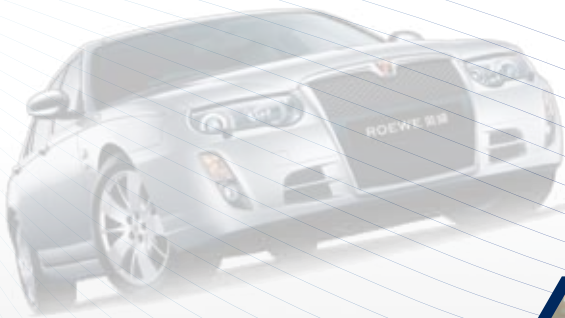




Annual Report 2011



The annual report is English translations of the Chinese annual report. The financial statements included in the annual report are English translations of the Chinese statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version of the annual report does not conform to the Chinese version, the Chinese version prevails.

Annual Report 2011

SAIC MOTOR CORPORATION LIMITED



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Section I Important Note



- 1 The Company's board of directors (the "Board"), board of supervisors, directors, supervisors and senior management of the Company certify that this report does not contain any false or misleading statements or material omissions and are jointly and severally liable for the authenticity, accuracy and integrity of the content.
- 2 All directors attended Board meetings (Mr. You Jian Xin, our independent director, appointed Mr. Fu Chang Lu, our independent director, to attend one Board meeting on his behalf and vote as he was unable to attend the Board meeting in person).
- 3 Deloitte Touche Tohmatsu CPA Ltd. issued standard unqualified audit report for the Company.
- 4 Mr. Hu Mao Yuan, chairman of the Board, Mr. Chen Hong, vice chairman and president and Mr. Gu Feng, the chief financial officer certify the truthfulness and the completeness of the financial statements contained in the annual report of the current year.
- 5 Does the situation exist where the controlling shareholders and their related parties occupy the funds of the Company for non-operational use? No.
- 6 Does the situation exist where the Company provides external guarantee which is not in compliance with the required decision-making procedures? No.





Section II General Information of the Company

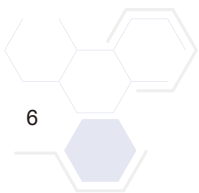


- 1** Legal company name in Chinese: 上海汽车集团股份有限公司
 Abbreviation of legal company name in Chinese: 上汽集团
 Legal representative of the Company: Mr. Hu Mao Yuan
 Legal company name in English: SAIC Motor Corporation Limited
 Abbreviation of legal company name in English: SAIC Motor
- 2** Secretary to the Board
 Name: Ms. Wang Jian Zhang
 Telephone number: (021) 22011138
 Email: saicmotor@saic.com.cn
 Address: No.489, Weihai Road, Jing'an District, Shanghai, China
 Facsimile number: (021) 22011199
- 3** Securities affairs representative
 Name: Mr. Lu Yong Tao
 Telephone number: (021) 22011138
 Email: saicmotor@saic.com.cn
 Address: No. 489, Weihai Road, Jing'an District, Shanghai, China
 Facsimile number: (021) 22011199
- 4** Registration address: Room 509, Building A, No. 563 Songtao Road, Zhangjiang High-tech Park, Pudong, Shanghai, China
 Post code of registration address: 201203
 Post code of office address: 200041
 E-mail: saicmotor@saic.com.cn
 Office address: No.489, Weihai Road, Jing'an District, Shanghai, China
 Website of the Company: <http://www.saicmotor.com>
 Designated newspapers for information disclosure: "Shanghai Securities News", "China Securities Journal" and "Securities Times"
 Internet website designated by China Securities Regulatory Commission for the publication of The Company's annual report: <http://www.sse.com.cn>
 The Company's annual report is available at: Office of the Board
- 5** Brief information of the Company's shares
 Class of shares: A share
 Stock exchange: Shanghai Stock Exchange
 Stock code: 600104
 Short name: SAIC MOTOR
 Former short name: SAIC MOTOR
- 6** Other relevant information
 First registration date: November 24, 1997
 First registration address: No. 755 Middle Huaihai Road, Shanghai
 Latest change: Date of change of registration: March 5, 2011
 Registration address: Room 509, Building A, No. 563 Songtao Road, Zhangjiang High-tech Park
 Tax registration number: Hu Zi 310041132260250
 Registration number of business license: 310000000000840
 Organization code: 13226025-0
- 7** Information of the accounting firm appointed by the Company
 Name of the domestic accounting firm appointed by the Company: Deloitte Touche Tohmatsu CPA Ltd.
 Office address of the domestic accounting firm appointed by the Company: F/30, Bund Center, No. 222 Yan An Road East, Shanghai
- 8** Other basic information of the Company:
 On November 24, 1997, the Company completed the restructuring. Registered capital was changed to RMB 1 billion and registration number was changed from 150038600 to 3100001000386.
 On October 28, 1998, registered capital of the Company was increased to RMB 1,400,000,000.
 On March 29, 2001, registered capital of the Company was increased to RMB 1,820,000,000.
 On August 13, 2001, registered capital of the Company was increased to RMB 2,519,999,300.
 On March 11, 2002, registered address of the Company was changed to No.25 Bi Bo Road, Zhangjiang High-tech Park.
 On September 13, 2002, business scope of the Company was changed to "manufacturing and sales of automobiles, motorcycles, tractors and other motor vehicles, power trains and automobile parts, property management, domestic trading (except those under special provisions), advisory services, export of self-manufactured products and technology, import of machinery and equipments, spare parts, raw and supplementary materials, and technology needed in the business operating (except goods and technology forbidden to import and export by Chinese government)(subject to the license if the Company's business relates to licensing)".
 On January 5, 2005, registered capital of the Company was increased to RMB 3,275,999,090.
 On January 22, 2007, registered capital of the Company was increased to RMB 6,551,029,090.
 On August 10, 2007, business scope of the Company was extended to include "manufacturing of machinery equipments, power train and parts" and "rental of cars and machinery and equipments, industrial investment, import and export business of goods and technology".
 On September 28, 2007, the Company changed its name to "SAIC Motor Corporation Limited" and the registration number was changed from 3100001000386 to 310000000000840.
 On August 26, 2009, registered address of the Company was changed to Room 509, Building A, No. 563 Songtao Road, Zhangjiang High-tech Park and business scope of the Company was extended to include "periodical publishing, advertisements in the Company's own media".
 On July 8, 2010, registered capital of the Company was increased to RMB 6,554,954,737.
 On August 9, 2010, registered capital of the Company was increased to RMB 8,521,441,158.
 On March 5, 2011, registered capital of the Company was increased to RMB 9,242,421,691.





Section III Major Financial Information and Financial Indicators



I. Major accounting data

Unit: RMB

Item	Amount
Operating profit	41,697,489,632.18
Total profit	42,028,162,786.89
Net profit attributable to shareholders of the Company	20,221,866,457.55
Net profit excluding non-recurring profit or loss attributable to shareholders of the Company	16,656,350,130.31
Net cash flow from operating activities	20,209,343,887.11

II. Major accounting data and financial indicators for the past 3 years by the end of the reporting period

Unit: RMB

Major accounting data	Year 2011	Year 2010		Year-on-year (%)	Year 2009
		Restated	Reported in 2010 annual report		
Total operating income	434,803,949,080.55	365,724,431,806.96	313,376,287,608.36	18.89	139,635,759,667.71
Operating profit	41,697,489,632.18	33,362,435,826.40	27,005,651,047.81	24.98	8,431,192,190.80
Total profit	42,028,162,786.89	33,163,563,938.39	26,684,390,834.12	26.73	8,597,184,405.95
Net profit attributable to shareholders of the Company	20,221,866,457.55	16,389,781,473.15	13,728,523,479.01	23.38	6,591,932,979.84
Net profit excluding non-recurring profit or loss attributable to shareholders of the Company	16,656,350,130.31	13,115,663,157.24	13,115,663,157.24	27.00	6,326,259,904.83
Net cash flow from operating activities	20,209,343,887.11	29,353,498,345.35	24,974,131,525.49	-31.15	21,572,497,127.15
	December 31, 2011	December 31, 2010		Year-on-year (%)	December 31, 2009
		Restated	Reported in 2010 annual report		
Total assets	318,633,180,995.07	285,044,602,668.98	228,842,358,987.09	11.78	138,158,357,172.46
Total liabilities	185,516,864,154.33	171,531,873,557.96	147,093,837,144.30	8.15	91,394,279,575.66
Total shareholders' equity attributable to shareholders of the Company	102,362,314,723.18	86,914,493,931.46	66,169,672,731.91	17.77	42,462,454,785.02
Total share capital	11,025,566,629.00	9,242,421,691.00	9,242,421,691.00	19.29	6,551,029,090.00

Note: As the Company completed the assets acquisition through issuing shares to controlling shareholder, the financial information of year 2010 in the above table has been restated according to accounting treatment for business combination involving enterprises under common control required by the accounting standards. The change percentages in the above table represent changes of the financial information of year 2011 in comparison with the restated financial information of year 2010.



Unit: RMB

Major financial indicators	Year 2011	Year 2010		Year-on-year (%)	Year 2009
		Restated	Reported in 2010 annual report		
Basic earnings per share (RMB/Share)	1.834	1.591	1.611	15.27	0.774
Diluted earnings per share (RMB/Share)	1.834	1.591	1.611	15.27	0.774
Earnings per share calculated using the increased share capital (RMB/Share)	1.834	1.487		23.34	0.598
Basic earnings per share excluding non-recurring profit or loss (RMB/Share)	1.802	1.539	1.539	17.09	0.743
Weighted average return on net assets (%)	21.37	23.68	27.78	Decreased by 2.31 percentage points	17.1
Weighted average return on net assets excluding non-recurring profit or loss (%)	22.92	26.54	26.54	Decreased by 3.62 percentage points	16.41
Net cash flow from operating activities (RMB/share)	1.833	2.662	2.702	-31.14	3.293
	December 31, 2011	December 31, 2010		Year-on-year (%)	December 31, 2009
		Restated	Reported in 2010 annual report		
Net assets per share attributable to shareholders of the Company (RMB/Share)	9.28	7.88	7.16	17.77	6.48
Ratio of liabilities to assets (%)	58.22	60.18	64.28	Decreased by 1.96 percentage points	66.15

Note: As the Company completed the assets acquisition through issuing shares to controlling shareholder, the financial information of year 2010 in the above table has been restated according to accounting treatment for business combination involving enterprises under common control required by the accounting standards. The change percentages in the above table represent changes of the financial information of year 2011 in comparison with the restated financial information of year 2010.



III. Items and amounts of non-recurring profit or loss

Unit: RMB

	Year 2011	Year 2010 (Restated)	Year 2009
Profit or loss on disposal of non-current assets	-76,240,425.58	45,262,164.03	-23,444,026.90
Government grants recognized in profit or loss for the current year	164,600,739.62	104,783,558.80	225,982,339.10
The excess of acquirer's proportionate share of fair value of identifiable net assets of acquiree over the consideration paid for the acquisition of subsidiaries, associates and joint ventures	7,347,220.78	131,554,995.45	-
Profit or loss on debt restructuring	-12,651,684.45	49,866,630.19	41,269,270.33
Net profit or loss of subsidiaries acquired in business combination involving enterprises under common control from the beginning of the period up to the business combination date	6,600,109,465.42	5,699,682,469.02	-
Profit or loss on changes in the fair value of held-for-trading financial assets and held-for-trading financial liabilities and investment income on disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets, other than those for effective hedging activities relating to normal operating business	642,506,114.61	857,213,571.84	168,119,534.03
Gain related to business combination not involving enterprises under common control achieved in stages	-	240,213,689.49	-
Other non-operating income and expenses other than the above	27,146,967.57	-635,023,370.21	-84,383,799.93
Income tax effects	-182,936,070.70	-144,628,099.86	-53,144,467.23
Amount attributable to minority interests	-3,604,366,000.03	-3,074,807,292.84	-8,725,774.39
Total	3,565,516,327.24	3,274,118,315.91	265,673,075.01

Note: The financial information for year 2010 in the above table has been restated according to accounting treatment for business combination involving enterprises under common control required by the accounting standards.





Section IV Share Capital Changes and Information of Shareholders



I. Share capital changes

1 Changes of shares

Unit: Shares

Changes of shares	Before the change		Changes during the year (+, -)					After the change	
	Number	Proportion (%)	Issue of new shares	Stock dividend	Capitalization of capital reserve	Others	Subtotal	Number	Proportion (%)
I. Restricted shares									
1. Shares held by the state									
2. Shares held by state-owned legal person	72,098,054	0	1,783,144,938			0	1,783,144,938	1,855,242,992	16.83
3. Other domestic shares	648,882,479	0				-648,882,479	-648,882,479	0	0
Including:									
Shares held by domestic legal person									
Shares held by domestic natural person									
4. Foreign-owned shares									
Including:									
Shares held by foreign legal person									
Shares held by foreign natural person									
II. Non-restricted shares									
1. Ordinary shares in RMB	8,521,441,158	100				648,882,479	648,882,479	9,170,323,637	83.17
2. Domestic listed shares in foreign currency									
3. Overseas listed shares in foreign currency									
4. Others									
III. Total shares	9,242,421,691	100	1,783,144,938			0	1,783,144,938	11,025,566,629	100

Changes in restricted shares

Unit: Shares

Name of shareholder	Number of restricted shares at the beginning of the year	Restricted shares released for trading during the year	Increase of restricted shares during the year	Number of restricted shares at the end of the year	Reason for restriction	Date of release from restriction
Shanghai Automotive Industry Corporation (Group)	72,098,054	0	1,448,736,163	1,520,834,217	Non-public issue	December 10, 2013 December 27, 2014
Shanghai Automotive Industry Co., Ltd.	0	0	334,408,775	334,408,775	Non-public issue	December 27, 2014
National Social Security Fund Portfolio 109	5,100,000	5,100,000	0	0	Non-public issue	December 10, 2011
National Social Security Fund Portfolio 601	4,200,000	4,200,000	0	0	Non-public issue	December 10, 2011
National Social Security Fund Portfolio 502	56,770,000	56,770,000	0	0	Non-public issue	December 10, 2011
E Fund Management Co., Ltd.-Bank of China-E Fun-Bank of China Tianli No. 1 asset management plan	500,000	500,000	0	0	Non-public issue	December 10, 2011

Name of shareholder	Number of restricted shares at the beginning of the year	Restricted shares released for trading during the year	Increase of restricted shares during the year	Number of restricted shares at the end of the year	Reason for restriction	Date of release from restriction
Bank of Communications-E Fund 50 index investment fund asset management plan	5,105,702	5,105,702	0	0	Non-public issue	December 10, 2011
Bank of China-E Fund strategic growth No. 2 hybrid security investment fund	2,000,000	2,000,000	0	0	Non-public issue	December 10, 2011
Bank of China-E Fund strategic growth security investment fund	2,000,000	2,000,000	0	0	Non-public issue	December 10, 2011
Hua An Fund Management Co., Ltd.-Bank of Communications- Zhejiang						
Heaven Silicon Valley Yinjia Equity Investment Partnership (limited partnership)	10,150,000	10,150,000	0	0	Non-public issue	December 10, 2011
Hua An Fund Management Co., Ltd. - Bank of Communications-China Foreign Economy and Trade Trust Co., Ltd.	7,200,000	7,200,000	0	0	Non-public issue	December 10, 2011
Hua An Fund Management Co., Ltd.-Bank of Communications- Jiangsu Xinhui Venture Capital Investment Co., Ltd.	3,600,000	3,600,000	0	0	Non-public issue	December 10, 2011
Hua An Fund Management Co., Ltd.-Bank of Communications- Jiangsu Dianjin Investment Co., Ltd.	3,900,000	3,900,000	0	0	Non-public issue	December 10, 2011
Hua An Fund Management Co., Ltd.-Bank of Communications- Shanghai Chengtou Asset Management Co., Ltd.	14,200,000	14,200,000	0	0	Non-public issue	December 10, 2011
Hua An Fund Management Co., Ltd.-Bank of Communications- Dazhong Transportation (Group) Co., Ltd.	14,400,000	14,400,000	0	0	Non-public issue	December 10, 2011
Hua An Fund Management Co., Ltd.-Bank of Communications- Changzhou Investment Group Co., Ltd.	7,200,000	7,200,000	0	0	Non-public issue	December 10, 2011
Bank of Communication-Hua An strategic selection securities investment fund	11,471,629	11,471,629	0	0	Non-public issue	December 10, 2011
Youngor Group Co., Ltd.	87,000,000	87,000,000	0	0	Non-public issue	December 10, 2011
New China Life Insurance Co., Ltd.- dividends---individual						
dividends-018L-FH002 Shanghai	14,818,749	14,818,749	0	0	Non-public issue	December 10, 2011
Guo Hua Life Insurance Co., Ltd.	73,047,584	73,047,584	0	0	Non-public issue	December 10, 2011
National Social Security Fund Portfolio 102	8,692,141	8,692,141	0	0	Non-public issue	December 10, 2011
National Social Security Fund Portfolio 103	21,621,701	21,621,701	0	0	Non-public issue	December 10, 2011
National Social Security Fund Portfolio 108	36,072,386	36,072,386	0	0	Non-public issue	December 10, 2011
National Social Security Fund Portfolio 501	10,865,177	10,865,177	0	0	Non-public issue	December 10, 2011
Baosteel Group Corporation	79,287,671	79,287,671	0	0	Non-public issue	December 10, 2011
Shuangyashan Runke Industrial Co., Ltd.	95,191,059	95,191,059	0	0	Non-public issue	December 10, 2011
Tai Kang Life Insurance Co., Ltd.-Dividend-Individual dividend-						
019L-FH002 Shanghai	26,916,680	26,916,680	0	0	Non-public issue	December 10, 2011
Tai Kang Life Insurance Co., Ltd.-Traditional fund-ordinary						
insurance product-019L-CT001 Shanghai	11,476,000	11,476,000	0	0	Non-public issue	December 10, 2011
Tai Kang Life Insurance Co., Ltd.-Dividend-Group dividend-019L-						
FH001 Shanghai	10,433,000	10,433,000	0	0	Non-public issue	December 10, 2011
Tai Kang Life Insurance Co., Ltd. - Universal - Individual universal	11,267,000	11,267,000	0	0	Non-public issue	December 10, 2011
Tai Kang Life Insurance Co., Ltd. - Universal - Group universal	572,000	572,000	0	0	Non-public issue	December 10, 2011
Tai Kang Life Insurance Co., Ltd. - Investment-linked- Individual investment-linked	11,528,000	11,528,000	0	0	Non-public issue	December 10, 2011
Tai Kang Asset Management Co., Ltd. - Kaitai - Steady value-added						
investment product	1,043,000	1,043,000	0	0	Non-public issue	December 10, 2011

Name of shareholder	Number of restricted shares at the beginning of the year	Restricted shares released for trading during the year	Increase of restricted shares during the year	Number of restricted shares at the end of the year	Reason for restriction	Date of release from restriction
Shanghai Railway Bureau enterprise annuity plan - Industrial and Commercial Bank of China	136,000	136,000	0	0	Non-public issue	December 10, 2011
Zhengzhou Railway Bureau enterprise annuity plan - Industrial and Commercial Bank of China	73,000	73,000	0	0	Non-public issue	December 10, 2011
Xi'an Railway Bureau enterprise annuity plan - Industrial and Commercial Bank of China	52,000	52,000	0	0	Non-public issue	December 10, 2011
Chengdu Railway Bureau enterprise annuity plan -China Construction Bank	42,000	42,000	0	0	Non-public issue	December 10, 2011
China Construction Bank enterprise annuity plan - Industrial and Commercial Bank of China	522,000	522,000	0	0	Non-public issue	December 10, 2011
Shanxi Coking Coal Co., Ltd. enterprise annuity plan - Industrial and Commercial Bank of China	125,000	125,000	0	0	Non-public issue	December 10, 2011
Guohua Xuzhou Power Generating Co., Ltd. enterprise annuity plan—Agricultural Bank of China	63,000	63,000	0	0	Non-public issue	December 10, 2011
Guangxi Zhuang Autonomous Region original enterprise annuity plan—Bank of China	52,000	52,000	0	0	Non-public issue	December 10, 2011
Sichuan Electric Power Corporation enterprise annuity plan - CITIC	42,000	42,000	0	0	Non-public issue	December 10, 2011
Shanxi Lu'an Mining (Group) Co., Ltd. enterprise annuity plan - Industrial and Commercial Bank of China	104,000	104,000	0	0	Non-public issue	December 10, 2011
Tai Kang Life Insurance Co., Ltd. enterprise annuity plan - Industrial and Commercial Bank of China	42,000	42,000	0	0	Non-public issue	December 10, 2011
Total	720,980,533	648,882,479	1,783,144,938	1,855,242,992		

2 Shares issuing and listing

(1) Issuance of shares during the past three years

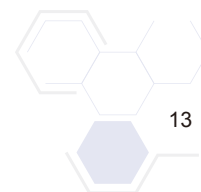
Type of shares	Issuing date	Issuing price	Shares issued	Date of release from restriction	Shares for trading
Domestic listed shares in RMB	December 3, 2010	RMB 13.87 per share	720,980,533 shares	December 10, 2011 December 10, 2013	720,980,533 shares
Domestic listed shares in RMB	December 27, 2011	RMB 16.33 per share	1,783,144,938 shares	December 27, 2014	1,783,144,938 shares

As of December 31, the top ten bondholders of the Company are as follows:

No.	Name of bondholder	Amount of bond held (RMB)	%
1	New China Life Insurance Co., Ltd.	1,258,710,000	19.98%
2	China Pacific Life Insurance Co., Ltd.	1,246,148,000	19.78%
3	Tai Kang Life Insurance Co., Ltd.	866,301,000	13.75%
4	Shanghai Automotive Industry Corporation (Group)	444,894,000	7.06%
5	China Ping An Life Insurance Co., Ltd.	271,374,000	4.31%
6	Bank of Communications Co, Ltd. -ICBC Credit Suisse double-interest bond type security investment fund	202,319,000	3.21%
7	Huatai Life Insurance Co., Ltd.-Dividends-Individual dividends	165,387,000	2.63%
8	China Everbright Bank Co., Ltd.-ICBC Credit Suisse principal guaranteed hybrid security investment fund	146,835,000	2.33%
9	Hai Tong-Bank of China-FORTIS BANK SA/NV	123,553,000	1.96%
10	China Life Reinsurance Co., Ltd.	110,332,000	1.75%

(2) Information of employee shares

The Company has no employee shares.



II. Information of shareholders

1 Number of shareholders and their shareholdings

Unit: Shares

Number of shareholders at the end of the reporting period	168,997shareholders
Number of shareholders one month prior to the announcement of the annual report	155,482shareholders

Top ten shareholders

Name of shareholders	Nature of shareholders	Proportion (%)	Number of shares held	Increase/decrease during the reporting period	Number of restricted shares hold	Number of shares pledged or frozen
Shanghai Automotive Industry Corporation (Group)	State-owned legal person	74.30	8,191,449,931	1,448,736,163	1,520,834,217	None
Yuejin Motor (Group) Corporation	State-owned legal person	4.25	468,398,580	0	None	None
Shanghai Automotive Industry Co., Ltd.	State-owned legal person	3.03	334,408,775	334,408,775	334,408,775	None
Shuangyashan Runke Industrial Co., Ltd.	Other	0.86	95,191,059	0	None	95,191,059
Youngor Group Co., Ltd.	Other	0.79	87,000,000	0	None	None
Baosteel Group Corporation	Other	0.72	79,287,671	0	None	None
Guo Hua Life Insurance Co., Ltd.	Other	0.66	73,047,584	0	None	None
China Construction Bank - Bosera industry security investment fund	Other	0.58	63,999,729	-271	None	None
National Social Security Fund Portfolio 502	Other	0.49	53,846,175	-2,923,825	None	None
National Social Security Fund Portfolio 108	Other	0.46	51,072,386	-2,000,000	None	None

Top ten holders of non-restricted shares

Name of shareholders	Number of non-restricted shares held	Type of shares
Shanghai Automotive Industry Corporation (Group)	6,670,615,714	Ordinary shares in RMB
Yuejin Motor (Group) Corporation	468,398,580	Ordinary shares in RMB
Shuangyashan Runke Industrial Co., Ltd.	95,191,059	Ordinary shares in RMB
Youngor Group Co., Ltd.	87,000,000	Ordinary shares in RMB
Baosteel Group Corporation	79,287,671	Ordinary shares in RMB
Guo Hua Life Insurance Co., Ltd.	73,047,584	Ordinary shares in RMB
China Construction Bank-Bosera theme industry security investment fund	63,999,729	Ordinary shares in RMB
National Social Security Fund Portfolio 502	53,846,175	Ordinary shares in RMB
National Social Security Fund Portfolio 108	51,072,386	Ordinary shares in RMB
National Social Security Fund Portfolio 103	45,599,679	Ordinary shares in RMB
Description of the related relationship or concerted action among the above shareholders	Bosera theme industry security investment fund, National Social Security Fund Portfolio 108 and National Social Security Fund Portfolio 103 are owned by Bosera Fund Management Co., Ltd.	



No	Name of holders of restricted shares	Number of restricted shares held (Shares)	Trading information		Condition of restriction
			Date of release for trading	Number of shares released for trading	
1	Shanghai Automotive Industry Corporation (Group)	1,520,834,217	December 10, 2013 December 27, 2014		72,098,054 shares are not available for trading until December 10, 2013; 1,431,207,595 shares are not available for trading until December 27, 2014.
2	Shanghai Automotive Industry Co., Ltd.	334,408,775	December 27, 2014		The shares are not available for trading until December 27, 2014.
Description of the related relationship or concerted action among the above shareholders			Shanghai Automotive Industry Co., Ltd. is a wholly owned subsidiary of Shanghai Automotive Industry Corporation (Group).		

2 Information of controlling shareholder and actual controller

(1) Information of corporate controlling shareholder

Name of controlling shareholder: Shanghai Automotive Industry Corporation (Group)

Legal representative: Mr. Hu Mao Yuan

Registered capital: RMB 21,599,175,737

Date of establishment: March 1, 1996

Business scope: Manufacturing, development, sales and investment of automobiles, motorcycles and tractors, operation and management of state-owned assets under authorization, domestic trading (except for special provisions) and advisory services.

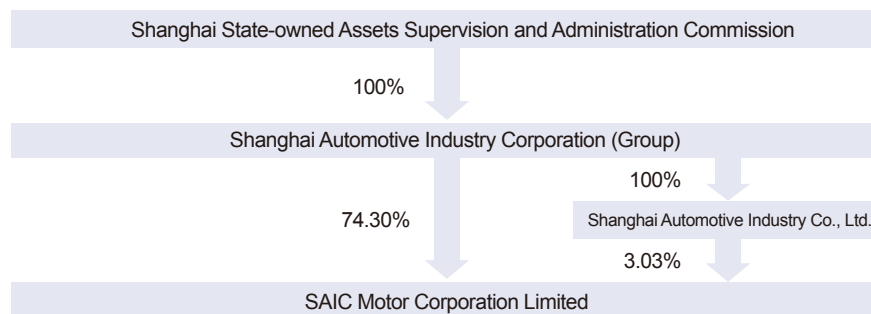
(2) Information of actual controller

Name of actual controller: Shanghai State-owned Assets Supervision and Administration Commission

(3) Changes of controlling shareholder and actual controller

There was no change of controlling shareholder or actual controller during the reporting period.

(4) The block diagram of controlling relationship and ownership between the Company and the actual controller



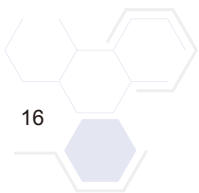
3 Other legal person shareholders holding more than 10% shares of the Company

As of the end of the reporting period, the Company has no other legal person shareholders holding more than 10% shares of the Company.





Section V Directors, Supervisors and Senior Management >>



I. Directors, supervisors and senior management of SAIC Motor Corporation Limited

Unit: Shares or RMB

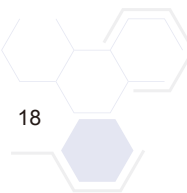
Name	Position	Gender	Age	Term in the office	Shares held at the beginning of the year	Shares held at the end of the year	Increase /decrease of number of shares held	Reason for the change	Remuneration received from the reporting period (RMB '000) (before taxes)	Remuneration received at the shareholder's unit or other related units
Hu Mao Yuan	Chairman of the Board	Male	60	From 6/17/2008 to 6/30/2012	40,763	40,763			917.2	No
Chen Hong	Vice chairman, President	Male	50	From 6/17/2008 to 6/30/2012	8,380	8,380			917.2	No
Shen Jian Hua	Vice president	Male	58	From 6/17/2008 to 6/30/2012					0	Yes
Chen Zhi Xin	Director, Executive vice president	Male	52	From 6/17/2008 to 6/30/2012					779.6	No
Wu Shi Zhong	Director	Male	60	From 6/17/2008 to 1/16/2012					779.6	No
Ji Xiao Hui	Director	Male	56	From 6/17/2008 to 6/30/2012					0	No
Xie Rong	Director	Male	59	From 6/17/2008 to 6/30/2012					0	No
Lin Zhong Qin	Independent director	Male	54	From 6/17/2008 to 6/30/2012					50	No
You Jian Xin	Independent director	Male	50	From 6/17/2008 to 6/30/2012					50	No
Shao Rui Qing	Independent director	Male	54	From 6/17/2008 to 6/30/2012					50	No
Fu Chang Lu	Independent director	Male	63	From 3/25/2011 to 6/30/2012					37.5	No
Ye Yan Zhang	Convener of board of supervisors	Male	63	From 6/17/2008 to 6/30/2012					0	Yes
Zhu Gen Lin	Supervisor	Male	56	From 6/17/2008 to 1/16/2012					0	Yes
Zhu Xian	Supervisor	Male	57	From 6/17/2008 to 6/30/2012					687.9	No
Xiao Guo Pu	Vice president	Male	58	From 6/17/2008 to 6/30/2012					779.6	No
Zhou Lang Hui	Vice president	Male	40	From 6/17/2008 to 6/30/2012					779.6	No
Ding Lei	Vice president	Male	48	From 6/17/2008 to 2/21/2011					129.9	No
Ye Yong Ming	Vice president	Male	48	From 2/21/2011 to 6/30/2012					649.7	No
Yu Jian Wei	Vice president	Male	51	From 10/28/2008 to 6/30/2012					0	Yes
Gu Feng	Chief financial officer	Male	39	From 6/17/2008 to 6/30/2012					779.6	No
Wang Jian Zhang	Secretary to the Board	Female	42	From 6/17/2008 to 6/30/2012					687.9	No
Total					49,143	49,143			8,075.3	

Note: Mr. Wu Shi Zhong resigned from the position of employee representative director on January 16, 2012 due to his age. Mr. Zhu Gen Lin resigned from the position of supervisor on January 16, 2012 due to job reallocation. On January 16, 2012, on the 12th joint meeting of the 2nd employee representative meeting, Mr. Li Ji Rong was elected as the 4th employee representative director and Ms. Ma Long Ying was elected as the employee representative supervisor. On January 18, 2012, on the 34th meeting of the 4th session of the Board of the Company, Mr. Shen Jian Hua was elected as the vice chairman of the Company and Mr. Zhu Gen Lin, Mr. Wu Lei and Mr. Chen De Mei were elected as vice presidents of the Company. Please refer to the related announcements of the Company for more details.

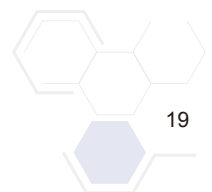


Major work experience of directors, supervisors and senior management during the past 5 years:

- Mr. Hu Mao Yuan: He served as president and vice secretary of Party Committee of Shanghai Automotive Industry Corporation (Group), as president and vice secretary of Party Committee of Shanghai Automotive Industry Corporation (Group) and chairman of the Board and secretary of Party Committee of SAIC Motor Corporation Limited, board chairman and secretary of Party Committee of Shanghai Automotive Industry Corporation (Group) and chairman and secretary of Party Committee of SAIC Motor Corporation Limited. He is currently the chairman of the Board and secretary of Party Committee of SAIC Motor Corporation Limited.
- Mr. Chen Hong: He served as vice president of Shanghai Automotive Industry Corporation (Group) and general manager of Shanghai General Motors Co., Ltd. concurrently, president and vice secretary of Party Committee of SAIC Motor Corporation Limited, vice board chairman and vice secretary of Party Committee of Shanghai Automotive Industry Corporation (Group) and vice chairman of the Board, president and vice secretary of Party Committee of SAIC Motor Corporation Limited. He is currently the vice chairman of the Board, president and vice secretary of Party Committee of SAIC Motor Corporation Limited.
- Mr. Shen Jian Hua: He served as vice president of Shanghai Automotive Industry Corporation (Group), vice president of SAIC Motor Corporation Limited and chairman of the board of spare part business, president and vice secretary of Party Committee of Shanghai Automotive Industry Corporation (Group). He is currently the vice chairman of the Board and vice secretary of Party Committee of SAIC Motor Corporation Limited.
- Mr. Chen Zhi Xin: He served as vice president of Shanghai Automotive Industry Corporation (Group) and general manager of Shanghai Volkswagen Automotive Co., Ltd. concurrently, vice president of SAIC Motor and general manager of Shanghai Volkswagen Automotive Co., Ltd. and SAIC-Volkswagen Sales Co., Ltd. concurrently, executive vice president of SAIC Motor and general manager of Nanjing Automobile (Group) Corporation concurrently. He is currently director, executive vice president of SAIC Motor and general manager of passenger vehicle branch concurrently.
- Mr. Wu Shi Zhong: He served as secretary of Party Committee, executive manager, chairman of the Trade Union of Shanghai Volkswagen Automotive Co., Ltd., general manager of SAIC-Volkswagen Sales Co., Ltd., chairman of the Trade Union of Shanghai Automotive Industry Corporation (Group), secretary of Discipline Inspection Commission and chairman of the Trade Union of Shanghai Automotive Industry Corporation (Group) and employee representative director, secretary of Discipline Inspection Commission and chairman of the Trade Union of SAIC Motor Corporation Limited.
- Mr. Ji Xiao Hui: He served as president of Shanghai Pudong Branch of Industrial and Commercial Bank of China ("ICBC"), vice president of Shanghai Branch of ICBC, president of Shanghai Branch of ICBC, deputy secretary-general of Shanghai Municipal Government and director of Financial Service Office of Shanghai Municipal Government. He is currently director of SAIC Motor Corporation Limited, board chairman and secretary of Party Committee of Shanghai International Group Co., Ltd. and board chairman and secretary of Party Committee of Shanghai Pudong Development Bank Co., Ltd.
- Mr. Xie Rong: He served as lecturer, vice professor, professor, doctoral advisor and vice dean of Accounting Department of Shanghai University of Finance and Economics and partner of KPMG. He is currently director of SAIC Motor Corporation Limited and the vice president of Shanghai National Accounting Institute.
- Mr. Lin Zhong Qin: He served as vice dean, professor and doctoral advisor of Mechanical Engineering Department, executive vice dean, professor and doctoral advisor of School of Mechanical Engineering, Shanghai Jiao Tong University. He is currently independent director of SAIC Motor Corporation Limited and executive vice president, professor and doctoral advisor of Shanghai Jiao Tong University.
- Mr. You Jian Xin: He served as assistant instructor and lecturer of Engineering Management Teaching and Research Office, Management Engineering Department, Economics and Management School, Tongji University, vice dean and lecturer of Management Engineering Department, vice director of Academic Affairs Office, Tongji University, vice professor of Economics and Management School, vice dean, dean and professor of Economics and Management School, Tongji University, and vice dean of Chinese Academy of Science & Technology Management of Tongji University. He is currently independent director of SAIC Motor Corporation Limited and professor and doctoral advisor of Tongji University.
- Mr. Shao Rui Qing: He served as assistant instructor of Management Department, lecturer and vice professor of Economics Department, dean, vice professor and professor of Accounting Department, vice dean and professor of School of Management, dean, professor and doctoral advisor of School of Economics and Management, Shanghai Maritime University. He is currently independent director of SAIC Motor Corporation Limited and vice president, professor and doctoral advisor of Shanghai Lixin Accounting Institute.
- Mr. Fu Chang Lu: He served as vice director of Research Office of the Supreme People's Court of Shanghai, chief judge of the Economic Court of the Intermediate People's Court of Shanghai, director of Research Office and member of the Trial Committee of the Supreme People's Court of Shanghai, vice president, member of Party Committee, member of the Trial Committee of the First Intermediate People's Court of Shanghai, vice president, member of Party Committee, member of the Trial Committee of the Supreme People's Court of Shanghai, vice secretary of Party Committee, vice board chairman, deputy general manager, secretary of Discipline Inspection Commission of Shanghai Jiushi Corporation. He is currently independent director of SAIC Motor Corporation Limited, independent director of Bank of Shanghai, independent director of Tibet Summit Industry Co., Ltd., adjunct professor and graduate advisor of East China University of Political Science and Law, vice chairman of Shanghai Corporate Counsel Association and chairman of Shanghai Municipal Enterprises Liquidation Association.



- Mr. Ye Yan Zhang: He served as director of General Office, vice general manager of China National Automotive Industry Corporation and vice secretary of Party Committee of Shanghai Automotive Industry Corporation (Group). He is currently the convener of the board of supervisors of SAIC Motor Corporation Limited and vice president of Shanghai Automotive Trade Association.
- Mr. Zhu Gen Lin: He has served as manager of Planning Department and Fund Investment Management Department of Shanghai International Trust & Investment Corporation and general manager of Shanghai Investment Management Co., Ltd. concurrently, general manager and secretary of Party general branch of SAIC Finance Co., Ltd., vice general accountant of Shanghai Automotive Industry Corporation (Group) and general manager, secretary of Party general branch and financial controller of SAIC Group Finance Co., Ltd. and and general manager, secretary of Party general branch and financial controller of SAIC Group Finance Co., Ltd. and general manager, financial controller, financial controller and financial manager, financial controller of Shanghai Automotive Group (Beijing) Co., Ltd. and general manager, secretary of Party Committee and vice president of Shanghai Automotive Group (Beijing) Co., Ltd. and general manager and secretary of Party Committee of Shanghai Automotive Group (Beijing) Co., Ltd. concurrently and supervisor of SAIC Motor Corporation. He is currently vice president of SAIC Motor Corporation and general manager and secretary of Party Committee of Shanghai Automotive Group (Beijing) Co., Ltd. concurrently.
- Mr. Zhu Xian: He served as vice financial controller of Financial Department of Shanghai General Motors Co., Ltd., vice general manager of SAIC Asset Management Co., Ltd. and vice president of SsangYong Motor Company. He is currently the employee representative supervisor and head of Internal Audit Office of SAIC Motor Corporation Limited.
- Mr. Xiao Guo Pu: He served as general manager of Shanghai Automotive Industry Sales Co., Ltd., general manager and vice secretary of Party Committee of SAIC-Volkswagen Sales Co., Ltd., vice president of Shanghai Automotive Industry Corporation (Group) and vice president of SAIC Motor Corporation Limited. He is currently vice president of SAIC Motor Corporation and general manager of Commercial Vehicle Business Division concurrently.
- Mr. Zhou Lang Hui: He served as secretary of League Committee, director of Organization & Cadre Department, vice secretary of Party Committee, secretary of Discipline Inspection Commission and director of Organization & Cadre Department concurrently of Shanghai Automotive Industry Corporation (Group) and vice secretary of Party Committee, secretary of Discipline Inspection Commission and secretary of Party Committee of SAIC Motor Corporation Limited, general manager of Shanghai Kolbenschmidt Piston Co., Ltd., vice president and director of Human Resources Department of SAIC Motor Corporation. He is currently vice president of SAIC Motor Corporation Limited.
- Mr. Ding Lei: He served as deputy manager of Technique Quality Department, member of Self-owned Brand Project Team of Shanghai Automotive Industry Corporation (Group), general manager of Shanghai General Motors Co., Ltd. and vice president of SAIC Motor Corporation and general manager of Shanghai General Motors Co., Ltd. concurrently.
- Mr. Ye Yong Ming: He served as executive manager of Shanghai Volkswagen Automotive Co., Ltd., general manager of Shanghai Volkswagen Automotive Sales Co., Ltd., vice president and general manager of Automotive Service and Trading Business of Shanghai Automotive Industry Corporation (Group). He is currently vice president of SAIC Motor Corporation Limited and general manager of Shanghai General Motors Co., Ltd. concurrently.
- Mr. Yu Jian Wei: He served as general manager and vice secretary of Party Committee of Yuejin Motor (Group) Corporation, general manager and vice secretary of Party Committee of Nanjing Automobile (Group) Corporation concurrently, secretary of Party Committee and executive deputy general manager of Nanjing Automobile (Group) Corporation concurrently. He is currently vice president of SAIC Motor Corporation and secretary of Party Committee of Nanjing Automobile (Group) Corporation concurrently.
- Mr. Gu Feng: He served as vice manager of Financial Department of Shanghai Automotive Industry Corporation (Group), vice manager of Financial Department, executive director of Capital Operation Department of SAIC Motor Corporation Limited, chief financial officer and executive director of Capital Operation Department of SAIC Motor Corporation Limited concurrently. He is currently chief financial officer of SAIC Motor Corporation Limited.
- Ms. Wang Jian Zhang: She served as deputy manager of International Cooperation Department of Shanghai Automotive Industry Corporation (Group), secretary of Party Committee and chairman of Trade Union of Pan Asia Technical Automotive Center Co., Ltd., director of Strategy Committee of SAIC Motor Corporation Limited, vice director of Office of Board of Directors of Shanghai Automotive Industry Corporation (Group), secretary to the Board and director of Office of Board of Directors of SAIC Motor Corporation Limited. She is currently secretary to the Board and executive director of Risk Management Department of SAIC Motor Corporation Limited.



II. Information of positions held in shareholders' entities

Name	Name of shareholders' entities or other related entities	Position held	Starting date of tenure	Ending date of tenure	Whether compensation is received
Hu Mao Yuan	Shanghai Automotive Industry Corporation (Group)	Board chairman, secretary of Party Committee	07/01/2006		No
Chen Hong	Shanghai Automotive Industry Corporation (Group)	Vice board chairman, vice secretary of Party Committee	07/01/2006		No
Shen Jian Hua	Shanghai Automotive Industry Corporation (Group)	President, vice secretary of Party Committee	07/01/2006		Yes
Ye Yan Zhang	Shanghai Automotive Trade Association	Vice president	02/01/2009		Yes
Zhu Gen Lin	Shanghai Automotive Industry Corporation (Group)	Vice president	08/27/2010		Yes
Ye Yong Ming	Shanghai Automotive Industry Corporation (Group)	Vice president	10/18/2007	02/21/2011	Yes
Wu Shi Zhong	Shanghai Automotive Industry Corporation (Group)	Secretary of Discipline Inspection Commission, chairman of Trade Union	08/23/2004		No

III. Changes of directors, supervisors and senior management

Name	Position	Change	Reason
Ding Lei	Vice president	Resignation	Job reallocation

IV. Information of compensation of directors, supervisors and senior management

1 Decision-making process of compensation of directors, supervisors and senior management:

The Company's non-independent directors shall not receive compensation for the position of directors. The allowance of independent directors shall be decided by the board of directors and subject to the approval of general meeting of shareholders. Each independent director may receive allowance of RMB 50,000 and the necessary and reasonable costs arising from performing the duties shall be borne by the Company. The Company's supervisors shall not receive compensation for the position of supervisors. The remuneration for senior management of the Company shall be reviewed on by nomination, remuneration and appraisal committee of the Board and be deliberated on and approved by the Board.

2 Basis for decision of compensation of directors, supervisors and senior management:

The compensation is based on performance review of senior management according to the key performance indicators including the Company's operating performance and individual's performance.

3 Information of directors and supervisors not receiving compensation or allowance from the Company

Names of directors and supervisors not receiving compensation or allowance from the Company	Is there any compensation or allowance paid by shareholders' entities or other related entities?
Shen Jian Hua	Yes
Ji Xiao Hui	No
Xie Rong	No
Ye Yan Zhang	Yes
Zhu Gen Lin	Yes

V. Information of the Company's employees

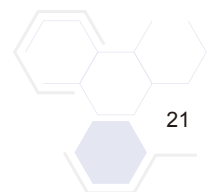
By the end of the reporting period, the Company has 5,379 incumbent employees and 581 retirees whose costs are borne by the Company.

1 Composition of employees by specialization

Areas of specialization	Headcounts (persons)
Production personnel	1,213
Marketing and sales personnel	307
Engineering technical personnel	3,231
Finance and auditing personnel	109
Administrative personnel	245
Others	274

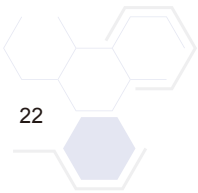
2 Composition of employees by education level

Education level	Headcounts (persons)
Postgraduate or above	1,208
University graduate	2,622
College diploma	842
Secondary school diploma or below	707





Section VI Corporate Governance Structure >>



I. Corporate governance

1 Shareholders and general meeting of shareholders

During the reporting period, the Company strictly follows the relevant provisions of "Code of Corporate Governance for Listed Companies", "Articles of Association" and "Rules of Procedure for General Meeting of Shareholders" to convene general meetings of shareholders and to ensure that all shareholders have equal status and rights. At the same time, the Company commissioned an attorney to attend general meetings of shareholders to witness and verify meeting procedures, matters for deliberation and the identification of the attendants to ensure the validity of the general meetings of shareholders. The Company held one annual general meeting of shareholders and two temporary meetings of shareholders in year 2011. The Company adopted a combination of on-site and on-line voting on the proposal of "Assets Acquisition through Share Issue and Related Party Transaction" on the second temporary meeting of shareholders in accordance with "Provisions on Strengthening the Protection of the Rights and Interests of the Public Shareholders" and relevant legal requirements, which ensured the effective protection for the rights and interests of the public shareholders.

2 Controlling shareholder and the Company

According to the behavior norms of controlling shareholder, the Company is independent of its controlling shareholder in respect of its business, personnel, assets, organization and finance. The Company has integrated and independent business, which is operated independently with various functional departments operating in a fully independent manner. In particular, after the completion of assets acquisition through issuing shares to the controlling shareholder, more than 99% operating assets of the controlling shareholder has been injected to the Company, which enables the Company to achieve the listing of the entire automotive industry chain. As a result, the related party transactions between the Company and the controlling shareholder have been significantly reduced. In addition, resources of the automotive industry chain owned by the controlling shareholder have been well integrated with the Company's business, which has enhanced the core competitiveness and international operation ability of the Company.

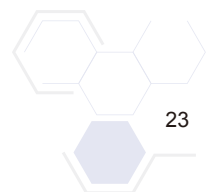
3 Directors and board of directors

To ensure that the Company makes scientific decision on significant operating matters, the board of directors effectively utilizes various specialized committees in deliberating on significant matters in advance and studying the plans. During the reporting period, the board of directors held twelve board meetings, four strategy committee meetings, seven auditing committee meetings and three nomination, remuneration and examination committee meetings. The specialized committees have played important roles in implementing the restructuring, integrating the business resources, improving internal control system, reviewing periodic financial reports, promoting the industrialization of alternative energy automotive and other matters for significant decision making.

During the reporting period, all the directors have performed their obligations and duties in a faithful and diligent manner. They have devoted continuous attention to the operation and management of the Company and actively participated in on-site interviews and investigations. On board meetings, they have carefully deliberated on the proposals, carried out thorough discussion and exchange and made scientific decisions. No circumstances of violating against laws and regulations or the damaging the interests of the Company or shareholders have been found.

4 Supervisors and board of supervisors

The Company's board of supervisors and supervisors have earnestly performed the supervisory and examination responsibilities endowed by the general meeting of shareholders in a spirit of being highly responsible for all the shareholders according to the provisions of the "Articles of Association" and "Rules of Procedure for the Board of Supervisors" and implemented effective supervision on the Company's operating, financial and duty-performing of directors and senior management. During the reporting period, the board of supervisors has convened seven meetings for reviewing and supervising the Company's periodic reports, internal control construction, related party transactions, restructuring, use of raised-funds. No circumstances of violating against laws and regulations or the damaging the interests of listed Company or public minority shareholders have been found.



5 Performance evaluation, incentive and restraining mechanism

The Company has selected managerial personnel according to the principle of ability and integrity, equality and fairness and implemented tenure system. In the meantime, the Company has established a performance evaluation and remuneration system which links remuneration of senior management with the Company's operating performance and individual's performance and has carried out policies of performance evaluation for senior management. After the restructuring, the Company will further improve the performance valuation and incentive system, which is to be more scientific and market-oriented, to align the interests of management with those of shareholders and to stimulate the growth of the Company in the long run.

6 Interested parties

The Company fully respects and safeguards the legitimate rights and interests of the interested parties, balances the interests of shareholders, employees and the society, and promotes sustainable and healthy development of the Company. Please refer to Social Responsibility Report of the Company for year 2011.

7 Information disclosure and transparency

During the reporting period, the Company took the initiative to work on investors' relationship in accordance with the requirements as set forth in "Investors Relationship Management System" and "Information Disclosure Management System". During year 2011, the Company received 164 investment agents' visits, 723 individual investors' visits and 743 enquiry calls. In addition, 3 meetings for communication of financial performance were organized to facilitate investors' understanding of the Company's operating results timely and accurately.

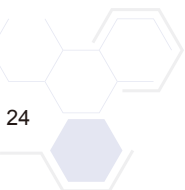
During the reporting period, the Company disclosed 4 periodic reports, made 84 temporary announcements, and made no announcement for amendment, so that the investors can be informed of the true status of the Company on a timely, fair, accurate and comprehensive basis.

