



潍柴动力
WEICHAI POWER



股份編號 Stock code: 2338.HK

2010 | 年報

Annual Report

潍柴動力股份有限公司
WEICHAI POWER CO., LTD.

CONTENTS

目錄

- 2 Corporate Information
公司資料
- 6 Financial Highlights
財務摘要
- 7 Chairman's Statement
主席報告書
- 15 Management Discussion and Analysis
管理層討論與分析
- 25 Directors, Supervisors and Senior Management
董事、監事及高級管理人員
- 33 Directors' Report
董事會報告
- 69 Supervisory Committee's Report
監事會報告
- 72 Corporate Governance Report
企業管治報告
- 80 Independent Auditors' Report
獨立核數師報告
- 82 Consolidated Income Statement
綜合收益表
- 83 Consolidated Statement of Comprehensive Income
綜合全面收入表
- 84 Consolidated Statement of Financial Position
綜合財務狀況報表
- 86 Consolidated Statement of Changes in Equity
綜合權益變動表
- 87 Consolidated Statement of Cash Flows
綜合現金流量表
- 90 Statement of Financial Position
財務狀況表
- 92 Notes to the Financial Statements
財務報表附註
- 215 Financial Summary
財務概要
- 216 Supplemental Information
補充資料



DIRECTORS

Executive Directors

Tan Xuguang (*Chairman and CEO*)

Xu Xinyu (*Executive President*)

Sun Shaojun (*Executive President*)

Zhang Quan (*Executive President*)

Non-executive Directors

Zhang Fusheng

Liu Huisheng

Yao Yu

Yeung Sai Hong

Chen Xuejian

Li San Yim

Julius G. Kiss

Han Xiaoqun

Gu Linsheng

Li Shihao

Liu Zheng

Independent Non-executive Directors

Zhang Xiaoyu

Koo Fook Sun, Louis

Fang Zhongchang

SUPERVISORS

Sun Chengping

Ding Yingdong

Jiang Jianfang

COMPANY SECRETARY, CHIEF FINANCIAL OFFICER AND QUALIFIED ACCOUNTANT

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

SECRETARY TO THE BOARD

Dai Lixin

董事

執行董事

譚旭光(*董事長兼首席執行官*)

徐新玉(*執行總裁*)

孫少軍(*執行總裁*)

張 泉(*執行總裁*)

非執行董事

張伏生

劉會勝

姚 宇

楊世杭

陳學儉

李新炎

Julius G. Kiss (*尤利斯G.肯斯*)

韓小群

顧林生

李世豪

劉 征

獨立非執行董事

張小虞

顧福身

房忠昌

監事

孫承平

丁迎東

蔣建芳

公司秘書、財務總監暨合資格 會計師

張達良 (*FCCA, FCPA*)

董事會秘書

戴立新



SECURITIES AFFAIR REPRESENTATIVE

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

AUTHORISED REPRESENTATIVES

Xu Xinyu
Cheung Tat Leung, Peter

REGISTERED ADDRESS AND HEADQUARTERS OF THE COMPANY

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

PLACE OF BUSINESS IN HONG KONG

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LEGAL ADVISORS

Reed Smith Richards Butler

證券事務代表

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

授權代表

徐新玉
張達良

註冊辦事處及公司總部

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

香港營業地點

香港中環
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告羅士打大廈
19樓1909室

法律顧問

禮德齊伯禮律師行

AUDITORS

Non-PRC auditors:

Messrs. Ernst & Young
Certified Public Accountants

PRC auditors:

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

AUDIT COMMITTEE

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

STRATEGIC DEVELOPMENT AND INVESTMENT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

PRINCIPAL BANKERS

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

核數師

非國內核數師：

安永會計師事務所
執業會計師

國內核數師：

山東正源和信有限責任會計師事務所

審核委員會

顧福身(*主席*)
張小虞
房忠昌

策略發展及投資委員會

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

薪酬委員會

顧福身(*主席*)
張伏生
姚宇
張小虞
房忠昌

提名委員會

房忠昌(*主席*)
徐新玉
張泉
張小虞
顧福身

主要往來銀行

中國工商銀行
中國建設銀行
中國銀行
滙豐銀行

HONG KONG H-SHARE REGISTRAR AND TRANSFER OFFICE

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

香港H股登記及過戶處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心46樓

SHARE INFORMATION

Number of issued shares 1,666,091,366 shares (1,261,291,366
A shares, and 404,800,000 H shares)

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

Abbreviation of the Company's share and Stock Codes

A Shares: Weichai Power (濰柴動力) 000338

H Shares: Weichai Power (濰柴動力) 2338

Stock Exchange Listings

A Shares: Shenzhen Stock Exchange

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

股份資料

已發行股份數目: 1,666,091,366股
(1,261,291,366股A股·
及404,800,000股H股)

交易單位 (H股) 1,000股H股
(A股) 100股A股

本公司股份簡稱及股份代號

A股: 濰柴動力 (Weichai Power) 000338

H股: 濰柴動力 (Weichai Power) 2338

上市交易所

A股: 深圳交易所

H股: 香港聯合交易所有限公司(「聯交所」)

INVESTORS AND MEDIA RELATIONS**The Company:****Securities Department**

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Fax: (86) 536-819 7073
Website: www.weichai.com

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

Tel: (852) 2894 6321
Fax: (852) 2576 1990
Website: www.hillandknowlton.com

投資者及媒體關係**公司:****證券部**

電話: (86) 536-229 7068
傳真: (86) 536-819 7073
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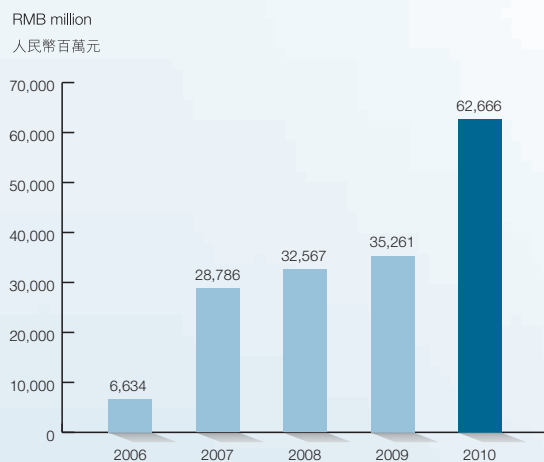
公眾關係**偉達公眾關係顧問有限公司****顧問:**

電話: (852) 2894 6321
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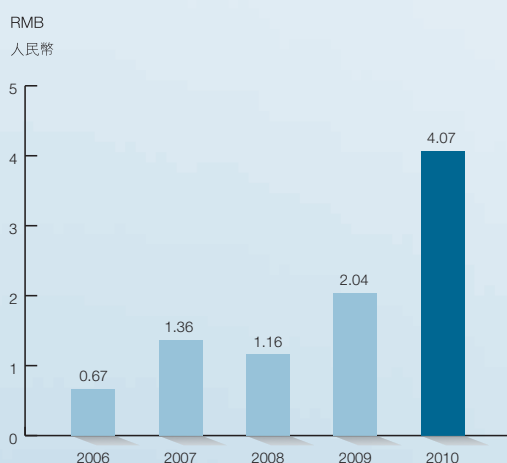
TURNOVER

營業額



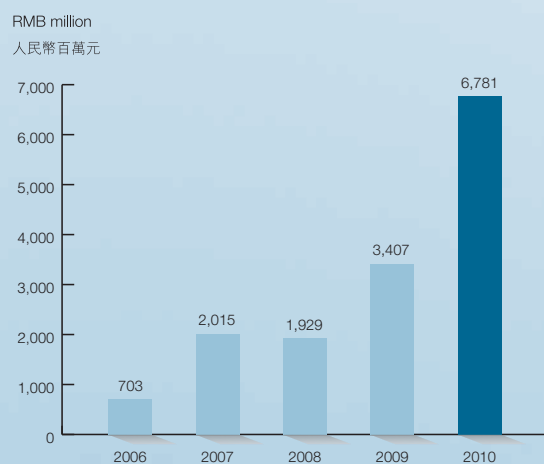
BASIC EARNING PER SHARE

每股基本盈利



NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

本公司權益持有人應佔利潤





Dear Shareholders:

On behalf of the Board, I would like to present the audited annual results of the Company for the year ended 31st December, 2010.

I. REVIEW OF OPERATIONS

Entering 2010, the Chinese Government maintained a consistent and stable monetary policy. A properly loosened monetary policy remained and, great effort was put to make the policy more specific and flexible, supporting changes in the economic development approach and adjustments to the economic structure. During the year, the macro economy maintained stability and an upward trend. In 2010, the GDP of China reached RMB39.8 trillion, representing a year on year growth of 10.3%. The rate of growth increased by 1.1% compared to last year. The money supply increased steadily with new loans amounted to RMB7.9 trillion. China's fixed asset investments amounted to RMB27.8 trillion, representing a year on year growth of 23.8%. The import and export for the year totaled approximately USD3 trillion, representing a year on year growth of 34.7%, in which the export recorded a growth of 31.3%. The rapid growth of the Chinese economy not only laid the foundation for the automobile industry's sustainable development, but also created development opportunities for the assembly production industries such as heavy-duty vehicles and construction machineries.

各位股東：

本人謹此代表董事會呈報本公司截止二零一零年十二月三十一日經審計後的全年業績。

一、經營回顧

進入二零一零年，中國政府保持貨幣政策的連續性和穩定性，繼續實施適度寬鬆的貨幣政策，著力提高政策的針對性和靈活性，支持經濟發展方式轉變和經濟結構調整，全年宏觀經濟保持了回穩向好的態勢。二零一零年，國內GDP達到39.8萬億元，同比增長10.3%，增速同比加快1.1個百分點；貨幣供應量穩定增長，新增貸款7.9萬億元；全社會固定資產投資27.8萬億元，同比增長23.8%；全年進出口總額近3萬億美元，同比增長34.7%，其中出口增長31.3%。中國經濟的高速發展，奠定了汽車產業可持續發展的基礎，也為重型汽車、工程機械等裝備製造行業的發展創造了條件。



In 2010, the market demand for commercial vehicles increased again and rapid development continued. The sales and production of heavy-duty trucks both exceeded one million units, where 1.0586 million units were manufactured, representing a year-on-year growth of 65.44%; while 1.0174 million units were sold, representing a year-on-year increase of 59.93%. According to the statistics of 中國汽車工業協會 (China Association of Automobile Manufacturers), the Company's major customers, such as 陝西重型汽車有限公司 (Shaanxi Heavy-duty Motor Company Limited, a subsidiary of the Company), 北汽福田汽車股份有限公司 (Beiqi Futian Motor Company Limited), 包頭北方奔馳重型汽車有限責任公司 (Baotou North-Benz Heavy-Duty Truck Co., Ltd.), and 安徽江淮汽車股份有限公司 (Anhui Jianghuai Automotive Co., Ltd.), etc., all recorded sharp increase when compared with 2009. The Company's aggregate sales of heavy-duty truck engines reached approximately 414,000 units in 2010, representing a year-on-year increase of 83.04%, 23.11% higher than that of the industry. According to the statistics of 中國汽車工業協會 (China Association of Automobile Manufacturers), the Company's market share in the market of heavy-duty trucks with a gross weight of 14 tonnes (and above) reached 35.6%, representing an increase of 5.1% over last year. Shaanxi Heavy-duty Motor Company Limited, a subsidiary of the Company, reported an aggregate sales of approximately 100,000 units of heavy-duty trucks, representing an increase of 70.98% over last year and ranking the fourth in the heavy-duty trucks market in China. 陝西法士特齒輪有限責任公司 (Shaanxi Fast Gear Co. Ltd.), a subsidiary of the Company, reported an aggregate sales of approximately 852,000 units of heavy-duty gear boxes, representing an increase of 60.20% over last year, and maintained its leading position as the largest heavy-duty vehicle gear boxes manufacturer in China.

二零一零年，商用車市場需求回升，繼續保持高速發展。重型卡車產銷雙雙突破100萬輛，其中生產重卡105.86萬輛，同比增長65.44%；銷售重卡101.74萬輛，同比增長59.93%。根據中國汽車工業協會統計資料，公司主要客戶如：陝西重型汽車有限公司、北汽福田汽車股份有限公司、包頭北方奔馳重型汽車有限責任公司、安徽江淮汽車股份有限公司等，與二零零九年同期相比全部實現大幅增長。二零一零年，公司共銷售重卡發動機約41.4萬台，同比增長83.04%，高於同行業增幅23.11個百分點。根據中國汽車工業協會數據，公司發動機在總重14噸以上重卡配套市場佔有率達到35.6%，同比提升5.1個百分點；本公司的控股子公司陝西重型汽車有限公司共銷售重型卡車約10萬輛，同比增長70.98%，位居中國重卡行業第四位；本公司的控股子公司陝西法士特齒輪有限責任公司共銷售重型變速箱約85.2萬台，同比增長60.20%，繼續保持了我國最大的重型汽車變速器生產企業的地位。



During the year under review, China's construction machinery industry was in a highly advantageous position, benefiting from the pulling effect of the RMB4 trillion stimulus policy. Hence, a rapid development was achieved. During the reporting period, the aggregate sales of China's construction machinery were as high as RMB400 billion. Approximately 753,300 units of machines were sold, representing a growth of 51.50% compared to the corresponding period of last year. In particular, approximately 151,000 units of wheel loader engines with a load capacity of 5 tonnes were sold, representing a year-on-year growth of 56.38%. According to the statistics of 中國工程機械協會 (China Construction Machinery Association), the Company's major customers, such as 中國龍工控股有限公司 (China Infrastructure Machinery Holdings Limited), 山東臨工工程機械有限公司 (Shandong Lingong Construction Machinery Co., Ltd.), 徐工工程機械集團有限公司 (Xuzhou Construction Machinery Group Inc.), 成都成工機械有限公司 (Chengdu Construction Machinery Co., Inc.), 山東山工機械有限公司 (Shandong SEM Machinery Co., Ltd.), all recorded significant growth over last year, hence boosting the growth of the sales of the Company's products. The Company's sales of engines for construction machinery were approximately 141,000 units in 2010, representing a year-on-year increase of 72.15%. The sales of wheel loader engines with a load capacity of 5 tonnes (and above) amounted to 128,000 units, representing a year-on-year increase of 66.72%. According to the information published on the website of 中國工程機械信息網 (China Construction Machinery Network), the Company had a market share of 84.8% in the market of wheel loader engines with a load capacity of 5 tonnes (and above), which is 4.8% higher than that in last year.

於本期內，中國工程機械行業極大受益於四萬億投資政策的拉動作用，實現了快速發展。報告期內，中國工程機械全行業銷售收入高達4000億元，共銷售約75.33萬台，同比增長51.50%，其中5噸裝載機銷售約15.1萬台，同比增長56.38%。根據中國工程機械協會統計數據，公司主要客戶如：中國龍工控股有限公司、山東臨工工程機械有限公司、徐工工程機械集團有限公司、成都成工機械有限公司、山東山工機械有限公司等較去年同期均實現大幅增長，進而帶動了本公司產品銷量增長。二零一零年，公司共銷售工程機械發動機約14.1萬台，同比增長72.15%，銷售5噸及以上裝載機約12.8萬台，同比增長66.72%。根據中國工程機械信息網數據，公司發動機在載重5噸及以上裝載機的配套市場佔有率達到84.8%，與去年同期相比提升4.8個百分點。



During the reporting period, with our technology innovation, the Company continued to lead the power technology development in China. Since the implementation of the China III Emission Standard in heavy-duty trucks, the Company's high-power high-speed "Landking" engines, to which we own intellectual property rights, have been well received by the market for their advantages in areas such as environment protection, energy saving and reliability, and their sales have reached record high with approximately 376,000 units of 10-12L China III engines sold, further strengthening our leading position in heavy-duty trucks and wheel loader ancillary markets. Meanwhile, the Company's self researched and developed "Landking" WP7 engines, to which we own intellectual property rights, realized a batch package with excavators and passenger vehicles, marking a further expansion of the Company's engines product series, resulting in a more prominent composite competitive edge. Focusing on creating the F3000 product platform, Shaanxi Zhongqi commenced the test production of new energy vehicles such as M3000 and purely electrical port tractors, as well as natural gas and hybrid power passenger vehicle chassis. As such, its leading role in complete vehicles was further affirmed. The product diversification strategy of Fast Company saw significant results. The ratio of its new product sales was on an upward trend, with contributing new products such as the series of 12 and 16 speed transmissions, AMT, light, large centre distance series, and series of 10 speed transmissions, 6DS and mini 8 speed transmissions, creating new areas of growth for the Company.

報告期內，公司依靠科技創新，繼續引領中國動力技術進步潮流。自重型卡車實施國III排放標準以來，公司具有自主知識產權的大功率高速「藍擎」發動機，以環保、節能、可靠等優勢，贏得了市場廣泛認可，市場銷量創歷史新高，共銷售10-12L國III發動機約37.6萬台，繼續鞏固了在重卡市場、裝載機配套市場的優勢地位。同時，公司自主研發的具有知識產權的藍擎WP7發動機，與挖掘機、客車實現批量配套，標誌著公司發動機產品系列進一步拓寬，組合競爭優勢更加明顯。陝西重汽著力打造F3000產品平台，試製了M3000及純電動港口牽引車、天然氣及混合動力客車底盤等新能源汽車產品，整車龍頭帶動作用更加突顯。法士特公司產品多元化戰略成果顯著，新產品銷售佔比不斷加大，12、16檔系列、AMT、輕量化、大中心距系列、10檔、6DS、小八檔系列增長明顯，為公司開闢了新的增長點。



During the reporting period, the Company kept enhancing management standards by pursuing internal quality-oriented development. First of all, we determined to carry out our six core management enhancement projects, including optimizing the corporate management system, establishing a sound scheme to implement the protection mechanism, strengthening the entire basic management systematically, optimizing and innovating the training system, establishing an efficient and effective manufacturing system, and launching quality and refined projects. Secondly, the WOS project was fully implemented so that the management workflow was optimized constantly, the Company's management standards in all areas including manufacturing, product quality and procurement logistic were enhanced. We established a unique Weichai Power management model led by WOS. Thirdly, our cultural philosophy of "inclusiveness, communication and responsibility" was fully communicated to all levels of the Company, and was well received and supported. This effectively united the thinking and behaviors of the Company's entire workforce, and strongly supported the collaboration and improvement at all levels within the industry chain, enhancing the establishment and development of new businesses. Fourthly, a comprehensive internal control system was initiated in the generator module, the Shanghai operating centre, the Shaanxi Heavy-duty module and the Fast module. The initial establishment of the basic framework of the internal control management provided a foundation to achieve the goal of standard-oriented management enhancement.

During the reporting period, the Company's revenue increased by approximately 77.72% over last year to approximately RMB62,666 million. The net profit attributable to shareholders was approximately RMB6,781 million, representing an increase of 99.03% over the last year. The basic earnings per share increased by approximately 99.51% over last year to approximately RMB4.07.

報告期內，本公司堅持內涵式發展，不斷提升管理水平。一是堅定不移推進六大重點管理提升項目。即：優化完善企業管理體系；建立健全制度執行保障機制；全面系統加強基礎管理；完善和創新培訓機制；建立精益化生產製造體系；深入開展質量精品工程。二是全面推進WOS項目，不斷優化管理流程，提升企業在生產製造、產品質量、採購物流等全方面的管理水平，打造以WOS為統領，獨具濰柴動力特色的管理模式。三是「包容、溝通、責任」的文化理念深入到公司各個層面，贏得了高度認可和擁護支持，高效統一了全公司幹部員工的思想與行動，有力支撐了產業鏈上下的協同進步，對新業務的建設發展起到了重要推動作用。四是在發動機板塊、上海運營中心、陝重汽板塊、法士特板塊全面啟動內控體系建設，內部控制管理的基本框架初步建立，為實現以合規為基礎的管理提升目標奠定了基礎。

報告期內，公司實現營業收入約為62,666百萬元人民幣，較二零零九年同期增長約77.72%。股東應佔淨利潤約為6,781百萬元人民幣，較二零零九年同期提高99.03%。每股基本盈利約為4.07元人民幣，較二零零九年同期提高約99.51%。



II. DIVIDEND

Putting shareholders' interests and return as its top priority, the Company has been maintaining a relatively stable dividend policy. The Board proposed to declare a final dividend of RMB0.43 per share for the year ended 31 December 2010. The resolution in respect of the declaration of final dividend will be proposed at the forthcoming annual general meeting for approval. The Company will strive to realize the sustainable growth of dividend and maximize the return of shareholders. For the closure of the register of members of the Company for the entitlement to the said proposed final dividend, please refer to the notice convening the forthcoming annual general meeting.

III. ACQUISITION AND CONSOLIDATION

During the reporting period, the Company did not conduct any major acquisition nor consolidation.

IV. OUTLOOK AND PROSPECTS

Year 2011 is the beginning of the "twelfth five", the global economy will continue its modest recovery, the overall external development environment will be slightly better than last year, export will continue to grow relatively fast, the driving force of investment growth will continue to be strong while inflation pressure will increase. Nonetheless, the economy will pick up again and become steady by and large.

At the international front, although the global economy will continue its modest recovery, a number of uncertainties remain. Firstly, since developed countries have not solved the rooted problems causing the financial crisis, government debt ratio and unemployment rate remain high, investment and consumption are weak, and the pace of economic recovery is slow. Secondly, the direct conflict between deflation anticipation in developed countries and inflation anticipation in countries with an emerging market will result in adjustments to the respective monetary policies in opposite directions. Thirdly, short-term capital flow in the international capital market will intensify, which gives rise to large capitalization of commodities. In 2011, however, the overall external environment for China's economic development will be better than last year.

二、股息

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。董事會建議宣派截至二零一零年十二月三十一日止年度每股人民幣0.43元之末期股息。關於建議宣派末期股息之決議案將於即將舉行之股東週年大會上提呈以作批准。本公司將會繼續努力實現股息長遠持續穩定增長，為股東創造最佳回報。本公司就上述擬派末期股息截止辦理股份過戶登記手續之具體安排，請參閱召開本屆股東週年大會之通告。

三、收購與整合

報告期內，本公司沒有重大的收購與整合活動。

四、公司前景與展望

二零一一年是「十二五」的開局之年，全球經濟將繼續溫和復蘇，外部發展環境總體上略好於二零一零年，出口將保持較快增長，投資增長動力依然強勁，同時通脹壓力趨於加大，但總體上經濟增長將企穩回升。

從國際看，全球經濟繼續溫和復蘇，但仍存在許多不確定性因素。其一，發達國家由於金融危機深層次的原因沒有得到解決，政府債務率和人員失業率仍然居高不下，投資和消費疲軟，經濟復蘇步伐緩慢；其二，發達國家通貨緊縮的預期和新興市場國家通貨膨脹的預期產生直接衝突，從而引發雙方在貨幣政策上出現背道而馳的調整；其三，國際資本市場短期資本流動加劇，大宗商品資本化趨勢有所抬頭。但總體上看，2011年我國經濟發展的外部環境將好於2010年。

Domestically, China is still in the significant strategic opportunity phase in 2011. Nonetheless, the situation is highly complex with many uncertain and unstable factors. According to the message conveyed by the Central Economic Working Meeting, in 2011, the basic approach of the macro economic policy is proactive and stable, prudent and flexible. It is expected that in the coming year the economy's growth rate will be slightly slower than 2010, however, factors for long-term economic growth in China still exist. A proactive financial policy will compensate for the slowing down of the increase in total demand due to the prudent monetary policy. Meanwhile, at the beginning year of the "twelve five", on the one hand the "strategic revitalizing plan for emerging industries", "regional development plan" and "people's livelihood plan" brought by the new planning scheme, along with income allocation adjustments and the new stimulus policy will stimulate the macro economy significantly, which will hedge against various downturn pressures effectively. On the other hand, accelerated urbanization and the plateau effect due to increased consumption resulting from income growth will support the macro economy in 2011.

The Company is cautiously optimistic about the development of its related industries. The growth of the heavy-duty trucks market and fixed asset investment will remain high. Hence, demands for construction heavy-duty trucks will continue to increase. Transporting coals from the north to the south, transporting food on the south to the north, together with the peak of army vehicles usage will lead to a substantially increased demand for trucks. The full implementation of core strategies such as the construction machinery market, development of the west, emergence of the central region and the construction of Xinjiang will drive the rapid development of the engineering machinery industry.

With the implementation of the China IV Emission Standard, in the future we anticipate that there will be fierce competition in China's engine market in the coming years. Leveraging on our advanced technology, quality product and loyal customer base, we have consolidated our leading position in the high-power engine market and the directors have full confidence in the prospect of the Company. The Company expects sales revenue for 2011 will reach approximately RMB73 billion.

從國內看，2011年我國仍處在重要戰略機遇期，但形勢非常複雜，各種不確定、不穩定因素很多。中央經濟工作會議傳遞出的信號顯示，2011年宏觀經濟政策的基本取向是積極穩健、審慎靈活，預計新的一年經濟增速將略低於2010年，但中國經濟長期增長的因素仍然存在，積極的財政政策將彌補因穩健的貨幣政策所帶來的總需求增速的減緩。同時，作為「十二五」開局之年，一方面新規劃中所孕育的「戰略性新興產業振興計劃」、「區域發展規劃」、「民生工程」、收入分配調整與新的消費刺激政策等內容將帶來強烈的宏觀經濟刺激效應，有效對沖各種下行壓力；另一方面，城市化的加速、收入增長刺激消費的階段效應等將成為2011年宏觀經濟的支撐力量。

對於與公司相關的行業發展態勢，本公司持謹慎樂觀的態度。重卡市場，固定資產投資增速仍將繼續保持高位，使得工程類重卡需求情況持續增長；北煤南運、南糧北調、及軍隊用車高峰等因素拉動載貨車需求量大增。工程機械市場，西部開發、中部崛起、新疆建設等重點戰略全面推進，將拉動工程機械行業快速發展。

依據公司的判斷，隨著運輸用車國IV排放標準即將實施，國內發動機市場在未來幾年內競爭將更加激烈，但本公司憑藉領先的技術實力、高品質的產品以及穩固忠誠的客戶群體，在大功率發動機市場將繼續保持領先。董事會對本公司的未來發展前景充滿信心。公司預期二零一一年銷售收入將達到約人民幣730億。

In 2011, the Company will continue to increase self innovation capability, foster structural adjustments, constantly strengthen corporate core competitiveness, and strive to complete all core work. Firstly, the "talent first" project will be strengthened so that our talent structure will be optimized constantly. Secondly, the introduction of the strategic product platform will be accelerated so as to realize the upgrade of industry and technology. Thirdly, the structural adjustment to market and business will be carried out so as to create more room for value-adding. Fourthly, the construction and integration of an information technology management platform will be completed so as to increase the operating control standard. Fifthly, basic management will be carried out so as to establish a new order that drives rapid corporate development. Sixthly, gratefulness will be integrated into the corporate culture of inclusiveness, communication and responsibility, so as to foster the enhancement of the Company's soft strength.

At the same time, under the principle of "unified strategy, independent operation, resources sharing", we will accelerate the segmental development of commercial vehicles, power chain and automobile components. We shall further integrate the Company's resources, fully utilize synergies and improve our capability against risks. In the next five year, the Company will strive to become an international enterprise with an orientation in complete machines and vehicles and the core technology for power assembly, and develop into a unique player in the global equipment manufacturing industry.

V. APPRECIATION

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

Tan Xuguang

Chairman and Chief Executive Officer

Hong Kong, 30th March, 2011

二零一一年，本公司將持續提高自主創新能力，加快推進結構調整，不斷增強企業核心競爭力，全面做好各項重點工作。一是強化實施「人才第一」工程，不斷優化人才結構；二是加快戰略產品平台導入，實現產業和技術升級；三是推進市場和業務結構調整，創造更大的增值空間；四是完成信息化管理平台的建設與整合，提升運營管控水平；五是夯實基礎管理，建立起推動企業快速發展的新秩序。六是將感恩融入包容溝通責任的集團文化，促進企業軟實力的提升。

同時，按照「戰略統一、獨立運營、資源共享」的原則，本公司將加快商用車板塊、動力總成板塊、汽車零部件板塊的發展，進一步整合公司優勢資源，最大限度地發揮公司資源的協同效應，增強公司的抗風浪能力。在未來五年內，本公司將打造以整機整車為導向，擁有動力總成核心技術的國際化企業集團，發展成為獨具特色的全球裝備製造業的重要一極。

五、致謝

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

董事長兼首席執行官

譚旭光

香港，二零一一年三月三十日

The Directors are pleased to provide a management discussion and analysis of the results of operations of the Group for the year ended 31 December 2010, as follow:

I. INDUSTRY ANALYSIS

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

1. Heavy-duty Vehicle Industry

During the year, China's automobile market showed a strong growth. The market demand on commercial vehicles increased again and rapid development continued. The sales and production of heavy-duty trucks both exceeded one million units, where 1.0586 million units were manufactured, representing a year-on-year growth of 65.44%; while 1.0174 million units were sold, representing a year-on-year increase of 59.93%. The sales of heavy-duty truck totalled approximately 584,000 units, representing a year-on-year growth of 112.9%.

First, entering 2010, the Chinese Government maintained a consistent and stable monetary policy. A properly loosened monetary policy remained, great effort was put to make the policy more specific and flexible, supporting changes in the economic development approach and adjustments to the economic structure. During the year, the macro economy maintained stability and an upward trend.

Second, in 2010, the GDP of China reached RMB39.8 trillion, representing a year on year growth of 10.3%. The rate of growth increased by 1.1% compared to last year. The money supply increased steadily with new loans amounted to RMB7.9 trillion. China's fixed asset investments amounted to RMB27.8 trillion, representing a year on year growth of 23.8%. The import and export for the year totalled approximately USD3 trillion, representing a year on year growth of 34.7%, in which the export recorded a growth of 31.3%. The rapid growth of the Chinese economy not only laid the foundation for the automobile industry's sustainable development, but also created development opportunities for the assembly production industries such as heavy-duty vehicles and construction machineries.

董事欣然提呈本集團截至二零一零年十二月三十一日止年度經營業績之管理層討論與分析，詳情如下：

I. 行業分析

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

1. 重型汽車行業

於本年度內，中國汽車市場出現大幅度增長。商用車市場需求回升，繼續保持高速發展。重型卡車產銷雙雙突破100萬輛，其中生產重卡105.86萬輛，同比增長65.44%；銷售重卡101.74萬輛，同比增長59.93%。中國重卡市場共銷售約58.4萬輛，同比增長112.9%。

一：進入二零一零年，中國政府保持貨幣政策的連續性和穩定性，繼續實施適度寬鬆的貨幣政策，著力提高政策的針對性和靈活性，支援經濟發展方式轉變和經濟結構調整，全年宏觀經濟保持了回穩向好的態勢。

二：二零一零年，國內GDP達到39.8萬億元，同比增長10.3%，增速同比加快1.1個百分點；貨幣供應量穩定增長，新增貸款7.9萬億元；全社會固定資產投資27.8萬億元，同比增長23.8%；全年進出口總額近3萬億美元，同比增長34.7%，其中出口增長31.3%。中國經濟的高速發展，奠定了汽車產業可持續發展的基礎，也為重型汽車、工程機械等裝備製造行業的發展創造了條件。

2. Construction Machinery Industry

During the year, approximately 753,300 machines were sold, representing a growth of 51.50% compared to last year. In particular, approximately 151,000 units of wheel loader engines with a load capacity of 5 tonnes were sold, representing a year-on-year growth of 56.38%.

In 2010, the engineering machinery market was growing at a rate faster than expected, as a large number of new engineering projects entered the phase of construction due to the lag-effect of the stimulus investment of RMB4 trillion. However, this fast growth was offset to a certain extent by the combined effect of the “Ten new national policies to curb the soaring of housing prices”, as well as the enhanced measures to reduce energy consumption and emissions through the control of new projects in high energy consumption sectors, the increased elimination of production capacities which lagged behind, the implementation of differentiated power price, and adjustment or cancellation of tax refund for certain high energy consumption sectors.

2. 工程機械

於本年度內，中國工程機械市場共銷售約75.33萬台，同比增長51.50%，其中大型工程機械5噸裝載機銷售約15.1萬台，同比增長56.38%。

二零一零年，受四萬億投資滯後效應影響，大量工程項目進入開工施工階段，工程機械行業迎來了超預期高速增長。但是，隨著房產新政「新國十條」出台，以及國家進一步加大節能減排力度，採取了控制高耗能行業新上專案、加大淘汰落後產能、實行差別電價和調整或取消部分高耗能產品出口退稅率等一系列措施，在一定程度上，又限制了工程機械行業快速增長。

II. THE GROUP'S BUSINESS

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

1. Sales of Diesel Engines

For use in Heavy-duty Trucks

The Group is the largest supplier of diesel engines to major manufacturers of heavy-duty trucks with a load capacity of 15 tonnes (and above) in the PRC. The key customers include: 陝西重型汽車有限公司 (Shaanxi Heavy-duty Motor Company Limited), 北汽福田汽車股份有限公司 (Beiqi Futian Motor Company Limited), 包頭北方奔馳重型汽車有限責任公司 (Baotou North-Benz Heavy-Duty Truck Co., Ltd.), and 安徽江淮汽車股份有限公司 (Anhui Jianghuai Automotive Co., Ltd.), etc., all recorded sharp increase when compared with 2009, hence guaranteeing the growth of the sales of the Company's products. Of the diesel engines sold during the year, approximately 414,000 units (2009: approximately 226,000 units) were truck engines, representing an increase of approximately 83.04% compared to 2009.

II. 本集團之業務

本集團業務分部之分析載於綜合財務報表附註4。本集團主要產品之經營狀況概述如下：

1. 銷售柴油機

用於重型卡車

本集團是中國載重量15噸(及以上)重型卡車主要製造商的最大柴油機供應商。其主要客戶包括：陝西重型汽車有限公司、北汽福田汽車股份有限公司、包頭北方賓士重型汽車有限責任公司、安徽江淮汽車股份有限公司等與二零零九年同期相比全部實現大幅增長，進而保證了本公司產品銷量的增長。在本年度內所售出的柴油機中，卡車用柴油機約為41.4萬台(二零零九年：約22.6萬台)，較二零零九年同期增長約83.04%。



For use in Construction Machinery

The Group is also the largest supplier of diesel engines to major manufacturers of construction machinery (mainly wheel loaders) with a load capacity of 5 tonnes (and above) in the PRC. The key customers of the Group are: 中國龍工控股有限公司 (China Infrastructure Machinery Holdings Limited), 山東臨工工程機械有限公司 (Shandong Lingong Construction Machinery Co., Ltd.), 徐工工程機械集團有限公司 (Xuzhou Construction Machinery Group Inc.), 成都成工機械有限公司 (Chengdu Construction Machinery Co., Inc.), 山東山工機械有限公司 (Shandong SEM Machinery Co., Ltd.), etc., all recorded significant growth over last year, hence boosting the growth of the Company's product sales. The Company's sales of engines for construction machinery were approximately 141,000 units (2009: approximately 82,000 units) in 2010, representing a year-on-year increase of 72.15%. The sales of wheel loader engines with a load capacity of 5 tonnes amounted to approximately 128,000 units, representing a year-on-year increase of 66.72%. According to the information published on the website of 中國工程機械信息網 (China Construction Machinery Network), the Company had a market share of 84.8% in the market of wheel loader engines with a load capacity of 5 tonnes (and above), which is 4.8% higher than that in last year.

2. Sale of Heavy-duty Trucks

During the year, the Group sold approximately 100,000 units heavy-duty trucks, compared to approximately 58,000 units in the corresponding period of 2009, representing an increase of approximately 70.98%. Prior to intra-group elimination, the truck business contributed approximately RMB24,029 million to the Group's revenue during the year.

3. Sale of Heavy-duty Gear Box

During the year, the Group sold approximately 852,000 units of heavy-duty gear boxes, representing an increase of approximately 60.20% compared to approximately 532,000 units in the corresponding period of 2009. Prior to intra-group elimination, the gear boxes business contributed approximately RMB10,676 million to the Group's revenue during the year.

用於工程機械

本集團亦是中國載重量5噸(及以上)工程機械(主要為輪式裝載機)的主要製造商之最大柴油機供應商。本集團的主要客戶包括中國龍工控股有限公司、山東臨工工程機械有限公司、徐工工程機械集團有限公司、成都成工機械有限公司、山東山工機械有限公司等較去年同期均實現大幅增長，進而帶動了本公司產品銷量增長。本年度內所售出的柴油機中，工程機械柴油機約為14.1萬台(二零零九年：約8.2萬台)，較二零零九年同期增長72.15%。銷售5噸裝載機發動機約12.8萬台，同比增長66.72%。根據中國工程機械資訊網資料，公司在載重5噸及以上裝載機的市場佔有率達到84.8%，與去年同期相比提升4.8個百分點。

2. 銷售重型卡車

於本年度內，本集團售出重型卡車約10萬輛，與二零零九年同期售出的約5.8萬輛重型卡車相比增長約70.98%。於對銷集團間公司銷售前，卡車業務於本年度內為本集團貢獻銷售收入約人民幣24,029百萬元。

3. 銷售重型變速箱

於本年度內，本集團售出重型變速箱約85.2萬台，與二零零九年同期售出的約53.2萬台重型變速箱相比增長約60.20%。於對銷集團間公司銷售前，變速箱業務於本年度內為本集團貢獻銷售收入約人民幣10,676百萬元。

4. Sale of Engine and Heavy-duty Truck Parts and Components

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 sale of engine parts and components and other truck parts and components such as: spark plugs, axles, chassis, air-conditioner compressors etc. During the year, the Group's sales of engine parts and components and truck parts and components amounted to approximately RMB2,575 million, representing an increase of approximately 50% or RMB861 million compared to RMB1,714 million in the corresponding period of 2009.

4. 銷售發動機及重型卡車零部件

除了生產及銷售卡車及工程機械之柴油機、重型卡車及重型變速箱外，本集團生產及銷售火花塞、車轆、底盤、空調壓縮機等發動機零部件及其他卡車零部件。於本年度內，本集團之發動機零部件及卡車零部件銷售由去年同期的1,714百萬元增長約861百萬元至約人民幣2,575百萬元，同比增長約50%。

III. FINANCIAL REVIEW

1. The Group's Results of Operations

a. Turnover

The Group's turnover increased from approximately RMB35,261 million in the corresponding period of 2009 to approximately RMB62,666 million in this year, representing an increase of approximately 77.72%. The increase in turnover was mainly attributable to the significant growth of automotive industry and construction machinery industry during the year. During the year, the Group sold approximately 414,000 units of diesel engines for use in heavy-duty trucks in total, compared to approximately 226,000 units in the corresponding period of 2009, representing an increase of approximately 83.04%. During the year, the Group sold approximately 141,000 units of engines for use in construction machineries in total, compared to approximately 82,000 units in the corresponding period of 2009, representing an increase of approximately 72.15%. Shaanxi Zhongqi recorded an aggregate sales of approximately 100,000 units of heavy-duty trucks during the year, compared to approximately 58,000 units in the corresponding period of last year, representing an increase of 70.98%.

III. 財務回顧

1. 本集團之經營業績

a. 營業額

本集團的營業額由二零零九年同期的約人民幣35,261百萬元升至本年度的約人民幣62,666百萬元，增幅約為77.72%，主要是由於本年度內汽車行業及工程機械行業出現大幅度增長所致。於本年度內，本集團合共售出約41.4萬台重型卡車用柴油機，相比二零零九年同期售出的約22.6萬台，升幅約為83.04%。本年度內，本集團合共售出約14.1萬台工程機械發動機，相比二零零九年同期售出的約8.2萬台，升幅約為72.15%。本年度內，陝西重汽共售出約10萬輛重型卡車，相比去年同期售出的約5.8萬輛重型卡車升幅為70.98%。



b. Gross Profit and Gross Profit Margin

During the year, the Group's gross profit increased from approximately RMB7,632 million in the corresponding period of 2009 to approximately RMB13,471 million in the year, representing an increase of approximately 76.50%. Gross margin maintained at 21.50%, almost the same with approximately 21.64% in the same period of 2009.

c. Other Income and gains

Other income increased by approximately 9.88% to approximately RMB380 million in the year from approximately RMB346 million in the same period of 2009. The increase was mainly due to the increase in gain on disposal of available-for-sale investments.

d. Selling and Distribution Costs

Selling and distribution costs increased by approximately 35.38% to approximately RMB1,383 million in the year from approximately RMB1,021 million in the corresponding period of 2009. As a percentage of turnover, selling and distribution costs decreased from approximately 2.90% in the corresponding period of 2009 to approximately 2.21% in the year, which was mainly due to the increase in turnover of 77.72% as compared to the corresponding period of last year.

e. Administrative Expenses

Administrative expenses of the Group increased by approximately 32.04% from approximately RMB1,265 million in the corresponding period of 2009 to approximately RMB1,670 million in the year. As a percentage of turnover, the administrative expenses decreased from approximately 3.59% in the same period of 2009 to approximately 2.66% in the year, which was mainly due to the expansion of the scale of operations.

b. 毛利潤及毛利潤率

於本年度內，本集團毛利潤由二零零九年同期的約人民幣7,632百萬元升至本年度的約人民幣13,471百萬元，升幅約為76.50%。毛利潤率維持在21.50%，與二零零九年同期的約21.64%基本一致。

c. 其他收入及收益

其他收入由二零零九年同期的約人民幣346百萬元增至本年度的約人民幣380百萬元，增幅約為9.88%，該增長主要是由於出售可供出售投資收益增加所致。

d. 銷售及分銷成本

銷售及分銷成本由二零零九年同期的約人民幣1,021百萬元，增至本年度的約人民幣1,383百萬元，增幅約為35.38%，但由於營業額於去年同期相比上升77.72%，銷售及分銷成本佔營業額的百分比由二零零九年同期的約2.90%降至本年度的約2.21%。

e. 行政開支

本集團的行政開支由二零零九年同期的約人民幣1,265百萬元增至本年度的約人民幣1,670百萬元，增幅約為32.04%。行政開支佔營業額的百分比由二零零九年同期的約3.59%減少至本年度的約2.66%，主要是由於本公司經營規模大幅度提高所致。

f. Operating Profit before Finance Costs

During the year, the Group's operating profit increased by approximately 94.72% to approximately RMB9,593 million in the year from approximately RMB4,927 million in the corresponding period of 2009. The Group's operating margin increased from approximately 13.97% in the corresponding period of 2009 to approximately 15.31% in the year.

g. Finance Costs

Finance costs decreased by approximately 20.01% to approximately RMB198 million in the year from approximately RMB248 million in the corresponding period of 2009. This decrease was mainly due to the decrease in interest on bank and other borrowings and interest on discounted bills receivable.

h. Income Taxes

The Group's income tax expenses increased by approximately 90.82% from approximately RMB732 million in the corresponding period of 2009 to approximately RMB1,398 million in the year. During the year, the Group's average effective tax rate decreased from approximately 15.65% in the corresponding period of 2009 to approximately 14.88%.

i. Net Profit and Net Profit Margin

The Group's net profit for the year increased by approximately 102.63% from approximately RMB3,947 million in the corresponding period of 2009 to approximately RMB7,998 million in the year, whilst the net profit margin also increased from approximately 11.19% in the corresponding period of 2009 to approximately 12.76% in the year.

f. 經營利潤(未扣除財務費用)

於本年度內，本集團的經營利潤由二零零九年同期的約人民幣4,927百萬元增至本年度的約人民幣9,593百萬元，增幅約為94.72%。本集團的經營利潤率亦由二零零九年同期的約13.97%增至本年度的約15.31%。

g. 財務費用

財務費用由二零零九年同期的約人民幣248百萬元降至本年度的約人民幣198百萬元，降幅約為20.01%。減少的原因主要是在本年度銀行貸款及其他借款利息、應收貼現票據利息的減少。

h. 所得稅

本集團的所得稅支出由二零零九年同期的約人民幣732百萬元增至本年度的約人民幣1,398百萬元，增幅約為90.82%。於本年度內，本集團的平均實際稅率由二零零九年同期的約15.65%下降至本年度的約14.88%。

i. 淨利潤及淨利潤率

本集團的本年度內淨利潤由二零零九年同期的約人民幣3,947百萬元升至本年度的約人民幣7,998百萬元，增幅約為102.63%；而淨利潤率也由二零零九年同期的約11.19%升至本年度的約12.76%。



j. **Liquidity and Cash Flow**

During the year, the Group generated operating cash flows of RMB10,007 million, part of which were applied in expanding the Group's operations by acquisition of property, plant and equipment; and in reducing its borrowings. As at 31 December 2010, the Group had net cash (interest-bearing debts net of cash and cash equivalents) of RMB5,930 million (as at 31 December 2009: the Group had a net debt (interest-bearing debts net of cash and cash equivalents) of RMB141 million). Based on the calculation above, the debt to equity ratio is non-applicable as the Group has a net cash position (as at 31st December, 2009: 0.90%)

2. **Financial Position**

a. **Assets and Liabilities**

As at 31 December 2010, the Group had total assets of approximately RMB52,475 million, of which approximately RMB37,122 million were current. As at 31 December 2010, the Group had cash and cash equivalents of approximately RMB8,748 million (as at 31 December 2009: RMB3,598 million), including cash and cash equivalents denominated in foreign currencies of approximately RMB142 million. On the same date, the Group's total liabilities amounted to approximately RMB29,105 million, of which approximately RMB26,775 million were current. The current ratio was approximately 1.39 (as at 31 December 2009: 1.35).

j. **流動資金及現金流**

於本年度內，本集團產生經營現金流人民幣10,007百萬元，其中部分已用於購買物業、機器及設備以擴展本集團之業務和減少借貸。於二零一零年十二月三十一日，本集團之計息債務扣除現金及現金等價物為現金淨額人民幣5,930百萬元(於二零零九年十二月三十一日：本集團之計息債務扣除現金及現金等價物為債務淨額人民幣141百萬元)，按上述計算，本集團仍處於淨現金狀況，故並不適用資本負債比率(於二零零九年十二月三十一日：0.90%)。

2. **財務狀況**

a. **資產及負債**

於二零一零年十二月三十一日，本集團資產總額約為人民幣52,475百萬元，其中流動資產為人民幣約37,122百萬元。於二零一零年十二月三十一日，本集團擁有約8,748百萬元的現金及現金等價物(於二零零九年十二月三十一日：人民幣3,598百萬元)，其中外幣現金及現金等價物約為人民幣142百萬元。同日，本集團負債總額為人民幣約29,105百萬元，其中流動負債為人民幣約26,775百萬元，流動比率約為1.39倍(於二零零九年十二月三十一日：1.35倍)。

b. Capital Structure

At 31 December 2010, the Group had a total equity of approximately RMB23,370 million, of which approximately RMB18,515 million was attributable to equity holders of the Company and the balance was minority interests. The Group currently does not rely heavily on borrowings. The borrowings of the Group as at 31 December 2010 amounted to approximately RMB2,817 million, which included debenture of approximately RMB1,285 million and bank borrowings of approximately RMB1,532 million. Except for bank borrowings of approximately RMB40 million, approximately RMB80 million and approximately RMB22 million are denominated in US dollars, Hong Kong dollars and Euro, the remaining borrowings are in Renminbi. The Group's revenue is mainly in Renminbi. The Group believes that its exposure to foreign currency risks is not 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. Shares Issue by Conversion of Capital Reserve

The Board passed a resolution on 23 August 2010 that the Company made the distribution to every shareholder at the rate of 10 shares for every 10 shares by conversion of the capital reserve based on the total share capital of 833,045,683 shares of the Company as at 30 June 2010. Upon the implementation of above, the total share capital of the Company was increased by 833,045,683 shares to 1,666,091,366 shares.

b. 資本結構

於二零一零年十二月三十一日，本集團總權益約為人民幣23,370百萬元，其中約人民幣18,515百萬元為本公司權益持有人應佔權益，剩餘權益為少數股東權益。本集團目前並無過分依賴借貸，本集團於二零一零年十二月三十一日的借貸金額約為人民幣2,817百萬元，其中包括約人民幣1,285百萬元的債券及約人民幣1,532百萬元的銀行借貸。除人民幣約40百萬元、人民幣約80百萬元及人民幣約22百萬元分別為美元借款、港元借款及歐元借款之外，其他借款均為人民幣借款，而本集團的收入主要是人民幣收入，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. 資本公積金轉增股本

本公司董事會於二零一零年八月二十三日通過決議，公司以二零一零年六月三十日為基準日的總股本833,045,683股為基數，以資本公積金向全體股東每10股轉增10股。上述方案實施後公司總股本增加833,045,683股至1,666,091,366股。

d. Pledge of Assets

As at 31 December 2010, bank deposits and bills receivables of approximately RMB3,008 million (as at 31 December 2009: RMB3,089 million) were pledged to banks to secure the Group's bills payables and bills receivables 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 at the balance sheet date approximates the carrying amount.

