科技有限公司	-	-	-	80,860,000.00	80,860,000.00	-	-
Weifang Weichai Power Technology Co., Ltd.	濰坊濰柴動力科技有限責任公司	-	-	-	140,770,000.00	140,770,000.00	-	-
Other subsidiaries which are not individually significant	單項不重大的其他子公司	1,782,675,791.28	-	-	554,269,580.00	2,336,945,371.28	-	6,634,383.40
		10,539,261,153.11	-	-	875,404,080.00	11,414,665,233.11	-	719,306,491.52

As at 31 December 2017, breakdown of long-term equity investments under equity method was as follows:

於2017年12月31日，權益法長期股權投資明細如下：

		Opening balance 年初餘額	Changes during the year 本年變動			Closing balance 年末賬面價值	Closing provision for impairment 年末減值準備
			Additional investment 增加投資	Investment gains and losses under the equity method 權益法下投資損益	Declared cash dividend 宣告現金股利		
Associates	聯營企業						
Shandong Heavy Industry Group Finance Co., Ltd.	山東重工集團財務有限公司	267,764,440.23	486,155,460.00	43,568,919.18	-	797,488,819.41	-
Shanzhong Finance Leasing Co., Ltd.	山東融資租賃有限公司	203,873,730.24	17,608,695.65	9,049,269.16	-	230,531,695.05	-
Other associates which are not individually significant	單項不重大的其他聯營企業	140,865,135.67	4,950,000.00	(97,365.14)	-	145,717,770.53	-
		612,503,306.14	508,714,155.65	52,520,823.20	-	1,173,738,284.99	-

XV. NOTES TO KEY ITEMS OF THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

4. Revenue and Cost of Sales

十五、公司主要財務報表項目註釋(續)

4. 營業收入及成本

		2018 2018年		2017 2017年	
		Revenue 收入	Cost 成本	Revenue 收入	Cost 成本
Revenue from principal operations	主營業務	38,175,727,578.81	27,473,093,239.02	38,306,904,641.84	27,994,787,169.03
Other revenue	其他業務	1,717,320,626.22	1,473,152,003.42	1,521,891,303.08	1,294,862,457.87
		39,893,048,205.03	28,946,245,242.44	39,828,795,944.92	29,289,649,626.90

The revenue is listed as follows:

營業收入列示如下：

		2018 2018年	2017 2017年
Motors	發動機	37,483,534,579.04	37,377,607,022.60
Sale of raw materials	原材料銷售	532,571,064.53	495,831,002.28
Automotive components	汽車零部件	683,485,832.66	920,615,899.32
Leasing of fixed assets	出租固定資產	126,581,472.95	128,286,843.55
Others	其他	1,066,875,255.85	906,455,177.17
Total	合計	39,893,048,205.03	39,828,795,944.92

Breakdown of revenue (including rental income)

營業收入(含租賃收入)分解情況

		2018 2018年
Based on customers' locations:	按照客戶所處區域：	
Mainland China	中國大陸	39,893,048,205.03
Time for recognition of revenue from contracts with customers:	來源於與客戶之間的合同的收入 確認時間：	
Goods (transferred at a certain point of time)	商品(在某一時點轉讓)	39,516,677,290.33
Services (provided at a certain period of time)	服務(在某一時段內提供)	376,370,914.70
Total	合計	39,893,048,205.03

Information related to revenue expected to be recognized in respect of outstanding performance obligations under contracts

合同剩餘履約義務預計確認收入的相關信息

		2018 2018年
Within 1 year	1年以內	1,276,985,915.44

XV. NOTES TO KEY ITEMS OF THE COMPANY
FINANCIAL STATEMENTS (CONTINUED)

十五、公司主要財務報表項目註釋(續)

5. Investment income

5. 投資收益

		2018 2018年	2017 2017年
Gain on long-term equity investments under the cost method	成本法核算的長期股權投資收益	903,114,919.32	719,306,491.52
Gain on long-term equity investments under the equity method	權益法核算的長期股權投資收益	88,197,647.06	52,520,823.20
Investment income arising from the disposal of subsidiaries	處置子公司之投資收益	163,597,474.55	-
Investment income during the period in which available-for-sale financial assets were held	持有可供出售金融資產期間取得的投資收益	-	2,080,000.00
Others	其他	408,000.00	-
		1,155,318,040.93	773,907,314.72