II. Performance of directors

1 Attendance of directors in board meetings

Name of director	Independent director (yes or no)	Number board meetings for attendance(Times)	Attended in person (Times)	Attended via communication tools (Times)	Attended by delegation(Times)	Absence (Times)	Absence twice consecutively (yes or no)
Hu Mao Yuan	No	12	12	6	0	0	No
Chen Hong	No	12	12	6	0	0	No
Ji Xiao Hui	No	12	11	6	1	0	No
Shen Jian Hua	No	12	12	6	0	0	No
Xie Rong	No	12	12	6	0	0	No
Chen Zhi Xin	No	12	12	6	0	0	No
Wu Shi Zhong	No	12	11	6	1	0	No
Lin Zhong Qin	Yes	12	11	6	1	0	No
You Jian Xin	Yes	12	12	6	0	0	No
Shao Rui Qing	Yes	12	12	6	0	0	No
Fu Chang Lu	Yes	9	9	4	0	0	No

Note: Mr. Fu Chang Lu started to be independent director of the Company on March 25, 2011, as elected on the first temporary general meeting of shareholders of year 2011 of the Company.



Number of meetings of the Board	12
Including: Number of on-site meetings	6
Number of meetings via communication tools	6
Number of meetings on-site and via communication tools simultaneously	0

2 Circumstance where independent directors raised different opinions

No circumstance existed where independent directors raised different opinions on proposals of the Board or other matters.

3 Establishment and improvement of work system of independent directors and independent directors' performance of their duties

Pursuant to laws and regulations including "Corporate Law", "Guiding Opinion on Establishing Independent Director System by Listed Companies" and "Code of Corporate Governance for Listed Companies", the Company established "Work System for Independent Directors" and "Annual Report Work System for Independent Directors", which have ensured independent directors' performance of their duties.

Independent directors have performed their duties faithfully, taken their roles in specialized committees actively and protected the interests of the Company and shareholders, in particular, of the minority shareholders through playing the professional and independent role. Independent directors have actively participated in the Board meetings, general meeting of shareholders, on-site investigations of production plants, research and development centers and overseas sites to understand the Company's operations and to provide their opinions for the management and development of the Company. Independent directors have also expressed their independent opinions on related party transactions and external guarantee, restructuring and other significant matter, which has enhanced the corporate governance of the Company. During the preparation of the annual report of year 2011, independent directors have communicated with finance department, internal audit office and statutory auditor of the Company according to "Work System for Independent Directors".

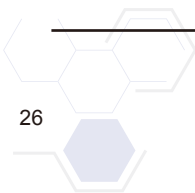
III. Independence on business, personnel, assets, organization and finance of the Company as opposed to controlling shareholders

	Independent or not	Description
Independence on business	Yes	The Company has a comprehensive business system covering research and development, design, purchase, production and sales and has the capability of independent operation.
Independence on personnel	Yes	The Company is independent to controlling shareholder in terms of labor, personnel and salary management. No senior management or financial personnel hold positions other than directors the controlling shareholder's entity or receive compensation from the controlling shareholder.
Independence on assets	Yes	Assets of the Company are safe and independent with a complete range of systems, including production, supporting and operation systems, and the Company has independent intangible assets such as trademarks and patents.
Independence on organization	Yes	The Company has set up the organization structure which is independent to the controlling shareholders.
Independence on finance	Yes	The Company is fully independent in finance with independent financial department, accounting system and financial management system which are separated from controlling shareholder. The Company owns its own bank accounts and pays its taxation independently. The Company has set up internal audit office responsible for internal audit of the Company.



IV. Establishment and improvement of internal control system of the Company

Overall plan for internal control construction	To strengthen the construction of internal control system, the Company has prepared and continuously improved the "Internal Control Manual", and has established a long-lasting mechanism of self-assessment, supervision and examination of internal controls.
Plan and implementation of establishment and improvement of internal control system	<p>In 2007, the Company launched the construction of internal control system. Firstly, the Company arranged training on internal controls. It had Deloitte Touche Tohmatsu CPA Ltd. ("Deloitte") deliver training for the Company's middle-level management and above so that they can obtain an understanding of COSO internal control framework and internal control system. Secondly, the Company has established an internal control lead team with president as the chief, leader in charge of internal controls as deputy chief, and heads of relevant departments are jointly involved. The internal control lead team has set up an entire plan of internal control construction centering on the work related to the Company's restructuring, self-owned brands building and business operation, etc. To ensure that internal control system meets the needs of the Company's business development, the Company assigned the personnel familiar with the business from various departments and subsidiaries to be responsible for preparation of "Internal Control Manual" and had Deloitte to review the "Internal Control Manual".</p> <p>The Company has continuously improved the existing internal control system in accordance with the "Basic Standard for Enterprise Internal Control" and the supporting guideline. Currently, the Company has prepared the head office's "Internal Control Manual" and two fascicules for Passenger Car Branch and Commercial Vehicle R&D Center Branch, which comprise 73 processes and 255 sub-processes and cover transactions including vehicle development, purchase and payment, sale and receipt of payment, financing and investment, bank balances and transactions, etc. All departments and subsidiaries have made continuous improvement on the "Internal Control Manual" based on the needs for business development of the Company. In October 2008, internal control document management system was officially launched so as to achieve on-line browsing and maintenance of internal control manual.</p>
Setup of internal monitoring department	Internal audit office is the department for internal monitoring and examination, which reports to the Board and is led by vice-president in charge of internal controls.
Internal monitoring and self-assessment of internal control system	<p>The Company has established a long-lasting internal control examination and monitoring mechanism. As a specialized internal control examination and monitoring department, internal audit office shall report to the Board and audit committee the result of internal control examination and monitoring on a semi-annual basis. During year 2011, the Company carried out the following work:</p> <p>1. Continuous monitoring and examination</p> <p>During year 2011, the Company periodically carried out continuous examination and monitoring work in three areas, including self-assessment of internal controls, monitoring of significant events and risk management, supervision and assessment.</p> <p>2. Special monitoring and examination</p> <p>To strengthen the monitoring and examination of internal controls, during year 2011, internal audit office of the Company carried out special examination on certain areas including processes of purchase, finance, etc. For deficiencies (no material weaknesses were found) identified, the internal control office raised recommendation for improving the design of the process and effectiveness of risk control.</p> <p>In addition, by reference to Provisional Regulations on Economic Responsibility Audit issued by the State Council, the Company has included the examination of internal control design and operating effectiveness in economic responsibility audit.</p>
Internal control related work arranged by the Board	The Board of the Company requests the internal control office to continuously carry out the monitoring and examination of internal controls, report the result to the Board periodically (semi-annually) and report the material weaknesses on a timely basis.
Design and operating of internal controls over financial reporting	According to "Basic Standard for Enterprise Internal Control" and the supporting guidance and based on the situation of the Company, the Company has established the internal control system over financial reporting. In the internal control monitoring and self-assessment of the current year, no material weaknesses related to internal controls over financial reporting were found.
Deficiencies in internal controls and improvements	During the monitoring and self-assessment of internal controls of the current year, the deficiencies found are primarily inconsistency between design and implantation of internal controls, and a couple of internal controls were not strictly implemented. No material weaknesses were found. For inconsistency between design and implementation of internal controls, the design of internal controls has been revised. For the internal controls which are not strictly implemented, the Company has communicated the information to related personnel to ensure the effective implementation.



V. Reports disclosure regarding the Company's internal controls

When the Company publishes this annual report, we will disclose self-assessment report on internal controls, audit report on internal controls over financial reporting issued by accounting firm and social responsibility report on www.sse.com.cn, the website of Shanghai Stock Exchange as well.

VI. Establishment of accountability system for significant errors in information disclosure in annual report

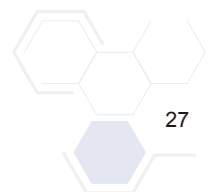
To ensure the quality of disclosure of annual report, the Company has included the accountability system for significant errors in information disclosure in the annual report in the Company's "Information Discloser Management System" according to relevant regulations of China Securities Regulatory Commission, and the Company has enhanced accountability for personnel responsible for annual report information disclosure. No significant errors of annual report information disclosure were found in the reporting period.

VII. Whether there are issues of horizontal competition and related party transitions due to restructuring or other situation

There are no horizontal competitions between the Company and the controlling shareholder. The Company has performed deliberation procedures for all related party transactions between the Company and the controlling shareholder according to the Company's "Related Party Transactions Management System". Related directors and shareholders are in compliance with voting avoidance system during the voting. After the Company completed the transaction of assets acquisition through issuing shares to the controlling shareholder, more than 99% of controlling shareholder's assets have been acquired by the Company, and related party transactions between the Company and the controlling shareholder have been reduced substantially.

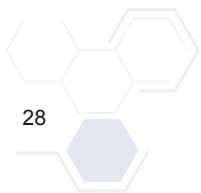
VIII. Whether there are unresolved corporate governance issues

According to the requirements of Annual Report Standards, the Company has no unresolved corporate governance issues.





Section VII Brief Introduction of General Meetings of Shareholders



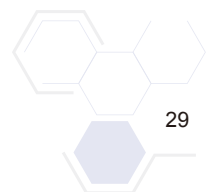
I. Annual general meeting of shareholders

Resolutions reached at 2010 annual general meeting of shareholders held on May 27, 2011 were published in "Shanghai Securities News", "China Securities Journal" and "Securities Times" on May 28, 2011.

II. Temporary general meeting of shareholders

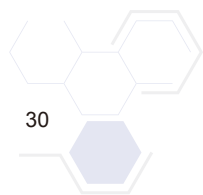
Resolution reached at the 1st temporary general meeting of shareholders of 2011 held on March 25, 2011 was published in "Shanghai Securities News", "China Securities Journal" and "Securities Times" on March 26, 2011.

Resolution reached at the 2nd temporary general meeting of shareholders of 2011 held on May 27, 2011 was published in "Shanghai Securities News", "China Securities Journal" and "Securities Times" on May 28, 2011.





Section VIII Report of the Board of Directors



I. Management's discussion and analysis

1 The overall operation of the Company during the reporting period

In 2011, China's domestic automotive market achieved sales volume of 18.79 million, ranking the first in the world, but the increase rate is as low as 2.5%, which is the lowest since 2000.

The sharp decline in domestic demand growth in 2011 is the correction and return to normal after the dramatic growth driven by stimulation policies, as well as the result of adverse effects of other domestic and international factors, including downturn of macro-economy, restriction on car purchase in some cities and earthquakes in Japan, etc. Facing the grim situation of the rapid slowdown of market growth, the Company worked in a down-to-earth manner, achieved growth in the downturn market, and successfully achieved the annual vehicle sales target. In 2011, the Company and its affiliated companies sold more than 4 million vehicles, which is an increase of 12% over last year, 9.5 percentage points higher than the growth rate of China's automotive market. Joint ventures of the Company continued to play leading role in the industry, in particular, Shanghai General Motor Co., Ltd. ("SGM") and Shanghai Volkswagen Co., Ltd. ("SVW") continue to rank top 2 among automakers in passenger car market of China, SAIC GM Wuling Co., Ltd. ("SGMW") remains the leading position in mini-van market. During the year, independent innovation has been promoted comprehensively, product line of self-owned brands has been expanded and further progress has been made in industrialization of alternative energy vehicles. The restructuring was approved in September and was completed in the year, which brings the Company to a new development stage.

During the reporting period, vehicle sales volume of the Group (the Company and its subsidiaries) grew faster than the market for two main reasons. Firstly, the Company predicted changes of the market and responded in a timely manner, which ensured a close match of production and sales. Secondly, affiliated companies of the Company successfully launched several new models along with effective marketing campaign. The majority of such products were in the leading position of their respective market segment and created the new growth momentum of vehicle sales.

During the reporting period, the Group achieved operating income of RMB 434,803.9491 million, operating profit of RMB 41,697.4896 million, net profit attributable to shareholders of the Company of RMB 20,221.8665 million and earnings per share of RMB 1.834. As of December 31, 2011, the Group has total assets of RMB 318,633.181 million and net assets attributable to shareholders of the Company of RMB 102,362.3147 million.

2 Major products and market share

The Group concluded 2011 with vehicles sales volume of over 4 million, a year-on-year increase of 12%, topping the sales list of the domestic automobile groups. Of the total sales volume of the Group includes passenger cars of 2.6515 million, an increase of 16.37% over last year, commercial cars of 1.3603 million, an increase of 4.31% over last year. The Group's market share in China in 2011 is 21.02%, 1.59 percentage points higher than the year before.

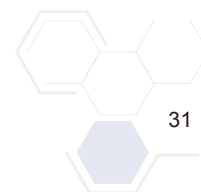
3 Major business and operation of the Group

During the reporting period, there were no changes in the industry in which the Group operates.

(1) Main business by industry or product

Unit: RMB

Industry or product	Operating income	Operating cost	Gross margin ratio (%)	Change in operating income (%)	Change in operating cost (%)	Change in gross margin ratio(%)
Automotive manufacturing	433,095,484,273.94	351,870,300,190.34	18.75	18.66	19.19	Decreased by 0.37 percentage points
Financial	1,708,464,806.61	319,144,232.31	81.32	130.53	42.87	Increased by 11.46 percentage points
Total	434,803,949,080.55	352,189,444,422.65	19.00	18.89	19.21	Decreased by 0.22 percentage points



(2) Main business by region

Unit: RMB

Region	Operating income	Change in operating income (%)
China	433,845,165,286.54	18.99
Others	958,783,794.01	-13.21
Total	434,803,949,080.55	18.89

4 Major suppliers and customers

Unit: RMB

Supplier / customer	Amount	Proportion to	Percentage (%)
Total amount of purchase from top 5 suppliers	145,201,943,597.83	Total purchase	40.64
Total amount of sales to top 5 customers	33,800,485,261.44	Total sales	7.8

5 The structure of the Group's main asset for the reporting period

Unit: RMB

Item	December 31, 2011		December 31, 2010		Changes (%)
	Amount	Proportion to total assets(%)	Amount	Proportion to total assets(%)	
Held-for-trading financial assets	759,037,792.49	0.24	1,987,042,093.66	0.70	-61.80
Notes receivable	40,149,264,950.36	12.60	30,723,101,403.68	10.78	30.68
Financial assets purchased under resell agreement	0.00	-	2,102,601,956.17	0.74	-100.00
Non-current assets due within one year	4,769,633,200.78	1.50	2,166,877,184.61	0.76	120.12
Loans and advances	4,991,064,063.15	1.57	2,516,378,508.21	0.88	98.34
Other non-current asset	8,756,991,265.60	2.75	1,899,029,218.93	0.67	361.13
Long-term receivables	1,493,933,041.71	0.47	784,862,520.78	0.28	90.34
Construction in progress	8,829,598,188.54	2.77	5,613,181,677.72	1.97	57.30
Development expenditure	591,746,656.39	0.19	1,025,320,922.91	0.36	-42.29
Taxes payable	2,826,063,790.18	0.89	4,871,547,101.85	1.71	-41.99
Long-term borrowings	1,863,486,345.64	0.58	3,140,926,341.48	1.10	-40.67

Analysis:

- 1) Balance of held-for-trading financial assets decreased by RMB 1.228 billion or 61.8% mainly because the Group sold part of its held-for-trading financial assets.
- 2) Balance of notes receivable increased by RMB 9.426 billion or 30.68% mainly due to increase of sales.
- 3) Balance of financial assets purchased under resell agreement decreased by RMB 2.103 billion or 100% mainly because financial assets purchased under resell agreement held by SAIC Motor Finance Co., Ltd. ("SFC"), a subsidiary of the Company, were settled at due date.
- 4) Balance of non-current assets due within one year increased by RMB 2.603 billion or 120.12% mainly due to the expansion of automobile consumption loans business of SFC.

- 5) Balance of loans and advances increased by RMB 2.475 billion or 98.34% mainly due to the expansion of automobile consumption loans business of SFC in accordance to the increase of vehicle sales.
- 6) Balance of other non-current assets increased by RMB 6.858 billion or 361.13% mainly due to the increase of investments of wealth management products made by SFC.
- 7) Long-term receivables increased by RMB 709.00 million or 90.34% mainly due to increase of financial lease business.
- 8) Balance of construction in progress increased by RMB 3.216 billion or 57.3% due to capital expenditure invested in construction of fixed assets for production capacity expansion and production of new products.
- 9) Balance of development expenditure decreased by RMB 434 million or 42.29% mainly because the balances of R&D projects of self-owned brands were transferred to intangible assets upon completion.
- 10) Balance of taxes payable decreased by RMB 2.045 billion or 41.99% mainly due to decrease of VAT payable arising from large scale of raw materials purchase to prepare for the production in the first quarter of 2012, which resulted in increased VAT-input.
- 11) Balance of long-term borrowings decreased by RMB 1.277 billion or 40.67% mainly because the Group's long-term borrowings were approaching due date and the amounts due within one year were reclassified as non-current liabilities due within one year.

6 Selling expenses, administrative expenses, financial expenses and income tax expenses of the Group for the reporting period

Unit: RMB

Item	2011	2010	Changes (%)
Selling expenses	22,850,791,963.07	21,928,817,280.37	4.20
Administrative expenses	19,115,699,860.52	15,235,510,954.96	25.47
Financial expenses	42,775,595.66	455,710,576.71	-90.61
Income tax expenses	7,038,531,753.70	4,631,107,749.76	51.98

Analysis:

- 1) Selling expenses increased by RMB 922 million or 4.20% mainly due to the increase of sale-related expenses, including transportation and logistics expenses and advertising expenses, along with the increase of revenue.
- 2) Administrative expenses increased by RMB 3.88 billion or 25.47% mainly due to the increase of research and development expenditure, royalty expenses and employee salaries and welfare.
- 3) Financial expenses decreased by RMB 413 million or 90.61% mainly due to (1) increase in interest income as the Group achieved good performance on sales and the revenue was received on a timely basis and (2) the Group used hedging instruments to effectively manage foreign exchange risks.
- 4) Income tax expenses increased by RMB 2.408 billion or 51.98% mainly due to (1) increase of total profit of the Group and (2) increase of effective income tax rates of foreign invested companies of the Group.

7 Cash flows during the reporting period

Unit: RMB

Items	2011	2010	Change
Net cash flow from operating activities	20,209,343,887.11	29,353,498,345.35	-9,144,154,458.24
Net cash flow from (used in) investing activities	-5,001,869,217.81	-8,477,362,653.21	3,475,493,435.40
Net cash flow from (used in) financing activities	-16,125,960,195.71	7,669,460,437.59	-23,795,420,633.30



8 Analysis of financial position and operating results for the reporting period

Unit: RMB

Items	December 31, 2011	December 31, 2010	Change	Change (%)
Total assets	318,633,180,995.07	285,044,602,668.98	33,588,578,326.09	11.78
Total liabilities	185,516,864,154.33	171,531,873,557.96	13,984,990,596.37	8.15
Total shareholders' equity	133,116,316,840.74	113,512,729,111.02	19,603,587,729.72	17.27
Total operating income	434,803,949,080.55	365,724,431,806.96	69,079,517,273.59	18.89
Operating costs	351,870,300,190.34	295,210,758,189.54	56,659,542,000.80	19.19
Net profit attributable to shareholders of the Company	20,221,866,457.55	16,389,781,473.15	3,832,084,984.40	23.38

Analysis:

In 2011, the Group achieved net profit attributable to shareholders of the Company of 20.222 billion, increased by 47.30% compared with the reported amount last year, or increased by 23.38% compared with the restated amount last year. The main reasons are as follows:

- 1) The Group seized market opportunities and achieved vehicle sales over 4 million, with an increase rate of 12%.
- 2) With the effective control over cost management, disadvantages such as rising cost of raw materials and labor are overcome thus comprehensive gross margin ratio remain at same level as last year.
- 3) Investment income from jointly controlled entities increased substantially.

9 Information of major invested companies with controlling shareholding and non-controlling shareholding

Unit: RMB '000,000

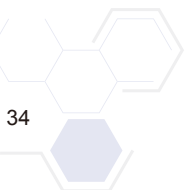
Name of company	Business nature	Main products or services	Registered capital	Total assets
Shanghai Volkswagen Automotive Co., Ltd.	Manufacturing	Manufacturing and sales of automobile	11,500.00	67,971.49
Shanghai General Motors Co., Ltd.	Manufacturing	Manufacturing and sales of automobile	USD 1,083.00	71,177.40
SAIC GM Wuling Co., Ltd.	Manufacturing	Manufacturing and sales of automobile	1,668.08	25,239.01
HUAYU Automotive Systems Co., Ltd.	Manufacturing	Manufacturing and sales of auto-parts	2,583.20	42,184.88
SAIC Motor Finance Co., Ltd.	Financial	Financial service	3,000.00	68,203.19

10 Technical innovation of the Group during reporting period

During year 2011, the Company and its affiliated companies completed the development of 1017 new auto products which have been included in the national product announcement (vehicle), and submitted application for inclusion in environment-friendly products catalog for 587 car models and application for 3C mandatory certification for 243 new products. Technical innovation is a great support for product development and production and sales increase, 81.8% of which is contributed by new products.

805 research and development projects were conducted by the Company and its affiliated companies with the expenditure of RMB 10.57 billion. During the financial year, 83 internal technical innovation prizes were awarded in 2011. Meanwhile the Group achieved 9 China Automotive Industry Science and Progress Awards and 6 Shanghai Science and Technology Progress Awards, of which three projects including "Middle Class Platform Based Roewe 550 - Self-development of Car Model" were awarded with the Second-class Prize of National Science and Technology Progress Award.

During the year, the Group submitted application for 1017 patents (including 258 invention patents), of which 871 have been authorized (including 105 invention patents).



11 Major advantages and difficulties with respect to the Group and continuity and stability of the operation and profitability

The Group has four major advantages: 1. After the restructuring, operations of the Group have covered the entire automotive industry chain including vehicles, parts and services and trading, which is beneficial to the Group in terms of effective integration of industry chain resources to achieve synergy effects and further enhancement of the competitive advantages of the integrated industry chain. 2. The advantage of scale effect is continuously strengthened with the rapid expansion and optimization of layout of sales network, which is conducive to continuous enhancements of the company image and achievements of good operating performance. 3. The Group has established a global self-owned brands developing framework to an early stage, local R&D capability of joint ventures, such as SVW, SGM and SGMW, are getting stronger at the same time, which contribute to continuous improvement of technical innovation capability of the Group. 4. Alternative energy automobile industrializing projects are being advanced according to plans, which has ensured that the Group wins the initiative in improving alternative energy automobile industrializing ability and is well-grounded for future development. These facts laid solid foundation for sustainable development of the Group.

Meanwhile, the Group faces challenges of increasingly competitive domestic market and increasing labor costs. These challenges are analyzed carefully and the Company will continue to take effective measures in the future.

12 Social responsibility

See the Company's 2011 social responsibility report (Published on SSE's website: www.sse.com.cn)

13 Changes in accounting policies and accounting estimates

There were no significant changes in accounting policies or accounting estimates during the reporting period.

II. Outlook for the Group's future development

1 Industry trend and market competition landscape

From international market perspective, in the next few years, along with the penetration of globalization, the automotive industry will show three prominent features. Firstly, emerging markets will grow substantially faster than developed regions, while the global market will maintain steady growth. It is anticipated that in next five years, compound growth rate of emerging markets, which are represented by countries like China, India, Central and Eastern Europe and South America, will be approximately 7.2%, with total sales volume accounting for more than 60% of global market sales in 2020. Secondly, while the power train of traditional cars are improved continuously, there is a clearer future for the prospective energy saving and alternative energy vehicle industry. In the next ten years, sales growth rate of alternative energy vehicles is expected to exceed the average sales growth rate of automotive market. Thirdly, the original international automotive industry pattern of "6+3" is under structural change, and new forces are entering the international markets. Along with exacerbated effects of financial crisis on the international automotive industry, overall strength of multinational companies is shifting over. Potential of rise of new auto makers is offered by fast growth of the emerging markets in the next few years.

From domestic market perspective, in the next few years, there are a number of noticeable developing trends of China's automotive market. Firstly, domestic automotive market will grow constantly in a slowing-down manner in a medium-to-long period. Secondly, in terms of structure, there is still plenty of space for growth of domestic market in a medium-to-long period, with macro and micro supportive factors, and there are regional opportunities. Macroscopically, facts such as sustained economic growth, steady increase of income of residents' and acceleration of urbanization will provide internal growth momentum, for a long period of time, to automotive market development. Microscopically, there is still a considerable space for China's automotive market development. On one hand, fast-growing markets are shifting from coastal areas to middle and western areas. On the other hand, with increase of vehicle population in coastal areas, there is market for used vehicle replacement. Thirdly, from the perspective of competitive landscape, there is a clearer trend of internationalization due to intense competition in domestic market, and the competition is expected to become fiercer in the future. Multinational companies target China's market as the core market of their global strategy. Situations such as continuous increase of investments, rapid increase of new products due to launch, intense domestic competition and trend of competition internationalization will last for a long period of time. Fourthly, from consumer demands perspective, consumer demands are further diversified, personalized and younger manner and consumers are getting more mature. China's automotive market is distributed widely in terms of geographic and consumption level. Meanwhile, the market is under fast growth and consumer demands are well diversified. In recent years, there is a trend of



demanding for more personalized and young style products, while automotive consumption attitude is getting more mature. Fifthly, from external environment perspective, change of policy strategy and enhanced environmental restrictions on automobiles imposed higher requirements on automotive industry development. During the 12th five-year period, the government will continue to encourage independent innovation and mergers and acquisitions, accelerate promotion of energy saving and alternative energy vehicles and actively adjust industrial structure. Constraints on automotive industry continue to emerge from pressure of environment protection, traffic congestion and high oil price.

Combining effects of advantages and disadvantages for development of automotive market, we anticipated that domestic vehicle sales volume is 20.1 million in 2012, with a growth rate of 7%. As the 2011 market showed a "descending" movement, with possible macro-economic rebound in 2012, it is expected that the general trend of automotive market of 2012 is "ascending".

2 Future development opportunities and business plan for the coming year

The Company notes two major opportunities. Firstly, China's macro economy will maintain fast and steady growth. Government policies put emphasis on people's livelihood, agriculture and structural tax reduction, which is conducive to the increase of purchasing power and secures the steady growth of automobile consumption. Secondly, according to application of "R" value analysis based on international experience, popularization rate in third and fourth tier cities might continue to increase, being the new driven power of China's automotive market.

In 2012, the Group will strive for improvement while maintaining stability, closely track the market trend, quicker the response to the market, enhance independent innovation capability, actively cultivate and improve the ability of international operations, strengthen synergy among various business segments, further elevate the quality of economic operations and ensure a smooth start and operation of the Group after the restructuring. The Group targets to achieve vehicle sales volume of 4.3 million for the coming year. Operating income and operating costs are estimated to be approximately RMB 450 billion and RMB 360 billion, respectively.

Based on the above mentioned overall strategy and business plans, as the main operating tasks for 2012, the Group will: 1. Actively explore the market to ensure the achievement of sales target of the year. 2. Continue to develop self-owned passenger car brands, further improve brands' image and enhance technical development capability. 3. Promote industrialization of alternative energy vehicles in a systematic way, launch established production projects according to plan. 4. Continue to improve core competitive capability in commercial vehicle segment and increase the segment's profitability by focusing on the operation of Maxus brand. 5. Refine overseas operating strategy, accelerate introduction of domestic products into India market and improve the sales and popularity of MG brand in UK. 6. For auto-parts, services and trading and automotive financing segments, improve R&D capability, value-added services and capital operation capabilities according to the Group's overall strategy. 7. Improve routine operating mechanism and operation management and monitoring system in accordance with the requirements of regulators.

3 Demand for and use of strategic funds for future development

Major projects to be invested by the Group include:

Number	Name of project	Demand for funds(RMB '000,000,000)
1	Investment projects of self-owned brand passenger cars	6.0471
	Including: Projects of self-owned brand passenger cars(Phase II)	3.6720
	R&D projects of self-owned brand passenger vehicles	2.3751
2	Investment projects of self-owned brand commercial vehicles	1.1785
3	Project of dual clutch automatic transmission assembly	0.6565
4	Project of construction of Technology Center (Phase II)	2.8040
	Total	10.6861

The Group will continue to make investments in the projects in accordance with the progress plan in 2012.

4 Risks associated with the Company's future development strategy and achievement of operating target

To successfully achieve future development strategy and operating target of 2012, there are three major risks. Firstly, pressure from downturn of macro economy is increasing, external uncertainties are still complex and economic and social development of China is still facing a number of

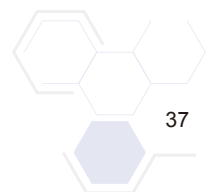
difficulties and challenges. Secondly, traffic congestion in major cities is getting severe, parking costs in some cities are rising, oil price fluctuates due to geopolitics factors, automotive using environment is further strained and car using cost continues to increase. Thirdly, excess production capacity due to capacity expansion may cause price battle and further intensify the competition of the industry.

III. Investments made by the Company

1 Entrusted investments and entrusted loans

The Company had no entrusted investment during the reporting period. Entrusted loans held by the Company during the reporting period are as follows:

Name of the borrower	Amount of the loan (RMB '000)	Term of the loan	Interest rate per annum(%)	Overdue or not	Related party or not	Relationship
SAIC Motor Commercial Vehicle Co., Ltd.	90,000	2011.12.23 - 2012.12.22		No	No	
SAIC Motor Commercial Vehicle Co., Ltd.	10,000	2011.04.18 - 2012.04.17		No	No	
SAIC Motor Commercial Vehicle Co., Ltd.	100,000	2011.02.11 - 2012.02.10	3.504%	No	No	
Nanjing Automobile (Group) Corporation	400,000	2011.01.18 - 2012.01.17		No	No	
Nanjing Automobile (Group) Corporation	1,285,000	2011.02.24 - 2012.02.23		No	No	
Nanjing Automobile (Group) Corporation	500,000	2011.01.05 - 2012.01.04		No	No	
Nanjing Automobile (Group) Corporation	35,000	2011.04.21 - 2012.04.20		No	No	
Nanjing Automobile (Group) Corporation	55,000	2011.06.20 - 2012.06.17		No	No	
Nanjing Automobile (Group) Corporation	25,000	2011.08.29 - 2012.08.28		No	No	
PengPu Machine Building Plant Co., Ltd.	9,000	2011.07.20 - 2012.07.19	0.12%	No	No	
PengPu Machine Building Plant Co., Ltd.	15,000	2011.12.14 - 2012.06.13	0.12%	No	No	
PengPu Machine Building Plant Co., Ltd.	50,000	2011.11.22 - 2012.11.21	0.12%	No	No	
Shanghai Automobile Import & Export Co., Ltd.	20,000	2011.10.12 - 2012.04.11	5.37%	No	No	
Shanghai Automobile Import & Export Co., Ltd.	20,000	2011.12.08 - 2012.06.07	5.37%	No	No	
Anyue Motor Supplies Co., Ltd.	20,000	2011.10.08 - 2012.04.07	5.49%	No	No	
Anyue Motor Supplies Co., Ltd.	20,000	2011.10.25 - 2012.04.24	5.49%	No	No	
Anyue Motor Supplies Co., Ltd.	60,000	2011.12.29 - 2012.06.28	5.49%	No	No	
Donghua Automotive Industrial Co., Ltd.	700,000	2011.12.30 - 2012.12.29	1.00%	No	No	
Shanghai Shangyuan Investment Management Co., Ltd.	72,800	2011.11.14 - 2012.11.13		No	No	
Yizheng Automotive Industrial Park Investment and Development Co., Ltd.	120,000	2011.12.17 - 2012.12.17	0.81%	No	No	
SAIC HK Limited	USD 10,000	2011.11.30 - 2012.11.30	1.00%	No	No	
SAIC HK Investment Co., Ltd.	USD 9,800	2010.01.15 - 2012.01.15	0.30%	No	No	
SAIC HK Investment Co., Ltd.	USD 50,000	2011.07.06 - 2013.07.06	0.30%	No	No	
SAIC HK Investment Co., Ltd.	USD 200,000	2011.08.12 - 2013.08.12	0.30%	No	No	
SAIC HK Investment Co., Ltd.	USD 100,000	2011.08.18 - 2013.08.18	0.30%	No	No	



2 Use of raised-funds

As approved by China Securities Regulatory Commission with "Approval of Non-public Issue of Shares of SAIC Motor Corporation Limited" (Zheng Jian Xu Ke [2010] No. 1717), the Company issued 720,980,533 A shares at RMB 13.87 per share. The Company raised total funds of RMB 9,999,999,992.71, and received net proceeds of RMB 9,878,999,992.71 after deducting the issuance costs of RMB 121,100,000.00. By December 9, 2010, the Company had received net proceeds of RMB 9,878,999,992.71. As of December 31, 2010, the balance of fund raised is RMB 9,882.7145 million (inclusive of interest income).

As of December 31, 2011, cumulative amount of the raised-funds used by the Company is RMB 4,223.7843 million, of which RMB 1,770.7347 million was used during year 2011 and RMB 2,453.0496 million was used to exchange for the self-owned funds used for the investment projects for fund raising. As of December 31, 2011, the balance of funds raised is RMB 5,758.5401 million (inclusive of interest income of 99.6099 million).

3 Funds used on the committed projects

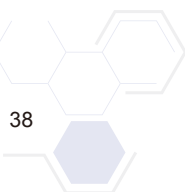
Unit: RMB '000,000

No	Name of project	Planned investment amount of raised funds	Actual investment amount of raised funds	Project progress
1	Investment projects of self-owned brand passenger vehicles	5,531.0000	2,460.5408	Under construction, progressing by schedule
	Including: Projects of self-owned brand passenger vehicles (Phase II)	3,506.0000	2,097.6632	Under construction, progressing by schedule
	R&D projects of self-owned brand passenger vehicles	2,025.0000	362.8777	Under construction, progressing by schedule
2	Investment projects of self-owned brand commercial vehicles	1,178.5000	1,077.2896	Under construction, progressing by schedule
3	Project of dual clutch automatic transmission assembly	596.5000	328.2527	Under construction, progressing by schedule
4	Project of construction of Technology Center (Phase II)	2,694.0000	357.7012	Under construction, progressing by schedule
	Total	10,000.0000	4,223.7843	

4 Non-raised capital's projects

Unit: RMB

Name of project	Actual investment	Project progress
Establishment of SAIC Equity Investment Co., Ltd.	500,000,000.00	Completed
Establishment of SAIC Tangshan Bus Co., Ltd.	86,700,000.00	Completed
Establishment of Shanghai Advanced Traction Battery Systems Co., Ltd.	9,393,459.91	Final capital contribution completed.
Establishment of SAIC Motor Commercial Vehicle Co., Ltd.	1,353,435,000.00	Completed
Establishment of Shanghai Automobile Gear Works Co., Ltd.	596,500,000.00	The second capital contribution completed.
Establishment of SAIC General Motor Sales Co., Ltd.	158,319,147.00	Completed
Additional capital injection to Nanjing Automobile (Group) Corporation	967,784,921.26	Completed
Total	3,672,132,528.17	



IV. Day-to-day work of the Board

1 Details and resolutions of meetings of the Board

(1) On the 22nd meeting of the 4th session of the Board held on January 11, 2011, the proposals of "Establishment of SAIC Motor Equity Investment Co., Ltd.", "Establishment of SAIC Tangshan Bus Co., Ltd.", "Split-off of Shanghai Huizhong Automobile Manufacturing Co., Ltd. and Establishment of SAIC Motor Commercial Vehicle Co., Ltd." were approved.

(2) On the 23rd meeting of the 4th session of the Board held on February 21, 2011, the proposals of "Acceptance of Mr. Ding Lei's Resignation from Vice President of the Company" and "Appointment of Mr. Ye Yong Ming as Vice President of the Company" were approved.

(3) On the 24th meeting of the 4th session of the Board held on March 8, 2011, the proposals of "Change of Independent Director of the Company", "Provision of Guarantee to GMAC-SAIC Automotive Finance Co., Ltd." and "Request to Convene the First Temporary General Meeting of Shareholders " were approved.

(4) On the 25th meeting of the 4th session of the Board held on March 29, 2011, the proposals of "Work Report of the Board for Year 2010", "Work Report of the President for Year 2010", "Work Report of Independent Directors for Year 2010", "Special Report on the Deposit and Use of Raised-funds", "Change of Accounting Policies and Accounting Estimates", "Profit Distribution Plan for Year 2010", "Financial Statements for Year 2010", "Annual Report and Annual Report Abstract for Year 2010", "Estimates of Amounts for Related Party Transactions for Year 2011", "External Guarantee for Year 2011", "Self-assessment Report on Internal Controls of the Company", "Social Responsibility Report for Year 2010", "Renewal of the Engagement of Deloitte Touche Tohmatsu CPA Ltd.", "Appointment of Member of audit committee of the Board", "Establishment of Shanghai Xinneng Bus Power Train System Co., Ltd.", "Exchange of Funds Raised from Non-public Issue of Shares for Self-owned Funds Used", "Plan for Implementation of Internal Control System for Year 2011" and "Request to Convene the General Meeting of Shareholders for Year 2010" were approved.

(5) On the 26th meeting of the 4th session of the Board held on April 1, 2011, the proposals of "The Company's Compliance to the Conditions for Assets Acquisition through Share Issue", "Assets Acquisition through Share Issue and Related Party Transaction", "Review of the Plan for Assets Acquisition through Share Issue of SAIC Motor", "Signing of Agreement of Assets Acquisition through Share Issue", "Request for the Shareholder's Meeting to Review the Waiver of Tender Offer to Increase Its Shares in the Company for Shanghai Automotive Industry Corporation (Group)" were approved.

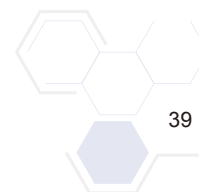
(6) On the 27th meeting of the 4th session of the Board held on April 27, 2011, the proposal of "Quarterly Report for the 1st Quarter of Year 2011" was approved.

(7) On the 28th meeting of the 4th session of the Board held on May 6, 2011 via communication tools, the proposals of "Amendment of the Article of Association of the Company", "Amendment of Rules of Procedures of General Meeting of Shareholders", "Amendment of Rules of Procedures of Board of Directors", "Postponement of Election of the 4th Session of the Board" and "Request to Convene the General Meeting of Shareholders for Year 2010" were approved.

(8) On the 29th meeting of the 4th session of the Board held on May 11, 2011, the proposals of "Assets Acquisition through Share Issue and Related Party Transaction", "Signing of Supplemental Agreement of Assets Acquisition through Share Issue", "Financial Report and Profit Forecast Report of the Restructuring", "Explanation on Matters of Assets Appraisal", "Review of Draft Report of Assets Acquisition through Share Issue and Related Party Transaction and Its Abstract", "Request for the Shareholder's Meeting to Authorize the Board to Manage the Matters Related to the Assets Acquisition through Share Issue and Related Party Transaction" and "Request to Convene the Second Temporary General Meeting of Shareholders for Year 2011" were approved.

(9) On the 30th meeting of the 4th session of the Board held on June 27, 2011, the proposals of "Amendment of Management Rule of Secretary to the Board" and "Progress of Implementation of Internal Control Standards of Year 2011" were approved.

(10) On the 31st meeting of the 4th session of the Board held on August 25, 2011, the proposals of "Special Report on the Deposit and Use of Raised-funds", "Interim Report of Year 2011", "Self-assessment of Internal Controls for the First Half Year of 2011", "Appointment of Deloitte Touche Tohmatsu CPA Ltd. as Auditor for Internal Controls of Year 2011", "SAIC Motor Commercial Vehicle Co., Ltd. to Take Over the Self-owned Brand Commercial Vehicle Investment Project" and "Change of Site for Dual Clutch automatic Transmission Investment Project, an Investment Project of Non-public Issue of Shares" were approved.



(11) On the 32nd meeting of the 4th session of the Board held on October 25, 2011, "Quarterly Report for the 3rd Quarter of Year 2011" and the proposals of "Amendment of Article of Association of the Company" and "Establishment of SAIC-General Motor Sales Co., Ltd." were approved.

(12) On the 33rd meeting of the 4th session of the Board held on December 29, 2011, the proposals of "Establishment of a Branch" and "Change of the Administrative Organization of the Company" were approved.

2 Execution of the resolutions of general meetings of shareholders by the Board

(1) On the first temporary general meeting of shareholders on March 25, 2011, the proposals of "Provision of Guarantee to GMAC-SAIC Automotive Finance Co., Ltd." was approved. The Company didn't provide additional guarantee to GMAC-SAIC Automotive Finance Co., Ltd. during the reporting period. As of the year-end of 2011, the balance of guarantee provided to GMAC-SAIC Automotive Finance Co., Ltd. was RMB 350 million.

(2) On the annual general meeting of shareholders of year 2010 on May 27, 2011, the proposals of "Profit Distribution Plan for Year 2010" and "Estimates of Amounts for Related Party Transactions for Year 2011" were approved. On July 6, 2011, the Company distributed cash dividends of RMB 2.00 (tax included) per 10 shares, amounting to RMB 1,848,484,338.20, based on total 9,242,421,691 shares.

(3) On the second temporary general meeting of shareholders on May 27, 2011, the proposals of "The Company's Compliance to the Conditions for Assets Acquisition through Share Issue", "Assets Acquisition through Share Issue and Related Party Transaction", "Signing of Agreement of Assets Acquisition through Share Issue and Supplemental Agreement of Assets Acquisition through Share Issue", "Review of Draft Report of Assets Acquisition through Share Issue and Related Party Transaction and Its Abstract", "Request for the Shareholder's Meeting to Authorize the Board to Manage the Matters Related to the Assets Acquisition through Share Issue and Related Party Transaction" and "Request for the Shareholder's Meeting to Review the Waiver of Tender Offer to Increase Its Shares in the Company for Shanghai Automotive Industry Corporation (Group)" were approved. On September 13, 2011, the Company received "Approval of Assets Acquisition through Share Issue" (Zheng Jian Xu Ke [2011] No. 1431) issued by the CSRC. On December 30, 2011, the Company made the announcement of "Completion of Assets Acquisition through Share Issue and Change of Shares" and the transfer of the assets and issue and registration of shares have been completed. After the above transaction, total shares of the Company are increased to 11,025,566,629.

3 Summary of performance of audit committee of the Board

Pursuant to Corporate Law, "Code of Corporate Governance for Listed Companies" and "Article of Association" of the Company, the Company has set up "Detailed Working Rules for audit committee" and "Rules of Procedures for the Work of audit committee of the Board of Directors with Regard to Annual Reports", which specify the composition, responsibilities, authority, procedures, rules and responsibilities in preparation and disclosure of annual report of the audit committee. During the preparation of the annual report for year 2011, the audit committee communicated with the auditor and supervised the preparation of the annual report according to "Rules of Procedures for the Work of audit committee of the Board of Directors with Regard to Annual Reports".

During year 2011, the audit committee held seven meetings to deliberate on the matters including restructuring, preparation of periodic report and construction of internal control system, which provided professional opinion and support for the decision making of the Board.

On the 1st meeting held on-site on March 22, 2011, the audit committee listened to "Report on the Financial Performance of Year 2011", "Report on Audit Summary of the Financial Statements of Year 2010", "Report on Summary of Internal Control Examination and Monitoring for the Second Half of 2010" and "Report on the Plan for Implementation of Internal Control System for Year 2011", deliberated on the proposals of "Change of Accounting Policies and Accounting Estimates", "Special Report on the Deposit and Use of Raised-fund", "Exchange of Funds Raised from Non-public Issue of Shares for Self-owned Funds Used", "Renewal of the Engagement of Deloitte Touche Tohmatsu CPA Ltd." and "Self-assessment of Internal Control System of the Company for Year 2010".

On the 2nd meeting held via communication tools on March 22, 2011, the audit committee deliberated on the proposal of "Assets Acquisition through Share Issue and Related Party Transaction".

On the 3rd meeting held on March 22, 2011 via communication tools, the audit committee deliberated on "Quarterly Report for the 1st Quarter of Year 2011".



On the 4th meeting held via communication tools on May 10, 2011, the audit committee deliberated on the proposals of "Assets Acquisition through Share Issue and Related Party Transaction" and "Financial Report and Profit Forecast Report of the Restructuring".

On the 5th meeting held on-site on August 18, 2011, the audit committee deliberated on "Interim Report of Year 2011 and Its Abstract", "Special Report on the Deposit and Use of Raised-funds", "Self-assessment of Internal Controls for the First Half Year of 2011" and "Appointment of Deloitte Touche Tohmatsu CPA Ltd. as Auditor for Internal Controls of Year 2011".

On the 6th meeting held via communication tools on October 21, 2011, the audit committee deliberated on "Quarterly Report for the 3rd Quarter of Year 2011".

On the 7th meeting held on-site on December 21, 2011, the audit committee listened to "Planning for the Audit of Year 2011" reported by Deloitte Touche Tohmatsu CPA Ltd. and "Plan for Examination and Monitoring of Internal Controls" reported by Internal Audit Office of the Company.

4 Summary of performance of nomination, remuneration and appraisal committee of the Board

During the reporting period, the nomination, remuneration and appraisal committee held three meetings to deliberate on the matters including remuneration of directors, supervisors and senior management, nomination of vice presidents of the Company and change of independent directors of 2010. The details are as follows:

On the 1st meeting held via communication tools on February 21, 2011, the nomination, remuneration and appraisal committee reviewed the proposal of "Nomination of Mr. Ye Yong Ming as Vice President of the Company".

On the 2nd meeting held via communication tools on March 8, 2011, the nomination, remuneration and appraisal committee deliberated on the proposal of "Change of Independent Director of the Company".

On the 3rd meeting held on-site on March 22, 2011, the nomination, remuneration and appraisal committee deliberated on the proposal of "Remuneration of Directors, Supervisors and Senior Management of Year 2010".

After the deliberation, the nomination, remuneration and appraisal committee considers that the remuneration of directors, supervisors and senior management of the Company comply with related regulations and holds no different opinion on the remuneration disclosed in the annual report.

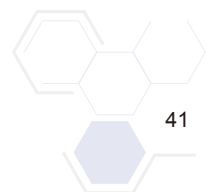
V. Policies of cash dividend distribution of the Company and the implementation

Pursuant to item 155 of the Article of Association, profit distribution of the Company : (1) Profit distribution of the Company shall reflect a reasonable investment return for the investors and be based on the distributable profits. Profit distribution policy shall be consistent and stable. (2) The Company may distribute dividends in cash or by stocks, while cash dividend should be considered first. The Company may make interim cash dividend distribution. (3) If the Company does not propose cash dividends distribution plan though it makes profits in the current year, the Company shall explain in details the reasons for not making profit distribution and the usage of the funds which would otherwise have been used for cash dividend distribution. (4) If circumstance exists that shareholders violatively occupy the funds of the Company, the occupied amount should be deducted from the cash dividend.

During the reporting period, the Company completed the profit distribution according to the above policies.

VI. Plan of profit distribution or capitalization of capital reserve

The Company plans to distribute cash dividends of RMB 3.00 (inclusive of tax) per 10 shares, amounting to RMB 3,307,669,988.70, based on total 11,025,566,629 shares after appropriation of statutory surplus reserve and discretionary surplus reserve at 10% and 10% of profit after tax of the Company. After the distribution, retained earnings of the Company will be RMB 26,020,847,399.48.



Unit: RMB

Year	Amount of stock dividend per 10 shares (shares)	Amount of cash dividend per 10 shares (RMB) (inclusive of tax)	Amount of capital reserve transferred into share capital per 10 shares(share)	Amount of cash dividend (inclusive of tax)	Net profit attributable to shareholders of the Company in consolidated financial statements for the year of dividend distribution	Proportion (%)
2008		0.26		170,326,756.34	656,168,040.68	25.96%
2009		0.5	3	327,747,736.85	6,591,932,979.84	4.97%
2010		2		1,848,484,338.20	13,728,523,479.01(before adjusted)	13.46%

VII. Company and external information user management system

The Company revised the "Information Disclosure Management System" and drafted "Insider Management System (Draft)" which define the scope of insider information, specify the confidentiality obligations and related measures of insider and require that the Company shall not provide external information user with financial information before publication without reasonable reasons. When submitting non-public financial information to the controlling shareholder, the Finance Department should strictly control the access to such information and manage relevant insider information and the insiders in accordance with provisions herein. If the Company should submit information related to annual reports to specific external information users pursuant to the laws and regulations, the Company shall not provide such information earlier than the disclosure of the Company's performance express, and the information disclosed in the performance express shall be no less than the information provided to external information users. In addition, the Company not only requires directors, supervisors and senior management strictly fulfill the obligations in their Assertion and Commitment, but also requires head of relevant departments and relevant personnel, as insiders, to complete Assertion of Insiders. The Company prepares "Information Summary of Insiders" and submits it to Shanghai Office of CSRC. During the reporting period, no irregularity related to trading of shares using insider information was found. All directors, supervisor, senior management and related personnel have studied "General Office of the State Council, Circular on Transmission of the China Securities Regulatory Commission and Other Departments, Opinion on Combating and Safeguarding against Insider Trading in the Capital Markets in Accordance with the Law" (Guo Ban Fa [2010] No.33) and participated the Knowledge Competition of Combating and Safeguarding against Insider Trading in the Capital Markets of Shanghai held by Shanghai Office of China Securities Regulatory Commission, which help better understand how to avoid insider trading and fulfill information disclosure obligation.

VIII. Representation of the Board with regard to the responsibilities on internal controls

The Board is responsible for the establishment and maintenance of internal controls over financial reporting.

The objective of internal controls over financial reporting is to ensure the truthfulness, completeness and reliability of the financial report and to prevent risks of material misstatements.