Certain other assets were also pledged by the Group to secure the Group's borrowings. Details are set out in note 38 to the financial statements in the Annual Report.

e. Contingent Liabilities

As at 31 December 2010, the Group had approximately RMB1,145 million (as at 31 December 2009: approximately RMB1,054 million) guarantees given to banks in connection with facilities granted to and utilized by certain distributors and agents. Details are set out in note 37 to the financial statements in the Annual Report.

f. Capital Commitments

As at 31 December 2010, the Group had approximately RMB2,193 million capital commitments contracted (as at 31 December 2009: RMB947 million), principally for the capital expenditure in respect of acquisition of property, plant and equipment.

d. 資產抵押

於二零一零年十二月三十一日，本集團將約人民幣3,008百萬元(於二零零九年十二月三十一日：人民幣3,089百萬元)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及應收票據的抵押品。已抵押銀行存款按現行銀行利率計息。該項抵押將於相關銀行借款償還時予以解除。於結算日，銀行存款的公平值與其帳面值相若。

本集團亦已抵押若干其他資產，作為本集團借款之擔保。詳情載於年報財務報表附註38。

e. 或然負債

於二零一零年十二月三十一日，本集團為若干經銷商及代理商提供約人民幣1,145百萬元(於二零零九年十二月三十一日：約人民幣1,054百萬元)之銀行擔保以使其獲授權並使用銀行信貸。詳情載於年報財務報表附註37。

f. 資本承擔

於二零一零年十二月三十一日，本集團擁有的已訂約資本承擔約人民幣2,193百萬元(於二零零九年十二月三十一日：人民幣947百萬元)，主要是收購物業、機器及設備的資本開支。



3. Other Financial Information

a. Employees

As at 31 December 2010, the Company had approximately 38,000 employees. During the year, the Company had paid remuneration of approximately RMB3,050 million, representing an increase of approximately 46.20% over the corresponding period of 2009 of approximately RMB2,086 million. The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

b. Major Investment

The Group did not make any major investment during the year.

c. Major Acquisition and Disposal

The Group did not make any major acquisition or disposal during the year.

3. 其他財務資料

a. 僱員資料

於二零一零年十二月三十一日，本公司共聘用約3.8萬名僱員，本年度內，本集團人工成本約人民幣3,050百萬元，較二零零九年同期的約人民幣2,086百萬元增長約46.20%。本集團僱員的薪酬政策由薪酬委員會根據彼等的長處、資歷及工作能力釐定。

b. 重大投資

於本年度內，本集團並無做出任何重大投資。

c. 重大收購及出售

於本年度內，本集團並無任何重大收購或出售事項。

(1) DIRECTORS

Mr. Tan Xuguang, Chinese, aged 49, is the chairman and the Chief Executive Officer of the Company, chairman of Weichai Group Holdings Limited (which holds A shares of the Company in the amount as set out below and is thus interested in shares of the Company under Part XV of the Securities and Futures Ordinance) and Chairman of Weichai Heavy Machinery Co., Ltd. Mr. Tan has been a director of the Company since 18th December, 2002. His latest appointment as director of the Company was from 18th December, 2005 to 17th December, 2008 and he has since continued to hold his directorship under PRC law. Mr. Tan also holds directorships in various subsidiaries of the Company. Mr. Tan joined Weifang Diesel Engine Factory (now known as Weichai Group Holdings Limited) in 1977 and had held various positions including chairman and general manager of Shandong Weichai Imp. & Exp. Corp., general manager of Weifang Diesel Engine Factory, chairman of Torch Automobile Group Co., Ltd. Mr. Tan is a senior economist and holds a doctor's degree in engineering. Mr. Tan was appointed as a Representative of the Tenth and Eleventh National People's Congress of the PRC and was honored "National Labor Model", "第四屆袁寶華企業管理金獎" (the Gold Award of the 4th Yuan Baohua Enterprise Management), "CCTV 2005 China Economic Annual Figure" and "CCTV 2010 China Economic Annual Figure". He has extensive experience in manufacture and management of machinery, international trade, marketing, capital operation management and corporate development and strategic management.

Mr. Xu Xinyu, Chinese, aged 47, is Executive Director and Executive President of the Company. He has been a director of the Company since 18th December, 2002. His latest appointment as director of the Company was from 18th December, 2005 to 17th December, 2008 and he has since continued to hold his directorship under PRC law. Mr. Xu joined Weifang Diesel Engine Factory in 1986 and had held the positions of deputy general manager of Shandong Weichai Imp. & Exp. Corp., deputy general manager and executive deputy general manager of Weifang Diesel Engine Factory, director of Torch Automobile Group Co., Ltd. and chairman of Weichai Power (Weifang) Investment Co., Ltd. Mr. Xu also holds directorships in various subsidiaries of the Company. Mr. Xu is a senior economist and holds a bachelor's degree in science and a MBA degree. He has been responsible for corporate restructure, merges and acquisition, and human resources management in the Company, and has extensive experience in corporate operation.

(1) 董事

譚旭光先生，中國籍，49歲，本公司董事長兼CEO，濰柴控股集團有限公司（濰柴控股持有本公司的A股（有關金額載於下文），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，濰柴重機股份有限公司董事長；譚先生自二零零二年十二月十八日起擔任本公司董事；其擔任本公司董事之上一任任期自二零零五年十二月十八日起，於二零零八年十二月十七日屆滿，已根據中國法律繼續擔任董事職務。其亦擔任本公司多家附屬公司的董事職務；一九七七年加入濰坊柴油機廠（現稱為濰柴控股集團有限公司），歷任山東濰柴進出口有限公司董事長兼總經理，濰坊柴油機廠廠長，湘火炬汽車集團股份有限公司董事長等職；高級經濟師，工學博士；第十屆、十一屆全國人大代表，全國勞動模範，第四屆袁寶華企業管理金獎獲得者，曾獲2005、2010 CCTV中國經濟年度十大經濟人物等榮譽稱號；擁有豐富的機械制造管理，國際貿易、市場營銷、資本運營管理經驗和企業發展與戰略管理經驗。

徐新玉先生，中國籍，47歲，本公司執行董事及執行總裁；自二零零二年十二月十八日起擔任本公司董事；其擔任本公司董事之上一任任期自二零零五年十二月十八日起，於二零零八年十二月十七日屆滿，已根據中國法律繼續擔任董事職務；一九八六年加入濰坊柴油機廠，歷任山東濰柴進出口有限公司副總經理、濰坊柴油機廠副廠長、常務副廠長、湘火炬汽車集團股份有限公司董事、濰柴動力（濰坊）投資有限公司董事長等職；徐先生亦擔任本公司多家附屬公司的董事職務；高級經濟師，理學學士，MBA碩士學位，在本公司長期從事企業重組併購、人力資源管理等管理工作，具有豐富的企業運營經驗。

Mr. Sun Shaojun, Chinese, aged 45, is Executive Director and Executive President of the Company. He has been a director of the Company since 18th December, 2002. His latest appointment as director of the Company was from 18th December, 2005 to 17th December, 2008 and he has since continued to hold his directorship under PRC law. Mr. Sun joined Weifang Diesel Engine Factory in 1988 and had held the positions of supervisor of the engineering department, and the chief engineer of Weifang Diesel Engine Factory, and director of Torch Automobile Group Co., Ltd. Mr. Sun also holds directorships in various subsidiaries of the Company. Mr. Sun is a senior engineer and holds a doctor degree in engineering. He was appointed as “山東省人民政府泰山學者特聘專家” (Taishan Mountain scholar specialist appointed by Shandong People’s Government). He has been responsible for diesel engine research and development in the Company, and has extensive experience in corporate technology management.

Mr. Zhang Quan, Chinese, aged 47, is Executive Director and Executive President of the Company. He has been a director of the Company since 18th December, 2002. His latest appointment as director of the Company was from 18th December, 2005 to 17th December, 2008 and he has since continued to hold his directorship under PRC law. Mr. Zhang joined Weifang Diesel Engine Factory in 1986 and had held the positions of directors of the quality control department and the marketing department, of Weifang Diesel Engine Factory. Mr. Zhang also holds directorships in various subsidiaries of the Company. Mr. Zhang is a senior economist and holds a bachelor’s degree in engineering and a MBA degree. He has been responsible for marketing in the Company, and has extensive experience in corporate marketing management.

Ms. Zhang Fusheng, Chinese, aged 53, is a Non-executive Director of the Company. She has been a director of the Company since 18th December, 2002. Her latest appointment as director of the Company was from 18th December, 2005 to 17th December, 2008 and she has since continued to hold her directorship under PRC law. Ms. Zhang joined Weifang Diesel Engine Factory in 1975 and had held the positions of director of finance department, and chief accountant of Weifang Diesel Engine Factory, and director and vice president of Torch Automobile Group Co., Ltd. She is now the deputy general manager of Weichai Group Holdings Limited. Ms. Zhang is a senior accountant and Certified Public Accountant and holds the qualification of senior manager of international finance and a bachelor’s degree. She has extensive experience in corporate finance management.

孫少軍先生，中國籍，45歲，本公司執行董事及執行總裁；自二零零二年十二月十八日起擔任本公司董事；其擔任本公司董事之上一任任期自二零零五年十二月十八日起，於二零零八年十二月十七日屆滿，已根據中國法律繼續擔任董事職務；一九八八年加入濰坊柴油機廠，歷任濰坊柴油機廠技術中心主任，濰坊柴油機廠總工程師、湘火炬汽車集團股份有限公司董事等職；孫先生亦擔任本公司多家附屬公司的董事職務；高級工程師，工學博士，山東省人民政府泰山學者特聘專家；在本公司長期從事柴油機研發工作，具有豐富的企業技術管理經驗。

張泉先生，中國籍，47歲，本公司執行董事及執行總裁；自二零零二年十二月十八日起擔任本公司董事；其擔任本公司董事之上一任任期自二零零五年十二月十八日起，於二零零八年十二月十七日屆滿，已根據中國法律繼續擔任董事職務；一九八六年加入濰坊柴油機廠，歷任濰坊柴油機廠質量部部長、市場部部長等職；張先生亦擔任本公司多家附屬公司的董事職務；高級經濟師，工學學士，MBA碩士學位，在本公司長期從事市場營銷工作，具有豐富的企業市場營銷管理經驗。

張伏生女士，中國籍，53歲，本公司非執行董事；自二零零二年十二月十八日起擔任本公司董事；其擔任本公司董事之上一任任期自二零零五年十二月十八日起，於二零零八年十二月十七日屆滿，已根據中國法律繼續擔任董事職務；一九七五年加入濰坊柴油機廠，歷任濰坊柴油機廠財務部部長、總會計師、湘火炬汽車集團股份有限公司董事、副總裁等職；現任濰柴控股集團有限公司副總經理，高級會計師、註冊會計師，高級國際財務管理師資格，大學學歷；具有豐富的企業財務管理經驗。

Mr. Liu Huisheng, Chinese, aged 45, is a Non-executive Director of the Company. His appointment as director of the Company was from 30th June, 2006 to 17th December, 2008 and he has since continued to hold his directorship under PRC law. Mr. Liu joined Weifang Diesel Engine Factory in 1989 and had held the positions of deputy general manager of the power branch of Weifang Diesel Engine Factory, general manager of Chongqing Weichai Diesel Engine Factory, and deputy general manager of Weifang Diesel Engine Factory. He is now the general manager of Weichai Heavy Machinery Co., Ltd. Mr. Liu is a senior economist and holds a bachelor's degree in engineering. He has extensive experience in corporate general management.

Mr. Yao Yu, Chinese, aged 40, is a Non-executive Director of the Company. He has been a director of the Company since 18th December, 2002. His latest appointment as director of the Company was from 18th December, 2005 to 17th December, 2008 and he has since continued to hold his directorship under PRC law. He had held positions of secretary to the Board of 深圳合眾實業股份有限公司 (Shenzhen Hezhong Industrial Co. Ltd.), assistant general manager of 深圳天極電業股份有限公司 (Shenzhen Tianjin Electric Co. Ltd.) and senior investment manager of Shenzhen Chuangxin Investment Group Company Limited. He holds a MBA degree and has nearly 10 years of experience in investment management and related fields.

Mr. Yeung Sai Hong, Chinese, aged 56, is a Non-executive Director of the Company and the chairman of Peterson Holdings Company Limited which is a promoter of the Company. He has been a director of the Company since 18th December, 2002. His latest appointment as director of the Company was from 18th December, 2005 to 17th December, 2008 and he has since continued to hold his directorship under PRC law. He is also a member of the 10th Shandong Provincial Committee of the Chinese People's Political Consultative Conference.

Mr. Chen Xuejian, Chinese, aged 55, is a Non-executive Director of the Company. He has been a director of the Company since 29th June, 2004. His latest appointment as director of the Company was from 18th December, 2005 to 17th December, 2008 and he has since continued to hold his directorship under PRC law. He had held various positions including the director of Weifang Accounting Firm, deputy director of Local Taxation Bureau of Weifang, deputy director of Finance Bureau of Weifang. Mr. Chen is now the general manager Party committee secretary of Weifang Investment Company, member of the tenth sessions of China National People's Political Consultative Conference of Weifang, representative of the fifteenth sessions of the National People's Congress of Weifang, director of Weichai Heavy Machinery Co., Ltd, director of Shandong Helon Co., Ltd, vice chairman of FOTON Lovol Heavy Industries Co., Ltd, director of 濰坊商業股份有限公司 (Weifang Commercial Bank Co., Ltd), director of Shandong Shouguang Rural Commercial Bank Co., Ltd, chairman of Weifang Binhai Investment Development Co., Ltd, vice chairman of 濰坊港有限公司 (Weifang Port Co., Ltd.), vice chairman of Huadian Weifang Power Generation Co., Ltd., director of Shandong International Trust Corporation, and director of Shandong Weijiao Group Co., Ltd.

劉會勝先生，中國籍，45歲，本公司非執行董事；其擔任本公司董事之任期自二零零六年六月三十日起，於二零零八年十二月十七日屆滿，已根據中國法律繼續擔任董事職務；一九八九年加入濰坊柴油機廠，歷任濰坊柴油機廠動力廠副廠長、重慶濰柴發動機廠廠長、濰坊柴油機廠副廠長等職；現任濰柴重機股份有限公司總經理；高級經濟師，工學學士，有豐富的企業綜合管理經驗。

姚宇先生，中國籍，40歲，本公司非執行董事；自二零零二年十二月十八日起擔任本公司董事；其擔任本公司董事之上一任任期自二零零五年十二月十八日起，於二零零八年十二月十七日屆滿，已根據中國法律繼續擔任董事職務；歷任深圳合眾實業股份有限公司董事會秘書、深圳天極電業股份有限公司總經理助理、深圳市創新投資集團有限公司高級投資經理；工商管理碩士，具有近10年豐富的投資管理經驗及相關經歷。

楊世杭先生，中國籍，56歲，本公司非執行董事；本公司發起人之一培新控股有限公司董事長；自二零零二年十二月十八日起擔任本公司董事；其擔任本公司董事之上一任任期自二零零五年十二月十八日起，於二零零八年十二月十七日屆滿，已根據中國法律繼續擔任董事職務；中國人民政治協商會議第十屆山東省委員會委員。

陳學儉先生，中國籍，55歲，本公司非執行董事；自二零零四年六月二十九日起擔任本公司董事；其擔任本公司董事之上一任任期自二零零五年十二月十八日起，於二零零八年十二月十七日屆滿，已根據中國法律繼續擔任董事職務；歷任濰坊市會計師事務所所長、濰坊市地稅局副局長、濰坊市財政局副局長等職務；現任濰坊市投資公司總經理、黨委書記；濰坊市十屆政協委員、濰坊市第十五屆人大代表；濰柴重機股份有限公司董事、山東海龍股份有限公司董事、福田雷沃國際重工股份有限公司副董事長、濰坊商業股份有限公司董事、山東壽光農村商業銀行股份有限公司董事、濰坊濱海投資發展有限公司董事長、濰坊港有限公司副董事長、華電濰坊發電有限公司副董事長、山東省國際信託投資公司董事；山東濰焦集團有限公司董事。

Mr. Li San Yim, Chinese (Hong Kong), aged 59, is a Non-executive Director of the Company. He has been a director of the Company since 18th December, 2002. His latest appointment as director of the Company was from 18th December, 2005 to 17th December, 2008 and he has since continued to hold his directorship under PRC law. Mr. Li founded Fujian Longyan Construction Machinery (Group) Company Limited (a promoter of the Company) in 1993, and now is the chairman of Lonking Holdings Limited (03339.HK).

Mr. Julius G. Kiss, Austrian, aged 83, is a Non-executive Director of the Company. He is the chairman of IVM Technical Consultants Wien G. m.b.H. which is a promoter of the Company. He has been a director of the Company since 18th December, 2002. His latest appointment as director of the Company was from 18th December, 2005 to 17th December, 2008 and he has since continued to hold his directorship under PRC law.

Ms. Han Xiaoqun, Chinese, aged 60, is a Non-executive Director of the Company. Her appointment as director of the Company was from 18th December, 2005 to 17th December, 2008 and she has since continued to hold her directorship under PRC law. Ms. Han is the chairman of 山東省企業託管經營股份有限公司 (Shandong Provincial Enterprises Trusteeship & Operation Co., Ltd.) which is a promoter of the Company.

Mr. Gu Linsheng, Chinese, aged 70, is an Independent Director of the Company. His appointment as director of the Company was from 30th April, 2007 to 17th December, 2008 and he has since continued to hold his directorship under PRC law. He served as an independent director of Torch Automobile Group Co., Ltd. from 30th April, 2004 to 30th April, 2007.

Mr. Li Shihao, Chinese, aged 70, retired in February 2001, is an Independent Director of the Company. His appointment as director of the Company was from 30th April, 2007 to 17th December, 2008 and he has since continued to hold his directorship under PRC law. He is now the director of 科學技術委員會 (science and technology committee) and 城市車輛專家委員會 (urban vehicle specialist committee) of the Ministry of Housing and Urban-Rural Development.

Mr. Liu Zheng, Chinese, aged 63, is an Independent Director of the Company. His appointment as director of the Company was from 30th April, 2007 to 17th December, 2008 and he has since continued to hold his directorship under PRC law. Mr. Liu was the general manager of Weifang Investment Company from 1999 to February 2004. He retired in February 2004.

李新炎先生，中國籍，59歲，本公司非執行董事；自二零零二年十二月十八日起擔任本公司董事；其擔任本公司董事之上一任任期自二零零五年十二月十八日起，於二零零八年十二月十七日屆滿，已根據中國法律繼續擔任董事職務；於1993年創辦本公司發起人之一福建龍岩工程機械(集團)有限公司，現任中國龍工控股有限公司(03339.HK)董事局主席。

Julius G. Kiss先生，奧地利籍，83歲，本公司非執行董事；本公司發起人之一IVM Technical Consultants Wien G.m.b.H. 董事長。自二零零二年十二月十八日起擔任本公司董事；其擔任本公司董事之上一任任期自二零零五年十二月十八日起，於二零零八年十二月十七日屆滿，已根據中國法律繼續擔任董事職務。

韓小群女士，中國籍，60歲，本公司非執行董事；其擔任本公司董事之任期自二零零五年十二月十八日起，於二零零八年十二月十七日屆滿，已根據中國法律繼續擔任董事職務；現任本公司發起人之一山東省企業託管經營股份有限公司董事長。

顧林生先生，中國籍，70歲，本公司獨立董事；其擔任本公司董事之任期自二零零七年四月三十日起，於二零零八年十二月十七日屆滿，已根據中國法律繼續擔任董事職務；二零零四年四月三十日至二零零七年四月三十日任湘火炬汽車集團股份有限公司獨立董事。

李世豪先生，中國籍，70歲，本公司獨立董事，二零零一年二月退休，其擔任本公司董事之任期自二零零七年四月三十日起，於二零零八年十二月十七日屆滿，已根據中國法律繼續擔任董事職務；現任住房與城鄉建設部科學技術委員會城市車輛專家委員會主任。

劉征先生，中國籍，63歲，本公司獨立董事；其擔任本公司董事之任期自二零零七年四月三十日起，於二零零八年十二月十七日屆滿，已根據中國法律繼續擔任董事職務；一九九九年至二零零四年二月，任濰坊市投資公司總經理；二零零四年二月退休。

Mr. Zhang Xiaoyu, Chinese, aged 65, is an Independent Non-executive Director of the Company. He has been a director of the Company since 20th October, 2003. His latest appointment as director of the Company was from 18th December, 2005 to 17th December, 2008 and he has since continued to hold his directorship under PRC law. Mr. Zhang served as the deputy director of 中國國家機械工業局 (State Mechanic Industry Bureau of the PRC). He is a senior engineer with professor-grade treatment. Mr. Zhang is the vice-chairman of 中國機械工業聯合會 (China Machinery Industrial Association), chairman of 中國汽車工程學會 (China Vehicles Engineering Association) and chairman of 中國內燃機學會 (China Internal Combustion Engine Association).

Mr. Koo Fook Sun, Louis, English, aged 54, is an Independent Non-executive Director of the Company. He has been a director of the Company since 20th October, 2003. His latest appointment as a director of the Company was from 18th December, 2005 to 17th December, 2008 and he has since continued to hold his directorship under PRC law. Mr. Koo is the managing director of Hercules Capital Limited, a corporate finance consultancy company. He served various positions for many international investment banks and directorship and chief executive officer for Hong Kong listed companies. In addition to the Company, he currently also serves as an independent director of other companies listed on the main board of Hong Kong Stock Exchange. He graduated with a bachelor degree in business administration from the University of California, Berkeley. Mr. Koo is also a certified accountant.

Mr. Fang Zhongchang, Chinese, aged 68, is an Independent Non-executive Director of the Company. He has been a director of the Company since 15th December, 2004. His latest appointment as a director of the Company was from 18th December, 2005 to 17th December, 2008 and he has since continued to hold his directorship under PRC law. Mr. Fang was graduated from Harbin Industrial University. He previously served as engineer at 山東安邱玻璃廠 (Shandong Anqiu County Glasswork), deputy mayor of 安丘縣 (Anqiu County), deputy mayor of Weifang Municipal Government, secretary to the Municipal Disciplinary Committee of the Standing Committee of Weifang Municipal Government, and deputy director of the Standing Committee of Weifang Municipal People's Congress. He was also a visiting researcher of the Chinese Academy of Management Science and a Representative of the People's Congress for the Shandong Province. He retired from civil service in 2002.

張小虞先生，中國籍，65歲，本公司獨立非執行董事；自二零零三年十月二十日起擔任本公司董事；其擔任本公司董事之上一任任期自二零零五年十二月十八日起，於二零零八年十二月十七日屆滿，已根據中國法律繼續擔任董事職務；歷任中國國家機械工業局副局長，教授級高級工程師，現任中國機械工業聯合會副會長、中國汽車工程學會理事長及中國內燃機學會理事長。

顧福身先生，英國籍，54歲，本公司獨立非執行董事；自二零零三年十月二十日起擔任本公司董事；其擔任本公司董事之上一任任期自二零零五年十二月十八日起，於二零零八年十二月十七日屆滿，已根據中國法律繼續擔任董事職務；現為凱利融資有限公司(企業財務顧問公司)董事總經理，歷任多家國際投資銀行主要職務及香港上市公司董事兼行政總裁，除公司外，現時亦兼任香港聯交所多家主板上市公司之獨立董事；顧先生畢業於美國University of California, Berkeley，獲得工商管理學士學位，亦為公認會計師。

房忠昌先生，中國籍，68歲，本公司獨立非執行董事；自二零零四年十二月十五日起擔任本公司董事；其擔任本公司董事之上一任任期自二零零五年十二月十八日起，於二零零八年十二月十七日屆滿，已根據中國法律繼續擔任董事職務；畢業於哈爾濱工業大學，歷任山東安邱玻璃廠工程師、安丘縣副縣長、濰坊市政府副市長、濰坊市委常委市紀委書記及濰坊市人大常委會副主任；曾任中國管理科學院特邀研究員及山東省人大代表；於二零零二年卸任公職退休。



(2) SUPERVISORS

Mr. Sun Chengping, Chinese, aged 63, is the Chairman of the Supervisory committee of the Company. He has been a supervisor of the Company since 18th December, 2002. He joined Weifang Diesel Engine Factory in 1969 and was the deputy general manager and Party committee secretary of Weifang Diesel Engine Factory, and supervisor of Torch Automobile Group Co., Ltd. He is now the general manager of Weichai Group Holdings Limited. Mr. Sun is a senior economist and holds a junior college's degree. He has extensive experience in diesel engine production management and technology renovation.

Mr. Ding Yingdong, Chinese, aged 42, is a Supervisor of the Company and assistant to president and director of operational management department. He has been a supervisor of the Company since 22nd October, 2007. Mr. Ding joined Weifang Diesel Engine Factory in 1990 and had held positions of deputy director of corporate planning department and director of human resources department of Weifang Diesel Engine Factory, director of human resources department and director of corporate management department of Weichai Power Co., Limited. He is assistant to president of the Company. Mr. Ding is a senior economist and holds the qualification of senior manager of corporate human resources and a bachelor's degree in engineering. He has extensive experience in corporate management.

Ms. Jiang Jianfang, Chinese, aged 48, is a Supervisor of the Company. She has been a supervisor of the Company since 18th December, 2002. She was the deputy chief of the financial audit committee and vice director of risk control department of 廣西柳工集團有限公司 (Guangxi Liugong Group Company Limited) and a supervisor of 廣西柳工機械股份有限公司 (Guangxi Liugong Machinery Company Limited). Ms. Jiang is an accountant.

(3) SENIOR MANAGEMENT

Mr. Li Dakai, Chinese, aged 57, is an Executive President of the Company. Mr. Li has been a member of the senior management of the Group since Shaanxi Fast Gear Co., Ltd. became a subsidiary of the Company in April 2007. Mr. Li had held various positions including director of product design department, chief economist, general manager of Shaanxi Auto Gear General Works, and director and deputy president of Torch Automobile Group Co., Ltd. He currently holds the positions of chairman and general manager of Shaanxi Fast Auto Drive Group Company and director and general manager of Shaanxi Fast Gear Co., Ltd. Mr. Li holds a bachelor's degree and is a senior engineer with researcher-grade treatment. He was honored "National Labor Model" and entitled specialist who can receive state special allowance. Mr. Li was appointed as a Representative of the Eleventh National People's Congress of the PRC and member of the Standing Committee of Xi'an Municipal People's Congress. He has extensive experience in heavy-duty gear box designing and production management.

(2) 監事

孫承平先生，中國籍，63歲，本公司監事會主席；自二零零二年十二月十八日起擔任本公司監事；一九六九年加入濰坊柴油機廠，歷任濰坊柴油機廠副廠長、黨委書記、湘火炬汽車集團股份有限公司監事等職；現任濰柴控股集團有限公司總經理，高級經濟師，大專學歷，有豐富的柴油機製造管理和技術改造方面的經驗。

丁迎東先生，中國籍，42歲，本公司監事；自二零零七年十月二十二日起擔任本公司監事；一九九零年加入濰坊柴油機廠，歷任濰坊柴油機廠企業策劃部副部長、人力資源部部長、濰柴動力股份有限公司人力資源與企業管理部部長等職；現任本公司總裁助理，高級經濟師，高級企業人力資源管理師，職業資格，工學學士，有豐富的企業管理工作經驗。

蔣建芳女士，中國籍，48歲，本公司監事；自二零零二年十二月十八日起擔任本公司監事；歷任廣西柳工集團有限公司財經審計委員會副主任、風險控制部副部長，廣西柳工機械股份有限公司監事；會計師職稱。

(3) 高級管理人員

李大開先生，中國籍，57歲，本公司執行總裁；李先生自二零零七年四月陝西法士特齒輪有限責任公司成為本公司附屬公司時起成為本集團高級管理人員；歷任陝西汽車齒輪總廠產品設計室主任、總經濟師、廠長、湘火炬汽車集團股份有限公司董事、副總裁等職；現任陝西法士特汽車傳動集團有限責任公司董事長、總經理；陝西法士特齒輪有限責任公司董事、總經理，研究員級高級工程師，大學學歷，全國勞動模範，享受國務院特殊津貼專家，十一屆全國人大代表，西安市人大常委會委員；具有豐富的重型齒輪箱設計與製造管理經驗。

Mr. Fang Hongwei, Chinese, aged 44, is an Executive President of the Company. Mr. Fang has been a member of the senior management of the Group since Shaanxi Heavy-duty Motor Company Limited became a subsidiary of the Company in April 2007. He had held the positions of section chief of test technology section of motor research institute, deputy director of financial department, deputy general manager, general manager of sales company and executive deputy general manager of Shaanxi Automobile Manufactory. Mr. Fang is now the director and general manager of Shaanxi Heavy-duty Motor Company Limited. Mr. Fang is a senior economist and holds a master's degree in engineering and the senior career manager certification of machinery industrial corporation. He has extensive experience in heavy-duty vehicle designing and production management.

Mr. Xu Hong, Chinese, aged 51, is an Executive President of the Company. He joined Weifang Diesel Engine Factory in 1976 and was the deputy general manager of foundry branch, general manager of 鑄鍛廠 (cast branch) and director of production department. Mr. Xu holds a bachelor's degree. He has extensive experience in the management of production and manufacturing.

Mr. Cheung Tat Leung, Peter, Chinese (Hong Kong), aged 40, is the Chief Financial Officer, Company Secretary and Qualified Accountant of the Company and is responsible for the accounting and finance functions and secretary affairs of the Company. Mr. Cheung joined the Company in October 2008. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Cheung has worked for many companies listed on the main board of the Hong Kong Stock Exchange. He holds a bachelor's degree and has over 15 years' experience in the accounting and financial management fields.

Mr. Dai Lixin, Chinese, aged 43, is the Secretary to the Board and Director of Securities department of the Company. He joined Weifang Diesel Engine Factory in 1987 and was the deputy director of the treasury department of Weifang Diesel Engine Factory. Mr. Dai is an economist and holds a bachelor's degree. He has extensive experience in corporate financing, restructure, merger and acquisition.

Mr. Feng Gang, Chinese, aged 46, is the Vice President of the Company and the Deputy General Manager of the Marketing company. He was manager of technology service department, assistant general manager and executive deputy general manager of sales company and executive deputy director of marketing management department of Weifang Diesel Engine Factory. He is an engineer and holds a bachelor's degree in engineering. Mr. Feng has extensive experience in marketing.

方紅衛先生，中國籍，44歲，本公司執行總裁；方先生自二零零七年四月陝西重型汽車有限公司成為本公司附屬公司時起成為本集團高級管理人員；歷任陝西汽車製造總廠汽研所試驗技術科科長、財務處副處長、副廠長兼銷售公司總經理、常務副廠長等職；現任陝西重型汽車有限公司董事、總經理，高級經濟師，工程碩士，獲得機械工業企業高級職業經理人資格認證，具有豐富的重型汽車設計與製造管理經驗。

徐宏先生，中國籍，51歲，本公司執行總裁；一九七六年加入濰坊柴油機廠，歷任濰坊柴油機廠鑄造廠副廠長、鑄鍛廠廠長及製造部部長等職，大學學歷，具有豐富的生產製造管理經驗。

張達良先生，中國香港籍，40歲，為本公司財務總監、公司秘書暨合資格會計師，負責本公司的會計和財務工作與公司秘書事務；二零零八年十月加入本公司；英國特許公認會計師公會資深會員及香港會計師公會資深會員；曾於多家香港聯交所主板上市公司工作，大學學歷，擁有逾15年的會計及財務管理經驗。

戴立新先生，中國籍，43歲，本公司董事會秘書、證券部部長；一九八七年加入濰坊柴油機廠，歷任濰坊柴油機廠資本運營部副部長等職；經濟師，大學學歷；具有豐富的企業融資和重組併購經驗。

馮剛先生，中國籍，46歲，本公司副總裁；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等職，工程師，工學學士，具有豐富的市場營銷經驗。

Mr. Tong Dehui, Chinese, aged 46, is the Vice President and the Supervisor of the Engineering department of the Company. He was the supervisor of the laboratory of engineering department, assistant supervisor of engineering department, deputy chief engineer of Weifang Diesel Engine Factory. Mr. Tong is a senior engineer and holds a doctor's degree in engineering and has extensive experience in the research and development of engine and management.

Mr. Li Zhi, Chinese, aged 52, is the Vice President of the Company. He was the deputy general manager of Xinjiang Xinghuo Machinery Factory, general manager of Xinjiang Bearing Factory General Works, general manager of Zhuzhou headquarter of TAGC, supervisor, general manager of investment management department, vice president of Torch Automobile Group Co., Ltd. Mr. Li is a senior economist and holds a bachelor's degree. He has extensive experience in corporate operation management.

Mr. Zhou Chongyi, Chinese, aged 46, is the Vice President of the Company. He was the deputy supervisor of engineering department, deputy chief engineer of China National Heavy Duty Truck Group Corp, Ltd. and deputy chief engineer of Shanghai Huizhong Automobile Co. Ltd. Mr. Zhou is a senior engineer and holds a bachelor's degree. He has extensive experience in heavy-duty vehicle designing and production and manufacturing management.

Mr. Qian Cheng, American, aged 48, is the Vice President of the Company. He was the senior project engineer of engineering department of Caterpillar in the USA, senior project manager of North America engineering department of Ricardo in the UK, senior design engineer of product design — chassis department of Ford Motor Company in the USA, senior project engineer of product design center of General Motors in the USA, vice president and director of international business department of Torch Automobile Group Co., Ltd. Mr. Qian graduated with a doctor's degree from University of Kentucky and has extensive experience in commercial vehicle strategy research.

Mr. Liu Xinhua, Chinese, aged 55, is the Vice President of the Company, Manager of Hangzhou branch. Mr. Liu holds a junior college's degree. He was the director of production department, deputy general manager, executive deputy general manager, and general manager of Hangzhou Engine Co., Ltd. Mr. Liu has extensive experience in engine production and management.

佟德輝先生，中國籍，46歲，本公司副總裁兼技術中心主任；歷任濰坊柴油機廠技術中心測試室主任、技術中心副主任、副總工程師，高級工程師，工學博士，具有豐富的發動機研發及管理經驗。

李智先生，中國籍，52歲，本公司副總裁；歷任新疆星火機械廠副廠長、新疆軸承廠總廠廠長；湘火炬株洲本部總經理，湘火炬汽車集團股份有限公司監事、投資管理部總經理、副總裁等職，高級經濟師，大學學歷，具有豐富的企業運營管控經驗。

周崇義先生，中國籍，46歲，本公司副總裁；歷任中國重型汽車集團公司技術中心副主任；中國重型汽車集團公司副總工程師；上海匯眾汽車有限公司副總工程師等職，高級工程師，大學學歷，具有豐富的重型汽車設計與生產製造管理經驗。

錢誠先生，美國籍，48歲，本公司副總裁；歷任美國卡特彼勒公司技術中心高級項目工程師；英國Ricardo公司北美技術中心高級項目經理；美國福特汽車公司產品研發一底盤部高級設計工程師；美國通用汽車公司產品設計中心高級項目工程師；湘火炬汽車集團股份有限公司副總裁、國際業務部部長等職，美國肯塔基大學博士，具有豐富的商用車戰略研究經驗。

劉新華先生，中國籍，55歲，本公司副總裁兼杭州分公司總經理；大專學歷，歷任杭州汽車發動機廠生產處處長、副廠長、常務副廠長、廠長，具有豐富的發動機製造與管理經驗。

The directors present their annual report and the audited consolidated financial statements of the Group for the year ended 31st December, 2010.

董事會謹此提呈截至二零一零年十二月三十一日止年度的年度董事會報告及本集團經審核綜合財務報表。

PRINCIPAL ACTIVITIES

The principal activities of the Group is the manufacture and sale of diesel engines and related parts, automobiles and other major automobile components, minor automobile components and import and export services. There were no significant changes in the nature of the Group's principal activities during the year. The activities of its principal subsidiaries and associates are set out in notes 20 and 21 to the financial statements, respectively.

主要業務

本集團主要從事生產及銷售柴油機、相關零部件、汽車及其他主要汽車零部件、非主要汽車零部件及進出口服務的業務。本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分別載於財務報表附註20及21。

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December, 2010 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 82 to 214.

業績及分配

本集團截至二零一零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82至214頁的財務報表。

The directors recommended the payment of a final dividend of RMB0.43 per ordinary share for the year ended 31st December, 2010 to shareholders. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the equity section of the statement of financial position.

董事會建議向股東派發截至二零一零年十二月三十一日止年度末期股息每股普通股人民幣0.43元。在財務報表中，此項建議已作為分配保留利潤列入財務狀況報表的權益部份。

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 215. This summary does not form part of the audited financial statements.

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215頁。此摘要並不構成經審核財務報表的一部份。

PROPERTY, PLANT AND EQUIPMENT

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

物業、機器及設備

本公司及本集團物業、機器及設備的年內變動詳情載於財務報表附註14。

INVESTMENT PROPERTIES

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

投資物業

本集團投資物業的年內變動詳情載於財務報表附註15。

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 35 to the financial statements.

股本

本公司股本的年內變動詳情載於財務報表附註35。



RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 36 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31st December, 2010, the Company's reserve available for distribution, calculated in accordance with the relevant regulations, amounted to RMB11,130,674,000, out of which dividend of RMB716,419,000 for the year ended 31st December, 2010 was proposed on 30 March 2011. In addition, the Company's share premium account in the amount of RMB999,522,000 in its statutory financial statements may be distributed in the form of fully paid bonus shares.

CHARITABLE CONTRIBUTIONS

During the year, the Group made charitable contributions totalling approximately RMB24,882,000.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 29.03% of the total sales for the year and sales to the largest customers included therein amounted to 10.35%. Purchases from the Group's five largest suppliers accounted for less than 30% of the total purchases for the year.

None of the directors and supervisors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers.

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36及綜合權益變動表。

可分派儲備

於二零一零年十二月三十一日，根據相關規例計算，本公司的可供分派儲備為人民幣11,130,674,000元，其中於二零一一年三月三十日建議派發截至二零一零年十二月三十一日止年度之股息人民幣716,419,000元。此外，本公司法定財務報表中的股份溢價賬人民幣999,522,000元可以繳足紅股的方式進行分派。

慈善捐款

年內，本集團作出約人民幣24,882,000元之慈善捐款。

主要客戶及供應商

於回顧年度，本集團五大客戶佔本年度總銷售額的29.03%，其中最大客戶佔10.35%。本集團五大供應商所佔總採購額佔本年度總採購額少於30%。

本公司董事、監事或彼等的任何聯繫人或據董事所知擁有本公司已發行股本超過5%的任何股東，概無在本集團五大客戶擁有任何實益權益。

DIRECTORS AND SUPERVISORS

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

Executive directors:

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

Non-executive directors:

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

Independent non-executive directors:

Zhang Xiaoyu
 Koo Fook Sun, Louis
 Fang Zhongchang

Supervisors:

Sun Chengping
 Ding Yingdong
 Jiang Jianfang

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)
 徐新玉(執行總裁)
 孫少軍(執行總裁)
 張 泉(執行總裁)

非執行董事：

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

獨立非執行董事：

張小虞
 顧福身
 房忠昌

監事：

孫承平
 丁迎東
 蔣建芳

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 25 to 32 of the annual report.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the executive directors has entered into a service contract with the Company from 18th December, 2005 to 17th December, 2008. Each of the aforesaid directors has since continued to holdover his directorship under the relevant law of the People's Republic of China (the "PRC"). The latest appointment of each of the non-executive directors and supervisors was from 18th December, 2005 to 17th December, 2008, except that Liu Huisheng, a non-executive director, was appointed on 30th June, 2006 at the Company's annual general meeting and his term of office ran from 30th June, 2006 to 17th December, 2008; Liu Zheng, Li Shihao and Gu Linsheng, non-executive directors, were appointed on 29th December, 2006 at the Company's extraordinary general meeting and their term of office ran from 30th April, 2007 to 17th December, 2008; Ding Yingdong, Supervisor, was appointed on 22nd October, 2007 at the Company's labor representative meeting and his term of office ran from 22nd October, 2007 to 17th December, 2008. Each of the aforesaid directors and supervisors has since continued to holdover his/her directorship under the PRC law. The latest appointment of each independent non-executive director of the Company was from 18th December, 2005 to 17th December, 2008. Each of the aforesaid directors has since continued to holdover his directorship under the PRC law.

董事及高級管理人員的簡歷

本公司董事及本集團高級管理人員的簡歷詳情載於年報第25至32頁。

董事及監事服務合約

執行董事已各自與本公司訂立服務合約，自二零零五年十二月十八日起，至二零零八年十二月十七日止。上述各董事已根據中華人民共和國(「中國」)相關法律繼續擔任董事職務。各非執行董事及監事的上一任任期自二零零五年十二月十八日起至二零零八年十二月十七日止，惟非執行董事劉會勝於二零零六年六月三十日之本公司股東週年大會上獲委任，故任期自二零零六年六月三十日起至二零零八年十二月十七日止；非執行董事劉征、李世豪及顧林生於二零零六年十二月二十九日之本公司股東特別大會上獲委任，任期自二零零七年四月三十日起至二零零八年十二月十七日止；監事丁迎東於二零零七年十月二十二日本公司之勞動代表會議獲委任，任期自二零零七年十月二十二日起至二零零八年十二月十七日止。上述各董事及監事已根據中國法律繼續擔任董事職務。本公司各獨立非執行董事的上一任任期自二零零五年十二月十八日起至二零零八年十二月十七日止，上述各董事已根據中國法律繼續擔任董事職務。

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

董事及監事於重大合約的權益

李新炎先生，在福建龍岩工程機械(集團)有限公司及龍工(上海)機械有限公司的股本間接擁有權益，於本公司向該兩家公司供應柴油機及柴油機零部件的合約中擁有權益。有關交易的詳情載於下文「持續性關連交易」一節。除上述披露者外，概無董事於本公司、其控股公司、附屬公司或同系附屬公司年內所訂立，對本集團業務屬重大的任何合約中直接或間接擁有重大權益。

DIRECTORS' AND SUPERVISORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31st December, 2010, the interests and short position (if any) of the directors, the chief executive 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 Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"), were as follows:

董事及監事於股份及相關股份的權益

於二零一零年十二月三十一日，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合交易所有限公司的權益及淡倉(如有)如下：

Name of Director 董事姓名	Capacity 身份	Number of "A" shares held 所持A股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Tan Xuguang 譚旭光	Beneficial owner 實益擁有人	13,760,000 (Note 1) (附註1)	0.83%
Xu Xinyu 徐新玉	Beneficial owner 實益擁有人	3,200,000 (Note 1) (附註1)	0.19%
Sun Shaojun 孫少軍	Beneficial owner 實益擁有人	3,200,000 (Note 1) (附註1)	0.19%
Zhang Quan 張泉	Beneficial owner 實益擁有人	3,200,000 (Note 1) (附註1)	0.19%
Liu Huisheng 劉會勝	Beneficial owner 實益擁有人	1,920,000 (Note 1) (附註1)	0.12%
Yeung Sai Hong (Note 3) 楊世杭 (附註3)	Held by controlled corporation 由受控法團持有	71,341,038 (Note 2) (附註2)	4.28%
Li San Yim (Note 4) 李新炎 (附註4)	Held by spouse and controlled corporation 由配偶及受控法團持有	56,817,800 (Note 1) (附註1)	3.41%
Julius G. Kiss (Note 5) Julius G. Kiss (尤利斯G.肯斯) (附註5)	Held by controlled corporation 由受控法團持有	34,400,000 (Note 2) (附註2)	2.06%
Name of supervisor 監事姓名			
Ding Yingdong 丁迎東	Beneficial owner 實益擁有人	1,120,000 (Note 1) (附註1)	0.07%

Notes:

1. 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.
2. These were previously foreign shares of the Company. The foreign shares were ordinary shares issued by the Company, with a Renminbi-denominated par value of RMB1.00 each, which were subscribed for and paid up in a currency other than Renminbi. These shares became "A" shares of the Company upon the "A" share listing of the Company on the Shenzhen Stock Exchange.
3. Yeung Sai Hong, a Non-executive Director, was directly and indirectly interested in the issued share capital of Peterson Holdings Company Limited ("Peterson"), which in turn held 71,341,038 shares in the Company.
4. Li San Yim, a Non-executive Director, and his spouse, Ni Yinying, were interested in 69.16% and 30.84%, respectively, in the registered capital of 福建龍岩工程機械(集團)有限公司 (Fujian Longyan Construction Machinery (Group) Company Limited ("Fujian Longgong")) which in turn held 56,817,800 shares in the Company, and therefore Li San Yim was deemed to be interested in these shares of the Company.
5. Julius G. Kiss, a Non-executive Director, was indirectly interested in the entire issued share capital of IVM Technical Consultants Wien Gesellschaft m.b.H. ("IVM"), which in turn held 34,400,000 shares in the Company.
6. All the shareholding interests listed in the above table are "long" position.

Save as disclosed above, as at 31st December, 2010, none of the directors, the chief executive 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 and required to be kept pursuant to Section 352 of the SFO, or as otherwise notified to the Company pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section "Directors' and supervisors' interests in shares and underlying shares" above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director and supervisor or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

附註:

1. 該等股份之前為本公司內資股。內資股為本公司發行的普通股，以人民幣列值，每股面值人民幣1.00元，以人民幣認購及繳足或入賬列為繳足。該等股份於本公司A股在深交所上市後成為本公司之A股。
2. 該等股份之前為本公司外資股。外資股為本公司發行的普通股，以人民幣列值，每股面值人民幣1.00元，以人民幣以外的貨幣認購及繳足。該等股份於本公司A股在深交所上市後成為本公司之A股。
3. 非執行董事楊世杭直接及間接擁有培新控股有限公司(「培新」)已發行股本權益，而培新則持有71,341,038股本公司股份。
4. 非執行董事李新炎及其配偶倪銀英分別擁有福建龍岩工程機械(集團)有限公司(「福建龍工」)註冊股本的69.16%及30.84%權益，而福建龍工則持有56,817,800股本公司股份，因此，李新炎被視為擁有該等本公司股份的權益。
5. 非執行董事Julius G. Kiss(尤利斯G.肯斯)間接擁有奧地利IVM技術諮詢維也納有限公司(「IVM」)全部已發行股本，而IVM則持有34,400,000股本公司股份。
6. 上表所列的所有股權權益均為好倉。

除上文所披露者外，於二零一零年十二月三十一日，概無董事、高級管理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條須存置的登記冊須記錄的權益或淡倉，或根據上市公司董事進行證券交易的標準守則須通知本公司的權益或淡倉。

董事購買股份或債券的權利

除上文「董事及監事於股份及相關股份的權益」一節所披露者，於年內任何時間，並無向任何董事及監事或彼等各自的配偶或子女授出可透過購入本公司股份或債券而取得利益的權利，或彼等並無行使任何該等權利；而本公司、其控股公司、或其任何附屬公司或同系附屬公司亦無訂立任何安排，以致董事可購入任何其他法人團體的該等權利。

DETAILS OF CHANGES IN SHARE CAPITAL AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

股本變動和主要股東持股情況

(I) Changes in shareholdings

1. Changes in share capital

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

(I) 股本變動情況表

1. 股權變動

年內本公司股本變動如下：

	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	349,824,937	41.99%	—	—	285,092,297	-64,732,640	220,359,657	570,184,594	34.22%
1. State-owned shares 國家持股	24,224,937	2.91%	—	—	—	-24,224,937	-24,224,937	—	—
2. State-owned legal person shares 國有法人持股	162,320,000	19.49%	—	—	186,612,297	24,292,297	210,904,594	373,224,594	22.40%
3. Shares held by other domestic entities including: 其他內資持股其中：	108,480,000	13.02%	—	—	59,260,000	-49,220,000	10,040,000	118,520,000	7.11%
Shares held by non State-owned legal persons 境內非國有法人持股	84,800,000	10.18%	—	—	35,580,000	-49,220,000	-13,640,000	71,160,000	4.27%
Shares held by domestic natural persons 境內自然人持股	23,680,000	2.84%	—	—	23,680,000	—	23,680,000	47,360,000	2.84%
4. Shares held by other foreign entities including: 外資持股其中：	54,800,000	6.58%	—	—	39,220,000	-15,580,000	23,640,000	78,440,000	4.71%
Shares held by overseas legal persons 境外法人持股	54,800,000	6.58%	—	—	39,220,000	-15,580,000	23,640,000	78,440,000	4.71%
Shares held by overseas natural persons 境外自然人持股	—	—	—	—	—	—	—	—	—
5. Shares held by executives 高管股份	—	—	—	—	—	—	—	—	—
II. Non-restricted circulating shares 無限售條件股份	483,220,746	58.01%	—	—	547,953,386	64,732,640	612,686,026	1,095,906,772	65.78%
1. RMB ordinary shares 人民幣普通股	280,820,746	33.71%	—	—	345,553,386	64,732,640	410,286,026	691,106,772	41.48%
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	202,400,000	24.30%	—	—	202,400,000	—	202,400,000	404,800,000	24.30%
4. Others 其他	—	—	—	—	—	—	—	—	—
III. Total number of shares 股份總數	833,045,683	100.00%	—	—	833,045,683	—	833,045,683	1,666,091,366	100%

Notes:

- On 29 July 2010, the lock-up period of 80,694,500 restricted shares of the Company expires, representing 9.69% of the total shares of the Company.
- On 16 August 2010, Weichai Group Holdings Limited, the controlling shareholder of the Company undertakes to transfer the 15,961,860 shares acquired by it in the secondary market from non-restricted shares to restricted shares.
- On 26 October 2010, the Company convened the first extraordinary general meeting, the first general meeting of A shares and the first general meeting of H shares, and considered and passed a resolution in relation to share issuing by conversion of capital reserve in the interim period of 2010: the Company proposed to make the distribution at the rate of 10 shares for every 10 shares by conversion of the capital reserve based on the total share capital of 833,045,683 shares of the Company. The proposal has been implemented on 6 December 2010.
- There were no internal staff shares during the reporting period.

