

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(RMB AND US\$ AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER SHARE DATA)

13. Goodwill (cont'd)

Sensitivity to changes in assumptions (cont'd)

Growth rate assumptions – Management recognizes that the speed of technological change and the possibility of new entrants can have a significant impact on growth rate assumptions. A reduction to 2.95% in the long-term growth rate in Yuchai unit would result in impairment.

With regard to the assessment of value in use of the Yuchai unit, management believes that no reasonably possible change in any of the above key assumptions would cause the recoverable amount to materially fall below the carrying value of the unit.

14. Intangible assets

	Development costs
	Rmb'000
Cost	
At January 1, 2012	24,754
Additions – Internally developed	20,657
Additions – Acquired separately	90,000
At December 31, 2012 and January 1, 2013	135,411
Additions – Internally developed	9,872
At December 31, 2013	145,283
US\$'000	23,739

The development costs are related to intellectual property right, technical skill and knowledge of building a new technology of heavy duty diesel engines.

15. Other financial liabilities

(a) Other liabilities

	31.12.2012	31.12.2013	31.12.2013
	Rmb'000	Rmb'000	US\$'000
Derivatives not designated as hedges - foreign exchange forward contract	9,467	—	—
Finance lease liabilities (Note 29)	—	56	9
	31.12.2012	31.12.2013	31.12.2013
	Rmb'000	Rmb'000	US\$'000
Current	9,467	13	2
Non-current	—	43	7
Total	9,467	56	9