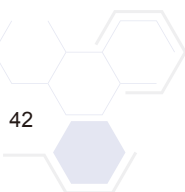
The Board has assessed the internal controls over financial reporting according to "Basic Standard for Enterprise Internal Control" with the conclusion that such internal controls are effective as of December 31, 2011.

Deloitte Touche Tohmatsu CPA Ltd. has audited the effectiveness of internal controls over financial reporting of the Company and has issued standard audit report on internal controls.

The Company did not find material weaknesses in internal controls related to non-financial reporting during the self-assessment of the internal controls.

IX. Establishment of registration and management system of insiders and the implementation

The Company drafted "Insider Management System (Draft)" and strictly followed the regulations on registration of insiders. No irregularity related to trading of the Company's shares using insider information before disclosure of such significant sensitive information was found.

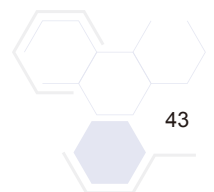


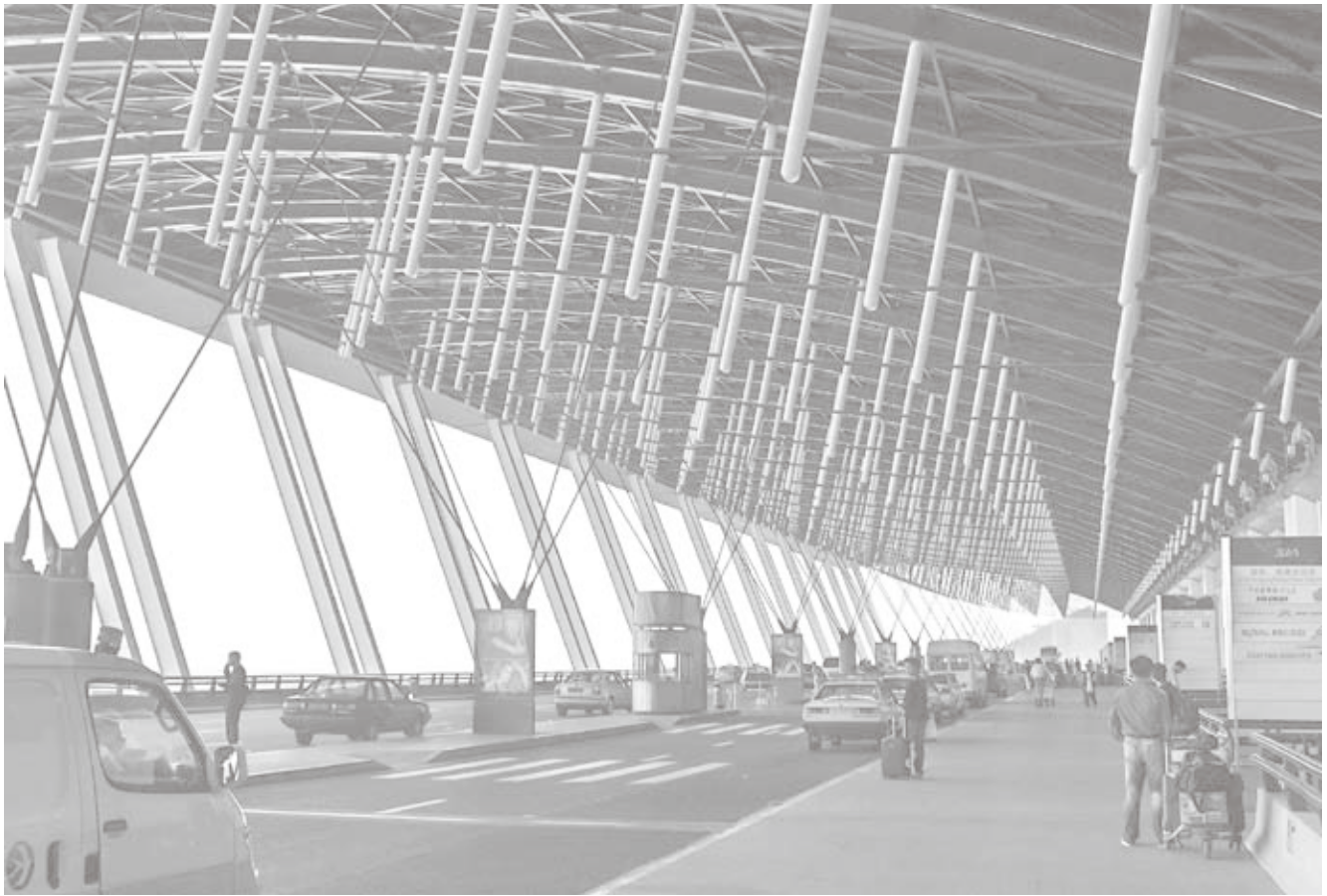
X. Plan of establishment and improvement of internal control system as a main board listed company that should start to implement the internal control standards from 2012.

The Company has been continuously strengthening the construction of internal control system. It has prepared "Internal Control Manual" and has kept improving it. The Company has also established a long-lasting internal control examination and monitoring mechanism. Currently, the Company has prepared the head office's "Internal Control Manual" and two fascicules for Passenger Car Branch and Commercial Vehicle R&D Center Branch, which comprise 73 processes and 255 sub-processes and cover transactions including vehicle development, purchase and payment, sale and receipt of payment, financing and investment, bank balances and transactions, etc. During year 2011, we improved a couple of processes in the "Internal Control Manual" for issues identified during self-assessment of the internal controls based on the needs for business development of the Company.

In addition, according to the requirements on pilot-run of internal control standards, the Company promoted the construction of internal controls of significant subsidiaries in 2011. Currently, significant subsidiaries including SAIC GM Wuling Co., Ltd., SAIC-Volkswagen Sales Co., Ltd. and Shanghai Huizhong Automobile Manufacturing Co., Ltd. have established "Internal Control Manual".

In year 2012, the Company will follow up with the improvements for deficiencies identified, will continue to carry out self-assessment of internal controls of the head office and will push forward the self-assessment of internal controls of significant subsidiaries to fulfill the requirement of external regulatory. The Company will continue to carry out the work of monitoring and examination of significant events and assessment of risks and will conduct special inspection on selected important transactions or processes. The Company will issue the self-assessment report on internal controls of year 2012 and will engage external auditor to issue audit report on internal controls.





Section IX Report of the Board of Supervisors



I. Day-to-day work of the board of supervisors

During year 2011, the board of supervisors has performed its obligations and duties in a faithful and diligent way and has actively carried out their works in accordance with the rights and obligations endowed by "Corporation Law" and "Articles of Association" and the requirements in "Rules of Procedure of Board of Supervisors" in the spirit of being responsible to all the shareholders. The board of supervisors has supervised the legality and regulatory compliance of the Company's operations, significant events such as restructuring, duty performing of directors and senior management, and has endeavored to protect the legitimate rights and interests of all the shareholders.

During the reporting period, the Company's board of supervisors held seven meetings as follows:

1 On March 29, 2011, all supervisors attended the 14th meeting of the 4th session of board of supervisors and approved the proposals of "Special Report on the Deposit and Use of Raised-funds", "Change of Accounting Policies and Accounting Estimates", "Work Report of Independent Directors for Year 2010", "Annual Report and Annual Report Abstract for Year 2010", "Estimates of Amounts for Related Party Transactions for Year 2011", "Self-assessment of Internal Control System of the Company for Year 2010", "Social Responsibility Report for Year 2010", "Exchange of Funds Raised from Non-public Issue of Shares for Self-owned Funds Used" and "Plan for Implementation of Internal Control System for Year 2011".

2 On April 1, 2011, all supervisors attended the 15th meeting of the 4th session of board of supervisors and approved the proposals of "The Company's Compliance to the Conditions for Assets Acquisition through Share Issue" and "Assets Acquisition through Share Issue and Related Party Transaction".

3 On April 27, 2011, all supervisors attended the 16th meeting of the 4th session of board of supervisors and approved "Quarterly Report for the 1st Quarter of Year 2011".

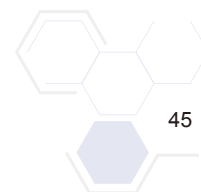
4 On May 6, 2011, all supervisors attended the 17th meeting of the 4th session of board of supervisors and approved the proposal of "Postponement of Election of the 4th Session of the board of supervisors".

5 On May 11, 2011, all supervisors attended the 18th meeting of the 4th session of the board of supervisors and approved the proposals of "Assets Acquisition through Share Issue and Related Party Transaction" and "Financial Report and Profit Forecast Report of the Restructuring".

6 On August 25, 2011, all supervisors attended the 19th meeting the 4th session of the board of supervisors and approved the proposals of "Special Report on the Deposit and Use of Raised-funds", "Interim Report of Year 2011", "Self-assessment of Internal Controls for the First Half Year of 2011", "Appointment of Deloitte Touche Tohmatsu CPA Ltd. as Auditor for Internal Controls of Year 2011", "SAIC Motor Commercial Vehicle Co., Ltd. to Take Over the Self-owned Brand Commercial Vehicle Investment Project" and "Change of Site for Dual Clutch automatic Transmission Investment Project, an Investment Project of Non-public Issue of Shares".

7 On October 25, 2011, all supervisors attended the 20th meeting of the 4th session of the board of supervisors and approved "Quarterly Report for the 3rd Quarter of Year 2011".

During the reporting period, the board of supervisors also attended all Board meetings and general meetings of shareholders as observer, in which the board of supervisors supervised the legality and regulatory compliance of the gathering, convening, deliberation and the voting procedures.



II. The independent opinion of the board of supervisors on the operation of the Company in compliance with relevant laws and regulations

In accordance with relevant laws, regulations and the relevant provisions of the "Articles of Association" and "Procedure of the Board of Supervisors Rules", the board of supervisors has monitored and supervised the Company's decision-making procedures, internal control management and the work performance of directors and senior management. In the opinion of board of supervisors, during the reporting period, the Company's decision-making process has been in strict accordance with the "Article of Association", the decision-making process is democratic and transparent and management of the Company has faithfully implemented the resolutions of general meetings of shareholders and Board meetings. The board of supervisors has periodically provided the report on the implementation of the resolutions and matters authorized by the Board. Director, president and other senior management of the Company have demonstrated diligence in the course of performing their duties and the restructuring. There has been no violation of the laws, regulations or the "Article of Association". No damage to the interests of the Company or shareholders was found.

III. The independent opinion of the board of supervisors on information disclosure

During the reporting period, the Company disclosure 4 periodic reports, made 84 temporary announcements in accordance with relevant regulations regarding information disclosure. In particular, in the process of planning, decision-making and conducting the restructuring, the Company suspended the share trading at the earliest possible time to avoid significant fluctuation of share price, fully fulfilled the obligation of information disclosure, and announced the progress of the restructuring on a timely basis to ensure all investors' rights to know. No announcements for amendment or supplement were published. No irregularity related to trading of the Company's shares using insider information was found.

IV. The independent opinion of the board of supervisors on financial statements

The Company's financial statements for year 2011 have been audited by Deloitte Touche Tohmatsu CPA Ltd. (hereinafter referred to as "Deloitte") with a standard unqualified audit report issued. The Company's financial statements for year 2011 present truly and fairly the financial position and results of the Company.

V. The independent opinion of the board of supervisors on the use of raised-funds

On December 10, 2010, the Company issued 720,980,533 A shares at RMB 13.87 per share. The Company raised total funds of RMB 9,999,999,992.71, and received net proceeds of RMB 9,878,999,992.71 after deducting the issuance costs of RMB 121,100,000.00. By December 9, 2010, the Company had received net proceeds of RMB 9,878,999,992.71. As of December 31, 2010, the balance of fund raised is RMB 9,882.7145 million (inclusive of interest income). As of December 31, 2011, cumulative amount of the raised funds used by the Company is RMB 4,223.7843 million and the balance of funds raised is RMB 5,758.5401 million (inclusive of interest income of 99.6099million).

CITIC Securities Co. Ltd., the sponsor of the Company, has verified the deposit and actual use of raised-fund of the Company for year 2011 and issued "Special Verification Report on the Deposit and Actual Use of Raised-fund for Year 2011". The Board also issued "Special Report on the Deposit and Actual Use of Raised-fund for Year 2011". The Company has deposited the raised-funds in special bank accounts and has used the raised-funds on the planned projects. No irregularity related to changing the usage of raised-fund, damaging the interests of shareholders or using raised-funds not in compliance with regulations was found. The board of supervisors will continue to diligently conduct the supervision to ensure that the raised-funds are managed and used according to relevant regulations.

VI. The independent opinion of the board of supervisors on the acquisition and sale of assets

During the reporting period, the Company issued 1.783 billion shares to Shanghai Automotive Industry Corporation (Group) and Shanghai Automotive Industry Co., Ltd. to acquired assets and equity investments related to business of independent supply of auto parts, automotive

service and trading and alternative energy automotive, the appraised value of which is approximately RMB 29.119 billion. After the review, the board of supervisors considers that the transaction is in compliance with the requirement of relevant laws and regulations and the transaction is conducive to the Group's integration of resources, demonstration of comprehensive competitive advantages of the integrated automotive industry chain, enhancement of independent innovation, acceleration of the development of self-owned brands and alternative energy vehicles, elevation of assets scale and capital strength, optimization of assets allocation, improvement of ability of risk resistance and further strengthening of the Group's core competitiveness and international operating ability. The transaction was deliberated on at the second temporary general meeting of shareholders and was approved by 99.99% votes. On September 13, 2011, the Company received approval from China Securities Regulatory Commission with "Approval of Assets Acquisition through Share Issue" (Zheng Jian Xu Ke [2011] No. 1431). On December 30, 2011, the Company made the announcement of "Completion of Assets Acquisition through Share Issue and Changes of Shares" and share issue and registration has been completed. No irregularity related to insider trading or damage to the interests of shareholders was found.

VII. The independent opinion of the board of supervisors on related party transactions

During the reporting period, the transaction of assets acquisition through share issue to Shanghai Automotive Industry Corporation (Group) and Shanghai Automotive Industry Co., Ltd. constitutes related party transaction. In accordance with the regulation of the "Articles of Association" and "Related Party Transactions Management System", the Company performed the corresponding decision-making procedures and complied with voting avoidance system during the deliberation and voting on the Board meeting and general meeting of shareholders. Scheme of the transaction was rational and the pricing was fair. No irregularity related to damage to the interests of the Company or shareholders was found.

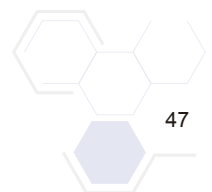
As approved by general meeting of shareholders, in 2009, the Company renewed five agreements of daily related party transactions with the controlling shareholder, including "Housing and Land Lease Agreement", "Framework Agreement on Provision of Spare Parts and Service Parts", "Financial Services Framework Agreement", "Production Services Framework Agreement" and "Vehicle Dealership Framework Agreement", which are valid for three years. In second half of year 2011, the controlling shareholder's subsidiaries involved in the five framework agreements have become the Group's subsidiaries upon completion of assets acquisition through issuing shares to the controlling shareholder. In accordance with the relevant guidance of the Accounting Standard, the transactions under the above framework agreements are not related party transactions for the reporting period and the five framework agreements will be no longer executed and there's no need for the Company to sign daily related party transactions agreement under the current business framework.

VIII. Self-assessment of internal controls

The internal control system of the Group has been effectively implemented under the lead of the Board, who carried out self-assessment of the design and operating effectiveness of internal controls by December 31, 2011 according to regulation and requirement of "Basic Standard for Enterprise Internal Control" and its supporting guidance. Meanwhile, Deloitte Touche Tohmatsu CPA Ltd. (hereinafter referred to as "Deloitte") was engaged to audit the effectiveness of internal controls over financial reporting for year 2011 and has issued standard audit report on internal controls. The board of supervisors agrees with the "Self-assessment of Internal Control System of the Company for Year 2011" prepared by the Board.

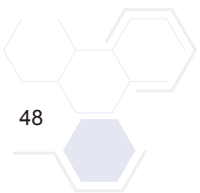
IX. Significant increase in profit during the reporting period

The Group achieved net profit attributable to shareholders of the Company of 20.222 billion, increased by 47.30% comparing with the reported amount of last year, or increased by 23.38% comparing with the restated amount of last year. The main reasons : (1) The Group has taken active measures to respond to the challenge of descending market and the vehicle sales volume increased to more than 4 million, with a growth of 12% year-on-year, and the advantage of economies of scale is further demonstrated. (2) Automakers of the Group have optimized product structure, improved product competitiveness, resulting in increase of profitability.





Section X Important Events



I. Significant litigation or arbitration cases

There were no significant litigation or arbitration cases during the reporting period.

II. Acquisition and sale of assets and merger during the reporting period

1 Acquisition of assets

Counterpart or ultimate controlling shareholder	Assets acquired	Date of the agreement	Consideration (RMB'000)	Is it related party transaction? (if yes, state the pricing principle)	Have the title of property rights of all purchased assets been transferred?	Have all the credits and debts been transferred?
Shanghai Automotive Industry Corporation (Group) & Shanghai Automotive Industry Co., Ltd.	Assets and equity investments related to business of independent supply of auto parts, automotive service and trading and alternative energy automotive	April 1, 2011	29,118,756.830	Yes	Yes	Yes

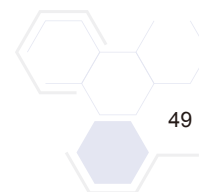
The Company, Shanghai Automotive Industry Corporation (Group) ("SAIC") and Shanghai Automotive Industry Co., Ltd. ("SAIC Ltd") signed "Assets Acquisition through Share Issue Agreement" and "Supplemental Agreement of Assets Acquisition through Share Issue" ("Restructuring Agreement") on April 1, 2011 and May 11, 2011, respectively. The Company issued 1,431,207,595 shares to SAIC to acquire assets and equity investments related to business of independent supply of auto parts, automotive service and trading (e.g. HUAYU Automotive Systems Co., Ltd.) owned by SAIC and issued 330,362,692 shares to SAIC Ltd to acquire assets and equity investments (e.g. SAIC Activity Center Co., Ltd.) owned by SAIC Ltd (On July 6, 2011, the Company implemented the profit distribution scheme of distributing cash dividends of RMB 2.00 (inclusive of tax) per 10 shares based on 9,242,421,691 shares. According to Restructuring Agreement, the Company adjusted the price and number of shares to be issued. After the adjustment, the Company was to issue 1,783,144,938 shares at RMB 16.33 per share, including 1,448,736,163 shares to SAIC and 334,408,775 shares to SAIC Ltd. After the share issue, SAIC holds 77.33% of the total shares of the Company comprising of 74.30% shares held by SAIC and 3.03% shares held by SAIC Ltd.).

The assets acquisition through share issue mentioned above was approved by the 4th session of the Board of the Company on the 26th meeting, the 4th session of the Board of the Company on the 29th meeting, and the second temporary general meeting of shareholders of 2011 (please refer to the announcement published by the Company on April 6, 2011, May 12, 2011 and May 28, 2011). On September 13, 2011, the company received the "Approval of Assets Acquisition through Share Issue" (Zheng Jian Xu Ke [2011] No. 1431) issued by the China Securities Regulatory Commission, who approved the matter relating to "assets acquisition through share issue and related party transaction".

By December 13, 2011, the delivery of assets of the transaction was completed and Deloitte Touche Tohmatsu CPA Ltd. performed capital verification by issuing the capital verification report of De Shi Bao (Yan) Zi (11) No. P0084. On December 15, 2011, the company made the announcement of "Completion of Transfer of Assets Acquired through Share Issue" (Temporary announcement 2011-057). On December 28, 2011, the Company received the Security Change Registration Certificate issued by Shanghai Branch of China Security Depository and Clearing Corporation Limited for the above share issue. The Company completed the issue and registration of 1,783,144,938 shares, including 1,448,736,163 shares issued to SAIC and 334,408,775 shares issued to SAIC Ltd. On December 30, 2011, the Company made the announcement of "Completion of Assets Acquisition through Share Issue and Change of Shares" (Temporary announcement 2011-058) when the assets acquisition and share issue have been completed.

2 Sale of assets

There were no significant sales of assets during the reporting period.



III. Significant related party transactions of the Company during the reporting period

As approved by the general meeting of shareholders, the Company renewed five agreements of daily related party transactions with the controlling shareholder, including "Housing and Land Lease Agreement", "Framework Agreement on Provision of Spare Parts and Service Parts", "Financial Services Framework Agreement", "Production Services Framework Agreement" and "Vehicle Dealership Framework Agreement", which are valid for three years.

On second half of year 2011, the controlling shareholder's subsidiaries involved in the five framework agreements have become the Company's subsidiaries upon completion of assets acquisition through issuing shares to the controlling shareholder. In accordance with the relevant guidance of the Accounting Standard, the transactions under the above framework agreements are not related party transactions for the reporting period and the five framework agreements will be no longer executed and there's no need for the Company to sign daily related party transactions agreement under the current business framework.

IV. Information of trust

There were no trust cases in the current year.

V. Information of contracting

There were no contracting cases in the current year.

VI. Information of lease

There were no significant lease cases in the current year.

VII. Information of guarantee

On March 25, 2011, the first temporary general meeting of shareholders approved the proposal of "Provision of Guarantee to GMAC-SAIC Automotive Finance Co., Ltd." which authorized the Company to provide guarantee to GMAC-SAIC Automotive Finance Co., Ltd. with cumulative amount of no more than 8 billion inclusive. The authorization of guarantee will be valid after the approval on this general meeting of shareholders until the annual general meeting of shareholders for year 2012. On the 25th meeting of the 4th session of the Board of the Company on March 29, 2011, the Company was authorized to provide guarantee to subsidiaries, jointly controlled entities and other invested companies with cumulative amount of no more than 100 million inclusive.

During the reporting period, the Company didn't provide the guarantee mentioned above, neither did it provide any guarantee to other companies. As of December 31, 2011, the amount of guarantee provided to GMAC-SAIC Automotive Finance Co., Ltd. was RMB 350 million.

On December 27, 2011, the Company completed the assets acquisition through issuing shares to Shanghai Automotive Industry Corporation (Group), the controlling shareholder, more than 99% of controlling shareholder's assets were acquired by the Company. As of December 31, 2011, the amount of guarantee provided by the companies included in the acquired assets was RMB 1,436 million, which was provided by Shanghai Automotive Industry Corporation (Group) to its invested companies (including the guarantee provided by the subsidiaries of SAIC to its invested companies).

VIII. Other material contracts

There were no other material contracts in the current year.



IX. Implementation of commitments

1 Commitments made by the Company, controlling shareholders and actual controller during the reporting period or valid commitments made in prior periods

After the Company completed the issue of shares to Shanghai Automotive Industry Corporation (Group) ("SAIC") and Shanghai Automotive Industry Co., Ltd. ("SAIC Ltd"), SAIC has committed that it do not transfer the 1,448,736,163 shares acquired within 36 months and SAIC Ltd has committed that it do not transfer the 334,408,775 shares acquired within 36 months. During the reporting period, SAIC and SAIC Ltd strictly kept the commitment.

In the assets acquisition through issuing shares to SAIC and SAIC Ltd, the acquired investment properties of buildings and 35 underground parking spaces, which are located at No. 160 Pu Ming Road (No. of Land Use Rights and Property Ownership Certificate: Hu Fang Di Pu Zi (2006) No. 052174) and 6.01% equity interest in GM Korea Company were evaluated using income approach. SAIC made commitment for compensation of differences between profits forecast used in valuation and actual profits from the above mentioned assets within three years after the completion of the transaction as follows:

(1) During the compensation period, the Company will engage professional organization with related qualification to issue special review opinion on the difference between actual profits and forecasted profits of related assets within 4 months after the year-end of each financial year. SAIC will compensate the Company if the actual profits of related assets is lower than the forecasted profits for any year during the compensation period based on the special review opinion.

(2) SAIC has confirmed that it will compensate the Company by cash.

(3) SAIC has confirmed that it will make the compensation within one month after the special review opinion is issued.

(4) Amount of compensation to be made by SAIC is calculated using the following formula:

Compensation for each year = Forecasted profits of the year - Actual profits of the year

"Forecasted net profits for the year" is listed in the following table.

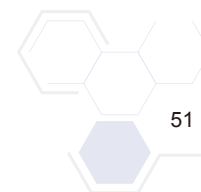
Related assets / Year	2011	2012	2013
6.01% equity interest in GM Korea Company (Unit: KRW '000,000)	1,773.63	1,091.46	764.04
Net profits from properties and 35 underground parking spaces located No. 160 Pu Ming Road under the ownership certificate of Hu Fang Di Pu Zi (2006) no. 052174 (Unit: RMB)	5,181,277.77	5,418,030.25	8,112,000.18

For details, please refer to announcement of "Assets Acquisition through Share Issue and Related Party Transaction (Revised Version)" published on Shanghai Stock Exchange's website www.sse.com.cn on September 15, 2011.

Actual profits from the related assets evaluated using income approach in 2011 are as follows:

Related assets / Year	Forecasted profits of 2011	Actual profits of year 2011
6.01% equity interest in GM Korea Company (Unit: KRW '000,000)	1,773.63	7,529.09
Net profits from properties and 35 underground parking spaces located No. 160 Pu Ming Road under the ownership certificate of Hu Fang Di Pu Zi (2006) no. 052174 (Unit: RMB) (Note)	5,181,277.77	5,234,638.49

Note: Actual profits from the related assets in 2011 = Rental income (RMB 8,081,656.99)-Administrative expenses (RMB 1,109,665.52)-Maintenance cost (RMB 262,598.00)-Insurance expenses (RMB 52,383.35)-Tax expenses (RMB 1,422,371.63).



Actual profits from related assets is larger than forecasted profits in valuation reports, which does not trigger the conditions for SAIC to make compensation. Deloitte, auditor of the Company, issued "Agreed Upon Procedures Report" (De Shi Bao (Shang) Zi (12) No.A0010) for verification of the relevant data.

2 The Company's description on whether the assets or projects meet the profit forecasts and the reasons, where there are profit forecasts for such assets or projects and the forecast periods cover the reporting period

During the assets acquisition through issuing shares to SAIC and SAIC Ltd, the Company prepared "Pro Forma Consolidated Profit Forecast for Year 2011", in which the forecasted pro forma consolidated net profit for year 2011 is RMB 30,397.27 million, of which net profit attributable to shareholders of the Company is RMB 17,127.62 million.

Actual consolidated net profit of the Group for 2011 is RMB 34,989.63 million, of which net profit attributable to shareholders of the Company is RMB 20,221.87 million. The profit forecast of 2011 is fully realized.

The Company also prepared "Pro Forma Consolidated Profit Forecast of Assets to Be Acquired from SAIC and SAIC Ltd for Year 2011", in which the forecasted consolidated net profit of the assets to be acquired is RMB 6,077.76 million, of which net profit attributable to shareholders of the company is RMB 2,889.37 million.

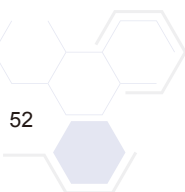
Actual consolidated net profit of acquired assets is RMB 6,595.79 million, of which net profit attributable to shareholders of the company is RMB 3,000.87 million. The profit forecast for acquired assets of 2011 is fully realized.

Deloitte Touche Tohmatsu CPA Ltd., our auditor, issued the "Review Report on the Realization of the Pro Forma Consolidated Profit Forecast for the Year Ended December 31, 2011" (De Shi Bao (He) Zi (12) No. E0026).

X. The appointment and dismissal of the accounting firm

On the annual general meeting of shareholders held on May 27, 2011, renewal of the engagement of Deloitte Touche Tohmatsu CPA Ltd. as our auditor for year 2011 was approved.

Year	Audit fee
2011	RMB 5.65 million



XI. Punishment and rectification received by the Company, the Board or the directors

During the reporting period, the Company, the Board and directors did not receive inspection of CSRC, government punishment, notice of criticism or public condemn from Shanghai Stock Exchange.

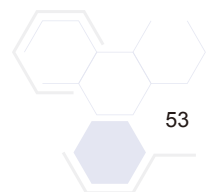
XII. Information shares of other listed companies held by the Company (the holding company)

Unit: RMB

Type of security	Security code	Name of security	Number of shares held at the end of the reporting period (shares)	Percentage of shares held	Initial investment amount (RMB)	Book value at the year-end (RMB)	Account
Stock	601939	China Construction Bank	3,334,120	<5	20,920,512.40	15,136,904.80	Available-for-sale financial assets
Stock	600036	China Merchants Bank	368,079,979	<5	4,369,109,350.73	4,369,109,350.73	Available-for-sale financial assets
Stock	600841	Shanghai Diesel	241,709,280	50.32	923,420,000.00	923,420,000.00	Long-term equity investments
Stock	600741	HASCO	1,552,448,271	60.10	9,956,431,904.22	9,956,431,904.22	Long-term equity investments
Total			2,165,571,650		15,269,881,767.35	15,264,098,159.75	

XIII. Other important events

There were no other important events in the year.

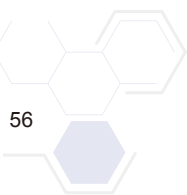


XIV. Index of information disclosure

No	Announcement	Published Newspapers	Published date	Published Website
1	Production and sales express of December 2010 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-01-07	www.sse.com.cn
2	Announcement of the resolutions of 22nd meeting of the 4th session of the Board of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-01-12	www.sse.com.cn
3	Prediction for increase of performance of 2010 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-01-29	www.sse.com.cn
4	Announcement for suspension of share trading of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-02-12	www.sse.com.cn
5	Production and sales express of January 2011 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-02-12	www.sse.com.cn
6	Announcement for the continuance of suspension of share trading of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-02-19	www.sse.com.cn
7	Announcement of the resolutions of 23rd meeting of the 4th session of the Board of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-02-22	www.sse.com.cn
8	Announcement for the continuance of suspension of share trading of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-02-26	www.sse.com.cn
9	Announcement for the continuance of suspension of share trading and progress of related matters of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-03-05	www.sse.com.cn
10	Announcement for the resignation of independent director of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-03-07	www.sse.com.cn
11	Production and sales express of February 2011 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-03-08	www.sse.com.cn
12	Notice for the first temporary general meeting of shareholders of 2011 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-03-10	www.sse.com.cn
13	Announcement of the resolutions of 24th meeting of the 4th session of the Board of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-03-10	www.sse.com.cn
14	Announcement for the progress of related matters of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-03-12	www.sse.com.cn
15	Conference materials for the first temporary general meeting of shareholders of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-03-17	www.sse.com.cn
16	Announcement for the progress of related matters of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-03-19	www.sse.com.cn
17	Legal opinion for the first temporary general meeting of shareholders of SAIC Motor Corporation Limited issued by Zhong Hao Law Firm	Shanghai Securities News, China Securities Journal, Securities Times	2011-03-26	www.sse.com.cn
18	Announcement for the progress of related matters of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-03-26	www.sse.com.cn
19	Announcement of the resolutions of the first temporary general meeting of shareholders of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-03-26	www.sse.com.cn
20	Announcement of the resolutions of 14th meeting of the 4th session of the board of supervisors of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-03-31	www.sse.com.cn
21	Announcement of the resolutions of 25th meeting of the 4th session of the Board of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-03-31	www.sse.com.cn
22	Special statement of capital occupation by and external guarantee for the controlling shareholder and other related parties of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-03-31	www.sse.com.cn
23	Announcement of estimates of amounts for related party transactions for year 2011 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-03-31	www.sse.com.cn
24	Social Responsibility Report for Year 2010 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-03-31	www.sse.com.cn
25	Self-assessment of Internal Control System of the Company for Year 2010 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-03-31	www.sse.com.cn
26	2010 Annual Report of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-03-31	www.sse.com.cn
27	Abstract of 2010 Annual Report of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-03-31	www.sse.com.cn
28	Announcement of the resolutions of 26th meeting of the 4th session of the Board of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-04-06	www.sse.com.cn
29	Plan for Assets Acquisition through Share Issue and Related Party Transaction of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-04-06	www.sse.com.cn
30	Production and sales express of March 2011 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-04-12	www.sse.com.cn
31	Article of Association of SAIC Motor Corporation Limited (revised in 2010)	Shanghai Securities News, China Securities Journal, Securities Times	2011-04-12	www.sse.com.cn
32	2010 Sponsorship Report of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-04-12	www.sse.com.cn
33	Independent and continuous financial supervision of the implementation of restructuring of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-04-15	www.sse.com.cn
34	Quarterly Report for the 1st Quarter of Year 2011 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-04-28	www.sse.com.cn

No	Announcement	Published Newspapers	Published date	Published Website
35	Announcement for the progress of related matters of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-05-06	www.sse.com.cn
36	Announcement of the resolutions of 28th meeting of the 4th session of the Board of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-05-07	www.sse.com.cn
37	Announcement of the resolutions of 17th meeting of the 4th session of the board of supervisors of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-05-07	www.sse.com.cn
38	Notice for 2010 general meeting of shareholders of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-05-07	www.sse.com.cn
39	Production and sales express of April 2011 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-05-10	www.sse.com.cn
40	Report of assets acquisition through share issue and related party transaction of SAIC Motor Corporation Limited(draft)	Shanghai Securities News, China Securities Journal, Securities Times	2011-05-12	www.sse.com.cn
41	Abstract of report of assets acquisition through share issue and related party transaction of SAIC Motor Corporation Limited(draft)	Shanghai Securities News, China Securities Journal, Securities Times	2011-05-12	www.sse.com.cn
42	Notice for the second temporary general meeting of shareholders of 2011 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-05-12	www.sse.com.cn
43	Announcement of the resolutions of 29th meeting of the 4th session of the Board of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-05-12	www.sse.com.cn
44	Announcement of the resolutions of 18th meeting of the 4th session of the board of supervisors of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-05-12	www.sse.com.cn
45	Conference material of 2010 annual general meeting of shareholders of SAIC Automotive Industry Corporation	Shanghai Securities News, China Securities Journal, Securities Times	2011-05-21	www.sse.com.cn
46	Conference material of 2011 second temporary general meeting of shareholders of SAIC Automotive Industry Corporation	Shanghai Securities News, China Securities Journal, Securities Times	2011-05-21	www.sse.com.cn
47	Second notice for the second temporary general meeting of shareholders of 2011 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-05-21	www.sse.com.cn
48	Announcement of the approval of assets acquisition through share issue and related party transaction by State-owned Assets Supervision and Administration Commission of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-05-21	www.sse.com.cn
49	Announcement of the resolutions of 2010 annual general meeting of shareholders of SAIC Automotive Industry Corporation	Shanghai Securities News, China Securities Journal, Securities Times	2011-05-28	www.sse.com.cn
50	Announcement of the resolutions of 2011 second temporary general meeting of shareholders of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-05-28	www.sse.com.cn
51	Legal opinion for 2010 annual general meeting of shareholders of SAIC Motor Corporation Limited issued by Zhong Hao Law Firm	Shanghai Securities News, China Securities Journal, Securities Times	2011-05-28	www.sse.com.cn
52	Legal opinion for 2011 second temporary general meeting of shareholders of SAIC Motor Corporation Limited issued by Zhong Hao Law Firm	Shanghai Securities News, China Securities Journal, Securities Times	2011-05-28	www.sse.com.cn
53	Management System of Raised-fund of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-06-08	www.sse.com.cn
54	Article of Association of SAIC Motor Corporation Limited (revised in 2011)	Shanghai Securities News, China Securities Journal, Securities Times	2011-06-08	www.sse.com.cn
55	Rules of Procedures of Board of Directors of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-06-08	www.sse.com.cn
56	Rules of Procedures of General Meeting of Shareholders of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-06-08	www.sse.com.cn
57	Production and sales express of May 2011 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-06-08	www.sse.com.cn
58	Announcement of the implementation of 2010 profit distribution scheme of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-06-24	www.sse.com.cn
59	Announcement of the resolutions of 30th meeting of the 4th session of the Board of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-06-28	www.sse.com.cn
60	Management Rules of Secretary to the Board of directors of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-06-28	www.sse.com.cn
61	Announcement of postponing submission of supplemental material to the documents for application for waiver of tender offer of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-07-05	www.sse.com.cn
62	Production and sales express of June 2011 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-07-07	www.sse.com.cn
63	Announcement of application for postponing submission of supplemental material to the documents for application for waiver of tender offer by Shanghai Automotive Industry Corporation (Group) and Shanghai Automotive Industry Co., Ltd. of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-07-23	www.sse.com.cn
64	Announcement of suspension of share trading due to the reason that the application for assets acquisition through share issue is under the review of China Securities Regulatory Commission	Shanghai Securities News, China Securities Journal, Securities Times	2011-07-29	www.sse.com.cn

No	Announcement	Published Newspapers	Published date	Published Website
65	Announcement of approval of plan for assets acquisition through share issue and related party transaction by China Securities Regulatory Commission of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-08-03	www.sse.com.cn
66	Production and sales express of July 2011 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-08-05	www.sse.com.cn
67	Interim Report of Year 2011 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-08-29	www.sse.com.cn
68	Abstract of Interim Report of Year 2011 SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-08-29	www.sse.com.cn
69	Special Report on the Deposit and Use of Raised-funds of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-08-29	www.sse.com.cn
70	Announcement of the resolutions of 31th meeting of the 4th session of the Board of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-08-29	www.sse.com.cn
71	Announcement of the resolutions of 19th meeting of the 4th session of the board of supervisors of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-08-29	www.sse.com.cn
72	Production and sales express of August 2011 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-09-07	www.sse.com.cn
73	Announcement of approval of assets acquisition through share issue and related party transaction by China Securities Regulatory Commission of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-09-14	www.sse.com.cn
74	Report of assets acquisition through share issue and related party transaction of SAIC Motor Corporation Limited(revised)	Shanghai Securities News, China Securities Journal, Securities Times	2011-09-15	www.sse.com.cn
75	Indicative announcement of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-09-15	www.sse.com.cn
76	Abstract of report of assets acquisition through share issue and related party transaction of SAIC Motor Corporation Limited(revised)	Shanghai Securities News, China Securities Journal, Securities Times	2011-09-15	www.sse.com.cn
77	Production and sales express of September 2011 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-10-11	www.sse.com.cn
78	Announcement of the resolutions of 32th meeting of the 4th session of the Board of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-10-27	www.sse.com.cn
79	Quarterly Report for the 3rd Quarter of Year 2011of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-10-27	www.sse.com.cn
80	Announcement for the progress of related matters of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-11-01	www.sse.com.cn
81	Production and sales express of October 2011 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-11-08	www.sse.com.cn
82	Announcement of the implementation progress of assets acquisition through share issue and related party transaction of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-11-12	www.sse.com.cn
83	Production and sales express of November 2011 of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-12-06	www.sse.com.cn
84	Indicative announcement of releasing restricted shares issued in non-public issue for trading of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-12-06	www.sse.com.cn
85	Announcement of 2011 interest payment for "08 SAIC Bond" of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-12-13	www.sse.com.cn
86	Announcement of the completion of transfer of assets acquired through share issue of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-12-15	www.sse.com.cn
87	Announcement of the resolutions of 33th meeting of the 4th session of the Board of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-12-30	www.sse.com.cn
88	Report on the implementation of assets acquisition through share issue and related party transaction of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-12-30	www.sse.com.cn
89	Announcement of the completion of assets acquisition through share issue and Change of Shares of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-12-30	www.sse.com.cn
90	Announcement for Changing Securities Abbreviation of SAIC Motor Corporation Limited	Shanghai Securities News, China Securities Journal, Securities Times	2011-12-30	www.sse.com.cn

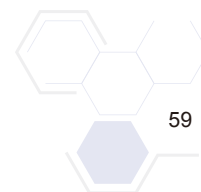


XV. The reception of field investigation, communication activities and interview events during the reporting period

Time of reception	Place of reception	Method of reception	Reception party	Content of discussion and information provided
2011-01-05	Headquarter	Field investigation	Essence Securities	Business operation and strategic development of the Company
2011-01-17	Headquarter	Field investigation	Alliance, Indus Capita	Business operation and strategic development of the Company
2011-01-17	Headquarter	Field investigation	Bosera Funds	Business operation and strategic development of the Company
2011-01-18	Headquarter	Field investigation	GF Securities, Galaxy Asset management co., Ltd., Great Wall Fund, Changjiang Securities, Shenyin & Wanguo Paris	Business operation and strategic development of the Company
2011-01-18	Headquarter	Field investigation	Schroder Investment Management Limited	Business operation and strategic development of the Company
2011-01-18	Headquarter	Field investigation	Alliance Bernstein	Business operation and strategic development of the Company
2011-01-18	Headquarter	Field investigation	Eton Park Asia Limited	Business operation and strategic development of the Company
2011-01-18	Headquarter	Field investigation	JF Assets Management Company	Business operation and strategic development of the Company
2011-01-19	Headquarter	Field investigation	Morgan Stanley, SAC, GIC	Business operation and strategic development of the Company
2011-01-19	Headquarter	Field investigation	Noonday Asset Management	Business operation and strategic development of the Company
2011-01-19	Headquarter	Field investigation	Goldman Sachs, PMA	Business operation and strategic development of the Company
2011-01-28	Headquarter	Field investigation	Janus Capital	Business operation and strategic development of the Company
2011-02-16	Headquarter	Field investigation	Nomura Securities, Samsung Securities	Business operation and strategic development of the Company
2011-02-18	Headquarter	Field investigation	Fidelity Funds	Business operation and strategic development of the Company
2011-02-18	Headquarter	Field investigation	Credit Suisse	Business operation and strategic development of the Company
2011-02-21	Headquarter	Field investigation	TRS of Texas	Business operation and strategic development of the Company
2011-02-21	Headquarter	Field investigation	Nomura Securities	Business operation and strategic development of the Company
2011-02-23	Headquarter	Field investigation	WADDELL—REED	Business operation and strategic development of the Company
2011-02-28	Headquarter	Field investigation	AMP Capital	Business operation and strategic development of the Company
2011-04-13	Headquarter	Field investigation	MUFG	Business operation and strategic development of the Company
2011-04-13	Headquarter	Field investigation	China Investment Corporation, Nomura Securities	Business operation and strategic development of the Company
2011-04-13	Headquarter	Field investigation	Value Partners	Business operation and strategic development of the Company
2011-04-14	Headquarter	Field investigation	Aberdeen	Business operation and strategic development of the Company
2011-04-14	Headquarter	Field investigation	Sumitomo Mitsui Trust Bank	Business operation and strategic development of the Company
2011-04-14	Headquarter	Field investigation	Abu Dhabi, Huatai-PineBridge	Business operation and strategic development of the Company
2011-04-14	Headquarter	Field investigation	Fidelity Funds	Business operation and strategic development of the Company
2011-04-22	Headquarter	Field investigation	QVT	Business operation and strategic development of the Company
2011-04-22	Headquarter	Field investigation	Union Life, JANUS capital, Nomura Securities	Business operation and strategic development of the Company
2011-04-25	Headquarter	Field investigation	Ziff Brothers	Business operation and strategic development of the Company
2011-05-09	Headquarter	Field investigation	RBS	Business operation and strategic development of the Company
2011-05-09	Headquarter	Field investigation	Galaxy Asset management co., Ltd.,	Business operation and strategic development of the Company
2011-05-11	Headquarter	Field investigation	JF Assets Management Company	Business operation and strategic development of the Company
2011-05-13	Headquarter	Field investigation	Fidelity Funds	Business operation and strategic development of the Company
2011-05-18	Headquarter	Field investigation	DWS Investment, Fuh Hwa Securities Investment Trust, KCM	Business operation and strategic development of the Company
2011-05-20	Headquarter	Field investigation	Deutch Bank, AnTai Securities	Business operation and strategic development of the Company

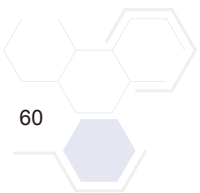
Time of reception	Place of reception	Method of reception	Reception party	Content of discussion and information provided
2011-05-20	Headquarter	Field investigation	CICC	Business operation and strategic development of the Company
2011-05-23	Headquarter	Field investigation	Morgan Stanley	Business operation and strategic development of the Company
2011-05-23	Headquarter	Field investigation	Haitong Securities	Business operation and strategic development of the Company
2011-05-31	Headquarter	Field investigation	CITIC Securities, Essence Securities	Business operation and strategic development of the Company
2011-06-03	Headquarter	Field investigation	Teachers Insurance and Annuity Association	Business operation and strategic development of the Company
2011-06-07	Headquarter	Field investigation	Sino-US MetLife Insurance Company Ltd.	Business operation and strategic development of the Company
2011-06-08	Headquarter	Field investigation	Ping An Securities	Business operation and strategic development of the Company
2011-06-08	Headquarter	Field investigation	GF Securities, Sun Life Everbright Life Insurance	Business operation and strategic development of the Company
2011-06-10	Headquarter	Field investigation	Hua Tai United Securities	Business operation and strategic development of the Company
2011-06-10	Headquarter	Field investigation	Guosen Securities	Business operation and strategic development of the Company
2011-06-10	Headquarter	Field investigation	China Universal	Business operation and strategic development of the Company
2011-06-13	Headquarter	Field investigation	China Universal, Changjiang Pension Insurance, Everbright Securities, SWS MU Fund	Business operation and strategic development of the Company
2011-06-16	Headquarter	Field investigation	Merchants Securities and its clients	Business operation and strategic development of the Company
2011-06-17	Headquarter	Field investigation	Hillhouse Capital	Business operation and strategic development of the Company
2011-06-17	Headquarter	Field investigation	CICC and its clients	Business operation and strategic development of the Company
2011-06-22	Headquarter	Field investigation	Credit Suisse and its clients	Business operation and strategic development of the Company
2011-06-22	Headquarter	Field investigation	Macquarie Securities	Business operation and strategic development of the Company
2011-06-23	Headquarter	Field investigation	UBS and its clients	Business operation and strategic development of the Company
2011-06-23	Headquarter	Field investigation	UBS and its clients	Business operation and strategic development of the Company
2011-06-24	Headquarter	Field investigation	BOC International and its clients	Business operation and strategic development of the Company
2011-07-01	Headquarter	Field investigation	CITIC Securities and its clients	Business operation and strategic development of the Company
2011-07-29	Headquarter	Field investigation	Invesco Great Wall Fund, Merchants Securities	Business operation and strategic development of the Company
2011-08-01	Headquarter	Field investigation	Guotai Junan Securities, J-HIGH Investment, Polaris International Securities Investment Trust, Jianghai Securities, Fuh Hwa Securities Investment Trust, China Universal	Business operation and strategic development of the Company
2011-09-01	Headquarter	Field investigation	Clients of Goldman Sachs	Business operation and strategic development of the Company
2011-09-01	Headquarter	Field investigation	Morgan Stanley	Business operation and strategic development of the Company
2011-09-09	Headquarter	Field investigation	CLSA	Business operation and strategic development of the Company
2011-09-09	Headquarter	Field investigation	ICBC Credit Suisse	Business operation and strategic development of the Company
2011-09-15	Headquarter	Field investigation	Xiangcai Securities	Business operation and strategic development of the Company
2011-09-16	Headquarter	Field investigation	Credit Suisse	Business operation and strategic development of the Company
2011-09-20	Headquarter	Field investigation	Alliance Bernstein LP, Citi Securities	Business operation and strategic development of the Company
2011-09-21	Headquarter	Field investigation	Daiwa Securities	Business operation and strategic development of the Company
2011-09-22	Headquarter	Field investigation	GF Fund	Business operation and strategic development of the Company
2011-09-27	Headquarter	Field investigation	CITIC Securities	Business operation and strategic development of the Company
2011-09-27	Headquarter	Field investigation	Azentus Capital	Business operation and strategic development of the Company
2011-09-28	Headquarter	Field investigation	Trivest Advisors	Business operation and strategic development of the Company

Time of reception	Place of reception	Method of reception	Reception party	Content of discussion and information provided
2011-09-28	Headquarter	Field investigation	Morgan Stanley	Business operation and strategic development of the Company
2011-10-11	Headquarter	Field investigation	Tiger Asia Management	Business operation and strategic development of the Company
2011-10-28	Headquarter	Field investigation	Dacheng Fund	Business operation and strategic development of the Company
2011-11-01	Headquarter	Field investigation	CLSA	Business operation and strategic development of the Company
2011-11-02	Headquarter	Field investigation	Greenheart Capital	Business operation and strategic development of the Company
2011-11-03	Headquarter	Field investigation	Bosera Funds	Business operation and strategic development of the Company
2011-11-03	Headquarter	Field investigation	Clients of UBS	Business operation and strategic development of the Company
2011-11-08	Headquarter	Field investigation	Rong Tong Fund	Business operation and strategic development of the Company
2011-11-09	Headquarter	Field investigation	Amiya Capital	Business operation and strategic development of the Company
2011-11-10	Headquarter	Field investigation	GF Securities	Business operation and strategic development of the Company
2011-11-15	Headquarter	Field investigation	JS Cresvale Securities	Business operation and strategic development of the Company
2011-11-16	Headquarter	Field investigation	KGI	Business operation and strategic development of the Company
2011-11-23	Headquarter	Field investigation	Haitong Securities	Business operation and strategic development of the Company
2011-11-25	Headquarter	Field investigation	Guotai Junan Securities and its clients	Business operation and strategic development of the Company
2011-12-01	Headquarter	Field investigation	Sinolink Securities and its clients	Business operation and strategic development of the Company
2011-12-05	Headquarter	Field investigation	CLSA	Business operation and strategic development of the Company
2011-12-06	Headquarter	Field investigation	Hua An Fund, New China Life Insurance Co., Ltd., Guo Hua Life Insurance Co., Ltd., Baosteel Group, Youngor, Shanghai Runke Industrial	Business operation and strategic development of the Company
2011-12-07	Headquarter	Field investigation	Fidelity Funds	Business operation and strategic development of the Company
2011-12-09	Headquarter	Field investigation	CITIC Securities and its clients	Business operation and strategic development of the Company
2011-12-14	Headquarter	Field investigation	Merchants Securities and its clients	Business operation and strategic development of the Company
2011-12-15	Headquarter	Field investigation	Revo Capital	Business operation and strategic development of the Company
2011-12-21	Headquarter	Field investigation	Macquarie Securities	Business operation and strategic development of the Company
2011-12-21	Headquarter	Field investigation	China Dragon Securities	Business operation and strategic development of the Company





Section XI Financial Statements >>



I. The Company's financial statements of year 2011 have been audited by Deloitte Touche Tohmatsu CPA Ltd. by issuing the standard unqualified auditors' report (De Shi Bao (Shen) Zi (12) No. P0456), which is signed by Ms. Zhou Hua and Ms. Hu Yuan Yuan, certified public accountants. According to the auditors' report, the financial statements of SAIC Motor Corporation Limited present fairly, in all material respects, the financial position of SAIC Motor Corporation Limited as of December 31, 2011, and the results of its operations and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises (the financial statements and the notes to the financial statements are enclosed).