附註：

- 2010年7月29日，公司80,694,500股限售股解禁，佔公司股份總數的9.69%；
- 2010年8月16日，公司控股股東濰柴控股集團有限公司承諾將其二級市場增持的15,961,860股無限售流通股轉為有限售條件股份。
- 2010年10月26日，公司召開2010年第一次臨時股東大會、第一次A股股東會議和第一次H股股東會議，審議通過了關於2010年中期實施資本公積金轉增股本的議案：按公司總股本833,045,683股為基數，每10股轉增10股。該方案於2010年12月6日實施。
- 截止報告期末公司無內部職工股。

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

2. 有限售條件股份可上市交易時間

Time 時間	Additional shares that can be listed and traded upon expiry of the restricted period 限售期滿新增可上市交易股份數量	Remaining restricted shares 有限售條件股份數量餘額	Remaining non-restricted shares 無限售條件股份數量餘額	Description 說明
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30th April, 2013

570,184,594

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Under the commitments of Weichai Group Holdings Limited and subject to such commitments, none of the 124,236,640 shares of the Company held by it shall be transferred or managed by other person or repurchased by the Company within 36 months commencing from 30 April 2010; the 15,961,860 additional shares of the Company acquired by it are subject to a lock-up period commencing from 16 August 2010 to 30 April 2013, during which no such shares will be listed on any stock exchange system or transferred or managed by other person or repurchased by the Company. Upon the share issuing by conversion of capital reserve in the interim period of 2010, the restricted circulating shares of the Company held by it amounted to 280,397,000 shares.

二零一三年
四月三十日

根據濰柴控股集團有限公司出具的承諾函並受該等承諾函所規限，其所持有的124,236,640萬股本公司的股份自2010年4月30日起三十六個月內不轉讓或者委託他人管理，也不由本公司回購；其所增持的15,961,860萬股本公司的股份自2010年8月16日起限售鎖定，鎖定期至2013年4月30日止，限售鎖定期間，不會通過證券交易系統掛牌交易或以其他任何方式轉讓或委託他人管理該等股份，也不會由本公司回購。2010年中期資本公積轉增股本後，該公司持有本公司的有限售條件股份為28,039.7萬股。

Time 時間	Additional shares that can be listed and traded upon expiry of the restricted period 限售期滿 新增可上市 交易股份數量	Remaining restricted shares 有限售條件 股份數量餘額	Remaining non-restricted shares 無限售條件 股份數量餘額	Description 說明
				<p>Under the commitments of Weifang Investment Company, Peterson Holdings Company Limited, Fujian Longyan Construction Machinery (Group) Company Limited, IVM Technical Consultants Wien Gesellschaft m.b.H, Shandong Enterprise Trust Operation Company Limited and Guangxi Liugong Group Limited and subject to such commitments, the lock-up period for the 30,898,480, 26,320,000, 24,080,000, 12,900,000, 11,500,000 and 7,184,880 restricted shares of the Company subject to lock-up terms held by the above parties respectively will be extended for another three years since the expiration on 30 April 2010, which means no such shares will be listed on any stock exchange system or transferred or managed by other person or repurchased by the Company within 36 months commencing from the expiration of lock-up period on 30 April 2010. Upon the share issuing by conversion of capital reserve in the interim period of 2010, the restricted circulating shares of the Company held by such six companies amounted to 61,796,960, 52,640,000, 48,160,000, 25,800,000, 23,000,000 and 14,369,760 shares, respectively.</p> <p>根據濰坊市投資公司、培新控股有限公司、福建龍岩工程機械(集團)有限公司、奧地利IVM技術諮詢維也納有限公司、山東省企業託管經營股份有限公司、廣西柳工集團有限公司出具的承諾函並受該等承諾函所規限，其分別持有的本公司3,089,848萬股、2,632萬股、2,408萬股、1,290萬股、1,150萬股、718,488萬股有限售條件股份自2010年4月30日期後再延長鎖定三年，即自2010年4月30日限售期滿之日起三十六個月內不會通過證券交易系統掛牌交易或以其他任何方式轉讓或委託他人管理該等股份，也不會由本公司回購。2010年中期資本公積轉增股本方案實施後，上述六家公司持有本公司的有限售條件股份分別為6,179,696萬股、5,264萬股、4,816萬股、2,580萬股、2,300萬股、1,436,976萬股。</p>

Time	Additional shares that can be listed and traded upon expiry of the restricted period 限售期滿 新增可上市 交易股份數量	Remaining restricted shares 有限售條件 股份數量餘額	Remaining non-restricted shares 無限售條件 股份數量餘額	Description 說明
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Under the commitments of Zhuzhou State-owned Assets Investment Holdings Company Limited and subject to such commitments, the lock-up period for the 8,330,437 shares of the Company subject to lock-up terms held by it will be extended for another three years since the expiration on 30 April 2010, which means no such shares will be listed on any stock exchange system or transferred or repurchased by the Company within 36 months commencing from the expiration of lock-up period on 30 April 2010. Upon the share issuing by conversion of capital reserve in the interim period of 2010, the restricted circulating shares of the Company held by it amounted to 16,660,874 shares.

根據株洲市國有資產投資控股集團有限公司出具的承諾函並受該等承諾函所規限，其持有的本公司833,0437萬股有限售條件股份自2010年4月30日期滿後再延長鎖定三年，即自2010年4月30日限售期滿之日起三十六個月內，不會通過證券交易系統掛牌交易或以其他任何方式轉讓，也不會由本公司回購。2010年中期資本公積轉增股本方案實施後，該公司持有本公司的有限售條件股份為1,666.0874萬股。

Time 時間	Additional shares that can be listed and traded upon expiry of the restricted period 限售期滿新增可上市交易股份數量	Remaining restricted shares 有限售條件股份數量餘額	Remaining non-restricted shares 無限售條件股份數量餘額	Description 說明
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Under the commitments of the 24 nature person shareholders (including Tan Xuguang) and subject to such commitments, no shares of the Company held by them will be listed on any stock exchange system or transferred or managed by other person or repurchased by the Company within 36 months commencing from 30 April 2010. Upon the share issuing by conversion of capital reserve in the interim period of 2010, the restricted circulating shares of the Company held by the 24 nature person promoter shareholders amounted to 47,360,000 shares.

根據譚旭光等24名自然人股東出具的承諾函並受該等承諾函所規限，其所持有的本公司的股份將自2010年4月30日起三十六個月內不會通過證券交易系統掛牌交易或以其他任何方式轉讓或委託他人管理該等股份，也不會由本公司回購。2010年中期資本公積轉增股本方案實施後，24名自然人發起人股東持有本公司的有限售條件股份共計4,736萬股。

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

3. 前10名有限售條件股東持股數量及限售條件

Serial No	Name of restricted share shareholders	Number of restricted shares held	Time permitted to be listed and traded in the market	Number of shares permitted to be listed and traded in the market	Restriction
序號	有限售條件股份股東名稱	持有的有限售條件股份數量	可上市交易時間	新增可上市交易股份數量	限售條件
1.	濰柴控股集團有限公司 (「濰柴控股」) (Weichai Group Holdings Limited ("Weichai Holdings"))	280,397,000	30th April, 2013 二零一三年 四月三十日	—	See "Description" section of "2. Time over which shares are restricted from listing for trade".
2.	濰坊市投資公司 (Weifang Investment Company)	61,796,960	30th April, 2013 二零一三年 四月三十日	—	見「2.有限售條件股份可上市交易時間」中「說明」部分。
3.	培新控股有限公司 (Peterson Holdings Company Limited)	52,640,000	30th April, 2013 二零一三年 四月三十日	22,560,000	
4.	福建龍岩工程機械(集團) 有限公司 (Fujian Longyan Construction Machinery (Group) Company Limited)	48,160,000	30th April, 2013 二零一三年 四月三十日	20,640,000	

Serial No	Name of restricted share shareholders	Number of restricted shares held	Time permitted to be listed and traded in the market	Number of shares permitted to be listed and traded in the market	Restriction
序號	有限售條件股份股東名稱	持有的有限售條件股份數量	可上市交易時間	新增可上市交易股份數量	限售條件
5.	奧地利IVM技術諮詢維也納有限公司 (IVM Technical Consultants Wien Gesellschaft m.b.H)	25,800,000	30th April, 2013 二零一三年四月三十日	8,600,000	
6.	山東省企業託管經營股份有限公司 (Shandong Enterprise Trust Operation Company Limited)	23,000,000	30th April, 2013 二零一三年四月三十日	9,000,000	
7.	株洲市國有資產投資經營有限公司 (Zhuzhou State-owned Assets Administration Management Company Limited)	16,660,874	30th April, 2013 二零一三年四月三十日	31,789,000	
8.	廣西柳工集團有限公司 (Guangxi Liugong Group Limited)	14,369,760	30th April, 2013 二零一三年四月三十日	—	
9.	Tan Xuguang 譚旭光	13,760,000	30th April, 2013 二零一三年四月三十日	—	
10.	Xu Xinyu 徐新玉	3,200,000	30th April, 2013 二零一三年四月三十日	—	

(II) Shareholdings of the Substantial Shareholders as at 31st December, 2010

Total number of Shareholders

股東總數

(II) 於二零一零年十二月三十一日之主要股東持股情況

The number of shareholders is 162,630 among which 162,359 are shareholders of "A" shares and 271 are shareholders of "H" shares. 股東總數共162,630戶，其中A股股東162,359戶，H股股東271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 持有有限售條件股份數量	Number of shares pledged or frozen 質押或凍結的股份數量
HKSCC Nominees Limited 香港中央結算代理人有限公司	Foreign shareholder 外資股東	24.15%	402,407,996	—	N/A 未知
濰柴控股集團有限公司 (Weichai Group Holdings Limited)	State-owned legal person 國有法人	16.83%	280,397,000	280,397,000	—
Peterson Holdings Company Limited 培新控股有限公司	Overseas legal person 境外法人	4.28%	71,341,038	52,640,000	—
濰坊市投資公司 (Weifang Investment Company)	State-owned legal person 國有法人	3.71%	61,796,960	61,796,960	—

Name of shareholder	Type of shareholder	Approximate percentage of shares held (%) 持股概約百分比 (%)	Total number of shares held 持股總數	Number of restricted shares held 持有有限售條件股份數量	Number of shares pledged or frozen 質押或凍結的股份數量
股東名稱	股東性質				
福建龍岩工程機械(集團)有限公司 (Fujian Longyan Construction Machinery (Group) Company Limited)	Domestic non-state-owned legal person 境內非國有法人	3.41%	56,817,800	48,160,000	—
深圳市創新投資集團有限公司 (Shenzhen Chuangxin Investment Group Co., Ltd)	Domestic non-state-owned legal person 境內非國有法人	3.40%	56,615,968	—	—
奧地利IVM技術諮詢維也納有限公司 (IVM Technical Consultants Wien Gesellschaft m.b.H)	Overseas legal person 境外法人	2.06%	34,400,000	25,800,000	—
Agricultural Bank of China — 中郵核心成長股票型證券投資基金 中國農業銀行 — 中郵核心成長股票型證券投資基金	Domestic non-state-owned legal person 境內非國有法人	2.03%	33,764,958	—	—
山東省企業託管經營股份有限公司 (Shandong Enterprise Trust Operation Company Limited)	Domestic non-state-owned legal person 境內非國有法人	1.70%	28,400,000	23,000,000	—
Agricultural Bank of China — 中郵核心成長股票型證券投資基金 中國農業銀行 — 中郵核心優選股票型證券投資基金	Domestic non-state-owned legal person 境內非國有法人	1.04%	17,330,096	—	—

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	402,407,996	Overseas listed foreign shares 境外上市外資股
Shenzhen Capital Group Co., Ltd 深圳市創新投資集團有限公司	56,615,968	RMB ordinary shares 人民幣普通股
Agricultural Bank of China – 中郵核心成長股票型證券投資基金 中國農業銀行—中郵核心成長股票型證券投資基金	33,764,958	RMB ordinary shares 人民幣普通股
Peterson Holdings Company Limited 培新控股有限公司	18,701,038	RMB ordinary shares 人民幣普通股
Agricultural Bank of China – 中郵核心優選股票型證券投資基金 中國農業銀行—中郵核心優選股票型證券投資基金	17,330,096	RMB ordinary shares 人民幣普通股
Bank of China – 大成藍籌穩健證券投資基金 中國銀行—大成藍籌穩健證券投資基金	11,620,000	RMB ordinary shares 人民幣普通股
Bank of China — 易方達深證100交易型開放式指數證券投資基金 中國銀行—易方達深證100交易型開放式指數證券投資基金	10,020,865	RMB ordinary shares 人民幣普通股
China Construction Bank — 富國天博創新主題股票型證券投資基金 中國建設銀行—富國天博創新主題股票型證券投資基金	10,000,000	RMB ordinary shares 人民幣普通股
Fujian Longyan Construction Machinery (Group) Company Limited 福建龍岩工程機械(集團)有限公司	8,657,800	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	8,600,000	RMB ordinary shares 人民幣普通股

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

1. Among the aforementioned shareholders, Agricultural Bank of China – 中郵核心成長股票型證券投資基金 and Agricultural Bank of China – 中郵核心優選股票型證券投資基金 are both managed by a fund manager, namely China Post & Capital Fund Management Co., Ltd.
2. Save as the aforementioned, it's not certain whether there is any connected relationship among the top ten shareholders and the other top ten non-restricted shareholders, or whether there is any acting in concert relationship among them.

上述股東關聯關係或一致行動的說明：

1. 以上股東中，中國農業銀行—中郵核心成長股票型證券投資基金與中國農業銀行—中郵核心優選股票型證券投資基金為同一基金管理人—中郵創業基金管理有限公司。
2. 除上述情況以外，本公司未知其前十名股東及其他前十名無限售條件股東之間是否存在關聯關係，也未知其是否屬一致行動人士。

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 31st December, 2010, the following persons (other than the directors, the chief executive and the supervisors) had the following interests and the 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，於二零一零年十二月三十一日，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淡倉(如有)：

Name	Capacity	Long/ Short position	Number of A shares	Percentage of share capital comprising only A shares	Number of H shares	Percentage of share capita comprising only H shares	Percentage of total issued share capital
名稱	身份	好倉/ 淡倉	A股數目	佔A股股本 百分比	H股數目	佔H股股本 百分比	佔已發行 股本總數 百分比
Weichai Group Holdings Limited 濰柴控股集團有限公司	Beneficial owner 實益擁有人	Long 好倉	280,397,000	22.23%	—	—	16.83%
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	280,397,000	22.23%	—	—	16.83%
State-owned Assets Supervision and Administration Commission of Shandong Province ("Shandong SASAC") (Note 1) 山東省國有資產監督管理委員會(「山東國資委」) (附註1)	Held by controlled corporation 由受控法團持有	Long 好倉	280,397,000	22.23%	—	—	16.83%
Peterson Holdings Company Limited ("Peterson") (Note 2) 培新控股有限公司(「培新」)(附註2)	Beneficial owner 實益擁有人	Long 好倉	75,200,000	5.96%	—	—	4.51%
Yeung Sai Hong (Note 2) 楊世航(附註2)	Held by controlled corporation 由受控法團持有	Long 好倉	75,200,000	5.96%	—	—	4.51%
Tingho Nominees Limited (Note 2) Tingho Nominees Limited (附註2)	Held by controlled corporation 由受控法團持有	Long 好倉	75,200,000	5.96%	—	—	4.51%
Advantage Investment Corporation Limited (Note 2)	Held by controlled corporation	Long	75,200,000	5.96%	—	—	4.51%

Name	Capacity	Long/ Short position	Number of A shares	Percentage of share capital comprising only A shares	Number of H shares	Percentage of share capita comprising only H shares	Percentage of total issued share capital
名稱	身份	好倉/ 淡倉	A股數目	佔A股股本 百分比	H股數目	佔H股股本 百分比	佔已發行 股本總數 百分比
Advantage Investment Corporation Limited (附註2)	由受控法團持有	好倉					
Shenzhen Chuangxin Investment Group Co., Ltd (Note 3)	Beneficial owner	Long	68,800,000	5.45%	—	—	4.13%
深圳市創新投資集團有限公司(附註3)	實益擁有人	好倉					
Shenzhen Chuangxi Investment Management Company (Note 3)	Held by controlled corporation	Long	68,800,000	5.45%	—	—	4.13%
深圳市創新投資管理公司(附註3)	由受控法團持有	好倉					
Fujian Longyan Construction Machinery (Group) Company Limited ("Fujian Longgong") (Note 4)	Beneficial owner	Long	68,800,000	5.45%	—	—	4.13%
福建龍岩工程機械(集團)有限公司(「福建龍工」) (附註4)	實益擁有人	好倉					
Li San Yim (Note 4)	Held by controlled corporation and spouse	Long	68,800,000	5.45%	—	—	4.13%
李新炎(附註4)	由受控法團及配偶持有	好倉					
Ni Yinying (Note 4)	Held by controlled corporation and spouse	Long	68,800,000	5.45%	—	—	4.13%
倪銀英(附註4)	由受控法團及配偶持有	好倉					
JPMorgan Chase & Co. JPMorgan Chase & Co.	Beneficial owner 實益擁有人	Long 好倉	—	—	1,601,000	0.40%	0.10%
	Investment manager 投資經理	Long 好倉	—	—	14,088,000	3.48%	0.84%
	Custodian Corporation/ approved lending agent 保證人-法團/核准借出 代理人	Long 好倉	—	—	24,664,988	6.09%	1.48%
					40,353,988	9.97%	2.42%
	Beneficial owner 實益擁有人	Short 淡倉	—	—	900,000	0.22%	0.05%
Lazard Asset Management LLC Lazard Asset Management LLC	Investment manager 投資經理	Long 好倉	—	—	36,474,600	9.01%	2.19%
Lazard Emerging Markets Equity Portfolio Lazard Emerging Markets Equity Portfolio	Investment manager 投資經理	Long 好倉	—	—	33,184,600	8.20%	1.99%
The Capital Group Companies, Inc. The Capital Group Companies, Inc.	Investment manager 投資經理	Long 好倉	—	—	32,372,600	8.00%	1.94%



Notes:

1. State-owned Assets Supervision and Administration Commission of Shandong Province ("Shandong SASAC") held the entire capital of Shandong Heavy Industry Group Co., Ltd., which in turn held the entire capital of Weichai Group Holding Limited (formerly known as Weifang Diesel Engine Works).
2. Yeung Sai Hong, a Non-Executive Director, was beneficially interested in the entire issued share capital of Tingho Nominees Limited, which in turn held 100% of Advantage Investment Corporation Limited, which was interested in 90% of the issued share capital of Peterson.
3. Shenzhen Chuangxin Investment Management Company was interested in approximately 33.73% of the registered capital of Shenzhen Chuangxin Investment Group Company Limited.
4. The registered capital of Fujian Longgong was held as to 69.16% by Li San Yim, a Non-Executive Director, and as to 30.84% by Ni Yinying, spouse of Li San Yim, and therefore Ni Yinying was deemed to be interested in these shares of the Company.

Save as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company as 31st December, 2010.

附註：

1. 山東省國有資產監督管理委員會(「山東國資委」)持有山東重工集團有限公司的全部股本，而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. 非執行董事楊世杭實益擁有Tingho Nominees Limited的全部已發行股本，Tingho Nominees Limited持有Advantage Investment Corporation Limited的100%股權，而Advantage Investment Corporation Limited則持有培新的90%已發行股本。
3. 深圳市創新投資管理公司擁有深圳市創新投資集團有限公司註冊股本的約33.73%權益。
4. 非執行董事李新炎及李新炎之配偶倪銀英分別擁有福建龍工註冊股本的69.16%及30.84%權益，因此倪銀英被視為於該等本公司股份中擁有權益。

除上文披露者外，於二零一零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 DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

I. Shareholdings of the directors, supervisors and chief executives

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

On 30 April 2010, the lock-up period undertaken by the above shareholders expired. With confidence in the development of the Company in the future, nine natural-person promoter shareholders extended the lock-up period for another 36 months. Upon expiry of the lock-up period, shares held by them will be transferred according to the relevant requirements of CSRC and Shenzhen Stock Exchange.

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

There is no appointment of the directors, supervisors and officers during the reporting period.

CONTINUING CONNECTED TRANSACTIONS

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

List of Connected Persons and the relationship with the Company

Name of Connected Person 關連人士名稱	Abbreviation 簡稱	Relationship between the Connected Person and the Group 關連人士與本集團之關係
Weichai Group Holdings Limited 濰柴控股集團有限公司	Weichai Holdings 濰柴控股	Held 16.83% interest in the Company, one of the Promoters of the Company 持有本公司16.83%權益， 本公司發起人之一
Fujian Longgong Construction Machinery (Group) Company Limited 福建龍岩工程機械(集團)有限公司	Fujian Longgong 福建龍工	Indirectly wholly owned and controlled by Mr. Li San Yim (a non-executive director of the Company) and his spouse 由本公司非執行董事李新炎先生及 其配偶間接全資擁有及控股

董事、監事、高級管理人員情況

I. 董事、監事、高級管理人員持股情況

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

2010年4月30日，上述股東承諾的限售期滿。基於對公司未來發展的信心，上述9名自然人發起人股東均追加承諾限售鎖定36個月。限售期滿後，其所持股票將按中國證監會及深圳證券交易所的有關規定轉讓。

II. 董事、監事、高級管理人員的新聘或解聘情況

報告期內，無聘任董事、監事、高級管理人員的情況。

持續性關連交易

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

關連人士列表及其與本公司之關係

Name of Connected Person 關連人士名稱	Abbreviation 簡稱	Relationship between the Connected Person and the Group 關連人士與本集團之關係
Shanghai Longgong Machinery Company Limited 龍工(上海)機械有限公司	Shanghai Longgong 上海龍工	Indirectly wholly owned and controlled by Mr. Li San Yim (a non-executive director of the Company) and his spouse 由本公司非執行董事李新炎先生及 其配偶間接全資擁有及控股
Weifang Weichai Deutz Diesel Engine Co., Ltd. 濰坊濰柴道依茨柴油機有限公司	Weichai Deutz 濰柴道依茨	Weichai Holdings held a 50% interest in Weichai Deutz 濰柴控股持有濰柴道依茨50%權益
Weichai Heavy-duty Machinery Co., Ltd (formerly known as Shan Dong Juli Company Limited) 濰柴重機股份有限公司 (前稱為山東巨力股份有限公司)	Weichai Heavy Machinery 濰柴重機	Weichai Holdings held 30.59% interest in Weichai Heavy-duty Machinery 濰柴控股持有濰柴重機30.59%權益
Shaanxi Fast Gear Automotive Transmission Co., Ltd. 陝西法士特汽車傳動集團有限公司	Fast Transmission 法士特集團	Held a 49% interest in a subsidiary of the Company, Shaanxi Fast Gear Co., Ltd. ("SFGC") 持有本公司附屬公司陝西法士特齒輪 有限責任公司(「陝西法士特齒輪」) 49%權益
Shaanxi Automotive Group Co., Ltd. 陝西汽車集團有限責任公司	Shaanxi Automotive 陝汽集團	Held a 49% interest in a subsidiary of the Company, Shaanxi Heavy Duty Automotive Co., Ltd. ("Shaanxi zhongqi") 持有本公司附屬公司陝西重型汽車 有限公司(「陝西重汽」)49%權益

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

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

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

Upon the expiry of the Weichai Holdings General Services Agreement and Chongqing Weichai General Services Agreement on 31 December 2010, the Company shall have an option to renew the agreement for a term of three years. The approved annual caps for the aforesaid services provided by Weichai Holdings and Chongqing Weichai for the year ended 31 December 2010 is RMB47.5 million. In the year ended 31 December 2010, the total amount charged by Weichai Holdings and Chongqing Weichai to the Company for the said services was RMB39,437,000.

1. 濰柴控股及其聯繫人士向本公司提供綜合服務及勞務服務

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

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

於二零一零年十二月三十一日濰柴控股綜合服務協議及重慶濰柴綜合服務協議屆滿後,本公司可選擇重續協議,為期三年。濰柴控股及重慶濰柴提供上述服務於截至二零一零年十二月三十一日止年度之經批准年度上限為人民幣47,500,000元。於截至二零一零年十二月三十一日止年度,濰柴控股及重慶濰柴就上述服務向本公司收取的總金額為人民幣39,437,000元。

2. Supply and/or connection of utilities by Weichai Holdings and its associate 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 has agreed to provide or provide the connection of certain utility and energy services to the Company, namely, water, electricity, gas, steam, oxygen, nitrogen, compressed air, waste water treatment and supply of treated waste water, etc. The fees payable by the Company to Weichai Holdings with respect to the provision of the said services are determined based on the actual usage of the Company and by reference to the market prices of such utilities. If only government published rates are available with respect to certain utilities, the fees payable would be determined by reference to the government published rates plus the wastage, depreciation and repair expenses incurred by Weichai Holdings in relation thereto. If no market price or government published rates with respect to the above utility and energy services are available, the Company will pay the actual costs incurred by Weichai Holdings in relation to the provision of such utility and energy services plus a service charge representing not more than 20% of such costs. Since 1 January 2006, Weichai Holdings has been charging the Company a service charge of 5% of the actual costs incurred thereof. The fees are settled by the parties on a monthly basis.

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

2. 濰柴控股及其聯繫人士向本公司及其附屬公司供應及／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」), 濰柴控股同意向本公司提供或接駁水、電、煤氣、蒸汽、氧、氮、壓縮空氣、污水淨化處理及供應經淨化處理的污水等若干動能及能源服務。本公司就提供上述服務應向濰柴控股支付的費用, 乃根據本公司的實際用量及參照有關動能的市價而釐定。若一些動能僅有政府公佈價格可供參考, 則應付服務費將按該等政府公佈價格, 另加濰柴控股因此產生的損耗、折舊及維修開支而釐定。若上述動能及能源服務並無市價或政府公佈價格, 本公司將須向濰柴控股支付其提供該等動能及能源服務所產生的實際成本, 另加佔該等成本不多於20%的服務附加費。自二零零六年一月一日起, 濰柴控股已就因此產生的實際成本的5%向本公司收取服務附加費。該等費用由雙方按月結算。

根據本公司與重慶濰柴於二零零三年十一月十七日訂立的動能服務協議(經多項補充協議修訂及補充, 統稱為「重慶濰柴動能服務協議」), 重慶濰柴同意向本公司提供或接駁水、電、煤氣、蒸汽、氧、氮、壓縮空氣等若干動能及能源服務。本公司就上述服務應向重慶濰柴支付的費用, 乃根據本公司的實際用量或(倘不可能計算該等用量)重慶濰柴和本公司各自的年度銷售額比例及參照該等動能服務的市價釐定。若一些動能僅有政府公佈價格可供參考, 則應付服務費將按該等政府公佈價格, 另加重慶濰柴因此產生的損耗、折舊及維修開支而釐定。若上述動能及能源服務並無市價或政府公佈價格, 本公司將須向重慶濰柴支付其提供該等動能及能源服務所產生的實際成本, 另加佔該等成本不多於20%的服務附加費。重慶濰柴已就因此產生的實際成本的20%向本公司收取服務附加費。該等費用由雙方按月結算。

Upon the expiry of the Weichai Holdings Utilities Services Agreement and Chongqing Weichai Utilities Services Agreement on 31 December 2010, the Company shall have an option to renew the agreement for a term of three years. The approved annual caps for the aforesaid services provided by Weichai Holdings and Chongqing Weichai for the year ended 31 December 2010 is RMB290 million. In the year ended 31 December 2010, the total amount charged by Weichai Holdings and Chongqing Weichai to the Company for the said services was RMB192,568,000.

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

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

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

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

Upon the expiry of the Weichai Purchase and Processing Services Agreement on 31 December 2010, the Company shall have an option to renew the agreement for a term of three years. The approved annual caps for the aforesaid purchases made and services received from Weichai Holdings and Chongqing Weichai for the years ended 31 December 2010 is RMB112.5 million. In the year ended 31 December 2010, the total purchases made and processing services received by the Company from Weichai Holdings and Chongqing Weichai amounted to RMB103,309,000 in total.

於二零一零年十二月三十一日濰柴控股動能服務協議及重慶濰柴動能服務協議屆滿後，本公司可選擇重續協議，為期三年。濰柴控股及重慶濰柴提供上述服務於截至二零一零年十二月三十一日止年度之經批准年度上限為人民幣290,000,000元。於截至二零一零年十二月三十一日止年度，濰柴控股及重慶濰柴就上述服務向本公司收取的總金額為人民幣192,568,000元。

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

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

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

上述交易由雙方按月結算。

於二零一零年十二月三十一日濰柴採購及加工服務協議屆滿後，本公司可選擇重續協議，為期三年。向濰柴控股及重慶濰柴作出上述採購及獲得上述服務於截至二零一零年十二月三十一日止年度之經批准年度上限為人民幣112,500,000元。於截至二零一零年十二月三十一日止年度，本公司向濰柴控股及重慶濰柴作出該等採購及獲得加工服務的總金額為人民幣103,309,000元。



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

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

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

The approved annual caps for the aforesaid sales made and services provided to Weichai Holdings and its certain associates for the year ended 31 December 2010 is RMB315 million, respectively. In the year ended 31 December 2010, the total sales made and processing services provided by the Company and Weichai Resources to Weichai Holdings and its certain associates amounted to RMB 204,700,000 in total.

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

Pursuant to the asset lease agreement entered into between the Company and Weichai Holdings on 21 November 2003 (as amended and supplemented by various supplemental agreement, collectively referred to as "Lease of Buildings and Equipment"), Weichai Holdings has agreed to lease to the Company certain buildings (including factories and warehouses with a total gross floor area of 63,245 square metres) situated at Weichai Holdings (the "Buildings") and all the equipment in relation to the manufacture of certain semi-finished diesel engine parts (collectively referred to as "Equipment") located in the Buildings for a term ending 31 December 2012, upon the expiry of which the parties may renew the term for another three years on a mutually agreed basis.

The approved annual caps for the lease rental payable to Weichai Holdings in respect of the Lease of Buildings and Equipment for each of the years ended/ending 31 December 2010, 2011 and 2012 are all RMB43 million. In the year ended 31 December 2010, the total lease rental payable by the Company to Weichai Holdings in respect of the lease of Buildings and Equipment amounted to RMB42,841,000.

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

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

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

向濰柴控股及其若干聯繫人士作出上述銷售及提供上述服務於截至二零一零年十二月三十一日止年度之經批准年度上限為人民幣315,000,000元。於截至二零一零年十二月三十一日止年度，本公司及濰柴資源向濰柴控股及其若干聯繫人士作出該等銷售及提供加工服務的總金額為人民幣204,700,000元。

5. 濰柴控股(及其聯繫人)向本公司(及其附屬公司)出租房屋及設備

根據本公司與濰柴控股於二零零三年十一月二十一日訂立的資產租賃協議(經多項補充協議修訂及補充，統稱「房屋及設備租約」)，濰柴控股同意向本公司出租位於濰柴廠的若干房屋(包括總建築面積為63,245平方米的工廠及倉庫)(「房屋」)及置於房屋內且與製造若干柴油機零部件毛坯有關的所有設備(統稱為「設備」)，協議年期截至二零一二年十二月三十一日止。在協議到期後，雙方在協商的基础上，可以續簽延長三年合同期限。

就房屋及設備租約應向濰柴控股支付的租金於截至二零一零年、二零一一年及二零一二年十二月三十一日止年度之經批准年度上限均為人民幣43,000,000元。於截至二零一零年十二月三十一日止年度，本公司就房屋及設備租約應向濰柴控股支付的租金總額為人民幣42,841,000元。

6. Lease of properties by Chongqing Weichai to the Company

Pursuant to the properties lease agreement entered into between the Company and Chongqing Weichai on 1 July 2003 (as amended and supplemented by various supplemental agreements, collectively referred to as "Lease of Properties"), Chongqing Weichai has agreed to lease to the Company certain land and buildings where the Chongqing Production Line is situated for a term ending 31 December 2012.

The approved annual caps for the lease rental payable to Chongqing Weichai in respect of the Lease of Properties for each of the years ended/ending 31 December 2010, 2011 and 2012 are all RMB4 million. In the year ended 31 December 2010, the total lease rental payable by the Company to Chongqing Weichai in respect of the Lease of Properties amounted to RMB4,000,000.

7. Supply of diesel engines and diesel engine parts by the Company to Fujian Longgong and Shanghai Longgong and their associates

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

The approved annual caps for the aforesaid sales of diesel engines and diesel engine parts to Fujian Longgong and Shanghai Longgong and their associates for the year ended 31 December 2010 is RMB1.5 billion. In the year ended 31 December 2010, the total sales of diesel engines and diesel engine parts made by the Company to Fujian Longgong and Shanghai Longgong and their associates amounted to RMB951,910,000.

8. Sale of semi-finished diesel engine parts and related products by the Company to Weichai Deutz

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

6. 重慶濰柴向本公司出租物業

根據本公司與重慶濰柴於二零零三年七月一日訂立的物業租賃協議(經多項補充協議修訂及補充,統稱為「物業租約」),重慶濰柴同意向本公司出租重慶生產線所在的若干土地及樓宇,協議年期截至二零一二年十二月三十一日止。

就物業租約應向重慶濰柴支付的租金於截至二零一零年、二零一一年及二零一二年十二月三十一日止年度之經批准年度上限均為人民幣4,000,000元。於截至二零一零年十二月三十一日止年度,本公司就物業租約應向重慶濰柴支付的租金總額為人民幣4,000,000元。

7. 本公司向福建龍工及上海龍工以及彼等之聯繫人士供應柴油機及柴油機零部件

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

向福建龍工及上海龍工以及彼等之聯繫人士銷售上述柴油機及柴油機零部件於截至二零一零年十二月三十一日止年度之經批准年度上限為人民幣1,500,000,000元。於截至二零一零年十二月三十一日止年度,本公司向福建龍工及上海龍工以及彼等之聯繫人士銷售柴油機及柴油機零部件的總金額為人民幣951,910,000元。

8. 本公司向濰柴道依茨銷售柴油機零部件毛坯及相關產品

根據本公司與濰柴道依茨於二零零三年十月二十一日訂立的總銷售協議(經多項補充協議補充),本公司同意按市價向濰柴道依茨供應用於其226B系列柴油機的柴油機零部件毛坯及相關產品,由雙方按月結算,協議年期截至二零一零年十二月三十一日止,於屆滿後本公司可選擇重續協議,為期三年。

The approved annual caps for the aforesaid sales of semi-finished diesel engine parts and related products to Weichai Deutz for the years ended 31 December 2010 is RMB170 million. In the year ended 31 December 2010, total sales of RMB91,077,000 of semi-finished diesel engines parts and related products were made by the Company to Weichai Deutz.

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

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

The approved annual caps for the aforesaid sales and warranty period repair services provided to Weichai Deutz for the year ended 31 December 2010 is RMB26 million. In the year ended 31 December 2010, the sales and warranty period repair services provided by the Company to Weichai Deutz amounted to RMB19,877,000 in total.

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

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

The approved annual caps for the aforesaid purchases of diesel engine parts and components and related products from Weichai Deutz for the years ended 31 December 2010 is RMB60 million. In the year ended 31 December 2010, the total purchases of diesel engine parts and components and related products made by Weichai Resources from Weichai Deutz amounted to RMB34,377,000.

向濰柴道依茨銷售上述柴油機零部件毛坯及相關產品於截至二零一零年十二月三十一日止年度之經批准年度上限為人民幣170,000,000元。於截至二零一零年十二月三十一日止年度，本公司向濰柴道依茨銷售柴油機零部件毛坯及相關產品的總金額為人民幣91,077,000元。

9. 本公司向濰柴道依茨提供銷售與保修期維修服務

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

向濰柴道依茨提供上述銷售與保修期維修服務於截至二零一零年十二月三十一日止年度之經批准年度上限為人民幣26,000,000元。於截至二零一零年十二月三十一日止年度，本公司向濰柴道依茨提供銷售與保修期維修服務的總金額為人民幣19,877,000元。

10. 濰柴資源向濰柴道依茨採購柴油機零部件及相關產品

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

向濰柴道依茨採購上述柴油機零部件及相關產品於截至二零一零年十二月三十一日止年度之經批准年度上限為人民幣60,000,000元。於截至二零一零年十二月三十一日止年度，濰柴資源向濰柴道依茨採購該等柴油機零部件及相關產品的總金額為人民幣34,377,000元。

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

Pursuant to the diesel engines purchase agreement entered into between the Company and Weichai Deutz on 27 November 2008 (as supplemented by various supplemental agreements), the Company has agreed to purchase certain diesel engines and related products from Weichai Deutz, at market prices and settled on a quarterly basis, for a term ending 31 December 2012, upon the expiry of which the Company shall have the option to extend the term for another three years.

The approved annual caps for the aforesaid purchases of diesel engines and related products from Weichai Deutz for the three years ending 31 December 2012 are RMB200 million, RMB300 million and RMB500 million, respectively. In the year ended 31 December 2010, the total purchases of diesel engines and related products made by the Company from Weichai Deutz amounted to RMB72,026,000.

12. Sale of diesel engines and related products by the Company to Weichai Heavy

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 agreement were assumed by Weichai Heavy Machinery pursuant to a supplemental framework agreement entered into between the Company, Weichai Holdings and Weichai Heavy Machinery on 23 August 2010. Pursuant to the framework agreement, the Company has agreed to sell to Weichai Heavy Machinery WD615 Engines and related products, at market prices and settled on a monthly basis, for a term ending 31 December 2012, upon the expiry of which the parties may extend the term for another three years.

The approved annual caps for the aforesaid sales of diesel engines and related products to Weichai Heavy Machinery for the years ended/ending 31 December 2010, 2011 and 2012 are RMB400 million, RMB480 million and RMB600 million, respectively. In the year ended 31 December 2010, the total sales of diesel engines and related products made by the Company to Weichai Heavy Machinery amounted to RMB303,440,000.

11. 本公司向濰柴道依茨採購柴油機及相關產品

根據本公司與濰柴道依茨於二零零八年十一月二十七日訂立的柴油機採購協議(經多項補充協議補充),本公司同意按市價向濰柴道依茨採購若干柴油機及相關產品,由雙方按季結算,協議年期截至二零一二年十二月三十一日止,於屆滿後本公司可選擇重續協議,為期三年。

向濰柴道依茨採購上述柴油機及相關產品於截至二零一二年十二月三十一日止三個年度之經批准年度上限分別為人民幣200,000,000元、人民幣300,000,000元及人民幣500,000,000元。於截至二零一零年十二月三十一日止年度,本公司向濰柴道依茨採購柴油機及相關產品的總金額為人民幣72,026,000元。

12. 本公司向濰柴重機銷售柴油機及相關產品

根據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、濰柴控股與濰柴重機於二零一零年八月二十三日訂立的補充框架協議承擔。根據該框架協議,本公司同意按市價向濰柴重機銷售WD615系列柴油機及相關產品,由雙方按月結算,協議年期截至二零一二年十二月三十一日止,於屆滿後雙方均可選擇重續協議,為期三年。

向濰柴重機銷售上述柴油機及相關產品於截至二零一零年、二零一一年及二零一二年十二月三十一日止年度之經批准年度上限分別為人民幣400,000,000元、人民幣480,000,000元及人民幣600,000,000元。於截至二零一零年十二月三十一日止年度,本公司向濰柴重機銷售該等柴油機及相關產品的總金額為人民幣303,440,000元。

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

Pursuant to the Purchase and Processing Services Agreement entered into between the Company and Weichai Resources and Weichai Heavy Machinery on 27 November 2008,

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

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

The approved annual caps for the aforesaid purchases made and processing services received from Weichai Heavy Machinery for the year ended 31 December 2010 is RMB525 million. In the year ended 31 December 2010, the total purchases made and processing services received by the Company and Weichai Resources from Weichai Heavy Machinery amounted to RMB460,465,000 in total.

14. Supply of semi-finished diesel engine parts by the Company (and its subsidiaries) to Weichai Heavy Machinery

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 agreement were assumed by Weichai Heavy Machinery pursuant to a supplemental agreement entered into between the Company, Weichai Holdings and Weichai Heavy Machinery on 9 November 2009.

13. 本公司及濰柴資源向濰柴重機採購柴油機零部件、原材料、鋼材及廢金屬等及相關產品和加工服務

根據本公司及濰柴資源與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，

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

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

向濰柴重機作出的上述採購及濰柴重機提供的加工服務於截至二零一零年十二月三十一日止年度之經批准年度上限為人民幣525,000,000元。於截至二零一零年十二月三十一日止年度，本公司及濰柴資源向濰柴重機作出的採購及濰柴重機提供的加工服務之總金額合計人民幣460,465,000元。

14. 本公司(及其附屬公司)向濰柴重機供應柴油機零部件毛坯

本公司與濰柴控股於二零零三年十一月十七日訂立一項柴油機零部件毛坯供應協議(經多項補充協議修訂及補充)。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二零零九年十一月九日訂立的一項補充協議承擔。

Pursuant to the latest semi-finished diesel engine parts supply agreement, the Company and its subsidiaries have agreed to sell the said semi-finished diesel engine parts, diesel engine parts and components, reserve parts and related products and to provide the relevant labour services (as the case may be) to Weichai Heavy Machinery at market prices and settled on a monthly basis for a term ending 31 December 2011, upon the expiry of which the parties may renew the term for another three years on a mutually agreed basis.

The approved annual caps for the aforesaid supply of semi-finished diesel engine parts to Weichai Heavy Machinery for the years ended/ending 31 December 2010 and 2011 will not exceed RMB375 million and RMB390 million, respectively. In the year ended 31 December 2010, 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 its subsidiaries) to Weichai Heavy Machinery amounted to RMB282,316,000.

15. 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, at market prices and settled every two to three months, for a term ending 31 December 2012, 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 caps for the aforesaid sales of parts and components of transmissions to Fast Transmission for the years ended/ending 31 December 2010, 2011 and 2012 are RMB1.5 billion, RMB2.3 billion and RMB3.5 billion, respectively. In the year ended 31 December 2010, the total sales of parts and components of transmissions made by SFGC to Fast Transmission amounted to RMB1,235,452,000.

根據最新的柴油機零部件毛坯供應協議，本公司及其附屬公司同意按市價向濰柴重機出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相關勞務服務(視情況而定)，每月結算，協議年期截至二零一一年十二月三十一日止，於屆滿後各方經相互協定後可重續協議，為期三年。

向濰柴重機供應上述柴油機零部件毛坯於截至二零一零年及二零一一年十二月三十一日止年度之經批准年度上限將分別為人民幣375,000,000元及人民幣390,000,000元。於截至二零一零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282,316,000元。

15. 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出售齒輪箱等若干傳動零部件，每兩至三個月結算一次，協議年期至二零一二年十二月三十一日止，於屆滿後雙方經相互協定後可重續協議，為期三年。

向法士特集團銷售上述傳動零部件於截至二零一零年、二零一一年及二零一二年十二月三十一日止年度之經批准年度上限分別為人民幣1,500,000,000元、人民幣2,300,000,000元及人民幣3,500,000,000元。於截至二零一零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1,235,452,000元。

16. 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, at market prices and settled every two to three months, for a term ending 31 December 2012, 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 caps for the aforesaid purchase of parts and components of transmissions from Fast Transmission for the years ended/ending 31 December 2010, 2011 and 2012 are RMB2,250 million, RMB3,350 million and RMB5,000 million, respectively. In the year ended 31 December 2010, the total purchases of parts and components of transmissions made by SFGC from Fast Transmission amounted to RMB1,798,621,000.

17. Sale of vehicles, parts and components of vehicles and related products and provision of heat processing services by certain subsidiaries of the Company to Shaanxi Automotive 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 on 1 August 2007 (as supplemented by various supplemental agreements), the Shaanxi Suppliers have agreed to sell certain vehicles and parts and components of vehicles, namely, wire gauges emission pipes and raw materials, ductile iron, castings, converted carriage, and provide heat processing services to the Shaanxi Customers, at market prices and settled by the parties every one to three months, for a term ending 31 December 2012, upon the expiry of which the Shaanxi Suppliers shall have an option to renew the agreement for a term of three years.

The approved annual caps for the aforesaid sales of vehicles, parts and components and raw materials and provision of heat processing services to the Shaanxi Customers for the years ended/ending 31 December 2010, 2011 and 2012 are RMB1,700 million, RMB2,750 million and RMB3,450 million, respectively. In the year ended 31 December 2010, the total sales of vehicles, parts and components and raw materials and provision of heat processing services by the Shaanxi Suppliers to the Shaanxi Customers amounted to RMB1,117,793,000.

16. 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, 每兩至三個月結算一次, 協議年期至二零一二年十二月三十一日止, 於屆滿後雙方經相互協定後可選擇重續協議, 為期三年。

向法士特集團採購上述傳動零部件於截至二零一零年、二零一一年及二零一二年十二月三十一日止年度之經批准年度上限分別為人民幣2,250,000,000元、人民幣3,350,000,000元及人民幣5,000,000,000元。於截至二零一零年十二月三十一日止年度, 陝西法士特齒輪向法士特集團採購該等傳動零部件的總金額為人民幣1,798,621,000元。

17. 本公司若干附屬公司向陝汽集團及其聯繫人士銷售汽車、汽車零部件及相關產品和提供熱加工服務

根據陝西重汽及本公司若干其他附屬公司作為供應商(「陝重汽供應商」)與陝汽集團及其聯繫人士作為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), 陝重汽供應商同意按市價向陝重汽客戶出售若干汽車及汽車零部件(如量針、排氣管及原材料、球鐵、鑄件及改裝架), 以及提供熱加工服務, 由各方每一至三個月結算一次, 協議年期至二零一二年十二月三十一日止, 於屆滿後陝重汽供應商可選擇重續協議, 為期三年。

向陝重汽客戶銷售上述汽車、零部件及原材料和提供熱加工服務於截至二零一零年、二零一一年及二零一二年十二月三十一日止年度之經批准年度上限分別為人民幣1,700,000,000元、人民幣2,750,000,000元及人民幣3,450,000,000元。於截至二零一零年十二月三十一日止年度, 陝重汽供應商向陝重汽客戶銷售汽車、零部件及原材料以及提供熱加工服務的總金額為人民幣1,117,793,000元。

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

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

The approved annual caps for the aforesaid purchases of parts and components of vehicles and scrap steel from the Shaanxi Sellers for the years ended 31 December 2010 is RMB2.7 billion. In the year ended 31 December 2010, the total purchases of parts and components of vehicles and scrap steel made by the Shaanxi Buyers from the Shaanxi Sellers amounted to RMB1,791,510,000.