6. Supplement to cash flow statement

6. 現金流量表補充資料

		2018 2018年	2017 2017年
Net profit	淨利潤	6,742,833,906.05	6,168,118,818.68
Add: Provision for impairment loss of assets	加：計提的資產減值損失	212,114,306.07	265,476,819.04
Reversal of credit impairment	信用減值轉回	(53,016,548.71)	-
Increase in special reserve	專項儲備的增加	14,908,926.04	9,821,617.79
Depreciation of fixed assets and investment properties	固定資產及投資性房地產折舊	528,744,459.22	603,468,593.43
Amortization of intangible assets	無形資產攤銷	8,450,223.34	9,855,182.45
Amortization of long-term deferred expenses	長期待攤費用攤銷	-	2,075,842.00
Gain on disposal and retirement of fixed assets, intangible assets and other long-term assets	處置和報廢固定資產、無形資產和其他長期資產的收益	1,047,812.81	(4,410,052.48)
Finance expenses	財務費用	31,254,231.62	-
Investment income	投資收益	(1,155,318,040.93)	(773,907,314.72)
Increase in deferred tax assets	遞延所得稅資產的增加	(211,402,564.10)	(403,000,875.03)
(Increase)/decrease in inventories	存貨的(增加)/減少	(643,570,424.86)	410,406,485.53
Decrease/(increase) in operating receivables	經營性應收項目的減少/(增加)	2,287,987,728.08	(7,841,648,181.66)
Increase in operating payables	經營性應付項目的增加	4,307,543,494.90	9,893,715,463.40
Net cash flow from operating activities	經營活動產生的現金流量淨額	12,071,577,509.53	8,339,972,398.43

XV. NOTES TO KEY ITEMS OF THE COMPANY
FINANCIAL STATEMENTS (CONTINUED)

7. Cash and cash equivalents

十五、公司主要財務報表項目註釋(續)

7. 現金及現金等價物

		31 December 2018 2018年12月31日	31 December 2017 2017年12月31日
Cash	現金		
Incl: Cash on hand	其中：庫存現金	516,017.51	108,151.03
Bank deposit on demand	可隨時用於支付的 銀行存款	19,074,038,681.27	14,138,387,726.44
Closing balance of cash and cash equivalents	年末現金及現金等價物餘額	19,074,554,698.78	14,138,495,877.47
		31 December 2018 2018年12月31日	31 December 2017 2017年12月31日
Closing balance of cash and cash equivalents	年末貨幣資金餘額	19,192,409,975.78	14,229,215,401.61
Less: Balance of restricted cash and cash equivalents	減：使用受到限制的貨幣 資金餘額	117,855,277.00	90,719,524.14
Closing balance of cash and cash equivalents	年末現金及現金等價物餘額	19,074,554,698.78	14,138,495,877.47

1. SCHEDULE OF EXTRAORDINARY PROFIT AND LOSS

1、非經常性損益明細表

		Amount in 2018 2018年金額
Gains or losses from disposal of non-current assets, including the offset portion of impairment provision for such assets	非流動資產處置損益，包括已計提資產減值準備的沖銷部分	32,751,933.46
Government grants charged in profit or loss for the current period, except for those closely related to the ordinary operation and gained constantly at a fixed amount or quantity according to certain standard based on state policies	計入當期損益的政府補助(與正常經營業務密切相關，符合國家政策規定、按照一定標準定額或定量持續享受的政府補助除外)	232,190,063.55
Profit and loss from debt restructuring	債務重組損益	(771,851.40)
Profit and loss from entrusted investment or management of assets	委托他人投資或管理資產的損益	43,833,564.76
Profit and loss on the changes in fair value generated from financial assets and financial liabilities held for trading and investment income received from disposal of financial assets held for trading, financial liabilities held for trading and financial assets at fair value through other comprehensive income, other than effective hedging business relating to ordinary operating business of the Company	除同公司正常經營業務相關的有效套期保值業務外，持有交易性金融資產、交易性金融負債產生的公允價值變動損益，以及處置交易性金融資產、交易性金融負債和以公允價值計量且其變動計入其他綜合收益的金融資產取得的投資收益	424,396,995.77
Reversal of impairment provision of receivables tested individually	單獨進行減值測試的應收款項減值準備轉回	52,755,271.26
Non-operating income and expenses other than the above items	除上述各項之外的其他營業外收入和支出	255,330,424.52
		1,040,486,401.92
Tax effect	所得稅影響數	(165,236,040.26)
Effect on minority interests	少數股東損益影響數	(226,864,113.77)
		648,386,247.89