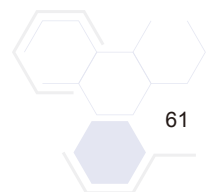
II. Changes in accounting policies and accounting estimates and correction of accounting errors during the reporting period.

1 Changes in accounting policies and accounting estimates

There were no changes in accounting policies or accounting estimates during the reporting period.

2 Correction of accounting errors

There were no significant corrections of accounting errors during the reporting period.



Auditors' Report

De Shi Bao (Shen) Zi (12) No. P0456

To the shareholders of SAIC Motor Corporation Limited:

We have audited the accompanying financial statements of SAIC Motor Corporation Limited ("SAIC Motor"), which comprise the consolidated and the company's balance sheets as of December 31, 2011, and the consolidated and the company's income statements, the consolidated and the company's statements of changes in shareholders' equity and the consolidated and the company's cash flow statements for the year then ended, and the notes to the financial statements.

1. Management's responsibility for the financial statements

Management of SAIC Motor is responsible for the preparation and fair presentation of these financial statements. This responsibility includes: (1) preparing the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises to achieve fair presentation of the financial statements. (2) designing, implementing and maintaining internal control that is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

2. Auditor's responsibility

Our responsibility is to express an audit opinion on these financial statements based on our audit. We conducted our audit in accordance with China Standards on Auditing. China Standards on Auditing require that we comply with the Code of Ethics for Chinese Certified Public Accountants and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

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

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

3. Opinion

In our opinion, the consolidated and the company's financial statements of SAIC Motor present fairly, in all material respects, the consolidated and the company's financial position of SAIC Motor as of December 31, 2011, and the consolidated and the company's results of operations and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

Deloitte Touche Tohmatsu CPA Ltd.



Shanghai, China

Chinese Certified Public Accountant

Zhou Hua



Chinese Certified Public Accountant

Hu Yuan Yuan



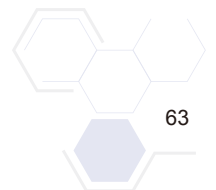
March 28, 2012

Consolidated Balance Sheet

SAIC Motor Corporation Limited

Unit: RMB

Item	Notes	December 31, 2011	December 31, 2010 (Restated)
Current assets:			
Cash and bank balances	(VI)1	72,158,565,902.59	70,767,220,774.07
Held-for-trading financial assets	(VI)2	759,037,792.49	1,987,042,093.66
Notes receivable	(VI)3	40,149,264,950.36	30,723,101,403.68
Accounts receivable	(VI)4	11,970,414,523.06	10,610,498,057.68
Prepayments	(VI)5	12,747,982,507.24	13,487,245,280.03
Interest receivable		50,477,438.92	134,757,342.15
Dividends receivable	(VI)6	284,205,442.47	18,477,184.75
Other receivables	(VI)7	1,312,578,894.68	1,311,254,558.48
Financial assets purchased under resell agreements	(VI)8	-	2,102,601,956.17
Inventories	(VI)9	29,256,881,018.66	23,870,135,241.29
Non-current assets due within one year	(VI)10	4,769,633,200.78	2,166,877,184.61
Other current assets	(VI)11	17,773,919,874.60	18,767,721,205.67
Total current assets		191,232,961,545.85	175,946,932,282.24
Non-current assets:			
Loans and advances	(VI)12	4,991,064,063.15	2,516,378,508.21
Available-for-sale financial assets	(VI)13	13,971,073,896.98	18,507,919,058.60
Long-term receivables	(VI)14	1,493,933,041.71	784,862,520.78
Long-term equity investments	(VI)15.16	31,253,326,919.56	26,355,037,014.20
Investment properties	(VI)17	2,917,637,809.76	2,549,446,309.82
Fixed assets	(VI)18	36,691,546,772.91	34,402,525,312.27
Construction in progress	(VI)19	8,829,598,188.54	5,613,181,677.72
Intangible assets	(VI)20	8,192,067,057.29	7,216,144,073.14
Development expenditure	(VI)20	591,746,656.39	1,025,320,922.91
Goodwill	(VI)21	610,981,577.53	539,414,935.53
Long-term prepaid expenses		868,650,265.74	540,707,915.92
Deferred tax assets	(VI)22	8,231,601,934.06	7,147,702,918.71
Other non-current assets	(VI)23	8,756,991,265.60	1,899,029,218.93
Total non-current assets		127,400,219,449.22	109,097,670,386.74
TOTAL ASSETS		318,633,180,995.07	285,044,602,668.98

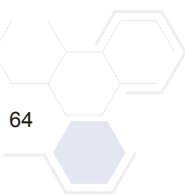


Consolidated Balance Sheet - Continued

SAIC Motor Corporation Limited

Unit: RMB

Item	Notes	December 31, 2011	December 31, 2010 (Restated)
Current liabilities:			
Short-term borrowings	(VI)25	5,859,252,494.44	7,750,709,507.53
Customer deposits and deposits from banks and other financial institutions	(VI)26	18,424,507,736.80	17,286,752,907.37
Taking from banks and other financial institutions	(VI)27	3,000,000,000.00	2,430,000,000.00
Held-for-trading financial liabilities	(VI)28	4,263,656.99	61,058,097.54
Notes payable	(VI)29	5,024,404,818.28	3,974,662,562.90
Accounts payable	(VI)30	73,210,344,869.39	63,654,121,637.57
Receipts in advance	(VI)31	17,683,150,343.49	16,847,026,875.24
Financial assets sold under repurchase agreements	(VI)32	1,164,995,527.20	1,559,999,125.00
Employee benefits payable	(VI)33	5,055,127,687.75	3,930,019,392.03
Taxes payable	(VI)34	2,826,063,790.18	4,871,547,101.85
Interest payable		77,265,024.10	52,267,882.74
Dividends payable	(VI)35	6,247,188,138.59	5,692,648,369.71
Other payables	(VI)36	17,596,663,320.76	14,998,847,249.33
Non-current liabilities due within one year	(VI)37	5,690,380,898.61	5,361,539,910.07
Other current liabilities	(VI)38	649,193,934.99	461,213,415.43
Total current liabilities		162,512,802,241.57	148,932,414,034.31
Non-current liabilities:			
Long-term borrowings	(VI)39	1,863,486,345.64	3,140,926,341.48
Bonds payable	(VI)40	5,767,289,001.11	5,516,575,696.11
Long-term payables	(VI)41	34,714,909.22	36,777,784.10
Provisions	(VI)42	4,018,687,590.91	3,596,679,667.11
Deferred tax liabilities	(VI)22	1,072,456,595.13	1,228,073,621.36
Special payables	(VI)43	2,495,841,706.90	2,165,857,755.34
Other non-current liabilities	(VI)44	7,751,585,763.85	6,914,568,658.15
Total non-current liabilities		23,004,061,912.76	22,599,459,523.65
TOTAL LIABILITIES		185,516,864,154.33	171,531,873,557.96



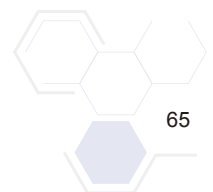
Consolidated Balance Sheet - Continued

SAIC Motor Corporation Limited

Unit: RMB

Item	Notes	December 31, 2011	December 31, 2010 (Restated)
SHAREHOLDERS' EQUITY:			
Share capital	(VI)45	11,025,566,629.00	9,242,421,691.00
Capital reserve	(VI)46	42,172,495,420.74	46,814,590,226.81
Surplus reserve	(VI)47	9,804,048,604.86	6,686,014,651.38
Retained earnings	(VI)48	39,220,503,321.39	24,175,780,319.71
Translation differences arising on translation of financial statements denominated in foreign currencies		139,700,747.19	(4,312,957.44)
Total shareholders' equity attributable to shareholders of the Company		102,362,314,723.18	86,914,493,931.46
Minority interests		30,754,002,117.56	26,598,235,179.56
TOTAL SHAREHOLDERS' EQUITY		133,116,316,840.74	113,512,729,111.02
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		318,633,180,995.07	285,044,602,668.98

The accompanying notes form part of the financial statements.

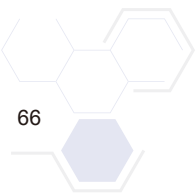


Balance Sheet of the Company

SAIC Motor Corporation Limited

Unit: RMB

Item	Notes	December 31, 2011	December 31, 2010
Current assets:			
Cash and bank balances		27,755,933,364.63	21,126,904,062.35
Notes receivable	(XII)1	826,562,626.00	515,793,601.50
Accounts receivable	(XII)2	258,541,719.86	153,460,769.56
Prepayments		1,044,438,463.49	220,791,344.63
Dividends receivable		7,115,098,097.88	5,773,478,779.81
Other receivables	(XII)3	578,272,823.10	697,925,011.99
Inventories	(XII)4	1,513,378,422.24	1,825,397,723.96
Non-current assets due within one year		347,157,910.00	-
Other current liabilities		3,486,800,000.00	4,612,200,000.00
Total current liabilities		42,926,183,427.20	34,925,951,293.80
Non-current assets:			
Available-for-sale financial assets	(XII)5	4,384,246,255.53	15,303,610.80
Long-term receivables		359,947,933.16	-
Long-term equity investments	(XII)6,7	62,915,530,416.21	38,087,522,474.80
Investment properties	(XII)8	361,861,010.45	218,383,107.94
Fixed assets	(XII)9	3,924,191,415.81	3,976,145,991.69
Construction in progress	(XII)10	868,520,301.69	570,487,682.51
Intangible assets	(XII)11	2,474,743,364.82	1,680,304,290.35
Development expenditure	(XII)11	512,022,144.50	1,021,840,010.92
Other non-current assets		2,209,585,263.85	71,589,033.09
Total non-current assets		78,010,648,106.02	45,641,576,202.10
TOTAL ASSETS		120,936,831,533.22	80,567,527,495.90



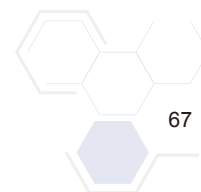
Balance sheet of the Company- Continued

SAIC Motor Corporation Limited

Unit: RMB

Item	Notes	December 31, 2011	December 31, 2010
Current liabilities:			
Short-term borrowings	(XII)12	64,508,000.00	-
Accounts payable		5,233,994,922.80	4,656,929,187.29
Receipts in advance		283,303,282.95	360,304,810.34
Employee benefits payable	(XII)13	806,032,309.34	281,233,095.96
Taxes payable		(39,608,651.66)	(12,479,191.58)
Other payables		350,742,778.27	670,657,573.27
Non-current liabilities due within one year	(XII)14	1,496,921,614.94	2,194,457,019.40
Total current liabilities		8,195,894,256.64	8,151,102,494.68
Non-current liabilities:			
Long-term borrowings	(XII)15	31,900,000.00	1,219,800,000.00
Bonds payable		5,767,289,001.11	5,516,575,696.11
Provisions	(XII)16	292,913,100.26	219,796,144.01
Deferred tax liabilities	(XII)17	71,653,649.82	109,260,645.58
Special payables	(XII)18	987,830,000.00	-
Other non-current liabilities	(XII)19	4,679,594,504.03	982,901,813.57
Total non-current liabilities		11,831,180,255.22	8,048,334,299.27
TOTAL LIABILITIES		20,027,074,511.86	16,199,436,793.95
SHAREHOLDERS' EQUITY			
Share capital		11,025,566,629.00	9,242,421,691.00
Capital reserve	(XII)20	50,751,624,399.32	29,734,788,447.06
Surplus reserve		9,804,048,604.86	6,686,014,651.38
Retained earnings		29,328,517,388.18	18,704,865,912.51
TOTAL SHAREHOLDERS' EQUITY		100,909,757,021.36	64,368,090,701.95
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		120,936,831,533.22	80,567,527,495.90

The accompanying notes form part of the financial statements.



Consolidated Income Statement

SAIC Motor Corporation Limited

Unit: RMB

Item	Notes	Year Ended December 31, 2011	Year Ended December 31, 2010(Restated)
I. Total operating income		434,803,949,080.55	365,724,431,806.96
Including: Operating income	(VI)49	433,095,484,273.94	364,983,328,165.82
Interest income	(VI)50	1,659,646,963.42	707,657,128.43
Fee and commission income	(VI)51	48,817,843.19	33,446,512.71
II. Total operating costs		406,246,596,344.05	343,444,479,224.34
Including: Operating costs	(VI)49	351,870,300,190.34	295,210,758,189.54
Interest expenses	(VI)50	308,857,110.78	220,875,430.26
Fee and commission expenses	(VI)51	10,287,121.53	2,511,478.81
Less: Business taxes and levies	(VI)52	11,054,303,145.06	8,433,849,047.61
Selling expenses	(VI)53	22,850,791,963.07	21,928,817,280.37
Administrative expenses	(VI)54	19,115,699,860.52	15,235,510,954.96
Financial expenses	(VI)55	42,775,595.66	455,710,576.71
Impairment losses on assets	(VI)56	993,581,357.09	1,956,446,266.08
Add: Gain (loss) from changes in fair values	(VI)57	(325,823,779.35)	296,856,288.27
Investment income	(VI)58	13,451,965,891.04	10,770,291,801.80
Including: Income from investments in associates and joint ventures		11,930,530,545.40	9,271,418,392.03
Foreign exchange gains		13,994,783.99	15,335,153.71
III. Operating Profit		41,697,489,632.18	33,362,435,826.40
Add: Non-operating income	(VI)59	685,402,805.63	619,440,761.13
Less: Non-operating expenses	(VI)60	354,729,650.92	818,312,649.14
Including: Losses from disposal of non-current assets		192,614,722.33	72,084,894.58
IV. Total profit		42,028,162,786.89	33,163,563,938.39
Less: Income tax expenses	(VI)61	7,038,531,753.70	4,631,107,749.76
V. Net profit		34,989,631,033.19	28,532,456,188.63
Including: Net profit of acquiree before the business combination under common control	(XII)1(1)	6,595,787,011.66	5,827,219,957.14
Net profit attributable to shareholders of the Company		20,221,866,457.55	16,389,781,473.15
Profit or loss attributable to minority interests		14,767,764,575.64	12,142,674,715.48
VI. Earnings per share:			
(I) Basic earnings per share	(VI)62	1.834	1.591
(II) Diluted earnings per share	(VI)62	1.834	1.591
VII. Other comprehensive income(loss)	(VI)63	(2,622,769,405.64)	(51,305,971.70)
VIII. Total comprehensive income		32,366,861,627.55	28,481,150,216.93
Total comprehensive income attributable to shareholders of the Company		17,714,185,460.26	16,145,675,135.69
Total comprehensive income attributable to minority interests		14,652,676,167.29	12,335,475,081.24

The accompanying notes form part of the financial statements.

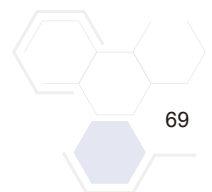
Income Statement of the Company

SAIC Motor Corporation Limited

Unit: RMB

Item	Notes	Year Ended December 31, 2011	Year Ended December 31, 2010
I. Operating income	(XII)21	15,852,597,646.60	18,833,430,245.49
II. Operating costs	(XII)21	13,858,782,344.52	15,350,394,953.25
Business taxes and levies		483,553,125.94	637,268,619.68
Selling expenses		892,881,242.58	1,782,969,038.25
Administrative expenses		3,639,702,653.36	2,688,215,183.98
Financial expenses		263,529,500.70	341,480,774.42
Impairment losses of assets	(XII)22	226,312,200.00	552,155,000.00
Add: Investment income	(XII)23	19,011,292,440.74	15,394,546,001.48
Including: Income from investments in associates and joint ventures		8,731,284,367.76	6,135,374,249.88
III. Operating profit		15,499,129,020.24	12,875,492,677.39
Add: Non-operating income		53,844,038.99	1,881,964.37
Less: Non-operating expenses		410,287.64	139,714,699.76
Including: Losses from disposal of non-current assets		174,675.42	178,205.62
IV. Total profit		15,552,562,771.59	12,737,659,942.00
Less: Income tax expenses		(37,606,995.76)	(35,659,961.84)
V. Net Profit		15,590,169,767.35	12,773,319,903.84
VI. Other comprehensive income (losses)	(XII)24	(161,820,793.28)	(4,906,038.67)
VII. Total comprehensive income		15,428,348,974.07	12,768,413,865.17

The accompanying notes form part of the financial statements.

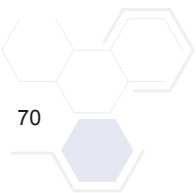


Consolidated Cash Flow Statement

SAIC Motor Corporation Limited

Unit: RMB

Item	Notes	Year Ended December 31, 2011	Year Ended December 31, 2010 (Restated)
I. Cash Flow from Operating Activities:			
Cash receipts from the sale of goods and rendering of services		519,397,335,113.40	445,331,859,857.80
Net increase in customer deposits and deposits from bank and other financial institutions		1,137,754,829.43	7,581,649,950.52
Cash receipts from interests, fees and commissions		1,792,744,709.84	701,708,112.35
Net increase in financial assets sold under repurchase agreements		1,707,598,358.37	-
Receipts of tax refunds		382,355,910.49	197,302,248.45
Net increase in taking from banks and other financial institutions		570,000,000.00	-
Other cash receipts relating to operating activities		1,433,451,790.83	513,108,835.73
Sub-total of cash inflow from operating activities		526,421,240,712.36	454,325,629,004.85
Cash payments for goods purchased and services received		426,790,017,096.22	350,333,834,759.69
Net increase in loans and advances		9,500,408,907.15	4,479,991,544.65
Net increase in balance with the central bank		1,383,607,590.12	4,971,569,757.09
Net decrease in balance taking from banks and other financial institutions		-	470,000,000.00
Net decrease in financial assets sold under repurchase agreements		-	542,602,831.17
Cash payments for interests, fees and commissions		294,147,090.95	218,184,010.08
Cash payments to and on behalf of employees		11,386,063,174.22	10,350,998,743.66
Payments for various types of taxes		36,787,162,698.90	30,619,507,242.86
Other payments relating to operating activities		20,070,490,267.69	22,985,441,770.30
Sub-total of cash outflow relating to operating activities		506,211,896,825.25	424,972,130,659.50
Net Cash Flow from Operating Activities	(VI)66(1)	20,209,343,887.11	29,353,498,345.35



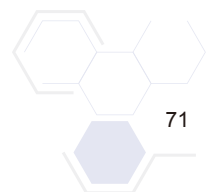
Consolidated Cash Flow Statement- Continued

SAIC Motor Corporation Limited

Unit: RMB

Item	Notes	Year Ended December 31, 2011	Year Ended December 31, 2010 (Restated)
II. Cash Flow from Investing Activities:			
Cash receipts from disposals and recovery of investments		24,787,299,063.78	42,591,349,142.78
Cash receipts from investment income		8,254,200,164.90	5,408,964,645.89
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		1,218,897,798.27	1,014,943,126.05
Cash receipts from acquisition of subsidiaries		14,137,210.20	4,822,419,644.39
Other cash receipts relating to investing activities		774,172,497.56	1,397,593,105.73
Sub-total of cash inflow from investing activities		35,048,706,734.71	55,235,269,664.84
Cash payment to acquire or construct fixed assets, intangible assets and other long-term assets		16,165,173,869.15	10,366,282,419.43
Cash payments to acquire investments		23,717,931,506.15	53,346,349,898.62
Net cash payments for acquisitions of subsidiaries		167,470,577.22	-
Sub-total of cash outflow relating to investing activities		40,050,575,952.52	63,712,632,318.05
Net Cash Flow Used in Investing Activities		(5,001,869,217.81)	(8,477,362,653.21)
III. Cash Flow from Financing Activities:			
Cash receipts from capital contributions		403,677,553.00	10,052,488,560.21
Including: cash receipts from capital contributions from minority owners of subsidiaries		403,677,553.00	68,316,400.23
Cash receipts from borrowings		11,758,250,087.20	12,482,404,535.32
Sub-total of cash inflow from financing activities		12,161,927,640.20	22,534,893,095.53
Cash repayments of borrowings		14,609,255,519.67	7,730,092,558.27
Cash payments for distribution of dividends or profits or settlement of interest expenses		12,576,989,242.07	6,993,545,758.38
Including: payments for distribution dividends or profit to minority owners of subsidiaries		10,224,253,268.05	6,152,151,609.12
Other cash payments relating to financing activities	(VI)65	1,101,643,074.17	141,794,341.29
Sub-total of cash outflow relating to financing activities		28,287,887,835.91	14,865,432,657.94
Net Cash Flow from (Used in) Financing Activities		(16,125,960,195.71)	7,669,460,437.59
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		(113,991,694.87)	(41,880,978.64)
V. Net Increase (Decrease) in Cash and Cash Equivalents		(1,032,477,221.28)	28,503,715,151.09
Add: Opening Balance of Cash and Cash Equivalents		60,559,755,095.06	32,056,039,943.97
VI. Closing Balance of Cash and Cash Equivalents	(VI)66(2)	59,527,277,873.78	60,559,755,095.06

The accompanying notes form part of the financial statements.

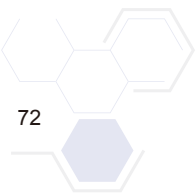


Cash Flow Statement of the Company

SAIC Motor Corporation Limited

Unit: RMB

Item	Notes	Year Ended December 31, 2011	Year Ended December 31, 2010
I. Cash Flow from Operating activities:			
Cash receipts from the sale of goods and rendering of services		18,125,764,842.82	21,573,006,578.00
Other cash receipts relating to operating activities		293,281,231.81	166,492,063.08
Sub-total cash inflow from operating activities		18,419,046,074.63	21,739,498,641.08
Cash payments for goods purchased and services received		15,939,315,938.53	16,719,861,806.15
Cash payments to and on behalf of employees		861,248,323.11	892,867,866.84
Payments of various types of taxes		931,779,172.94	1,088,873,345.38
Other cash payments relating to operating activities		2,981,126,654.42	2,705,033,728.82
Sub-total cash outflow relating to operating activities		20,713,470,089.00	21,406,636,747.19
Net Cash Flow from (Used in) Operating Activities	(XII)25	(2,294,424,014.37)	332,861,893.89
II. Cash Flow from Investing Activities:			
Cash receipts from disposal and recovery of investments		6,216,891,120.80	960,786,760.28
Cash receipts from investment income		14,230,731,530.25	8,070,729,092.79
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		29,665,250.42	1,486,890.49
Other cash receipts relating to investing activities		-	121,250,000.00
Sub-total cash flow from investing activities		20,477,287,901.47	9,154,252,743.56
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		904,081,461.38	1,253,769,837.77
Cash payments to acquire investments		9,956,241,613.17	1,601,032,890.25
Sub-total cash outflow relating to investing activities		10,860,323,074.55	2,854,802,728.02
Net Cash Flow from Investing Activities		9,616,964,826.92	6,299,450,015.54



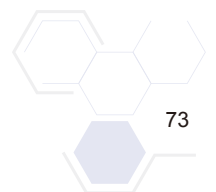
Cash Flow Statement of the Company- Continued

SAIC Motor Corporation Limited

Unit: RMB

Item	Notes	Year Ended December 31, 2011	Year Ended December 31, 2010
III. Cash Flow from Financing Activities			
Cash receipts from capital contributions		3,148,266,295.15	9,984,172,159.98
Cash receipts from borrowings		184,508,000.00	1,037,900,000.00
Sub-total cash inflow from financing activities		3,332,774,295.15	11,022,072,159.98
Cash repayments of borrowings		2,000,000,000.00	1,000,000,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses		2,006,792,966.91	534,093,390.77
Sub-total cash outflow relating to financing activities		4,006,792,966.91	1,534,093,390.77
Net Cash Flow from (Used in) Financing Activities		(674,018,671.76)	9,487,978,769.21
IV. Effect of Foreign Exchange Rate on Cash and Cash Equivalents		(19,492,838.51)	(12,451,132.84)
V. Net Increase in Cash and Cash Equivalents		6,629,029,302.28	16,107,839,545.80
Add: Opening balance of cash and cash equivalents		21,126,904,062.35	5,019,064,516.55
VI. Closing Balance of Cash and Cash Equivalents	(XII)25	27,755,933,364.63	21,126,904,062.35

The accompanying notes form part of the financial statements.





Consolidated Statement of Changes in Shareholders' Equity

Year Ended December 31, 2011

SAIC Motor Corporation Limited

Unit: RMB

Item	Shareholders' equity attributable to shareholders of the Company							Minority interests	Total shareholders' equity
	Share capital	Capital reserve	Surplus reserve	Retained earnings	Transition differences arising on translation of financial statements denominated in foreign currencies	Sub-total			
Balance as of January 1, 2011	9,242,421,691.00	46,814,590,226.81	6,686,014,651.38	24,175,780,319.71	(4,312,957.44)	86,914,493,931.46	26,598,235,179.56	113,512,729,111.02	
Changes during the year	1,783,144,938.00	(4,642,094,806.07)	3,118,033,953.48	15,044,723,001.68	144,013,704.63	15,447,820,791.72	4,155,766,938.00	19,603,587,729.72	
(I) Net profit	-	-	-	20,221,866,457.55	-	20,221,866,457.55	14,767,764,575.64	34,989,631,033.19	
(II) Other comprehensive income	-	(2,651,694,701.92)	-	-	144,013,704.63	(2,507,680,997.29)	(115,088,408.35)	(2,622,769,405.64)	
Sub-total of (I) and (II)	-	(2,651,694,701.92)	-	20,221,866,457.55	144,013,704.63	17,714,185,460.26	14,652,676,167.29	32,366,861,627.55	
(III) Shareholders' contribution	1,783,144,938.00	(1,844,573,252.49)	-	-	-	(61,428,314.49)	403,677,553.00	342,249,238.51	
(IV) Profit distribution	-	2,715,353.43	3,118,033,953.48	(5,225,385,563.48)	-	(2,104,636,256.57)	(11,029,859,399.10)	(13,134,495,655.67)	
1. Appropriation of surplus reserve	-	-	3,118,033,953.48	(3,118,033,953.48)	-	-	-	-	
2. Distribution to shareholders	-	-	-	(1,848,484,338.20)	-	(1,848,484,338.20)	(10,651,645,411.93)	(12,500,129,750.13)	
3. Others	-	2,715,353.43	-	(258,867,271.80)	-	(256,151,918.37)	(378,213,987.17)	(634,365,905.54)	
(V) Others	-	(148,542,205.09)	-	48,242,107.61	-	(100,300,097.48)	129,272,616.81	28,972,519.33	
1. Effect of business combination involving enterprises under common control during the year	-	(111,647,080.89)	-	48,242,107.61	-	(63,404,973.28)	(8,027,444.31)	(71,432,417.59)	
2. Changes due to acquisition of minority interests in subsidiaries during the year	-	(36,895,124.20)	-	-	-	(36,895,124.20)	(50,866,975.80)	(87,782,100.00)	
3. Increase due to business combination not involving enterprises under common control during the year	-	-	-	-	-	-	188,187,036.92	188,187,036.92	
Balance as of December 31, 2011	11,025,566,629.00	42,172,495,420.74	9,804,048,604.86	39,220,503,321.39	139,700,747.19	102,362,314,723.18	30,754,002,117.56	133,116,316,840.74	

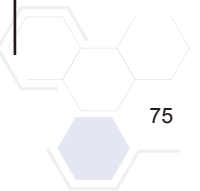
Consolidated Statement of Changes in Shareholders' Equity

Year Ended December 31, 2010

Item	Shareholders' equity attributable to shareholders of the Company							Minority interests	Total shareholders' equity
	Share capital	Capital reserve	Surplus reserve	Retained profit	Transition differences arising on translation of financial statements denominated in foreign currencies	Sub-total			
Balance as of January 1, 2010	6,551,029,090.00	39,531,098,285.45	4,131,350,670.62	10,872,951,831.40	(23,190,641.87)	61,063,239,235.60	12,505,372,162.80	73,568,611,398.40	
Changes during the year	2,691,392,601.00	7,283,491,941.36	2,554,663,980.76	13,302,828,488.31	18,877,684.43	25,851,254,695.86	14,092,863,016.76	39,944,117,712.62	
(I) Net profit	-	-	-	16,389,781,473.15	-	16,389,781,473.15	12,142,674,715.48	28,532,456,188.63	
(II) Other comprehensive income	-	(262,984,021.89)	-	-	18,877,684.43	(244,106,337.46)	192,800,365.76	(51,305,971.70)	
Sub-total of (I) and (II)	-	(262,984,021.89)	-	16,389,781,473.15	18,877,684.43	16,145,675,135.69	12,335,475,081.24	28,481,150,216.93	
(III) Shareholders' contribution	724,906,180.00	9,259,265,979.98	-	-	-	9,984,172,159.98	68,316,400.23	10,052,488,560.21	
(IV) Profit distribution	-	1,599,426.67	2,554,663,980.76	(3,086,952,984.84)	-	(530,689,577.41)	(9,280,341,869.99)	(9,811,031,447.40)	
1. Appropriation of surplus reserve	-	-	2,554,663,980.76	(2,554,663,980.76)	-	-	-	-	
2. Distribution to shareholders	-	-	-	(327,747,736.85)	-	(327,747,736.85)	(8,982,665,328.46)	(9,320,413,065.31)	
3. Others	-	1,599,426.67	-	(204,541,267.23)	-	(202,941,840.56)	(287,676,541.53)	(490,618,382.09)	
(V) Transfer within shareholders' equity	1,966,486,421.00	(1,966,486,421.00)	-	-	-	-	-	-	
1. Capitalization of capital reserve	1,966,486,421.00	(1,966,486,421.00)	-	-	-	-	-	-	
(VI) Others	-	252,096,977.60	-	-	-	252,096,977.60	10,969,413,405.28	11,221,510,382.88	
1. Increase due to business combination involving enterprises under common control during the year	-	251,795,198.01	-	-	-	251,795,198.01	(6,900,053.25)	244,895,144.76	
2. Changes due to acquisition of minority interests in subsidiaries during the year	-	301,779.59	-	-	-	301,779.59	(5,028,421.36)	(4,726,641.77)	
3. Increase due to business combination not involving enterprises under common control for the year	-	-	-	-	-	-	10,981,341,879.89	10,981,341,879.89	
Balance as of December 31, 2010	9,242,421,691.00	46,814,590,226.81	6,686,014,651.38	24,175,780,319.71	(4,312,957.44)	86,914,493,931.46	26,598,235,179.56	113,512,729,111.02	

SAIC Motor Corporation Limited

Unit: RMB





Statement of Changes in Shareholders' Equity of the Company

Year Ended December 31, 2011

SAIC Motor Corporation Limited	Unit: RMB					
Item	Share capital	Capital reserve	Surplus reserve	Retained profit	Total shareholders'	
Balance as of January 1, 2011	9,242,421,691.00	29,734,788,447.06	6,686,014,651.38	18,704,865,912.51	64,368,090,701.95	
Changes during the year	1,783,144,938.00	21,016,835,952.26	3,118,033,953.48	10,623,651,475.67	36,541,666,319.41	
(I) Net profit	-	-	-	15,590,169,767.35	15,590,169,767.35	
(II) Other comprehensive income (loss)	-	(161,820,793.28)	-	-	(161,820,793.28)	
Sub-total of (I) and (II)	-	(161,820,793.28)	-	15,590,169,767.35	15,428,348,974.07	
(III) Shareholders' contribution	1,783,144,938.00	21,178,656,745.54	-	-	22,961,801,683.54	
(IV) Profit distribution	-	-	3,118,033,953.48	(4,966,518,291.68)	(1,848,484,338.20)	
1. Appropriation of surplus reserve	-	-	3,118,033,953.48	(3,118,033,953.48)	-	
2. Distribution to shareholders	-	-	-	(1,848,484,338.20)	(1,848,484,338.20)	
Balance as of December 31, 2011	11,025,566,629.00	50,751,624,399.32	9,804,048,604.86	29,328,517,388.18	100,909,757,021.36	

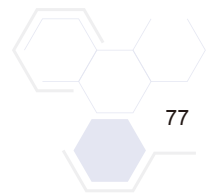
Statement of Changes in Shareholders' Equity of the Company

Year Ended December 31, 2010

Item	Share capital	Capital reserve	Surplus reserve	Retained profit	Total shareholders'
Balance as of January 1, 2010	6,551,029,090.00	22,446,914,926.75	4,131,350,670.62	8,813,957,726.28	41,943,252,413.65
Changes during the year	2,691,392,601.00	7,287,873,520.31	2,554,663,980.76	9,890,906,186.23	22,424,838,288.30
(I) Net profit	-	-	-	12,773,319,903.84	12,773,319,903.84
(II) Other comprehensive income (loss)	-	(4,906,038.67)	-	-	(4,906,038.67)
Sub-total of (I) and (II)	-	(4,906,038.67)	-	12,773,319,903.84	12,768,413,865.17
(III) Shareholders' contribution	724,906,180.00	9,259,265,979.98	-	-	9,984,172,159.98
(IV) Profit distribution	-	-	2,554,663,980.76	(2,882,411,717.61)	(327,747,736.85)
1. Appropriation of surplus reserve	-	-	2,554,663,980.76	(2,554,663,980.76)	-
2. Distribution to shareholders	-	-	-	(327,747,736.85)	(327,747,736.85)
(V) Transfer within shareholders' equity	1,966,486,421.00	(1,966,486,421.00)	-	-	-
1. Capitalization of capital reserve	1,966,486,421.00	(1,966,486,421.00)	-	-	-
Balance as of December 31, 2010	9,242,421,691.00	29,734,788,447.06	6,686,014,651.38	18,704,865,912.51	64,368,090,701.95

SAIC Motor Corporation Limited

Unit: RMB



I. GENERAL

SAIC Motor Corporation Limited (hereinafter referred to as the "Company") is a joint stock limited company exclusively initiated by Shanghai Automotive Industry Corporation (Group) (hereinafter referred to as "SAIC") as approved by [1997] No.41 issued by Shanghai Municipal People's Government and by Hu Zheng Si [1997] No.104 issued by Shanghai Securities Management Office. The Company received the legal entity business license with Registration No. 310000000000840, and the operating period is infinite. On November 7, 1997, as approved by China Securities Regulatory Commission (hereinafter referred to as "CSRC") with Zheng Jian Fa Zi [1997] No. 500, the Company issued the domestic shares that are listed in China (A Share) to the public for trading in the market, with the stock code of 600104.

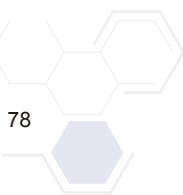
After the establishment, the Company has undertaken quite a few equity transactions. As of January 1, 2010, the Company's total share capital was RMB 6,551,029,090.00, in 6,551,029,090 shares, of which the SAIC held 5,171,549,456 shares, accounting for 78.94% of the total shares, Yuejin Motor Group Corporation (hereinafter referred to as "Yuejin") held 320,000,000 shares, accounting for 4.88% of the total shares, and remaining shares held by the public were 1,059,479,634 shares, accounting for 16.18% of the total shares.

From December 31, 2009 to January 7, 2010, SAIC CWB1 warrants that were issued by the Company in 2007 (See Note (VI) 40) entered into exercise period. According to the relevant announcements of the Company, each investor who held one SAIC CWB1 warrant was entitled to subscribe one share of the Company at RMB 26.91 per share during 5 trading days from December 31, 2009 to January 7, 2010. Until the closing on January 7, 2010, a total of 3,925,647 SAIC CWB1 warrants were successfully exercised, and thus the Company raised total funds of RMB 105,639,160.77. After deducting the issuance costs of RMB 316,917.48, actual net proceeds were RMB 105,322,243.29, including share capital of RMB 3,925,647.00 and capital reserve of RMB 101,396,596.29. After this exercise, the Company's total shares were increased by 3,925,647 shares, and total share capital rose to RMB 6,554,954,737.00.

On March 2, 2010, Shanghai State-owned Assets Supervision and Administration Commission (hereinafter referred to as "SASAC") approved SAIC's transfer of 40,306,600 shares to Yuejin by endorsing "Approval of Transfer of the Shares of SAIC Motor Corporation Limited by a State-owned Shareholder" (Guo Zi Chan Quan [2010] No. 84) issued by SASAC of the State Council with Hu Zi Chan Quan [2010] No. 68. After the transfer of the state-owned shares, the Company still had 6,554,954,737 shares in issue.

On June 9, 2010, the Company transferred capital reserve into share capital by issuing 3 new shares for each 10 existing shares on the basis of the total 6,554,954,737 shares in issue. 1,966,486,421 shares were issued and the Company had 8,521,441,158 shares in issue after the capitalization.

On November 26, 2010, CSRC approved the Company's non-public issue of shares with "Approval of Non-public Issue of Shares of SAIC Motor Corporation Limited" (Zheng Jian Xu Ke [2010] No. 1717). Accordingly, the Company issued 720,980,533 A shares at RMB 13.87 per share (with par value of RMB 1.00 per share) to 10 investors, including SAIC, the controlling shareholder. The Company raised total funds of RMB 9,999,999,992.71, and received net proceeds of RMB 9,878,849,916.69 after deducting the issuance costs of RMB 121,150,076.02. Of the net proceeds, RMB 720,980,533.00 was recorded in share capital and RMB 9,157,869,383.69 was recorded in capital reserve. After the non-public issue of 720,980,533 shares, number of shares of the Company was increased to 9,242,421,691 shares and total share capital was RMB 9,242,421,691.00, of which, SAIC, Yuejin and other public shareholders held 6,742,713,768 shares, 468,398,580 shares and 2,031,309,343 shares, respectively, accounting for 72.95%, 5.07% and 21.98% of the total shares, respectively.



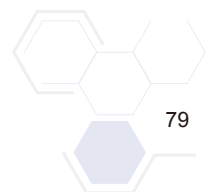
On April 1, 2011, "Proposal of Assets Acquisition through Share Issue and Related Party Transactions of SAIC Motor Corporation Limited" was approved by the 4th session of the board of the Company on the 26th meeting. According to the resolution, the Company is approved to acquire assets from SAIC and Shanghai Automotive Industry Co., Ltd. (hereinafter referred to as "SAIC Ltd") through issuing shares to SAIC and SAIC Ltd. According to "Assets Acquisition through Share Issue Agreement" entered into between the Company, SAIC and SAIC Ltd on April 1, 2011, the Company was to issue shares to SAIC and SAIC Ltd to acquire assets and equity investments related to business of independent supply of auto parts, automotive service and trading and new energy automotive owned by SAIC and SAIC Ltd (hereinafter referred to as the "Transaction"). On May 11, 2011, "Proposal of Assets Acquisition through Share Issue and Related Party Transaction of the Company" and "Proposal of Signing 'Supplement Agreement of Assets Acquisition through Share Issue'" were approved by the 4th session of the board of the Company on the 29th meeting. The Company, SAIC and SAIC Ltd signed Supplemental Agreement of Assets Acquisition through Share Issue on the same day. On May 20, 2011, Shanghai SASAC approved the Transaction with "Approval of the Non-public Issue of Shares of SAIC Motor Corporation Limited" (Hu Guo Zi Wei Chan Quan [2011] No. 187). On May 27, 2011, "Proposal of Assets Acquisition through Share Issue and Related Party Transaction" and "Proposal of Signing 'Assets Acquisition through Share Issue Agreement' and 'Supplemental Agreement of Assets Acquisition through Share Issue'" were approved by the second temporary general meeting of shareholders of 2011. On September 9, 2011, CSRS approved the Transaction with "Approval of Assets Acquisition through Share Issue" (Zheng Jian Xu Ke [2011] No. 1431).

On December 13, 2011, the Company signed "Delivery Memorandum" with SAIC and SAIC Ltd, and completed the delivery of assets of the Transaction on the same day. On December 27, 2011, the Company completed the issue of 1,783,144,938 shares, including 1,448,736,163 shares issued to SAIC and 334,408,775 shares issued to SAIC Ltd. On December 28, 2011, the Company received the Security Change Registration Certificate issued by Shanghai Branch of China Security Depository and Clearing Corporation Limited for the above share issue.

After the Transaction, Company has 11,025,566,629 shares in issue, with share capital of RMB 11,025,566,629.00, of which SAIC holds 8,191,449,931 shares, accounting for 74.30% of the total shares, Yuejin holds 468,398,580 shares, accounting for 4.25% of the total shares, SAIC Ltd holds 334,408,775 shares, accounting for 3.03% of the total shares, and other public shareholders hold 2,031,309,343 shares, accounting for 18.42% of the total shares.

Business scope of the Company includes manufacturing and sales of automobiles, motorcycles, tractors and other motor vehicles, and power trains and automobile parts, domestic trading (except those under special provisions), advisory services, export of self-manufactured products and technology, import of machinery and equipments, spare parts, raw and supplementary materials, and technology needed in the business operating (except goods and technology forbidden to import and export by Chinese government), rental of cars and machinery and equipments, industrial investment, periodical publishing, advertisements in the Company's own media, import and export business of goods and technology (subject to the license if the Company's business relates to licensing).

The Company's parent company is SAIC, which is a state-owned enterprise supervised by Shanghai SASAC.



II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1 Basis of preparation of financial statements

The Company and its subsidiaries (hereinafter collectively referred to as the "Group") adopt Accounting Standards for Business Enterprises (hereinafter referred to as "ASBE") issued by the Ministry of Finance of the People's Republic of China on February 15, 2006. In addition, the Group discloses financial information in accordance with "Information Disclosure and Preparation and Reporting Rules for Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reporting (Revised in 2010)".

Basis of accounting and principle of measurement

The Group has adopted the accrual basis of accounting. Except for certain financial instruments which are measured at fair value, the Group adopts the historical cost as the principle of measurement in the financial statements. Where assets are impaired, provisions for asset impairment are made in accordance with relevant requirements.

2 Statement of compliance with ASBE

The financial statements of the Company have been prepared in accordance with ASBE, and present truly and completely, the consolidated and the Company's financial position as of December 31, 2011, and the consolidated and the Company's results of operations and cash flows for the year then ended.

3 Accounting period

The Group has adopted the calendar year as its accounting year, i.e. from January 1 to December 31.

4 Functional currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries choose RMB as their functional currency. The Company's foreign subsidiaries determine their functional currencies in accordance with the currencies in the primary economic environment where they operate. The Group adopts RMB to prepare its financial statements.

5 The accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

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

5.1 Business combination involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities obtained shall be measured at their respective carrying amounts as recorded by the combining entities at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination is adjusted to the share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss in the period in which they are incurred.

5.2 Business combination not involving enterprises under common control and goodwill

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination.

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. The intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other associated administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred. Where a business combination not involving enterprises under



common control is achieved in stages that involve multiple transactions, the cost of combination is the sum of the consideration paid at the acquisition date and the fair value at the acquisition date of the acquirer's previously held interest in the acquiree. The equity interest in the acquiree held before the acquisition date is re-measured at its fair value at the acquisition date, with any difference between its fair value and its carrying amount being recognized as investment income. The other comprehensive income of the acquiree before the acquisition date relating to the previously held interest in the acquiree is transferred to investment income.

The acquiree's identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria shall be measured at fair value at the acquisition date. Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognized as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognizes the remaining difference immediately in profit or loss for the current period.

Goodwill arising on a business combination is measured at cost less accumulated impairment losses, and is presented separately in the consolidated financial statements. It is tested for impairment at least at the end of each year.

For the purpose of impairment testing, goodwill is considered together with the related assets group(s), i.e., goodwill is reasonably allocated to the related assets group(s) or each of assets group(s) expected to benefit from the synergies of the combination. An impairment loss is recognized if the recoverable amount of the assets group or sets of assets groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such assets group or sets of assets groups, and then to the other assets of the group pro-rata on the basis of the carrying amount of each asset (other than goodwill) in the group.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset. An asset's fair value is the price in a sale agreement in an arm's length transaction. If there is no sale agreement but an asset is traded in an active market, fair value is the current bid price. If there is no sale agreement or active market for an asset, fair value is assessed based on the best information available. Costs of disposal include legal costs related to the disposal of the asset, related taxes, costs of removing the asset and direct costs to bring the asset into condition for its sale. The present value of expected future cash flows of an asset shall be determined by estimating the future cash flows to be derived from continuing use of the asset and from its ultimate disposal and applying the appropriate discount rate to those future cash flows.

The impairment of goodwill is recognized in profit or loss for the period in which it is incurred and will not be reversed in any subsequent period.

6 Preparation of consolidated financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control. Control is the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its operating activities.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

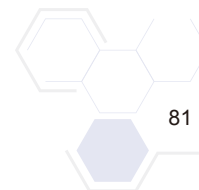
For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate, and no adjustment is made to the opening balances and comparative figures in the consolidated financial statements.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control or the party being absorbed under merger by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

All significant intra-group balances and transactions are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "minority interests" in the consolidated balance sheet within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to minority interests is presented as "minority interests" in the consolidated income statement below the "net profit" line item.



When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount are still allocated against minority interests.

Acquisition of minority interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Company's interests and minority interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the minority interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve under owners' equity. If the capital reserve is not sufficient to absorb the difference, the excess are adjusted against retained earnings.

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between the aggregate of the consideration received on disposal and the fair value of any retained interest and the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognized as investment income in the period in which control is lost. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

7 Recognition criteria of cash and cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

8 Translation of transactions and financial statement denominated in foreign currencies

8.1 Transactions denominated in foreign currencies

A foreign currency transaction is recorded, on initial recognition, by applying the spot exchange rate on the date of the transaction.

At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognized in profit or loss for the period, except that (1) exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period; (2) exchange differences related to hedging instruments for the purpose of hedging against foreign currency risks are accounted for using hedge accounting; (3) exchange differences arising from available-for-sale non-monetary items (such as shares) denominated in foreign currencies and changes in the carrying amounts (other than the amortized cost) of available-for-sale monetary items are recognized as other comprehensive income and included in capital reserve.

When the consolidated financial statements include foreign operation(s), if there is foreign currency monetary item constituting a net investment in a foreign operation, exchange difference arising from changes in exchange rates are recognized as "exchange differences arising on translation of financial statements denominated in foreign currencies" in owner's equity, and in profit and loss for the period upon disposal of the foreign operation.

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions and the amounts in functional currency remain unchanged. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes of exchange rate) and is recognized in profit and loss or as other comprehensive income included in capital reserve.

8.2 Translation of financial statements denominated in foreign currencies

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; shareholders' equity items except for retained earnings are translated at the spot exchange rates at the dates on which such items arose; all items in the income statement as well as items reflecting the distribution of profits are translated at the spot exchange rates on the dates of the transactions; the opening balance of retained earnings is the translated closing balance of the previous year's retained earnings; the closing balance of retained earnings is calculated and presented on the basis of each translated income statement and profit distribution item. The difference between the translated assets and the aggregate of liabilities and shareholders' equity items is separately presented as the exchange differences arising on translation of financial statements denominated in foreign currencies under the shareholders' equity in the balance sheet.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at the spot exchange rate on the date of the cash. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the cash flow statement as "effect of exchange rate changes on cash and cash equivalents".

The opening balances and the comparative figures of previous year are presented at the translated amounts in the previous year's financial statements.

On disposal of the Group's entire interest in a foreign operation, or upon a loss of control over a foreign operation due to disposal of certain interest in it or other reasons, the Group transfers the accumulated exchange differences arising on translation of financial statements of this foreign operation attributable to the owners' equity of the Company and presented under shareholders' equity, to profit or loss in the period in which the disposal occurs.

In case of a disposal or other reason that does not result in the Group losing control over a foreign operation, the proportionate share of accumulated exchange differences arising on translation of financial statements are re-attributed to minority interests and are not recognized in profit and loss. For partial disposals of equity interests in foreign operations which are associates or joint ventures, the proportionate share of the accumulated exchange differences arising on translation of financial statements of foreign operations is reclassified to profit or loss.

9 Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognized in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognized amounts.

9.1 Determination of fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. For a financial instrument which has an active market, the Group uses the quoted price in the active market to establish its fair value. For a financial instrument which has no active market, the Group establishes fair value by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

9.2 Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, using the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial asset or financial liability (without considering future credit losses), and also considers all fees paid or received between the parties to the contract giving rise to the financial asset and financial liability that are an integral part of the effective interest rate, transaction costs, and premiums or discounts, etc.

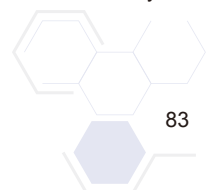
9.3 Classification, recognition and measurement of financial assets

On initial recognition, the Group's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

9.3.1 Financial Assets at Fair Value through Profit or Loss ("FVTPL")

Financial assets at FVTPL include financial assets held for trading and those designated as at fair value through profit or loss.