The Company's auditors were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000, 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' and with reference to Practice Note 740, 'Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules' issued by the Hong Kong Institute of Certified Public Accountants. The auditors has issued an unqualified letter containing their findings and conclusions in respect of the Continuing Connected Transactions disclosed by the Group above in accordance with Listing Rule 14A.38. A copy of the auditors' letter has been provided by the Company to the Stock Exchange of Hong Kong Limited.

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.

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

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

向陝重汽賣方採購上述汽車零部件及廢鋼於截至二零一零年十二月三十一日止年度之經批准年度上限為人民幣2,700,000,000元。於截至二零一零年十二月三十一日止年度,陝重汽買方向陝重汽賣方採購該等汽車零部件及廢鋼的總金額為人民幣1,791,510,000元。

本公司核數師已獲聘請根據香港會計師公會發出的香港保證服務準則第3000號「審核及審閱歷史財務資料以外的保證服務」,及參考執行指引第740號「根據香港上市規則發出的持續性關連交易核數師函件」以匯報本集團持續性關連交易。核數師已根據上市規則第14A.38條出具無保留意見函件,函件載有對本集團已披露的關連交易的發現和總結。本公司已向香港聯合交易所有限公司提供核數師函件副本。

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

CONNECTED TRANSACTION

On 25 March 2010, an agreement was entered into among (i) the Company; (ii) 山東重工集團有限公司 (Shandong Heavy Industry Group Co., Ltd.) ("Shandong Zhonggong"); (iii) 濰柴重機股份有限公司 (Weichai Heavy Duty Machinery Co., Ltd.) ("Weichai Heavy-duty Machinery", a connected person of the Company by reason of being an associate of 濰柴控股集團有限公司 (Weichai Group Holdings Limited), a substantial shareholder and connected person of the Company); (iv) 陝西重型汽車有限公司 (Shaanxi Heavy-duty Motor Co., Ltd.) ("Shaanxi Zhongqi") and (v) 山推工程機械股份有限公司 (Shantui Engineering Machinery Co., Ltd.) ("Shantui Engineering"), pursuant to which 山重融資租賃有限公司 (Shanzhong Finance Leasing Co., Ltd.) (formerly known as 山推租賃有限公司 (Shantui Leasing Co., Ltd.)) ("Target Co.") increased its registered capital in the aggregate amount of RMB740 million through the subscriptions of Target Co's registered capital by (i) Shandong Zhonggong as to RMB200 million, and (ii) each of the Company, Weichai Heavy-duty Machinery and Shaanxi Zhongqi as to RMB180 million, respectively. The purpose of the said capital subscriptions was for the Group to participate in a business which would facilitate the Group's business expansion. The said capital subscriptions were completed in the year of 2010.

EMOLUMENT POLICY

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

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

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors and the 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 LISTED SECURITIES OF THE COMPANY

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

關連交易

於二零一零年三月二十五日，(i)本公司；(ii)山東重工集團有限公司(「山東重工」)；(iii)濰柴重機股份有限公司(「濰柴重機」，本公司主要股東及關連人士濰柴控股集團有限公司之聯繫人士，因此為本公司之關連人士)；(iv)陝西重型汽車有限公司(「陝西重汽」)及(v)山推工程機械股份有限公司(「山推工程」)訂立協議，據此，山重融資租賃有限公司(前稱為山推租賃有限公司)(「目標公司」)通過由(i)山東重工認購目標公司法定股本人民幣200,000,000元，及(ii)本公司、濰柴重機及陝西重汽分別認購目標公司法定股本人民幣180,000,000元，而增加法定股本合共人民幣740,000,000元。本集團進行上述股本認購旨在參與有助本集團進行業務擴展之業務。上述股本認購已於二零一零年度完成。

薪酬政策

本集團僱員的薪酬政策由薪酬委員會根據彼等的長處、資歷及工作能力釐訂。

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。

購買股份或債券的安排

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

購買、出售或贖回本公司的上市證券

於本年度，本公司或其任何附屬公司概無購買、出售或贖回任何本公司上市證券。

PRE-EMPTIVE RIGHTS

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

EVENTS AFTER THE REPORTING PERIOD

As at 30 March 2011, no significant events after the reporting period occurred.

AUDIT COMMITTEE

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

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

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

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

優先購買權

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

報告期後事項

截至二零一一年三月三十日，報告期後並無發生重大事項。

審核委員會

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

遵守上市規則附錄十四所載的企業管治常規守則

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

譚先生負責本公司的整體管理。董事認為，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業務策略，從而令本公司能夠有效、迅速地把握商機。本公司認為，通過董事會及獨立非執行董事的監督，此足以維持權力及職權平衡。

COMPLIANCE WITH THE MODEL CODE

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

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITORS

Shandong Zheng Yuan Hexin Accountants Limited (山東正源和信有限責任會計師事務所) retire and a resolution for their reappointment as auditors of the Company for its accounts prepared under PRC accounting principles and financial regulations will not be proposed at the forthcoming annual general meeting.

Ernst & Young were appointed as the Company's auditors with effect from 20 August 2008 to fill the casual vacancy arising from the resignation of Deloitte Touche Tohmatsu on 19 June 2008. There have been no other changes of auditors for the past three financial years.

Ernst & Young retire and a resolution for their reappointment as auditors of the Company for its accounts prepared under Hong Kong Financial Reporting Standards will not be proposed at the forthcoming annual general meeting.

The Company proposes to appoint Ernst & Young Hua Ming Certified Public Accountants (安永華明會計師事務所) as the Company's only auditors for the year of 2011 subject to the approval by the shareholders at the forthcoming annual general meeting. For further details, please refer to the notice convening the forthcoming annual general meeting.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the year have been approved by the board on 30th March, 2011.

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

The 2010 Annual Report will be despatched to shareholders as well as made available on The Stock Exchange of Hong Kong Limited's website at www.hkex.com.hk and the Company's website at www.weichai.com.

On behalf of the Board

Tan Xuguang
Chairman and CEO
Hong Kong
30th March, 2011

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，彼等於回顧期間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

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

安永於二零零八年八月二十日獲委任為本公司核數師，以填補德勤•關黃陳方會計師行於二零零八年六月十九日辭任所產生之臨時空缺。除此之外，過去三個財政年度並無更換核數師。

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

本公司擬委任安永華明會計師事務所為本公司二零一一年度之唯一核數師，惟須待股東於本屆股東週年大會上批准後方可作實。詳情請參閱召開本屆股東週年大會之通告。

批准財務報表

董事會已於二零一一年三月三十日批准本年度的財務報表。

於香港聯合交易所有限公司及本公司之網站刊發年報

二零一零年年報將寄發予股東並於香港聯合交易所有限公司網站www.hkex.com.hk及本公司網站www.weichai.com刊登。

代表董事會

董事長兼首席執行官
譚旭光
香港
二零一一年三月三十日

Dear Shareholders,

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

OVERVIEW OF THE WORK OF THE SUPERVISORY COMMITTEE

In 2010, as required by the relevant rules and procedures of meetings of the Supervisory Committee and based on its actual work, the Supervisory Committee conducted inspections on the operations and financial position of the Company, and reviewed the financial statements regularly. In 2010, the Supervisory Committee held three meetings. Details of the time, attendance and contents of the said meetings are as follows:

1. On 26th April, 2010, the tenth meeting of the second phase of the Supervisory Committee was convened. All Supervisors were present. The Supervisory Committee during the meeting considered and approved the full text and summary of the 2009 annual report of the Company, the work report of the Supervisory Committee for 2009, the consolidated financial statements and auditors' report for 2009, the final finance report for 2009, the profit distribution proposal for 2009, the internal control self-evaluation report for 2009, and the 2010 first quarterly report of the Company.
2. On 23th August, 2010, the eleventh meeting of the second phase of the Supervisory Committee was convened. All Supervisors were present. The Supervisory Committee during the meeting considered and approved the full text and summary of the 2009 interim report of the Company, the bonus issue by conversion of capital reserve in the interim of 2010 and the relevant amendments to the Articles of Association of the Company, the expansion of the scope of business of the Company and the relevant amendments to the Articles of Association of the Company, and was of the opinion that the said interim report gives a true and fair view of the operations and financial position of the Company during the first-half of 2009.
3. On 23rd October, 2010, the first provisional meeting of the Supervisory Committee in 2010 was convened. All Supervisors were present. The Supervisory Committee during the meeting considered and approved the 2010 third quarterly report of the Company and highly affirmed the financial performance of the Company. The Supervisory Committee was of the opinion that the quarterly report gives a true and fair view of the operations and financial position of the Company during the reporting period.

各位股東：

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

監事會工作回顧

於二零一零年，監事會根據監事會會議相關規則及程序之規定，按其實際工作情況，檢查本公司的經營及財務狀況，並定期審閱財務報表。於二零一零年，監事會共召開三次會議，會議召開的具體時間、出席情況及會議內容如下：

1. 第二屆監事會第十次會議於二零一零年四月二十六日召開，全體監事均有出席，會議審議通過了公司二零零九年年報報告全文及摘要、二零零九年度監事會工作報告、二零零九年度綜合財務報表及審計師報告書、二零零九年度財務決算報告、二零零九年度利潤分配方案、二零零九年度內部控制自我評估報告以及公司二零一零年度第一季度報告。
2. 第二屆監事會第十一次會議於二零一零年八月二十三日召開，全體監事均有出席，會議審議通過了公司二零零九年中期報告全文及摘要，認為中期報告真實反映了公司上半年的經營情況及財務情況。並審議通過了關於公司實施2010年中期資本公積轉增股本及相應修改公司章程、增加公司經營範圍及相應修改供公司章程的議案。
3. 監事會於二零一零年十月二十三日召開二零一零年首次臨時會議，全體監事均有出席，會議審議通過了公司的二零一零年第三季度報告，充分肯定了公司的財務成績，認為季度報告真實反映了公司報告期的經營情況及財務情況。

INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS OF THE COMPANY IN 2010

Compliance of the Company's operations with Legal Requirements

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

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

Examination of Financial Position of the Company

In 2010, the Supervisory Committee further enhanced its internal control, especially the examination of the financial system. The Company has established a comprehensive system on external investment, asset transfer and connected transactions, etc. The Supervisory Committee is of the view that the Company was strictly operated and managed in accordance with the relevant laws and regulations of the PRC and the relevant provisions of the China Securities Regulatory Commission. On the control of capital turnover and management expenses, the Company strictly checked on each grade which ensured the ordinary operation of the Company and avoided financial risk.

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

監事會對本公司二零一零年度有關事項的獨立意見

本公司依法運作情況

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

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

審查本公司財務狀況

於二零一零年，監事會加強了對內控制度，特別是財務制度的檢查，本公司在對外投資、資產轉讓、關連交易等方面均建立了比較健全的制度。監事會認為本公司已嚴格按照國家有關法律、法規及中國證監會的有關規定進行經營和管理。在資金周轉、管理費用的控制上，分級把關，既保證了公司正常運營，又規避了風險。

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



Acquisition and Disposal of Assets of the Company

During the period, the Company did not conduct any material acquisition or disposal of assets, and no insider dealing or other actions which would damage the interests of the shareholders or cause any asset loss occurred or emerged.

Connected Transactions

During the period, the Supervisory Committee is of the view that the connected transactions of the Company occurred in 2010 were conducted under the principle of fairness and the procedures of the transactions were in compliance with laws and regulations. The Supervisory Committee is not aware of any action which would damage the interests of the Company and the shareholders.

In 2011, the Supervisory Committee will continue to perform its supervisory duties diligently for the protection of the interests of shareholders and the Company in accordance with the Company Law and the Articles of Association of the Company.

Sun Chengping
Chairman of the Supervisory Committee

Weifang, Shandong Province
30 March 2011

本公司收購及出售資產

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

關連交易

於本期間，監事會認為本公司於二零一零年發生的各項關連交易均體現了市場公平的原則，交易程序合法、合規，未發現損害公司利益和股東利益的現象。

於二零一一年，監事會將繼續按照公司法和本公司組織章程細則之規定致力履行監督職責，以保障股東及本公司利益。

孫承平
監事會主席

山東省濰坊
二零一一年三月三十日

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。

CODE ON CORPORATE GOVERNANCE PRACTICE

For the year ended 31st December, 2010, the Company has reviewed its corporate governance documents and is of the view that the Company has fully complied with the code provisions of the Code of Corporate Governance Practice set out in the Appendix 14 to the Listing Rules other than Code A.2.1, which requires that the roles of chairman and chief executive officer should be two separate roles and should not be performed by the same individual. Currently, Mr. Tan Xuguang ("Mr. Tan") serves as the Chairman of the Board as well as the Chief Executive Officer of the Company. Despite such deviation, the directors believe that vesting such roles in Mr. Tan will allow for more effective planning and execution of business strategies of the Company. As all major decisions are made in consultation with other members of the Board, the Company believes that there is adequate balance of power and authority in place.

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

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

企業管治常規守則

截至二零一零年十二月三十一日止年度，本公司已審閱其企業管治文件，認為除守則第A.2.1條規定董事長及首席執行官應分為兩個獨立職位，而不應由同一人兼任外，本公司已全面遵守上市規則附錄十四所載企業管治常規守則之守則條文。譚旭光先生(「譚先生」)現為董事長兼本公司首席執行官。儘管出現上述偏離情況，董事相信，讓譚先生同時兼任上述兩個職位有助更有效地計劃及執行本公司業務策略。由於所有主要決定乃諮詢董事會其他成員後才能作出，本公司相信此足以維持權力及職權平衡。

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

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

BOARD OF DIRECTORS

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

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

The Company has received from each of the independent non-executive directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing 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 2010.

董事會

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

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

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

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

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

除訂立服務合約及本年報另有披露者外，董事或監事概無於本公司或其任何附屬公司在二零一零年間訂立的重大合約中，直接或間接擁有個人重大權益。



In 2010, the Company held 5 Board meetings. The principal activities of the Board in 2010 were as follow:

- Review of the annual and interim result of the Company;
- Review of the annual profit distribution and, interim dividend and the 2009 final dividend distribution proposal.
- Review of the distribution to every shareholder at the rate of 10 shares for every 10 shares by conversion of the capital reserve based on the total share capital of the Company as at 30 June 2010.

The total remuneration of the directors in 2010, including the basic salary, performance-linked salary, incentive-linked salary and discretionary bonus, amounted to approximately RMB7.6 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 8 to the financial statements of the Company.

AUDIT COMMITTEE

An Audit Committee has been established by the Board.

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

The Audit Committee held two meetings during the period, presided over by Mr. Koo Fook Sun, Louis. Details of the attendance are set out on page 77 of this annual report.

本公司於二零一零年舉行5次董事會會議。董事會二零一零年度的主要工作如下：

- 審閱本公司年度及中期業績；
- 審閱年度利潤分配和中期股息及二零零九年末期股息派發方案；
- 審閱本公司以二零一零年六月三十日為基準日的總股本為基數，以資本公積金向全體股東每10股轉增10股的方案。

二零一零年度董事酬金總計約為人民幣7.6百萬元，包括基本薪金、績效薪金、獎勵薪金及酌情花紅。獨立非執行董事僅有權獲取董事袍金，而並無其他薪金或報酬。有關董事酬金詳情請參閱本公司財務報表附註8。

審核委員會

董事會已成立審核委員會。

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

審核委員會於期內舉行2次會議，會議由顧福身先生主持。出席率詳情載於本年報第77頁。



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

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

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

In accordance with the requirements of Appendix 16 to the Listing Rules, the Audit Committee has reviewed the consolidated financial statements for the year ended 31st December, 2010.

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

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. Sun Shao Jun, Mr. Zhang Quan, Mr. Chen Xuejian, Mr. Li San Yim, Mr. Julius G. Kiss and Mr. Zhang Xiaoyu.

審核委員會於年內完成的主要工作如下：

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

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

審核委員會已根據上市規則附錄十六的規定，審閱截至二零一零年十二月三十一日止年度的綜合財務報表。

本公司的非國內核數師已審核綜合財務報表，並發出無保留意見的核數師報告。

策略發展及投資委員會

董事會已成立策略發展及投資委員會。

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

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



REMUNERATION COMMITTEE

A Remuneration Committee 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 for directors, supervisors and senior management of the Company. The Committee also determines the relevant remuneration policy for directors, supervisors and senior management of the Company and their participation in incentive schemes operated by the Company.

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

NOMINATION COMMITTEE

A Nomination Committee has been established by the Board

The Nomination Committee comprises all the Independent Non-executive Directors and two Executive Directors, including Mr. Fang Zhongchang (chairman of the Nomination Committee), Mr. Xu Xinyu, Mr. Zhang Quan, Mr. Zhang Xiaoyu and Mr. Koo Fook Sun, Louis. The meetings of the Nomination Committee were arranged and held on an as-needed basis. The Nomination Committee will identify qualified candidates to fill the Board'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

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。

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

提名委員會

董事會已成立提名委員會。

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

SUPERVISORY COMMITTEE

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

Attendances at meetings of the Board, Supervisory Committee and 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三次會議，以代表股東對本公司財務事宜及董事和本公司高級管理層執行職務是否合法及遵從法律進行監督。監事會的成員已列席所有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，董事會、監事會及特別委員會會議的出席資料(出席人數/會議次數)如下：

姓名	Name	Board 董事會	Supervisory Committee 監事會	Audit Committee 審核委員會
執行董事	Executive Directors			
譚旭光	Tan Xuguang	5/5		
徐新玉	Xu Xinyu	5/5		
孫少軍	Sun Shaojun	5/5		
張泉	Zhang Quan	5/5		
非執行董事	Non-executive Directors			
張伏生	Zhang Fusheng	5/5		
劉會勝	Liu Huisheng	5/5		
姚宇	Yao Yu	3/5		
楊世杭	Yeung Sai Hong	5/5		
陳學儉	Chen Xuejian	5/5		
李新炎	Li San Yim	5/5		
Julius G. Kiss (尤利斯G.肯斯)	Julius G. Kiss	5/5		
韓小群	Han Xiaoqun	5/5		
顧林生	Gu Linsheng	5/5		
李世豪	Li Shihao	5/5		
劉征	Liu Zheng	5/5		
獨立非執行董事	Independent Non-executive Directors			
張小虞	Zhang Xiaoyu	5/5		2/2
顧福身	Koo Fook Sun, Louis	5/5		2/2
房忠昌	Fang Zhongchang	5/5		2/2
監事	Supervisors			
孫承平	Sun Chengping		3/3	
丁迎東	Ding Yingdong		3/3	
蔣建芳	Jiang Jianfang		3/3	

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

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



SHAREHOLDERS' MEETING AND INVESTOR RELATIONS

The shareholders' meeting is the highest authority of the Company, providing an opportunity for direct communications and building a sound relationship between the Board and the shareholders of the Company. Therefore, the Company places great importance to such meetings. In 2010, the Company convened four general meetings. Matters reviewed and approved at the said meetings include the following:

- the Report of the Directors, Report of Supervisory Committee for 2009;
- the profit distribution and final dividend distribution proposals for 2009;
- re-appointment and change of appointment of the external auditors and determination of its remuneration;
- remuneration proposals for directors and supervisors;
- issue of shares by conversion of the capital reserve; and
- amendment to the Articles of Association of the Company.

INTERNAL CONTROL AND MANAGEMENT

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

Internal control, including a defined management structure with limits of authority, is designed to help achieve business objectives, safeguard assets against unauthorised use, maintain proper accounting records for the provision of reliable financial information for internal use or for publication. The 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 management maintains and monitors the system of controls on an ongoing basis.

股東大會與投資者關係

股東大會乃本公司最高權力機構，為董事會與本公司股東直接溝通及建立良好關係的機會。因此，本公司高度重視該等會議。二零一零年，本公司共召開四次股東大會，會上審閱及通過的事項包括：

- 二零零九年度董事會報告及監事會報告；
- 二零零九年度利潤分配及末期股息派發方案；
- 續聘及改聘外部核數師並釐定其酬金；
- 董事及監事薪酬方案；
- 以資本公積金轉增股本方案；及
- 修訂本公司之公司組織章程細則。

內部監控及管理

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。

管理層按持續基準維持及監察有關控制系統。



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

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

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 for Securities Transaction by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors, the directors have confirmed that they complied with the required standard set out in the Model Code for the year.

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 in a timely manner 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.

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。

The financial statements of the Group for the year ended 31st December, 2010 have been reviewed by the Audit Committee and audited by the external auditors, Ernst & Young Limited. The directors acknowledge their responsibilities for preparing the financial statements of the Group and presenting a balanced, clear and comprehensive assessment of the Group's performance and prospects. They are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the ability of the Company to continue as a going concern. The Statement of the Auditors about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report.

本集團截至二零一零年十二月三十一日止年度之財務報表已由審核委員會審閱及由外聘核數師安永會計師事務所有限公司審核。董事確認編製本集團之財務報表及呈列本集團表現及前景之平衡、清晰及完備之評估之責任。彼等並不知悉任何有關事件或狀況之重大不明朗因素，而該等事件或狀況可能對本公司不斷持續經營之能力構成疑問。核數師就其於財務報表之申報責任作出之聲明乃載於獨立核數師報告。

AUDITORS' REMUNERATION

The Company has engaged Ernst & Young as auditors of the Company. For the year ended 31st December, 2010, an amount of RMB10 million was paid/payable to Ernst & Young for their audit service.

核數師酬金

本公司的核數師為安永會計師事務所。於截至二零一零年十二月三十一日止年度，本集團共付予／應付安永會計師事務所人民幣10百萬元作為審核服務費。

**To the shareholders of Weichai Power Co., Ltd.**

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

We have audited the consolidated financial statements of Weichai Power Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages 82 to 214, which comprise the consolidated and company statements of financial position as at 31 December 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

致濰柴動力股份有限公司全體股東

(於中華人民共和國註冊成立之股份有限公司)

我們已完成審核第82至214頁所載濰柴動力股份有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，其中包括於二零一零年十二月三十一日之綜合及公司財務狀況報表，以及截至該日止年度之綜合收益表、綜合全面收入表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他說明附註。

董事就綜合財務報表須承擔之責任

貴公司董事須負責遵照香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，編製及真實公平呈列此等綜合財務報表，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師之責任

我們的責任是根據審核工作的結果，對此等綜合財務報表發表意見。根據香港公司條例第141條，本報告僅向整體股東報告，除此以外本報告別無其他用途。我們不會就本報告之內容向任何其他人士承擔或負上任何責任。

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



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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2010, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young

Certified Public Accountants

Hong Kong

30 March 2011

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

我們相信，我們已取得充分恰當之審核憑證，作為審核意見之基礎。

意見

我們認為，綜合財務報表乃根據香港財務報告準則真實公平顯示 貴公司及 貴集團於二零一零年十二月三十一日之財務狀況，以及 貴集團截至該日止年度之利潤及現金流量，並按照香港公司條例之披露規定妥為編製。

安永會計師事務所

執業會計師

香港

二零一一年三月三十日

CONSOLIDATED INCOME STATEMENT

Year ended 31st December, 2010

綜合收益表

截至二零一零年十二月三十一日止年度

		Notes 附註	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
REVENUE	收入	5	62,665,521	35,260,899
Cost of sales	銷售成本		(49,194,751)	(27,628,689)
Gross profit	毛利潤		13,470,770	7,632,210
Other income and gains	其他收入及收益	5	379,858	345,691
Selling and distribution costs	銷售及分銷費用		(1,382,810)	(1,021,391)
Administrative expenses	行政開支		(1,670,026)	(1,264,787)
Research and development costs	研究及開發費用		(887,580)	(450,217)
Loss on disposal of disposal group held for sale	出售持作出售之出售組別虧損		—	(5,677)
Other expenses	其他開支		(326,796)	(305,648)
Finance costs	財務費用	7	(197,978)	(247,507)
Share of profits and losses of:	應佔下列公司利潤及虧損：			
A jointly-controlled entity	一家共同控制實體		—	2,343
Associates	聯營公司		9,605	(5,773)
PROFIT BEFORE TAX	除稅前利潤	6	9,395,043	4,679,244
Income tax expense	所得稅開支	10	(1,397,553)	(732,380)
PROFIT FOR THE YEAR	年內利潤		7,997,490	3,946,864
Attributable to:	以下人士應佔：			
Owners of the parent	母公司擁有人		6,780,935	3,406,935
Non-controlling interests	非控股權益		1,216,555	539,929
			7,997,490	3,946,864
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通權益持有人應佔每股盈利			
Basic	基本			
— For profit for the year	— 一年內利潤	13	RMB4.07	RMB2.04

Details of the dividends payable and proposed for the year are disclosed in note 12 to the financial statements.

年內應付及建議派付股息之詳情於財務報表附註12披露。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31st December, 2010

綜合全面收入表

截至二零一零年十二月三十一日止年度

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
PROFIT FOR THE YEAR	年內利潤	7,997,490	3,946,864
OTHER COMPREHENSIVE INCOME	其他全面收入		
Available-for-sale assets:	可供出售資產：		
Changes in fair value	公平值變動	402,748	289,255
Income tax effect	所得稅影響	(15,344)	(43,834)
		387,404	245,421
Exchange differences on translation of foreign operations	換算外國業務產生之匯兌差異	(6,830)	6,056
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	年內其他全面收入（扣除稅項）	380,574	251,477
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內全面收入總額	8,378,064	4,198,341
Attributable to:	以下人士應佔：		
Owners of the parent	母公司擁有人	7,161,509	3,658,412
Non-controlling interests	非控股權益	1,216,555	539,929
		8,378,064	4,198,341

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31st December, 2010

綜合財務狀況報表

二零一零年十二月三十一日

			2010	2009
		Notes	二零一零年	二零零九年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、機器及設備	14	9,278,677	8,039,811
Investment properties	投資物業	15	149,812	83,668
Prepaid land lease payments	預付土地租賃款項	16	729,291	577,569
Goodwill	商譽	17	538,016	538,016
Other intangible assets	其他無形資產	18	288,530	302,371
Investment in a jointly-controlled entity	於共同控制實體之投資		-	23,275
Investments in associates	於聯營公司之投資	21	920,692	172,559
Available-for-sale investments	可供出售投資	22	636,038	477,430
Held-to-maturity investment	持至到期投資	23	19,584	-
Deposits paid for acquisition of property, plant and equipment	收購物業、機器及設備已付按金	24	1,972,398	914,618
Deferred tax assets	遞延稅項資產	25	819,210	434,763
Total non-current assets	非流動資產總值		15,352,248	11,564,080
CURRENT ASSETS	流動資產			
Inventories	存貨	26	8,793,347	5,806,642
Trade and bills receivables	應收貿易賬款及票據	27	15,866,733	11,352,945
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	28	1,284,382	1,059,084
Prepaid land lease payments	預付土地租賃款項	16	15,699	14,455
Derivatives financial instruments	衍生金融工具		3,672	-
Pledged deposits	已抵押存款	29	2,410,944	2,979,932
Cash and cash equivalents	現金及現金等價物	29	8,747,622	3,598,339
Total current assets	流動資產總值		37,122,399	24,811,397
CURRENT LIABILITIES	流動負債			
Trade and bills payables	應付貿易賬款及票據	30	17,247,314	11,830,642
Other payables and accruals	其他應付賬款及應計費用	31	6,024,668	3,574,003
Dividend payable to non-controlling shareholders	應付非控股股東股息		72,964	42,622
Interest-bearing bank and other borrowings	計息銀行及其他借款	33	577,166	1,515,664
Tax payable	應付稅項		1,835,075	956,315
Warranty provision	保修撥備	34	1,017,418	497,231
Total current liabilities	流動負債總額		26,774,605	18,416,477
NET CURRENT ASSETS	流動資產淨值		10,347,794	6,394,920
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		25,700,042	17,959,000

			2010	2009
		Notes	二零一零年	二零零九年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
NON-CURRENT LIABILITIES	非流動負債			
Debentures	債券	32	1,285,240	1,281,669
Interest-bearing bank and other borrowings	計息銀行及其他借款	33	954,727	942,200
Deferred tax liabilities	遞延稅項負債	25	89,946	73,816
Total non-current liabilities	非流動負債總額		2,329,913	2,297,685
Net assets	資產淨值		23,370,129	15,661,315
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Issued capital	已發行股本	35	1,666,092	833,046
Reserves	儲備	36	16,132,409	10,521,710
Proposed final dividend	擬派末期股息	12	716,419	399,862
			18,514,920	11,754,618
Non-controlling interests	非控股權益		4,855,209	3,906,697
Total equity	權益總額		23,370,129	15,661,315

Tan Xuguang

譚旭光

Director

董事

Xu Xinyu

徐新玉

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31st December, 2010

截至二零一零年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔									
		Issued capital	Capital reserve	Surplus reserve	Available-for-sale investment revaluation reserve	Translation reserve	Retained profits	Proposed final dividend	Total	Non-controlling interests	Total equity
		已發行股本	資本儲備	公積金儲備	可供出售投資重估儲備	匯兌儲備	保留利潤	擬派末期股息	合計	非控股權益	權益總額
Notes		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
			note 37(a)	note 37(a)	附註37(a)						
At 1 January 2009	於二零零九年一月一日	833,046	2,094,964	564,431	(79,394)	(12,125)	4,488,536	108,296	7,997,754	3,328,724	11,326,478
Total comprehensive income	全面收入總額	-	-	-	245,421	6,056	3,406,935	-	3,658,412	539,929	4,198,341
Final 2008 dividend declared	已宣派二零零八年末期股息	-	-	-	-	-	-	(108,296)	(108,296)	-	(108,296)
Proposed final 2009 dividend	擬派二零零九年末期股息	12	-	-	-	-	(399,862)	399,862	-	-	-
Dividend paid to non-controlling shareholders	向非控股股東派付之股息	-	-	-	-	-	-	-	-	(50,199)	(50,199)
Transfer from retained profits	轉撥自保留利潤	-	-	282,958	-	-	(282,958)	-	-	-	-
Contribution from non-controlling shareholders	非控股股東出資	-	195,108	-	-	-	-	-	195,108	134,673	329,781
Acquisition of non-controlling interests	收購非控股權益	-	(1,732)	-	-	-	-	-	(1,732)	(59,278)	(61,010)
Others	其他	-	13,372	-	-	-	-	-	13,372	12,848	26,220
At 31 December 2009	於二零零九年十二月三十一日	833,046	2,301,712*	847,389*	166,027*	(6,069)*	7,212,651*	399,862	11,754,618	3,906,697	15,661,315
At 1 January 2010	於二零一零年一月一日	-	-	-	387,404	(6,830)	6,780,935	-	7,161,509	1,216,555	8,378,064
Total comprehensive income	全面收入總額	-	-	-	-	-	-	(399,862)	(399,862)	-	(399,862)
Final 2009 dividend declared	已宣派二零零九年末期股息	12	-	-	-	-	-	716,419	-	-	-
Proposed final 2010 dividend	擬派二零一零年末期股息	12	-	-	-	-	(716,419)	716,419	-	-	-
Dividend paid to non-controlling shareholders	向非控股股東派付之股息	-	-	-	-	-	-	-	-	(324,296)	(324,296)
Transfer from retained profits	轉撥自保留利潤	-	-	576,693	-	-	(576,693)	-	-	-	-
Transfer from capital reserve	轉撥自資本儲備	35	833,046	(833,046)	-	-	-	-	-	-	-
Contribution from non-controlling shareholders	非控股股東出資	-	-	-	-	-	-	-	-	54,592	54,592
Acquisition of non-controlling interests	收購非控股權益	-	(1,345)	-	-	-	-	-	(1,345)	1,427	82
Others	其他	-	-	-	-	-	-	-	-	234	234
At 31 December 2010	於二零一零年十二月三十一日	1,666,092	1,467,321*	1,424,082*	553,431*	(12,899)*	12,700,474*	716,419	18,514,920	4,855,209	23,370,129

* These reserve amounts comprise the consolidated reserves of RMB16,132,409,000 (2009: RMB10,521,710,000) in the consolidated statement of financial position.

* 該等儲備金額包括於綜合財務狀況報表載列之綜合儲備人民幣16,132,409,000元(二零零九年: 人民幣10,521,710,000元)。

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31st December, 2010

綜合現金流量表

截至二零一零年十二月三十一日止年度

			2010	2009
		Notes	二零一零年	二零零九年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務產生之現金流量			
Profit before tax	除稅前利潤		9,395,043	4,679,244
Adjustments for:	調整：			
Finance costs	財務費用	7	197,978	247,507
Share of profits and losses of a jointly-controlled entity and associates	應佔一家共同控制實體及聯營公司之利潤及虧損		(9,605)	3,430
Interest income	利息收入	5	(123,117)	(116,809)
Dividend income from available-for-sale investments	可供出售投資之股息收入	5	(3,600)	(1,600)
Gain on disposal of items of property, plant and equipment	出售物業、機器及設備項目之收益	6	(19,936)	6,940
Loss on disposal of investment property	出售投資物業之虧損	6	-	1,028
Depreciation of property, plant and equipment	物業、機器及設備之折舊	6	1,317,471	874,033
Depreciation of investment properties	投資物業折舊	6	11,261	3,605
Recognition of prepaid land lease payments	預付土地租賃款項確認	6	14,605	11,441
Amortisation of other intangible assets	其他無形資產之攤銷	6	16,623	15,325
Gain on disposal of available-for-sale investments	出售可供出售投資之收益	5	(58,154)	(1,936)
Fair value gain on derivative financial instruments	衍生金融工具之公平值收益	5	(3,672)	-
Gain on debt restructuring	債務重組之收益	5	(19,025)	(45,921)
Loss on debt restructuring	債務重組之虧損		348	-
Impairment/loss on disposal of disposal group held for sale	持作出售之出售組別減值／出售虧損		-	5,677
Excess over the cost of a business combination	超出業務合併成本的部份		-	(87,334)
Impairment of available-for-sale investments	可供出售投資減值	6	207	207
Impairment of trade and other receivables	應收貿易賬款及其他應收賬款減值	6	286,456	227,604
Write-down of inventories to net realisable values	撇減存貨至可變現淨值	6	220,959	231,115
			11,223,842	6,053,556
Increase in inventories	存貨增加		(3,207,664)	(65,543)
Increase in trade and bills receivables	應收貿易賬款及票據增加		(4,800,244)	(4,506,571)
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收賬款減少／(增加)		(329,127)	318,012
Increase in trade and bills payables	應付貿易賬款及票據增加		5,252,642	919,363
Increase in other payables and accruals	其他應付賬款及應計費用增加		2,249,745	619,436
Increase in warranty provision	保修撥備增加	34	520,187	33,189
Cash generated from operations	經營業務產生之現金		10,909,381	3,371,442
Income tax paid	已付所得稅		(902,479)	(409,724)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Year ended 31st December, 2010

綜合現金流量表(續)

截至二零一零年十二月三十一日止年度

			2010	2009
		Notes	二零一零年	二零零九年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Net cash inflow from operating activities	經營業務產生之現金流入淨額		10,006,902	2,961,718
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動產生之現金流量			
Interest received	已收利息	6	123,117	116,809
Investment in associates	於聯營公司之投資	21	(415,721)	-
Purchases of held-to-maturity investments	購買持至到期投資	23	(19,584)	-
Decrease/(increase) in pledged deposits	已抵押存款減少/(增加)	29	568,988	(468,123)
Additions to prepaid land lease payments	預付土地租賃款項增加		(144,250)	(179,793)
Purchases of items of property, plant and equipment	購買物業、機器及設備項目		(3,288,183)	(1,576,198)
Purchases of investment properties	購買投資物業	15	(22,480)	(7,638)
Purchases of available-for-sale investments	購買可供出售投資		(28,425)	-
Purchases of other intangible assets	購買其他無形資產	18	(3,004)	(29,409)
Cash inflow from business combination	業務合併產生之現金流入		-	2,621
Cash outflow from disposal of a subsidiary	出售附屬公司產生之現金流出		-	(7,816)
Proceeds from disposal of available-for-sale investments	出售可供出售投資所得款項		78,154	1,936
Proceeds from disposal of items of property, plant and equipment	出售物業、機器及設備項目所得款項		58,551	28,239
Proceeds from disposal of disposal group held for sale	出售持作出售之出售組別所得款項		-	10,108
Proceeds from disposal of intangible assets	出售無形資產所得款項		699	-
Dividends received	已收股息		4,853	1,600
Acquisition of non-controlling interests	收購非控股權益		-	(12,520)
Net cash outflow from investing activities	投資活動產生之現金流出淨額		(3,087,285)	(2,120,184)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動產生之現金流量			
New interest-bearing bank and other borrowings	新增計息銀行及其他借款		1,733,946	3,300,720
Repayment of interest-bearing bank and other borrowings	償還計息銀行及其他借款		(2,642,417)	(3,063,026)
Transaction costs for the issuance of debentures	發行債券交易成本		-	(19,500)
Proceeds from issuance of debentures	發行債券所得款項		-	1,300,000
Repayment of debentures	償還債券		-	(1,700,000)
Interest paid	已付利息		(194,262)	(288,052)
Dividends paid	已派付股息		(399,862)	(108,296)
Dividends paid to non-controlling shareholders	向非控股股東派付之股息		(293,954)	(87,352)
Capital contributions from non-controlling shareholders	非控股股東出資		24,318	70,203
Net cash outflow from financing activities	融資活動產生之現金流出淨額		(1,772,231)	(595,303)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Year ended 31st December, 2010

綜合現金流量表(續)

截至二零一零年十二月三十一日止年度

		Notes	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
		附註		
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額		5,147,386	246,231
Cash and cash equivalents at beginning of year	於年初之現金及現金等價物		3,598,339	3,352,138
Effect of foreign exchange rate changes, net	匯率變動之淨影響		1,897	(30)
CASH AND CASH EQUIVALENTS AT END OF YEAR	於年末之現金及現金等價物	29	8,747,622	3,598,339
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析			
Cash and bank balances	現金及銀行結餘	29	4,714,327	2,223,880
Non-pledged time deposits with original maturity of less than three months when acquired	於收購時原有到期日少於三個月之無抵押定期存款		4,033,295	1,374,459
			8,747,622	3,598,339

STATEMENT OF FINANCIAL POSITION

31st December, 2010

財務狀況表

二零一零年十二月三十一日

			2010	2009
		Notes	二零一零年	二零零九年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、機器及設備	14	2,458,919	2,277,435
Prepaid land lease payments	預付土地租賃款項	16	378,407	289,151
Other intangible assets	其他無形資產	18	109,370	109,478
Investments in subsidiaries	於附屬公司之投資	20	5,044,514	4,432,812
Investment in a jointly-controlled entity	於共同控制實體之投資		–	20,409
Investments in associates	於聯營公司之投資	21	262,031	49,461
Available-for-sale investments	可供出售投資	22	485,600	381,000
Held-to-maturity investments	持至到期投資	23	19,584	–
Deposits paid for acquisition of property, plant and equipment	收購物業、機器及設備已付按金	24	1,735,333	319,669
Deferred tax assets	遞延稅項資產	25	402,468	187,357
Total non-current assets	非流動資產總值		10,896,226	8,066,772
CURRENT ASSETS	流動資產			
Inventories	存貨	26	1,796,744	1,679,295
Trade and bills receivables	應收貿易賬款及票據	27	10,300,840	7,219,623
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	28	262,237	844,013
Prepaid land lease payments	預付土地租賃款項	16	6,402	6,402
Pledged deposits	已抵押存款	29	482,934	655,138
Cash and cash equivalents	現金及現金等價物	29	4,415,491	1,442,978
Total current assets	流動資產總值		17,264,648	11,847,449
CURRENT LIABILITIES	流動負債			
Trade and bills payables	應付貿易賬款及票據	30	5,972,862	4,957,975
Other payables and accruals	其他應付賬款及應計費用	31	3,081,578	1,727,161
Interest-bearing bank and other borrowings	計息銀行及其他借款	33	–	548,282
Tax payable	應付稅項		1,524,648	775,997
Warranty provision	保修撥備	34	760,000	357,000
Total current liabilities	流動負債總額		11,339,088	8,366,415
NET CURRENT ASSETS	流動資產淨值		5,925,560	3,481,034
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		16,821,786	11,547,806

STATEMENT OF FINANCIAL POSITION (CONTINUED)

31st December, 2010

財務狀況表(續)

二零一零年十二月三十一日

			2010	2009
		Notes	二零一零年	二零零九年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
NON-CURRENT LIABILITIES	非流動負債			
Debentures	債券	32	1,285,240	1,281,669
Interest-bearing bank and other borrowings	計息銀行及其他借款	33	–	200,000
Deferred tax liabilities	遞延稅項負債	25	57,740	39,728
Total non-current liabilities	非流動負債總額		1,342,980	1,521,397
Net assets	資產淨值		15,478,806	10,026,409
EQUITY	權益			
Issued capital	已發行股本	35	1,666,092	833,046
Reserves	儲備	36	13,096,295	8,793,501
Proposed final dividends	擬派末期股息	12	716,419	399,862
Total equity	權益總額		15,478,806	10,026,409

Tan Xuguang

譚旭光

Director

董事

Xu Xinyu

徐新玉

Director

董事

1. CORPORATE INFORMATION

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

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

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

2.1 BASIS OF PREPARATION

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

1. 公司資料

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

於本年度，本公司及其附屬公司(「本集團»)主要從事下列業務：

- 生產及銷售柴油機及相關零部件；
- 生產及銷售汽車及主要汽車零部件(不包括柴油機)；
- 生產及銷售非主要汽車零部件；及
- 提供進出口服務。

2.1 編製基準

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

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation

Basis of consolidation from 1 January 2010

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2010. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

2.1 編製基準(續)

合併基準

自二零一零年一月一日起的合併基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零一零年十二月三十一日止年度的財務報表。附屬公司的財務報表乃於與本公司相同的報告期間並採納一致的會計政策編製。附屬公司的業績由收購日期(即本集團取得控制權當日)起合併計算,並會繼續合併,直至該等控制權終止。所有集團內公司間結餘、交易以及因集團內公司間的交易及股息而產生的未變現收益及虧損,均於合併時悉數撇銷。

對可能存在的不同會計政策已經調整一致。

即使會產生虧蝕結餘,附屬公司的虧損仍會歸屬於非控股權益。

於附屬公司擁有權權益的變動(並無喪失控制權)於入賬時列作權益交易。

倘本集團失去附屬公司的控制權,則會終止確認(i)該附屬公司的資產(包括商譽)及負債;(ii)任何非控股權益的賬面值;及(iii)計入權益的累計匯兌差額;並確認(i)已收代價的公平值;(ii)任何保留投資的公平值;及(iii)其因而產生的盈餘或虧蝕計入損益。先前已於其他全面收入確認的本集團應佔部分,乃在適當的情況下重新分類至損益或保留利潤。

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (continued)

Basis of consolidation prior to 1 January 2010

Certain of the above-mentioned requirements have been applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributable to the parent, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 January 2010 were not reallocated between non-controlling interest and the parent shareholders.
- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying amount of such investment at 1 January 2010 has not been restated.

2.1 編製基準(續)

合併基準(續)

於二零一零年一月一日之前的合併基準

上述若干規定按預期基準採用，而下列差異則於若干情況下承前結轉自先前的合併基準：

- 本集團產生的虧損歸屬於非控股權益，直至結餘沖減至零為止。任何進一步超出的虧損均歸屬於母公司，除非非控股權益有約束責任，而須承擔上述虧損。於二零一零年一月一日前的虧損不會於非控股權益及母公司股東之間重新分配。
- 倘喪失控制權，則本集團按於喪失控制權當日應佔資產淨值比例，就保留的投資入賬。該等投資於二零一零年一月一日的賬面值並無重列。

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 1 Amendments	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters
HKFRS 2 Amendments	Amendments to HKFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 Amendment	Amendment to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners
HKFRS 5 Amendments included in Improvements to HKFRSs issued in October 2008	Amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary
Improvements to HKFRSs 2009	Amendments to a number of HKFRSs issued in May 2009
HK Interpretation 4 Amendment	Amendment to HK Interpretation 4 Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases
HK Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of Term Loan that Contains a Repayment on Demand Clause

2.2 會計政策及披露要求變動

本集團於本年度的財務報表首次採用以下新訂及經修訂之香港財務報告準則。

香港財務報告準則第1號(經修訂)	首次採納香港財務報告準則
香港財務報告準則第1號修訂本	香港財務報告準則第1號「首次採納香港財務報告準則」修訂本—首次採納者之額外豁免
香港財務報告準則第2號修訂本	香港財務報告準則第2號「以股份基礎支付」修訂本—集團以現金結算之以股份基礎支付之交易
香港財務報告準則第3號(經修訂)	業務併購
香港會計準則第27號(經修訂)	合併及獨立財務報表
香港會計準則第39號修訂本	香港會計準則第39號「金融工具：確認和計量」修訂本—合資格對沖項目
香港(國際財務報告詮釋委員會)—詮釋第17號	向擁有人分派非現金資產
包括在香港財務報告準則的改進(於二零零八年十月頒佈)內的香港財務報告準則第5號修訂本	香港財務報告準則第5號「持有待售的非流動資產及已終止業務」修訂本—計劃出售於附屬公司的控制權益
二零零九年香港財務報告準則的改進	於二零零九年五月頒佈的多項香港財務報告準則修訂本
香港詮釋第4號修訂本	香港詮釋第4號「租賃」修訂本—釐定香港土地租賃的租賃期限
香港詮釋第5號	財務報表的呈列—借貸人對包括按還款要求償還條款的定期貸款的分類

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

Other than as further explained below regarding the impact of HKFRS 3 (Revised), HKAS 27 (Revised), amendments to HKAS 7 and HKAS 17 included in Improvements to HKFRSs 2009, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

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

(a) HKFRS 3 (Revised) Business Combinations and HKAS 27 (Revised) Consolidated and Separate Financial Statements

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that affect the initial measurement of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Consequential amendments were made to various standards, including, but not limited to HKAS 7 Statement of Cash Flows, HKAS 12 Income Taxes, HKAS 21 The Effects of Changes in Foreign Exchange Rates, HKAS 28 Investments in Associates and HKAS 31 Interests in Joint Ventures.

The changes introduced by these revised standards are applied prospectively and affect the accounting of acquisitions, loss of control and transactions with non-controlling interests after 1 January 2010.

2.2 會計政策及披露要求變動(續)

除在下文進一步說明有關香港財務報告準則第3號(經修訂)、香港會計準則第27號(經修訂)、包括在二零零九年香港財務報告準則的改進內的香港會計準則第7號修訂本及香港會計準則第17號修訂本的影響外,採納該等新訂及經修訂的香港財務報告準則對該等財務報表並無重大財務影響。

採納該等新訂及經修訂之香港財務報告準則的主要影響如下:

(a) 香港財務報告準則第3號(經修訂)「業務併購」及香港會計準則第27號(經修訂)「合併及獨立財務報表」

香港財務報告準則第3號(經修訂)引入多項對業務併購進行會計處理的變動,該等變動影響非控股權益的初次計量、交易成本的會計處理、或然代價的初次確認及其後計量以及分階段完成的業務併購。該等變動將對已確認商譽的金額、收購發生期間的報告業績及未來報告的業績產生影響。

香港會計準則第27號(經修訂)規定未喪失控制權之附屬公司所有權權益的變動應作為權益交易入賬。因此,該等變動將不會對商譽構成影響,亦不會產生收益或虧損。此外,經修訂準則改變對附屬公司所產生的虧損以及喪失附屬公司控制權的會計處理。後續修訂乃對多項準則(包括但不限於)香港會計準則第7號「現金流量表」、香港會計準則第12號「所得稅」、香港會計準則第21號「匯率變動的影響」、香港會計準則第28號「於聯營公司的投資」及香港會計準則第31號「於合營企業的權益」作出。

該等經修訂準則引入的變動已開始於二零一零年一月一日後應用,並對收購會計法、喪失控制權及與非控股權益進行交易產生影響。

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

(b) Improvements to HKFRSs 2009 issued in May 2009 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments results in changes in accounting policies, none of these amendments has had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- HKAS 7 Statement of Cash Flows: Requires that only expenditures that result in a recognised asset in the statement of financial position can be classified as a cash flow from investing activities.
- HKAS 17 Leases: Removes the specific guidance on classifying land as a lease. As a result, leases of land should be classified as either operating or finance leases in accordance with the general guidance in HKAS 17.