The Group recognized extraordinary profit and loss items in accordance with the provisions in Explanatory Announcement on Information Disclosure for Companies Offering their Securities to the Public No. 1 – Extraordinary Items (CSRC Announcement [2008] No. 43).

本集團對非經常性損益項目的確認依照《公開發行證券的公司信息披露解釋性公告第1號—非經常性損益》(證監會公告[2008]43號)的規定執行。

2018

2018年度

2. RETURN ON NET ASSETS (“RONA”) AND EARNINGS PER SHARE (“EPS”)

2018

2、淨資產收益率和每股收益

2018年

		Weighted average RONA 加權平均淨資產 收益率 (%)	EPS	
			Basic 基本	Diluted 稀釋
Net profit attributable to the Company's ordinary shareholders	歸屬於公司普通股股東的淨利潤	22.73	1.08	1.08
Net profit attributable to the Company's ordinary shareholders after extraordinary profit and loss	扣除非經常性損益後歸屬於公司普通股股東的淨利潤	21.02	1.00	1.00

2017

2017年

		Weighted average RONA 加權平均淨資產 收益率 (%)	EPS	
			Basic 基本	Diluted 稀釋
Net profit attributable to the Company's ordinary shareholders	歸屬於公司普通股股東的淨利潤	20.25	0.85	0.85
Net profit attributable to the Company's ordinary shareholders after extraordinary profit and loss	扣除非經常性損益後歸屬於公司普通股股東的淨利潤	19.25	0.81	0.81

The Group holds no material potential ordinary shares that are dilutive.

本集團無重大稀釋性潛在普通股。

The Group presents RONA and EPS in accordance with Compilation Rules No. 9 for Information Disclosure by Companies Offering Securities to the Public – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revised in 2010) of the CSRC.

本集團對淨資產收益率和每股收益的列報依照中國證監會《公開發行證券的公司信息披露編報規則第9號—淨資產收益率和每股收益的計算及披露》(2010年修訂)的規定。

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 applicable, 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 31st December 截至十二月三十一日止年度				
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
RESULTS	業績					
REVENUE	收入	159,255,832	151,569,392	93,183,521	74,167,741	79,637,162
PROFIT BEFORE TAX	除稅前利潤	13,858,284	10,522,268	4,637,647	3,125,902	6,868,447
Tax	稅項	(2,232,551)	(1,343,901)	(1,041,393)	(927,788)	(1,150,243)
PROFIT FOR THE YEAR	全年利潤	11,625,733	9,178,367	3,596,254	2,198,114	5,718,204
Attributable to:	以下人士應佔:					
Equity holders of the parent	母公司權益持有人	8,657,527	6,808,343	2,441,189	1,412,273	5,002,427
Minority interests	少數股東	2,968,206	2,370,024	1,155,065	785,841	715,777
		11,625,733	9,178,367	3,596,254	2,198,114	5,718,204
Dividends for the year	全年股息	3,658,846	3,198,895	1,399,517	799,724	499,827
Basic earnings per share (in RMB)	每股基本盈利(人民幣元)	1.08	0.85	0.31	0.18	0.63
ASSETS, LIABILITIES	資產、負債					
Total Assets	總資產	205,276,365	189,638,167	163,536,190	115,840,444	122,255,575
Total Liabilities	總負債	(143,017,037)	(133,283,176)	(119,262,247)	(73,903,458)	(80,313,687)
Capital and reserves	資本及儲備	62,259,328	56,354,991	44,273,943	41,936,986	41,941,888
Equity attributable to equity holders of the parent	母公司權益持有人應佔權益	39,313,735	35,239,523	31,613,799	31,939,958	32,399,378
Minority interests	少數股東權益	22,945,593	21,115,468	12,660,144	9,997,028	9,542,510
		62,259,328	56,354,991	44,273,943	41,936,986	41,941,888



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