A financial asset is classified as held for trading if one of the following conditions is satisfied: (1) It has been acquired principally for the purpose of selling in the near term; or (2) On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual pattern of short-term profit-taking; or (3) It is a derivative that is not designated and effective as a hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured.



A financial asset may be designated as at FVTPL upon initial recognition only when one of the following conditions is satisfied: (1) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise result from measuring assets or recognizing the gains or losses on them on different bases; or (2) The financial asset forms part of a group of financial assets or a group of financial assets and financial liabilities, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is reported to key management personnel on that basis.

Financial assets at FVTPL are subsequently measured at fair value. Any gains or losses arising from changes in the fair value and any dividend or interest income earned on the financial assets are recognized in profit or loss.

9.3.2 Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group's management has the positive intention and ability to hold to maturity.

Held-to-maturity investments are subsequently measured at amortized cost using the effective interest method. Gain or loss arising from derecognition, impairment or amortization is recognized in profit or loss.

9.3.3. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets classified as loans and receivables by the Group include notes receivable, accounts receivable, interest receivable, dividends receivable, and other receivables.

Loans and receivables are subsequently measured at amortized cost using the effective interest method. Gain or loss arising from derecognition, impairment or amortization is recognized in profit or loss.

9.3.4. Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are designated on initial recognition as available for sale, and financial assets that are not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

Available-for-sale financial assets are subsequently measured at fair value, and gains or losses arising from changes in the fair value are recognized as other comprehensive income and included in the capital reserve, except that impairment losses and exchange differences related to amortized cost of monetary financial assets denominated in foreign currencies are recognized in profit or loss, until the financial assets are derecognized, at which time the gains or losses are released and recognized in profit or loss.

Interests obtained and the dividends declared by the investee during the period in which the available-for-sale financial assets are held, are recognized in investment gains.

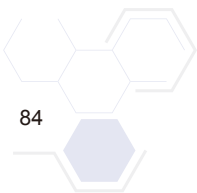
For investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivative financial assets that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost.

9.4 Impairment of financial assets

The Group assesses at each balance sheet date the carrying amounts of financial assets other than those at fair value through profit or loss. If there is objective evidence that a financial asset is impaired, the Group determines the amount of any impairment loss. Objective evidence that a financial asset is impaired is evidence that, arising from one or more events that occurred after the initial recognition of the asset, the estimated future cash flows of the financial asset, which can be reliably measured, have been affected.

Objective evidence that a financial asset is impaired includes the following observable events:

- (1) Significant financial difficulty of the issuer or obligor;
- (2) A breach of contract by the borrower, such as a default or delinquency in interest or principal payments;
- (3) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting a concession to the borrower;
- (4) It becoming probable that the borrower will enter bankruptcy or other financial reorganizations;
- (5) The disappearance of an active market for that financial asset because of financial difficulties of the issuer;
- (6) Upon an overall assessment of a group of financial assets, observable data indicates that there is a measurable decrease in the



estimated future cash flows from the group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group. Such observable data includes:

- Adverse changes in the payment status of borrower in the group of assets;
- Economic conditions in the country or region of the borrower which may lead to a failure to pay the group of assets;
- (7) Significant adverse changes in the technological, market, economic or legal environment in which the issuer operates, indicating that the cost of the investment in the equity instrument may not be recovered by the investor;
- (8) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost;
- (9) Other objective evidence indicating there is an impairment of a financial asset.

- Impairment of financial assets measured at amortized cost

If financial assets carried at amortized cost are impaired, the carrying amounts of the financial assets are reduced to the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of reduction is recognized as an impairment loss in profit or loss. If, subsequent to the recognition of an impairment loss on financial assets carried at amortized cost, there is objective evidence of a recovery in value of the financial assets which can be related objectively to an event occurring after the impairment is recognized, the previously recognized impairment loss is reversed. However, the reversal is made to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For a financial asset that is individually significant, the Group assesses the asset individually for impairment. For a financial asset that is not individually significant, the Group assesses the asset individually for impairment or includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. 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 reassesses them for impairment. Assets for which an impairment loss is individually recognized are not included in a collective assessment of impairment.

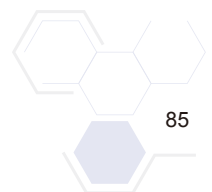
- Impairment of available-for-sale financial assets

When an available-for-sale financial asset is impaired, the cumulative loss arising from decline in fair value previously recognized directly in capital reserve is reclassified from the capital reserve to profit or loss. The amount of the cumulative loss that is reclassified from capital reserve to profit or loss is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

If, subsequent to the recognition of an impairment loss on available-for-sale financial assets, there is objective evidence of a recovery in value of the financial assets which can be related objectively to an event occurring after the impairment is recognized, the previously recognized impairment loss is reversed. The amount of reversal of impairment loss on available-for-sale equity instruments is recognized as other comprehensive income and included in the capital reserve, while the amount of reversal of impairment loss on available-for-sale debt instruments is recognized in profit or loss.

- Impairment of financial assets measured at cost

If an impairment loss has been incurred on an investment in unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured, or on a derivative financial asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the carrying amount of the financial asset is reduced to the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The amount of reduction is recognized as an impairment loss in profit or loss. The impairment loss on such financial asset is not reversed once it is recognized.



9.5 Transfer of financial assets

The Group derecognizes a financial asset if one of the following conditions is satisfied:

- (1) the contractual rights to the cash flows from the financial asset expire;
- (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee;
- (3) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control of the financial asset, it recognizes the financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes an associated liability. The extent of the Group's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the carrying amount of the financial asset transferred; and (2) the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognized in other comprehensive income, is recognized in profit or loss.

If a part of the transferred financial asset qualifies for derecognition, the carrying amount of the transferred financial asset is allocated between the part that continues to be recognized and the part that is derecognized, based on the respective fair values of those parts. The difference between (1) the carrying amount allocated to the part derecognized; and (2) the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income, is recognized in profit or loss.

9.6 Classification, recognition and measurement of financial liabilities

Debt and equity instruments issued by the Group are classified into financial liabilities or equity on the basis of the substance of the contractual arrangements and definitions of financial liability and equity instrument.

On initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

9.6.1 Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL consist of financial liabilities held for trading and those designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if one of the following conditions is satisfied:

- (1) It has been acquired principally for the purpose of repurchasing in the near term;
- (2) On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual pattern of short-term profit-taking;
- (3) It is a derivative, except for a derivative that is a designated and effective hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured.

A financial liability may be designated as at FVTPL upon initial recognition only when one of the following conditions is satisfied: (1) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise result from measuring liabilities or recognizing the gains or losses on them on different bases; or (2) The financial liability forms part of a group of financial liabilities or a group of financial assets and financial liabilities, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is reported to key management personnel on that basis.

Financial liabilities at FVTPL are subsequently measured at fair value. Any gains or losses arising from changes in the fair value or any dividend or interest expenses related to the financial liabilities are recognized in profit or loss.

9.6.2 Other financial liabilities

For a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured, it is subsequently measured at cost. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with gain or loss arising from derecognition or amortization recognized in profit or loss.



9.6.3. Financial guarantee contracts

A financial guarantee contract is a contract by which the guarantor and the lender agree that the guarantor would settle the debts or bear obligations in accordance with terms of the contract in case the borrower fails to settle the debts. Financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss are initially measured at their fair values less the directly attributable transaction costs. Subsequent to initial recognition, they are measured at the higher of: (i) the amount determined in accordance with Accounting Standard for Business Enterprises No. 13-Contingencies; and (ii) the amount initially recognized less cumulative amortization recognized in accordance with the principles set out in Accounting Standard for Business Enterprises No. 14-Revenue.

9.7 Derecognition of Financial Liabilities

The Group derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

9.8 Derivatives and embedded derivatives

Derivative financial instruments include forward exchange contracts etc. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently re-measured at fair value. The resulting gain or loss is recognized in profit or loss unless the derivative is designated and highly effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

An embedded derivative is separated from the hybrid instrument, where the hybrid instrument is not designated as a financial asset or financial liability at fair value through profit or loss, and treated as a standalone derivative if 1) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract; and 2) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative. If the Group is unable to measure the embedded derivative separately either at acquisition or at a subsequent balance sheet date, it designates the entire hybrid instrument as a financial asset or financial liability at fair value through profit or loss.

9.8.1 Convertible loan notes

Convertible loan notes issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition. Conversion option that is settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

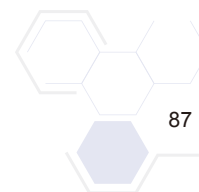
On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible loan notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity instrument, is included in capital reserve (other capital reserve-share conversion option).

In subsequent periods, the liability component of the convertible loan notes is carried at amortized cost using the effective interest method. The conversion option classified as equity remains in equity. No gain or loss is recognized in profit or loss upon conversion or expiration of the option.

Transaction costs incurred for the issue of convertible loan notes are allocated to the liability component and equity component in proportion to their respective fair values. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and amortized over the period of the convertible loan notes using the effective interest method.

9.9 Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.



9.10 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The consideration received from issuing equity instruments, net of transaction costs, are added to shareholders' equity.

All types of distributions (excluding stock dividends) made by the Group to holders of equity instruments are deducted from shareholders' equity. The Group does not recognize any changes in the fair value of equity instruments.

10 Receivables

10.1 Receivables that are individually significant and for which bad debt provision is individually assessed

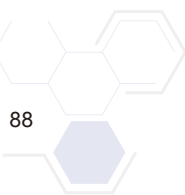
Basis or monetary criteria for determining an individually significant receivable	A receivable that exceeds RMB 100 million or other receivable that exceeds RMB 50 million is deemed as an individually significant receivable by the Group.
Method of determining provision for receivables that are individually significant and for which bad debt provision is individually assessed	For receivables that are individually significant, the Group assesses the receivables individually for impairment. For a financial asset that is not impaired individually, the Group includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Receivables for which an impairment loss is individually recognized are not included in a collective assessment of impairment.

10.2 Receivables that are not individually significant but for which bad debt provision is individually assessed

Reasons for individual bad debt provision	The receivables that prove the impairment of financial assets due to serious financial difficulties of the debtor and for other reasons are subject to individual assessment, and provision is made for bad debts.
Method of determining provision for receivables	Individual determination method

10.3 Receivables for which bad debt provision is collectively assessed on a portfolio basis

Basis for determining a portfolio	The Group classifies the receivables that are not individually significant and those that are individually significant but are not impaired individually into groups of financial assets according to the similarity and relevance of credit risk characteristics. These credit risks usually reflect the debtors' ability to pay the amounts due at maturity under contractual terms of related assets and are related to the estimation of future cash flows of the assets subject to assessment.
Bad debt provision method for a portfolio	While assessing the provision of bad debt of the Group, the provision is measured in consideration of the structure of the Group, similar credit risk characteristics (the ability of debtor repay the due amount required by the contract), experiences gained in past period, current economic circumstances and the expected impairment of the Group.



11 Inventories

11.1 Categories of inventories

The Group's inventories mainly include materials in transit, raw materials, work in progress, finished goods, etc. Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

11.2 Valuation method of inventories upon delivery

For general trading companies, upon delivery of inventories, the weighted average method is used to assign the actual cost of inventories as for general trading enterprises.

For general manufacturing enterprises, inventories are accounted for using the planned costing method upon delivery. Cost variances are computed at the end of month to adjust planned costs to actual costs.

11.3 Basis for determining net realizable value of inventories and provision methods for decline in value of inventories

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the net realizable value is below the cost of inventories, a provision for decline in value of inventories is made. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. Net realizable value is determined on the basis of clear evidence obtained, and takes into consideration the purposes of holding inventories and effect of post balance sheet events.

For inventories, provision for inventory depreciation is made according to the difference between the cost of an individual inventory item and its realizable net value.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

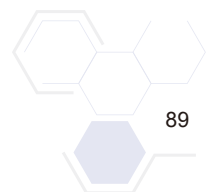
11.4 Inventory count system

The perpetual inventory system is maintained for stock system.

11.5 Amortization method for low cost and short-lived consumable items and packaging materials

Packaging materials and low cost and short-lived consumable items are amortized using the immediate write-off method.

Other reusable materials are amortized using the immediate write-off method.



12 Long-term equity investments

12.1 Determination of investment cost

For a long-term equity investment acquired through a business combination involving enterprises under common control, the investment cost of the long-term equity investment is the attributable share of the carrying amount of the shareholders' equity of the acquiree at the date of combination. For a long-term equity investment acquired through business combination not involving enterprises under common control, the investment cost of the long-term equity investment is the cost of acquisition. For a long-term equity investment acquired through business combination not involving enterprises under common control and achieved in stages, the investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. The long-term equity investment acquired otherwise than through a business combination is initially measured at its cost.

12.2 Subsequent measurement and recognition of profit or loss

12.2.1. Long-term equity investment accounted for using the cost method

For long-term equity investments over which the Group does not have joint control or significant influence and without quoted prices in an active market and that fair values cannot be reliably measured, the Group accounts for such long-term equity investments using the cost method. Besides, long-term equity investments in subsidiaries are accounted for using the cost method in the Company's separate financial statements. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. Except for cash dividends or profits already declared but not yet paid that are included in the price or consideration actually paid upon acquisition of the long-term equity investment, investment income is recognized in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

12.2.2. Long-term equity investment accounted for using the equity method

The Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence and a joint venture is an entity over which the Group exercises joint control along with other investors.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognized in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognizes its share of the net profit or loss of the investee for the period as investment income or loss for the period. The Group recognizes its share of the investee's net profit or loss based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date after making appropriate adjustments to conform with the Group's accounting policies and accounting period. Unrealized profits or losses resulting from the Group's transactions with its associates and joint ventures are recognized as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated. However, unrealized losses resulting from the Group's transactions with its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated. Changes in owners' equity of the investee other than net profit or loss are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognized as other comprehensive income which is included in the capital reserve.

The Group discontinues recognizing its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognized according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognizing its share of those profits only after its share of the profits exceeds the share of losses previously not recognized.

For long-term equity investments in associates and joint ventures which had been held by the Group before its first-time adoption of ASBE on January 01, 2007, where the initial investment cost of a long-term equity investment exceeds the Group's interest in the investee's net assets at the time of acquisition, the excess is amortized and is recognized in profit or loss on a straight line basis over the original remaining life.



12.2.3 Disposal of long-term equity investments

On disposal of a long term equity investment, the difference between the proceeds actually received and receivable and the carrying amount is recognized in profit or loss for the period. For a long-term equity investment accounted for using the equity method, the amount included in the shareholders' equity attributable to the percentage interest disposed is transferred to profit or loss for the period.

12.3 Basis for determining joint control and significant influence over investee

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

12.4 Methods of impairment assessment and determining the provision for impairment loss

The Group reviews the long-term equity investments at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If an impairment indication exists, the recoverable amount is estimated. If such recoverable amount is less than its carrying amount, a provision for impairment losses in respect of the deficit is recognized in profit or loss for the period.

Once an impairment loss is recognized for a long-term equity investment, it will not be reversed in any subsequent period

13 Investment properties

Investment property is property held to earn rentals or for capital appreciation or both. It includes a land use right that is leased out; a land use right held for transfer upon capital appreciation; and a building that is leased out.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.

The Group uses the cost model for subsequent measurement of investment property, and adopts a depreciation or amortization policy for the investment property which is consistent with that for buildings or land use rights.

The Group reviews the investment properties at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If there is any indication that such assets may be impaired, the recoverable amounts are estimated for such assets. Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. If the recoverable amount of an asset or an asset group is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognized in profit or loss for the period.

Once an impairment loss is recognized for an investment property, it will not be reversed in any subsequent period.

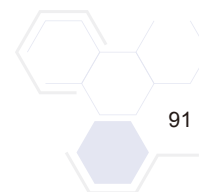
When an investment property is sold, transferred, retired or damaged, the Group recognizes the amount of any proceeds on disposal net of the carrying amount and related taxes in profit or loss for the period.

14 Fixed assets

14.1 Recognition criteria for fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset and if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. Meanwhile the carrying amount of the replaced part is derecognized. Other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.



14.2 Depreciation of each category of fixed assets

A fixed asset is depreciated over its useful life using the straight-line method, the units of production method or the double declining balance method since the month subsequent to the one in which it is ready for intended use. The useful life, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation period (years)	Residual value rate (%)	Annual depreciation rate (%)
Buildings	8 - 50	0-10	1.8 - 12.5
Machinery and equipment	5 - 35	0-10	2.57 - 20
Machinery and equipment	Double declining balance method in a depreciation period of 5 or 10	5	N/A
Electronic equipment	2 - 20	0-18	4.1 - 50
Transportation vehicles	3 - 12	0-18	6.83 - 33.33
Moulds	Using straight-line method or units-of-production method or double declining balance method	0-5	N/A

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

14.3 Methods of impairment assessment and determining the provision for impairment losses of fixed assets

The Group assesses at each balance sheet date whether there is any indication that the fixed assets may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. If the recoverable amount of an asset or an asset group is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognized in profit or loss for the period.

Once the impairment loss of such assets is recognized, it is not be reversed in any subsequent period.

14.4 Identification basis and valuation methods for fixed assets acquired under finance leases

The Group adopts a depreciation policy for a fixed asset held under a finance lease which is consistent with that for its owned fixed asset. If there is reasonable certainty that the Group will obtain ownership of the leased asset at the end of the lease term, the leased asset is depreciated over its useful life. If there is no reasonable certainty that the Group will obtain ownership of the leased asset at the end of the lease term, the leased asset is depreciated over the shorter of the lease term and its useful life.

14.5 Other explanations

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and account for any change as a change in an accounting estimate.

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the period.



15 Construction in progress

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period, borrowing costs capitalized before it is ready for intended use and other relevant costs. Construction in progress is not depreciated. Construction in progress is transferred to a fixed asset when it is ready for intended use.

The Group assesses at each balance sheet date whether there is any indication that construction in progress may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. If the recoverable amount of an asset or an asset group is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognized in profit or loss for the period.

Once the impairment loss of construction in progress is recognized, it is not be reversed in any subsequent period.

16 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally and when the suspension is for a continuous period of more than 3 months. Capitalization is suspended until the acquisition, construction or production of the asset is resumed. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

During the capitalization period, exchange differences related to a specific-purpose borrowing denominated in foreign currency are all capitalized. Exchange differences in connection with general-purpose borrowings are recognized in profit or loss in the period in which they are incurred.

17 Intangible assets

17.1 Intangible assets

Intangible assets include land use rights, patents, trademark and software etc.

An intangible asset is measured initially at cost. When an intangible asset with a finite useful life is available for use, its original cost less net residual value and any accumulated impairment losses is amortized over its estimated useful life using the straight-line method. An intangible asset with an indefinite useful life is not amortized.

For an intangible asset with a finite useful life, the Group reviews the useful life and amortization method at the end of the period, and makes adjustments when necessary.

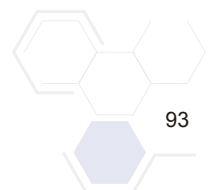
17.2 Research and development expenditure

Expenditure during the research phase is recognized as an expense in the period in which it is incurred.

Expenditure during the development phase that meets all of the following conditions at the same time is recognized as intangible asset.

Expenditure during development phase that does not meet the following conditions is recognized in profit or loss for the period:

- (1) It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (2) The Group has the intention to complete the intangible asset and use or sell it;
- (3) The Group can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;



(4) The availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and

(5) The expenditure attributable to the intangible asset during its development phase can be reliably measured.

If the expenditures cannot be distinguished between the research phase and development phase, the Group recognizes all of them in profit or loss for the period.

17.3 Methods of impairment assessment and determining the provision for impairment losses of intangible assets

The Group assesses at each balance sheet date whether there is any indication that the intangible assets with a finite useful life may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. If the recoverable amount of an asset or an asset group is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognized in profit or loss for the period.

Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

Once the impairment loss of such assets is recognized, it is not be reversed in any subsequent period.

18 Long-term prepaid expenses

Long-term prepaid expenses represent expenses incurred that should be borne and amortized over the current and subsequent periods (together of more than one year). Long-term prepaid expenses are amortized using the straight-line method over the expected periods in which benefits are derived.

19 Assets transferred under repurchase agreements

19.1 Financial assets purchased under resale agreements

Financial assets that have been purchased under agreements with a commitment to resell at a specific future date are not recognized in the balance sheet. The cost of purchasing such assets is presented under "financial assets purchased under resale agreements" in the balance sheet. The difference between the purchasing price and reselling price is recognized as interest income during the term of the agreement using the effective interest method.

19.2 Financial assets sold under repurchase agreements

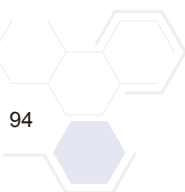
Financial assets sold subject to agreements with a commitment to repurchase at a specific future date are not derecognized in the balance sheet. The proceeds from selling such assets are presented under "financial assets sold under repurchase agreements" in the balance sheet. The difference between the selling price and repurchasing price is recognized as interest expense during the term of the agreement using the effective interest method.

20 Provisions

Provisions are recognized when the Group has a present obligation related to a contingency such as products quality assurance, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the related future cash outflows.

Where all or some of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received, and the amount of reimbursement recognized does not exceed the carrying amount of the provision.



21 Revenue

21.1 Revenue from sale of goods

Revenue from sale of goods is recognized when (1) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods; (2) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (3) the amount of revenue can be measured reliably; (4) it is probable that the associated economic benefits will flow to the Group; and (5) the associated costs incurred or to be incurred can be measured reliably.

21.2 Revenue from rendering of services

Revenue from rendering of services is recognized when (1) the amount of revenue can be measured reliably; (2) it is probable that the associated economic benefits will flow to the enterprise; (3) the stage of completion of the transaction can be determined reliably; and (4) the associated costs incurred or to be incurred can be measured reliably. Revenue from rendering of services is recognized using the percentage of completion method at the balance sheet date. The stage of completion of a transaction for rendering for services is determined based on the proportion that costs incurred to date bear to the estimated total costs of the transaction.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognized only to the extent of the costs incurred that will be recoverable, and the costs incurred are recognized as expenses for the period. When it is not probable that the costs incurred will be recovered, revenue is not recognized.

22 Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognized only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount. A government grant measured at a nominal amount is recognized immediately in profit or loss for the period.

A government grant related to an asset is recognized as deferred income, and evenly amortized to profit or loss over the useful life of the related asset.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income, and recognized in profit or loss over the periods in which the related costs are recognized. If the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the period.

For repayment of a government grant already recognized, if there is related deferred income, the repayment is offset against the carrying amount of the deferred income, and any excess is recognized in profit or loss for the period. If there is no related deferred income, the repayment is recognized immediately in profit or loss for the period.

Relocation compensation received for relocation in the public interests

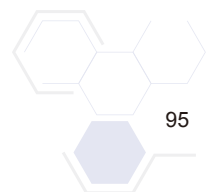
If the Group relocates for the benefits of the public interests such as overall planning of urban and rural areas and receives relocation compensation appropriated by the government directly from its fiscal budget, it recognizes such income as special payable. The income attributable to compensation for losses of fixed assets and intangible assets, related expenses, losses from suspension of production incurred during the relocation and reconstruction period, and purchases of assets after the relocation is transferred from special payable to deferred income and is accounted for as either a government grant related to an asset or a government grant related to income based on its nature. Any surplus of relocation compensation after deducting the amount transferred to deferred income is recognized as capital reserve.

23 Deferred tax assets/ deferred tax liabilities

The income tax expenses include current income tax and deferred income tax.

23.1 Current income tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.



23.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

Deferred tax is generally recognized for all temporary differences. Deferred tax assets for deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, no deferred tax asset or liability is recognized.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future. At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realized or the liability is settled.

Current and deferred tax expenses or income are recognized in profit or loss for the period, except when they arise from transactions or events that are directly recognized in other comprehensive income or in shareholders' equity, in which case they are recognized in other comprehensive income or in shareholders' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

24 Operating leases and finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

24.1 The Group as lessee under operating leases

Operating lease payments are recognized on a straight-line basis over the term of the relevant lease, and are either included in the cost of related asset or charged to profit or loss for the period. Initial direct costs incurred are charged to profit or loss for the period. Contingent rents are charged to profit or loss in the period in which they are actually incurred.

24.2 The Group as lessor under operating leases

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs with more than an insignificant amount are capitalized when incurred, and are recognized in profit or loss on the same basis as rental income over the lease term. Other initial direct costs with an insignificant amount are charged to profit or loss in the period in which they are incurred. Contingent rents are charged to profit or loss in the period in which they actually arise.



24.3 The Group as lessee under finance leases

At the commencement of the lease term, the Group records the leased asset at an amount equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments at the inception of the lease, and recognizes a long-term payable at an amount equal to the minimum lease payments. The difference between the recorded amounts is accounted for as unrecognized finance charge. Besides, initial direct costs that are attributable to the leased item incurred during the process of negotiating and securing the lease agreement are also added to the amount recognized for the leased asset.

Unrecognized finance charges are recognized as finance charge for the period using the effective interest method over the lease term. Contingent rents are credited to profit or loss in the period in which they are actually incurred. The net amount of minimum lease payments less unrecognized finance charges is separated into long-term liabilities and the portion of long-term liabilities due within one year for presentation.

24.4 The Group as lessor under finance leases

At the commencement of the lease term, the aggregate of the minimum lease receivable at the inception of the lease and the initial direct costs is recognized as a finance lease receivable, and the unguaranteed residual value is recorded at the same time. The difference between the aggregate of the minimum lease receivable, the initial direct costs and the unguaranteed residual value, and the aggregate of their present values is recognized as unearned finance income.

Unearned finance income is recognized as finance income for the period using the effective interest method over the lease term. Contingent rents are credited to profit or loss in the period in which they are actually incurred.

The net amount of finance lease receivables less unearned finance income is separated into long-term debts receivable and the portion of long-term debts receivable due within one year for presentation.

25 Employee benefits

In an accounting period in which an employee has rendered service to the Group, the Group recognizes the employee benefits for that service as a liability, except for compensation for termination of employment relationship with the employees.

The Group participates in the employee social security systems, such as basic pensions, medical insurance, housing funds and other social securities established by the government in accordance with relevant requirements. The related expenditures are either included in cost of related assets or charged to profit or loss in the period when they are incurred.

When the Group terminates the employment relationship with employees before the expiry of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy, if the Group has a formal plan for termination of employment relationship or has made an offer for voluntary redundancy which will be implemented immediately, and the Group cannot unilaterally withdraw from the termination plan or the redundancy offer, a provision for the compensation payable arising from the termination of employment relationship with employees is recognized with a corresponding charge to the profit or loss for the period.

26 Debt restructuring

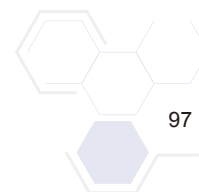
Recording of debt restructuring obligation as the debtor

When a debt is settled by cash in a debt restructuring, the difference between the carrying amount of the debt and the cash actually paid is recognized in profit or loss for the period. When a debt is satisfied by a transfer of non-cash asset(s), the difference between the carrying amount of the debt and the fair value of the non-cash asset(s) transferred is recognized in profit or loss for the period. The difference between the fair value of the non-cash asset(s) transferred and its (their) carrying amount(s) is recognized in profit or loss for the period.

When a debt is converted into capital in a debt restructuring, the difference between the carrying amount of the debt and the fair value of the capital issued to the creditor is recognized in profit or loss for the period.

When a debt restructuring involves the modification of other terms of a debt, the restructured debt is recorded at the fair value of the debt with the modified terms. The difference between the carrying amount of the original debt and the recorded amount of the restructured debt is recognized in profit or loss for the period.

When a debt restructuring adopts a combination of various methods, the carrying amount of the debt is reduced by, and in the sequence of, the cash payment, the fair value of the non-cash asset(s) transferred and the fair value of the capital issued to the creditor, and is then accounted for using the same treatment as the above debt restructuring involving the modification of other terms of a debt.



III. BASIS OF DETERMINING SIGNIFICANT ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTIES IN ACCOUNTING ESTIMATES

In the application of the Group's accounting policies, which are described in Note II, the Group is required to make judgments, estimates and assumptions about the carrying amounts of items in the financial statements that cannot be measured accurately, due to the internal uncertainty of the operating activities. These judgments, estimates and assumptions are based on historical experiences of the Group's management as well as other factors that are considered to be relevant. Actual results may differ from these estimates.

The aforementioned judgments, estimates and assumptions are reviewed regularly on a going concern basis. The effect of a change in accounting estimate is recognized in the period of the change, if the change affects that period only; or recognized in the period of the change and future periods, if the change affects both.

The followings are the critical judgments that the Group has made in the process of applying the accounting policies and that have significant effect on the amounts recognized in the financial statements:

Estimated useful life and residual value of fixed assets

The Group determines the useful life and estimated net residual value of a fixed asset based on the historical experience in the actual useful life and net residual value of fixed assets with similar function and nature and can be significantly changed by technology renovation and other factors. When the estimated useful life and net residual value become shorter/smaller than the current estimate, the Group will change the useful life and estimated residual, and treat it as changes in accounting estimate.

Estimated useful life of internal developed intangible asset

The Group determines the useful life of internal developed intangible assets based on the general development plan, estimation on lifecycle of products and historical experience in the actual useful life of related intangible assets and can be significantly changed by the product elimination and technology renovation. When the estimated useful life becomes shorter, the Group will change the estimated useful life, and treat it as changes in accounting estimate.

Recognition of deferred tax assets

As of December 31, 2011 and December 31, 2010, the Group recognizes deferred tax assets amounting to RMB 8,231,601,934.06 and RMB 7,147,702,918.71, respectively. Utilization of deferred tax assets majorly depends on the future deductible taxable profits and the tax rate of the period when deductible temporary differences are utilized. If it is probable that sufficient taxable profit will not be available in future periods or the applicable tax rate lower than the estimation to allow the benefit of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset is reversed and recognized in the profit or loss. In addition, as stated in Note (VI)22, at the beginning and end of the year, it is uncertain whether the Group could obtain sufficient taxable profits in the future, some deductible losses and deductible temporary differences are not recognized as deferred tax assets.



IV. SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS

1 Information of subsidiaries

(1) Subsidiaries established or acquired through investments

Full name of the subsidiary	Place of incorporation	Registered capital		Business scope	Equity interest held at the year-end (%)		Consolidated or not
		Currency	'000		Directly	Indirectly	
SAIC Motor UK Co., Ltd. ("SAIC UK")(Note)	Birmingham, UK	GBP	5,000	R&D of automobiles	100.00	-	Yes
Jiangsu SAIC Roewe Sales Co., Ltd.	Jiangsu, China	RMB	30,000	Sales of auto, engine and components	90.00	-	Yes
SAIC Motor Transmission Co., Ltd. ("SAIC Transmission")	Shanghai, China	RMB	2,196,500	Manufacturing and sales of automobile transmission and components	100.00	-	Yes
SAIC Motor HK Investment Ltd. ("SAIC HK")	Hong Kong, China	USD	9,900	International trade of auto and critical parts, investment, technical and service trade, training and consulting	100.00	-	Yes
SAIC Motor Commercial Vehicle Co., Ltd. ("SMCV")(Note (IV) 2(2))	Shanghai, China	RMB	1,949,435	Manufacturing of automobiles and components	100.00	-	Yes
SAIC Motor Equity Investment Co., Ltd.	Shanghai, China	RMB	500,000	Equity investment, venture capital investment, industrial consulting, property management	100.00	-	Yes
SAIC Tangshan Bus Co., Ltd.	Hebei, China	RMB	170,000	Develop, design, manufacturing and sales of buses	51.00	-	Yes
SAIC General Motors Sales Co., Ltd. ("SGM Sales")	Shanghai, China	USD	49,000	Sales of automobiles	51.00	-	Yes

Note: Registered capital of SAIC UK is GBP 5,000,000. At the year-end, the actual capital contribution is GBP 3,000,000.



(2) Subsidiaries acquired through business combinations involving enterprises under common control

Full name of the subsidiary	Place of incorporation	Registered capital		Business scope	Equity interest held at the year-end(%)		Consolidated or not
		Currency	'000		Directly	Indirectly	
SAIC-Volkswagen Sales Co., Ltd. ("SVW Sales")	Shanghai,China	USD	29,980	Sales of automobiles and components	50.00	20.00	Yes
SAIC GM Wuiling Co., Ltd. ("SGMW")	Guangxi,China	RMB	1,668,077	Sales and manufacturing of automobiles and components	50.10	-	Yes
China United Automotive System Co., Ltd. ("CN United")	Shanghai,China	RMB	600,620	Manufacturing and sales of electricity-controlled burning oil products	-	53.00	Yes
SAIC Finance Co., Ltd. ("SFC") (Note1)	Shanghai,China	RMB	3,000,000	Financial agent service	98.59	1.41	Yes
Shanghai PengPu Machine Building Plant Co., Ltd. ("Pengpu") (Note 2)	Shanghai,China	RMB	272,989	Manufacturing and sale of engineering machinery facilities	100.00	-	Yes
Shanghai Shenlian Special Purpose Vehicle Co., Ltd. ("Shanghai Shenlian")	Shanghai,China	RMB	30,000	Sales of automobiles and components	51.00	49.00	Yes
DIAS Automotive Electronic Systems Co., Ltd. ("DIAS")	Shanghai,China	RMB	96,000	Manufacturing and sales of auto electric system and components	37.50	59.38	Yes
HUAYU Automotive Systems Co., Ltd. ("HASCO") (Note 3)	Shanghai,China	RMB	2,583,200	Design, manufacturing and sales of components assembly	60.10	-	Yes
Anji Automotive Logistics Co., Ltd. ("Anji Logistics") (Note 3)	Shanghai,China	RMB	500,000	Logistics service for automobiles and components	100.00	-	Yes
Shanghai Automotive Industry Sales Co., Ltd. ("SAIS") (Note 3)	Shanghai,China	RMB	590,880	Sales and purchase of automobiles and components	100.00	-	Yes
Shanghai Automobile Import & Export Co., Ltd. ("SACO") (Note 3)	Shanghai,China	RMB	300,000	Import and export of automobiles and components	100.00	-	Yes
SAIC Information Industrial Investment Co., Ltd. (Note 3)	Shanghai,China	RMB	100,000	IT service of automobiles	100.00	-	Yes
Shanghai Venture Capital Co., Ltd. (Note 3)	Shanghai,China	RMB	919,420	Property investment	100.00	-	Yes
Shanghai Shangyuan Investment Management Co., Ltd. (Note 3)	Shanghai,China	RMB	120,000	Special-designed workshop supplement etc.	100.00	-	Yes
China Automotive Industrial Development Co., Ltd. (Note 3)	Beijing,China	RMB	64,165	Sales and after-sales service of automobiles	100.00	-	Yes
SAIC HK Limited (Note 3)	Hong Kong,China	USD	17,250	Import and export of auto and components	100.00	-	Yes
SAIC Motor North America Co., Ltd. (Note 3)	USA	USD	60	Import and export of components	100.00	-	Yes
SAIC Motor (Beijing) Co., Ltd. (Note3)	Beijing,China	RMB	200,000	Marketing, warehouse and logistics of automobiles	100.00	-	Yes
Shanghai Automobile Asset Management Co., Ltd. (Note 3)	Shanghai,China	RMB	300,000	Property management and innovation services, etc.	100.00	-	Yes
Shanghai International Auto Parts Sourcing Center Co., Ltd. (Note 3)	Shanghai,China	RMB	50,000	Sales of components	80.00	-	Yes
Donghua Automotive Industrial Co., Ltd. ("Donghua") (Note3,4)	Jiangsu,China	RMB	1,083,208	Logistics, import and export, detail services of automobiles	75.00	-	Yes
SAIC Activity Center Co., Ltd. ("Activity Center")(Note3,5)	Shanghai,China	RMB	110,000	Hospitality, beverage and catering services	100.00	-	Yes
Shanghai Automotive News Press Co., Ltd. ("Auto News")(Note3,6)	Shanghai,China	RMB	1,000	Publishing and distribution of <Shanghai Auto News>	100.00	-	Yes
Nanjing Tooling Co., Ltd. (Note 3)	Jiangsu,China	RMB	153,340	Sales and manufacturing of moulds and cutting tools	35.00	30.00	Yes

Note 1: The Company holds 98.59% equity interest in SFC and SAIS holds the remaining 1.41%. Therefore, the Group holds the entire 100% equity interest in SFC.

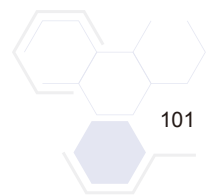
Note 2: The Company held 80% equity interest in Pengpu previously, the remaining 20% equity interest of Pengpu was held by SAIC. In the Transaction as described in Note I, the Company acquired the 20%% equity interest of Pengpu from SAIC. Thus, the Company holds 100% equity interest of Pengpu after the Transaction.

Note 3: See Note (IV)2(1).

Note 4: On March 2011, investors of Donghua made additional capital contribution of RMB 300,000,000, of which RMB 225,000,000 was injected by SAIC in proportion to the equity interest held.

Note 5: In March 2011, Activity Center was transformed into a limited liability company. The total registered capital of Activity Center was changed from RMB 166,000,000 to RMB 110,000,000 after the transformation.

Note 6: In March 2011, Auto News was transformed into a limited liability company. Its registered capital remains RMB 1,000,000.





(3) Subsidiaries acquired through a business combination not involving enterprises under common control

Full name of the subsidiary	Place of incorporation	Registered capital		Business scope	Equity interest held at the year-end (%)		Consolidated or not
		Currency	'000		Directly	Indirectly	
Shanghai General Motors Co., Ltd. ("SGM")	Shanghai, China	USD	1,083,000	Manufacturing and sales of automobiles and components	50.00	1.00	Yes
Shanghai GM Dong Yue Motors Co., Ltd. ("GMDY")	Shandong, China	RMB	1,678,000	Manufacturing and sales of automobiles and components	25.00	50.00	Yes
Shanghai GM Dong Yue Automotive Powertrain Co., Ltd. ("DYPT")	Shandong, China	RMB	3,495,780	Manufacturing and sales of engines-gearbox and components	25.00	50.00	Yes
Shanghai GM (Shenyang) Norsom Motors Co., Ltd. ("Norsom")	Liaoning, China	USD	227,000	Manufacturing and sales of automobiles and components	25.00	50.00	Yes
Shanghai Huizhong Automobile Manufacturing Co., Ltd. ("Huizhong") (refer to Note(V/2/2))	Shanghai, China	RMB	1,488,596	Manufacturing and sales of chassis and components	100.00	-	Yes
Nanjing Automobile (Group) Corporation ("NAGC")	Jiangsu, China	RMB	5,932,215	Development, manufacturing and sales of automobiles, engines and components	100.00	-	Yes
Nanjing Automobile Corporation (UK) Limited	Birmingham, UK	GBP	1	Manufacturing and sales of small buses, wagons, cars and related parts and components	-	100.00	Yes
MG Motor UK Limited	Birmingham, UK	GBP	1	Research, development, manufacturing and sales of small buses, wagons, cars and related parts and components	-	100.00	Yes
Nanjing Nanya Motor Co., Ltd. ("Nanya Motor")	Jiangsu, China	RMB	1,409,470	Manufacturing and sales of small buses, wagons, cars and related parts and components	-	100.00	Yes
Shanghai Diesel Engine Co., Ltd. ("Shanghai Diesel")	Shanghai, China	RMB	480,309	Manufacturing and sales of diesel engines and components	50.32	-	Yes

2 Description on changes in the scope of consolidation

- (1) In the Transaction as described in Note I, the Company acquired subsidiaries including HASCO and other entities (see Note (XI)1(1) for more details). The Company has restated the financial statements of prior year according to the accounting treatment of business combination involving enterprises under common control. Such subsidiaries are included in the consolidation scope of the financial statement of the current year and the prior year.
- (2) On January 11, 2011, as approved by the 4th session of the board of the Company on 22nd meeting, Huizhong was split off by establishing SMCV. The name, place of incorporation and business scope of Huizhong remain unchanged and the registered capital was changed from RMB 1,418,735,000 to RMB 822,735,000. Registered capital of SMCV, the newly establish subsidiary, was RMB 596,000,000. SMCV has been included in the consolidation scope of the consolidated financial statements since its establishment. On October 31, 2011, Shanghai Wanzhong Auto Parts Manufacturing Co., Ltd. ("Wanzhong"), a former fully owned subsidiary of the Company, was merged by Huizhong. Accordingly, registered capital of Huizhong was increased to RMB 1,488,596,000. Wanzhong was liquidated afterwards.

Except for the events stated above and in Note (XI)1, there were no other major changes of scope of consolidation during the current year.

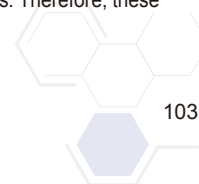
V. TAXES

Major categories of taxes and tax rates of the Group:

Category of tax	Basis of tax computation	Tax rate
VAT	Sales of good and service	13% or 17%
Consumption tax	Sales of automobiles from production	1% - 40%
Business tax	Taxable revenue	3%, 5% - 20%
Enterprise income tax	Taxable income	As stated below

Tax rates of the Company and major subsidiaries of the current year are as follows :

- (1) According to "Enterprise Income Tax Law of the People's Republic of China" promulgated on March 16, 2007 (hereinafter referred to as "New EIT Law") and other related regulations, the Company is recognized as a High-Technology Enterprise which is qualified to get the state's special support. For the years from 2008 to 2010, applicable income tax rate for the Company was 15%. For the current year, the Company passed the review for High-Technology Enterprise and has obtained the No. GF201131000554 certificate (dated as October 20, 2011 with 3 years' validity). Therefore, the applicable income tax rate for the Company is 15% for the current year.
- (2) SGM is a manufacturing enterprise registered in Pudong New District, Shanghai and is subject to enterprise income tax rate is 24% for the current year.
- (3) GMDY and DYPT are manufacturing enterprises located in coastal economic development district and are subject to enterprise income tax rate is 24% for the current year.
- (4) Norsom is a manufacturing enterprise located in Dadong district, Shenyang. The applicable income tax rate is 24% for the current year. The incremental registered capital, which is over USD 60 million, associated with investment project made by Norsom in June 2005 (hereinafter referred to as "Second-phase Investment of Norsom") was considered as additional investment by foreign invested enterprises under encouraged project category. Income from the additional investment alone is qualified for income tax reduction or exemption during a fixed-interval period. The Second-phase Investment of Norsom is entitled for "exempted from income tax for two years starting from its first profit-making year, followed by a 50% reduction for the next three years" preferential tax policy since year 2008. It is the second year of the Second-phase Investment of Norsom for Norsom to enjoy 50% income tax reduction, i.e. the enterprise income tax rate is 12% for the current year.
- (5) SGMW is located in Liuzhou, Guangxi Province, which is covered in grand western development area. The management of SGMW considers it can continue to enjoy the tax reduction benefits for grand western development enterprises in 2011. Therefore, SGMW is subject to the enterprise income tax rate is 24% for the current year.
- (6) According to the New EIT Law and other related regulations, SAIC Transmission and Shanghai Diesel were recognized as High-Technology Enterprises which is qualified to get the state's special support in 2008. For the years from 2008 to 2010, applicable income tax rate for such companies was 15%. In 2011, these companies passed the review for High-Technology Enterprise and have obtained the certificates. Therefore, these companies are subjected to the enterprise income tax rate of 15% for the current year.



- (7) Huizhong was recognized as High-Technology Enterprises which is qualified to get the state's special support in 2009, and is entitled for enjoying enterprise income tax rate of 15% from 2009 to 2011.
- (8) CN United is registered in Pudong New District, Shanghai, and subjected to the enterprise income tax rate of 24% for the current year.
- (9) According to the New EIT Law, SVW Sales, SFC, NAGC, HASCO, SMCV, Anji Logistics, SAIS and SACO are subject to the enterprise income tax rate of 25%.
- (10) The applicable income tax rates for overseas subsidiaries are regulated by tax laws in respective jurisdiction.

VI. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Cash and bank balances

Item	December 31, 2011			December 31, 2010		
	Foreign currency	Exchange rate	Amount in RMB	Foreign currency	Exchange rate	Amount in RMB
Cash:						
RMB			7,377,173.37			7,692,407.21
Others			529,229.98			753,645.85
Sub-total			7,906,403.35			8,446,053.06
Bank balances:						
RMB			59,195,967,938.61			59,334,109,947.88
USD	275,535,836.56	6.3009	1,736,123,752.58	271,171,822.02	6.6227	1,795,889,625.69
GBP	7,215,601.04	9.7116	70,075,031.06	15,553,933.40	10.2182	158,933,202.27
EUR	21,844,032.58	8.1625	178,301,915.93	19,441,543.63	8.8065	171,211,953.98
JPY	970,969,145.00	0.0811	78,745,597.66	1,133,578,499.51	0.0813	92,159,932.01
HKD	115,047,989.73	0.8107	93,269,405.27	9,662,400.92	0.8509	8,221,736.94
Others			10,190,036.26			18,236,133.48
Sub-total			61,362,673,677.37			61,578,762,532.25
Other currencies:						
RMB			10,787,942,743.54			9,175,839,225.49
USD	6,470.98	6.3009	40,773.00	630,100.00	6.6227	4,172,963.27
EUR	282.43	8.1625	2,305.33			-
Sub-total			10,787,985,821.876			9,180,012,188.76
Total			72,158,565,902.59			70,767,220,774.07



Details for restricted bank balances are as follow:

Unit: RMB

Item	December 31, 2011	December 31, 2010
Bank balances		
-Pledged for bank acceptances	1,783,203,593.18	1,026,435,277.74
-Pledged for letters of credit etc.	164,680,513.27	28,163,315.56
-Pledged for loans	155,633,410.33	46,613,146.91
-Others	11,002,106.30	-
Other currencies		
-SFC's restricted deposits at the People's Bank of China (Note)	10,261,762,601.90	8,878,155,011.78
-Deposits for bank draft	254,681,224.88	217,738,108.19
-Deposits for investment accounts	-	2,217,493.61
-Others	324,578.95	8,143,325.22
Total	12,631,288,028.81	10,207,465,679.01

Note: The balances represent deposit reserves required to be deposited in the central bank according to the regulations of the People's Bank of China and cannot be used in the operating activities of SFC.

2 Held-for-trading financial assets

Unit: RMB

Item	Fair value at December 31, 2011	Fair value at December 31, 2010
Open-ended fund	634,266,092.55	758,736,822.44
Derivative financial assets (Note1)	2,963,696.04	112,098,433.07
Investment in equity instruments for trading	15,576,103.90	17,083,447.60
Investment in bonds for trading (Note2)	98,631,900.00	-
Financial assets designated as fair value through profit or loss	-	1,089,178,998.53
Others	7,600,000.00	9,944,392.02
Total	759,037,792.49	1,987,042,093.66

Note 1: The balance represents foreign currency forward contracts held by SGM.

Note 2: The balance has been pledged as collateral for financial assets sold under repurchase agreements, refer to Note (VI) 32.



3 Notes receivable

Unit: RMB

Category	December 31, 2011	December 31, 2010
Bank acceptances	39,820,345,958.16	30,528,411,081.24
Commercial acceptances	328,918,992.20	194,690,322.44
Total	40,149,264,950.36	30,723,101,403.68

- (1) At the year-end, bank acceptances of RMB 13,864,666.67 of the Group were discounted (2010: RMB 4,000,000.00), and the amount is included in the balance of notes receivable. At the year-end, loans related to the discounted bank acceptance of RMB 4,000,000.00 are included in Note (VI) 25, the remaining discounted bank acceptance of RMB 9,864,666.67 were discounted to SFC and the corresponding loan has been eliminated in the consolidated financial statements.
- (2) At the year-end, commercial acceptance of RMB 45,000,000.00 (2010: RMB 73,204,012.66) of the Group were discounted, and the amount is included in the balance of notes receivable, refer to Note (VI) 25.
- (3) At the year-end, bank acceptances of RMB 1,120,589,612.00 (2010: RMB 94,360,670.26) are pledged as collateral to issue bank acceptances.
- (4) At the year-end, notes receivable of RMB 17,807,116,981.97 (2010: RMB 14,294,044,712.95) were endorsed to other parties, and the amount is included in the balance of notes receivable.
- (5) No notes receivable balances are due from shareholders holding more than 5% (inclusive) of the Company's voting rights.
- (6) Notes receivable balances due from related parties are set out in Note (VII) 6(1).

4 Accounts receivable

(1) Aging analysis of accounts receivable is as follows:

Unit: RMB

Aging	December 31, 2011				December 31, 2010			
	Amount	Proportion (%)	Bad debt provision	Book value	Amount	Proportion (%)	Bad debt provision	Book value
Within 1 year	11,854,436,369.70	95.72	88,877,500.33	11,765,558,869.37	10,520,253,040.77	95.26	70,684,162.17	10,449,568,878.60
1-2 years	219,074,832.89	1.77	42,424,777.88	176,650,055.01	126,062,189.22	1.14	29,281,038.96	96,781,150.26
2-3 years	38,905,975.83	0.31	17,059,375.94	21,846,599.89	74,350,303.01	0.67	17,437,913.46	56,912,389.55
Over 3 years	272,582,142.15	2.20	266,223,143.36	6,358,998.79	323,858,396.24	2.93	316,622,756.97	7,235,639.27
Total	12,384,999,320.57	100.00	414,584,797.51	11,970,414,523.06	11,044,523,929.24	100.00	434,025,871.56	10,610,498,057.68



(2) Disclosure of accounts receivable by categories:

Unit: RMB

Category	December 31, 2011				December 31, 2010			
	Book balance		Bad debt provision		Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Receivables for individually significant items and with individual provision for bad debts	-	-	-	-	-	-	-	-
Receivables for individually non-significant items but individual provision for bad debts	10,243,077.33	0.08	9,807,637.21	2.37	15,838,193.90	0.15	15,411,922.21	3.55
Receivables with provision for bad debts on aging combination								
Within 1 year	11,854,409,678.70	95.72	88,877,500.33	21.44	10,520,069,222.01	95.25	70,684,162.17	16.29
1-2 years	216,917,940.89	1.75	40,605,403.65	9.79	122,876,607.92	1.11	26,337,910.59	6.07
2-3 years	37,234,838.34	0.30	15,459,469.80	3.73	70,556,272.01	0.64	13,643,882.46	3.14
Over 3 years	266,193,785.31	2.15	259,834,786.52	62.67	315,183,633.40	2.85	307,947,994.13	70.95
Sub-total	12,374,756,243.24	99.92	404,777,160.30	97.63	11,028,685,735.34	99.85	418,613,949.35	96.45
Total	12,384,999,320.57	100.00	414,584,797.51	100.00	11,044,523,929.24	100.00	434,025,871.56	100.00

(3) No accounts receivable balances are due from shareholders holding more than 5% (inclusive) of the Company's voting rights.