Amendment to HK Interpretation 4 Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases is revised as a consequence of the amendment to HKAS 17 Leases included in Improvements to HKFRSs 2009. Following this amendment, the scope of HK Interpretation 4 has been expanded to cover all land leases, including those classified as finance leases. As a result, this interpretation is applicable to all leases of property accounted for in accordance with HKAS 16, HKAS 17 and HKAS 40.

2.2 會計政策及披露要求變動(續)

(b) 於二零零九年五月頒佈的二零零九年香港財務報告準則的改進載列多項香港財務報告準則的修訂本。各準則均設有個別過渡性條文。儘管採納若干修訂本會導致會計政策變動，然而該等修訂本概不會對本集團構成重大財務影響。有關最適合本集團的主要修訂本詳情如下：

- 香港會計準則第7號「現金流量表」：規定僅會導致須於財務狀況表內確認資產的開支方可分類為投資活動產生的現金流。
- 香港會計準則第17號「租賃」：刪除劃分租賃土地類別的特定指引。因此，根據香港會計準則第17號之一般指引，土地租賃應分類為經營租賃或融資租賃。

香港詮釋第4號「租賃」修訂本釐定香港土地租賃的租賃期限，乃由於對載於二零零九年香港財務報告準則的改進之香港會計準則第17號「租賃」作出修訂而予以修訂。於該修訂後，香港詮釋第4號的範圍被擴大至涵蓋所有土地租賃，包括該等分類為融資租賃的土地租賃。因此，該詮釋適用於所有按香港會計準則第16號、香港會計準則第17號及香港會計準則第40號列賬的物業租賃。

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

HKFRS 1 Amendment	Amendment to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ²
HKFRS 7 Amendments	Amendments to HKFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets ⁴
HKFRS 9	Financial Instruments ⁶
HKAS 12 Amendments	Amendments to HKAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets ⁵
HKAS 24 (Revised)	Related Party Disclosures ³
HKAS 32 Amendment	Amendment to HKAS 32 Financial Instruments: Presentation – Classification of Rights Issues ¹
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 Prepayments of a Minimum Funding Requirement ³
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments ²

Apart from the above, the HKICPA has issued Improvements to HKFRSs 2010 which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 3 and HKAS 27 are effective for annual periods beginning on or after 1 July 2010, whereas the amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC)-Int 13 are effective for annual periods beginning on or after 1 January 2011 although there are separate transitional provisions for each standard.

¹ Effective for annual periods beginning on or after 1 February 2010

² Effective for annual periods beginning on or after 1 July 2010

³ Effective for annual periods beginning on or after 1 January 2011

⁴ Effective for annual periods beginning on or after 1 July 2011

⁵ Effective for annual periods beginning on or after 1 January 2012

⁶ Effective for annual periods beginning on or after 1 January 2013

2.3 已頒佈但尚未生效的香港財務報告準則

本集團在該等財務報表中並無應用下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則。

香港財務報告準則第1號修訂本	香港財務報告準則第1號修訂本首次採納香港財務報告準則一首次採納者有關香港財務報告準則第7號比較披露資料的有限豁免 ²
香港財務報告準則第7號修訂本	香港財務報告準則第7號「金融工具：披露」修訂本—財務資產轉讓 ⁴
香港財務報告準則第9號	金融工具 ⁶
香港會計準則第12號修訂本	香港會計準則第12號「所得稅」修訂本—遞延稅項：收回相關資產 ⁵
香港會計準則第24號(經修訂)	關連方披露 ³
香港會計準則第32號修訂本	香港會計準則第32號「金融工具：呈列」修訂本—供股的分類 ¹
香港(國際財務報告詮釋委員會)—詮釋第14號修訂本	香港(國際財務報告詮釋委員會)—詮釋第14號「預付最低資本規定」修訂本 ³
香港(國際財務報告詮釋委員會)—詮釋第19號	香港(國際財務報告詮釋委員會)—以股本工具抵銷金融負債 ²

除上述披露者外，香港會計師公會頒佈了二零一零年香港財務報告準則的改進，其載有對多項香港財務報告準則修訂本，主要旨在消除矛盾與澄清措詞。儘管各準則均有個別過渡條文，然而香港財務報告準則第3號修訂本及香港會計準則第27號均於二零一零年七月一日或之後開始的年度期間生效，而香港財務報告準則第1號、香港財務報告準則第7號、香港會計準則第1號、香港會計準則第34號及香港(國際財務報告詮釋委員會)—詮釋第13號均於二零一一年一月一日或之後開始的年度期間生效。

¹ 於二零一零年二月一日或之後開始的年度期間生效

² 於二零一零年七月一日或之後開始的年度期間生效

³ 於二零一一年一月一日或之後開始的年度期間生效

⁴ 於二零一一年七月一日或之後開始的年度期間生效

⁵ 於二零一二年一月一日或之後開始的年度期間生效

⁶ 於二零一三年一月一日或之後開始的年度期間生效

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

Further information about those changes that are expected to significantly affect the Group is as follows:

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 Financial Instruments: Recognition and Measurement. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "Additions") and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income ("OCI"). The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on hedge accounting and impairment of financial assets continues to apply. The Group expects to adopt HKFRS 9 from 1 January 2013.

HKAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government. The Group expects to adopt HKAS 24 (Revised) from 1 January 2011 and the comparative related party disclosures will be amended accordingly.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

預期將會對本集團造成重大影響之相關變動的進一步資料如下：

二零零九年十一月頒佈的香港財務報告準則第9號為完全取代香港會計準則第39號「財務工具：確認及計量」的全面計劃的第一階段的第一部份。該階段重點為財務資產的分類及計量。財務資產不再分為四類，而應根據實體管理財務資產的業務模式及財務資產合同現金流量特徵，於後續期間按攤銷成本或公平值計量。此舉旨在改進和簡化香港會計準則第39號規定的財務資產分類與計量方式。

於二零一零年十一月，香港會計師公會就財務負債頒佈香港財務報告準則第9號之新增規定（「新增規定」），在香港財務報告準則第9號中加入香港會計準則第39號金融工具現行解除確認的原則。大部份新增規定由香港會計準則第39號承前結轉不變，但對指定為按公平值採用公平值選擇（「公平值選擇」）計入損益的財務負債的計量作出變動。就該等公平值選擇負債而言，由信貸風險變動而產生的負債公平值變動金額，必須於其他全面收益（「其他全面收益」）中呈列。除非於其他全面收益中就負債之信貸風險呈列公平值變動，會於損益中產生或擴大會計差異，否則其餘公平值變動金額於損益呈列。然而，新增規定並不涵蓋按公平值選擇納入之貸款承諾及財務擔保合約。

香港財務報告準則第9號旨在全面取代香港會計準則第39號。於全面取代前，香港會計準則第39號關於對沖會計及財務資產之減值方面的指引繼續適用。本集團預期自二零一三年一月一日起採納香港財務報告準則第9號。

香港會計準則第24號（經修訂）闡明及簡化了關聯方的定義，並規定若與某政府或該政府控制、共同控制或可行使重大影響力的實體進行交易，則可獲部分豁免對於政府相關實體之關聯方披露。本集團預期自二零一一年一月一日起採納香港會計準則第24號（經修訂），而關聯方披露比較數字將作相應修訂。

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

While the adoption of the revised standard will result in changes in the accounting policy, the revised standard is unlikely to have any impact on the related party disclosures as the Group currently does not have any significant transactions with government-related entities.

Improvements to HKFRSs 2010 issued in May 2010 sets out amendments to a number of HKFRSs. The Group expects to adopt the amendments from 1 January 2011. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments are expected to have a significant financial impact on the Group. Those amendments that are expected to have a significant impact on the Group's policies are as follows:

- (a) HKFRS 3 Business Combinations: Clarifies that the amendments to HKFRS 7, HKAS 32 and HKAS 39 that eliminate the exemption for contingent consideration do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of HKFRS 3 (as revised in 2008).

In addition, the amendments limit the measurement choice of non-controlling interests at fair value or at the proportionate share of the acquiree's identifiable net assets to components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another HKFRS.

The amendments also added explicit guidance to clarify the accounting treatment for non-replaced and voluntarily replaced share-based payment awards.

- (b) HKAS 1 Presentation of Financial Statements: Clarifies that an analysis of other comprehensive income for each component of equity can be presented either in the statement of changes in equity or in the notes to the financial statements.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

儘管採納該經修訂準則將導致會計政策出現變動，但由於本集團目前並無與政府相關實體進行任何重大交易，該經修訂準則不會對關聯方披露造成任何影響。

於二零一零年五月頒佈的二零一零年香港財務報告準則的改進載列多項香港財務報告準則修訂本。本集團預期自二零一一年一月一日起採納該等修訂。各項準則均設有個別過渡條文。儘管採納部分修訂或會導致會計政策變動，惟預期該等修訂本概不會對本集團構成重大財務影響。預期對本集團政策構成重大影響的修訂本如下：

- (a) 香港財務報告準則第3號業務併購：闡明香港財務報告準則第7號、香港會計準則第32號及香港會計準則第39號之修訂本消除對或然代價之豁免，並不適用於收購日期為採用香港財務報告準則第3號(於二零零八年經修訂)之前之業務合併所產生之或然代價。

另外，該等修訂將以公平價值或被收購方可識別淨資產之比例權益的非控股權益計量選擇，限制為屬現時擁有權益並賦予擁有人權利於清盤時按比例分佔實體之淨資產的非控股權益成份。除非另一香港財務報告準則規定須採用其他計量基準，否則非控股權益的其他組成部分乃按收購日期的公平值計量。

該等修訂本亦加入明文指引，以闡明尚未取代及自願取代的以股份基礎支付獎勵的會計處理方式。

- (b) 香港會計準則第1號呈列財務報表：闡明權益的各組成部分的其他全面收入分析，可於權益變動表或財務報表附註呈列。

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

- (c) HKAS 27 Consolidated and Separate Financial Statements: Clarifies that the consequential amendments from HKAS 27 (as revised in 2008) made to HKAS 21, HKAS 28 and HKAS 31 shall be applied prospectively for annual periods beginning on or after 1 July 2009 or earlier if HKAS 27 is applied earlier.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

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

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sales in accordance with HKFRS 5 are stated at cost less any impairment losses.

Joint ventures

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

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

2.3 已頒佈但尚未生效的香港財務報告準則(續)

- (c) 香港會計準則第27號合併及獨立財務報表：闡明香港會計準則第27號(於二零零八年經修訂)對香港會計準則第21號、香港會計準則第28號及香港會計準則第31號所作出的後續修訂將於二零零九年七月一日或之後開始之年度期間開始應用或倘香港會計準則第27號提早應用時則提早應用。

2.4 主要會計政策概要

附屬公司

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

附屬公司之業績按已收及應收股息計入本公司之收益表。本公司於附屬公司的投資中，未根據香港財務報告準則第5號分類為持作出售者按成本減任何減值虧損列賬。

合資企業

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Joint ventures (continued)

A joint venture is treated as:

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

Jointly-controlled entities

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

The Group's investments in jointly-controlled entities are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and reserves of jointly-controlled entities is included in the consolidated income statement and consolidated reserves, respectively. Unrealised gains and losses resulting from transactions between the Group and its jointly-controlled entities are eliminated to the extent of the Group's investments in the jointly-controlled entities, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of jointly-controlled entities is included as part of the Group's investments in jointly-controlled entities. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

2.4 主要會計政策概要(續)

合資企業(續)

合資企業於下列情況被視作不同類型公司：

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

共同控制實體

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

本集團於共同控制實體的投資，是採用權益會計法按本集團應佔的資產淨值減任何減值虧損在綜合財務狀況報表列賬。本集團所佔共同控制實體的收購後業績及儲備分別計入綜合收益表及綜合儲備。本集團與其共同控制實體之間交易所產生之未變現損益，會以本集團在該共同控制實體的投資為限抵銷，除非未變現虧損有證據證明所轉讓的資產出現減值。收購共同控制實體產生的商譽乃作為本集團於共同控制實體的投資的一部份入賬。倘會計政策存在任何不一致，將會作出相應調整。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Associates

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

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

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

When an investment in an associate is classified as held for sale, it is accounted for in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

2.4 主要會計政策概要(續)

聯營公司

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

本集團於聯營公司的投資，是採用權益會計法按本集團應佔的資產淨值減任何減值虧損在綜合財務狀況報表列賬。本集團所佔聯營公司的收購後業績及儲備分別計入綜合收益表及綜合儲備。本集團與其聯營公司之間交易所產生之未變現損益，會以本集團在該聯營公司的投資為限抵銷，除非未變現虧損有證據證明所轉讓的資產出現減值。收購聯營公司產生的商譽乃作為本集團於聯營公司的投資的一部份入賬，且並不會單獨作減值測試。倘會計政策存在任何不一致，將會作出相應調整。

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

若於聯營公司的投資被分類為持作出售，則根據香港財務報告準則第5號持作銷售的非流動資產及已終止業務列賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill

Business combinations from 1 January 2010

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the net identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets of the subsidiary acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2.4 主要會計政策概要(續)

業務合併及商譽

自二零一零年一月一日起的業務合併

業務合併採用收購法入賬。轉撥的代價按收購日期公平值計量，而計算方式為本集團轉撥的資產、本集團對被收購方的前擁有人產生的負債及本集團於交換被收購方的控制權所發行的股權於收購日期的公平值總和。就各項業務合併而言，收購方按公平值或被收購方可識別淨資產所佔比例來計算被收購方之非控股權益。收購成本於產生時列作支出。

當本集團收購業務時，須根據合約條款、收購日期的經濟環境及相關條件對涉及的金融資產及承擔的金融負債進行評估，並合理分類及確認，其中包括將內含衍生工具與被收購方的主合約分開。

倘業務合併分階段進行，收購方之前持有的被收購方股權按收購日期的公平值重新計量，差額計入損益。

由收購方將予轉讓的任何或然代價於收購日期按公平值確認。或然代價(被視為一項資產或負債)公平值的其後變動按香港會計準則第39號確認為損益或其他全面收益的變動。倘將或然代價分類為權益，則其於權益中最終結算前毋須重新計量。

商譽初步按成本計量，為已轉讓代價、非控股權益之確認金額及本集團之前持有的被收購方股權之任何公平值的總和，超出本集團購得的可識別資產淨值及所承擔負債的數額。倘此代價及其他項目之和低於購得的附屬公司的資產淨值的公平值，則其差額於重新評估後於損益確認為議價收購收益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (continued)

Business combinations from 1 January 2010 (continued)

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

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

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

Business combinations prior to 1 January 2010 but after 1 January 2005

In comparison to the above-mentioned requirements which were applied on a prospective basis, the following differences applied to business combinations prior to 1 January 2010:

Business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest was measured at the proportionate share of the acquiree's identifiable net assets.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

自二零一零年一月一日起的業務合併(續)

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽的賬面值每年進行減值測試，而倘出現顯示賬面值可能減值的事件或情況變動，則會較頻密進行減值測試。本集團於十二月三十一日進行年度商譽減值測試。就減值測試而言，業務合併購入的商譽，由收購日期起分配到各個本集團預期合併後因協同效應而得益的現金產生單位或現金產生單位組別，不論本集團其他資產或負債有否分配到該等單位或單位組別。

減值乃透過評估與商譽有關的現金產生單位(或一組現金產生單位)的可收回金額釐定。倘現金產生單位(或一組現金產生單位)的可收回金額少於其賬面值，則確認減值虧損。已確認的商譽減值虧損不會於以後期間撥回。

當商譽構成一個現金產生單位(或一組現金產生單位)的一部分而該單位的某部分業務出售時，於釐定出售業務的收入或虧損時，與出售業務相關的商譽將包括在該業務的賬面值內。在此情況下出售的商譽將根據出售業務和現金產生單位的保留部分的相對價值計量。

於二零一零年一月一日之前但於二零零五年一月一日後的業務合併

與按預先基準採納之上述規定比較，下列差異乃適用於二零一零年一月一日之前的業務合併：

業務合併乃採用購買法入賬。直接歸屬收購的交易成本構成收購成本的一部分。非控股權益按所佔被收購方的可識別資產淨值的比例計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (continued)

Business combinations prior to 1 January 2010 but after 1 January 2005 (continued)

Business combinations achieved in stages were accounted for as separate steps. Any additional acquired share of interest did not affect previously recognised goodwill.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that otherwise would have been required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognised as part of goodwill.

Impairment of non-financial assets

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

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

2.4 主要會計政策概要(續)

業務合併及商譽(續)

於二零一零年一月一日之前但於二零零五年一月一日後的業務合併(續)

分階段完成的業務合併按各獨立的階段入賬。任何增購的應佔權益對過往已確認的商譽並無影響。

當本集團收購一項業務時，與被收購方主合約分開的內嵌式衍生工具不會於收購時重新計量，除非業務合併導致合約之條款發生變動，從而影響該合約原本規定之現金流量出現大幅變動。

當且僅當本集團目前負有責任、可能流出經濟利益，並且能夠確定可靠預計時，方予確認或然代價。其後對或然代價作出之調整確認為商譽之一部份。

非財務資產減值

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets (continued)

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

Related parties

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

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

2.4 主要會計政策概要(續)

非財務資產減值(續)

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

關聯方

在下列情況下，有關方將被視為本集團之關聯方：

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carry amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation.

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

Buildings	12 to 35 years
Leasehold improvements	10 to 20 years or the term of the relevant lease
Plant and machinery	8 to 12 years
Computer, equipment and fixtures	3 to 10 years
Motor vehicles	2 to 10 years
Other equipment	5 to 10 years

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

2.4 主要會計政策概要(續)

物業、機器及設備及折舊

物業、機器及設備(在建工程除外)乃按成本值減去累計折舊及任何減值虧損後列賬。當物業、機器及設備項目分類為持作出售或構成分類為持作出售之出售組別之一部份,其將不作折舊並會根據香港財務報告準則第5號列賬(詳情參見「持作出售之非流動資產及出售組別」之會計政策)。物業、機器及設備項目的成本包括其購買價及將資產達至其運作狀況及位置以作擬定用途而產生的任何直接應佔成本。物業、機器及設備項目開始運作後,維修及保養費用等支出通常於產生期間於收益表中扣除。倘能夠符合確認標準,重大檢查的開支會於資產賬面值中資本化作為替換。倘物業、機器及設備的重大部份須分期替換,本集團會確認該等部份為有特定使用年期及折舊的個別資產。

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

樓宇	12至35年
租賃物業裝修	10至20年或相關租約年期
機器及機械	8至12年
電腦、設備及裝置	3至10年
汽車	2至10年
其他設備	5至10年

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (continued)

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

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

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

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any impairment losses. Depreciation is charged so as to write off the cost of investment properties using the straight-line method.

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

2.4 主要會計政策概要(續)

物業、機器及設備及折舊(續)

剩餘價值、可使用年期及折舊方法至少於各財政年度末審閱及調整(如適用)。

已初步確認的物業、機器及設備項目及任何重大部份於出售或預期不能再從使用或出售中獲得未來經濟利益時解除確認。於解除確認資產的年度內的收益表中所確認因出售或廢棄而引致的任何損益，指有關資產的出售所得款項淨額與賬面值的差額。

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

投資物業

投資物業指為持作賺取租金收入及／或用作資本增值，而並非用於生產或供應貨品或服務或作行政用途，或於日常業務過程中用作銷售之土地及樓宇權益。有關物業初步按成本(包括交易成本)計量。於初步確認後，投資物業乃按成本減累計折舊及任何減值虧損列賬。折舊使用直線法扣除，以撇銷投資物業之成本。

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-current assets and disposal groups held for sale

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

Non-current assets and disposal groups (other than investment properties, deferred tax assets and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

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

2.4 主要會計政策概要(續)

持作出售之非流動資產及出售組別

倘非流動資產及出售組別之賬面值主要透過出售交易而非持續使用而收回時，則彼等將分類為持作出售，惟條件是該資產或出售組別必須可於其現況下即時出售，而出售的條款僅為出售該類資產或出售組別之一般及慣常條款，以及有關出售須極有可能會進行。被分類為出售組別的附屬公司所有資產及負債均重新分類為持作出售，而無論本集團是否在出售後於該前附屬公司保留非控股權益。

列為持作出售之非流動資產及出售組別(投資物業、遞延稅項資產及財務資產除外)按彼等之賬面值與公平值減銷售成本之較低者計量。列為持作出售的物業、機器及設備以及無形資產不作折舊或攤銷。

無形資產(商譽除外)

個別收購的無形資產於初步確認時按成本計量。於業務合併時收購無形資產的成本乃為收購當日的公平值。無形資產之可使用年期評估為有限或無限。有限年期之無形資產其後於可使用經濟年期內攤銷，並在有跡象顯示無形資產可能出現減值時評估減值。有限年期之無形資產之攤銷年期及攤銷方法最少於各財政年度末進行檢討。

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill) (continued)

Patents and licences

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

Research and development costs

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

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

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

Leases

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

2.4 主要會計政策概要(續)

無形資產(商譽除外)(續)

專利及牌照

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

研究與開發成本

所有研究成本均於產生時在收益表內扣除。

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

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

租約

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

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

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

Investments and other financial assets

Initial recognition and measurement

Financial assets within the scope of HKAS 39 are classified as loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

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

The Group's financial assets include cash and bank balances, trade and other receivables and quoted and unquoted financial instruments.

2.4 主要會計政策概要(續)

租約(續)

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

經營租約之土地租賃預付款初始以成本列賬，其後則於租期內以直線法確認。

投資及其他財務資產

初步確認及計量

香港會計準則第39號所界定範圍內之財務資產分類為貸款及應收賬款及可供出售財務資產，或指定於有效對沖中作為對沖工具的衍生工具(視情況而定)。本集團於初步確認時釐定其財務資產的分類。財務資產於初始確認時以公平值計算，如非以公平值於損益列賬之投資，則加上直接應佔交易成本。

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

本集團的財務資產包括現金及銀行結餘、貿易應收賬款及其他應收賬款，以及已有報價及無報價財務工具。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the income statement. The loss arising from impairment is recognised in the income statement in other expenses.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with gains or losses recognised as other comprehensive income in the available-for-sale investment valuation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the income statement in other income, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement in other expenses and removed from the available-for-sale investment valuation reserve. Interest and dividends earned are reported as interest income and dividend income, respectively and are recognised in the income statement as other income in accordance with the policies set out for "Revenue recognition" below.

2.4 主要會計政策概要(續)

投資及其他財務資產(續)

其後計量

財務資產其後的計量視乎其下列分類：

貸款及應收賬款

貸款及應收賬款為具有固定或可確定付款額，但在活躍市場中並無報價之非衍生財務資產。於初步計量後，該類資產其後以實際利率法按攤銷成本減任何減值撥備計量。計算攤銷成本時會計及收購所產生之任何折讓或溢價，亦包括作為實際利率一部份之費用及成本。實際利率攤銷會計入收益表的財務收益內。減值虧損會於收益表的其他開支中確認。

可供出售財務投資

可供出售財務投資乃指上市及非上市股本中之非衍生財務資產。列為可供出售的股本投資既非列為持作買賣，亦非指定以公平值於損益列賬。該類別中之債務證券擬將無限期待持有，惟可能於亟需流動資金或市況出現變化時出售。

於初步確認後，可供出售財務投資其後按公平值計量，而有關收益或虧損則於可供出售投資估值儲備內確認為其他全面收入，直至投資被解除確認，在此情況下，累計收益或虧損將於收益表的其他收入內確認；或直至投資被釐定已出現減值時為止，在此情況下，以往已於權益呈報之累計收益或虧損將計入收益表內的其他開支，並自可供出售投資估值儲備中移除。所賺取之利息及股息分別按利息收入及股息收入呈報，並根據下文「收入確認」所載之政策於收益表確認為其他收入。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Available-for-sale financial investments (continued)

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

The Group evaluates its available-for-sale financial assets whether the ability and intention to sell them in the near term are still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intent to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or to maturity. Reclassification to the held-to-maturity category is permitted only when the entity has the ability and intent to hold until the maturity date of the financial asset.

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statement.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or

2.4 主要會計政策概要(續)

投資及其他財務資產(續)

可供出售財務投資(續)

倘非上市股本證券之公平值由於(a)合理之公平值估計範圍之變動相對該投資而言屬重大，或(b)在上述範圍內之各種估值之概率未能合理地衡量及用於估計公平值，而不能可靠地計算時，則該等證券按成本減任何減值虧損列賬。

本集團會對於短期內出售可供出售財務資產的能力及意向是否仍屬合適進行評估。當本集團因市場缺乏交投而未能買賣該等財務資產及管理層如此行事的意向於可見未來大幅改變時，本集團可能選擇於少數情況下將該等財務資產重新分類。當財務資產符合貸款及應收賬款的定義，而本集團有意及有能力於可見將來持有該等資產或持有直至到期時，允許重新分類至貸款及應收賬款。只有當實體有能力及有意持有財務資產直至到期日時，才獲准重新分類為持有至到期類別。

就從可供出售類別重新分類的財務資產而言，該資產已於權益內確認的任何先前盈虧於投資的剩餘年期內使用實際利率攤銷至損益。新攤銷成本與預期現金流量之間任何差額亦於資產的剩餘年期內使用實際利率攤銷。倘資產其後被認定為減值，則於權益記錄的金額重新分類至收益表。

解除確認財務資產

財務資產(或(如適用)一項財務資產之一部份或一組同類財務資產之一部份)在下列情況將解除確認：

- 收取該項資產所得現金流量之權利經已屆滿；或

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets (continued)

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at each of the reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.4 主要會計政策概要(續)

解除確認財務資產(續)

- 本集團已轉讓其收取該項資產所得現金流量之權利，或根據一項「轉手」安排，承擔向第三方全數支付所獲現金流量而不得重大延誤之責任；及(a)本集團已轉讓該項資產之絕大部份風險及回報；或(b)本集團並無轉讓或保留該項資產絕大部份風險及回報，但已轉讓該項資產之控制權。

倘本集團已轉讓其收取一項資產所得現金流量之權利或已訂立一項轉手安排，但並無轉讓或保留該項資產之絕大部份風險及回報，且並無轉讓該項資產之控制權，則該項資產僅會按本集團持續參與該資產的程度確認。在該情況下，本集團亦確認聯屬責任。已轉讓資產及聯屬責任以反映本集團所保留的權利及責任之基準計量。

倘持續參與為就已轉讓資產提供擔保，則以資產的原賬面值以及本集團可能須償還的最高代價兩者的較低者計量。

財務資產減值

本集團於各報告期評估有否客觀跡象顯示一項或一組財務資產出現減值。倘且僅倘於初步確認資產後發生一項或多項事件導致存在客觀減值跡象(一項已發生的「虧損事件」)，而該項虧損事件對該項或該組財務資產的估計未來現金流量所造成的影響乃能夠可靠地估計，則該項或該組財務資產會被視作減值。減值跡象可包括一名或一群債務人正面臨重大經濟困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察得到的數據顯示估計未來現金流量出現可計量的減少，例如欠款數目變動或出現與違約相關的經濟狀況。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the income statement.

2.4 主要會計政策概要(續)

財務資產減值(續)

按攤銷成本列賬的財務資產

有關按攤銷成本列賬的財務資產，本集團首先獨立評估個別重大的財務資產有否客觀減值跡象，或共同評估非個別重大的財務資產有否客觀減值跡象。倘本集團釐定個別已評估財務資產為並無客觀減值跡象，則有關資產不論是否重大，會計入一組有相似信貸風險特徵的財務資產，共同作減值評估。對於個別作減值評估的資產，倘其減值虧損會或會持續確認，則不會計入共同減值評估。

如果有客觀跡象表明已產生減值虧損，則按資產之賬面值與估計未來現金流量(不包括尚未產生之未來信貸虧損)之現值之間之差額計量虧損金額。估計未來現金流的現值會按財務資產的原實際利率(即按首次確認計算的實際利率)折算。倘貸款有浮動利率，計量任何減值虧損的折現率為當時的實際利率。

資產賬面值會透過撥備賬扣減。虧損金額於收益表確認。為計算減值虧損，利息收入會繼續以減少的賬面值及用以折算未來現金流的利率累計。如貸款及應收賬款預期於未來不大可能收回及所有抵押品已經變現或轉讓予本集團，則會撇銷該貸款及應收賬款連同任何相關撥備。

倘在其後期間，由於減值確認後發生的事件，估計減值虧損增加或減少，則過往確認的減值虧損會透過調整撥備賬而增減。倘未來撇銷款項於之後收回，則收回的款項會計入收益表中。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is removed from other comprehensive income and recognised in the income statement.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity instruments classified as available for sale are not reversed through the income statement. Increases in their fair value after impairment are recognised directly in other comprehensive income.

2.4 主要會計政策概要(續)

財務資產減值(續)

按成本列賬之資產

倘有客觀證據顯示，因其公平值不能可靠地衡量而並非以公平值列賬之無報價股本工具出現減值虧損，虧損的金額乃以資產之賬面值與利用類似財務資產於當時的市場回報率折算的估計未來現金流現值間的差額計算。該等資產之減值虧損不予撥回。

可供出售財務投資

就可供出售財務投資而言，本集團於各報告期末評估是否出現客觀證據顯示一項投資或一組投資已出現減值。

若可供出售財務資產出現減值，其成本值(扣除任何主要付款及攤銷)與其現行公平值之差額，在扣減以往在收益表確認之任何減值虧損後會自其他全面收入中移除，並於收益表內確認。

對分類為可供出售之股本投資，客觀跡象包括投資之公平值重大或持續下跌至低於成本值。「重大」針對投資的原來成本而評估，而「長期」則針對公平值低於其原來成本的期間而評估。倘出現減值跡象，則累計虧損(按收購成本與目前公平值之間差額再減去該項投資先前已於收益表確認的任何減值虧損而計量)於其他全面收入中移除及於收益表內確認。對於列為可供出售的股本工具而言，減值虧損不會透過收益表撥回。於減值後增加的公平值，直接於其他全面收入確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of HKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, financial guarantee contracts, debentures and interest-bearing loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings and debentures are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the income statement.

2.4 主要會計政策概要(續)

財務負債

初步確認及計量

符合香港會計準則第39號範圍的財務負債分類為以公平值於損益列賬的財務負債、貸款及借貸、或指定於有效對沖中作為對沖工具的衍生工具(視情況而定)。本集團於初步確認時釐定財務負債的分類。

所有財務負債初步按公平值確認，倘為貸款及借貸，則加上直接應佔交易成本。

本集團的財務負債包括貿易應付款項及其他應付款項、財務擔保合約、債務證券以及計息貸款及借貸。

其後計量

財務負債其後的計量視乎其下列分類：

貸款及借貸

初步確認後，計息貸款及借貸以及債務證券其後會以實際利率法按攤銷成本計量，惟倘折讓效果並不重大，則會按成本列賬。當負債終止確認及已透過實際利率法攤銷時，收益及虧損會於收益表中確認。

攤銷成本的計算已計及任何收購折扣或溢價，以及屬於實際利率一部份的費用或成本。實際利率攤銷會計入收益表的財務成本內。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments investments that are traded in active markets is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments where there is no active market, the fair value is determined using appropriate valuation techniques. These techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing models.

2.4 主要會計政策概要(續)

財務擔保合約

本集團出具的財務擔保合約乃須就持有人因指定債務人未能根據債務工具的條款支付到期款項而蒙受損失時，向持有人償付款項的合約。財務擔保合約首先按其公平值就作出財務擔保之直接應佔交易費用進行調整後確認為負債。首次確認之後，本集團按以下二者之較高者計量財務擔保合約：(i)於報告期末對償付現有責任所需開支金額之最佳估計；及(ii)首次確認之金額減(如適合)累計攤銷。

解除確認財務負債

倘負債下的責任獲履行、註銷或屆滿，財務負債便會解除確認。

倘若一項現有財務負債被來自同一貸款方但大部份條款均有差別之另一項財務負債所取代，或現有負債之條款被大幅修改，則此種置換或修改被視作解除確認原有負債，並作為確認新負債處理，而兩者之賬面值差額將於收益表內確認。

抵銷財務工具

財務資產與財務負債對銷，而有關淨額當及僅當有現可強制執行的法律權力以抵銷已確認金額且有意按淨額基準結算或同時變現資產及結清負債時在財務狀況報表呈報。

財務工具公平值

就於交投暢旺的有序金融市場內買賣的財務工具而言，公平值參考所報市場買入價或交易商價格報價(好倉以買入價及淡倉以沽盤價)且不扣除任何交易成本釐定。就並無活躍市場的財務工具而言，公平值將採用適當的估值方法釐定。該等方法包括參考近期進行的公平市場交易及其他大致類同財務工具的現行市場價格、現金流量折現分析及期權定價模式。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

Provisions for product warranties granted by the Group on certain products are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

2.4 主要會計政策概要(續)

存貨

存貨乃按成本與可變現淨值兩者中之較低者入賬。成本按加權平均基準釐定，如屬在製品及製成品，其成本則包括直接物料費用、直接工資及適當比例之間接費用。可變現淨值按估計售價減預期完成及售出所需之任何估計費用計算。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款以及可隨時轉換為已知金額現金的短期高變現能力的投資(有關投資所承受的價值變動風險並不重大，並一般於收購時起計三個月內到期)，扣除須於要求時還款之銀行透支，現金及現金等價物構成本集團現金管理的基本部份。

就財務狀況報表而言，現金及現金等價物包括手頭現金及銀行存款，包括用途不受限制之定期存款。

撥備

倘因過往事件而須承擔現有責任(法定或推定)，且日後很可能須以資源清償此等責任時，則會確認撥備，惟責任金額須可作出可靠估計。

倘折現的影響重大，則就撥備確認的金額為於報告期結束時預期日後償還債務所需開支的現值。倘折現現值隨時間流逝而增加，則於收益表計入財務費用。

本集團就若干產品提供保修而計提的撥備乃按銷量及過往的維修及退回情況折現至其現值(倘適用)確認入賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 主要會計政策概要(續)

所得稅

所得稅包括當期及遞延稅項。有關損益外確認項目的所得稅於損益外確認，不論是否於其他全面收入或直接於權益內確認。

本期與以往期間的即期稅項資產和負債根據於報告期末已生效或已大致生效的稅率(及稅法)，並考慮本集團業務所在國家的現有詮釋及慣例，按預期自稅務機構退回或付予稅務當局的金額計算。

遞延稅項採用負債法，對所有於報告期末就資產及負債的稅基與用於財務報告的賬面值之間的暫時差額作出撥備。

遞延稅項負債乃就所有應課稅暫時差額予以確認，惟：

- 倘於進行某項並非業務合併的交易且在交易時會計溢利或應課稅溢利或虧損均無受影響之交易，因商譽或初步確認資產或負債而產生遞延稅項負債，則作別論；及
- 就與附屬公司、聯營公司及於合資企業之投資相關的應課稅暫時差額而言，倘撥回暫時差額的時間可予控制，且暫時差額可能不會於可見將來撥回則作別論。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項資產乃按所有可抵扣暫時差額、未動用稅項抵免及未動用稅項虧損的結轉予以確認，僅限於可能有應課稅溢利以扣減可抵扣暫時差額、未動用稅項抵免及未動用稅項虧損的結轉時才予以確認，惟：

- 倘若有關可抵扣暫時差額之遞延稅項資產之起因，是由於非業務合併交易及在交易時會計溢利及應課稅溢利或虧損均無受影響之交易中資產或負債之初步確認，則作別論；及
- 就與附屬公司、聯營公司及於合資企業之投資相關的可抵扣暫時差額而言，只有在暫時差額有可能在可見將來撥回，而且應課稅溢利可用以抵扣該等暫時差額時，方會確認為遞延稅項資產。

遞延稅項資產的賬面值乃於各報告期末審核，並將減少至不再可能有充裕應課稅溢利使全部或部分遞延稅項資產獲得動用為限。未確認的遞延稅項資產將於各報告期末重新評估，並以致使有充裕應課稅溢利使全部或部分遞延稅項資產得以收回為限進行確認。

遞延稅項資產及負債按變現資產或償還負債期間的預期適用稅率，以於報告期末已經生效或實質上已經生效的稅率(及稅法)為基準計算。

當存在可依法執行的權利將即期稅項資產與即期稅項負債互相抵銷，而該等遞延稅項乃涉及相同應課稅實體及相同稅務機關時，則應將遞延稅項資產與遞延稅項負債作抵銷。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from the rendering of services, when the services are rendered;
- (c) rental income, on a time proportion basis over the lease terms;
- (d) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset; and
- (e) dividend income, when the shareholders' right to receive payment has been established.

2.4 主要會計政策概要(續)

政府補貼

倘有合理保證可取得政府補貼，並可符合所有附帶條件，則會按公平值確認政府補貼。倘若補貼與一項開支項目有關，則有系統地按其擬補償的成本於所屬的期間確認為收入。倘若補貼與一項資產有關，補貼的公平值會記入遞延收入賬，並按有關資產的估計可使用年期每年等額轉撥至收益表。

收入確認

收入乃於本集團可取得有關經濟利益及能可靠地計算有關收入時按下列基準確認：

- (a) 銷售貨品所得收入乃於擁有權的重大風險及回報均轉予買家，而本集團對該等已售貨品並無保留一般與擁有權相關的管理權或有效控制權；
- (b) 提供服務之收入於提供相關服務時確認；
- (c) 租金收入按租賃期以時間比例基準確認；
- (d) 利息收入按應計基準以實際利率法按照將財務工具在預期可使用年期的估計未來現金收入折現至財務資產的賬面淨值的利率確認；及
- (e) 股息收入於確立股東收款權利時確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits

Pension scheme

The Company and its subsidiaries, jointly-controlled entities and associates which operate in Mainland China are required to participate in a government-regulated defined contribution pension scheme, under which the Group make contributions to a government-regulated pension scheme at a fixed percentage of wages and salaries of the existing full-time employees in Mainland China and have no further legal or constructive obligations to make additional contributions. The contributions are charged as an expense to the income statement as incurred.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

2.4 主要會計政策概要(續)

僱員福利

退休金計劃

本公司及其於中國內地的附屬公司、共同控制實體及聯營公司參與一項由政府規管的定額供款退休金計劃。據此，本集團須按中國內地現有全職僱員工資及薪金的固定百分比向該政府規管退休金計劃作出供款，且並無其他法定或推定責任作出額外供款。供款於產生時在收益表作為開支扣除。

借貸成本

於購買、興建或製造合資格資產(須經頗長一段時間始能投入作擬定用途或出售之資產)之直接應佔借貸成本，將資本化為該等資產之部份成本。當該等資產實質上達至擬定用途或可出售時借貸成本便不再作資本化。擬用作合資格資產開支的特定借款作暫時投資所賺取的投資收入自己資本化的借款成本中扣除。所有其他借貸成本於其產生期間列作開支。借貸成本包括實體因借款而產生的利息及其他成本。

股息

董事會建議派付的末期股息，於財務狀況報表的權益內列作保留利潤的獨立分配，直至股東於股東大會批准派付該等股息為止。待股息獲股東批准並予以宣派時，則確認為負債。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period and their income statements are translated into RMB at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

2.4 主要會計政策概要(續)

外幣

此等財務報表以本公司之功能及呈報貨幣人民幣呈報。本集團內各實體各自釐定其功能貨幣，各實體之財務報表內之項目均以所定功能貨幣計量。集團實體的外幣交易初步按交易日之有關功能貨幣之匯率換算列賬。以外幣列值之貨幣資產及負債，按有關功能貨幣於報告期末之匯率再換算。所有匯兌差額撥入收益表處理。按歷史成本列賬、以外幣計量之非貨幣項目，採用初步交易日期之匯率換算。按公平值列賬、以外幣計量之非貨幣項目，採用釐定公平值日期之匯率換算。

若干海外附屬公司使用人民幣以外的貨幣作為功能貨幣。於報告期末，該等實體之資產與負債，按報告期末之匯率換算為本公司之呈報貨幣，其收益表則按本年度之加權平均匯率換算為人民幣。因此而產生之匯兌差額於其他全面收入確認並計入匯兌儲備。出售外國業務時，該項外國業務有關的其他全面收入的組成部份，會在收益表中確認。

就綜合現金流量表而言，海外附屬公司之現金流量按產生現金流量日期之匯率換算為人民幣。海外附屬公司全年產生的經常性現金流量按年內之加權平均匯率換算為人民幣。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. 重大會計判斷及估計

編製本集團財務報表需要管理層作出影響報告期末之收入、開支、資產及負債之呈報金額及或有負債之披露之判斷、估計及假設。然而，該等假設及估計之不確定因素可能導致需要對未來受影響之資產或負債之賬面值作出重大調整。

判斷

應用本集團會計政策時，除涉及估計者外，管理層已作出以下判斷，該等判斷對財務報表中已確認的數額有重大影響：

經營租約承擔—本集團作為出租人

本集團就旗下的投資物業組合訂立商業物業租約。根據對安排之條款及條件作出之評估，本集團確認，就此等以經營租約出租的物業而言，本集團保留與此等物業擁有權有關的一切重大風險及回報。

投資物業與自置物業的分類

本集團決定物業是否屬於投資物業，並已製訂出作此判斷的準則。投資物業是為賺取租金或資本增值或同時為此兩項目的而持有的物業。因此，本集團會考慮一項物業產生現金流量時是否基本上與本集團持有的其他資產無關。若干物業的部份是為賺取租金或資本增值而持有，而物業內的其他部份是為用於生產或供應貨品或服務或作行政用途而持有。倘若此等部份可以分開出售（或根據融資租賃分開出租），本集團將把有關部份分開入賬。倘若該等部份無法分開出售，則只會用於生產或供應貨品或服務或作行政用途而持有的部份並不重大時，有關物業才會列作投資物業。判斷乃以個別物業作為基準，釐定配套服務是否重大，足以導致物業不可列作投資物業。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (continued)

Intangible assets with indefinite useful lives

As detailed in note 18, trademarks with a carrying value of RMB210,589,000 as at 31 December 2010 (2009: RMB210,589,000) are renewable every 10 years at minimal cost. The directors of the Company consider that these trademarks for all practical purposes have an indefinite useful life and therefore they will not be amortised until their useful life is determined to be finite and they will be tested for impairment annually.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of goodwill and trademarks

The Group determines whether goodwill and trademarks are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which goodwill and trademarks are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. As at 31 December 2010, the carrying amount of goodwill and trademarks was RMB538,016,000 (2009: RMB538,016,000) and RMB210,589,000 (2009: 210,589,000), respectively. Details of the recoverable amount calculation are disclosed in note 19.

Development costs

Development costs are capitalised in accordance with the accounting policy for research and development costs in note 2.4 to the financial statements. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 25 to the financial statements.

3. 重大會計判斷及估計(續)

判斷(續)

擁有永久可使用年期之無形資產誠如附註18所詳述，於二零一零年十二月三十一日之賬面值為人民幣210,589,000元(二零零九年：人民幣210,589,000元)之商標每十年可按最少成本重續。本公司董事認為，就所有實際用途而言，該等商標有永久可使用年期，因而不會被攤銷，直至其可使用年期被釐定為有限，則將按年進行減值測試。

估計不明朗因素

於報告期末可能導致下一財政年度資產及負債賬面值面臨重大調整風險之主要有關未來之假設及估計不明朗因素的其他主要來源討論如下。

商譽及商標之減值

本集團至少每年釐定商譽及商標是否減值。進行釐定時必須估算獲分配相關商譽及商標之現金產生單位的使用價值。使用價值之估算需要本集團估算預期現金產生單位所產生之未來現金流量及選擇合適貼現率以計算該等現金流量之現值。於二零一零年十二月三十一日，商譽及商標賬面值分別為人民幣538,016,000元(二零零九年：人民幣538,016,000元)及人民幣210,589,000元(二零零九年：人民幣210,589,000元)。有關可收回金額之計算詳情於附註19披露。

開發成本

開發成本根據財務報表附註2.4所載有關研究及開發成本之會計政策撥充資本。釐定須資本化款額時，管理層須就預期資產未來產生之現金、須應用之貼現率及預期受惠期間作出假設。

遞延稅項資產

遞延稅項資產乃按所有可抵扣暫時差額、未動用稅項抵免及未動用稅項虧損的結轉予以確認，惟將可抵扣暫時差額、未動用稅項抵免及未動用稅項虧損的結轉確認為遞延稅項資產的最高上限應以可供抵銷的應課稅溢利為限。釐定可確認之遞延稅項資產之金額時，管理層需要根據未來應課稅溢利之可能時間及水平以及未來稅務籌劃策略作出重大判斷。進一步詳情載於財務報表附註25。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Impairment of available-for-sale investments

The Group classifies certain assets as available-for-sale investments and recognises movements of their fair values in equity. When the fair value declines, management makes assumptions about the decline in value to determine whether there is an impairment that should be recognised in the income statement. At 31 December 2010, the carrying amount of impairment losses of RMB122,232,000 (2009: RMB122,025,000) has been recognised for available-for-sale investments. The carrying amount of available-for-sale investments as at 31 December 2010 was RMB636,038,000 (2009 RMB477,430,000).

Write-down of inventories to net realisable value

Write-down of inventories to net realisable value is made based on assessment of the salability and net realisable value of inventories. The identification of write-down of inventories requires management's judgement and estimates. Where the actual outcome of expectation in future is different from the original estimate, the differences will impact the carrying value of the inventories and write-down loss/reversal of write-down in the period in which the estimate has been changed.

Impairment of trade and other receivables

Impairment of trade and other receivables is made based on assessment of the recoverability of trade and other receivables. The identification of impairment of trade and other receivables requires management's judgement and estimates. Where the actual outcome of expectation in future is different from the original estimate, such differences will impact the carrying value of the receivables and impairment loss/reversal of impairment in the period in which such estimate has been changed.

Warranty expenses

The Group offers a six month to three year warranty for its products, during which free warranty service for the repair and maintenance of parts or components under normal usage is provided to customers. Management estimates the warranty provision based on the historical cost data for repairs and maintenance and units of products sold. The carrying amount of the warranty provision as at 31 December 2010 was RMB1,017,418,000 (2009: RMB497,231,000). Further details are disclosed in note 34 to the financial statements.

3. 重大會計判斷及估計(續)

估計不明朗因素(續)

可供出售投資之減值

本集團將若干資產分類為可供出售，並於權益內確認其公平值變動。倘公平值下降，管理層會就價值下降作出假設，以釐定是否出現應於收益表確認之減值。於二零一零年十二月三十一日，就可供出售投資確認之減值虧損賬面值為人民幣122,232,000元(二零零九年：人民幣122,025,000元)，可供出售投資之賬面值為人民幣636,038,000元(二零零九年：人民幣477,430,000元)。

撇減存貨至可變現淨值

存貨乃根據存貨之估計出售可能性與可變現淨值撇減至其可變現淨值。確定存貨之撇減金額要求管理層作出判斷及估計。若日後預期之實際結果有別於原來之估計，則有關差額將影響到有關估計改變期間之存貨賬面值及撇減虧損／撇減撥回金額。

應收貿易賬款及其他應收賬款減值

應收貿易賬款及其他應收賬款減值於評估應收貿易賬款及其他應收賬款可否收回後作出。確定應收貿易賬款及其他應收賬款減值要求管理層作出判斷及估計。若日後預期之實際結果有別於原來之估計，則有關差額將影響到有關估計改變期間之應收款項賬面值以及減值虧損／減值撥回金額。

保修開支

本集團為產品提供半年至三年的保修期，期內會向客戶就正常運作下的零部件維修及保養，提供免費的保修服務。管理層按照過往維修及保養成本的數據以及已售出的產品單位估計保修撥備。於二零一零年十二月三十一日，保修撥備之賬面值為人民幣1,017,418,000元(二零零九年：人民幣497,231,000元)。進一步詳情披露於財務報表附註34。

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- (a) manufacturing and sale of diesel engines and related parts (“Diesel engines”);
- (b) manufacturing and sale of automobiles and major automobile components other than diesel engines (“Automobiles and other major automobile components”);
- (c) manufacturing and sale of non-major automobile components (“Non-major automobile components”); and
- (d) provision of import and export services (“Import & export services”).