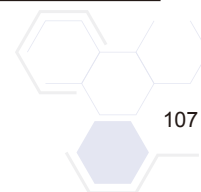
(4) Accounts receivable balances due from related parties are set out in Note (VII) 6 (2).

(5) At the year-end, accounts receivable of RMB 645,641,433.24 were pledged to banks as collateral for loans, see Note (VI) 25.

(6) Top five entities with the largest balances of accounts receivable:

Unit: RMB

Name	Relationship with the Group	Amount	Aging	Proportion to total accounts receivable (%)
Company 1	Jointly controlled entity (hereinafter referred to as "JCE")	2,907,818,336.08	Within 1 year	23.48
Company 2	Associate	684,482,989.02	Within 1 year	5.53
Company 3	Third party	200,526,551.74	Within 1 year	1.62
Company 4	JCE	176,586,499.48	Within 1 year	1.43
Company 5	Third party	158,443,349.70	Within 1 year	1.28
Total		4,127,857,726.02		33.34



5 Prepayments

(1) Aging analysis of prepayments is as follows:

Unit: RMB

Aging	December 31, 2011		December 31, 2010	
	Amount	%	Amount	%
Within 1 year	12,604,346,698.76	98.87	13,280,063,171.24	98.46
1-2 years	101,006,230.64	0.79	161,028,705.03	1.19
2-3 years	14,674,547.08	0.12	29,240,704.01	0.22
Over 3 years	27,955,030.76	0.22	16,912,699.75	0.13
Total	12,747,982,507.24	100.00	13,487,245,280.03	100.00

(2) Top five entities with largest balances of prepayments:

Unit: RMB

Name	Relationship with the Group	Amount	Aging
Company 1	JCE	9,029,722,084.00	Within 1 year
Company 2	Third party	294,301,253.34	Within 1 year
Company 3	Third party	288,146,011.62	Within 1 year
Company 4	Third party	202,541,921.06	Within 1 year
Company 5	Third party	188,436,973.59	Within 1 year
Total		10,003,148,243.61	

(3) No prepayments balances are due from shareholders holding more than 5% (inclusive) of the Company's voting rights.

(4) Prepayments due from related parties are set out in Note (VII)6(3).



6 Dividends receivable

Unit: RMB

Item	December 31, 2010	Increase	Decrease	December 31, 2011
Shanghai Volkswagen Automotive Co., Ltd.	-	5,266,272,491.77	5,266,272,491.77	-
Others	18,477,184.75	2,393,063,218.77	2,127,334,961.05	284,205,442.47
Total	18,477,184.75	7,659,335,710.54	7,393,607,452.82	284,205,442.47

7 Other receivables

(1) Aging analysis for other receivables is as follows:

Unit: RMB

Aging	December 31, 2011				December 31, 2010			
	Amount	Proportion (%)	Bad debt provision	Book value	Amount	Proportion (%)	Bad debt provision	Book value
Within 1 year	1,169,013,733.93	78.72	7,331,999.38	1,161,681,734.55	1,126,394,185.58	73.61	6,377,311.73	1,120,016,873.85
1-2 years	84,884,957.38	5.72	12,751,988.74	72,132,968.64	46,760,753.23	3.06	3,145,848.05	43,614,905.18
2-3 years	14,351,713.73	0.97	4,338,902.89	10,012,810.84	110,164,594.58	7.20	65,905,760.12	44,258,834.46
Over 3 years	216,749,765.05	14.59	147,998,384.40	68,751,380.65	246,876,951.13	16.13	143,513,006.14	103,363,944.99
Total	1,485,000,170.09	100.00	172,421,275.41	1,312,578,894.68	1,530,196,484.52	100.00	218,941,926.04	1,311,254,558.48

(2) Disclosure of other receivables by categories:

Unit: RMB

Category	December 31, 2011				December 31, 2010			
	Book balance		Bad debt provision		Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Other receivables for individually significant items and with individual provision for bad debts	135,843,359.11	9.15	106,420,344.81	61.72	128,120,279.68	8.37	106,420,344.81	48.61
Receivables for individually non-significant items but individual provision for bad debts	-	-	-	-	-	-	-	-
Other receivables with provision for bad debts on aging combination								
Within 1 year	1,169,013,733.93	78.72	7,331,999.38	4.25	1,126,394,185.58	73.61	6,377,311.73	2.91
1-2 years	84,884,957.38	5.72	12,751,988.74	7.40	46,760,753.23	3.06	3,145,848.05	1.44
2-3 years	14,351,713.73	0.97	4,338,902.89	2.52	110,164,594.58	7.20	65,905,760.12	30.10
Over 3 years	80,906,405.94	5.44	41,578,039.59	24.11	118,756,671.45	7.76	37,092,661.33	16.94
Sub-total	1,349,156,810.98	90.85	66,000,930.60	38.28	1,402,076,204.84	91.63	112,521,581.23	51.39
Total	1,485,000,170.09	100.00	172,421,275.41	100.00	1,530,196,484.52	100.00	218,941,926.04	100.00

(3) Other receivables due from shareholders holding more than 5% (inclusive) of the Company's voting rights are as follows:

Unit: RMB

Name	December 31, 2011	December 31, 2010
Yuejin (Note)	N/A	49,362,929.99

Note: Shares of the Company held by Yuejin were reduced to less than 5%, see Note (I).

(4) Other receivables due from related parties are set out in Note (VII) 6(5).

(5) Top five entities with the largest balances of other receivables:

Unit: RMB

Name	Relationship with the Group	Amount	Aging	Proportion to total other receivables (%)
Company 1	Third party	209,732,000.00	Within 1 year	14.12
Company 2	Third party	72,000,000.00	Above 3 years	4.85
Company 3	Third party	63,843,359.11	Above 3 years	4.30
Company 4	Third party	40,795,000.00	Within 1 year	2.75
Company 5	Third party	40,000,000.00	Within 1 year	2.69
Total		426,370,359.11		28.71

8 Financial assets purchased under resell agreements

Unit: RMB

Item	December 31, 2011	December 31, 2010
Securities purchased under resale agreements by SFC	-	2,102,601,956.17

9 Inventories

(1) Categories of inventories

Unit: RMB

Categories of inventories	December 31, 2011			December 31, 2010		
	Book balance	Provision	Book value	Book balance	Provision	Book value
Raw materials	8,674,842,755.57	836,491,234.88	7,838,351,520.69	8,252,401,159.20	1,053,047,234.80	7,199,353,924.40
Work-in- process	1,329,071,488.96	44,216,487.62	1,284,855,001.34	1,108,115,859.05	37,298,250.92	1,070,817,608.13
Finished goods	20,517,790,361.56	384,115,864.93	20,133,674,496.63	16,052,412,410.08	452,448,701.32	15,599,963,708.76
Total	30,521,704,606.09	1,264,823,587.43	29,256,881,018.66	25,412,929,428.33	1,542,794,187.04	23,870,135,241.29

Note: At the year-end, inventories of net book value of RMB 57,432,640.35 were pledged to bank as collateral for loans, see Note (VI) 25.

(2) Provision for decline in value of inventories

Unit: RMB

Categories of inventories	December 31, 2010	Increase(Decrease) due to the changes to the scope of consolidation	Provision	Decrease during the year		December 31, 2011
				Reversal	Write-off	
Raw materials	1,053,047,234.80	1,028,845.82	124,689,609.25	43,563,834.96	298,710,620.03	836,491,234.88
Work-in-process	37,298,250.92	(188,535.71)	28,629,492.58	3,716,670.79	17,806,049.38	44,216,487.62
Finished goods	452,448,701.32	(2,036,800.43)	115,231,097.90	66,654,688.80	114,872,445.06	384,115,864.93
Total	1,542,794,187.04	(1,196,490.32)	268,550,199.73	113,935,194.55	431,389,114.47	1,264,823,587.43

(3) Provision for decline in value of inventories

Item	Basis of provision for decline in value of inventories	Reason for reversal of provision
Raw materials	Lower of cost or net realizable value	Recovery of gross margin ratio
Work-in-process	Lower of cost or net realizable value	Recovery of gross margin ratio
Finished goods	Lower of cost or net realizable value	Recovery of gross margin ratio

10 Non-current assets due within one year

Unit: RMB

	December 31, 2011	December 31, 2010
Long-term loans due within one year (Note (VI) 12)	3,656,429,060.48	1,484,100,907.04
Long-term receivables due within one year(Note (VI) 14)	993,204,140.30	556,776,277.57
Long-term entrusted loans due within one year(Note (VI) 23)	120,000,000.00	126,000,000.00
Total	4,769,633,200.78	2,166,877,184.61



11 Other current assets

Unit: RMB

Item	December 31, 2011	December 31, 2010
Wealth management products with principle protected or unprotected (Note1)	8,360,923,147.25	11,700,000,000.00
Short-term loans issued by SFC	8,460,775,334.96	3,500,626,662.68
Stocks embedded with put options (Note2)	-	1,512,924,089.04
Receivables investment of SFC	494,542,910.40	1,215,338,657.45
Discount held by SFC	107,571,104.63	360,149,822.56
Short-term entrusted loans	376,300,000.00	326,250,000.00
Entrusted investments	-	8,293,750.00
Prepaid and deferred costs	188,035,627.40	226,626,723.13
Sub-total	17,988,148,124.64	18,850,209,704.86
Less: Impairment loss on loans	214,228,250.04	74,194,749.19
Less: Impairment loss on entrusted investments	-	8,293,750.00
Total	17,773,919,874.60	18,767,721,205.67

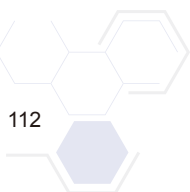
Note 1: At the year-end, included in the balance of wealth management products with principle protected or unprotected, RMB 535,000,000.00 held by SFC are issued by Agriculture Bank of China and its underlying assets are automobile consumption loans issued by GMAC-SAIC Automotive Finance Co., Ltd..

Note 2: As of December 31, 2010, the balance represents investments of stocks embedded with put options hold by SFC, who intended to hold such investment until exercise date and measured the investment at fair value. The exercise date was due during the current year and investment has been disposed of.

12 Loans and advances

Unit: RMB

Item	December 31, 2011	December 31, 2010
Long-term loans issued by SFC	8,869,223,716.55	4,076,865,370.15
Less: Impairment loss on loans	221,730,592.92	76,385,954.90
Net book value of long-term loans issued	8,647,493,123.63	4,000,479,415.25
Less: Long-term loans due within one year (Note (VI) 10)	3,656,429,060.48	1,484,100,907.04
Long-term loans due after one year	4,991,064,063.15	2,516,378,508.21



13 Available-for-sale financial assets

(1) Available-for-sale financial assets

Unit: RMB

Item	December 31, 2011	December 31, 2010
Available-for-sale bonds(Note 1)	1,199,316,538.00	1,258,449,217.09
Available-for-sale equity instruments	8,709,850,654.37	11,780,886,902.34
Others (Note 2)	4,061,906,704.61	5,468,582,939.17
Total	13,971,073,896.98	18,507,919,058.60

Note 1: As of December 31, 2010, the balance represents convertible bonds with attached warrants (Refer to Note (VI)40 for definition and details of "convertible bonds with attached warrants") of RMB 402,807,207.60 (fair value) issued by the Company and held by SAIC. According to Assets Acquisition through Share Issue Agreement entered into between the Company, SAIC and SAIC Ltd in the Transaction stated in Note (I), SAIC injected cash at the amount of fair value of the convertible bonds with attached warrants into the Company on the delivery day of the Transaction.

Note 2: At the year-end, the balances are mainly funds held by SFC.

(2) Long-term debenture investments in available-for-sale financial assets

Unit: RMB

Item	Book value	Initial investment cost	Due date	Balance at December 31, 2011
Enterprise bonds (Note)	1,167,000,000.00	1,167,000,000.00	2016-2026	1,199,316,538.00

Note: At the year-end, the above enterprise bonds were pledged as collateral for financial assets sold under repurchase agreement, see Note (VI) 32.

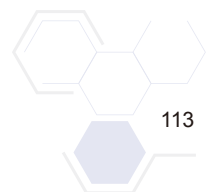
14 Long-term receivables

(1) Long-term receivables

Unit: RMB

	December 31, 2011	December 31, 2010
Finance lease receivables(note)	2,091,935,711.99	1,341,638,798.35
Long-term receivables arising from assets transfer	393,453,382.02	-
Others	1,748,088.00	-
Total	2,487,137,182.01	1,341,638,798.35
Less: Long-term assets due within one year (Note (VI) 10)	993,204,140.30	556,776,277.57
Long-term assets due after one year	1,493,933,041.71	784,862,520.78

Note: At the year-end, finance leases receivables of RMB 1,290,452,764.85 were pledged to banks as collateral for loans, see Note (VI) 25 and 39.



(2) Finance leases receivables

Unit: RMB

	December 31, 2011	December 31, 2010
Finance lease - Minimum lease receipts	2,451,699,560.60	1,559,807,779.33
Less: Unearned financial income	335,207,869.44	202,517,804.57
Finance lease receivables	2,116,491,691.16	1,357,289,974.76
Less: Bad debts provision for finance lease receivables	24,555,979.17	15,651,176.41
Net value of finance lease receivables	2,091,935,711.99	1,341,638,798.35
Less: Finance lease receivables due within one year	890,804,050.30	556,776,277.57
Finance lease receivables due after one year	1,201,131,661.69	784,862,520.78





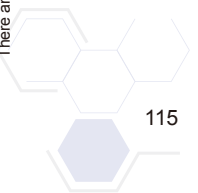
15 Investments in JCEs and associates

Name of the organization invested	Place of registration	Business nature	Registered capital		Equity interest held at year-end		Total assets at year-end	Total liabilities at year-end	Net assets at year-end	Operating income for the year
			Currency	'000	Directly	Indirectly				
Shanghai Volkswagen Automotive Co., Ltd.	Shanghai, China	Manufacturing and sales of automobiles & spare parts	RMB	11,500,000	50.00	-	67,971,494	36,214,896	31,756,598	153,978,977
Volkswagen Transmission (Shanghai) Co., Ltd.	Shanghai, China	Manufacturing and sales of spare parts	USD	47,000	20.00	-	1,125,130	400,384	724,746	1,264,855
Pen Asia Technical Automotive Center Co., Ltd.	Shanghai, China	Automobile development business services	USD	69,000	50.00	-	1,297,594	574,934	722,660	1,608,091
Shanghai Volkswagen Powertrain Co., Ltd.	Shanghai, China	Manufacturing and sales of spare parts	RMB	1,508,300	40.00	-	5,147,173	2,697,166	2,450,007	4,597,764
Shanghai Jiereng Automotive Technology Co., Ltd. (Note 1)	Shanghai, China	R&D of automobile technology	RMB	600,000	10.00	-	321,631	195,934	125,697	-
Shanghai Advanced Traction Battery Systems Co., Ltd.	Shanghai, China	R&D and manufacturing of automobile storage battery systems and modules	USD	9,500	51.00	-	68,608	28,543	40,065	41,009
Shanghai Sunwin Bus Co., Ltd.	Shanghai, China	Manufacturing and sales of coaches & components	USD	54,220	50.00	-	1,300,316	976,901	323,415	1,073,085
SAIC Iveco Commercial Vehicle Investment Co., Ltd.	Shanghai, China	Production and sales of commercial vehicles	USD	160,000	50.00	-	5,542,377	4,523,444	1,018,933	8,376,210
Sunrise Power Co., Ltd.	Dalian, China	R&D on fuel cells and related parts	RMB	117,000	34.19	-	210,206	81,277	128,929	25,030
China Automobile Development United Investment Co., Ltd.	Beijing, China	Investment management, technical consultation and services, import and export of technology and commodity	RMB	202,500	20.74	-	195,424	407	195,017	-
Shanghai Boze Auto Parts Co., Ltd.	Shanghai, China	Manufacturing and sales of vehicle door module system	USD	10,000	-	40.00	865,711	482,569	383,142	1,866,822
Shanghai ZF Steering Machine Co., Ltd.	Shanghai, China	Manufacturing and sales of Automobile steering device and related components	USD	69,520	-	49.00	2,521,937	1,468,364	1,053,573	3,754,241
Shanghai GKN Drive Shaft Co., Ltd.	Shanghai, China	Manufacturing and sales of constant velocity universal joint and constant velocity drive shaft	EUR	89,250	-	35.00	2,715,556	710,099	2,005,457	4,447,750
Shanghai Kolto Automotive Lamp Co., Ltd.	Shanghai, China	Manufacturing and sales of automotive electronics systems and automobile lighting electronic components	JPY	7,400,000	-	50.00	3,099,327	1,948,553	1,150,774	6,372,004
Yapp Automotive Parts Co., Ltd.	Yangzhou, China	Manufacturing and sales of automotive plastic fuel tank	RMB	129,412	-	33.90	2,140,053	1,252,252	887,801	3,037,229
Nanjing Iveco Automobile Co., Ltd.	Jiangsu, China	Manufacturing and sales of automobiles & spare parts	RMB	2,527,000	-	50.00	7,041,438	3,899,031	3,142,407	8,920,827
GMAC-SAIC Automotive Finance Co., Ltd. (Note 2)	Shanghai, China	Financial services of car sales	RMB	1,500,000	-	60.00	34,821,289	30,537,723	4,283,566	2,326,839
United Automotive Electronic Systems Co., Ltd.	Shanghai, China	Manufacturing and sales of engine management systems	RMB	1,200,000	-	49.00	6,694,123	3,070,277	3,623,846	9,472,535

Note 1: Shanghai Jieneng Automotive Technology Co., Ltd. ("Jieneng") is a limited liability company jointly invested and established by the Company and SAIC. The Company and SAIC contribute 10% and 90% of the total registered capital of Jieneng, respectively. Jieneng is considered as a joint venture of the Company according to the Articles of Association of Jieneng, which specifies that significant financial and operating decisions shall be agreed by both parties.

Note 2: SFC, a subsidiary of the Company, holds 40% shares of total shares of this company, and SGM, a subsidiary of the Company, holds 20% shares of total shares of this company and this company is jointly controlled by all investors.

There are no significant differences between the accounting policies and accounting estimates adopted by joint ventures and associates and those adopted by the Company.



16 Long-term equity investments

Unit: RMB

Long-term equity investments accounted for using equity method	December 31, 2011	December 31, 2010
- Investments in JCEs and associates	31,286,211,647.83	26,425,726,182.06
- Elimination of unrealized profit, etc.	(158,527,727.54)	(182,199,446.85)
Sub-total	31,127,683,920.29	26,243,526,735.21
Long-term equity investments accounted for using cost method	1,102,860,814.57	1,104,293,244.20
Total	32,230,544,734.86	27,347,819,979.41
Less: Impairment	977,217,815.30	992,782,965.21
Net book value	31,253,326,919.56	26,355,037,014.20

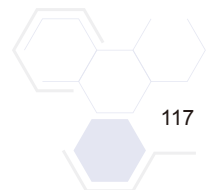
Details of long-term equity investment are as follows:

Unit: RMB

Invested companies	Accounting method	December 31, 2010	December 31, 2011	Equity interest held by the Group at the year-end (%)		Impairment at the year-end	Provision for impairment for the year
				Directly	Indirectly		
JCEs and associates							
Shanghai Volkswagen Automotive Co., Ltd.	Equity method	12,824,951,075.99	15,878,298,968.94	50.00	-	-	-
Volkswagen Transmission (Shanghai) Co., Ltd.	Equity method	120,801,693.81	144,949,152.04	20.00	-	-	-
Pan Asia Technical Automotive Center Co., Ltd.	Equity method	316,284,468.65	363,136,706.65	50.00	-	-	-
Shanghai Volkswagen Powertrain Co., Ltd.	Equity method	806,352,562.46	980,047,964.64	40.00	-	-	-
Shanghai Jieneng Automotive Technology Co., Ltd.	Equity method	29,992,594.42	12,569,664.97	10.00	-	-	-
Shanghai Advanced Traction Battery Systems Co., Ltd.	Equity method	16,336,947.80	20,474,359.77	51.00	-	-	-
Shanghai Sunwin Co., Ltd.	Equity method	156,211,656.11	163,855,485.70	50.00	-	-	-
SAIC Iveco Commercial Vehicle Investment Co., Ltd.	Equity method	349,616,766.13	370,391,339.22	50.00	-	-	-
Sunrise Power Co., Ltd.	Equity method	42,965,351.36	44,081,007.92	34.19	-	-	-
China Automobile Development United Investment Co., Ltd.	Equity method	40,933,843.62	40,503,300.68	20.74	-	-	-
Shanghai ANJI-CEVA Automotive Logistics Co., Ltd. (Note 1)	Equity method	342,431,015.12	357,456,792.65	-	50.00	-	-
ZF Transmissions Shanghai Co., Ltd.	Equity method	194,442,952.06	209,852,989.20	-	49.00	-	-
Shanghai No.1 Automotive Gear Factory Jiaohang Branch	Equity method	367,945.65	367,945.65	-	27.42	-	-
Shanghai SanHe Automobile Plastic and Rubber Parts Co., Ltd.	Equity method	2,471,932.35	2,657,991.48	-	20.00	-	-
Shanghai SAIC Magneti Marelli Powertrain Co., Ltd.	Equity method	47,603,493.93	42,975,951.72	-	50.00	-	-
BREMBO (Nanjing) Brake Systems Co., Ltd.	Equity method	31,878,592.30	38,579,178.51	-	30.00	-	-
Jiangsu ANJI-TNT Logistics Co., Ltd.	Equity method	10,163,547.04	13,016,610.48	-	30.00	-	-
Jiangsu Used Motor Vehicle Market Co., Ltd.	Equity method	1,211,139.86	1,318,003.61	-	20.00	-	-
Nanjing Dongwei Metal Products Co., Ltd.	Equity method	10,083,304.63	8,350,000.88	-	50.00	-	-

Unit: RMB

Invested companies	Accounting method	December 31, 2010	December 31, 2011	Equity interest held by the Group at the year-end (%)		Impairment at the year-end	Provision for impairment for the year
				Directly	Indirectly		
JCEs and associates							
Nanjing Dongzhong Mechanical Assembly Co., Ltd.	Equity method	4,058,372.91	5,124,112.47	-	50.00	-	-
Nanjing Valeo Clutch Co., Ltd.	Equity method	38,508,492.96	41,767,083.64	-	25.00	-	-
Nanjing Nanqi Stamping Parts Co., Ltd.	Equity method	26,764,533.60	28,829,686.10	-	46.00	-	-
Nanjing Nanqi Tongtai Real Estate Co., Ltd.(Note 2)	Equity method	11,813,132.26	-	-	-	-	-
Nanjing Auto Parts Factory	Equity method	2,883,160.32	3,500,751.44	-	45.00	-	-
Qingdao Toyo Heat Exchanger Co., Ltd.	Equity method	54,387,679.43	57,198,631.15	-	26.00	-	-
Yuejin Motor (America) Co., Ltd.(Note 2)	Equity method	405,982.91	-	-	-	-	(405,982.91)
SAIC Motor Korea Co., Ltd.(Note 3)	Equity method	-	-	-	24.00	-	-
Anji Jiffy Lube Automotive Services Co., Ltd.(Note 2)	Equity method	267,957.64	-	-	-	-	-
Anji Car Rental & Leasing Co., Ltd.	Equity method	130,946,031.45	142,895,430.82	-	50.00	-	-
Beijing SAIC Motor Joint Sales Co., Ltd.	Equity method	44,276,170.49	48,850,882.01	-	50.00	-	-
Shanghai SAIC Futong Investment Management Centre	Equity method	-	25,480,000.00	-	49.00	-	-
Beijing Hainachuan Yanfeng Automotive Module System Co., Ltd.	Equity method	-	3,868,876.00	-	40.00	-	-
Dongfeng Johnson Controls Automotive Seating Co., Ltd.	Equity method	-	14,599,307.00	-	50.00	-	-
Dongfeng Visteon Automotive Trim Systems Co., Ltd.	Equity method	121,395,731.00	131,867,942.00	-	40.00	-	-
Hua Dong Teksid Automotive Foundry Co., Ltd.	Equity method	206,552,453.63	213,927,533.58	-	50.00	-	-
Shanghai Inteva Automotive Parts Co., Ltd.(Note 4)	Equity method	39,338,426.28	64,964,882.25	-	50.00	-	-
Shanghai Edscha Machinery Co., Ltd.	Equity method	81,512,588.93	99,203,879.81	-	50.00	-	-
Shanghai Aichi Forging Co., Ltd.	Equity method	111,348,997.90	122,618,273.84	-	40.00	-	-
Shanghai Behr Thermal System Co., Ltd.	Equity method	143,514,645.45	185,796,273.99	-	50.00	-	-
Shanghai Boze Auto Parts Co., Ltd.	Equity method	123,775,331.11	135,788,667.97	-	40.00	-	-
Shanghai ZF Steering Machine Co., Ltd.	Equity method	462,488,914.01	516,250,605.45	-	49.00	-	-
Continental Brake Systems (Shanghai) Co., Ltd.	Equity method	9,800,000.00	14,633,930.13	-	49.00	-	-
Shanghai Inteva Automotive Door Systems Co., Ltd.	Equity method	66,334,975.18	72,212,713.23	-	40.00	-	-
Valeo Shanghai Automotive Electric Motors & Wiper System Co., Ltd.	Equity method	56,639,817.03	56,758,167.93	-	45.00	-	-
Shanghai Valeo Automotive Electrical Systems Co., Ltd.	Equity method	280,654,701.91	294,520,796.43	-	50.00	-	-
Shanghai Federal-Mogul Compound Material Co., Ltd.	Equity method	10,424,686.80	10,442,277.16	-	40.00	-	-
Federal-Mogul Shanghai Bearing Co., Ltd.	Equity method	52,013,031.22	61,357,330.48	-	40.00	-	-
Contitech Fluid Shanghai Co., Ltd.	Equity method	19,941,335.79	21,859,750.46	-	49.00	-	-
Shanghai KangYi Auto & Tractor Accessory Co., Ltd.	Equity method	376,477.71	454,602.79	-	32.50	-	-

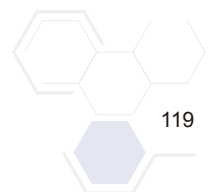


Unit: RMB

Invested companies	Accounting method	December 31, 2010	December 31, 2011	Equity interest held by the Group at the year-end (%)		Impairment at the year-end	Provision for impairment for the year
				Directly	Indirectly		
JCE and associates							
Kolbenschmidt shanghai piston Co., Ltd.	Equity method	122,554,040.73	142,837,180.78	-	50.00	-	-
Shanghai Lao Pei Si Auto Parts Co., Ltd.	Equity method	517,962.99	475,248.41	-	30.00	-	-
Shanghai LEAR STEC Automotive Parts Co., Ltd.	Equity method	52,296,879.35	68,830,225.86	-	45.00	-	-
Shanghai Meridian Magnesium Products Co., Ltd.	Equity method	45,900,351.06	52,220,316.84	-	40.00	-	-
Shanghai GKN Drive Shaft Co., Ltd.	Equity method	641,283,942.12	701,909,985.22	-	35.00	-	-
Shanghai New Holland Agricultural Machinery Co., Ltd.	Equity method	64,907,573.57	22,458,930.65	-	40.00	20,000,000.00	-
Shanghai Kolbenschmidt Pierburg Shanghai Nonferrous Components Co., Ltd.	Equity method	204,403,546.18	265,968,672.77	-	50.00	-	-
Shanghai Sachs Powertrain Components Parts System Co., Ltd. (Note 5)	Equity method	-	132,889,071.09	-	50.00	-	-
Shanghai TRW Automotive Safety Systems Co., Ltd.	Equity method	133,186,070.12	175,209,768.59	-	50.00	-	-
Shanghai Tenneco Exhaust System Co., Ltd.	Equity method	172,775,564.48	183,355,971.53	-	45.00	-	-
Shanghai Wanzhong Car Service Co., Ltd.	Equity method	16,031,503.45	12,492,750.20	-	49.00	-	-
Shanghai Koito Automotive Lamp Co., Ltd.	Equity method	479,730,238.05	548,863,841.09	-	50.00	-	-
Shanghai Xingsheng Gasket Co., Ltd.	Equity method	15,095,419.90	17,070,324.71	-	40.00	-	-
Shanghai Yanfeng Johnson Controls Industry Co., Ltd.	Equity method	-	157,119,422.00	-	45.00	-	-
Shanghai Neturen Co., Ltd.	Equity method	69,231,436.96	86,761,999.14	-	40.00	-	-
Shanghai Zhongding Equipment Manufacture & Installation Co., Ltd. (Note 6)	Equity method	3,290,485.60	3,290,485.60	-	88.00	-	-
Huayu-Cooper Standard Sealing Systems Co., Ltd.	Equity method	154,492,341.07	162,725,609.75	-	47.50	-	-
Sanden (Suzhou) Precision Parts Co., Ltd.	Equity method	28,628,724.16	30,565,074.99	-	35.00	-	-
Tianjin Zhongxing Auto Parts Co., Ltd.	Equity method	23,472,965.89	25,207,682.04	-	50.00	-	-
Wuhan TACHI-S Johnson Controls Automotive Seat Co., Ltd.	Equity method	14,899,487.00	17,189,683.00	-	20.00	-	-
Yapp Automotive Parts Co., Ltd.	Equity method	233,436,742.02	293,744,340.54	-	33.90	-	-
Yan Feng Gabriel (Shanghai) Automotive Safety Systems Co., Ltd.	Equity method	130,121,683.00	166,605,273.00	-	50.10	-	-
Yanfeng Plastic Omnium Automotive Exterior Trimming System Co., Ltd.	Equity method	309,975,863.00	365,358,780.00	-	50.05	-	-
Yanfeng Visteon India Automotive Trim Systems Pvt. Ltd.	Equity method	-	12,282,467.00	-	50.00	-	-
Chongqing Xugang Electronic Co., Ltd.	Equity method	36,742,986.00	39,018,573.00	-	50.00	-	-
Chongqing Yanfeng Johnson Controls Automotive Seating Co., Ltd. (Note 7)	Equity method	34,879,607.00	-	-	50.00	-	-
Shanghai Benteler Huizhong Automotive Parts Co., Ltd.	Equity method	51,926,542.57	55,243,326.86	-	40.00	-	-
Shanghai ThyssenKrupp Presta HuiZhong Co., Ltd.	Equity method	104,501,295.59	125,953,628.84	-	40.00	-	-
Shanghai Huizhong Sachs Shock absorber Co., Ltd.	Equity method	149,345,125.47	165,804,248.12	-	40.00	-	-
Shanghai Sanli-Huizhong Auto Parts Co., Ltd.	Equity method	85,498,225.14	108,654,374.22	-	40.00	-	-

Unit: RMB

Invested companies	Accounting method	December 31, 2010	December 31, 2011	Equity interest held by the Group at the year-end (%)		Impairment at the year-end	Provision for impairment for the year
				Directly	Indirectly		
JCEs and associates							
Shanghai Zhongding Rubber Products Co., Ltd.	Equity method	6,744,517.48	6,744,517.48	-	30.00	-	-
Guangzhou Renhui Automotive Sales and Service Co., Ltd. (Note 2)	Equity method	1,813,957.75	-	-	-	-	(1,813,957.75)
Shanghai Benz Co., Ltd.	Equity method	17,288,916.63	18,621,591.45	-	45.00	-	-
Shanghai Dexing Automobile Sales Co., Ltd.	Equity method	18,212,347.14	18,926,192.66	-	45.00	-	-
Shanghai Dongchi Automobile Co., Ltd.	Equity method	20,241,389.16	22,141,690.00	-	45.00	-	-
Shanghai SAIC Dingshun Automotive Sales Co., Ltd.	Equity method	700,000.00	700,000.00	-	30.00	67,445.00	-
Nanjing KunTu Automobile Decoration Co., Ltd.	Equity method	691,748.77	398.86	-	50.00	-	-
Nanjing Tacking Automotive Electronics Co., Ltd. (Note 2)	Equity method	7,524,106.91	-	-	-	-	-
Nanjing Iveco Motor Co., Ltd.	Equity method	1,525,317,490.35	1,571,203,632.72	-	50.00	-	-
Wuxi Yuejin Vehicle Trade Co., Ltd. (Note 3)	Equity method	-	-	-	20.00	-	-
Nanjing Fata Tooling Co., Ltd.	Equity method	236,460.00	1,730,531.18	-	30.00	236,460.00	-
Shanghai Shanke Automotive Culture Communication Co., Ltd.	Equity method	-	267,650.43	-	45.45	-	-
Shanghai Mhi Turbocharger Co., Ltd.	Equity method	32,270,486.26	36,742,126.66	-	40.00	-	-
Shanghai OnStar Telematics Service Co., Ltd. (Note 8)	Equity method	17,194,078.04	45,085,869.58	-	60.00	-	-
GMAC-SAIC Automotive Finance Co., Ltd. (Note 8)	Equity method	1,846,387,752.30	2,570,139,865.54	-	60.00	-	-
SAIC General Motors Investment Limited (Note 3)	Equity method	256,163,596.83	-	-	50.00	-	-
United Automotive Electronic Systems Co., Ltd.	Equity method	1,840,373,043.96	1,775,684,240.87	-	49.00	-	-
Beijing Zhongqi Lifa Automotive Sales Services Co., Ltd.	Equity method	3,366,005.19	3,467,397.30	-	49.00	-	-
Shanghai Jingcheng Auction Co., Ltd.	Equity method	2,324,703.96	2,768,350.46	-	40.00	-	-
Shanghai Waigaoqiao Pawn Co., Ltd.	Equity method	4,224,467.65	4,224,533.96	-	20.00	-	-
Sub-total of JCEs and associates		26,425,726,182.06	31,286,211,647.83			20,303,905.00	(2,219,940.66)



Details of long-term equity investment are as follows: - continued

Unit: RMB

Invested companies	Accounting method	December 31, 2010	December 31, 2011	Equity interest held by the Group at the year-end (%)		Impairment at the year-end	Provision for impairment for the year
				Directly	Indirectly		
Other investments							
Nanfeng Securities Co., Ltd.	Cost method	396,000,000.00	396,000,000.00	10.41	-	396,000,000.00	-
Shanghai Great Dragon Sanhe Information Technology Co., Ltd.	Cost method	4,000,000.00	4,000,000.00	<5.00	-	4,000,000.00	-
Nanjing Securities Co., Ltd.	Cost method	5,159,520.00	5,159,520.00	-	<5.00	-	-
Tianjin Lovol Heavy Industries Co., Ltd.	Cost method	10,000,000.00	10,000,000.00	-	<5.00	-	-
GM Korea Company (Note 9)	Cost method	494,566,740.00	494,566,740.00	6.01	-	494,566,740.00	-
Shenyin & Wanguo Securities Co., Ltd.	Cost method	64,260,937.40	64,260,937.40	-	0.83	-	-
Dazhong Insurance Co., Ltd.	Cost method	43,520,000.00	43,520,000.00	-	9.52	43,520,000.00	-
SAIC Industrial Hunan Shenxiang Co., Ltd. (Note 10)	Cost method	16,500,000.00	16,500,000.00	-	47.14	-	-
Shanghai Interactive Television Co., Ltd. (Note 2)	Cost method	22,851,870.00	-	-	19.00	-	(2,800,000.00)
China Galaxy Securities Co., Ltd.	Cost method	5,000,000.00	5,000,000.00	-	<5.00	1,150,000.00	-
Others (Note 11)	Cost method	42,434,176.80	63,853,617.17	-	-	17,677,170.30	(10,545,209.25)
Sub-total of other investments		1,104,293,244.20	1,102,860,814.57			956,913,910.30	(13,345,209.25)
Total		27,530,019,426.26	32,389,072,462.40	-	-	977,217,815.30	(15,565,149.91)

Note 1: This company was formally named as Anji-TNT Automotive Logistics Co., Ltd. and was re-named as Shanghai ANJI-CEVA Automotive Logistics Co., Ltd. during the current year.

Note 2: Investments in such companies were disposed of during the current year.

Note 3: Investments in such companies are accounted for using equity method and the booked value is zero.

Note 4: The company was formally named as Shanghai ArvinMeritor Automotive components Co., Ltd. and was re-named as Shanghai Inteva Automotive Parts Co., Ltd. during the current year.

Note 5: The company is a JCE acquired by HASCO during the year.

Note 6: The company has been contracted to a third-party for operating. The Group has no control over the company, but only has significant influence.

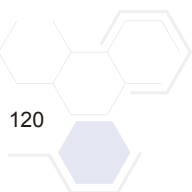
Note 7: The company became a subsidiary of HASCO during the current year, refer to Note (XI)1(2)(a).

Note 8: According to the Article of Association, such companies are jointly controlled by all investor and therefore are JCEs of the Group.

Note 9: This company changed its name from GM Daewoo Auto & Technology Company to GM Korea Company during the current year.

Note 10: The Group has no significant influence on the company, therefore the investment is accounted for using cost method.

Note 11: Among other long-term equity investments, the impairment loss of RMB 380,000.00 is provided for long-term equity investment of Nanjing Dongshan Engine Co., Ltd..



17 Investment properties

Movements of investment properties measured at cost are as follows:

Unit: RMB

Item	December 31, 2010	Increase	Decrease	December 31, 2011
I. Cost	3,447,858,379.87	497,546,346.90	16,115,389.57	3,929,289,337.20
1. Buildings	2,375,790,938.75	365,154,329.11	8,753,666.05	2,732,191,601.81
2. Land use right	1,072,067,441.12	132,392,017.79	7,361,723.52	1,197,097,735.39
II. Accumulated depreciation and amortization	897,400,131.70	117,295,303.76	3,985,245.82	1,010,710,189.64
1. Buildings	711,734,408.02	91,714,188.57	2,690,046.96	800,758,549.63
2. Land use right	185,665,723.68	25,581,115.19	1,295,198.86	209,951,640.01
III. Impairment	1,011,938.35	-	70,600.55	941,337.80
1. Buildings	1,011,938.35	-	70,600.55	941,337.80
IV. Net book value	2,549,446,309.82			2,917,637,809.76
1. Buildings	1,663,044,592.38			1,930,491,714.38
2. Land use right	886,401,717.44			987,146,095.38

Note:

- (1) Of the increase in cost, RMB 22,843,586.69 is due to transfer from buildings for self-use to investment properties, RMB 353,270,616.09 is due to transfer from construction in process and RMB 121,432,144.12 is due to purchase.
- (2) Of the decrease in the cost, RMB 16,115,389.57 is due to disposals.
- (3) Of the increase in accumulated depreciation and amortization, RMB 115,303,073.03 is due to provision of depreciation and amortization and RMB 1,992,230.73 is due to transfer from buildings for self-use to investment properties.
- (4) Of the decrease in accumulated depreciation and amortization, RMB 3,985,245.82 is due to disposals.
- (5) Of the decrease in the impairment, RMB 70,600.55 is due to disposals.
- (6) As of the year-end, buildings of net book value of RMB 174,199,500.03 and land use right of RMB 53,571,570.44 are pledged as collateral for bank borrowings. Please refer to Note (VI) 39 for more details.
- (7) As of the year-end, the certificate of title of investment properties with net book value of RMB 222,348,657.13 has not been obtained.



18 Fixed assets

(1) General

Unit: RMB

Item	December 31, 2010	Increase	Decrease	December 31, 2011
I. Cost	69,276,510,979.91	9,640,106,667.46	2,506,017,298.66	76,410,600,348.71
Including:Buildings	15,986,956,212.62	1,494,325,889.15	395,586,549.44	17,085,695,552.33
Machinery and equipment	35,893,985,022.78	5,182,566,136.85	1,595,939,262.86	39,480,611,896.77
Electronic equipment, furniture and fixtures	2,873,222,762.44	587,903,914.17	279,509,648.39	3,181,617,028.22
Transportation vehicles	2,027,562,546.08	199,582,607.87	71,783,447.94	2,155,361,706.01
Mould	12,494,784,435.99	2,175,728,119.42	163,198,390.03	14,507,314,165.38
II. Accumulated depreciation	31,823,487,977.67	6,425,724,118.61	1,740,492,070.45	36,508,720,025.83
Including:Buildings	4,374,721,443.02	819,439,822.89	145,357,410.83	5,048,803,855.08
Machinery and equipment	17,672,286,566.09	2,938,349,692.02	1,172,910,606.52	19,437,725,651.59
Electronic equipment, furniture and fixtures	1,908,719,411.90	445,940,085.95	253,391,723.95	2,101,267,773.90
Transportation vehicles	1,211,422,047.06	297,036,662.77	53,801,045.37	1,454,657,664.46
Mould	6,656,338,509.60	1,924,957,854.98	115,031,283.78	8,466,265,080.80
III. Closing balance	37,453,023,002.24			39,901,880,322.88
Including:Buildings	11,612,234,769.60			12,036,891,697.25
Machinery and equipment	18,221,698,456.69			20,042,886,245.18
Electronic equipment, furniture and fixtures	964,503,350.54			1,080,349,254.32
Transportation vehicles	816,140,499.02			700,704,041.55
Mould	5,838,445,926.39			6,041,049,084.58
IV. Impairment	3,050,497,689.97	352,836,741.70	193,000,881.70	3,210,333,549.97
Including:Buildings	503,444,208.71	9,497,517.04	33,579,369.36	479,362,356.39
Machinery and equipment	1,689,723,082.62	132,592,326.29	128,938,964.33	1,693,376,444.58
Electronic equipment, furniture and fixtures	6,204,192.09	445,944.78	995,603.27	5,654,533.60
Transportation vehicles	4,041,015.31	5,833,226.41	272,951.72	9,601,290.00
Mould	847,085,191.24	204,467,727.18	29,213,993.02	1,022,338,925.40
V. Net book value	34,402,525,312.27			36,691,546,772.91
Including:Buildings	11,108,790,560.89			11,557,529,340.86
Machinery and equipment	16,531,975,374.07			18,349,509,800.60
Electronic equipment, furniture and fixtures	958,299,158.45			1,074,694,720.72
Transportation vehicles	812,099,483.71			691,102,751.55
Mould	4,991,360,735.15			5,018,710,159.18

Note:

- (1) Of the increase in cost, RMB 634,504,733.42 is due to purchase, RMB 8,896,722,744.61 is due to transfer from construction in progress, RMB 107,230,764.27 is due to changes in the scope of consolidation and RMB 1,648,425.16 is due to transfer from intangible assets.
- (2) Of the decrease in cost, RMB 2,406,234,339.13 is due to disposals, RMB 43,443,725.61 is due to transfer to construction in progress, RMB 33,495,647.23 is due to changes in the scope of consolidation and RMB 22,843,586.69 is due to transfer to investment properties.
- (3) Of the increase in accumulated depreciation, RMB 6,381,529,289.72 is due to provision of depreciation, RMB 43,685,522.82 is due to changes in the scope of consolidation and RMB 509,306.07 is due to transfer from intangible assets.
- (4) Of the decrease in accumulated depreciation, RMB 1,719,028,671.53 is due to disposals, RMB 1,992,230.73 is due to transfer to investment properties, RMB 17,958,373.80 is due to changes in the scope of consolidation and RMB 1,512,794.39 is due to transfer to construction in progress.
- (5) Of the increase in impairment, RMB 352,462,631.70 is due to provision of impairment and RMB 374,110.00 is due to changes in the scope of consolidation.
- (6) Of the decrease in impairment, RMB 192,436,091.70 is due to disposals and RMB 564,790.00 is due to changes in the scope of consolidation.
- (7) As of the year-end, buildings with net book value of RMB 139,073,039.92, machinery and equipment with net book value of RMB 28,451,059.58 and transportation equipment with net book value of RMB 622,614,665.48 are pledged as collateral for bank borrowings. Please refer to Note (VI) 25 and 39 for more details.

(2) Fixed assets leased under finance leases

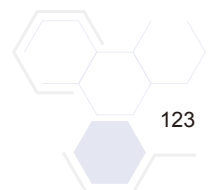
Unit: RMB

Item	December 31, 2011	December 31, 2010
Buildings		
Cost	53,600,269.02	53,600,269.02
Accumulated depreciation	26,800,134.50	24,120,121.05
Net book value	26,800,134.52	29,480,147.97

(3) Fixed assets of which certificates of title have not been obtained

Unit: RMB

Item	Net value	Reasons why certificates of title have not been obtained
Buildings	1,653,849,717.79	In progress.