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax from continuing operations. The adjusted profit/(loss) before tax from continuing operations is measured consistently with the Group’s profit before tax from continuing operations except that interest income, finance costs, dividend income as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, pledged deposits, cash and cash equivalents, available-for-sale investments and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

4. 經營分部資料

就管理目的而言，本集團按產品及服務劃分其業務單位，而本集團有四個申報經營分部如下：

- (a) 生產及銷售柴油機及相關零部件（「柴油機」）；
- (b) 生產及銷售汽車及主要汽車零部件（不包括柴油機）（「汽車及其他主要汽車零部件」）；
- (c) 生產及銷售非主要汽車零部件（「非主要汽車零部件」）；及
- (d) 提供進出口服務（「進出口服務」）。

管理層會就資源分配及表現評估的決策分開監控其經營分部的業績。分部表現乃按申報分部溢利／（虧損）進行評估，申報分部溢利／（虧損）即來自持續經營業務的除稅前經調整溢利／（虧損）。來自持續經營業務的除稅前經調整溢利／（虧損）乃按本集團來自持續經營業務的除稅前溢利一貫計量，惟利息收入、財務費用、股息收入、本集團可供出售投資公平值收益／（虧損）以及集團總部和企業開支並不包括在該等計量內。

鑑於遞延稅項資產、已抵押存款、現金及現金等價物、可供出售投資以及其他未分配集團總部和企業資產乃按集團基準管理，故分部資產並不包括以上資產。

鑑於帶息銀行借款及其他借款、應付稅項、遞延稅項負債及其他未分配集團總部和企業負債乃按集團基準管理，故分部負債並不包括以上負債。

分部間的銷售及轉讓乃經參考與第三方交易的售價，按當時的市價進行交易。

4. OPERATING SEGMENT INFORMATION
(CONTINUED)

4. 經營分部資料(續)

Year ended 31 December 2010	截至二零一零年 十二月三十一日 止年度	Automobiles and other major auto-mobile components			Import & export services	Total
		Diesel engines 柴油機 RMB'000 人民幣千元	汽車及其他 主要汽車 零部件 RMB'000 人民幣千元	Non-major automobile components 非主要汽車 零部件 RMB'000 人民幣千元		
Segment revenue:	分部收入：					
Sales to external customers	外部客戶銷售	26,748,960	34,455,808	1,274,803	185,950	62,665,521
Inter-segment sales	分部間銷售	5,091,743	1,361,499	6,774	-	6,460,016
Total	總計	31,840,703	35,817,307	1,281,577	185,950	69,125,537
Reconciliation:	對賬：					
Elimination of inter-segment sales	抵銷分部間銷售					(6,460,016)
Revenue	收入					62,665,521
Segment results	分部業績	6,783,441	2,988,158	167,492	1,007	9,940,098
Reconciliation:	對賬：					
Elimination of inter-segment results	抵銷分部間業績					(377,493)
Interest income	利息收入					123,117
Dividend income and unallocated gains	股息收入及未分配收益					256,741
Corporate and other unallocated expenses	企業及其他未分配開支					(349,442)
Finance costs	財務成本					(197,978)
Profit before tax	除稅前利潤					9,395,043
Segment assets	分部資產	19,910,806	19,723,244	1,130,544	646,293	41,410,887
Reconciliation:	對賬：					
Elimination of inter-segment receivables	抵銷分部間應收款項					(1,835,735)
Corporate and other unallocated assets	企業及其他未分配資產					12,899,495
Total assets	總資產					52,474,647
Segment liabilities	分部負債	12,065,475	13,592,991	515,297	41,336	26,215,099
Reconciliation:	對賬：					
Elimination of inter-segment payables	抵銷分部間應付款項					(1,835,734)
Corporate and other unallocated liabilities	企業及其他未分配負債					4,725,153
Total liabilities	總負債					29,104,518

4. OPERATING SEGMENT INFORMATION
(CONTINUED)

4. 經營分部資料(續)

Year ended 31 December 2010	截至二零一零年 十二月三十一日 止年度	Automobiles and other			Import & export services	Total
		Diesel engines	major auto-mobile components	Non-major automobile components		
		柴油機	汽車及其他 主要汽車 零部件	非主要汽車 零部件	進出口 服務	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Other segment information:	其他分部資料：					
Share of profits and losses of associates	應佔下列公司利潤及虧損： 聯營公司	3,578	4,057	-	1,970	9,605
Write-down of inventories to net realisable value	撇減存貨至可變現淨值	6,255	213,800	904	-	220,959
Impairment loss on trade and other receivables	應收貿易賬款及其他應收賬款減值虧損	21,381	268,298	2,299	(5,522)	286,456
Depreciation and amortisation	折舊及攤銷	586,719	738,197	34,390	654	1,359,960
Loss/(gain) on disposal of items of property, plant and equipment	出售物業、機器及設備項目之虧損/(收益)	(9,940)	771	(10,767)	-	(19,936)
Product warranty provision	產品保修撥備	1,134,169	287,897	8,789	-	1,430,855
Investments in associates	於聯營公司的投資	563,047	323,907	-	33,738	920,692
Capital expenditure*	資本開支*	1,082,543	1,422,728	76,008	263,274	2,844,553

4. OPERATING SEGMENT INFORMATION
(CONTINUED)

4. 經營分部資料(續)

Year ended 31 December 2009	截至二零零九年 十二月三十一日 止年度	Diesel engines 柴油機 RMB'000 人民幣千元	Automobiles and other major auto-mobile components 汽車及其他 主要汽車 零部件 RMB'000 人民幣千元	Non-major automobile components 非主要汽車 零部件 RMB'000 人民幣千元	Import & export services 進出口 服務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment revenue:	分部收入：					
Sales to external customers	外部客戶銷售	14,425,689	19,571,341	925,598	338,271	35,260,899
Inter-segment sales	分部間銷售	2,501,251	895	95,669	-	2,597,815
Total	總計	16,926,940	19,572,236	1,021,267	338,271	37,858,714
Reconciliation:	對賬：					
Elimination of inter-segment sales	抵銷分部間銷售					(2,597,815)
Revenue	收入					<u>35,260,899</u>
Segment results	分部業績	3,473,536	1,446,693	112,192	8,800	5,041,221
Reconciliation:	對賬：					
Elimination of inter-segment results	抵銷分部間業績					(151,457)
Interest income	利息收入					116,809
Dividend income and unallocated gains	股息收入及未分配收益					228,882
Corporate and other unallocated expenses	企業及其他未分配開支					(308,704)
Finance costs	財務成本					(247,507)
Profit before tax	除稅前利潤					<u>4,679,244</u>

4. OPERATING SEGMENT INFORMATION
(CONTINUED)

4. 經營分部資料(續)

Year ended 31 December 2009	截至二零零九年 十二月三十一日 止年度	Diesel engines 柴油機 RMB'000 人民幣千元	Automobiles and other major auto-mobile components 汽車及其他 主要汽車 零部件 RMB'000 人民幣千元	Non-major automobile components 非主要汽車 零部件 RMB'000 人民幣千元	Import & export services 進出口 服務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment assets	分部資產	14,518,233	14,520,582	875,459	452,282	30,366,556
Reconciliation:	對賬:					
Elimination of inter-segment receivables	抵銷分部間應收款項					(1,661,800)
Corporate and other unallocated assets	企業及其他未分配資產					7,670,721
Total assets	總資產					36,375,477
Segment liabilities	分部負債	7,783,157	9,358,910	402,481	61,750	17,606,298
Reconciliation:	對賬:					
Elimination of inter-segment payables	抵銷分部間應付款項					(1,661,800)
Corporate and other unallocated liabilities	企業及其他未分配負債					4,769,664
Total liabilities	總負債					20,714,162
Other segment information:	其他分部資料:					
Share of profits and losses of:	應佔下列公司 利潤及虧損:					
A jointly-controlled entity	一家共同控制實體	2,343	-	-	-	2,343
Associates	聯營公司	(1,601)	(5,727)	-	1,555	(5,773)
Write-down of inventories to net realisable value	撇減存貨至可變現淨值	5,630	223,031	2,454	-	231,115
Impairment loss on trade and other receivables	應收貿易賬款及其他應收賬款減值虧損	10,206	213,364	4,268	(234)	227,604
Depreciation and amortisation	折舊及攤銷	387,701	480,588	34,151	1,964	904,404
Loss/(gain) on disposal of items of property, plant and equipment	出售物業、機器及設備項目之虧損/(收益)	(264)	6,842	392	(30)	6,940
Product warranty provision	產品保修撥備	523,003	176,014	10,171	-	709,188
Investments in associates	於聯營公司的投資	44,501	96,290	-	31,768	172,559
Investment in a jointly-controlled entity	於一家共同控制實體的投資	23,275	-	-	-	23,275
Capital expenditure*	資本開支*	1,034,793	1,263,276	137,506	5,750	2,441,325

* Capital expenditure consists of additions to property, plant and equipment, intangible assets and investment properties, including contributions from non-controlling shareholders.

* 資本開支包括添置物業、機器及設備、無形資產及投資物業(包括非控股股東注資)。



4. OPERATING SEGMENT INFORMATION (CONTINUED)

Information about a major customer

Revenue of approximately RMB5,951,873,000 (2009: RMB4,627,218,000) was derived from sales by the diesel engines segment and automobiles and other major automobile components segment to a single customer.

Geographical information

During the years ended 31 December 2010 and 2009, more than 90% of the Group's revenue was generated from customers located in the PRC and over 90% of the non-current assets of the Group were located in the PRC.

4. 經營分部資料(續)

有關一位主要客戶的資料

收入中，約人民幣5,951,873,000元(二零零九年：人民幣4,627,218,000元)乃來自柴油機分部及汽車及其他主要汽車零部件分部向一位客戶所作的銷售。

地區資料

截至二零一零年及二零零九年十二月三十一日止年度，本集團逾90%收入產生自中國的客戶，以及本集團逾90%的非流動資產位於中國內地。

5. REVENUE, OTHER INCOME AND GAINS

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 value of goods sold, after allowances for returns and trade discounts, the value of services rendered; and gross rental income received and receivable from investment properties, net of sales taxes and surcharges during the year.

An analysis of revenue, other income and gains is as follows:

5. 收入、其他收入及收益

收入包括本集團日常業務過程中產生之營業額及其他收入。本集團自主業務中產生之營業額指年內扣除退貨、貿易折扣、所提供服務之價值的已售出貨品的發票淨值以及自投資物業已收及應收的租金收入總額(不計營業稅金及附加費用)。

收入、其他收入及收益之分析如下：

			2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Revenue	收入			
Turnover	營業額			
Sale of goods	貨品銷售		60,263,112	34,011,367
Rendering of services	提供服務		48,011	37,262
Other revenue	其他收入			
Sales of scrap and other materials	銷售廢舊及其他物料		2,309,930	1,199,894
Gross rental income	租金收入總額		44,468	12,376
			62,665,521	35,260,899
Other income	其他收入			
Bank interest income	銀行利息收入	6	123,117	116,809
Dividend income from available-for-sale investments	可供出售投資之股息收入	6	3,600	1,600
Government subsidies	政府補貼		109,530	70,196
Penalty and compensation income	罰金及賠償收入		26,717	12,315
Excess over the cost of business combinations	超出業務合併成本的部份		-	87,334
Others	其他		26,870	9,580
			289,834	297,834
Gains	收益			
Gain on debt restructuring	債務重組收益		19,025	45,921
Fair value gain on derivative financial instruments	衍生金融工具公平值收益		3,672	-
Gain on disposal of available-for-sale investments	出售可供出售投資收益		58,154	1,936
Others	其他		9,173	-
			90,024	47,857
			379,858	345,691

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

6. 除稅前利潤

本集團之除稅前利潤已扣除/(計入)：

	Notes 附註	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Cost of inventories sold	出售存貨成本	47,533,312	26,684,146
Cost of services provided	提供服務成本	9,625	4,240
Write-down of inventories to net realisable value	撇減存貨至可 變現淨值	220,959	231,115
Product warranty provision	產品保修撥備		
Additional provision	額外撥備	1,430,855	709,188
Employee benefits expense (including directors' and supervisors' remuneration) (note 8):	僱員福利開支 (包括董事及 監事酬金)(附註8)：		
Wages and salaries	工資及薪金	2,662,409	1,712,232
Defined contribution pension scheme (note i)	定額供款退休金計劃 (附註i)	242,337	193,322
Medical benefits costs (note ii)	醫療福利成本(附註ii)	58,474	43,029
Housing fund	住房公積金	75,581	62,645
Cash housing subsidies costs	現金住房補貼成本	10,743	74,692
Total staff costs	職員總成本	3,049,544	2,085,920
Rental income less direct operating expenses of RMB25,426,000 (2009: RMB5,383,000)	租金收入減直接營運開 支人民幣25,426,000元 (二零零九年：人民幣 5,383,000元)	(19,042)	(6,993)
Bank interest income	銀行利息收入	(123,117)	(116,809)
Dividend income	股息收入	(3,600)	(1,600)
Research and development costs	研究及開發成本	887,580	450,217
Minimum lease payment under operating leases:	根據經營租約的最低 租金：		
Plant and machinery	機器及機械	17,668	41,495
Land and buildings	土地及樓宇	151,462	63,780
Auditors' remuneration	核數師酬金	20,484	18,380
(Gain)/loss on disposal of property, plant and equipment	出售物業、機器及設備 (收益)/虧損	(19,936)	6,940
Loss on disposal of investment properties	出售投資物業虧損	-	1,028
Depreciation of property, plant and equipment	物業、機器及設備折舊	1,317,471	874,033
Depreciation of investment properties	投資物業折舊	11,261	3,605
Recognition of prepaid land lease payments	預付土地租賃款項確認 payments	14,605	11,441
Amortisation of other intangible assets	其他無形資產攤銷	16,623	15,325
Impairment of trade and other receivables	應收貿易賬款及其他 應收賬款減值	27, 28	227,604
Impairment of available-for-sale investments	可供出售投資減值	207	207
Foreign exchange differences, net	匯兌淨差額	513	634

6. PROFIT BEFORE TAX (CONTINUED)

Notes:

(i) *Defined contribution pension scheme*

All of the Group's full-time employees in Mainland China are covered by a government-regulated pension scheme and are entitled to an annual pension determined by their basic salaries upon their retirement. The PRC government is responsible for the pension liabilities to these retired employees. The Group is required to make annual contributions to the government-regulated pension scheme at 20.0% (2009: 20.0%) of the employees' basic salaries. This defined contribution pension scheme continued to be available to the Group's employees for the year. The related pension costs are expensed as incurred.

(ii) *Medical benefits costs*

The Group contributes on a monthly basis to defined contribution medical benefit plans organised by the PRC government. The PRC government undertakes to assume the medical benefit obligations of all existing and retired employees under these plans. Contributions to these plans by the Group are expensed as incurred. The Group has no further obligations for medical benefits and supplemental medical benefits for their qualified employees under these plans.

7. FINANCE COSTS

An analysis of finance costs is as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Interest on bank loans and other borrowings wholly repayable within five years	須於五年內全數償還的銀行貸款及其他借款利息	119,434	146,579
Interest on debentures	債券利息	64,350	50,321
Interest on discounted bills receivable	應收貼現票據利息	14,194	50,607
Total interest expense on financial liabilities not at fair value through profit or loss	以按公平值於損益列賬以外之財務負債之利息開支總額	197,978	247,507
Less: Interest capitalised	減：已資本化的利息	-	-
		197,978	247,507

6. 除稅前利潤(續)

附註:

(i) 定額供款退休金計劃

本集團所有中國內地全職僱員均受到政府監管的退休金計劃所保障，退休後每年可收取按基本薪金計算的退休金。中國政府承擔該等退休僱員的退休金責任。本集團須每年按僱員基本薪金20.0%（二零零九年：20.0%）的比例向政府監管的退休金計劃作出供款。年內本集團僱員可繼續參與該定額供款退休金計劃。有關的退休金成本於產生時支銷。

(ii) 醫療福利成本

本集團對中國政府管理的定額供款醫療福利計劃每月作出供款。中國政府承諾根據該等計劃為所有現有及退休僱員承擔醫療福利責任。本集團對該等計劃作出的供款於產生時支銷。根據該等計劃，本集團對合資格僱員的醫療福利及補充醫療福利並無其他責任。

7. 財務成本

財務費用分析如下：

8. DIRECTORS AND SUPERVISORS' REMUNERATION

Directors and supervisors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Section 161 of the Hong Kong Companies Ordinance, is as follows:

Group

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Fees	袍金	741	386
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	6,806	6,976
Performance-related bonuses	按表現釐定的花紅	-	-
Pension scheme contributions	退休金計劃供款	100	70
		6,906	7,046
		7,647	7,432

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Mr. Zhang Xiaoyu	張小虞先生	120	120
Mr. Koo Fook Sun	顧福身先生	141	146
Mr. Fang Zhongchang	房忠昌先生	120	120
		381	386

There were no other emoluments payable to the independent non-executive directors during the year (2009: Nil).

8. 董事及監事酬金

年內董事及監事酬金乃根據香港聯合交易所有限公司證券上市規則(「上市規則」)及香港公司條例第161條披露如下：

本集團**(a) 獨立非執行董事**

年內付予獨立非執行董事的袍金如下：

年內並無向獨立非執行董事支付其他酬金(二零零九年：無)。

8. DIRECTORS AND SUPERVISORS' REMUNERATION (CONTINUED)

(b) Executive directors, non-executive directors and supervisors

8. 董事及監事酬金(續)

(b) 執行董事、非執行董事及監事

		Fees	Salaries, allowances and benefits in kind	Performance-related bonuses	Pension scheme contributions	Total remuneration
		袍金	薪金、津貼及實物利益	按表現釐定的花紅	退休金計劃供款	酬金總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2010	二零一零年					
Executive directors:	執行董事：					
Mr. Tan Xuguang	譚旭光先生	-	1,500	-	20	1,520
Mr. Xu Xinyu	徐新玉先生	-	1,385	-	20	1,405
Mr. Sun Shaojun	孫少軍先生	-	1,385	-	20	1,405
Mr. Zhang Quan	張泉先生	-	1,385	-	20	1,405
		-	5,655	-	80	5,735
Non-executive director:	非執行董事：					
Ms. Zhang Fusheng	張伏生女士	-	60	-	-	60
Mr. Liu Huisheng	劉會勝先生	-	60	-	-	60
Mr. Yao Yu	姚宇先生	-	60	-	-	60
Mr. Yeung Sai Hong	楊世航先生	-	60	-	-	60
Mr. Chen Xuejian	陳學儉先生	-	60	-	-	60
Mr. Li San Yim	李新炎先生	-	60	-	-	60
Mr. Julius G. Kiss	Julius G. Kiss先生	-	60	-	-	60
Ms. Han Xiaoqun	韓小群女士	-	60	-	-	60
Mr. Gu Linsheng	顧林生先生	-	120	-	-	120
Mr. Li Shihao	李世豪先生	-	120	-	-	120
Mr. Liu Zheng	劉征先生	-	120	-	-	120
		-	840	-	-	840
Supervisors:	監事：					
Mr. Sun Chengping	孫承平先生	-	60	-	-	60
Mr. Ding Yingdong	丁迎東先生	-	551	-	20	571
Ms. Jiang Jianfang	蔣建芳女士	-	60	-	-	60
		-	671	-	20	691

8. DIRECTORS AND SUPERVISORS' REMUNERATION (CONTINUED)

(b) Executive directors, non-executive directors and supervisors (continued)

8. 董事及監事酬金(續)

(b) 執行董事、非執行董事及監事(續)

		Fees	Salaries, allowances and benefits in kind	Performance-related bonuses	Pension scheme contributions	Total remuneration
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2009	二零零九年					
Executive directors:	執行董事：					
Mr. Tan Xuguang	譚旭光先生	–	1,500	–	14	1,514
Mr. Xu Xinyu	徐新玉先生	–	1,305	–	14	1,319
Mr. Sun Shaojun	孫少軍先生	–	1,305	–	14	1,319
Mr. Zhang Quan	張泉先生	–	1,305	–	14	1,319
		–	5,415	–	56	5,471
Non-executive director:	非執行董事：					
Ms. Zhang Fusheng	張伏生女士	–	60	–	–	60
Mr. Liu Huisheng	劉會勝先生	–	60	–	–	60
Mr. Yao Yu	姚宇先生	–	60	–	–	60
Mr. Yeung Sai Hong	楊世航先生	–	60	–	–	60
Mr. Chen Xuejian	陳學儉先生	–	60	–	–	60
Mr. Li San Yim	李新炎先生	–	60	–	–	60
Mr. Julius G. Kiss	Julius G. Kiss 先生	–	60	–	–	60
Ms. Han Xiaoqun	韓小群女士	–	60	–	–	60
Mr. Gu Linsheng	顧林生先生	–	120	–	–	120
Mr. Li Shihao	李世豪先生	–	120	–	–	120
Mr. Liu Zheng	劉征先生	–	120	–	–	120
		–	840	–	–	840
Supervisors:	監事：					
Mr. Sun Chengping	孫承平先生	–	60	–	–	60
Mr. Ding Yingdong	丁迎東先生	–	601	–	14	615
Ms. Jiang Jianfang	蔣建芳女士	–	60	–	–	60
		–	721	–	14	735

There was no arrangement under which a director or a supervisor waived or agreed to waive any remuneration during the year.

年內並無董事或監事放棄或同意放棄任何酬金的安排。

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2009: one) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining two (2009: four) non-director and non-supervisor, highest paid employees for the year are as follows:

		Group 本集團	
		2010 二零一零年	2009 二零零九年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	3,885	7,247
Performance-related bonuses	按表現釐定的花紅	–	–
Pension scheme contributions	退休金計劃供款	28	67
		3,913	7,314

The number of non-director and non-supervisor, highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員人數	
		2010 二零一零年	2009 二零零九年
Nil to HKD1,000,000	零至1,000,000港元	–	–
HKD1,000,001 to HKD1,500,000	1,000,001港元至1,500,000港元	–	2
HKD1,500,001 to HKD2,000,000	1,500,001港元至2,000,000港元	2	2
		2	4

9. 五位最高薪僱員

本年度內，五名最高薪僱員包括三名(二零零九年：一名)董事或監事，其酬金詳情已載於上文附註8內。年內餘下兩名(二零零九年：四名)非董事及非監事的最高薪僱員的酬金詳情如下：

酬金介於下列範圍的非董事及非監事最高薪僱員的人數如下：

10. INCOME TAX

The Company and all its subsidiaries that operate in Mainland China are subject to the statutory corporate income tax rate of 25% (2009: 25%) for the year under the income tax rules and regulations of the PRC, except that:

- (1) The Company and certain subsidiaries are subject a preferential rate of 15% as they are assessed by relevant government authorities as High and New Technology Enterprises (“HNTE”) for a period of three years commencing 1 January 2008. Pursuant to the PRC Income Tax Law, enterprises assessed as “HNTE” are entitled to a preferential income tax rate of 15%; and
- (2) Pursuant to *Notice of the State Administration of Taxation concerning the Opinions on the Implementation of the Relevant Taxation Policies for the Western Development* 《國家稅務總局關於落實西部大開發有關稅收政策具體實施意見的通知》, certain subsidiaries which are approved as *domestic enterprises engaged in the industries encouraged by the State in the Western Region* 《西部地區國家鼓勵產業的內資企業》 are also subject to a preferential tax rate of 15%.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong for the year.

10. 所得稅

除下列公司外，根據中國所得稅法規及規定，本公司及其經營地點位於中國內地的所有附屬公司於年內均須按25%（二零零九年：25%）的法定稅率繳納企業所得稅：

- (1) 由於本公司及若干附屬公司獲相關政府機關評定為高新技術公司（「高新技術公司」），故於二零零八年一月一日起的三年期間內，本公司及若干附屬公司按15%的優惠稅率繳納企業所得稅。根據中國所得稅法，獲評定為「高新技術公司」的企業可按15%的優惠稅率繳納企業所得稅；及
- (2) 根據《國家稅務總局關於落實西部大開發有關稅收政策具體實施意見的通知》，獲審批為西部地區國家鼓勵產業的內資企業之若干附屬公司亦按15%的優惠稅率繳納企業所得稅。

源於其他地區應課稅利潤的稅項乃按照本集團經營所在國家／司法權區的現行稅率計算。

由於本集團於年內在香港並無應課稅利潤，故並無作出香港利得稅撥備。

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Group:	本集團：		
Current – Mainland China	即期—中國內地		
Charge for the year	年內計提	1,773,681	832,924
Under/(over)-provision in prior years	過往年度撥備不足／ (超額撥備)	6,645	(7,027)
Current – Elsewhere	即期—其他地區		
Charge for the year	年內計提	915	5,666
Deferred	遞延	(383,688)	(99,183)
Total tax charge for the year	年內稅項支出總額	1,397,553	732,380

10. INCOME TAX (CONTINUED)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries/jurisdictions in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rates and a reconciliation of the statutory tax rates to the effective tax rates is as follows:

Group – 2010

		Mainland China		Elsewhere		Total	
		RMB'000	%	RMB'000	%	RMB'000	%
		人民幣千元		人民幣千元		人民幣千元	
Profit before tax	除稅前利潤	9,415,510		(20,467)		9,395,043	
Tax at the statutory tax rate	按法定稅率計算之稅項	2,353,878	25.0	(6,055)	29.6	2,347,823	25.0
Preferential tax rate or concessions	優惠稅率或寬免	(902,449)	(9.5)	–	–	(902,449)	(9.7)
Effect of tax rate change on opening deferred tax	稅率變動對期初遞延稅項之影響	(354)	–	–	–	(354)	–
Effect of tax rate change on deferred tax	稅率變動對遞延稅項之影響	2,720	–	–	–	2,720	–
Adjustments in respect of current tax of previous periods	對以往期間之即期稅項的調整	6,959	0.1	(314)	1.5	6,645	0.1
Profits and losses attributable to associates	應佔聯營公司之利潤及虧損	(537)	–	(773)	3.8	(1,310)	–
Income not subject to tax	毋須繳稅收入	(8,022)	(0.1)	–	–	(8,022)	(0.1)
Expenses not deductible for tax	不可扣稅開支	13,053	0.1	–	–	13,053	0.1
Tax incentives on eligible expenditures	合資格開支之稅務優惠	(67,684)	(0.7)	–	–	(67,684)	(0.7)
Tax losses utilised from previous periods	動用以往期間之稅項虧損	(16,681)	(0.2)	(2,043)	10.0	(18,724)	(0.2)
Tax losses not recognised	未確認之稅項虧損	13,942	0.1	292	(1.4)	14,234	0.2
Deductible temporary differences not recognised, net	未確認之可扣稅暫時差額淨額	2,226	–	9,395	(45.9)	11,621	0.1
Tax charge at the Group's effective rate	按本集團實際稅率計算之稅項支出	1,397,051	14.8	502	(2.4)	1,397,553	14.8

10. 所得稅(續)

以本公司及其附屬公司所在國家／司法權區之法定稅率計算之適用於除稅前利潤之稅項開支，與使用實際稅率計算之稅項開支的對賬，以及法定稅率與實際稅率的對賬如下：

本集團 — 二零一零年

10. INCOME TAX (CONTINUED)

Group – 2009

10. 所得稅(續)

本集團一二零零九年

		Mainland China		Elsewhere		Total	
		RMB'000	%	RMB'000	%	RMB'000	%
		人民幣千元		人民幣千元		人民幣千元	
Profit before tax	除稅前利潤	4,699,740		(20,496)		4,679,244	
Tax at the statutory tax rate	按法定稅率計算之稅項	1,174,935	25.0	(5,774)	28.2	1,169,161	25.0
Preferential tax rate or concessions	優惠稅率或寬免	(436,841)	(9.3)	–	–	(436,841)	(9.3)
Effect of tax rate change on opening deferred tax	稅率變動對期初遞延稅項之影響	8,462	0.2	–	–	8,462	0.2
Adjustments in respect of current tax of previous periods	對以往期間之即期稅項的調整	(7,027)	(0.1)	–	–	(7,027)	(0.2)
Profits and losses attributable to a jointly-controlled entity and associates	應佔一家共同控制實體及聯營公司之利潤及虧損	655	–	(390)	1.9	265	–
Income not subject to tax	毋須繳稅收入	(20,560)	(0.4)	–	–	(20,560)	(0.4)
Expenses not deductible for tax	不可扣稅開支	20,569	0.4	8,428	(41.1)	28,997	0.6
Tax incentives on eligible expenditures	合資格開支之稅務優惠	(28,062)	(0.6)	–	–	(28,062)	(0.6)
Tax losses utilised from previous periods	動用以往期間之稅項虧損	(6,465)	(0.1)	–	–	(6,465)	(0.1)
Tax losses not recognised	未確認之稅項虧損	1,914	–	6,249	(30.5)	8,163	0.2
Deductible temporary differences not recognised, net	未確認之可扣稅暫時差額淨額	550	–	15,737	(76.8)	16,287	0.3
Tax charge at the Group's effective rate	按本集團實際稅率計算之稅項支出	708,130	15.1	24,250	(118.3)	732,380	15.7

The share of tax attributable to a jointly-controlled entity and associates amounting to RMB Nil (2009: RMB578,000) and RMB1,743,000 (2009: RMB272,000), respectively, is included in "Share of profits and losses of a jointly-controlled entity and associates" in the consolidated income statement.

一家共同控制實體及聯營公司應佔之稅項分別為人民幣零元(二零零九年: 人民幣578,000元)及人民幣1,743,000元(二零零九年: 人民幣272,000元), 並已計入綜合收益表內之「分佔一共同控制實體及聯營公司損益」內。

11. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended 31 December 2010 includes a profit of RMB5,763,349,000 (2009: RMB2,828,588,000) which has been dealt with in the financial statements of the Company (note 36(b)).

12. DIVIDENDS

	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Proposed final – RMB 0.43 (2009: RMB 0.48) per ordinary share	716,419	399,862

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

11. 母公司擁有人應佔利潤

截至二零一零年十二月三十一日止年度，母公司擁有人應佔綜合利潤包括人民幣5,763,349,000元(二零零九年：人民幣2,828,588,000元)的利潤已於本公司財務報表記賬(附註36(b))。

12. 股息

本年度擬派末期股息須待本公司股東於即將舉行之股東週年大會上批准。

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year, as adjusted to reflect the bonus issue during the year ended 31 December 2010.

No diluted earnings per share amounts have been presented for the years ended 31 December 2010 and 2009 as no diluting events existed during these years.

13. 母公司普通權益持有人應佔每股盈利

每股基本盈利金額乃根據母公司普通權益持有人應佔本年度利潤以及年內已發行普通股之加權平均數計算，並已根據於截至二零一零年十二月三十一日止年度之送股作出相應調整。

由於在截至二零一零年及二零零九年十二月三十一日止年度內不存在攤薄事件，因此並無呈列該等年度之每股攤薄盈利金額。

	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Earnings		
Profit attributable to ordinary equity holders of the Parent used in the basic earnings per share calculation	6,780,935	3,406,935
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	1,666,092	1,666,092

14. PROPERTY, PLANT AND EQUIPMENT

Group

14. 物業、機器及設備

本集團

		Construction in progress	Buildings	Leasehold improve- ments	Plant and machinery	Computer equipment and fixtures	Motor vehicles	Other equipment	Total
		在建工程	樓宇	租賃物業 裝修	機器及 設備	電腦設備 及固定裝置	汽車	其他設備	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost	成本								
At 1 January 2010	於二零一零年一月一日	814,198	2,780,476	34,709	7,352,006	251,698	273,935	44,665	11,551,687
Additions	添置	1,871,529	334,056	17,932	256,300	38,674	26,767	20,563	2,565,821
Contribution from a non-controlling shareholder	非控股股東出資	12,135	-	-	18,040	99	-	-	30,274
Transfers	轉撥	(1,463,265)	303,706	-	1,074,490	69,695	15,374	-	-
Disposals	出售	-	(12,293)	-	(200,901)	(8,389)	(14,886)	(2,829)	(239,298)
Exchange realignment	匯兌調整	-	(89)	-	(931)	(3)	(90)	(399)	(1,512)
At 31 December 2010	於二零一零年 十二月三十一日	1,234,597	3,405,856	52,641	8,499,004	351,774	301,100	62,000	13,906,972
Accumulated depreciation and impairment	累計折舊及減值								
At 1 January 2010	於二零一零年一月一日	3,801	328,762	13,779	2,846,797	157,517	141,896	19,324	3,511,876
Depreciation provided during the year	年內計提之折舊	-	124,405	18,579	1,008,296	100,772	56,571	8,848	1,317,471
Disposals	出售	-	(2,200)	-	(179,462)	(6,705)	(11,912)	(406)	(200,685)
Exchange realignment	匯兌調整	-	(65)	-	(140)	(2)	(19)	(141)	(367)
At 31 December 2010	於二零一零年 十二月三十一日	3,801	450,902	32,358	3,675,491	251,582	186,536	27,625	4,628,295
Net carrying amount	賬面淨值								
At 31 December 2010	於二零一零年 十二月三十一日	1,230,796	2,954,954	20,283	4,823,513	100,192	114,564	34,375	9,278,677
At 1 January 2010	於二零一零年 一月一日	810,397	2,451,714	20,930	4,505,209	94,181	132,039	25,341	8,039,811

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group

14. 物業、機器及設備(續)

本集團

		Construction in progress	Buildings	Leasehold improve- ments	Plant and machinery	Computer equipment and fixtures	Motor vehicles	Other equipment	Total
		在建工程	樓宇	租賃物業 裝修	機器及 設備	電腦設備 及固定裝置	汽車	其他設備	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost	成本								
At 1 January 2009	於二零零九年一月一日	691,521	2,182,859	27,574	6,250,799	216,380	251,286	19,950	9,640,369
Additions	添置	1,494,771	5,935	7,135	164,726	13,196	19,050	22,163	1,726,976
Business combination	業務合併	-	62,237	-	14,882	-	614	5,988	83,721
Contribution from a non-controlling shareholder	非控股股東出資	31,092	122,942	-	108,498	285	7,948	1,032	271,797
Transfers	轉撥	(1,403,186)	447,151	-	914,376	35,803	5,643	213	-
Disposals	出售	-	(14,258)	-	(48,015)	(12,401)	(8,692)	(4,681)	(88,047)
Disposal of a subsidiary	出售一家附屬公司	-	(25,971)	-	(51,901)	(1,514)	(1,899)	-	(81,285)
Exchange realignment	匯兌調整	-	(419)	-	(1,359)	(51)	(15)	-	(1,844)
At 31 December 2009	於二零零九年 十二月三十一日	814,198	2,780,476	34,709	7,352,006	251,698	273,935	44,665	11,551,687
Accumulated depreciation and impairment	累計折舊及減值								
At 1 January 2009	於二零零九年一月一日	3,801	238,902	10,687	2,231,637	104,579	119,397	10,413	2,719,416
Business combination	業務合併	-	2,282	-	1,533	-	38	460	4,313
Depreciation provided during the year	年內計提之折舊	-	97,413	3,092	669,950	64,012	29,194	10,372	874,033
Disposals	出售	-	(4,175)	-	(31,144)	(10,133)	(5,495)	(1,921)	(52,868)
Disposal of a subsidiary	出售一家附屬公司	-	(6,076)	-	(26,266)	(958)	(1,245)	-	(34,545)
Exchange realignment	匯兌調整	-	416	-	1,087	17	7	-	1,527
At 31 December 2009	於二零零九年 十二月三十一日	3,801	328,762	13,779	2,846,797	157,517	141,896	19,324	3,511,876
Net carrying amount	賬面淨值								
At 31 December 2009	於二零零九年 十二月三十一日	810,397	2,451,714	20,930	4,505,209	94,181	132,039	25,341	8,039,811
At 1 January 2009	於二零零九年一月一日	687,720	1,943,957	16,887	4,019,162	111,801	131,889	9,537	6,920,953

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company

14. 物業、機器及設備(續)

本公司

		Construction in progress	Buildings	Leasehold improve- ments	Plant and machinery	Computer equipment and fixtures	Motor vehicles	Other equipment	Total
		在建工程	樓宇	租賃物業 裝修	機器及 設備	電腦設備 及固定裝置	汽車	其他設備	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost	成本								
At 1 January 2010	於二零一零年一月一日	499,084	1,173,554	-	1,280,043	222,850	84,498	11,576	3,271,605
Additions	添置	542,037	-	-	13,929	49	54	2,310	558,379
Transfers	轉撥	(431,816)	34,087	-	362,342	24,013	11,374	-	-
Disposals	出售	-	(1,210)	-	(60,078)	(3,459)	(9,033)	-	(73,780)
At 31 December 2010	於二零一零年 十二月三十一日	609,305	1,206,431	-	1,596,236	243,453	86,893	13,886	3,756,204
Accumulated depreciation and impairment	累計折舊及減值								
At 1 January 2010	於二零一零年一月一日	-	168,716	-	635,525	124,724	54,171	11,034	994,170
Depreciation provided during the year	年內計提之折舊	-	57,643	-	256,395	34,092	14,035	736	362,901
Disposals	出售	-	(398)	-	(49,361)	(2,819)	(7,208)	-	(59,786)
At 31 December 2010	於二零一零年 十二月三十一日	-	225,961	-	842,559	155,997	60,998	11,770	1,297,285
Net carrying amount	賬面淨值								
At 31 December 2010	於二零一零年 十二月三十一日	609,305	980,470	-	753,677	87,456	25,895	2,116	2,458,919
At 1 January 2010	於二零一零年一月一日	499,084	1,004,838	-	644,518	98,126	30,327	542	2,277,435

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company

14. 物業、機器及設備(續)

本公司

		Construction in progress	Buildings	Leasehold improve- ments	Plant and machinery	Computer equipment and fixtures	Motor vehicles	Other equipment	Total
		在建工程	樓宇	租賃物業 裝修	機器及 設備	電腦設備 及固定裝置	汽車	其他設備	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost	成本								
At 1 January 2009	於二零零九年一月一日	161,116	1,008,605	-	1,101,363	189,879	82,957	8,958	2,552,878
Additions	添置	705,315	-	-	11,586	3,623	2,346	2,618	725,488
Transfers	轉撥	(367,347)	164,949	-	169,550	30,898	1,950	-	-
Disposals	出售	-	-	-	(2,456)	(1,550)	(2,755)	-	(6,761)
At 31 December 2009	於二零零九年 十二月三十一日	499,084	1,173,554	-	1,280,043	222,850	84,498	11,576	3,271,605
Accumulated depreciation and impairment	累計折舊及減值								
At 1 January 2009	於二零零九年一月一日	-	115,459	-	497,258	86,949	43,932	5,787	749,385
Depreciation provided during the year	年內計提之折舊	-	53,257	-	139,676	39,164	12,172	5,247	249,516
Disposals	出售	-	-	-	(1,409)	(1,389)	(1,933)	-	(4,731)
At 31 December 2009	於二零零九年 十二月三十一日	-	168,716	-	635,525	124,724	54,171	11,034	994,170
Net carrying amount	賬面淨值								
At 31 December 2009	於二零零九年 十二月三十一日	499,084	1,004,838	-	644,518	98,126	30,327	542	2,277,435
At 1 January 2009	於二零零九年一月一日	161,116	893,146	-	604,105	102,930	39,025	3,171	1,803,493

As at 31 December 2010, certain buildings, machinery and motor vehicles of the Group with a net book value of approximately RMB24,937,000 (2009: RMB88,273,000) were pledged to secure general banking facilities granted to the Group (note 33).

As at 31 December 2010, the Group had not obtained the real estate certificates for buildings with a total gross area of approximately 606,000 square meters (2009: 541,000 square meters) and a net book value of RMB1,681,414,000 (2009: RMB1,256,392,000).

The Group was in the process of applying for the real estate certificates for the aforesaid buildings with a gross area of approximately 590,000 square meters (2009: 385,000 square meters) and a net book value of approximately RMB1,652,208,000 (2009: RMB1,022,175,000) as at 31 December 2010.

於二零一零年十二月三十一日，本集團已抵押賬面淨值約人民幣24,937,000元(二零零九年：人民幣88,273,000元)之若干樓宇、機器及汽車，以作為本集團獲授一般銀行信貸的擔保(附註33)。

於二零一零年十二月三十一日，本集團尚未就總面積約606,000平方米(二零零九年：541,000平方米)及賬面淨值為人民幣1,681,414,000元(二零零九年：人民幣1,256,392,000元)之樓宇取得房產證。

於二零一零年十二月三十一日，本集團正在就上述總面積約590,000平方米(二零零九年：385,000平方米)及賬面淨值約人民幣1,652,208,000元(二零零九年：人民幣1,022,175,000元)之樓宇申請房產證。

15. INVESTMENT PROPERTIES

15. 投資物業

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日之賬面值	83,668	80,663
Additions	添置	77,405	7,638
Disposals	出售	-	(1,028)
Depreciation provided during the year	年內計提之折舊	(11,261)	(3,605)
Carrying amount at 31 December	於十二月三十一日之賬面值	149,812	83,668

The Group's investment properties are situated in Mainland China and are held under short term leases.

本集團的投資物業位於中國內地並根據短期租賃合約持有。

The investment properties are depreciated on the straight-line basis over their useful lives.

投資物業乃以直線法按可使用年期計算折舊。

Further particulars of the Group's investment properties are as follows:

本集團投資物業之進一步詳情如下：

Location 位置	Use 用途	Tenure 租期	Attributable interest of the Group 本集團應佔權益
Jinwei Industrial Park, Economic Technique & Development District, Xi'an 西安經濟技術開發區經渭工業園	Industrial & office building 工業及辦公室樓宇	Short term 短期	51%
No. 39, North Xinfu Road, Xi'an 西安幸福北路39號	Industrial building 工業樓宇	Short term 短期	51%
East Yuanbaopin Road, Tianjin 天津市邦均寶平公路東側	Industrial building 工業樓宇	Short term 短期	51%

16. PREPAID LAND LEASE PAYMENTS

16. 預付土地租賃款項

		Group 本集團		Company 本公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日之賬面值	592,024	298,241	295,553	115,878
Additions	添置	167,571	206,293	95,664	185,347
Business combination	業務合併	-	5,411	-	-
Contribution from a non-controlling shareholder	一名非控股股東出資	-	93,520	-	-
Recognised during the year	年內確認	(14,605)	(11,441)	(6,408)	(5,672)
Carrying amount at 31 December	於十二月三十一日之賬面值	744,990	592,024	384,809	295,553
Current portion	即期部份	(15,699)	(14,455)	(6,402)	(6,402)
Non-current portion	非即期部份	729,291	577,569	378,407	289,151

The leasehold land is held under a long term lease and is situated in Mainland China.

As at 31 December 2010, certain leasehold land of the Group with a net book value of approximately RMB58,278,000 (2009: RMB85,724,000) was pledged to secure general banking facilities granted to the Group (note 33).

租賃土地乃位於中國內地，並根據長期租賃合約持有。

於二零一零年十二月三十一日，本集團已抵押賬面淨值約人民幣58,278,000元(二零零九年：人民幣85,724,000元)之若干租賃土地，以作為本集團獲授一般銀行信貸的擔保(附註33)。

17. GOODWILL

17. 商譽

		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost and carrying amount	成本及賬面值		
At 1 January and 31 December of the year	於一月一日及 十二月三十一日	538,016	538,016

The carrying amount of goodwill at 31 December 2010 and 2009 was related to the following cash generating units:

於二零一零年及二零零九年十二月三十一日，商譽賬面值乃與下列現金產生單位有關：

		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Automobiles and other major automobile components	汽車及其他主要汽車零部件	538,016	538,016

Particulars regarding impairment testing on goodwill are detailed in note 19.

有關商譽減值測試之詳情載於附註19。

18. OTHER INTANGIBLE ASSETS

Group

18. 其他無形資產

本集團

		Trademarks 商標 RMB'000 人民幣千元 (note i) (附註i)	Technologies 技術 RMB'000 人民幣千元 (note ii) (附註ii)	Total 合計 RMB'000 人民幣千元
31 December 2010	二零一零年十二月三十一日			
Cost at 1 January 2010, net of accumulated amortisation	於二零一零年一月一日之成本(已扣除累計攤銷)	210,589	91,782	302,371
Additions	添置	-	3,004	3,004
Contribution from non-controlling shareholders	非控股股東出資	-	478	478
Disposal	出售	-	(700)	(700)
Amortisation provided during the year	年內計提之攤銷	-	(16,623)	(16,623)
At 31 December 2010	於二零一零年十二月三十一日	210,589	77,941	288,530
At 31 December 2010:	於二零一零年十二月三十一日:			
Cost	成本	220,961	408,925	629,886
Accumulated amortisation	累計攤銷	(10,372)	(330,984)	(341,356)
Net carrying amount	賬面淨值	210,589	77,941	288,530
31 December 2009	二零零九年十二月三十一日			
Cost at 1 January 2009, net of accumulated amortisation	於二零零九年一月一日之成本(已扣除累計攤銷)	203,089	68,638	271,727
Additions	添置	-	29,409	29,409
Contributions from a non-controlling shareholder	一名非控股股東出資	7,500	9,060	16,560
Amortisation provided during the year	年內計提之攤銷	-	(15,325)	(15,325)
At 31 December 2009	於二零零九年十二月三十一日	210,589	91,782	302,371
At 31 December 2009:	於二零零九年十二月三十一日:			
Cost	成本	220,961	408,602	629,563
Accumulated amortisation	累計攤銷	(10,372)	(316,820)	(327,192)
Net carrying amount	賬面淨值	210,589	91,782	302,371

18. OTHER INTANGIBLE ASSETS (CONTINUED)

Company

18. 其他無形資產(續)

本公司

		Trademarks 商標 RMB'000 人民幣千元 (note i) (附註i)	Technologies 技術 RMB'000 人民幣千元 (note ii) (附註ii)	Total 合計 RMB'000 人民幣千元
31 December 2010	二零一零年十二月三十一日			
Cost at 1 January 2010, net of accumulated amortisation	於二零一零年一月一日之成本(已扣除累計攤銷)	108,892	586	109,478
Additions	添置	-	-	-
Amortisation provided during the year	年內計提之攤銷	-	(108)	(108)
At 31 December 2010	於二零一零年十二月三十一日	108,892	478	109,370
At 31 December 2010:	於二零一零年十二月三十一日:			
Cost	成本	119,264	21,764	141,028
Accumulated amortisation	累計攤銷	(10,372)	(21,286)	(31,658)
Net carrying amount	賬面淨值	108,892	478	109,370
31 December 2009	二零零九年十二月三十一日			
Cost at 1 January 2009, net of accumulated amortisation	於二零零九年一月一日之成本(已扣除累計攤銷)	108,892	584	109,476
Additions	添置	-	2	2
Amortisation provided during the year	年內計提之攤銷	-	-	-
At 31 December 2009	於二零零九年十二月三十一日	108,892	586	109,478
At 31 December 2009:	於二零零九年十二月三十一日:			
Cost	成本	119,264	21,764	141,028
Accumulated amortisation	累計攤銷	(10,372)	(21,178)	(31,550)
Net carrying amount	賬面淨值	108,892	586	109,478

Notes:

- (i) The trademarks are renewable every 10 years at minimal cost. The directors of the Company are of the opinion that the Group has both the intention and ability to renew the trademarks continuously. As a result, the useful life of the trademarks is considered by the management of the Group as indefinite because the trademarks are expected to contribute to the Group's net cash inflows indefinitely. The trademarks will not be amortised until their useful life is determined to be finite. Instead the trademarks will be tested for impairment annually and whenever there is an indication that they may be impaired. Particulars of the impairment testing are disclosed in note 19.
- (ii) Technologies represented manufacturing know-how, which have definite useful lives. These technologies are amortised on the straight-line basis over eight to ten years.

附註:

- (i) 商標每十年須按最低成本重續一次。本公司董事認為，本集團有意且有能力不斷重續該等商標。預計該等商標將可永久為本集團產生現金流入淨額，故此，本集團管理層認為該等商標擁有永久可使用年期。除非該等商標的可使用年期被釐定為有限，否則不會進行攤銷。相反，商標將會每年及每當有跡象顯示存在減值時進行減值測試。減值測試詳情於附註19披露。
- (ii) 技術指擁有有限可使用年期之製造技術。該等技術乃以直線法在8至10年內攤銷。

19. IMPAIRMENT TESTING ON GOODWILL AND TRADEMARKS WITH INDEFINITE USEFUL LIVES

As explained in note 4, the Group is organised into business units based on their products and services. For the purpose of impairment testing, goodwill and trademarks with indefinite useful lives have been allocated to two individual cash generating units as below (CGUs), including manufacturing and sale of diesel engines and related parts ("CGU A") and automobile and major automobile components other than diesel engines ("CGU B"). The carrying amounts of goodwill and trademarks (net of accumulated impairment losses) as at 31 December 2010 allocated to these units are as follows:

		Goodwill 商譽		Trademarks 商標	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
CGU A	現金產生單位A	—	—	116,392	116,392
CGU B	現金產生單位B	538,016	538,016	94,197	94,197
		538,016	538,016	210,589	210,589

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarised below:

CGU A

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and a discount rate of 13.36% (2009: 14.4%). CGU A's cash flows beyond the five-year period are extrapolated with no growth rate for both years. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, whose estimation is based on the unit's past performance and management's expectations for the market development.