19 Construction in progress

(1) Details of the construction in process are as follows:

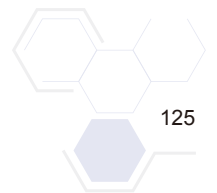
Unit: RMB

Item	December 31, 2011			December 31, 2010		
	Closing balance	Impairment	Net book value	Closing balance	Impairment	Net book value
GMBY phase III, etc.	3,465,117,559.62	-	3,465,117,559.62	1,530,437,427.64	-	1,530,437,427.64
Transmission workshop equipment project	565,730,608.34	927,894.00	564,802,714.34	81,067,735.62	927,894.00	80,139,841.62
Project of SGMW of technology improvement and capacity expansion	2,066,552,306.92	-	2,066,552,306.92	1,639,383,768.85	-	1,639,383,768.85
Light bus supporting project	287,433,717.87	-	287,433,717.87	667,014,947.43	-	667,014,947.43
Construction of MG Pukou base phase II of NAGC	441,868,843.30	352,804,263.38	89,064,579.92	460,060,970.86	352,804,263.38	107,256,707.48
Donghua CP4 logistics supporting project	138,085,464.01	6,548,079.00	131,537,385.01	188,209,320.67	6,548,079.00	181,661,241.67
Nanjing tooling new technology improvement project	104,353,384.82	-	104,353,384.82	82,776,199.36	-	82,776,199.36
Project of technology improvement and capacity expansion of Shanghai Diesel	489,767,972.55	86,624,202.93	403,143,769.62	162,719,175.68	86,624,202.93	76,094,972.75
Project of technology improvement and capacity expansion of Yanfeng Johnson	673,033,445.19	-	673,033,445.19	587,114,436.54	-	587,114,436.54
Project of passenger vehicles of self-owned brands	320,044,772.97	-	320,044,772.97	361,382,756.81	-	361,382,756.81
Project of R&D center expansion	397,278,506.57	-	397,278,506.57	200,280,911.36	-	200,280,911.36
Others	327,236,045.69	-	327,236,045.69	105,421,966.21	5,783,500.00	99,638,466.21
Total	9,276,502,627.85	446,904,439.31	8,829,598,188.54	6,065,869,617.03	452,687,939.31	5,613,181,677.72

(2) Movement of major construction in progress

Unit: RMB

Name of item	December 31, 2010	Increase during the year	Transfer to fixed assets upon completion	Other decreases during this year	December 31, 2011	Budget	Proportion of project investment to the budget (%)	Project progress	Including: Interest capitalized	Sources of funds
GMBY, phase III, etc.	1,530,437,427.64	5,928,147,916.57	3,993,283,864.11	183,920.48	3,465,117,559.62	4,358,039,900.04	90	Under construction	-	Self-financing
Transmission workshop equipment project	81,067,735.62	701,244,972.09	216,582,099.37	-	565,730,608.34	2,412,292,409.00	75	Under construction	-	Self-financing
Project of SGMM of technology improvement and capacity expansion	1,639,383,768.85	2,393,915,427.09	1,824,276,893.02	142,469,996.00	2,066,552,306.92	3,700,623,952.13	58	Under construction	-	Self-financing
Light bus supporting project	667,014,947.43	436,960,758.27	786,471,554.83	30,070,433.00	287,433,717.87	338,157,315.14	85	Under construction	-	Self-financing
Construction of MG Pukou base phase II of NAGC	460,060,970.86	181,849,338.29	194,777,067.19	5,264,398.66	441,868,843.30	3,092,620,663.98	61	Under construction	-	Self-financing
Donghua CP4 logistics supporting project	188,209,320.67	78,802,531.02	20,315,014.89	108,611,372.79	138,085,464.01	209,900,000.00	84	Under construction	-	Self-financing
Nanjing tooling new technology improvement project	82,776,199.36	33,060,979.07	11,483,793.61	-	104,353,384.82	267,637,330.10	39	Under construction	1,534,724.42	Self-financing
Project of technology improvement and capacity expansion of Shanghai Diesel	162,719,175.68	398,784,348.28	72,735,551.41	-	489,767,972.55	816,279,954.25	60	Under construction	-	Self-financing
Project of technology improvement and capacity expansion of Yangling Johnson	587,114,436.54	1,101,129,603.26	1,008,602,798.61	6,607,796.00	673,033,445.19	2,783,241,625.39	67	Under construction	-	Self-financing
Project of passenger vehicles of self-owned brands	361,382,756.81	639,327,445.97	673,027,546.96	7,637,882.85	320,044,772.97	8,347,700,909.24	90	Under construction	-	Self-financed and raised funds
Project of R&D center expansion	200,280,911.36	277,117,768.36	53,696,523.16	26,423,649.99	397,278,506.57	3,700,623,952.13	58	Under construction	-	Self-financed and raised funds
Others	105,421,966.21	547,607,685.91	41,470,037.45	284,323,568.98	327,236,045.69					
Total	6,065,869,617.03	12,718,948,774.18	8,896,722,744.61	611,593,018.75	9,276,502,627.85				1,534,724.42	



(3) Changes of construction in process are as follows:

Unit: RMB

Item	Year Ended December 31, 2011
Opening balance	6,065,869,617.03
Increase due to the changes in the scope of consolidation	39,606,411.00
Transfer from fixed assets	41,930,931.22
Purchase	12,637,411,431.96
Transfer to fixed assets upon completion	8,896,722,744.61
Transfer to intangible assets upon completion	250,040,132.53
Transfer to investment properties upon completion	353,270,616.09
Other decrease	8,282,270.13
Closing balance	9,276,502,627.85

(4) Impairment for constructions in progress

Unit: RMB

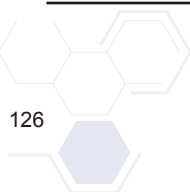
Item	December 31, 2010	Increase	December 31, 2011	Reason for impairment
Dalian Shanghai Diesel product line and plant construction	86,624,202.93	-	86,624,202.93	Termination of the project
Construction of MG Pukou base phase II of NAGC	352,804,263.38	-	352,804,263.38	Changes of products
Others	13,259,473.00	5,783,500.00	7,475,973.00	Termination of the project
Total	452,687,939.31	5,783,500.00	446,904,439.31	

20 Intangible assets and development expenditures

(1) General

Unit: RMB

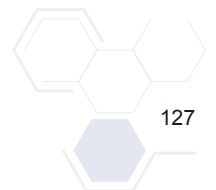
Item	December 31, 2010	Increase	Decrease	December 31, 2011
I. Cost	10,383,235,687.05	2,611,913,494.81	477,652,621.77	12,517,496,560.096.3
Land use right	5,532,021,350.12	1,215,212,359.27	404,219,991.10	43,013,718.29
Know-how	3,034,983,620.15	732,456,939.76	-	3,767,440,559.91
Royalties	21,361,600.00	912,600.00	14,060,700.00	8,213,500.00
Software	592,617,833.66	97,766,267.77	28,313,830.67	662,070,270.76
Patent	1,026,072,252.05	7,880,000.00	-	1,033,952,252.05
Trademark right	14,985,175.00	2,100,000.00	205,800.00	16,879,375.00
Customer relationship and others	161,193,856.07	555,585,328.01	30,852,300.00	685,926,884.08



(1) General - continued

Unit: RMB

Item	December 31, 2010	Increase	Decrease	December 31, 2011
II. Accumulated amortization	3,010,758,193.63	1,088,212,275.72	109,558,245.30	3,989,412,224.05
Land use right	719,164,787.97	204,612,235.90	60,301,552.54	863,475,471.33
Know-how	1,119,296,761.86	617,047,930.37	-	1,736,344,692.23
Royalties	13,969,495.40	2,560,587.93	14,060,700.00	2,469,383.33
Software	259,600,878.03	84,482,247.99	15,265,640.76	328,817,485.26
Patent	829,599,954.05	53,268,480.03	-	882,868,434.08
Trademark right	5,056,089.60	1,576,155.50	-	6,632,245.10
Customer relationship and others	64,070,226.72	124,664,638.00	19,930,352.00	168,804,512.72
III. Closing balance	7,372,477,493.42			8,528,084,336.04
Land use right	4,812,856,562.15			5,479,538,246.96
Know-how	1,915,686,858.29			2,031,095,867.68
Royalties	7,392,104.60			5,744,116.67
Software	333,016,955.63			333,252,785.50
Patent	196,472,298.00			151,083,817.97
Trademark right	9,929,085.40			10,247,129.90
Customer relationship and others	97,123,629.35			517,122,371.36
IV. Impairment	156,333,420.28	179,889,658.47	205,800.00	336,017,278.75
Non-patented technology	142,024,549.85	89,403,875.90	-	231,428,425.75
Royalties	4,714,950.00	-	-	4,714,950.00
Software	7,029,791.09	9,235,782.57	-	16,265,573.66
Patent	-	81,250,000.00	-	81,250,000.00
Trademark right	205,800.00	-	205,800.00	-
Customer relationship and others	2,358,329.34	-	-	2,358,329.34
V. Net book value	7,216,144,073.14			8,192,067,057.29
Land use right	4,812,856,562.15			5,479,538,246.96
Non-patented technology	1,773,662,308.44			1,799,667,441.93
Royalties	2,677,154.60			1,029,166.67
Software	325,987,164.54			316,987,211.84
Patent	196,472,298.00			69,833,817.97
Trademark right	9,723,285.40			10,247,129.90
Customer relationship and others	94,765,300.01			514,764,042.02



Note:

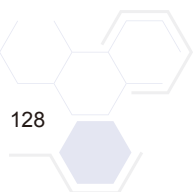
- (1) Of the increase in cost, RMB 1,194,851,652.65 is due to purchase, RMB 538,068,528.44 is due to changes in the scope of consolidation, RMB 250,040,132.53 is due to transferred from construction in progress and RMB 628,953,181.19 is due to transfer from development expenditures.
- (2) Of the decrease in cost, RMB 453,369,112.09 is due to disposals, RMB 22,635,084.52 is due to changes in the scope of consolidation and RMB 1,648,425.16 is due to transfer to fixed assets.
- (3) Of the increase in accumulated amortization, RMB 1,086,760,437.47 is due to provision of amortization and RMB 1,451,838.25 is due to changes in the scope of consolidation.
- (4) Of the decrease in accumulated amortization, RMB 102,610,365.60 is due to disposals, RMB 6,438,573.63 is due to changes in the scope of consolidation and RMB 509,306.07 on transfer to fixed assets.
- (5) Of the increase in impairment, RMB 179,889,658.47 is due to provision of impairment.
- (6) Of the decrease in impairment, RMB 205,800.00 is due to disposals.
- (7) As of the year-end, land use right with net value of RMB 21,301,169.41 is pledged as collateral of bank borrowings. Please refer to Note (VI) 39 for more details.
- (8) As of the year end, certificates of title of land use right with net value of RMB 394,349,069.20 has not been obtained, and certificate of Rover patent with the net value of RMB 62,347,166.88 has not been transferred to the Company.

(2) Details of development expenditures

Unit: RMB

Item	December 31, 2010	Increase	Decrease		December 31, 2011
			Recognized in profit and loss	Transferred to intangible assets	
Research expenditures	-	1,043,257,466.03	1,043,257,466.03	-	-
Development expenditures	1,025,320,922.91	4,878,071,545.10	4,682,692,630.43	628,953,181.19	591,746,656.39
Total	1,025,320,922.91	5,921,329,011.13	5,725,950,096.46	628,953,181.19	591,746,656.39

Development expenditures account for 82.38% of total research and development expenditures.

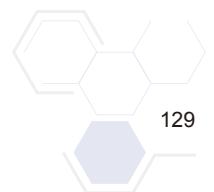


21 Goodwill

Unit: RMB

Invested company	December 31, 2010	Increase	December 31, 2011
I. Cost	541,764,946.64	72,116,642.00	613,881,588.64
Shanghai Diesel	6,994,594.88	-	6,994,594.88
Nanya Motor	11.11	-	11.11
SGM	525,987,921.94	-	525,987,921.94
Chongqing Johnson (Note)	-	71,566,642.00	71,566,642.00
Others	8,782,418.71	550,000.00	9,332,418.71
II. Impairment	2,350,011.11	550,000.00	2,900,011.11
Nanya Motor	11.11	-	11.11
Others	2,350,000.00	550,000.00	2,900,000.00
III. Net book value	539,414,935.53		610,981,577.53
Shanghai Diesel	6,994,594.88		6,994,594.88
SGM	525,987,921.94		525,987,921.94
Chongqing Johnson	-		71,566,642.00
Others	6,432,418.71		6,432,418.71

Note: Chongqing Johnson is the abbreviation of Chongqing Yanfeng Johnson Control Automotive Components Co., Ltd.. Please refer to Note (XI)1(2)(a) for more details.



22 Deferred tax assets/deferred tax liabilities

(1) Differed tax assets or liabilities and corresponding deductible or taxable temporary differences

Unit: RMB

Item	Deferred tax assets or liabilities as of December 31, 2011	Deductible or taxable temporary differences as of December 31, 2011	Deferred tax assets or liabilities as of December 31, 2010	Deductible or taxable temporary differences as of December 31, 2010
Deferred tax assets:				
Assets impairment	411,569,475.21	1,876,279,231.63	435,409,168.19	1,927,381,784.65
Temporary difference arising from depreciation of fixed assets	658,394,416.63	2,822,784,553.07	529,597,830.93	2,456,015,175.45
Temporary difference arising from amortization of intangible assets	13,945,197.03	55,780,788.09	5,627,434.37	23,325,568.35
Deferred income	140,317,228.96	602,743,582.75	82,421,044.40	379,504,305.32
Available-for-sale financial assets measured at fair value	293,778.00	1,958,520.00	-	-
Held-for-trading financial assets and liabilities measured at fair value	-	-	14,653,943.41	61,058,097.54
Liabilities accrued but not deductible	6,698,481,019.71	29,022,823,686.09	5,874,927,062.58	25,662,151,801.08
Unrealized profit elimination	331,219,832.34	1,489,152,007.91	199,902,702.85	861,917,137.29
Others	27,254,327.14	119,720,081.99	19,817,675.39	78,883,427.62
Sub-total	8,281,475,275.02	35,991,242,451.53	7,162,356,862.12	31,450,237,297.30
Deferred tax liabilities:				
Held-for-trading financial assets and liabilities measured at fair value	2,339,978.42	9,359,913.69	21,229,147.21	89,449,968.12
Available-for-sale financial assets measured at fair value	565,626,548.39	2,308,066,131.58	707,084,351.85	2,844,127,204.76
Initial recognition and accumulated amortization of convertible bonds	71,653,649.82	477,690,998.89	109,260,645.58	728,404,303.89
Fair value adjustment on fixed assets, intangible assets and other assets obtained from business combination not involving enterprises under common control	452,176,392.32	1,901,026,068.56	385,553,708.39	1,542,214,833.55
Others	30,533,367.14	100,792,834.31	19,599,711.74	89,397,811.90
Sub-total	1,122,329,936.09	4,796,935,947.03	1,242,727,564.77	5,293,594,122.22
Deferred tax assets offset by deferred tax liabilities	49,873,340.96		14,653,943.41	
Disclosed in the balance sheet:				
Deferred tax assets	8,231,601,934.06		7,147,702,918.71	
Deferred tax liabilities	1,072,456,595.13		1,228,073,621.36	
Net amount of deferred tax assets (liabilities)	7,159,145,338.93		5,919,629,297.35	

(2) Details of unrecognized deferred tax assets

Unit: RMB

Item	December 31, 2011	December 31, 2010
Deductible losses and deductible temporary differences	27,210,377,840.88	18,747,545,069.10

(3) Changes of the net amount of the deferred tax assets (liabilities) during the year are as follows:

Unit: RMB

Opening balance	5,919,629,297.35
Decrease due to changes in the consolidation scope during the year	(72,195,919.18)
Recognized in profit and loss of the year	1,170,417,430.09
Recognized in equity - Changes in fair value of available-for-sale financial assets	141,751,581.46
Recognized in equity - others (Note)	(457,050.79)
Closing balance	7,159,145,338.93

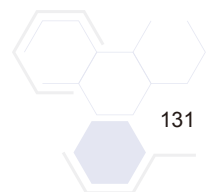
Note: Being changes due to restructuring of subsidiaries.

23 Other non-current assets

Unit: RMB

Item	December 31, 2011	December 31, 2010
Wealth management products with principle protected and unprotected (Note)	7,040,471,253.26	-
Receivables investment	1,490,207,998.09	1,735,285,144.05
Long-term entrusted loans	120,000,000.00	126,000,000.00
Others	226,312,014.25	163,744,074.88
Total	8,876,991,265.60	2,025,029,218.93
Less: Long-term entrusted loans due within one year (Note(VI)10)	120,000,000.00	126,000,000.00
Other non-current assets due after one year	8,756,991,265.60	1,899,029,218.93

Note : At the year-end, included in the balance of wealth management products with principle protected or unprotected, RMB 1,430,471,253.26 held by SFC are issued by China Merchants Bank and its underlying assets of are automobile consumption loans issued by GMAC-SAIC Automotive Finance Co., Ltd.



24 Impairment loss of assets

Unit: RMB

Item	December 31, 2010	Increase(Decrease) due to changes in the consolidation scope during the year	Provision	Decrease		December 31, 2011
				Reversals	Write-off	
1. Bad debt provision	668,618,974.01	(30,042,095.43)	109,784,506.87	89,959,190.40	46,840,142.96	611,562,052.09
2. Provision for decline in value of inventories	1,542,794,187.04	(1,196,490.32)	268,550,199.73	113,935,194.55	431,389,114.47	1,264,823,587.43
3. Impairment on other current assets	8,293,750.00	-	-	-	8,293,750.00	-
4. Impairment on long-term investments	992,782,965.21	-	380,000.00	-	15,945,149.91	977,217,815.30
5. Impairment loss on fixed assets	3,050,497,689.97	(190,680.00)	352,462,631.70	-	192,436,091.70	3,210,333,549.97
6. Impairment on construction in progress	452,687,939.31	-	-	-	5,783,500.00	446,904,439.31
7. Impairment on intangible assets	156,333,420.28	-	179,889,658.47	-	205,800.00	336,017,278.75
8. Impairment on investment properties	1,011,938.35	-	-	-	70,600.55	941,337.80
9. Impairment on loans	150,580,704.09	-	285,858,745.27	-	480,606.40	435,958,842.96
10. Impairment on goodwill	2,350,011.11	-	550,000.00	-	-	2,900,011.11
Total	7,025,951,579.37	(31,429,265.75)	1,197,475,742.04	203,894,384.95	701,444,755.99	7,286,658,914.72

25 Short-term borrowings

Unit: RMB

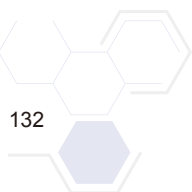
Item	December 31, 2011	December 31, 2010
Credit loans(Note 1)	4,768,121,237.05	3,561,952,551.21
Pledge loans (Note 2)	961,481,257.39	3,693,222,456.32
Mortgage loans (Note 3)	95,650,000.00	443,900,000.00
Guaranteed loans (Note 4)	34,000,000.00	51,634,500.00
Total	5,859,252,494.44	7,750,709,507.53

Note 1: At the year-end, the Group's borrowings from GMAC are RMB 93,476,086.51 (2010: RMB 52,173,738.76).

Note 2: At the year-end, the Group pledged accounts receivable with net book value of RMB 645,641,433.24 to secure pledge loans of RMB 568,000,065.00 (see Note (VI)4); pledged restricted bank balances of RMB 94,662,753.64 to secure pledge loans of RMB 94,857,985.35 (see Note (VI)1), pledged inventories with net book value of RMB 57,432,640.35 and restricted bank balances of RMB 60,970,656.69 to secure pledge loans of RMB 118,403,297.04 (see Note(VI)1 and 9), discounted commercial acceptances of RMB 45,000,000.00 and bank acceptances of RMB 4,000,000.00 to obtain pledge loans of RMB 49,000,000.00 (see Note (VI)3) and pledged finance leases receivables with net book value of RMB 234,889,512.81 to secure pledge loans of RMB 131,220,000.00 (see Note (VI)14).

Note 3: At the year-end, the Group pledged fixed assets - buildings with net book value of RMB 54,337,451.32 and fixed assets - machinery & equipment with net book value of RMB 28,451,059.58 to secure mortgaged loans of RMB 74,000,000.00 and mortgaged fixed assets - transportation vehicles with net book value of 84,993,200.00 to secure mortgage loans of RMB 21,650,000.00 (see Note (VI)18).

Note 4: Such loans are guaranteed by third parties at the year-end.



26 Customer deposits and deposits from banks and other financial institutions

Unit: RMB

Item	December 31, 2011	December 31, 2010
Enterprises' deposits held by SFC	15,724,914,452.76	14,751,248,106.90
Bankers' deposit held by SFC	1,900,652,523.58	1,879,754,902.69
Short-term deposits held by SFC	798,940,760.46	655,749,897.78
Total	18,424,507,736.80	17,286,752,907.37

Enterprises' deposits held by SFC due from shareholders holding more than 5% (inclusive) of the Company's voting rights are set out in Note (VII)5(4)(b) and enterprises' deposits held by SFC due from related parties are set out in Note(VII)5(4)(b).

27 Taking from banks and other financial institutions

Unit: RMB

Item	December 31, 2011	December 31, 2010
SFC's loans taking from banks and other financial institutions	3,000,000,000.0	2,430,000,000.00

28 Held-for-trading financial liabilities

Unit: RMB

Item	December 31, 2011	December 31, 2010
Derivative financial liabilities (Note)	4,263,656.99	61,058,097.54

Note: The balance represents foreign currency forward contracts held by SGM.

29 Notes Payable

Unit: RMB

Item	December 31, 2011	December 31, 2010
Bank acceptances	4,504,849,815.22	3,186,930,160.59
Trade acceptances	519,555,003.06	787,732,402.31
Total	5,024,404,818.28	3,974,662,562.90

No notes payable are due to shareholders holding more than 5% (inclusive) of the Company's voting rights. Notes payable due to related parties are set out in Note (VII)6(7).

30 Accounts payable

(1) Details of accounts payable are as follows:

Unit: RMB

Item	December 31, 2011	December 31, 2010
Accounts payable for purchase of material and equipment, etc.	73,210,344,869.39	63,654,121,637.57

(2) Accounts payable due to shareholders holding more than 5% (inclusive) of the Company's voting rights are set out in Note (VII)6(8).

(3) Accounts payable due to related parties are set out in Note (VII)6(8).

31 Receipts in advance

(1) Details of receipts in advance are as follows:

Unit: RMB

Item	December 31, 2011	December 31, 2010
Receipt in advance arising from sales of vehicles, materials, parts, etc.	17,683,150,343.49	16,847,026,875.24

(2) Receipts in advance from shareholders holding more than 5% (inclusive) of the Company's voting rights are set out in Note (VII)6(9).

(3) Receipts in advance from other related parties are set out in Note (VII)6(9).

32 Financial assets sold under repurchase agreements

Unit: RMB

Item	December 31, 2011	December 31, 2010
Financial assets sold under repurchase agreements held by SFC (Note)	1,164,995,527.20	1,559,999,125.00

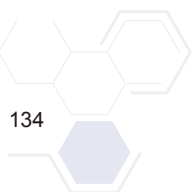
Note: At the year-end, the SFC has pledged held-for-trading bonds of RMB 98,631,900.00 and available-for-sale bonds of RMB 1,199,316,538.00 to secure financial assets sold under repurchase agreements. See Note (VI) 2 and 13.

33 Employee benefits payable

Unit: RMB

Item	December 31, 2011	December 31, 2010
Payroll, bonus, allowance and compensation	2,367,190,113.06	1,704,883,398.76
Staff incentive and welfare fund	1,617,703,712.53	1,180,738,987.97
Social security contributions	121,788,852.09	140,965,921.46
Housing funds	48,799,364.57	36,950,063.23
Trade union fund and employee education fund	311,636,436.00	303,646,322.46
Termination benefits	402,710,369.29	482,287,569.90
Others	185,298,840.21	80,547,128.25
Total	5,055,127,687.75	3,930,019,392.03

There are no overdue employee benefits payables at the year-end.



34 Taxes payable

Unit: RMB

Item	December 31, 2011	December 31, 2010
Enterprise income tax	3,520,077,050.49	3,832,163,166.18
Consumption tax	598,728,734.77	694,779,511.11
Individual income tax	72,585,319.85	58,555,252.25
Land use tax	10,968,526.24	13,143,804.58
Business tax	77,745,113.70	76,920,499.96
Value added tax	(1,733,597,708.25)	5,465,028.19
City construction and maintenance tax	72,259,079.74	71,365,009.29
Education surcharge	65,282,364.99	69,943,571.31
Others	142,015,308.65	49,211,258.98
Total	2,826,063,790.18	4,871,547,101.85

35 Dividends payable

Unit: RMB

Item	December 31, 2011	December 31, 2010
Dividends payable of subsidiaries due to minority investors	6,247,188,138.59	5,692,648,369.71

36 Other payables

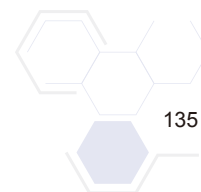
(1) Details of other payables are as follows:

Unit: RMB

Item	December 31, 2011	December 31, 2010
Sales commission and discount	11,774,947,434.20	10,688,607,674.11
Dealers' deposits and other deposits	1,939,044,142.81	1,464,071,432.73
Others	3,882,671,743.75	2,846,168,142.49
Total	17,596,663,320.76	14,998,847,249.33

(2) Other payables due to shareholders holding more than 5% (inclusive) of the Company's voting rights are set out in Note (VII)6(10).

(3) Other payables due to other related parties are set out in Note (VII)6(10).



37 Non-current liabilities due within one year

Details of non-current liabilities due within one year are as follows:

Unit: RMB

Item	December 31, 2011	December 31, 2010
Provisions due within one year (Note (VI)42)	3,154,749,364.35	3,153,282,428.44
Long-term borrowings due within one year (Note (VI)39)	2,528,503,139.31	201,856,836.85
Other non-current liabilities due within one year (Note (VI)44)	4,605,970.13	4,067,999.76
Long-term payables due within one year (Note (VI)41)	2,522,424.82	2,332,645.02
Bonds payable due within one year (Note (VI)40)	-	2,000,000,000.00
Total	5,690,380,898.61	5,361,539,910.07

(1) Provisions due within one year

Unit: RMB

Item	December 31, 2011	December 31, 2010
Products quality warranty	2,901,995,914.75	2,816,649,540.35
Others	252,753,449.60	336,632,888.09
Total	3,154,749,364.35	3,153,282,428.44

(2) Long-term borrowings due within one year

Unit: RMB

Item	December 31, 2011	December 31, 2010
Credit loans	1,896,089,458.81	85,129,812.47
Guaranteed loans	227,083,680.58	39,727,024.38
Mortgage loans	189,049,999.92	77,000,000.00
Pledge loans	216,280,000.00	-
Total	2,528,503,139.31	201,856,836.85

(3) Non-current liabilities due within one year

Unit: RMB

Item	December 31, 2011	December 31, 2010
Differed income - Government grants	4,605,970.13	4,067,999.76

(4) Long-term payables due within one year

Unit: RMB

Item	December 31, 2011	December 31, 2010
Finance leases payables	2,522,424.82	2,332,645.02

(5) Bonds payable due within one year

Unit: RMB

Item	December 31, 2011	December 31, 2010
Medium-term bonds	-	2,000,000,000.00

38 Other current liabilities

Unit: RMB

Item	December 31, 2011	December 31, 2010
Accrued expenses	181,987,717.61	170,798,606.07
Differed income - Government grants	33,950,000.00	14,865,669.98
Differed income - Others	433,256,217.38	275,549,139.38
Total	649,193,934.99	461,213,415.43

39 Long-term borrowings

Unit: RMB

Item	December 31, 2011	December 31, 2010
Credit loans	3,197,519,804.45	2,469,522,503.47
Guaranteed loans (Note 1)	227,083,680.58	207,547,699.28
Mortgage loans (Note 2)	434,365,999.92	665,712,975.58
Pledge loans (Note 3)	533,020,000.00	-
Sub-total	4,391,989,484.95	3,342,783,178.33
Less: Long-term borrowings due within one year (Note (VI)37)	2,528,503,139.31	201,856,836.85
Long-term borrowings due after one year	1,863,486,345.64	3,140,926,341.48

Note 1: At the year-end, long-term borrowings of RMB 210,000,000.00 are guaranteed by SAIC and the rest are guaranteed by third parties.

Note 2: At the year-end, the Group has mortgaged transportation vehicles with net book value of RMB 537,621,465.48 to secure mortgage loans of RMB 244,165,999.92 (see Note (VI)18), mortgaged fixed assets - buildings with net book value of RMB 84,735,588.60 to secure mortgage loans of RMB 50,400,000.00 (see Note(VI)18), mortgaged investment properties - buildings with net book value of RMB 26,832,008.19 to secure mortgage loans of RMB 11,300,000.00 (see Note(VI)17), mortgaged investment properties - building with net book value of RMB 4,426,568.98 and intangible assets - land use rights with net book value of RMB 4,530,585.85 to secure mortgage loans of RMB 9,500,000.00 (see Note (VI)17 and20) and mortgaged intangible assets - land use rights with net book value of RMB 16,770,583.56 to secure mortgage loans of RMB 21,500,000.00 (see Note (VI)20).

Note 3: At the year-end, the Group pledged finance leases receivables of RMB 1,055,563,252.04 to secure pledge loans of RMB 533,020,000.00 (see Note (VI)14).



40 Bonds payable

Unit: RMB

Category	Face value	December 31, 2010	Interest accrual for the year	Interest and the principle paid during the year	December 31, 2011
Bonds with attached warrants (Note 1)	6,300,000,000.00	5,516,575,696.11	301,113,305.00	50,400,000.00	5,767,289,001.11
Medium-term bonds (Note 2)	2,000,000,000.00	2,000,000,000.00	70,000,000.00	2,070,000,000.00	-
Sub-total	8,300,000,000.00	7,516,575,696.11	371,113,305.00	2,120,400,000.00	5,767,289,001.11
Less: Bonds payable due within one year(Note (VI) 37)		2,000,000,000.00			-
Bonds payable due after one year		5,516,575,696.11			5,767,289,001.11

Note 1: As approved by China Securities Regulatory Commission Zheng Jian Fa Xing Zi [2007] No. 459, the Company issued bonds with attached warrants of RMB 6,300,000,000 on December 19, 2007 at par value of RMB 100 with 3.6 shares of warrants for each bond. Total shares of warrants issued are 226,800,000. The expiration date of the bonds with attached warrants is December 18, 2013. The nominal annual interest rate of the bonds is 0.80%, and the real annual interest rate is 5.46%. Bonds with attached warrants are guaranteed by SAIC.

Bonds and warrants included in the "bonds with attached warrants" have been traded separately since December 26, 2007 and the warrants ("SAIC CWB1") have been listed on Shanghai Stock Exchange on January 8, 2008. Trading period of the warrants is 24 months, i.e. from January 8, 2008 to January 7, 2010. Exercise period of the warrants is the last 5 trading days during the period from December 31, 2009 to January 7, 2010. Each warrant entitles the holder to subscribe 1 A share of the Company. Refer to Note (I) for the exercise of the warrants during the exercise period.

Initial recognition of bonds with warrants is as follows:

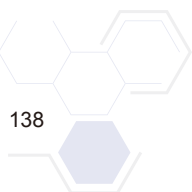
Unit: RMB

Item	Liabilities component	Equity component	Total
Initial recognized amount	4,874,744,332.84	1,425,255,667.16	6,300,000,000.00
Less: Transaction costs	43,872,699.00	12,827,301.00	56,700,000.00
Book value at issuing date	4,830,871,633.84	1,412,428,366.16	6,243,300,000.00

Movement of bonds with warrants during the year is as follows:

Unit: RMB

	December 31, 2010	Interest accrued	Interest paid	December 31, 2011
Book value	6,300,000,000.00	-	-	6,300,000,000.00
Adjustment of interest	(785,104,303.89)	250,713,305.00	-	(534,390,998.89)
Accrued interest	1,680,000.00	50,400,000.00	50,400,000.00	1,680,000.00
Total	5,516,575,696.11	301,113,305.00	50,400,000.00	5,767,289,001.11



Note 2: National Association of Financial Market Institutional Investors approved the registration of the medium-term bonds of RMB 6,000,000,000.00 with Zhong Shi Xie Zhu [2008] No.MTN30 Notification on December 16, 2008. The expiration date is December 16, 2010, and the mid-term bonds can be issued during the period of validity. The Company issued the first phase of the 3-year mid-term bonds of RMB 2,000,000,000.00 in the National Association of Financial Market on December 26, 2008, i.e. from December 29, 2008 to December 29, 2010. Annual interest rate of the mid-term bond is 3.5%. The medium-term bonds were repaid during the year.

41 Long-term payables

(1) Details of long-term payables

Unit: RMB

Item	December 31, 2011	December 31, 2010
Finance leases payable	37,237,334.04	39,110,429.12
Less: Long-term payable due within one year (Note (VI)37)	2,522,424.82	2,332,645.02
Finance leases due after one year	34,714,909.22	36,777,784.10

(2) Details of finance leases payable included in long-term payables

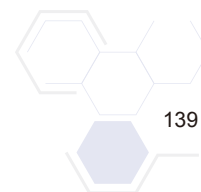
Unit: RMB

	December 31, 2011	December 31, 2010
Within one year subsequent to the balance sheet date	5,514,600.00	5,514,600.00
In the 2nd year subsequent to the balance sheet date	5,514,600.00	5,514,600.00
In the 3rd year subsequent to the balance sheet date	5,514,600.00	5,514,600.00
Subsequent years	39,061,750.00	44,116,800.00
Total minimum lease payables	55,605,550.00	60,660,600.00
Less: Unrecognized finance cost	18,368,215.96	21,550,170.88
Finance lease payables	37,237,334.04	39,110,429.12

42 Provisions

Unit: RMB

Item	December 31, 2011	December 31, 2010
Products quality warranty	6,224,002,412.02	5,607,760,007.27
Others	949,434,543.24	1,142,202,088.28
Sub-total	7,173,436,955.26	6,749,962,095.55
Less: Provisions due within one year (Note (VI)37)	3,154,749,364.35	3,153,282,428.44
Provisions due after one year	4,018,687,590.91	3,596,679,667.11



43 Special payables

Unit: RMB

Item	December 31, 2011	December 31, 2010
Compensation for relocation (Note 1)	1,508,011,706.90	1,165,857,755.34
Special reward fund (Note 2)	987,830,000.00	1,000,000,000.00
Total	2,495,841,706.90	2,165,857,755.34

Note 1: The balance represents compensations received from government, who purchased back land use rights owned by the Group for the benefits of overall planning of urban and rural areas and paid the compensation directly from its fiscal budget.

Note 2: Balance of special reward fund is injected by SAIC in the Transaction as stated in Note (I). Such fund is designated for special purpose of rewarding significant contributions to business developments, completion of strategic development objectives (including key annual goals), completion of significant projects or works. The fund is managed as special payables.

44 Other non-current liabilities

Unit: RMB

Item	December 31, 2011	December 31, 2010
Compensation and retirement benefits (Note)	6,324,227,071.61	5,960,443,988.68
Deferred income - Government grants	1,266,575,056.43	760,203,277.07
Others	165,389,605.94	197,989,392.16
Sub-total	7,756,191,733.98	6,918,636,657.91
Less: Other non-current liabilities due within one year(Note (VI)37)	4,605,970.13	4,067,999.76
Total	7,751,585,763.85	6,914,568,658.15

Note: Major balances of compensations and retirement benefits of the Company are calculated using actuarial techniques based on assumptions of discount rates, inflation and other factors. Management of the Group believes that the assumptions are reasonable, but actual results may differ from these assumptions, which may affect the disbursement and liabilities relating to the welfare.



45 Share capital

Registered capital and paid-in capital of the Company are RMB 11,025,566,629.00, with a par value of RMB 1.00 per share. Categories and composition of the shares are as follows:

Year 2011	Shares at the beginning of the year	Changes (shares)		Shares at the end of the year	% of shares held at the end of the years
		Expiration of restriction period (Note 2)	The Transaction (Note 1)		
I. Restricted shares					
Shares held by domestic legal person					
-SAIC	72,098,054	-	1,448,736,163	1,520,834,217	13.80
-SAIC Ltd	-	-	334,408,775	334,408,775	3.03
-Others	648,882,479	(648,882,479)	-	-	-
Sub-total	720,980,533	(648,882,479)	1,783,144,938	1,855,242,992	16.83
II. Non-restricted shares					
Ordinary shares in RMB					
-SAIC	6,670,615,714	-	-	6,670,615,714	60.50
-Yuejin	468,398,580	-	-	468,398,580	4.25
-Others	1,382,426,864	648,882,479	-	2,031,309,343	18.42
Sub-total	8,521,441,158	648,882,479	-	9,170,323,637	83.17
III. Total	9,242,421,691	-	1,783,144,938	11,025,566,629	100.00

Year 2010:	Shares at the beginning of the year	Changes (shares)				Shares at the end of the year	% of shares held at the end of the years
		Exercise of warrants (Note 3)	Share transfer	Capitalization of capital reserve (Note 3)	Non-public issuer (Note 2)		
I. Restricted shares							
Shares held by domestic legal person							
-SAIC	-	-	-	-	72,098,054	72,098,054	0.78
-Others	-	-	-	-	648,882,479	648,882,479	7.02
Sub-total	-	-	-	-	720,980,533	720,980,533	7.80
II. Non-restricted shares							
Ordinary shares in RMB							
-SAIC	5,171,549,456	-	(40,306,600)	1,539,372,858	-	6,670,615,714	72.17
-Yuejin	320,000,000	-	40,306,600	108,091,980	-	468,398,580	5.07
-Others	1,059,479,634	3,925,647	-	319,021,583	-	1,382,426,864	14.96
Sub-total	6,551,029,090	3,925,647	-	1,966,486,421	-	8,521,441,158	92.20
III. Total	6,551,029,090	3,925,647	-	1,966,486,421	720,980,533	9,242,421,691	100.00

Note 1: As stated in Note (I), the Company issued 1,448,736,163 shares and 334,408,775 shares of ordinary share in RMB to SAIC and SAIC Ltd, respectively, at par of RMB 1.00 per share in the Transaction. SAIC and SAIC Ltd have committed that they do not transfer shares

acquired in the Transaction within 36 months after the issue of such shares. At issue date of the financial statements, business registration for the change of shares is under processing.

Note 2: In year 2010, CSRC approved the Company's non-public issue of shares with "Approval of Non-public Issue of Shares of SAIC Motor Corporation Limited" (Zheng Jian Xu Ke [2010] No. 1717). Accordingly, the Company issued 720,980,533 A shares at RMB 13.87 per share (with par value of RMB 1.00 per share) to 10 investors, including SAIC, the controlling shareholder. Of the 720,980,533 shares issued, 72,098,054 shares issued to SAIC are restricted for 36 months after the issue (such shares are expected to be released for trading on December 10, 2013) and 648,882,479 shares issued to other investors are restricted for 12 months after the issue (such shares were released for trading during year 2011).

Note 3: See Note (I).

46 Capital reserve

Unit: RMB

Item	Opening balance	Increase	Decrease	Reclassification upon completion of the Transaction	Closing balance
Year 2011:					
Share premium	39,522,727,299.01	-	(209,970,519.58)	(1,783,144,938.00)	37,529,611,841.43
Including: Capital contributed by investors(Note 1)	28,468,239,008.25	-	(61,428,314.49)	8,726,798,383.73	37,133,609,077.49
Differences arising from business combination involving enterprises under common control	10,983,397,123.42	-	(111,647,080.89)	(10,509,943,321.73)	361,806,720.80
Effect of increase of investment in subsidiaries	71,091,167.34	-	(36,895,124.20)	-	34,196,043.14
Other comprehensive income	6,776,244,766.83	-	(2,651,694,701.92)	-	4,124,550,064.91
Other capital reserves	515,618,160.97	2,715,353.43	-	-	518,333,514.40
Total	46,814,590,226.81	2,715,353.43	(2,861,665,221.50)	(1,783,144,938.00)	42,172,495,420.74
Year 2010:					
Share premium	30,777,286,651.19	10,711,927,068.82	(1,966,486,421.00)	-	39,522,727,299.01
Including: Capital contributed by investors(Note 3)	19,974,895,338.03	10,459,830,091.22	(1,966,486,421.00)	-	28,468,239,008.25
Differences arising from business combination involving enterprises under common control	10,731,601,925.41	251,795,198.01	-	-	10,983,397,123.42
Effect of increase of investment in subsidiaries	70,789,387.75	301,779.59	-	-	71,091,167.34
Other comprehensive income	7,039,228,788.72	-	(262,984,021.89)	-	6,776,244,766.83
Other capital reserves	1,714,582,845.54	1,599,426.67	(1,200,564,111.24)	-	515,618,160.97
Others: Equity component of convertible bonds	1,200,564,111.24	-	(1,200,564,111.24)	-	-
Others	514,018,734.30	1,599,426.67	-	-	515,618,160.97
Total	39,531,098,285.45	10,713,526,495.49	(3,430,034,554.13)	-	46,814,590,226.81

Note 1: The decrease of capital contributed by investors is the issuance costs of the Transaction as stated in Note (I).

Note 2: Upon the completion of the Transaction stated in Note (I), differences arising from business combination involving enterprises under common control of RMB 10,509,943,321.73 were transferred out to share capital and share premium, i.e. RMB 1,783,144,938.00 was transferred to share capital and the rest were transferred to share premium.

Note 3: Of the increases of capital contributed by investors, RMB 101,396,596.29 is due to exercise of SAIC CWB1 warrants, RMB 1,200,564,111.24 is due to transfer of other capital reserves to share premium upon expiration of SAIC CWB1 warrants and RMB 9,157,869,383.69 is due to non-public share issue in 2010. The decrease of capital contributed by investors is due to capitalization of capital reserve.

47 Surplus reserve

Unit: RMB

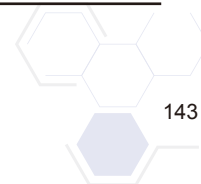
Item	December 31, 2010	Appropriation	December 31, 2011
Year 2011:			
Statutory surplus reserve	4,152,108,578.96	1,559,016,976.74	5,711,125,555.70
Discretionary surplus reserve	2,533,906,072.42	1,559,016,976.74	4,092,923,049.16
Total	6,686,014,651.38	3,118,033,953.48	9,804,048,604.86
Year 2010:			
Statutory surplus reserve	2,874,776,588.58	1,277,331,990.38	4,152,108,578.96
Discretionary surplus reserve	1,256,574,082.04	1,277,331,990.38	2,533,906,072.42
Total	4,131,350,670.62	2,554,663,980.76	6,686,014,651.38

Statutory surplus can be used for making up for losses, expanding operation and increasing Company's capital.

48 Retained earnings

Unit: RMB

Item	Amount
Year 2011:	
Balance at the beginning of year	24,175,780,319.71
Add: Net profit attributable to the shareholders of the Company	20,221,866,457.55
Effect of subsidiaries' restructuring (Note 1)	48,242,107.61
Less: Appropriation to statutory surplus reserve of the Company	1,559,016,976.74
Appropriation to discretionary surplus reserve of the Company	1,559,016,976.74
Dividends distribution (Note 2)	1,848,484,338.20
Appropriation to foreign capital reserve of SFC	2,715,353.43
Appropriation to staff incentive and welfare fund of subsidiaries	256,151,918.37
Balance at the end of year	39,220,503,321.39
Year 2010:	
Balance at the beginning of year	10,872,951,831.40
Add: Net profit attributable to the shareholders of the Company	16,389,781,473.15
Less: Appropriation to statutory surplus reserve of the Company	1,277,331,990.38
Appropriation to discretionary surplus reserve of the Company	1,277,331,990.38
Dividends distribution	327,747,736.85
Appropriation to foreign capital reserve of SFC	1,599,426.67
Appropriation to staff incentive and welfare fund of subsidiaries	202,941,840.56
Balance at the end of year	24,175,780,319.71



Note 1: Certain subsidiaries of the Group were restructured to limited liability companies during the current year, in which net assets were made up for accumulated losses.

Note 2: Prior year's cash dividends approved by shareholders' meeting

According to resolution reached at the 2010 annual general meeting of shareholders on May 27, 2011, the Company distributed cash dividends of RMB 2.00 (tax included) per 10 shares, amounting to RMB 1,848,484,338.20, based on total 9,242,421,691 shares.

Note 3: Profit distribution decided after the balance sheet date

According to the proposals made at the 36th meeting of the 4th session of the Board of Directors, the Company plans to distribute cash dividends of RMB 3.00 (inclusive of tax) per 10 shares, based on total 11,025,566,629 shares after appropriation of statutory surplus reserve and discretionary surplus reserve at 10% and 10% of profit after tax of the Company. The dividend distribution plan has yet to be approved by the general meeting of shareholders.

49 Operating income/costs

(1) Operating income/costs

Unit: RMB

	Year Ended December 31, 2011		Year Ended December 31, 2010	
	Operating Income	Operating Costs	Operating Income	Operating Costs
Primary operations	426,377,836,870.74	346,583,579,368.71	358,753,228,119.41	290,383,632,022.80
Other operations	6,717,647,403.20	5,286,720,821.63	6,230,100,046.41	4,827,126,166.74
Total	433,095,484,273.94	351,870,300,190.34	364,983,328,165.82	295,210,758,189.54

(2) Primary operations

Unit: RMB

	Year Ended December 31, 2011		Year Ended December 31, 2010	
	Operating Income	Operating Costs	Operating Income	Operating Costs
Sales of vehicles	342,103,894,392.52	281,163,180,193.16	285,658,641,734.58	232,274,619,409.49
Sales of parts	69,219,010,512.61	51,738,463,419.92	62,151,209,703.12	48,076,079,165.30
Trading	10,996,364,533.84	10,676,999,862.33	7,769,033,042.75	7,538,341,047.83
Service and others	4,058,567,431.77	3,004,935,893.30	3,174,343,638.96	2,494,592,400.18
Total	426,377,836,870.74	346,583,579,368.71	358,753,228,119.41	290,383,632,022.80

(3) Other operations

Unit: RMB

	Year Ended December 31, 2011		Year Ended December 31, 2010	
	Operating Income	Operating Costs	Operating Income	Operating Costs
Sales of raw materials	4,773,002,441.93	4,093,755,450.41	4,657,978,411.99	4,014,180,409.43
Rendering services	635,913,096.35	303,410,034.02	612,964,828.48	431,580,349.77
Rental	450,325,739.81	180,133,053.30	536,475,510.74	127,742,138.26
Others	858,406,125.11	709,422,283.90	422,681,295.20	253,623,269.28
Total	6,717,647,403.20	5,286,720,821.63	6,230,100,046.41	4,827,126,166.74

(4) Operating incomes from the top five customers are as follows:

Unit: RMB

Name	Operating income	Proportion to total sales (%)
Company 1	28,298,565,206.21	6.53
Company 2	1,715,955,748.30	0.40
Company 3	1,709,681,167.81	0.39
Company 4	1,062,314,943.78	0.25
Company 5	1,013,968,195.34	0.23
Total	33,800,485,261.44	7.80

50 Interest income/expenses

Unit: RMB

	Year Ended December 31, 2011		Year Ended December 31, 2010	
	Income	Expenses	Income	Expenses
Interest income/expenses of SFC	1,659,646,963.42	308,857,110.78	707,657,128.43	220,875,430.26

51 Fee and commission income/ expenses

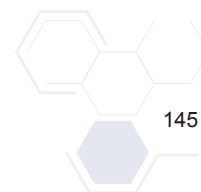
Unit: RMB

	Year Ended December 31, 2011		Year Ended December 31, 2010	
	Income	Expenses	Income	Expenses
Fee and commission income/expenses of SFC	48,817,843.19	10,287,121.53	33,446,512.71	2,511,478.81

52 Business taxes and levies

Unit: RMB

Item	Year Ended December 31, 2011	Year Ended December 31, 2010
Consumption tax	8,837,567,472.77	7,829,537,787.20
City construction and maintenance tax	765,402,037.32	157,448,776.71
Education surcharges	1,070,539,362.11	145,917,525.14
Business tax	329,700,578.90	262,894,782.48
Others	51,093,693.96	38,050,176.08
Total	11,054,303,145.06	8,433,849,047.61



53 Selling expenses

Unit: RMB

Item	Year Ended December 31, 2011	Year Ended December 31, 2010
Transportation expenses	7,099,458,418.94	6,562,506,565.85
Advertising expenses	6,358,710,653.29	5,454,217,737.35
After sales service expenses	2,867,037,646.59	3,319,122,823.83
Others	6,525,585,244.25	6,592,970,153.34
Total	22,850,791,963.07	21,928,817,280.37

54 Administrative expenses

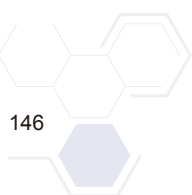
Unit: RMB

Item	Year Ended December 31, 2011	Year Ended December 31, 2010
Salaries	5,705,891,390.02	3,984,004,180.34
Depreciation and amortization	942,765,879.12	877,677,022.38
Research and development expenditures	5,725,950,096.46	3,970,654,366.41
Royalties	1,907,681,105.24	1,701,244,673.28
Others	4,833,411,389.68	4,701,930,712.55
Total	19,115,699,860.52	15,235,510,954.96

55 Financial expenses

Unit: RMB

Item	Year Ended December 31, 2011	Year Ended December 31, 2010
Interest expenses	758,034,389.66	665,790,926.50
less: Capitalized expenses (Note (VI)19)	1,534,724.42	14,673,595.95
Less: Interest income	726,464,660.46	374,589,204.02
Exchange (gain) loss	96,227,676.98	10,531,333.56
Loss (gain) on foreign currency forward contracts	(144,798,055.90)	97,892,501.07
Others	61,310,969.80	70,758,615.55
Total	42,775,595.66	455,710,576.71



56 Impairment losses on assets

Unit: RMB

Item	Year Ended December 31, 2011	Year Ended December 31, 2010
Impairment on fixed assets	352,462,631.70	848,545,302.67
Impairment on loans	285,858,745.27	68,205,565.43
Impairment on intangible assets	179,889,658.47	140,962,049.85
Decline in value of inventories	154,615,005.18	523,024,331.47
Bad debt loss (reversals of provision)	19,825,316.47	(4,704,582.11)
Impairment on goodwill	550,000.00	-
Impairment on long-term investments (Note)	380,000.00	20,000,000.00
Impairment on construction in process	-	360,413,598.77
Total	993,581,357.09	1,956,446,266.08

57 Gain (loss) from changes in fair values

Unit: RMB

Item	Year Ended December 31, 2011	Year Ended December 31, 2010
Gain (loss) resulting from:		
Held-for-trading financial assets	(269,382,641.26)	221,270,676.65
Held-for-trading financial liabilities	56,794,440.55	10,839,999.65
Stocks embedded with put options (Note (VI)11)	(113,235,578.64)	64,745,611.97
Total	(325,823,779.35)	296,856,288.27

58 Investment income

Unit: RMB

Item	Year Ended December 31, 2011	Year Ended December 31, 2010
Dividends received from investments under cost method	19,037,726.66	36,908,028.76
Long-term equity investment income under equity method	12,362,112,405.76	9,522,135,053.57
Amortization of long-term equity investment difference	(827,623.32)	(1,269,146.16)
Gain (loss) on disposal of long-term equity investments	31,654,784.55	18,977,763.11
Unrealized profit elimination under equity method	(430,754,237.04)	(249,447,515.38)
Gain (loss) from held-for-trading financial assets/liabilities	833,593,540.21	189,610,578.74
Gain from available-for-sale financial assets	444,606,476.70	839,955,283.19
Gain from financial assets purchased under resell agreements	3,495,333.97	83,027,452.62
Gain from business combination not involving enterprises under common control achieved in stages (Note)	155,474,166.00	240,213,689.49
Others	33,573,317.55	90,180,613.86
Total	13,451,965,891.04	10,770,291,801.80

Note: See note (XI)1(2)(a).