19. 對擁有永久可使用年期之商譽及商標進行減值測試

誠如附註4所述，本集團根據其產品及服務劃分為業務單位。為了進行減值測試，擁有永久可使用年期之商譽及商標已分配予如下兩個獨立的現金產生單位(現金產生單位)，包括生產及銷售柴油機及相關零部件(「現金產生單位A」)以及汽車及除柴油機外的主要汽車零部件(「現金產生單位B」)。於二零一零年十二月三十一日，已分配至該等單位之商譽及商標賬面值(扣除累計減值虧損)如下：

上述現金產生單位之可收回金額計算基準及其主要相關假設概述如下：

現金產生單位A

此單位之可收回金額乃根據使用價值計算法釐定。該計算使用現金流量預測(根據管理層批准之5年期財政預算)及13.36%(二零零九年：14.4%)之貼現率而釐定。現金產生單位A於5年期間後之現金流量預計乃基於該兩個年度無增長之假設計算。使用價值計算法之其他主要假設與現金流入／流出之預測(包括預算銷售額及毛利)有關，該等預測乃根據該單位之過往表現及管理層對市場發展之預期而釐定。

19. IMPAIRMENT TESTING ON GOODWILL AND TRADEMARKS WITH INDEFINITE USEFUL LIVES (CONTINUED)

CGU B

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and a discount rate of 13.05% (2009: 11.6%). CGU B's cash flows beyond the five-year period are extrapolated with no growth for both years. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, whose estimation is based on the unit's past performance and management's expectations for the market development.

20. INVESTMENTS IN SUBSIDIARIES

19. 對擁有永久可使用年期之商譽及商標進行減值測試(續)

現金產生單位B

此單位之可收回金額乃根據使用價值計算法釐定。該計算使用現金流量預測(根據管理層批准之5年期財政預算)及13.05%(二零零九年: 11.6%)之貼現率而釐定。現金產生單位B於5年期間後之現金流量預計乃基於該兩個年度無增長之假設計算。現金產生單位B於5年期間後之現金流量預計乃基於該兩個年度無增長之假設計算。使用價值計算法之其他主要假設與現金流入/流出之預測(包括預算銷售額及毛利)有關, 該等預測乃根據該單位之過往表現及管理層對市場發展之預期而釐定。

20. 於附屬公司之投資

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Unlisted investments, at cost	非上市投資·按原值	5,044,514	4,432,812

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Particulars of the principal subsidiaries are as follows:

20. 於附屬公司之投資(續)

主要附屬公司之詳情如下：

Name 名稱	Place of incorporation/ registration and operations 註冊成立/註冊 地點及營業地點	Registered capital 註冊股本 (in '000) (以千元計)	Percentage of equity attributable to the Company 本公司應佔股本 百分比		Principal activities 主要業務
			Direct 直接持有	Indirect 間接持有	
Weichai Power (Weifang) Spare Part Resources Co., Ltd. 濰柴動力(濰坊)備品資源有限公司	PRC 中國	RMB89,796 人民幣89,796	100.00	-	Manufacture and trading of diesel engines and related spare parts 生產及買賣柴油機及相關 備件
Weichai Power (Weifang) Oil Co., Ltd. 濰柴動力(濰坊)油品有限公司	PRC 中國	RMB10,000 人民幣10,000	100.00	-	Trading of lubricant oil products 買賣潤滑油產品
Weichai Power (Weifang) Intensive Logistics Co., Ltd. 濰柴動力(濰坊)集約配送有限公司	PRC 中國	RMB20,000 人民幣20,000	52.00	-	Provision of warehouse management services 提供倉庫管理服務
Weichai Power (Weifang) Casting Co., Ltd. 濰柴動力(濰坊)鑄鍛有限公司	PRC 中國	RMB20,000 人民幣20,000	100.00	-	Manufacture and trading of cast products 生產及買賣鑄造產品
Weichai Power (Weifang) Reconstruction Co., Ltd. 濰柴動力(濰坊)再製造有限公司	PRC 中國	RMB30,000 人民幣30,000	100.00	-	Reconstruction of automotive components 再製造汽車零部件
Shaanxi Heavy-Duty-Automotive Co., Ltd. 陝西重型汽車有限公司	PRC 中國	RMB1,706,330 人民幣1,706,330	51.00	-	Manufacture and trading of heavy duty trucks and related automotive components 生產及買賣重型卡車及相關 汽車零部件
Tianjin Tiangua Automotive Co., Ltd. 天津市天掛車輛有限公司	PRC 中國	RMB11,760 人民幣11,760	-	26.01	Manufacture and sale of trailers and tractors 生產及銷售拖車及拖拉機

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

20. 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/註冊 地點及營業地點	Registered capital 註冊股本 (in '000) (以千元計)	Percentage of equity attributable to the Company 本公司應佔股本 百分比		Principal activities 主要業務
			Direct 直接持有	Indirect 間接持有	
Tianjin Xinming Automotive Commercial Co., Ltd. 天津新明汽車商貿有限公司	PRC 中國	RMB1,000 人民幣1,000	-	26.01	Trading of automotive components 買賣汽車零部件
Shaanxi Hande Axle Co., Ltd. 陝西漢德車橋有限公司	PRC 中國	RMB320,000 人民幣320,000	3.06	47.94	Manufacture and sale of motor vehicles and related automotive components 生產銷售汽車及相關汽車零 部件
Shaanxi Jinding Casting Co., Ltd. 陝西金鼎鑄造有限公司	PRC 中國	RMB35,360 人民幣35,360	-	51.00	Manufacture and trading of cast products 生產及買賣鑄造產品
Shaanxi Heavy Duty Automotive Import & Export Co., Ltd. 陝西重型汽車進出口有限公司	PRC 中國	RMB10,000 人民幣10,000	-	51.00	Provision of import and export services 提供進出口服務
Shaanxi Fast Gear Co., Ltd. 陝西法士特齒輪有限責任公司	PRC 中國	RMB256,790 人民幣256,790	51.00	-	Manufacture and trading of automotive components 生產及買賣汽車零部件
Baoji Fast Gear Co., Ltd. 寶雞法士特齒輪有限責任公司	PRC 中國	RMB30,000 人民幣30,000	2.55	48.45	Manufacture and trading of gears and related automotive components 生產及買賣齒輪及相關汽車 零部件
Xi'an Fast Auto Drive Co., Ltd. 西安法士特汽車傳動有限公司	PRC 中國	RMB134,700 人民幣134,700	-	51.00	Trading of motor vehicles and related automotive components 買賣汽車及相關汽車零部件
Shaanxi Fast Gear Sales Co., Ltd. 西安法士特齒輪銷售有限公司	PRC 中國	RMB1,000 人民幣1,000	-	51.00	Trading of automotive components 買賣汽車零部件

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

20. 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/註冊 地點及營業地點	Registered capital 註冊股本 (in '000) (以千元計)	Percentage of equity attributable to the Company 本公司應佔股本 百分比		Principal activities 主要業務
			Direct 直接持有	Indirect 間接持有	
Shaanxi Fast Gear Spare Parts Import & Export Co., Ltd. 陝西法士特汽車零部件進出口 有限公司	PRC 中國	RMB3,000 人民幣3,000	-	51.00	Provision of import and export services 提供進出口服務
Zhuzhou Gear Co., Ltd. 株洲齒輪有限責任公司	PRC 中國	RMB331,315 人民幣331,315	82.15	-	Trading of motor vehicles and related automotive components 買賣汽車及相關汽車零部件
Zhuzhou Wande Forging Co., Ltd. 株洲萬德精鍛有限責任公司	PRC 中國	RMB5,000 人民幣5,000	-	82.15	Manufacture and sale of motor vehicles and related automotive components 生產銷售汽車及相關汽車零 部件
Zhuzhou Euro Grace Gear Automotive Transmission Co., Ltd. 株洲歐格瑞傳動股份有限公司	PRC 中國	RMB50,000 人民幣50,000	-	73.94	Trading of automotive components 買賣汽車零部件
Dongfeng Off-road Vehicle Co., Ltd. 東風越野車有限公司	PRC 中國	RMB155,000 人民幣155,000	60.00	-	Manufacture and trading of vehicles and related automotive components 生產及買賣汽車及相關汽車 零部件
Shiyan Amor Coating Technology Co., Ltd. 十堰市裝甲塗覆技術有限公司	PRC 中國	RMB2,200 人民幣2,200	-	60.00	Coating and sale of automotive components 塗裝加工及銷售汽車零部件
Zhuzhou Torch Sparkplugs Co., Ltd. 株洲湘火炬火花塞有限責任公司	PRC 中國	RMB196,000 人民幣196,000	100.00	-	Manufacture and trading of spark plugs 生產及買賣火花塞
MAT Automotive Inc. MAT Automotive Inc.	USA 美國	USD131 美元131	100.00	-	Import and sale of automotive components 進口及銷售汽車零部件
Torch Import & Export Co., Ltd. 火炬進出口有限責任公司	PRC 中國	RMB30,000 人民幣30,000	100.00	-	Provision of import and export services 提供進出口服務
Zhuzhou Torch Machinery Manufacturing Co., Ltd. 株洲湘火炬機械製造有限責任公司	PRC 中國	RMB142,263 人民幣142,263	100.00	-	Trading of automotive components 買賣汽車零部件

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

20. 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/註冊 地點及營業地點	Registered capital 註冊股本 (in '000) (以千元計)	Percentage of equity attributable to the Company 本公司應佔股本 百分比		Principal activities 主要業務
			Direct 直接持有	Indirect 間接持有	
Zhuzhou Torch Property Development Co., Ltd. 株洲火炬房地產開發有限責任公司	PRC 中國	RMB13,120 人民幣13,120	94.66	5.34	Provision of property development 提供房地產開發服務
Zhuzhou Torch Auto Sealing Co., Ltd. 株洲湘火炬汽車密封有限責任公司	PRC 中國	RMB20,420 人民幣20,420	100.00	–	Trading of automotive components 買賣汽車零部件
Zhuzhou Torch Auto Lighting Co., Ltd. 株洲湘火炬汽車燈具有限責任公司	PRC 中國	RMB31,000 人民幣31,000	100.00	–	Trading of automotive components 買賣汽車零部件
Mudanjiang Futong Automotive Air Conditioner Co., Ltd. 牡丹江富通汽車空調有限公司	PRC 中國	RMB 121,050 人民幣121,050	59.84	–	Manufacture and trading of automotive components 生產及買賣汽車零部件
Xinjiang Machinery Equipment Import & Export Co., Ltd. 新疆機械設備進出口有限公司	PRC 中國	RMB20,000 人民幣20,000	100.00	–	Provision of export and import services 提供進出口服務
Shanghai He Da Auto Accessory Co., Ltd. 上海和達汽車配件有限公司	PRC 中國	USD4,248 美元4,248	75.00	–	Trading of automotive components 買賣汽車零部件
Weichai Power (Shanghai) Technology Development Co., Ltd. 濰柴動力(上海)科技發展有限公司	PRC 中國	RMB300,000 人民幣300,000	100.00	–	Investment 投資
Weichai Power Yangzhou Diesel Engine Co., Ltd. 濰柴動力揚州柴油機有限責任公司	PRC 中國	RMB300,000 人民幣300,000	–	80.00	Manufacture and trading of diesel engines and related spare parts 生產及買賣柴油機及相關備 件
Weichai Power (Chongqing) Western Development Co., Ltd. 濰柴動力(重慶)西部發展有限公司	PRC 中國	RMB200,000 人民幣200,000	100.00	–	Development and management of industrialisation of high and new technology products, investment and management consulting service 高新技術產品的產業化開發 及管理、投資及管理諮詢 服務

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

20. 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/註冊 地點及營業地點	Registered capital 註冊股本 (in '000) (以千元計)	Percentage of equity attributable to the Company 本公司應佔股本 百分比		Principal activities 主要業務
			Direct 直接持有	Indirect 間接持有	
Chongqing Jialing Chuanjiang Vehicles manufacturing Co., Ltd. 重慶市嘉陵川江汽車製造有限公司	PRC 中國	RMB80,000 人民幣80,000	-	80.00	Manufacture and trading of automobile and related automotive components 生產及買賣汽車及相關汽車 零部件
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	USD26,575 美元26,575	100.00	-	Investment 投資
Société Internationale des Moteurs Baudouin 法國博杜安動力國際公司	France 法國	EUR21,626 歐元21,626	-	100.00	Manufacture and trading of diesel engines 生產及買賣柴油機
Shandong Synergy Oil Co., Ltd. 山東歐潤油品有限公司	PRC 中國	USD3,000 美元3,000	46.00	2.60	Trading of spare parts 買賣備件
Baoding Shanqi Tianma Co., Ltd. 保定陝汽天馬汽車有限公司	PRC 中國	RMB40,000 人民幣40,000	-	26.01	R&D and trading of heavy-duty trucks 研發及買賣重型卡車
Chongqing Light-duty-Automotive Co., Ltd. 重慶龍江輕型汽車有限公司	PRC 中國	RMB300,000 人民幣300,000	51.00	40.80	Trading of automotive components 買賣汽車零部件
Weichai Power (Beijing) International Resource Investment Co., Ltd. 濰柴動力(北京)國際資源投資 有限公司	PRC 中國	RMB300,000 人民幣300,000	100.00	-	Investment 投資
DIESEL MARIN MAROC DIESEL MARIN MAROC	Morocco 摩洛哥	AED200 迪拉姆200	-	100.00	Manufacture and trading of diesel engines 生產及買賣柴油機

Note: Except for Zhuzhou Euro Grace Gear Automotive Transmission Co., Ltd. is a non-listing joint stock company, all the other subsidiaries are companies with limited liabilities.

註：除株洲歐格瑞傳動股份有限公司為非上市股份有限公司外，其他附屬公司均為有限責任公司。

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表載列董事認為對本集團本年度業績有重要影響或為本集團資產淨值主要組成部份的本公司附屬公司。董事認為，提供其他附屬公司詳情會導致資料過於冗長。

21. INVESTMENTS IN ASSOCIATES

21. 於聯營公司之投資

		Group 本集團		Company 本公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Unlisted shares, at cost	非上市股份·按原值	–	–	262,031	49,461
Share of net assets	應佔資產淨值	920,977	172,844	–	–
		920,977	172,844	262,031	49,461
Provision for impairment	減值撥備	(285)	(285)	–	–
		920,692	172,559	262,031	49,461

Particulars of the principal associates are as follows:

主要聯營公司之詳情如下：

Name 名稱	Paid-up registered capital 繳足註冊股本 (in '000) (以千元計)	Place of incorporation/ registration 註冊成立/ 註冊地點	Percentage of ownership attributable to the group 本集團應佔擁有權百分比	Principal activities 主要業務
Shanghai Xinlian Chuangye Investment Co., Ltd. 上海鑫聯創業投資有限公司	RMB150,000 人民幣150,000	PRC 中國	33.33	Investment holding company 投資控股公司
Weichai Westport Inc. 濰柴動力西港(濰坊)新能源發動機有限公司	USD1,854 美元1,854	PRC 中國	40	Manufacture and sale of gas refrigerators 製造及銷售氣體製冷機
Shanzhong Finance Leasing Co., Ltd. 山重融資租賃有限公司	RMB920,000 人民幣920,000	PRC 中國	29.54	Finance leasing of heavy machines and commercial vehicles 融資租賃重型機械及商用車輛
Shaanxi Eurostar Auto Co., Ltd. 陝西歐舒特汽車股份有限公司	RMB114,954 人民幣114,954	PRC 中國	16.86	Manufacture and sale of vehicle chassis and products 生產及銷售汽車底盤及各種產品

21. INVESTMENTS IN ASSOCIATES (CONTINUED)

21. 於聯營公司之投資(續)

Name 名稱	Paid-up registered capital 繳足 註冊股本 (in '000) (以千元計)	Place of incorporation/ registration 註冊成立/ 註冊地點	Percentage of ownership attributable to the group 本集團應佔 擁有權百分比	Principal activities 主要業務
Shaanxi Tonghui Automotive Transportation Co., Ltd. 陝西通匯汽車物流有限公司	RMB10,000 人民幣10,000	PRC 中國	20.40	Manufacture and sale of vehicle chassis and products 生產及銷售汽車底盤及各種 產品
Xian Cummins Engine Co., Ltd. 西安康明斯發動機有限公司	USD24,000 美元24,000	PRC 中國	12.75	Manufacture and sale of diesel motors and spare parts 生產及銷售柴油機及備件
CIMC-SHAC (Xi'an) Special Vehicles Co., Ltd. 中集陝汽重卡(西安)專用車有限公司	RMB50,000 人民幣50,000	PRC 中國	12.75	Manufacture and sale of special car trailers and spare parts 生產及銷售專用車拖車及備 件
Shaanxi Longmen Shanqi Logistics Park Co., Ltd. 陝西龍門陝汽物流園有限公司	RMB 30,000 人民幣30,000	PRC 中國	15.30	Sales and after service of vehicles 汽車銷售及售後服務
Shaanxi Fuping Shanqi Logistics Park Co., Ltd. 陝西富平陝汽物流園有限公司	RMB 20,000 人民幣20,000	PRC 中國	20.40	Sales and after service of vehicles 汽車銷售及售後服務
Shaanxi-Wuhai New Power Special Vehicles Co., Ltd. 陝汽烏海新能源專用汽車有限公司	RMB 69,700 人民幣69,700	PRC 中國	22.83	Manufacture of and trading of heavy trucks using natural gas 製造及買賣天然氣卡車
Laizhou Luyuan Automotive Fitting Co., Ltd. 萊州魯源汽車配件有限公司	RMB37,930 人民幣37,930	PRC 中國	25.00	Manufacture and sale of vehicle chassis and products 生產及銷售汽車底盤及各種 產品
Dalian Hongyuan Machinery Manufacturing Co., Ltd. 大連鴻源機械製造有限公司	USD13,280 美元13,280	PRC 中國	41.40	Trading of automotive components 買賣汽車零部件

21. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the summarised financial information of the Group's associates extracted from their financial statements:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Assets	資產	5,108,000	1,299,336
Liabilities	負債	2,547,487	742,501
Revenue	收入	2,011,141	766,444
Profit/(Loss)	利潤/(虧損)	26,875	(26,993)

21. 於聯營公司之投資(續)

下表列示摘錄自本集團聯營公司財務報表之財務資料概要：

22. AVAILABLE-FOR-SALE INVESTMENTS

22. 可供出售投資

		Group 本集團		Company 本公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Listed equity investments, at fair value:	上市股本投資，按公平值：				
Mainland China	中國內地	489,212	385,997	485,600	381,000
Unlisted equity investments	非上市股本投資	146,826	91,433	-	-
		636,038	477,430	485,600	381,000

During the year, the gross gain in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to RMB402,748,000 (2009: RMB289,255,000).

The above unlisted investments represent investments in unlisted equity securities issued by private entities established in the PRC. As at 31 December 2010, certain unlisted available-for-sale equity investments with a carrying amount of RMB146,826,000 (2009: RMB91,433,000) were stated at cost less impairment because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair value cannot be measured reliably. The Group does not intend to dispose of them in the near future.

本年度，於其他全面收入確認的與本集團可供出售投資有關的總收益共計人民幣402,748,000元(二零零九年：人民幣289,255,000元)。

上述非上市投資指由在中國成立的私營實體發行的非上市權益證券之投資。鑒於其合理公平值的估計範圍頗大，而董事認為無法可靠計算其公平值，故此於二零一零年十二月三十一日，賬面值為人民幣146,826,000元(二零零九年：人民幣91,433,000元)之若干非上市可供出售股本投資按成本減去減值列賬。本集團無意於不久將來將其出售。

23. HELD-TO-MATURITY INVESTMENT

The held-to-maturity investment is a loan of RMB19,584,000 entrusted to Shandong Huadong Casting Co., Ltd. (山東華動鑄造有限公司), through Industrial and Commercial Bank of China Guangdong branch, bearing a floating interest rate equal to bank loan interest rate within three-year period per annum. The maturity period is from 1 November 2010 to 31 October 2013.

24. DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

At the end of reporting period, the amount represented deposits paid to certain vendors for the acquisition of property, plant and equipment. Details of the related capital commitments are set out in note 40.

23. 持至到期投資

持至到期投資指通過中國工商銀行關東分行向山東華動鑄造有限公司作出的委託貸款人民幣19,584,000元，該筆貸款年期為三年，年息按等於銀行貸款利率之浮息計算，自二零一零年十一月一日起至二零一三年十月三十一日止。

24. 收購物業、機器及設備所付按金

於報告期末，該金額指就收購物業、機器及設備已付若干賣方之按金。有關資本承擔之詳情載於附註40。

25. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets
Group

25. 遞延稅項

本年度遞延稅項資產及負債變動如下：

遞延稅項資產
本集團

		2010 二零一零年				
		Eliminated profits resulting from intra-group transactions 因集團內公司交易而產生的抵銷溢利 RMB'000 人民幣千元	Impairment of assets 資產減值 RMB'000 人民幣千元	Sales rebates and warranty provision 銷售回扣及保修撥備 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2010	於二零一零年一月一日	46,923	141,246	168,633	77,961	434,763
Effect of change in tax rate on the opening balance credited to the income statement (note 10)	稅率變動對於收益表計入之期初結餘之影響(附註10)	-	354	-	-	354
Deferred tax credited to the income statement during the year (note 10)	年內於收益表計入之遞延稅項(附註10)	56,004	42,181	210,301	75,633	384,119
Exchange realignment	匯兌調整	-	-	-	(26)	(26)
Gross deferred tax assets at 31 December 2010	於二零一零年十二月三十一日之遞延稅項資產總額	102,927	183,781	378,934	153,568	819,210

25. DEFERRED TAX (CONTINUED)

Deferred tax liabilities
Group

25. 遞延稅項(續)

遞延稅項負債
本集團

		2010 二零一零年					
		Fair value adjustments arising from acquisitions of subsidiaries	Change in fair value of available-for-sale investment	Change in fair value of financial investments derivatives	Trademarks	Others	Total
		因收購附屬公司而產生的公平值調整	可供出售投資之公平值變動	金融投資衍生工具之公平值變動	商標	其他	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2010	於二零一零年一月一日	33,655	28,483	-	11,667	11	73,816
Deferred tax (credited)/Charged to the income statement during the year (note 10)	年內於收益表(計入)/扣除之遞延稅項(附註10)	(2,455)	-	918	2,333	(11)	785
Deferred tax (credited)/charged to equity during the year	年內於權益(計入)/扣除之遞延稅項	-	15,345	-	-	-	15,345
Gross deferred tax liabilities at 31 December 2010	於二零一零年十二月三十一日之遞延稅項負債總額	31,200	43,828	918	14,000	-	89,946

25. DEFERRED TAX (CONTINUED)

Deferred tax assets
Group

25. 遞延稅項(續)

遞延稅項資產
本集團

		2009 二零零九年					
		Eliminated profits resulting from intra-group transactions 因集團內公司 交易而產生的 抵銷溢利	Impairment of assets 資產減值	Change in fair value of available- for-sale investments 可供出售 投資之 公平值變動	Sales rebates and warranty provision 銷售回扣及 保修撥備	Others 其他	Total 合計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2009	於二零零九年一月一日	28,301	106,630	14,670	120,857	81,445	351,903
Effect of change in tax rate on the opening balance charged to the income statement (note 10)	稅率變動對於收益表扣除之期初結餘之影響(附註10)	-	(8,462)	-	-	-	(8,462)
Deferred tax credited/(charged) to the income statement during the year (note 10)	年內於收益表計入/(扣除)之遞延稅項(附註10)	18,622	43,078	-	47,776	(3,474)	106,002
Deferred tax charged to equity during the year	年內於權益扣除之遞延稅項	-	-	(14,670)	-	-	(14,670)
Exchange realignment	匯兌調整	-	-	-	-	(10)	(10)
Gross deferred tax assets at 31 December 2009	於二零零九年十二月三十一日之遞延稅項資產總額	46,923	141,246	-	168,633	77,961	434,763

25. DEFERRED TAX (CONTINUED)

Deferred tax liabilities
Group

25. 遞延稅項(續)

遞延稅項負債
本集團

		2009 二零零九年				
		Fair value adjustments arising from acquisitions of subsidiaries 因收購附屬 公司而產生的 公平值調整 RMB'000 人民幣千元	Change in fair value of available- for-sale investments 可供出售 投資之 公平值變動 RMB'000 人民幣千元	Trademarks 商標 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2009	於二零零九年一月一日	36,111	-	9,412	1,453	46,976
Deferred tax (credited)/charged to the income statement during the year (note 10)	年內於收益表(計入)/扣除之遞延稅項(附註10)	(2,456)	-	2,255	(1,442)	(1,643)
Deferred tax charged to the equity during the year	年內於權益扣除之遞延稅項	-	28,483	-	-	28,483
Gross deferred tax liabilities at 31 December 2009	於二零零九年十二月三十一日之遞延稅項負債總額	33,655	28,483	11,667	11	73,816

25. DEFERRED TAX (CONTINUED)

Deferred tax assets

Company

25. 遞延稅項(續)

遞延稅項資產

本公司

		2010 二零一零年			
		Impairment of assets	Sales rebates and warranty provision	Others	Total
		資產減值 RMB'000 人民幣千元	銷售回扣及 保修撥備 RMB'000 人民幣千元	其他 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
At 1 January 2010	於二零一零年一月一日	9,506	119,173	58,678	187,357
Deferred tax charged to the income statement during the year	年內於收益表扣除之 遞延稅項	1,793	160,467	52,851	215,111
Gross deferred tax assets at 31 December 2010	於二零一零年 十二月三十一日之 遞延稅項資產總額	11,299	279,640	111,529	402,468

25. DEFERRED TAX (CONTINUED)

Deferred tax liabilities
Company

25. 遞延稅項(續)

遞延稅項負債
本公司

		2010 二零一零年			
		Change in fair value of available -for-sale investments 可供出售 投資之 公平值變動 RMB'000 人民幣千元	Trademarks 商標 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2010	於二零一零年一月一日	28,050	11,667	11	39,728
Deferred tax (credited)/charged to the income statement during the year	年內於收益表(計入)/ 扣除之遞延稅項	-	2,333	(11)	2,322
Deferred tax credited to the equity during the year	年內於權益計入 之遞延稅項	15,690	-	-	15,690
Gross deferred tax liabilities at 31 December 2010	於二零一零年十二月 三十一日之遞延稅項 負債總額	43,740	14,000	-	57,740

25. DEFERRED TAX (CONTINUED)

Deferred tax assets
Company

25. 遞延稅項(續)

遞延稅項資產
本公司

		2009 二零零九年				
		Impairment of assets	Change in fair value of available- for-sale investments	Sales rebates and warranty provision	Others	Total
		資產減值 RMB'000 人民幣千元	公平值變動 RMB'000 人民幣千元	銷售回扣及 保修撥備 RMB'000 人民幣千元	其他 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
At 1 January 2009	於二零零九年一月一日	27,610	14,670	69,161	36,690	148,131
Deferred tax credited/(charged) to the income statement during the year	年內於收益表計入/ (扣除)之遞延稅項	(18,104)	-	50,012	21,988	53,896
Deferred tax charged to equity during the year	年內於權益扣除之遞延稅 項	-	(14,670)	-	-	(14,670)
Gross deferred tax assets at 31 December 2009	於二零零九年 十二月三十一日之 遞延稅項資產總額	9,506	-	119,173	58,678	187,357

25. DEFERRED TAX (CONTINUED)

Deferred tax liabilities
Company

25. 遞延稅項(續)

遞延稅項負債
本公司

		2009 二零零九年			
		Change in fair value of available- for-sale investments 可供出售 投資之 公平值變動 RMB'000 人民幣千元	Trademarks 商標 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2009	於二零零九年一月一日	-	9,412	627	10,039
Deferred tax (credited)/charged to the income statement during the year	年內於收益表(計入)/ 扣除之遞延稅項	-	2,255	(616)	1,639
Deferred tax credited to the equity during the year	於年內計入權益之 遞延稅項	28,050	-	-	28,050
Gross deferred tax liabilities at 31 December 2009	於二零零九年十二月 三十一日之遞延稅項 負債總額	28,050	11,667	11	39,728

Deferred tax assets have not been recognised in respect of the following items:

本集團並無就下列項目確認遞延稅項資產：

		Group 本集團		Company 本公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Tax losses	稅項虧損	107,537	112,629	-	-
Deductible temporary differences	可扣稅暫時差額	96,079	78,632	-	-
		203,616	191,261	-	-

25. DEFERRED TAX (CONTINUED)

The above tax losses are available for offsetting against future taxable profits of the companies in which the losses arose for a period of five years. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and jurisdiction of the foreign investors. This tax law does not have significant impact on the Group's tax liability because the Company and most of its subsidiaries are domiciled in Mainland China.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

25. 遞延稅項(續)

上述稅項虧損可在五年期間供出現虧損的公司用作抵銷其日後應課稅利潤。由於本集團認為不可能有應課稅利潤可動用上述項目予以抵銷，故並無就上述項目確認遞延稅項資產。

根據中國企業所得稅法，於中國內地成立的外商投資企業向外國投資者宣派的股息須繳納10%的預扣稅。此規定由二零零八年一月一日起生效，且適用於二零零七年十二月三十一日後的盈利。倘中國與外國投資者所在的司法管轄區簽訂有相關稅務協議，則可採用較低的預扣稅率。由於本公司及旗下大部份附屬公司位於中國內地，故此該稅法不會對本集團的稅項負債構成重大影響。

本公司向其股東派付股息不會附帶任何所得稅影響。

26. INVENTORIES**26. 存貨**

	Group 本集團		Company 本公司	
	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Raw materials and consumables 原材料及消耗品	1,522,511	1,325,523	417,214	323,658
Work in progress 在製品	789,462	620,249	113,460	118,317
Finished goods 製成品	6,481,374	3,860,870	1,266,070	1,237,320
	8,793,347	5,806,642	1,796,744	1,679,295

27. TRADE AND BILLS RECEIVABLES

27. 應收貿易賬款及票據

		Group 本集團		Company 本公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Trade receivables	應收貿易賬款	5,358,238	3,849,645	677,704	192,134
Bills receivable	應收票據	11,289,227	8,032,145	9,660,367	7,040,816
Impairment	減值	(780,732)	(528,845)	(37,231)	(13,327)
		15,866,733	11,352,945	10,300,840	7,219,623

The Group's trading terms with its customers are mainly on credit except for new customers, where payment in advance or cash on delivery is normally required. The credit period is generally 90 days to 180 days; however, customers with established trading records could be granted a longer credit period. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise credit risk. Credit sales are made to customers with an appropriate credit history. Credit limits granted to customers are reviewed regularly. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

除了新客戶一般需要預先付款或於交付時以現金付款之外，本集團與其客戶之貿易條款大多屬賒賬形式，信貸期一般為90至180天；然而，交易記錄良好的客戶可獲得比較長的信貸期。本集團力求繼續嚴格控制其未收取之應收款項，並通過信貸控制政策盡量減低信貸風險。僅擁有良好信用記錄的客戶方可進行賒賬。本集團定期檢討授予客戶的信貸上限。鑒於上述因素以及本集團的應收貿易賬款和大量不同類型的客戶有關，並無重大集中信貸風險。應收貿易賬款為不計息。

27. TRADE AND BILLS RECEIVABLES (CONTINUED)

An aged analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of provision for impairment, is as follows:

		Group 本集團		Company 本公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Within 3 months	3個月內	6,292,600	5,987,889	3,589,488	2,890,959
3 to 6 months	3至6個月	8,861,904	4,730,036	6,710,607	4,318,017
6 to 12 months	6至12個月	425,251	249,293	704	9,488
1 to 2 years	一至兩年	181,191	385,423	1	1,159
2 to 3 years	兩至三年	105,787	304	40	–
		15,866,733	11,352,945	10,300,840	7,219,623

The movements in provision for impairment of trade and bills receivables are as follows:

應收貿易賬款及票據的減值撥備變動如下：

		Group 本集團		Company 本公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
At 1 January	於一月一日	528,845	322,126	13,327	17,239
Impairment losses recognised	已確認減值虧損	316,071	228,413	23,904	–
Contribution from a non-controlling shareholder	一名非控股股東出資	–	762	–	–
Amount written off as uncollectible	因不可收回而撇銷之金額	(53,710)	(14,415)	–	–
Impairment losses reversed	減值虧損撥回	(10,474)	(8,041)	–	(3,912)
		780,732	528,845	37,231	13,327

27. TRADE AND BILLS RECEIVABLES (CONTINUED)

The above provision for impairment of trade and bills receivables of the Group and the Company is provision for both individually and collectively impaired trade and bills receivables with a carrying amount before impairment of RMB1,701,043,000 (2009: RMB1,155,926,000) and RMB660,679,000 (2009: RMB15,287,000), respectively. For amounts which were past due at the end of reporting period, the Group has not provided for those receivables of which there has not been significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

The aged analysis of the trade and bills receivables that are not considered to be impaired is as follows:

		Group 本集團		Company 本公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Neither past due nor impaired	未逾期或減值	14,732,601	10,585,850	10,299,919	7,219,535
Less than 1 year	少於一年	450,580	140,014	921	88
1 to 2 years past due	逾期一至兩年	-	-	-	-
		15,183,181	10,725,864	10,300,840	7,219,623

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

As at 31 December 2010, trade and bills receivables of RMB597,490,000 (2009: RMB209,474,000) were pledged to secure bank loans and credit facilities of the Group.

27. 應收貿易賬款及票據(續)

本集團及本公司的上述應收貿易賬款及票據減值撥備包括就未計提減值前賬面值分別為人民幣1,701,043,000元(二零零九年: 人民幣1,155,926,000元)及人民幣660,679,000元(二零零九年: 人民幣15,287,000元)之個別及共同已減值應收貿易賬款及票據作出的撥備。就於報告期末已逾期之款項而言, 本集團並無就信用品質並無重大變動, 且考慮仍可收回的應收賬款作出撥備。本集團並無就該等結餘持有任何抵押或其他信用增強形式。

未減值之應收貿易賬款及票據的賬齡分析如下:

未逾期或減值之應收賬款與大量不同類型近期並無違約記錄的客戶有關。

已逾期但未減值之應收賬款與多名和本集團交易記錄良好的獨立客戶有關。鑒於過往經驗, 由於信用品質並無重大變動, 且考慮該等結餘仍可全部收回, 故本公司董事認為無須就該等結餘作出減值撥備。本集團並無就該等結餘持有任何抵押或其他信用增強形式。

於二零一零年十二月三十一日, 應收貿易賬款及票據人民幣597,490,000元(二零零九年: 人民幣209,474,000元)已抵押作為本集團的銀行貸款及信貸融資的擔保。

27. TRADE AND BILLS RECEIVABLES (CONTINUED)

The amounts due from related parties included above are analysed as follows:

27. 應收貿易賬款及票據(續)

以上金額中包括的應收關聯方款項分析如下：

		Group 本集團		Company 本公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	42,479	10,461	8,038	4,071
Lonking Holdings and its subsidiaries	龍工控股及其附屬公司	60,024	260,502	60,024	260,502
Subsidiaries	附屬公司	–	–	1,581,766	1,202,422
Jointly-controlled entity	共同控制實體	–	617	–	–
Associates	聯營公司	28,620	31,455	115	680
Non-controlling shareholders groups	非控股股東集團	348,417	110,187	135,342	–
		479,540	413,222	1,785,285	1,467,675

The amounts due from related parties are on credit terms similar to those offered to the major customers of the Group.

應收關聯方款項的信貸條款與本集團向主要客戶提供的條款類似。

28. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

28. 預付款項、按金及其他應收款項

		Group 本集團		Company 本公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Deposits and other receivables	按金及其他應收款項	637,483	775,292	191,323	769,344
Impairment	減值	(72,392)	(91,553)	(34,624)	(46,292)
Deposits and other receivables, net	按金及其他應收款項淨額	565,091	683,739	156,699	723,052
Dividend receivables	應收股息	3,040	4,293	69,312	39,976
Advances to suppliers	給供應商的預付款	711,746	367,329	36,226	80,985
Prepayments	預付款項	4,505	3,723	–	–
		1,284,382	1,059,084	262,237	844,013

The carrying amounts of the deposits and other receivables approximate to their fair values.

按金及其他應收款項的賬面值與其公平值相若。

The movements in provision for impairment of deposits and other receivables are as follows:

按金及其他應收款項的減值撥備變動如下：

		Group 本集團		Company 本公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
At 1 January	於一月一日	91,553	118,809	46,292	58,318
Impairment losses recognised (note 6)	已確認減值虧損(附註6)	16,635	15,803	7,735	–
Amount written off as uncollectible	因不可收回而撇銷之金額	(20)	(34,488)	–	(2,423)
Impairment losses reversed (note 6)	減值虧損撥回(附註6)	(35,776)	(8,571)	(19,403)	(9,603)
		72,392	91,553	34,624	46,292

28. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

The above provision for impairment of deposits and other receivables of the Group and the Company is a provision for both individually and collectively impaired deposits and other receivables with a carrying amount (before impairment) of RMB357,027,000 (2009: RMB109,787,000) and RMB191,323,000 (2009: RMB69,151,000), respectively. These impaired deposits and other receivables relate to parties that were in default or delinquency in payments and only a portion of the deposits and other receivables is expected to be recovered. The Group does not hold any collateral or other credit enhancements over these balances.

The amounts due from related parties included above are analysed as follows:

		Group 本集團		Company 本公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	2,960	—	2,960	—
Subsidiaries	附屬公司	—	—	240,778	541,837
Associates	聯營公司	45,030	17,889	13,596	13,596
Non-controlling shareholders groups (note 41(a))	非控股股東集團 (附註41(a))	79,651	111,557	—	—
		127,641	129,446	257,334	555,433

As at 31 December 2009, except for the amount of RMB59,602,000 due from Shaanxi Automotive Group Co., Ltd. and the amount of RMB19,238,000 due from Zhuzhou Gear Share Co., Ltd. which are interest-bearing at 5.76% and 5.31% per annum, respectively, other receivables are non-interest-bearing, unsecured and repayable on demand. As at 31 December 2010, except for the amount of RMB10,117,000 due from Zhuzhou Gear Share Co., Ltd. which is interest-bearing at 5.31% per annum, other receivables are non-interest-bearing, unsecured and repayable on demand.

28. 預付款項、按金及其他應收款項(續)

本集團及本公司的上述按金及其他應收款項減值撥備包括就未計提減值前賬面值分別為人民幣357,027,000元(二零零九年: 人民幣109,787,000元)及人民幣191,323,000元(二零零九年: 人民幣69,151,000元)之個別及共同已減值按金及其他應收款項作出的撥備。該等已減值按金及其他應收款項乃客戶拖欠付款而預期僅可收回一部份之按金及其他應收款項。本集團並無就該等結餘持有任何抵押或其他信用增強形式。

以上金額中包括的應收關聯方款項分析如下:

於二零零九年十二月三十一日,除了應收陝西汽車集團有限公司款項人民幣59,602,000元及應收株洲齒輪股份有限公司款項人民幣19,238,000元,按年利率5.76厘及5.31厘計息之外,其他應收款項為不計息、無抵押及按要求即償還。於二零一零年十二月三十一日,除應收株洲齒輪股份有限公司款項人民幣10,117,000元按年利率5.31厘計息之外,其他應收款項均為不計息、無抵押及按要求即償還。

29. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

29. 現金及現金等價物及已抵押存款

		Group 本集團		Company 本公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	4,714,327	2,223,880	873,564	102,318
Time deposits	定期存款	6,444,239	4,354,391	4,024,861	1,995,798
		11,158,566	6,578,271	4,898,425	2,098,116
Less: Pledged time deposits:	減：已抵押定期存款：				
Pledged for credit facilities	為信貸融資抵押	(2,410,944)	(2,879,847)	(482,934)	(569,138)
Pledged for short term loans	為短期貸款抵押	—	(100,085)	—	(86,000)
Cash and cash equivalents	現金及現金等價物	8,747,622	3,598,339	4,415,491	1,442,978

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB11,016,392,000 (2009 RMB6,476,461,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between seven days and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

於報告期末，本集團以人民幣列值的現金及銀行結餘為人民幣11,016,392,000元(二零零九年：人民幣6,476,461,000元)。人民幣不可自由兌換為其他貨幣，惟根據中國內地的《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准透過獲授權進行外匯交易業務之銀行將人民幣兌換為其他貨幣。

銀行現金乃以根據每日銀行存款利率計算的浮息賺取利息。短期定期存款的期限介乎七日至三個月不等，視乎本集團對現金需求的迫切性而定，並按有關短期定期存款利率賺取利息。銀行結餘及已抵押存款乃存於近期沒有違約記錄的信譽卓著銀行。

30. TRADE AND BILLS PAYABLES

30. 應付貿易賬款及票據

		Group 本集團		Company 本公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Trade payables	應付貿易賬款	13,137,584	8,355,933	4,760,319	3,501,042
Bills payable	應付票據	4,109,730	3,474,709	1,212,543	1,456,933
		17,247,314	11,830,642	5,972,862	4,957,975

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

於報告期末，應付貿易賬款及票據基於發票日期的賬齡分析如下：

		Group 本集團		Company 本公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Within 3 months	3個月內	13,184,989	9,519,364	5,502,759	4,427,987
3 to 6 months	3至6個月	3,507,193	2,072,145	390,385	374,829
6 to 12 months	6至12個月	384,197	9,945	4,258	10,577
Over 1 year	一年以上	170,935	229,188	75,460	144,582
		17,247,314	11,830,642	5,972,862	4,957,975

30. TRADE AND BILLS PAYABLES (CONTINUED)

The amounts due to related parties included above are analysed as follows:

		Group 本集團		Company 本公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	4,010	3,611	2,680	3,600
Subsidiaries	附屬公司	—	—	2,752,537	3,084,823
Jointly-controlled entity	共同控制實體	—	6	—	—
Associates	聯營公司	79,905	45,895	45,009	—
Non-controlling shareholders groups	非控股股東集團	1,202,468	211,506	—	—
		1,286,383	261,018	2,800,226	3,088,423

The trade payables are non-interest-bearing and are normally settled on 90-day terms. The amounts due to related parties are on credit terms similar to those offered by the major suppliers of the Group.

30. 應付貿易賬款及票據(續)

以上金額中包括的應付關聯方款項分析如下：

應付貿易賬款為不計息，一般於90天期限內結清。應付關聯方款項的信貸條款與本集團主要供應商提供的條款類似。

31. OTHER PAYABLES AND ACCRUALS

		Group 本集團		Company 本公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Advances from customers	客戶的預付款	1,166,048	747,093	178,012	45,639
Accruals	應計費用	679,206	541,369	491,517	236,283
Salary and welfare payable	應付薪金及福利	1,086,022	673,282	626,881	357,339
Other payables	其他應付款項	3,093,392	1,612,259	1,785,168	1,087,900
		6,024,668	3,574,003	3,081,578	1,727,161

31. 其他應付款項及應計費用

31. OTHER PAYABLES AND ACCRUALS (CONTINUED)

The carrying amounts of other payables and accruals approximate to their fair values. The amounts due to related parties included above are analysed as follows:

		Group 本集團		Company 本公司	
		2010	2009	2010	2009
		二零一零年	二零零九年	二零一零年	二零零九年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	–	–	4	7,610
Subsidiaries	附屬公司	–	–	203,896	260,203
Associates	聯營公司	213	258	–	58
Jointly-controlled entity	共同控制實體	–	102	–	102
Non-controlling shareholders groups (note 41(a))	非控股股東集團 (附註41(a))	98,688	41,936	22,587	–
		98,901	42,296	226,487	267,973

Other payables are non-interest-bearing, unsecured and have no fixed terms of repayment.

32. DEBENTURES

On 24 August 2009, the Company issued unsecured medium-term debentures to independent third parties in an aggregate principal amount of RMB1,300 million in the PRC. The debentures were priced and issued at a face value of RMB100 each. The debentures are listed and transferable on the inter-bank debenture market in the PRC with a maturity period of five years and are due for repayment at 25 August 2014. The effective interest rate for the debentures was 5.30%. The proceeds from the debentures were used for the repayment of certain bank loans of the Company and the investment in the Company's diesel engine project.

31. 其他應付款項及應計費用(續)

其他應付款項及應計費用的賬面值與其公平值相若。以上金額中包括的應付關聯方款項分析如下：

其他應付款項為不計息、無抵押及無固定還款期。

32. 債券

於二零零九年八月二十四日，本公司於中國向獨立第三方發行無抵押中期債券，本金總額為人民幣1,300,000,000元。債券以每張面值人民幣100元定價及發行。債券於中國的銀行間債券市場上市並可於該市場上轉讓，為期五年，須於二零一四年八月二十五日償還。債券之實際利率為5.30%。債券所得款項將用於償還本公司的若干銀行貸款以及投資本公司的柴油引擎項目。

33. INTEREST-BEARING BANK AND OTHER BORROWINGS

33. 計息銀行及其他借款

Group	本集團	2010 二零一零年			2009 二零零九年		
		Effective interest rate (%) 實際利率 (%)	Maturity 到期日	RMB'000 人民幣千元	Effective interest rate (%) 實際利率 (%)	Maturity 到期日	RMB'000 人民幣千元
Current	流動						
Bank loans – secured	銀行貸款—已抵押	6.11~6.12	2011	190,176	1.8-8.22	2010	62,415
Bank loans – unsecured	銀行貸款—無抵押	1.28~5.56	2011	369,990	4.37-6.72	2010	860,249
Current portion of long-term bank loans	長期銀行貸款之流動部份	5.76	2011	17,000	4.86-6.75	2010	450,000
Other loans – secured	其他貸款—已抵押			–	5.31	2010	94,000
Other loans – unsecured	其他貸款—無抵押			–	5.31-5.58	2010	49,000
				577,166			1,515,664
Non-current	非流動						
Bank loans – secured	銀行貸款—已抵押			–			–
Bank loans – unsecured	銀行貸款—無抵押	4.86	2012-2013	950,000	4.86-5.67	2011-2012	917,000
Other loans – unsecured	其他貸款—無抵押	3.87	2020	4,727	3.87-6.05	2014-2020	25,200
				954,727			942,200
				1,531,893			2,457,864

Company	本公司	2010 二零一零年			2009 二零零九年		
		Effective interest rate (%) 實際利率 (%)	Maturity 到期日	RMB'000 人民幣千元	Effective interest rate (%) 實際利率 (%)	Maturity 到期日	RMB'000 人民幣千元
Current	流動						
Bank loans – unsecured	銀行貸款—無抵押	–	–	–	4.86	2010	148,282
Current portion of long-term bank loans	長期銀行貸款之流動部份	–	–	–	4.86	2010	400,000
				–			548,282
Non-current	非流動						
Bank loans – unsecured	銀行貸款—無抵押			–	5.4	2011-2012	200,000
				–			200,000
				–			748,282

33. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

33. 計息銀行及其他借款(續)

	Group 本集團		Company 本公司	
	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Analysed into: 分析為:				
Bank loans repayable: 該等銀行借款須於下列年期償還:				
Within one year or on demand 一年內或按要求的即償還	577,166	1,372,664	–	548,282
In the second year 第二年	700,000	117,000	–	100,000
In the third to fifth years, inclusive 第三年至第五年(包括首尾兩年)	250,000	800,000	–	100,000
	1,527,166	2,289,664	–	748,282
Other borrowings repayable: 該等其他借款須於下列年期償還:				
Within one year 一年內	–	143,000	–	–
In the third to fifth years, inclusive 第三年至第五年(包括首尾兩年)	–	20,000	–	–
Beyond five years 五年後	4,727	5,200	–	–
	4,727	168,200	–	–
	1,531,893	2,457,864	–	748,282

Notes:

- (a) The Group's credit facilities amounting to RMB6,932,000,000 (2009: RMB4,886,249,000), of which RMB1,281,150,000 (2009: RMB2,108,334,000) had been utilised as at the end of reporting period. The credit facilities are secured by bills receivable of RMB546,526,000 (2009: RMB205,340,000) as at 31 December 2010.
- (b) Certain of the Group's bank loans are secured by:
- (i) mortgages over certain of the Group's land use rights, buildings, machinery and motor vehicles, which had an aggregate carrying value at the end of the reporting period of approximately RMB83,215,000 (2009: RMB173,997,000).
- (ii) pledge of the Group's trade receivable amounting to RMB50,964,000 (2009: RMB4,134,000)
- (c) Except for the bank loan of RMB40,447,000 (2009: RMB82,197,000) which is denominated in United States dollars, RMB79,712,000 (2009: RMB81,887,000) which is denominated in Hong Kong dollars and RMB22,016,000 which is dominated in Euro dollars, all borrowings are in RMB.
- (d) Included in the above are defaulted bank loans of approximately RMB14,990,000 (2009: RMB24,080,000) drawn by a subsidiary of Torch Automobile Group Co., Ltd. ("TAGC") prior to the Company's acquisition of TAGC in year 2007. The loans are classified as current. The Group is currently negotiating a restructuring of these loans with the relevant bankers. As at the date of this report, the negotiations are still in progress. However, the directors are confident that their negotiations with the lenders will ultimately reach a successful conclusion.

附註:

- (a) 本集團的信貸融資額為人民幣6,932,000,000元(二零零九年:人民幣4,886,249,000元),於報告期末已動用其中人民幣1,281,150,000元(二零零九年:人民幣2,108,334,000元)。於二零一零年十二月三十一日,該信貸融資額以應收票據人民幣546,526,000元(二零零九年:人民幣205,340,000元)擔保。
- (b) 本集團若干銀行貸款之抵押為:
- (i) 本集團於報告期末總賬面值為約人民幣83,215,000元(二零零九年:人民幣173,997,000元)的若干土地使用權、樓宇、機器及汽車用作按揭。
- (ii) 本集團應收貿易賬款人民幣50,964,000元(二零零九年:人民幣4,134,000元)作為抵押。
- (c) 除人民幣40,447,000元(二零零九年:人民幣82,197,000元)、人民幣79,712,000元(二零零九年:人民幣81,887,000元)及人民幣22,016,000元之銀行貸款分別以美元、港元及歐元列值之外,所有借款均以人民幣列值。
- (d) 以上金額中包括湘火炬汽車集團股份有限公司(「湘火炬汽車」)之一家附屬公司在本公司二零零七年收購湘火炬汽車之前貸款的違約銀行貸款約人民幣14,990,000元(二零零九年:人民幣24,080,000元),該筆貸款分類為流動。本集團目前正在與相關銀行就重組該等貸款進行商討。截至本報告日期,有關商討仍在進行中。然而,董事有信心與該等銀行進行的商討將最終取得成功。

33. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

The carrying amounts of the Group's and the Company's borrowings approximate to their fair values.

33. 計息銀行及其他借款(續)

本集團及本公司之借款的賬面值與其公平值相若。

34. WARRANTY PROVISION

34. 保修撥備

		Group 本集團		Company 本公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
At 1 January	於一月一日	497,231	446,343	357,000	234,899
Additional provision (note 6)	額外撥備(附註6)	1,430,855	709,188	1,116,351	523,003
Business combination	業務合併	-	1,978	-	-
Contribution from a non-controlling shareholder	來自一名非控股股東之注資	-	15,721	-	-
Amounts utilised during the year	年內動用金額	(910,668)	(675,999)	(713,351)	(400,902)
At 31 December	於十二月三十一日	1,017,418	497,231	760,000	357,000

The Group provides warranties ranging from six months to three years to its customers on certain products and undertakes to repair or replace items that fail to perform satisfactorily. The amount of the provision for warranties is estimated based on the sales volume and past experience on the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised when appropriate.

本集團就若干產品向客戶提供六個月至三年的保修期，並保證維修或更換運作不正常之零部件。保修撥備之金額乃根據銷售量及過往維修及退貨水平進行估計。估算基準持續作出檢討及於適當時候作出修訂。

35. SHARE CAPITAL

Shares

35. 股本

股份

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Registered, issued and fully paid:	註冊、發行及繳足股本：		
A shares of RMB 1 each	每股面值人民幣1元之A股		
– state-owned shares	— 國家持股	373,090	186,545
– other legal person and natural person shares	— 其他法人及自然人股	888,202	444,101
H shares of RMB 1 each	每股面值人民幣1元之H股	404,800	202,400
		1,666,092	833,046

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

During the years ended 31 December 2010 and 2009, the movements in share capital were as follows:

Pursuant to an ordinary resolution passed on 26 October 2010, a bonus issue of 10 shares was granted by the Company for every 10 shares held by the shareholders. As a result, the issued capital of the Company was increased from RMB833,046,000 to RMB1,666,092,000 by capitalisation of share premium of RMB833,046,000.

普通股持有人有權於本公司宣派股息時收取股息。每股普通股均代表一個投票權，而無須受限制。

於截至二零一零年及二零零九年十二月三十一日止年度之股本變動如下：

根據於二零一零年十月二十六日通過的普通決議案，本公司按每10股送10股的比例發行紅股。因此，本公司已發行股本從人民幣833,046,000元通過將股份溢價人民幣833,046,000元撥充資本增加至人民幣1,666,092,000元。

35. SHARE CAPITAL (CONTINUED)

A summary of the transactions during the years with reference to the above movements in the Company's issued capital and the Group's share premium account is as follows:

		Number of shares in issue 已發行股份數目			Issued capital 已發行 股本	Share premium 股份溢價	Total
		H shares H 股	A shares A 股	Total 合計	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
		'000 千股	'000 千股	'000 千股			
At 1 January 2009 and 2010	於二零零九年及 二零一零年 一月一日	202,400	630,646	833,046	833,046	2,056,268	2,889,314
Bonus issue	送股	202,400	630,646	833,046	833,046	(833,046)	-
At 31 December 2010	於二零一零年 十二月三十一日	404,800	1,261,292	1,666,092	1,666,092	1,223,222	2,889,314

35. 股本(續)

過往年度進行之有關上述本公司已發行股本及本集團股份溢價賬變動之交易概要如下：

36. RESERVES**(a) Group**

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

Capital reserve

The capital reserve of the Group includes the Group's share premium of RMB1,223,222,000 and the non-distributable reserves of the Company and its subsidiaries created in accordance with the accounting and financial regulations of the PRC.

36. 儲備**(a) 本集團**

本集團於本年度及過往年度之儲備金額及其變動呈列於財務報表之綜合權益變動表內。

資本儲備

本集團之資本儲備包括本集團之股份溢價人民幣1,223,222,000元及本公司及其附屬公司根據中國會計及財務規定設立之不可分派儲備。

36. RESERVES (CONTINUED)**(a) Group (continued)****Surplus reserves**

In accordance with the PRC Company Law and the articles of association of the relevant companies, the Company, its subsidiaries, associates and jointly-controlled entity are required to appropriate a certain percentage of their net profits after tax to the surplus reserves comprising statutory surplus reserve and discretionary surplus reserve. Subject to certain restrictions set out in the relevant PRC regulations and in the Company's articles of association, the statutory surplus reserve may be used either to offset losses, or to be converted to increase share capital. These reserves cannot be used for purposes other than those for which they are created and are not distributable as cash dividends.

Distributable reserves

At 31 December 2010, the Company's reserves available for distribution, calculated in accordance with the relevant regulations, amounted to RMB11,130,674,000 (2009: RMB6,340,303,000), out of which a dividend of RMB716,419,000 (2009: RMB399,862,000) for the year ended 31 December 2010 was proposed on 30 March 2011. In addition, the Company's share premium account in its statutory financial statements, in the amount of RMB999,522,000 (2009: RMB1,832,568,000), may be distributed in the form of fully paid bonus shares.

The amount for which the Company can legally distribute by way of a dividend is determined based on the lower of the retained profits determined in accordance with the generally accepted accounting principles in the PRC and the HKFRSs.

36. 儲備(續)**(a) 本集團(續)****盈餘公積金**

根據中國公司法及相關公司之組織章程，本公司及其附屬公司、聯營公司及共同控制實體須將彼等之除稅後淨利潤按一定比例分配至盈餘公積金(包括法定盈餘公積金及任意盈餘公積金)。法定盈餘公積金可用於沖銷虧損或轉撥為股本增加，惟須受中國相關法規及本公司之組織章程之若干限制。該等儲備不得用於設立目標以外之用途及用作分派現金股息。

可分派儲備

於二零一零年十二月三十一日，根據相關規定計算之本公司可分派儲備為人民幣11,130,674,000元(二零零九年：人民幣6,340,303,000元)，其中於二零一一年三月三十日建議派發截至二零一零年十二月三十一日止年度之股息人民幣716,419,000元(二零零九年：人民幣399,862,000元)。此外，本公司於法定財務報表內之股份溢價賬之金額為人民幣999,522,000元(二零零九年：人民幣1,832,568,000元)，可以繳足紅股之方式分派。

本公司可以股息方式合法分派之金額根據中國公認會計準則及香港財務報告準則釐定之保留利潤之較低者釐定。

36. RESERVES (CONTINUED)

(b) Company

36. 儲備(續)

(b) 本公司

		Notes	Capital reserve	Surplus reserve	Available- for-sale investments revaluation reserve	Retained profits	Total
		附註	資本儲備	盈餘公積金	可供出售 投資重估 儲備	保留利潤	合計
			RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
			人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 31 December 2008	於二零零八年 十二月三十一日		1,816,017	564,431	(83,130)	3,825,377	6,122,695
Total comprehensive income for the year	本年度全面收入總額		-	-	242,080	2,828,588	3,070,668
Appropriation to statutory surplus reserve	分配至法定 盈餘公積金		-	282,958	-	(282,958)	-
Proposed final 2009 dividend	擬派二零零九年 末期股息	12	-	-	-	(399,862)	(399,862)
At 31 December 2009	於二零零九年 十二月三十一日		1,816,017	847,389	158,950	5,971,145	8,793,501
Total comprehensive income for the year	本年度全面 收入總額		-	-	88,910	5,763,349	5,852,259
			(833,046)	-	-	-	(833,046)
Appropriation to statutory surplus reserve	分配至法定 盈餘公積金		-	576,693	-	(576,693)	-
Proposed final 2010 dividend	擬派二零一零年 末期股息	12	-	-	-	(716,419)	(716,419)
At 31 December 2010	於二零一零年 十二月三十一日		982,971	1,424,082	247,860	10,441,382	13,096,295

37. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	Group 本集團		Company 本公司	
	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Guarantees given to banks in connection with facilities granted to third parties				
就第三方獲授之信貸而給予銀行之擔保	1,144,880	1,053,691	-	-

The above guarantees are made by subsidiaries of the Group to the dealers and agents for their business.

於報告期末，未於財務報表內撥備之或然負債如下：

上述擔保乃由本集團的附屬公司就經銷商及代理的業務而向彼等作出。

38. PLEDGE OF ASSETS

Details of the Group's assets pledged for the banking facilities of the Group are included in notes 14, 16, 27, 29 and 33 to the financial statements.

38. 資產抵押

與本集團銀行融資有關的本集團已抵押資產詳情載於財務報表附註14、16、27、29及33。

39. OPERATING LEASE ARRANGEMENTS**(a) As lessor**

The Group leases certain of its investment properties (note 15) and plant and machinery under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to two years and those for plant and machinery negotiated for terms ranging from one to two years. The terms of the leases generally also require tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2010, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		Group 本集團	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Within one year	一年內	8,160	9,872
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	-	340
After five years	五年以後	-	-
		8,160	10,212

(b) As lessee

The Group leases certain plant and machinery and properties under operating lease arrangements. Leases are negotiated for terms ranging from one to ten years and rent is fixed over the lease term.

39. 經營租約安排**(a) 作為出租人**

本集團根據經營租約安排出租其若干投資物業(附註15)、廠房及機器。物業租賃經協商之租期介乎一至二年不等，而廠房及機器經協商之租期亦介乎一至二年不等。租約條款一般亦要求租戶支付按金及根據當時市場情況定期調整租金。

於二零一零年十二月三十一日，本集團根據不可撤銷之經營租約而於下列期間到期之未來應收最低租金總額如下：

(b) 作為承租人

本集團根據經營租約安排租賃若干廠房、機器及物業。經協商之租期介乎一至十年不等，租期內須支付定額租金。

39. OPERATING LEASE ARRANGEMENTS (CONTINUED)

(b) As lessee (continued)

At 31 December 2010, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		Group 本集團		Company 本公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Within one year	一年內	30,308	26,707	-	-
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	58,561	81,547	-	-
After five years	五年以後	65,702	149,852	-	-
		154,571	258,106	-	-

40. COMMITMENTS

In addition to the operating lease commitments detailed in note 39(b) above, the Group and the Company had the following capital commitments at the end of reporting period:

		Group 本集團		Company 本公司	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Purchase of property, plant and equipment	購買物業、機器及 設備				
- Contracted but not provided for	一已訂約但未撥備	2,192,915	946,771	1,498,731	399,279
- Authorised but not contracted for	一已授權但未訂約	-	-	-	-
		2,192,915	946,771	1,498,731	399,279

39. 經營租約安排(續)

(b) 作為承租人(續)

於二零一零年十二月三十一日，本集團及本公司根據不可撤銷之經營租約而於下列期間到期之未來最低租金總額如下：

40. 承擔

除以上附註39(b)詳述之經營租約承擔外，本集團及本公司於報告期末的資本承擔如下：

41. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

		Group 本集團	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
		Notes 附註	
Sale of products to:	向以下關聯方出售產品：		
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	(i)	734,283
Lonking Holdings and its subsidiaries	龍工控股及其附屬公司	(ii)	612,317
Non-controlling shareholders groups	非控股股東集團	(iii)	1,169,365
Jointly-controlled entity	共同控制實體		39,836
Associates	聯營公司		26,289
			5,748,042
Purchase of raw materials from:	向以下關聯方購買原材料：		
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	(i)	316,182
Non-controlling shareholders groups	非控股股東集團	(iii)	1,827,940
Jointly-controlled entity	共同控制實體		75,131
Associates	聯營公司		327,948
			5,123,997
Sales and warranty period repair service fees income from:	來自以下關聯方的銷售及保 期維修服務費收入：		
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	(i)	13,253
Utility service income from:	來自以下關聯方之公用 事業服務收入：		
Non-controlling shareholders groups	非控股股東集團	(iii)	11,680
Warehouse and logistics service fee income from:	來自以下關聯方之倉庫及物流 服務費收入：		
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	(i)	3,460
Other service income from:	來自以下關聯方之 其他服務費收入：		
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	(i)	10,465
Non-controlling shareholders groups	非控股股東集團	(iii)	-
			27,077

41. 關聯方交易

- (a) 除本財務報表其他部份詳述之交易外，本集團於本年度與關聯方進行之重大交易如下：

41. RELATED PARTY TRANSACTIONS (CONTINUED)

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year (continued):

41. 關聯方交易(續)

- (a) 除本財務報表其他部份詳述之交易外，本集團於本年度與關聯方進行之重大交易如下：(續)

		Notes 附註	Group 本集團 2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Processing service fee paid to:	支付加工服務費予：			
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	(i)	107,740	55,962
Non-controlling shareholders groups	非控股股東集團	(iii)	10,265	5,867
			118,005	61,829
Utility service fee paid to:	向以下關聯方支付公用 事業服務費：			
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	(i)	216,955	157,104
Other service fee paid to:	向以下關聯方支付之 其他服務費：			
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	(i)	48,764	25,408
Non-controlling shareholders groups	非控股股東集團	(iii)	186,042	82,122
			234,806	107,530
Rental income for certain premises, machinery, and equipment from:	來自以下關聯方的若干 物業、機械及設備之 租金收入：			
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	(i)	4,230	2,115
Non-controlling shareholders groups	非控股股東集團	(iii)	1,870	1,813
Jointly-controlled entity	共同控制實體		-	1,384
Associates	聯營公司		16,109	5,540
			22,209	10,852
Rental paid for certain premises, machinery, and equipment to:	向以下關聯方支付若干 物業、機械及設備之 租金：			
Weichai Holdings and its subsidiaries	濰柴控股及其附屬公司	(i)	46,810	46,218
Non-controlling shareholders groups	非控股股東集團	(iii)	38,617	27,377
			85,427	73,595
Purchase of fixed assets from:	向以下關聯方購買 固定資產：			
Non-controlling shareholders groups	非控股股東集團	(iii)	-	1,226

41. RELATED PARTY TRANSACTIONS (CONTINUED)

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year (continued):

Notes:

- (i) Weichai Group Holdings Limited (濰柴控股集團有限公司), a legal person established in the PRC, a substantial shareholder and a promoter of the Company, is the single largest shareholder owning a 14.92% interest in the Company as at 31 December 2010. The related party transactions disclosed above were entered into with Weichai Holdings and its subsidiaries, mainly including Chongqing Weichai Diesel Engine Works, Chongqing City Jiangjin District Chongwei Casting Co., Ltd., Shandong Weichai Import and Export Co., Ltd., Weichai Heavy Machinery Co., Ltd., Weifang Weichai Deutz Diesel Engine Co., Ltd., Weichai Tongxin Real Estate Co., Ltd., Weichai Property Development Co., Ltd. and Shandong Huafeng Power Co., Ltd.
- (ii) Lonking Holdings Limited is a Hong Kong listed company which is owned by a non-executive director of the Company and his wife as to 54.33% as at 31 December 2010. The couple also own a 4.13% interest in the Company. The related party transactions disclosed above were entered into with the subsidiaries of Lonking Holdings, namely Fujian Longyan Construction Machinery (Group) Company Limited and Shanghai Longgong Machinery Company Limited.
- (iii) Certain companies of the Group entered into related party transactions as disclosed above with their non-controlling shareholders, which were able to exert significant influence over the companies, and the subsidiaries thereof (collectively referred to as "Non-controlling shareholders groups"). Such non-controlling shareholders mainly include:
- Shaanxi Fast Gear Automotive Transmission Co., Ltd., which owned a 49% interest in a subsidiary of the Group, namely Shaanxi Fast Gear Co., Ltd., as at 31 December 2010.
 - Shaanxi Automotive Group Co., Ltd., which owned a 49% interest in a subsidiary of the Group, namely Shaanxi Heavy Duty Automotive Co., Ltd. ("Shaanxi Zhongqi"), as at 31 December 2010.
 - Dong Feng Automotive Group Co., Ltd., which owned a 40% interest in a subsidiary of the Group, namely Dong Feng Off-road Vehicles Co., Ltd., as at 31 December 2010.

41. 關聯方交易(續)

- (a) 除本財務報表其他部份詳述之交易外，本集團於本年度與關聯方進行之重大交易如下：(續)

附註：

- (i) 濰柴控股集團有限公司為於中國註冊成立之法人，為本公司之主要股東及發起人，於二零一零年十二月三十一日乃擁有本公司14.92%權益的單一最大股東。上述披露之關聯方交易乃與濰柴控股及其附屬公司訂立，該等附屬公司主要包括重慶濰柴發動機廠、重慶江津區重濰鑄造有限公司、山東濰柴進出口公司、濰柴重機股份有限公司、濰坊濰柴道依茨柴油機有限公司、濰柴同心房地產有限公司、濰柴房地產開發公司及山東華豐動力有限公司。
- (ii) 於二零一零年十二月三十一日，本公司一名非執行董事及其配偶於香港上市公司龍工控股有限公司擁有54.33%的權益。該對夫婦亦擁有本公司4.13%的權益。上述披露之關聯方交易乃與龍工控股之附屬公司訂立，即福建龍岩工程機械(集團)有限公司及龍工(上海)機械有限公司。
- (iii) 本集團若干公司與非控股股東訂立上述披露之關聯方交易，該等非控股股東對該等公司及其附屬公司(統稱「非控股股東集團」)發揮重大影響。該等非控股股東主要包括：
- 陝西法士特汽車傳動集團有限公司，於二零一零年十二月三十一日擁有本集團一家附屬公司陝西法士特齒輪有限公司的49%權益。
 - 陝西汽車集團有限公司，於二零一零年十二月三十一日擁有本集團一家附屬公司陝西重型汽車有限公司(「陝西重汽」)的49%權益。
 - 東風汽車集團股份有限公司，於二零一零年十二月三十一日擁有本集團一家附屬公司東風越野車有限公司的40%權益。

41. RELATED PARTY TRANSACTIONS (CONTINUED)

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year (continued):

Notes: (continued)

- Zhuzhou Gear Share Co., Ltd. ("Zhuzhou Gear Share"), which owned a 17.85% interest in a subsidiary of the Group, namely Zhuzhou Gear Co., Ltd. ("Zhuzhou Gear"), as at 31 December 2010.
- Mudan Jiang Huatong Automotive Group Company Limited ("Huatong"), which owned a 20.04% interest in a subsidiary of the Group, namely Mudan Jiang Futong Automotive Air Conditioner Co., Ltd. ("Futong"), as at 31 December 2010.

- (b) Balances due from/to related parties:

The balances due from/to related parties mainly resulted from trading transactions and miscellaneous amounts reimbursable by/ to the related parties. Further details are set out in notes 27, 28, 30 and 31 to the financial statements.

- (c) Compensation of key management personnel of the Group:

41. 關聯方交易(續)

- (a) 除本財務報表其他部份詳述之交易外，本集團於本年度與關聯方進行之重大交易如下：(續)

附註：(續)

- 株洲齒輪股份有限公司(「株洲齒輪股份」)，於二零一零年十二月三十一日擁有本集團一家附屬公司株洲齒輪有限公司(「株洲齒輪」)的17.85%權益。
- 牡丹江華通汽車零部件有限公司(「華通」)，於二零一零年十二月三十一日擁有本集團一家附屬公司牡丹江富通汽車空調有限公司(「富通」)的20.04%權益。

- (b) 應收／應付關聯方之結餘：

應收／應付關聯方之結餘主要來自與關聯方進行之商貿往來以及應償還／應收關聯方雜項金額。進一步詳情載於財務報表附註27、28、30及31。

- (c) 本集團關鍵管理人員的薪酬：

		Group 本集團	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Short term employee benefits	短期僱員福利	17,768	19,709
Post-employment benefits	離任後福利	229	215
Total compensation paid to key management personnel	已付關鍵管理人員的薪酬總額	17,997	19,924

41. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Compensation of key management personnel of the Group: (continued)

Further details of directors' and supervisors' emoluments are included in note 8 to the financial statements.

Except for the transactions with a jointly-controlled entity and associates, all the above related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

42. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of reporting period are as follows:

2010

Financial assets

		Group 本集團			Total 總額 RMB'000 人民幣千元
		Loans and receivables 貸款及 應收賬款 RMB'000 人民幣千元	Available- for-sale financial assets 可供出售 財務資產 RMB'000 人民幣千元	Hold-to- maturity investments 持至到期 投資 RMB'000 人民幣千元	
Trade and bills receivables (note 27)	應收貿易賬款及票據 (附註27)	15,866,733	-	-	15,866,733
Financial assets included in prepayments, deposits and other receivables (note 28)	列入預付款項、按金及 其他應收款項之 財務資產(附註28)	568,131	-	-	568,131
Available-for-sale investments (note 22)	可供出售投資 (附註22)	-	636,038	-	636,038
Held-to-maturity investment (note 23)	持至到期投資 (附註23)	-	-	19,584	19,584
Pledged deposits (note 29)	已抵押存款(附註29)	2,410,944	-	-	2,410,944
Cash and cash equivalents (note 29)	現金及現金等價物 (附註29)	8,747,622	-	-	8,747,622
		27,593,430	636,038	19,584	28,249,052

41. 關聯方交易(續)

(c) 本集團關鍵管理人員的薪酬：(續)

董事及監事之薪酬詳情載於財務報表附註8。

除與共同控制實體及聯營公司進行之交易外，所有上述關聯方交易同時構成上市規則第14A章所定義之關連交易或持續關連交易。

42. 財務工具分類

各類財務工具於報告期末之賬面值如下：

二零一零年

財務資產

42. FINANCIAL INSTRUMENTS BY CATEGORY
(CONTINUED)

42. 財務工具分類(續)

2010

Financial liabilities

二零一零年

財務負債

		Group 本集團 Financial liabilities at amortised cost 按攤銷 成本計量的 財務負債 RMB'000 人民幣千元
Trade and bills payables (note 30)	應付貿易賬款及票據(附註30)	17,247,314
Financial liabilities included in other payables and accruals (note 31)	列入其他應付款項及應計費用之 財務負債(附註31)	4,858,620
Debentures (note 32)	債券(附註32)	1,285,240
Interest-bearing bank and other borrowings (note 33)	計息銀行及其他借款(附註33)	1,531,893
		24,923,067

42. FINANCIAL INSTRUMENTS BY CATEGORY
(CONTINUED)

2010

Financial assets

42. 財務工具分類(續)

二零一零年

財務資產

		Company 本公司			Total 總額 RMB'000 人民幣千元
		Loans and receivables 貸款及 應收賬款 RMB'000 人民幣千元	Available- for-sale financial assets 可供出售 財務資產 RMB'000 人民幣千元	Held-to- maturity investments 持至到期 投資 RMB'000 人民幣千元	
Trade and bills receivables (note 27)	應收貿易賬款及票據 (附註27)	10,300,840	-	-	10,300,840
Financial assets included in prepayments, deposits and other receivables (note 28)	列入預付款項、按金及 其他應收款項之 財務資產(附註28)	226,011	-	-	226,011
Available-for-sale investments (note 22)	可供出售投資 (附註22)	-	485,600	-	485,600
Hold-to-maturity investments (note 23)	持至到期投資 (附註23)	-	-	19,584	19,584
Pledged deposits (note 29)	已抵押存款(附註29)	482,934	-	-	482,934
Cash and cash equivalents (note 29)	現金及現金等價物 (附註29)	4,415,491	-	-	4,415,491
		15,425,276	485,600	19,584	15,930,460

Financial liabilities

財務負債

		Financial liabilities at amortised cost 按攤銷 成本計量的 財務負債 RMB'000 人民幣千元	
Trade and bills payables (note 30)	應付貿易賬款及票據(附註30)		5,972,862
Financial liabilities included in other payables and accruals (note 31)	列入其他應付款項及應計費用之 財務負債(附註31)		2,903,566
Debentures (note 32)	債券(附註32)		1,285,240
			10,161,668

42. FINANCIAL INSTRUMENTS BY CATEGORY
(CONTINUED)

2009

Financial assets

		Loans and receivables 貸款及 應收賬款 RMB'000 人民幣千元	Group 本集團 Available- for-sale financial assets 可供出售 財務資產 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Trade and bills receivables (note 27)	應收貿易賬款及票據 (附註27)	11,352,945	–	11,352,945
Financial assets included in prepayments, deposits and other receivables (note 28)	列入預付款項、按金及其他應收款項之財務資產(附註28)	688,032	–	688,032
Available-for-sale investments (note 22)	可供出售投資 (附註22)	–	477,430	477,430
Pledged deposits (note 29)	已抵押存款(附註29)	2,979,932	–	2,979,932
Cash and cash equivalents (note 29)	現金及現金等價物 (附註29)	3,598,339	–	3,598,339
		18,619,248	477,430	19,096,678

2009

Financial liabilities

二零零九年

財務負債

		Group 本集團 Financial liabilities at amortised cost 按攤銷 成本計量的 財務負債 RMB'000 人民幣千元
Trade and bills payables (note 30)	應付貿易賬款及票據(附註30)	11,830,642
Financial liabilities included in other payables and accruals (note 31)	列入其他應付款項及應計費用之財務負債(附註31)	2,826,910
Debentures (note 32)	債券(附註32)	1,281,669
Interest-bearing bank and other borrowings (note 33)	計息銀行及其他借款(附註33)	2,457,864
		18,397,085

42. FINANCIAL INSTRUMENTS BY CATEGORY
(CONTINUED)

2009

Financial assets

		Loans and receivables 貸款及應收賬款 RMB'000 人民幣千元	Company 本公司 Available-for-sale financial assets 可供出售 財務資產 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Trade and bills receivables (note 27)	應收貿易賬款及票據 (附註27)	7,219,623	–	7,219,623
Financial assets included in prepayments, deposits and other receivables (note 28)	列入預付款項、按金及其他應收款項之財務資產(附註28)	763,028	–	763,028
Available-for-sale investments (note 22)	可供出售投資 (附註22)	–	381,000	381,000
Pledged deposits (note 29)	已抵押存款(附註29)	655,138	–	655,138
Cash and cash equivalents (note 29)	現金及現金等價物 (附註29)	1,442,978	–	1,442,978
		10,080,767	381,000	10,461,767

Financial liabilities

財務負債

		Financial liabilities at amortised cost 按攤銷成本計量的 財務負債 RMB'000 人民幣千元
Trade and bills payables (note 30)	應付貿易賬款及票據(附註30)	4,957,975
Financial liabilities included in other payables and accruals (note 31)	列入其他應付款項及應計費用之財務負債(附註31)	1,681,522
Debentures (note 32)	債券(附註32)	1,281,669
Interest-bearing bank and other borrowings (note 33)	計息銀行及其他借款(附註33)	748,282
		8,669,448

43. FAIR VALUE HIERARCHY

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs).

As at 31 December 2010, the Group held the following financial instruments measured at fair value:

Assets measured at fair value as at 31 December 2010:

	Level 1 第一層級 RMB'000 人民幣千元	Level 2 第二層級 RMB'000 人民幣千元	Level 3 第三層級 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Available-for-sale investments 可供出售投資				
Equity investments 股權投資	489,212	-	-	489,212

As at 31 December 2010, the Company held the following financial instruments measured at fair value:

Assets measured at fair value as at 31 December 2010:

	Level 1 第一層級 RMB'000 人民幣千元	Level 2 第二層級 RMB'000 人民幣千元	Level 3 第三層級 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Available-for-sale investments 可供出售投資				
Equity investments 股權投資	485,600	-	-	485,600

43. 公平值層級

本集團利用以下層級釐定及披露財務工具的公平值：

第一層級：公平值乃按同等資產或負債於活躍市場所得之報價(未經調整)計量。

第二層級：公平值乃按估值方法計量，該等估值方法所使用的數據均為對入賬公平值有重大影響的(直接或間接)可觀察數據。

第三層級：公平值乃按估值方法計量，該等估值方法所使用的數據均為對入賬公平值有重大影響的不可觀察市場數據(不可測量數據)。

於二零一零年十二月三十一日，本集團持有以下按公平值計量的財務工具：

於二零一零年十二月三十一日按公平值計量的資產：

於二零一零年十二月三十一日，本公司持有以下按公平值計量的財務工具：

於二零一零年十二月三十一日按公平值計量的資產：

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise debentures, interest-bearing bank and other borrowings, and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk, equity price risk and commodity price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with a floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group currently does not have any interest rate hedging policy.

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) and the Group's equity.

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of reporting period. For variable-rate bank borrowings, the analysis is prepared assuming the amount of liability outstanding at the end of reporting period was outstanding for the whole year. A 15 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

44. 財務風險管理之目標及政策

本集團的主要財務工具包括債券、計息銀行及其他借款，以及現金及短期存款。該等財務工具之主要目的是為本集團業務提供資金支持。本集團亦擁有多項其他財務資產及負債，例如直接於業務中產生之應收貿易賬款及應付貿易賬款。

本集團財務工具產生之主要風險為利率風險、外匯風險、信貸風險、流動性風險、股價風險及商品價格風險。董事會審閱並同意上述各項風險之管理政策，該等政策概述如下。

利率風險

本集團所承擔的市場利率變動風險主要關於本集團以浮動利率計息之長期債項承擔。

本集團之政策為，結合使用定息及浮息債項管控利息成本。本集團現時並無任何利率對沖政策。

敏感度分析

下表列明於所有其他可變因素保持不變的情況下，本集團除稅前利潤(透過浮動利率借款的影響)及本集團權益對利率合理可能變動的敏感度。

以下的敏感度分析乃基於報告期末非衍生工具之利率風險釐定。就浮息銀行借款而言，相關分析乃假設於報告期末之未償還負債款項於整個年度內均未償還。向關鍵管理人員內部匯報利率風險時，使用15個基數點的增減，代表管理層對利率的合理潛在變動作出的評估。

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

44. 財務風險管理之目標及政策(續)

		Increase/ (decrease) in basis point 基數點 增加/(減少) RMB'000 人民幣千元	Increase/ (decrease) in profit before tax 除稅前利潤 增加/(減少) RMB'000 人民幣千元	Increase/ (decrease) in equity 權益 增加/(減少) RMB'000 人民幣千元
2010	二零一零年			
RMB	人民幣	15	2,085	1,772
RMB	人民幣	(15)	(2,085)	(1,772)
USD	美元	15	61	52
USD	美元	(15)	(61)	(52)
HKD	港元	15	120	99
HKD	港元	(15)	(120)	(99)
EUR	歐元	15	33	27
EUR	歐元	(15)	(33)	(27)

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between the RMB and other currencies in which the Group conducts business may affect its financial condition and results of operations. The Group seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position.

The Group has transactional currency exposures. These exposures arise from sales or purchases by operating units in currencies other than the units' functional currency. Approximately 5.84% (2009: 9%) of the Group's sales and 0.51% (2009: 0.44%) of the Group's purchases are denominated in currencies other than the functional currency of the operating units making the sales and purchases. The Group has not entered into any forward currency arrangements during the year ended 31 December 2010.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the United States dollar/RMB exchange rate, in the EUR/RMB and in the Hong Kong dollar/RMB, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

外匯風險

外匯風險指因外幣匯率變動產生損失的風險。人民幣與本集團從事業務地區的其他貨幣之間的匯率波動會影響本集團的財務狀況和經營業績。本集團尋求通過減少外匯淨倉位的方法來降低外匯風險。

本集團具有交易貨幣風險。該等風險產生自經營單位以其功能貨幣以外之貨幣進行的買賣。本集團約5.84%(二零零九年: 9%)之銷售及本集團約0.51%(二零零九年: 0.44%)之購買乃以進行銷售及購買之經營單位之功能貨幣以外之貨幣計值。於截至二零一零年十二月三十一日止年度, 本集團並無訂立任何遠期貨幣安排。

下表列明於所有其他可變因素保持不變的情況下, 本集團除稅前利潤(由於貨幣資產及負債公平值變動)及本集團權益於報告期末對美元兌人民幣、歐元兌人民幣及港元兌人民幣匯率的合理可能變動的敏感度。

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk (continued)

Group

		Increase/ (decrease) in USD/EUR/HKD rate %	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity
		美元／歐元／ 港元匯率 上升／(下跌)%	除稅前利潤 增加／(減少)	權益 增加／(減少)
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
2010	二零一零年			
If RMB weaken against USD	倘人民幣兌美元貶值	5	4,902	3,319
If RMB strengthens against USD	倘人民幣兌美元升值	(5)	(4,902)	(3,319)
2010	二零一零年			
If RMB weakens against EUR	倘人民幣兌歐元貶值	5	3,242	2,148
If RMB strengthens against EUR	倘人民幣兌歐元升值	(5)	(3,242)	(2,148)
2010	二零一零年			
If RMB weakens against HKD	倘人民幣兌港元貶值	5	294	244
If RMB strengthens against HKD	倘人民幣兌港元升值	(5)	(294)	(244)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions with overseas customers, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, pledged deposits, available-for-sale financial assets, amounts due from associates and a jointly-controlled entity, and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. The Group is also exposed to credit risk through the granting of financial guarantees, further details of which are disclosed in note 39 to the financial statements.

信貸風險

本集團僅與享譽盛名兼信譽可靠的第三者進行交易。按照本集團的政策，所有擬按信貸期進行交易的客戶，必須經過信貸核實程序後，方可落實。此外，本集團會持續監察應收結餘的情況，而本集團的壞賬風險並不重大。就與海外客戶進行的交易而言，本集團並無提供信貸期，除非獲得信貸控制主管之特別批准。

本集團其他財務資產(包括現金及現金等價物、已抵押存款、可供出售財務資產、應收聯營公司及一間共同控制實體款項以及其他應收款項)的信貸風險均因交易對手方違約所產生，其最大風險相等於該等工具的賬面值。本集團亦面對所授出財務擔保之信貸風險，有關進一步詳情披露於本財務報表附註39。

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentration of credit risk is managed by customer/counterparty, by geographical region and by industry sector. At the end of reporting period, the Group has a certain concentration of credit risk as 10.73% (2009: 14.39%) of the Group's trade receivables were due from the five largest customers.

The Group performs ongoing credit evaluations of its customers' financial conditions. The allowance for doubtful debts is based upon a review of the expected collectability of all trade receivables.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables are disclosed in note 27 to the financial statements.

Liquidity risk

Liquidity risk is the risk of not having access to sufficient funds to meet the Group's obligations as they become due. The Group seeks to manage its liquidity risk by maintaining a balance between continuity of funding and flexibility through the use of bank loans and debentures.

44. 財務風險管理之目標及政策(續)

信貸風險(續)

由於本集團僅與該等享譽盛名兼信譽可靠的第三者進行交易，故無須任何抵押。信貸風險集中度根據客戶／交易對手方、地區及行業加以管理。於報告期末，由於本集團10.73% (二零零九年：14.39%) 的貿易應收賬款為五大客戶欠款，故本集團面對若干信貸集中風險。

本集團持續對其客戶的財務狀況進行信貸評估。呆賬撥備乃根據所有應收貿易賬款之預期可收回程度的檢討意見作出。

有關本集團因應收貿易賬款及票據而產生之信貸風險之進一步量化數據，乃披露於本財務報表附註27。

流動性風險

流動性風險是指本集團無法籌集足夠資金以償還到期債務的風險。本集團通過利用銀行貸款及債務維持資金延續性與靈活性之間的平衡，以管理其流動性風險。

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the end of reporting period based on the contractual undiscounted payment, is as follows:

Group
2010

		On demand	Less than 3 months	3 to less than 12 months 3至少於 12個月	1 to 5 years 1至5年	Over 5 years 超過5年	Total
		按要求 RMB'000 人民幣千元	少於3個月 RMB'000 人民幣千元	12個月 RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	合計 RMB'000 人民幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借款	-	162,983	509,587	944,108	20,789	1,637,467
Trade and bills payables	應付貿易賬款及票據	-	8,106,994	9,140,320	-	-	17,247,314
Financial liabilities included in other payables and accruals	列為其他應付款項及應計費用之財務負債	-	1,947,028	2,911,592	-	-	4,858,620
Debentures	債券	-	-	64,350	1,493,050	-	1,557,400
		-	10,217,005	12,625,849	2,437,158	20,789	25,300,801

Group
2009

		On demand	Less than 3 months	3 to less than 12 months 3至少於 12個月	1 to 5 years 1至5年	Over 5 years 超過5年	Total
		按要求 RMB'000 人民幣千元	少於3個月 RMB'000 人民幣千元	12個月 RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	合計 RMB'000 人民幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借款	-	334,133	1,159,558	1,010,331	6,284	2,510,306
Trade and bills payables	應付貿易賬款及票據	-	10,486,201	1,344,441	-	-	11,830,642
Financial liabilities included in other payables and accruals	列為其他應付款項及應計費用之財務負債	-	1,077,365	1,749,545	-	-	2,826,910
Debentures	債券	-	-	42,900	1,557,400	-	1,600,300
		-	11,897,699	4,296,444	2,567,731	6,284	18,768,158

44. 財務風險管理之目標及政策(續)

流動性風險(續)

按合約未折現付款計算，本集團於報告期末之財務負債之到期情況如下：

本集團
二零一零年本集團
二零零九年

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

Company
2010

		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
		按要求 RMB'000 人民幣千元	少於3個月 RMB'000 人民幣千元	3至少於 12個月 RMB'000 人民幣千元	1至5年 RMB'000 人民幣千元	超過5年 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
Trade and bills payables	應付貿易賬款及票據	-	-	5,897,403	75,459	-	5,972,862
Financial liabilities included in other payables and accruals	列為其他應付款項及應計費用之財務負債	-	944,768	1,958,798	-	-	2,903,566
Debentures	債券	-	-	64,350	1,493,050	-	1,557,400
		-	944,768	7,920,551	1,568,509	-	10,433,828

Company
2009

		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
		按要求 RMB'000 人民幣千元	少於3個月 RMB'000 人民幣千元	3至少於 12個月 RMB'000 人民幣千元	1至5年 RMB'000 人民幣千元	超過5年 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借款	-	76,864	502,235	210,246	-	789,345
Trade and bills payables	應付貿易賬款及票據	-	4,427,987	529,988	-	-	4,957,975
Financial liabilities included in other payables and accruals	列為其他應付款項及應計費用之財務負債	-	100,811	1,580,711	-	-	1,681,522
Debentures	債券	-	-	42,900	1,557,400	-	1,600,300
		-	4,605,662	2,655,834	1,767,646	-	9,029,142

本公司
二零一零年本公司
二零零九年

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments classified as available-for-sale investments (note 22) as at 31 December 2010. The Group's listed equity investments are mainly listed on the Shanghai Stock Exchange and are valued at quoted market prices at the end of the reporting period.

The market equity indices for the following stock exchanges, at the close of business of the nearest trading day in the year to the end of reporting period, and their respective highest and lowest points during the year were as follows:

		31 December 2010 二零一零年 十二月三十一日	High/low 2010 二零一零年 高/低	31 December 2009 二零零九年 十二月三十一日	High/low 2009 二零零九年 高/低
Shanghai – A Share Index	上海—A股指數	2,808	3,307/2,320	3,437	3,644/1,956

The following table demonstrates the sensitivity to every 10% change in the fair values of the listed equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of reporting period. For the purpose of this analysis, for the available-for-sale listed equity investments the impact is deemed to be on the available-for-sale investment revaluation reserve and no account is given for factors such as impairment which might impact the income statement.

Group

		Carrying amount of equity investments 股權投資之賬面值 RMB'000 人民幣千元	Increase/ decrease in equity 權益增加/減少 RMB'000 人民幣千元
Equity investments listed in:	於下列地區上市的股權投資：		
Shanghai – Available-for-sale	上海—可供出售	485,600	41,276
Elsewhere – Available-for-sale	其他地區—可供出售	3,612	371

44. 財務風險管理之目標及政策(續)

股票價格風險

股票價格風險即股本證券公平值因股權指數水平及個別證券價值的變動而降低的風險。於二零一零年十二月三十一日，本集團面對因個別被列為可供出售投資(附註22)的股權投資所產生的股票價格風險。本集團之上市股權投資主要在上海證券交易所上市，而其價值相等於在報告期末的市場報價。

以下證券交易所於年內最近交易日營業時間結束時至報告期末的股票市場指數及年內各自最高位和最低位如下：

下表列明按報告期末的賬面值計算，上市股權投資公平值每10%變動(所有其他可變因素保持不變，亦未計入任何稅務影響)的敏感度。就本分析而言，可供出售上市股權投資之影響被視作可供出售投資重估儲備之影響，並無計及其他因素，例如可能對收益表造成影響之減值。

本集團

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Commodity price risk

In addition to the above risks relating to financial instruments, the Group is exposed to commodity price risk such as from steel and metal (major components of the Group's raw materials). The Group currently does not have any arrangement to hedge the price risk exposure of its raw material purchases.

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2010 and 31 December 2009.

44. 財務風險管理之目標及政策(續)

商品價格風險

除上述有關財務工具之風險外，本集團亦面對鋼鐵及金屬(本集團原材料之主要組成部份)等商品價格風險。本集團目前並無對沖其原材料採購價格風險之任何安排。

資本管理

本集團資本管理的主要目標為保障本集團的持續經營能力及維持穩健的資本比率，以支持其業務及獲得最大股東價值。

本集團根據經濟形勢及有關資產之風險特性管理及調整資本架構。為維持或調整資本架構，本集團或會調整支予股東的股息、向股東發還資本或發行新股份。本集團並無任何外部資本要求。截至二零一零年十二月三十一日及二零零九年十二月三十一日止年度，本集團資本管理的目標、政策或程序概無任何變動。

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the total capital plus net debt. Net debt includes interest-bearing bank and other borrowings, trade, bills and other payables, debentures, less cash and cash equivalents and pledged deposits, and excludes discontinued operations. Capital includes equity attributable to equity holders of the Company. The gearing ratios as at the end of reporting period were as follows:

Group

		Group 本集團	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借款	1,531,893	2,457,864
Trade and bills payables	應付貿易賬款及票據	17,247,314	11,830,642
Debentures	債券	1,285,240	1,281,669
Other payables and accruals	其他應付款項及應計費用	6,024,668	3,574,003
Less: Cash and cash equivalents and pledged deposits	減：現金及現金等價物以及已抵押存款	11,158,566	6,578,271
Net debt	債務淨額	14,930,549	12,565,907
Equity attributable to owners of the parent	母公司擁有人應佔權益	18,514,920	11,754,618
Capital and net debt	資本及淨負債	33,445,469	24,320,525
Gearing ratio	資本負債率	45%	52%

44. 財務風險管理之目標及政策(續)

資本管理(續)

本集團採用資本負債率(其定義為淨負債除以總資本與淨負債之和)監控資本。負債淨額指計息銀行及其他借款、應付貿易賬款、票據及其他應付款項、債券、減現金及現金等價物及已抵押存款(不包括已終止經營業務)。資本包括本公司權益持有人應佔股本。於報告期末資本負債率如下：

本集團

45. COMPARATIVE AMOUNTS

As further explained in note 2.2 to the financial statements, due to the adoption of new and revised HKFRSs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been reclassified and restated to conform with the current year's presentation and accounting treatment.

46. APPROVAL OF THE STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 30 March 2011.

45. 比較數字

誠如財務報表附註2.2所述，由於本年度採納新訂及經修訂香港財務報告準則，財務報表內若干項目及餘額之呈列經已修訂以符合新規定。因此，若干比較數字已獲重新分類及重列，以符合本年度的呈報及會計處理方式。

46. 財務報表之批准

本財務報表已於二零一一年三月三十日獲董事會批准及授權刊發。

A summary of the results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below:

本集團過去五個財政年度的業績及資產、負債及少數股東權益的摘要(摘自公佈的經審核財務報表及經重列/重新分類(如適用))載列如下:

		Year ended 31st December 截至十二月三十一日止年度				
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
RESULTS	業績					
REVENUE	收入	62,665,521	35,260,899	32,567,190	28,786,183	6,633,668
PROFIT BEFORE TAX	除稅前利潤	9,395,043	4,679,244	2,740,698	3,273,142	889,109
Tax	稅項	(1,397,553)	(732,380)	(328,989)	(479,566)	(181,099)
PROFIT FOR THE YEAR	全年利潤	7,997,490	3,946,864	2,411,709	2,793,576	708,010
Attributable to:	以下人士應佔:					
Equity holders of the parent	母公司權益持有人	6,780,935	3,406,935	1,928,955	2,014,904	702,695
Minority interests	少數股東	1,216,555	539,929	482,754	778,672	5,315
		7,997,490	3,946,864	2,411,709	2,793,576	708,010
Dividends	股息	716,419	399,862	108,296	229,088	133,685
Basic earnings per share (in RMB)	每股基本盈利(人民幣元)	4.07	2.04	1.16	1.36	0.67
ASSETS, LIABILITIES	資產、負債					
Total Assets	總資產	52,474,647	36,375,477	29,949,867	22,592,493	16,855,513
Total Liabilities	總負債	(29,104,518)	(20,714,162)	(18,623,389)	(13,194,305)	(10,496,149)
Capital and reserves	資本及儲備	23,370,129	15,661,315	11,326,478	9,398,188	6,359,364
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益	18,514,920	11,754,618	7,997,754	6,383,472	2,984,562
Minority interests	少數股東權益	4,855,209	3,906,697	3,328,724	3,014,716	3,374,802
		23,370,129	15,661,315	11,326,478	9,398,188	6,359,364



STATEMENT OF DIFFERENCES BETWEEN CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS”) AND THOSE UNDER ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES (“PRC GAAP”)

Other than certain classification of financial statement items, there are no significant differences between the results for the year ended 31st December, 2010 and the net assets as of that date as reported in the accounts prepared using PRC GAAP and HKFRS.

根據香港財務報告準則(「香港財務報告準則」)編製的綜合財務報表與根據中國企業會計準則(「中國公認會計準則」)所編製綜合財務報表的區別聲明

除財務報表項目的若干分類外，根據中國公認會計準則編製的賬目和根據香港財務報告準則編製的賬目所呈列之截至二零一零年十二月三十一日止年度之業績及於該日之淨資產並無重大差異。



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