59 Non-operating income

(1) Details of non-operating income are as follows:

Unit: RMB

Item	Year Ended December 31, 2011	Year Ended December 31, 2010
Government grants	327,632,621.43	235,826,950.92
Debt restructuring gain	1,599,254.64	55,431,816.16
Gain on disposal of non-current assets	136,338,393.71	101,836,973.94
Payables waived by creditors	71,665,176.68	36,340,608.69
Compensation for relocation	40,729,011.00	2,859,083.42
Acquisition discounts from business combination not involving enterprises under common control	7,347,220.78	140,558,651.45
Others	100,091,127.39	46,586,676.55
Total	685,402,805.63	619,440,761.13

(2) Details of government grants are as follows:

Unit: RMB

Item	Year Ended December 31, 2011	Year Ended December 31, 2010
(a) Government grants related to assets		
Technical improvement	78,534,846.00	81,815,236.11
Subsidies for purchase of fixed assets	365,653,700.00	236,668,302.46
Sub-total	444,188,546.00	318,483,538.57
(b) Government grants related to income		
Subsidies for project development	70,806,535.88	35,386,740.50
Financial subsidies	165,088,141.00	119,890,539.90
Relocation compensation	93,171,033.51	18,855,659.81
Tax refund	79,834,474.42	78,045,878.45
Others	–	2,088,783.04
Sub-total	408,900,184.81	254,267,601.70
(c) Release of deferred income	103,455,325.15	26,439,889.46
Government grants recognized in profit or loss	327,632,621.43	235,826,950.92
Government grants recognized in deferred income	628,911,434.53	363,364,078.81

60 Non-operating expenses

Unit: RMB

Item	Year Ended December 31, 2011	Year Ended December 31, 2010
Loss on disposal of non-current assets	192,614,722.33	72,084,894.58
Relocation	39,389,170.36	18,855,659.81
Donations	6,018,315.39	57,885,386.60
Compensations	2,306,629.59	22,592,909.68
Provision for loss on compensation for suppliers	-	605,867,463.14
Others	114,400,813.25	41,026,335.33
Total	354,729,650.92	818,312,649.14

61 Income tax expenses

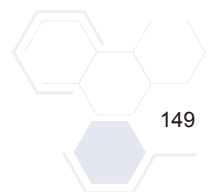
Unit: RMB

Item	Year Ended December 31, 2011	Year Ended December 31, 2010
Current income tax expenses	8,208,949,183.79	7,302,916,526.02
Deferred income tax expenses	(1,170,417,430.09)	(2,671,808,776.26)
Total	7,038,531,753.70	4,631,107,749.76

Reconciliation of income tax and accounting profit is as follows:

Unit: RMB

	Year Ended December 31, 2011	Year Ended December 31, 2010
Accounting profit	42,028,162,786.89	33,163,563,938.39
Income tax expenses calculated at 15% (2010: 15%)	6,304,224,418.03	4,974,534,590.76
Effect of expenses that are not deductible for tax purposes	90,244,180.20	73,191,599.91
Effect of unrecognized deductible losses and deductible temporary differences for tax purposes	875,348,057.41	1,413,886,285.33
Effect of using previously unrecognized deductible losses and deductible temporary differences for tax purposes	(543,160,371.78)	(829,789,148.02)
Adjustment on prior year's income tax according to final settlement	(20,845,999.28)	11,755,885.24
Effect of non-taxable revenue	(1,920,997,506.61)	(1,480,889,464.88)
Effect of super tax deduction for research and development expenditures	(255,024,323.76)	(201,893,935.30)
Effect of different tax rates of subsidiaries operating in other jurisdictions	2,508,743,299.49	685,545,265.55
Others	-	(15,233,328.83)
Total	7,038,531,753.70	4,631,107,749.76



62 Calculation process of basic earnings per share and diluted earnings per share

(1) For the purpose of calculating basic earnings per share, net profit for the current year attributable to ordinary shareholders is as follows:

Unit: RMB

	Year Ended December 31, 2011	Year Ended December 31, 2010
Net profit for the current year attributable to ordinary shareholders	20,221,866,457.55	16,389,781,473.15
Including: Net profit from continuing operations	20,221,866,457.55	16,389,781,473.15

(2) For the purpose of calculating basic earnings per share, the denominator is the weighted average number of outstanding ordinary shares and its calculation process is as follows:

Unit: RMB

	Year Ended December 31, 2011	Year Ended December 31, 2010
Number of ordinary shares outstanding at the beginning of year (Note)	11,025,566,629	10,299,482,755
Add: Weighted average number of ordinary shares issued during the year	-	4,678,063
Number of ordinary shares outstanding at the end of year	11,025,566,629	10,304,160,818

Note: The Company accounts for the Transaction stated in Note (I) as business combination involving enterprises under common control (see Note (XI)1(1)) at the consideration of which is shares issued. Therefore, basic earnings per share are calculated assuming the newly issued shares are in issue at the earliest reporting period.

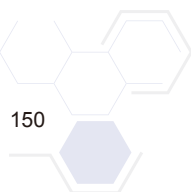
(3) Diluted earnings per share

At the end and the beginning of the year, there are no events of dilution.

(4) Earnings per share

Unit: RMB

	Year Ended December 31, 2011	Year Ended December 31, 2010
Calculated based on net profit attributable to shareholders of the Company		
Basic earnings per share	1.834	1.591
Diluted earnings per share	N/A	N/A
Calculated based on net profit from continuing operations attributable to shareholders of the Company		
Basic earnings per share	1.834	1.591
Diluted earnings per share	N/A	N/A



63 Other comprehensive income (loss)

Unit: RMB

Item	Year Ended December 31, 2011	Year Ended December 31, 2010
1. Gain (loss) arising from available-for-sale financial assets	(2,462,500,131.71)	(169,934,286.83)
less: Tax effects arising from available-for-sale financial assets	(74,103,881.45)	(134,166,557.18)
Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period	205,964,446.26	42,880,220.94
Sub-total	(2,594,360,696.52)	(78,647,950.59)
2. Share of other comprehensive income (loss) of the investee accounted for using the equity method	(167,208,451.57)	(1,368,545.10)
3. Translation differences of financial statements denominated in foreign currencies	138,660,727.62	21,563,806.16
4. Others	139,014.83	7,146,717.83
Total	(2,622,769,405.64)	(51,305,971.70)

64 Entrusted business of SFC

Unit: RMB

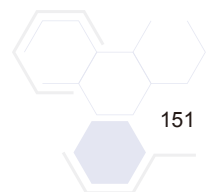
	December 31, 2011	December 31, 2010
Entrusted deposits	902,776,901.75	1,094,139,095.26
Entrusted loans	746,000,000.00	938,620,000.00
Entrusted investments	156,776,901.75	155,519,095.26
Total	902,776,901.75	1,094,139,095.26

65 Note of cash flow statement

Other cash payments relating to financing activities

Unit: RMB

Item	Year Ended December 31, 2011	Year Ended December 31, 2010
Increase of restricted cash and cash equivalents (including pledge of bank acceptances, etc.)	1,040,214,759.68	141,794,341.29
Payment of the transaction costs of the Transaction	61,428,314.49	-
Total	1,101,643,074.17	141,794,341.29



66 Supplementary information to the cash flow statements

(1) Supplementary information to the cash flow statements

Unit: RMB

Supplementary information	Year Ended December 31, 2011	Year Ended December 31, 2010
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	34,989,631,033.19	28,532,456,188.63
Add: Provision for impairment loss of assets	993,581,357.09	1,956,446,266.08
Depreciation of fixed assets	6,381,529,289.72	6,340,544,094.95
Amortization of intangible assets	1,086,760,437.47	1,183,822,795.11
Depreciation and amortization of investment properties	115,303,073.03	104,994,606.37
Amortization of long-term prepaid expenses	179,394,521.10	237,294,651.17
Losses on disposal of fixed assets, intangible assets and other long-term assets (less gains)	56,276,328.62	(29,752,079.36)
Losses on changes in fair values (less gains)	325,823,779.35	(296,856,288.27)
Financial expenses	756,499,665.24	651,117,330.55
Losses arising from investments (less gains)	(13,451,965,891.04)	(10,770,291,801.80)
Decrease in deferred tax assets (less increase)	(1,146,787,729.27)	(2,652,935,523.32)
Increase in deferred tax liabilities (less decrease)	(23,629,700.82)	(18,873,252.94)
Decrease in inventories (less increase)	(5,486,342,338.22)	(7,304,989,979.12)
Decrease in financial assets purchased under resell agreements (less increase)	2,102,601,956.17	(2,102,601,956.17)
Increase in financial assets sold under repurchase agreements (less decrease)	(395,003,597.80)	1,559,999,125.00
Increase in taking from banks and other financial institutions (less decrease)	570,000,000.00	(470,000,000.00)
Decrease in operating receivables (less increase)	(7,271,971,304.83)	(22,067,174,120.36)
Increase in operating payables (less decrease)	427,643,008.11	34,500,298,288.83
Net cash flow from operating activities	20,209,343,887.11	29,353,498,345.35
2. Net movement of cash and cash equivalents:		
Balance at the end of the year	59,527,277,873.78	60,559,755,095.06
Less: Balance at the beginning of the year	60,559,755,095.06	32,056,039,943.97
Net increase (decrease) in cash and cash equivalents	(1,032,477,221.28)	28,503,715,151.09

(2) Cash and cash equivalents

Unit: RMB

Item	December 31, 2011	December 31, 2010
Cash	7,906,403.35	8,446,053.06
Bank deposit	59,248,154,054.29	60,477,550,792.04
Other currencies	271,217,416.14	73,758,249.96
Closing balance of cash and cash equivalents	59,527,277,873.78	60,559,755,095.06

VII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1 Parent of the Company

Unit: RMB

Name of the parent company	Type of the entity	Places of incorporation	Legal representative	Business scope	Registered capital	Proportion of the Company's ownership interest held by the parent company (%)		Proportion of the Company's voting rights held by the parent company (%)	
						Directly	Indirectly	Directly	Indirectly
SAIC	State-owned-enterprise	Shanghai, China	Mr. Hu Mao Yuan	Manufacturing, sales, development and investment of automobiles, tractors and motorcycles; operation and management of state-owned assets within the scope of authority; consulting service for domestic trading (except for specific regulations), advisory services.	21,599,175,737.24	74.30	3.03	74.30	3.03

SAIC holds 77.33% shares, directly and indirectly, of the Company.

2 Subsidiaries of the Group

See Note (IV).

3 JCEs and associates of the Group

See Note (VI) 15 and 16.

4 Other related parties which have significant transactions or balances with the Group

Name of related parties	Relationship with the Group
Shanghai Automotive Industry Development Co., Ltd.	Subsidiary of SAIC
SAIC Property Development Co., Ltd.	Subsidiary of SAIC
Shanghai Shangfa Real Estate Development Co., Ltd.	Subsidiary of SAIC
Shanghai Kailing Metal Products Co., Ltd.	Subsidiary of SAIC
Shanghai Kailian Trading Co., Ltd.	Subsidiary of SAIC
SAIC Sodexo Service Co., Ltd.	Subsidiary of SAIC
Shanghai Dongjing Real Estate Development Co., Ltd.	Subsidiary of SAIC
SAIC Real Estate Development Co., Ltd.	Subsidiary of SAIC
Shanghai Shangkai Real Estate Development Co., Ltd.	Subsidiary of SAIC
SAIC Construction Engineering Technical Consulting Services Co., Ltd.	Subsidiary of SAIC
Shanghai Automotive Electronics Factory	Subsidiary of SAIC
Shanghai Bus Manufacturing Co., Ltd. (Note 1)	Subsidiary of SAIC
Shanghai Ethylene Factory	Subsidiary of SAIC
Shanghai Internal Combustion Engine Research Institute	Subsidiary of SAIC
Shanghai Huali Internal Combustion Engine Co., Ltd.	Subsidiary of SAIC
Shanghai Jieneng Automotive Technology Co., Ltd.	Subsidiary of SAIC

Name of related parties	Relationship with the Group
Shanghai Qiyuan Human Resources Consulting Co., Ltd.	JCE of SAIC
Shanghai Sachs Powertrain Components Systems Co., Ltd. (Note 2)	JCE of SAIC
SAIC Building Engineering Co., Ltd.	Associate of SAIC
Shanghai Yike Green Engineering Co., Ltd.	Associate of SAIC
Shanghai Volkswagen Automotive Gift Co., Ltd.	Associate of SAIC
Shanghai ADT Facilities Management Co., Ltd.	Associate of SAIC
Shanghai International Automotive City Development Co., Ltd.	Associate of SAIC
Executive directors and other senior management of the Company	Key management personnel

Note 1: This company was merged by SAIC on March 31, 2011.

Note 2: This company was the JCE of SAIC. In January 2011, HASCO purchased 50% shares of the company and it has become JCE of HASCO.

5 Related party transactions

The following amounts are transactions and balances in the consolidated financial statements.

(1) Sales and purchases

(a) Sales of goods

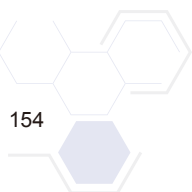
Unit: RMB

Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
JCEs	30,091,715,258.86	30,262,301,873.38
Associates	2,200,005,993.50	322,768,229.69
Subsidiaries of SAIC	11,402,676.48	12,286,794.85
Associates of SAIC	-	100,660.00
Total	32,303,123,928.84	30,597,457,557.92

(b) Sales of materials

Unit: RMB

Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
JCEs	116,761,142.58	136,475,419.84
Associates	18,227,629.07	28,651,886.37
Subsidiaries of SAIC	4,284,228.09	-
Total	139,272,999.74	165,127,306.21



(c) Trading

Unit: RMB

Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
JCEs	1,163,565,935.54	1,202,694,737.83
Associates	283,639,819.89	289,840,684.78
Subsidiaries of SAIC	13,000.00	4,433.51
Associates of SAIC	-	16,129.06
Total	1,447,218,755.43	1,492,555,985.18

(d) Sales of long-term assets

Unit: RMB

Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
JCEs	-	26,300,000.00

(e) Purchase of goods and materials

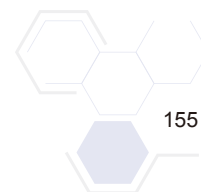
Unit: RMB

Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
JCEs	149,985,265,862.70	120,876,412,204.04
Associates	3,662,078,002.47	3,770,340,833.47
Subsidiaries of SAIC	40,548,933.58	102,201,899.39
Associates of SAIC	129,875,674.34	117,149,653.10
Total	153,817,768,473.09	124,866,104,590.00

(f) Purchase of long-term assets

Unit: RMB

Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
JCEs	46,295,186.33	51,031,266.61
Associates	5,810,557.80	7,663,265.48
Subsidiaries of SAIC	6,797,081.36	5,050,855.68
Associates of SAIC	4,734,437.83	1,357,344.41
Total	63,637,263.32	65,102,732.18



(g) Receiving services - R&D expenditures

Unit: RMB

Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
JCEs	1,599,821,333.33	1,105,837,899.78
Associates	7,424,071.53	939,235.60
Subsidiaries of SAIC	23,505,257.07	27,783,134.19
JCEs of SAIC	42,070.00	102,564.10
Associates of SAIC	569,424.00	4,825,833.86
Total	1,631,362,155.93	1,139,488,667.53

(2) Rendering of services

(a) Rendering of services

Unit: RMB

Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
JCEs	900,812,996.74	887,532,778.38
Associates	12,290,613.59	7,490,237.59
Subsidiaries of SAIC	209,952,874.50	179,551,800.70
Total	1,123,056,484.83	1,074,574,816.67

(b) Rental income

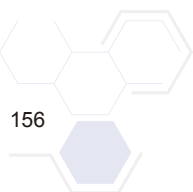
Unit: RMB

Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
JCEs	238,321,104.80	217,033,902.43
Associates	24,428,953.89	22,630,443.19
Totals	262,750,058.69	239,664,345.62

(c) Guarantee income

Unit: RMB

Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
JCEs	3,810,739.71	19,113,315.07



(3) Other expenses

(a) Logistics service expenses, royalties and others

Unit: RMB

Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
JCEs	179,064,969.18	122,517,963.08
Associates	3,214,318.02	-
Subsidiaries of SAIC	4,104,787.90	-
Total	186,384,075.10	122,517,963.08

(b) Rental expenses

Unit: RMB

Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
JCEs	1,904,387.11	1,920,056.67
Associates	2,249,223.31	-
SAIC	16,017,839.61	19,417,350.00
Subsidiaries of SAIC	10,167,637.51	12,213,230.76
Total	30,339,087.54	33,550,637.43

The prices of transactions in (1) to (3) are based on the contracts between both parties.

(4) Financing

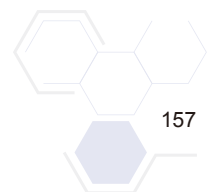
Financing details between the Company and related parties, except for what is stated in Note 1 to Note (VI)25, are as follows:

(a) Loans offered by SFC to related parties

Movements of loans offered by SFC to related parties are as follows:

Unit: RMB

	JCEs	Associates	Total
December 31, 2010	278,982,508.80	603,200,000.00	882,182,508.80
Loans offered	591,486,106.83	29,459,781.67	620,945,888.50
Loans received back	(278,982,508.80)	(3,200,000.00)	(282,182,508.80)
December 31, 2011	591,486,106.83	629,459,781.67	1,220,945,888.50



Balances of loans offered by SFC to related parties are as follows:

Unit: RMB

Short-term loans and discounts	December 31, 2011	December 31, 2010
JCEs	591,486,106.83	278,982,508.80
Associates	29,459,781.67	3,200,000.00
Total	620,945,888.50	282,182,508.80

Unit: RMB

Medium/long-term loans	December 31, 2011	December 31, 2010
Associates	600,000,000.00	600,000,000.00

Loan interests received by SFC from related parties are as follows:

Unit: RMB

	Year Ended December 31, 2011	Year Ended December 31, 2010
JCEs	33,068,408.17	10,677,554.65
Associates	34,143,022.28	9,571,442.79
JCEs of SAIC	-	841,003.53
Total	67,211,430.45	21,090,000.97

Interest rates for loans offered to related parties are determined according to interest rates specified by the People's Bank of China.

(b) Deposits in SFC from related parties

Movements of deposits in SFC from related parties are as follows:

Unit: RMB

	JCEs	Associates	SAIC	JCEs of SAIC	Associates of SAIC	Total
December 31, 2010	14,886,084,176.83	1,126,413,252.39	-	119,489,974.99	6,160,750.35	16,138,148,154.56
Receipts	258,200,741,378.12	13,525,682,869.31	346,563,328.89	2,292,348,709.70	57,731,629.56	274,423,067,915.58
Repayment	(257,408,497,385.62)	(13,544,537,379.25)	-	(2,209,351,142.95)	(59,154,198.16)	(273,221,540,105.98)
December 31, 2011	15,678,328,169.33	1,107,558,742.45	346,563,328.89	202,487,541.74	4,738,181.75	17,339,675,964.16

Interest paid by SFC to related parties are as follows:

Unit: RMB

	Year Ended December 31, 2011	Year Ended December 31, 2010
JCEs	219,257,672.25	144,111,141.28
Associates	17,494,034.80	12,394,095.81
SAIC	22,595.20	-
Subsidiaries of SAIC	1,090,349.93	2,380,569.46
JCEs of SAIC	-	405,919.43
Associates of SAIC	18,729.85	85,501.94
Total	237,883,382.03	159,377,227.92

Interest rates for deposits from related parties are determined according to interest rates specified by the People's Bank of China.

(c) The Group's deposits at related parties

Movement of the Group's deposits at related parties are as follows:

Unit: RMB

	JCE
December 31, 2010	2,952,350,000.00
Decrease	(609,800,000.00)
December 31, 2011	2,342,550,000.00

Deposit interests received by the Group from related parties are as follows:

Unit: RMB

	Year Ended December 31, 2011	Year Ended December 31, 2010
JCE	97,079,844.37	85,412,137.02

Interest rates for deposits at related parties are determined according to interest rates specified by the People's Bank of China.

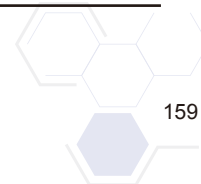
(d) Entrust loans provided by the Group to related parties

Balances of entrusted loans provide by the Group to related parties are as follows:

Short-term loans

Unit: RMB

	December 31, 2011	December 31, 2010
JCEs	210,000,000.00	162,450,000.00
Associates	88,800,000.00	58,800,000.00
Total	298,800,000.00	221,250,000.00



Long-term loans due within one year

Unit: RMB

	December 31, 2011	December 31, 2010
Associates	-	6,000,000.00

Long-term loans due after one year

Unit: RMB

	December 31, 2011	December 31, 2010
JCEs	-	105,000,000.00

Interests received by the Group from related parties are as follows:

Unit: RMB

	Year Ended December 31, 2011	Year Ended December 31, 2010
JCEs	12,253,873.74	9,535,909.15
Associates	2,898,528.50	1,019,986.50
Total	15,152,402.24	10,555,895.65

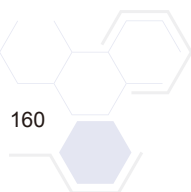
Interest rates for entrusted loans to related parties from the Group are determined according to agreements.

(e) Entrusted business of SFC

Entrust business between SFC and related parties (see Note (VI)64) is disclosed off balance sheet. SFC received bank charges based on agreements. The bank charges received by SFC from related parties are as follows:

Unit: RMB

	Year Ended December 31, 2011	Year Ended December 31, 2010
JCEs	426,221.33	482,793.63
Associates	273,430.00	521,736.68
SAIC	30,162.90	-
Subsidiaries of SAIC	387,757.17	763,537.38
Associates of SAIC	2,033.33	27,600.00
Total	1,119,604.73	1,795,667.69



At the year-end (and the beginning of the year), balance of entrusted business between SFC and related parties are as follows:

Unit: RMB

Entrusting parties	Entrusted deposit December 31, 2011	Targets	Entrusted loans December 31, 2011
JCEs	490,000,000.00	JCEs	40,000,000.00
		Associates	450,000,000.00
		Sub-total	490,000,000.00
SAIC	190,000,000.00	Subsidiaries of SAIC	170,000,000.00
		Third parties	20,000,000.00
		Sub-total	190,000,000.00
Third parties	29,000,000.00	JCEs	29,000,000.00
Total	709,000,000.00	Total	709,000,000.00

Entrusting parties	Entrusted deposit December 31, 2010	Targets	Entrusted loans December 31, 2010
JCEs	500,000,000.00	Associates	500,000,000.00
SAIC	340,620,000.00	Subsidiaries of SAIC	340,620,000.00
Subsidiaries of SAIC	32,000,000.00	Subsidiaries of SAIC	32,000,000.00
Third parties	29,000,000.00	JCEs	29,000,000.00
Total	901,620,000.00	Total	901,620,000.00

(f) Financing charges paid by the Group to related parties

In order to obtain the circulating credits from the related parties for the automobile dealers of the Group and have the related parties provide financial service to dealers with the credit limits, the Group paid financing charges to the related parties as follows:

Unit: RMB

	Year Ended December 31, 2011	Year Ended December 31, 2010
JCEs	716,450,510.25	491,566,653.70

Financing charges are paid to related parties based on agreements.

(5) Guarantees

(a) Refer to Note (VIII) for guarantees provided by the Group to related parties.

(b) Refer to Note (VI) 39 and 40 for guarantees provided by related parties to the Group.



(6) Compensation for key management personnel

Unit: RMB

Item	Year Ended December 31, 2011	Year Ended December 31, 2010
Compensation for key management personnel	8,075,300.00	5,857,000.00

(7) Others

See Note (VI)11 and 23.

6 Amounts due from/to related parties

(1) Notes receivable

Unit: RMB

Related party	December 31, 2011	December 31, 2010
JCEs	51,241,115.18	69,235,880.50
Associates	1,500,000.00	15,603,522.98
Total	52,741,115.18	84,839,403.48

(2) Accounts receivable

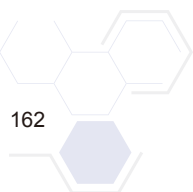
Unit: RMB

Related party	December 31, 2011	December 31, 2010
JCEs	3,393,708,395.18	2,823,244,675.36
Associates	876,863,770.30	180,098,608.96
Subsidiaries of SAIC	58,394,794.06	25,020,301.61
Total	4,328,966,959.54	3,028,363,585.93

(3) Prepayments

Unit: RMB

Related party	December 31, 2011	December 31, 2010
JCEs	9,059,040,827.60	8,895,212,564.19
Subsidiaries of SAIC	-	52,989.30
Associates of SAIC	177,120.85	-
Total	9,059,217,948.45	8,895,265,553.49



(4) Dividends receivable

Unit: RMB

Related party	December 31, 2011	December 31, 2010
JCEs	255,163,672.47	11,087,429.11
Associates	29,041,770.00	7,389,755.64
Total	284,205,442.47	18,477,184.75

(5) Other receivables

Unit: RMB

Related party	December 31, 2011	December 31, 2010
JCEs	25,069,910.00	17,425,171.73
Associates	25,517,672.80	43,859,665.84
Subsidiaries of SAIC	12,808,353.73	38,247,490.83
Associates of SAIC	46,865.00	-
Total	63,442,801.53	99,532,328.40

(6) Long-term receivables

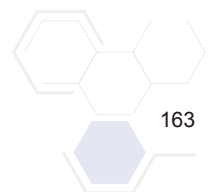
Unit: RMB

Related party	December 31, 2011	December 31, 2010
JCEs	13,133,649.21	131,179,787.00
Associates	98,096.74	-
Total	13,231,745.95	131,179,787.00

(7) Notes Payable

Unit: RMB

Related party	December 31, 2011	December 31, 2010
JCEs	157,821,037.28	132,156,956.13
Associates	1,183,488.71	2,771,118.23
Total	159,004,525.99	134,928,074.36



(8) Accounts payable

Unit: RMB

Related party	December 31, 2011	December 31, 2010
JCEs	20,777,160,234.16	15,496,516,998.09
Associates	850,437,965.82	691,207,804.79
SAIC	992,091.18	415,475.00
Subsidiaries of SAIC	10,165,241.58	9,665,224.32
Associates of SAIC	28,621,335.39	19,295,335.59
Total	21,667,376,868.13	16,217,100,837.79

(9) Receipts in advance

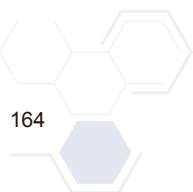
Unit: RMB

Related party	December 31, 2011	December 31, 2010
JCEs	709,106,284.58	363,867,192.11
Associates	583.54	90,000.00
SAIC	103,375,000.00	-
Subsidiaries of SAIC	1,108,756.54	-
Total	813,590,624.66	363,957,192.11

(10) Other payables

Unit: RMB

Related party	December 31, 2011	December 31, 2010
JCEs	11,371,683.91	34,127.17
Associates	166,391.19	2,139,306.92
SAIC	176,834,453.81	-
Subsidiaries of SAIC	60,931,146.96	37,945,860.26
Associates of SAIC	27,000.00	2,000.00
Total	249,330,675.87	40,121,294.35



VIII. CONTINGENCIES

At the year-end, guarantees provided by the Group to related parties are as follows:

Guarantor	Guarantee	Relationship with the company	Category	Currency	Ceiling amount	Debt amount
The Company	GMAC-SAIC Automotive Finance Co., Ltd.	JCE	Ceiling guarantee	RMB	350,000,000.00	350,000,000.00
Donghua (Note 1)	Nanjing Dongwei Metal Products Co., Ltd. ("Dongwei")	JCE	Joint guarantee	RMB	42,000,000.00	40,500,000.00
Donghua (Note 1)	Nanjing Dongzhong Mechanical Assembly Co., Ltd. ("Dongzhong")	JCE	Joint guarantee	RMB	5,000,000.00	3,000,000.00
Donghua (Note 1)	BREMBO (Nanjing) Brake Systems Co., Ltd. ("Brembo")	Association	Joint guarantee	RMB	15,000,000.00	9,600,000.00
Donghua	Nanjing Nanqi Stamping Parts Co., Ltd..	Association	Ceiling guarantee	RMB	10,000,000.00	5,085,780.00
Shanghai Union Automobile & Tractor Industry Trade Co., Ltd. (Note 2)	Shanghai Xingsheng Gasket Co., Ltd. ("Xingsheng Gasket")	Association	Joint guarantee	RMB	9,000,000.00	9,000,000.00
HASCO, Donghua (Note 3)	Hua Dong Teksid Automotive Foundry Co., Ltd.	JCE	Ceiling guarantee	USD	5,775,000.00	3,936,345.95
SAIS (Note4)	Anji Car Rental & Leasing Co., Ltd. ("Anji Rental")	JCE	Joint guarantee	RMB	125,000,000.00	125,000,000.00

Note 1: According to relating guarantee contracts, investors of Dongwei, Dongzhong and Brembo undertake loan guarantee obligation jointly based on their capital contribution. The amounts stated in the above table represent the amount of guarantee obligation undertaken by Donghua at the ratios of 50%, 50% and 30%, respectively.

Note 2: According to relating guarantee contracts, investors of Xingsheng Gasket undertake loan guarantee obligation jointly based on their capital contribution. The amounts stated in the above table represent the amount of guarantee obligation undertaken by Shanghai Union Automobile & Tractor Industry Trade Co., Ltd. at the ratio of 40%.

Note 3: These loans are guaranteed by HASCO and Donghua jointly and severally.

Note 4: The balance of guarantee includes (1) according to relating guarantee contract A, investors of Anji Rental undertake loan guarantee obligation jointly base on their capital contribution. SAIS undertakes the guarantee obligation for RMB 100,000,000.00, based on its capital contribution of 50% in Anji Rental and (2) according to relating guarantee contract B, SAIS undertakes guarantee obligation of RMB 25,000,000.00, which is 25% of the loan.

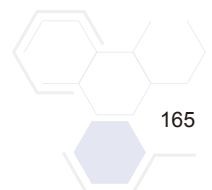
IX.COMMITMENTS

1 Capital commitments

Unit: RMB'000

	Consolidated		The company	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Capital commitments that have been signed but have not been recognized in the financial statements:				
- Commitment for acquisition of long-term assets	9,015,590	6,306,170	692,873	1,094,700
- External investment commitment(Note)	-	94,909	80,436	43,345
Capital commitments that have been approved by the board of directors but have not been signed:				
- Commitment for acquisition of long-term assets	963,572	32,248	-	-
Total	9,979,162	6,433,327	773,309	1,138,045

Note: At the year-end, capital commitment for investment in subsidiaries by Company is RMB 80,436,000.



2 Operating lease commitments

At the balance sheet date, the Group had the following commitments in respect of non-cancellable operating leases:

Unit: RMB'000

	Consolidated		The company	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Minimum lease payments under non-cancellable operating lease:				
1st year subsequent to the balance sheet date	415,608	360,759	3,013	7,278
2nd year subsequent to the balance sheet date	422,483	341,297	3,013	3,013
3rd year subsequent to the balance sheet date	334,254	306,964	3,013	3,013
Subsequent years	1,716,930	1,836,479	6,026	9,039
Total	2,889,275	2,845,499	15,065	22,343

X. EVENTS AFTER THE BALANCE SHEET DATE

1 Significant events after the balance sheet date

On February 28, 2011, non-public issue of shares was approved at the 2nd temporary board meeting of 2011 of Shanghai Diesel. Shanghai Diesel was to issue no more than 75,000,000 A shares to no more than 10 specific investors, including the Company (hereinafter referred to as the "Issuance"). The Company will invest no less than RMB 100,000,000 to subscribe no less than 10% of the total shares to be issued by Shanghai Diesel. On March 11, 2011, Shanghai SASAC approved the Issuance with Hu Guo Zi Wei Chan Quan [2011] No 96. On April 15, 2011, the proposal of the Issuance was approved by the 1st temporary general meeting of shareholders of Shanghai Diesel. On January 17, 2012, Shanghai Diesel received the approval (Zheng Jian Xu Ke [2012] No. 59) from CSRS, who approved Shanghai Diesel's issue of no more than 75,000,000 new shares. On March 22, 2012, Shanghai Diesel completed the Issuance by issuing 62,873,551 new shares, of which the Company subscribed 18,573,551 shares with RMB 249,999,996.46. The shares subscribed by the Company are restricted for 36 months and are expected to be released for trading on March 23, 2015.

2 Profit appropriation after the balance sheet date

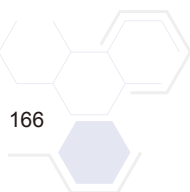
See Note (VI) 48.

XI. OTHER SIGNIFICANT EVENTS

1 Business combination

(1) Business combination involving enterprises under common control during the year

As stated in Note (I), the Company issued shares to SAIC and SAIC Ltd to acquire assets and equity investments related to business of independent supply of auto parts, automotive service and trading and new energy automotive owned by SAIC and SAIC Ltd. (hereinafter referred to as the "Acquired Assets").



The Assets acquired by the Company from SAIC are as follows:

- 60.10% shares of HUAYU Automotive Systems Co., Ltd.,
- 100% shares of Anji Automotive Logistics Co., Ltd.,
- 100% shares of Shanghai Automotive Industry Sales Co., Ltd.,
- 100% shares of Shanghai Automobile Import & Export Co., Ltd.,
- 100% shares of SAIC Information Industrial Investment Co., Ltd.,
- 100% shares of Shanghai Venture Capital Co., Ltd.,
- 100% shares of Shanghai Shangyuan Investment Management Co., Ltd.,
- 100% shares of China Automotive Industrial Development Co., Ltd.,
- 100% shares of SAIC HK Limited,
- 100% shares of SAIC Motor North America Co., Ltd.,
- 90% shares of SAIC Motor (Beijing) Co., Ltd.,
- 90% shares of Shanghai Automobile Asset Management Co., Ltd.,
- 80% shares of Shanghai International Auto Parts Sourcing Center Co., Ltd.,
- 75% shares of Donghua Automotive Industrial Co., Ltd.,
- 35% shares of Nanjing Tooling Co., Ltd.
- 34.19% shares of Sunrise Power Co., Ltd.,
- 20% shares of Shanghai PengPu Machine Building Plant Co., Ltd.,
- 6.01% shares of GM Korea Company
- Assets and liabilities including buildings and land use right owned by SAIC.

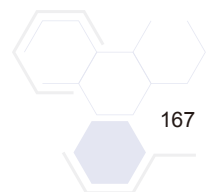
The Assets acquired by the Company from SAIC Ltd

- 100% shares of SAIC Motor Activity Centre Co., Ltd.,
- 100% shares of Shanghai Automotive News Press Co., Ltd.,
- 10% shares of SAIC Motor (Beijing) Co., Ltd.,
- 10% shares of Shanghai Automobile Asset Management Co., Ltd.,
- Assets and liabilities including shares of China Merchants Bank owned by SAIC Ltd

The above mentioned subsidiaries and associates acquired from SAIC and SAIC Ltd by the Company are hereinafter collectively referred to as "Acquired Enterprises".

As the Company and Acquired Enterprises are ultimately controlled by SAIC, both before and after the Transaction, the Transaction is accounted for as business combination involving enterprises under common control. The Company restated the financial statements assuming that the Acquired Assets have been included in the consolidation scope of the consolidated financial statements since such Acquired Assets are under the control of SAIC.

The delivery date of the Transaction is December 13, 2011.



Details of Acquired Assets in the Company's financial statements:

Unit: RMB

	Delivery date
	Book value
Assets:	
Cash and bank balances	3,209,694,609.64
Other current assets	5,559,579,046.48
Non-current assets	19,023,006,260.42
Total assets	27,792,279,916.54
Liabilities:	
Current liabilities	391,145,660.43
Non-current liabilities	4,377,904,258.08
Total liabilities	4,769,049,918.51
Net assets	23,023,229,998.03
Less: Total par values of issued shares(Note)	1,783,144,938.00
Less: Transaction costs	61,428,314.49
Share premium	21,178,656,745.54

Note: Consideration for the Acquired Assets is shares issued. See Note (VI)45.

The consolidated financial information of Acquired Assets:

Unit: RMB

	Delivery Date	December 31, 2010
	Book value	Book value
Assets:		
Current assets	51,080,549,058.11	42,873,391,144.05
Non-current assets	27,513,925,367.13	26,233,048,796.55
Total assets	78,594,474,425.24	69,106,439,940.60
Liabilities:		
Current liabilities	34,001,203,403.44	29,306,522,089.22
Non-current liabilities	7,825,730,642.86	7,643,074,381.76
Total liabilities	41,826,934,046.30	36,949,596,470.98
Less: Minority interests	13,593,247,852.21	11,118,881,098.82
Shareholders' equity attributable to shareholders of the Company	23,174,292,526.73	21,037,962,370.80
Less: Total par values of issued shares	1,783,144,938.00	
Less: Transaction costs	61,428,314.49	
Total net assets acquired in excess of shares par values	21,329,719,274.24	

On December 31, 2010 and January 1, 2010, the financial statements are restated by the Group as a result of accounting for the Transaction as business combination involving enterprises under common control, and details are as follows:

Unit: RMB

	December 31, 2010		
	Before restatement	Restatement due to the Transaction	After restatement
Share capital	9,242,421,691.00	-	9,242,421,691.00
Capital reserve	30,084,550,803.38	16,730,039,423.43	46,814,590,226.81
Retained earnings and surplus reserves (Note)	26,843,482,383.09	4,018,312,588.00	30,861,794,971.09
Translation reserve	(782,145.56)	(3,530,811.88)	(4,312,957.44)
Total shareholders' equity attributable shareholders of the Company	66,169,672,731.91	20,744,821,199.55	86,914,493,931.46
Minority interests	15,578,849,110.88	11,019,386,068.68	26,598,235,179.56
Total shareholders' equity	81,748,521,842.79	31,764,207,268.23	113,512,729,111.02

Unit: RMB

	January 1, 2010		
	Before restatement	Restatement due to the Transaction	After restatement
Share capital	6,551,029,090.00	-	6,551,029,090.00
Capital reserve	22,346,570,591.92	17,184,527,693.53	39,531,098,285.45
Retained earnings and surplus reserves (Note)	13,587,201,054.82	1,417,101,447.20	15,004,302,502.02
Translation reserve	(22,345,951.72)	(844,690.15)	(23,190,641.87)
Total shareholders' equity attributable shareholders of the Company	42,462,454,785.02	18,600,784,450.58	61,063,239,235.60
Minority interests	4,301,622,811.78	8,203,749,351.02	12,505,372,162.80
Total shareholders' equity	46,764,077,596.80	26,804,533,801.60	73,568,611,398.40

Note: On December 31, 2010, amount of retained earnings contained in the balance is RMB 19,113,187,488.39. (January 1, 2010: RMB 8,825,263,174.54).

On December 31, 2010 and January 1, 2010, effects of the Transaction on shareholders' equity of the Group are as follows:

Unit: RMB

	December 31, 2010		
	Equity of Acquired Assets	Elimination with original assets of the Group	Net effect on shareholder's equity
Shareholders' equity attributable to shareholders of the Company	21,037,962,370.80	(293,141,171.25)	20,744,821,199.55
Minority interests	11,118,881,098.82	(99,495,030.14)	11,019,386,068.68
Total shareholders' equity	32,156,843,469.62	(392,636,201.39)	31,764,207,268.23



Unit: RMB

	January 1, 2010		
	Equity of Acquired Assets	Elimination with original assets of the Group	Net effect on shareholder's equity
Shareholders' equity attributable to shareholders of the Company	18,781,105,724.25	(180,321,273.67)	18,600,784,450.58
Minority interests	8,279,643,937.19	(75,894,586.17)	8,203,749,351.02
Total shareholders' equity	27,060,749,661.44	(256,215,859.84)	26,804,533,801.60

For year 2011 and 2010, effects of the Transaction on net profits of the Group are as follows:

Unit: RMB

	Year Ended December 31, 2011		
	Acquired Assets	Elimination with original assets of the Group	Net effect on shareholder's equity
Operating income	94,754,391,251.38		
Net profit attributable to shareholders of the Company	3,000,869,142.02	4,322,453.76	3,005,191,595.78
Minority interests	3,594,917,869.64	-	3,594,917,869.64
Net profit	6,595,787,011.66	4,322,453.76	6,600,109,465.42

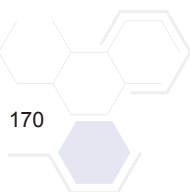
Unit: RMB

	Year Ended December 31, 2010		
	Acquired Assets	Elimination with original assets of the Group	Net effect on shareholder's equity
Operating income	83,594,304,512.46		
Net profit attributable to shareholders of the Company	2,774,994,066.87	(113,736,072.73)	2,661,257,994.14
Minority interests	3,052,225,890.27	(13,801,415.39)	3,038,424,474.88
Net profit	5,827,219,957.14	(127,537,488.12)	5,699,682,469.02

(2) Business combination not involving enterprises under common control during this year

(a) Acquisition of Chongqing Yanfeng Johnson Control Automotive Components Co., Ltd. by Yanfeng Visteon Automotive Trim Systems Co., Ltd.

Chongqing Yanfeng Johnson Control Automotive Components Co., Ltd. (hereinafter referred to as "Chongqing Johnson") was an associate with 30% shares held by Chongqing Yanfeng Johnson Controls Automotive Seating Co., Ltd. (hereinafter referred to as "Johnson Seating"), which is a subsidiary of Yanfeng Visteon Automotive Trim Systems Co., Ltd. (a subsidiary of HASCO). On June 28, 2011, Johnson Seating signed Share Transfer Agreement with Chongqing Boao Industrial Co., Ltd. (hereinafter referred to as "Boao Industrial") and Johnson Controls Asia Co., Ltd. (hereinafter referred to as "Johnson Asia"), to acquire 10% of Chongqing Johnson's share from Boao Industrial and Johnson Asia at RMB 84,500,000.00, respectively. Upon the completion of the acquisition, Johnson Seating obtained controls over Chongqing Johnson, and has included Chongqing Johnson in the consolidation scope since July 1, 2011. Major financial information of Chongqing Johnson is as follow:



Unit: RMB

	Acquisition date		December 31, 2010
	Book value	Fair value (Note)	Book value
Identifiable assets:			
Current assets	635,177,884.00	635,177,884.00	461,468,256.00
Non-current assets	98,722,882.00	637,337,219.00	61,453,400.00
Total assets	733,900,766.00	1,272,515,103.00	522,921,656.00
Identifiable liabilities:			
Current liabilities	630,750,307.00	630,750,307.00	403,131,594.00
Non-current liabilities	-	74,059,471.00	3,602,181.00
Total liabilities	630,750,307.00	704,809,778.00	406,733,775.00
Total net assets	103,150,459.00	567,705,325.00	116,187,881.00
Net assets acquired in this acquisition		283,852,662.00	
Less: Fair value of original long-term equity investment		186,419,304.00	
Consideration		169,000,000.00	
Premium - Goodwill		(71,566,642.00)	

Note: Fair value of above identifiable assets, liabilities and original long-term investments are determined based on valuation report. The difference between long-term investment's fair value and book value of RMB 155,474,166.00 is recognized as investment income.

(b) Other business combinations not involving enterprises under common control

During the year, SAIC Transmission acquired a subsidiary, Shanghai Zhongcheng Equipment Manufacturing Co., Ltd. through business combination not involving enterprises under common control.

(3) Disposal of subsidiaries during this year

(a) Chongqing Yanfeng Boao Automotive-Components Co., Ltd. (hereinafter referred to as "Yanfeng Boao") was a subsidiary with 60% shares held by Johnson Seating. The other investor is Boao Industrial. According to Share Transfer Agreement, Johnson Seating transferred all shares of Yanfeng Boao to Boao Industrial. From September 30, 2011, Yanfeng Boao was no longer consolidated by Johnson Seating.

(b) Shanghai Lianyi Internal Combustion Engine Filter Co., Ltd. (hereinafter referred to as "Filter") was a subsidiary with 58% shares held by Shanghai Union Automobile & Tractor Industry Trade Co., Ltd. (hereinafter referred to as "Lianyi", a subsidiary of HASCO). In 2010, Lianyi entered into an agreement with another investment party of Filter to dispose Filter by reducing capital. From January 4, 2011, Filter was no longer consolidated by Lianyi.

(c) In June 2011, Donghua transferred 51% shares of Qingdao Auto-Radiator Co., Ltd., a subsidiary, to Qingdao Radiator Industrial Co., Ltd. From July 2011, Qingdao Auto-Radiator Co., Ltd. and its subsidiary, Qingdao Dongyang Auto-Radiator Co., Ltd., were no longer consolidated by Donghua.

(d) In January 2011, registered capital of Shanghai Shanke Automotive Culture Communication Co., Ltd. (hereinafter referred to as "Shanke"), a former wholly owned subsidiary of Auto News, increased from RMB 250,000.00 to RMB 550,000.00 by accepting a new shareholder, Shanghai Volkswagen Automotive Gift Co., Ltd., with capital contribution of RMB 300,000.00. After the capital increase, Auto News' investment in Shanke remains unchanged, with a decrease of proportion of capital contribution from 100% to 45.45%. Therefore, accounting treatment for the related long-term equity investment was changed from cost method to equity method. From January 2011, Shanke was no longer consolidated by Auto News.



2 Assets and liabilities measured at fair value

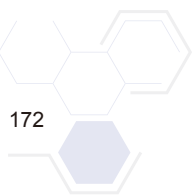
Unit: RMB

Item	December 31, 2010	Purchase (disposal)	Change of fair value recognized in profit or loss	Changes of fair value recognized in equity	December 31, 2011
Financial assets					
1.Held-for-trading financial assets	1,987,042,093.66	(958,621,659.91)	(269,382,641.26)	-	759,037,792.49
2.Available-for-sale financial assets	18,507,919,058.60	(1,800,732,883.64)	-	(2,736,112,277.98)	13,971,073,896.98
3.Others(See Note(VI)11)	1,512,924,089.04	(1,399,688,510.40)	(113,235,578.64)	-	-
Total financial assets	22,007,885,241.30	(4,159,043,053.95)	(382,618,219.90)	(2,736,112,277.98)	14,730,111,689.47
Financial liabilities					
Held-for-trading financial liabilities	61,058,097.54	-	(56,794,440.55)	-	4,263,656.99
Total financial liabilities	61,058,097.54	-	(56,794,440.55)	-	4,263,656.99

3 Segment report

Based on the Group's internal organization structure, management requirements and internal reporting system, the operations of the Group are classified into two reporting segments, which are "vehicles and parts" and "financing". The reporting segments are determined based on the Group's operating structure. The Group's management periodically evaluates the operating results of these reporting segments to make decisions about resources to be allocated to the segments and assess their performance. Major products and services delivered or provided by each of the reporting segments are vehicles and parts and financing services:

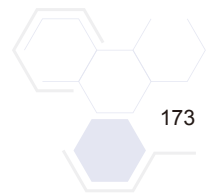
Segment information is disclosed in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to management.

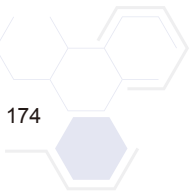


(1) Segment information

Unit: RMB

	Vehicles and parts		Finance		Elimination		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	Operating income							
External revenue	433,095,484,273.94	364,983,328,165.82	1,708,464,806.61	741,103,641.14	-	-	434,803,949,080.55	365,724,431,806.96
Inter-segment revenue	-	-	316,265,039.93	342,538,001.98	(316,265,039.93)	(342,538,001.98)	-	-
Total segment operating income	433,095,484,273.94	364,983,328,165.82	2,024,729,846.54	1,083,641,643.12	(316,265,039.93)	(342,538,001.98)	434,803,949,080.55	365,724,431,806.96
Operating costs and expenses	404,842,675,000.33	342,844,727,931.04	1,723,844,053.27	942,806,352.61	(319,922,709.55)	(343,055,059.31)	406,246,596,344.05	343,444,479,224.34
Add: Gain (loss) from changes in fair value	(233,005,330.92)	257,761,528.01	(92,818,448.43)	39,094,760.26	-	-	(325,823,779.35)	296,856,288.27
Investment income	12,700,409,098.94	10,206,166,948.28	1,502,688,907.25	968,014,321.04	(751,132,115.15)	(403,889,467.52)	13,451,965,891.04	10,770,291,801.80
Exchange gain(loss)	-	-	13,994,783.99	15,335,153.71	-	-	13,994,783.99	15,335,153.71
Profit (loss)	40,720,213,041.63	32,602,528,711.07	1,724,751,036.08	1,163,279,525.52	(747,474,445.53)	(403,372,410.19)	41,697,489,632.18	33,362,435,826.40
Add:Non-operating income	683,914,694.75	618,231,410.24	1,488,110.88	1,209,350.89	-	-	685,402,805.63	619,440,761.13
Less: Non-operating expense	354,673,369.95	818,278,166.54	56,280.97	34,482.60	-	-	354,729,650.92	818,312,649.14
Total profit	41,049,454,366.43	32,402,481,954.77	1,726,182,865.99	1,164,454,393.81	(747,474,445.53)	(403,372,410.19)	42,028,162,786.89	33,163,563,938.39
Less: Income tax expense	6,763,176,245.83	4,456,898,649.64	275,355,507.87	174,209,100.12	-	-	7,038,531,753.70	4,631,107,749.76
Net profit	34,286,278,120.60	27,945,583,305.13	1,450,827,358.12	990,245,293.69	(747,474,445.53)	(403,372,410.19)	34,989,631,033.19	28,532,456,188.63





(1) Segment information - Continued

Unit: RMB

	Vehicles and parts		Finance		Elimination		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	Total assets for segment	292,891,315,041.36	262,730,955,110.33	69,059,898,676.35	65,503,126,565.35	(43,318,032,722.64)	(43,189,479,006.70)	318,633,180,995.07
Total liabilities for segment	162,193,577,221.51	150,933,003,342.83	63,070,383,334.66	60,213,755,231.41	(39,747,096,401.84)	(39,614,885,016.28)	185,516,864,154.33	171,531,873,557.96
Additional information:								
Depreciation and amortization	7,756,667,442.53	7,860,627,572.95	6,319,878.79	6,028,574.65	-	-	7,762,987,321.32	7,866,656,147.60
Impairment loss recognized in current year	700,183,486.59	1,881,007,757.98	289,516,414.89	67,688,508.10	3,881,455.61	7,750,000.00	993,581,357.09	1,956,446,266.08
Capital expenditure:	16,161,023,478.15	10,364,192,182.43	4,150,391.00	2,090,237.00	-	-	16,165,173,869.15	10,366,282,419.43
Incl.: Expenditure used in construction in progress	13,512,159,632.58	8,715,718,124.37	-	-	-	-	13,512,159,632.58	8,715,718,124.37
Expenditure used in purchase of fixed assets	626,406,507.21	712,546,346.98	4,150,391.00	2,090,237.00	-	-	630,556,898.21	714,636,563.98
Expenditure used in purchase of intangible assets	1,194,851,652.65	187,783,801.23	-	-	-	-	1,194,851,652.65	187,783,801.23
Development costs	195,378,914.67	389,017,975.68	-	-	-	-	195,378,914.67	389,017,975.68
Expenditure used in long-term deferred expenses	510,794,626.92	359,125,934.17	-	-	-	-	510,794,626.92	359,125,934.17
Expenditure used in investment properties	121,432,144.12	-	-	-	-	-	121,432,144.12	-

(2) Income from transactions with third parties categorized by the location of the source of income and non-current assets categorized by the location of the assets

Unit: RMB

Item	Year Ended December 31, 2011	Year Ended December 31, 2010
Income generated from domestic entities	434,226,642,417.92	365,151,214,640.20
Others	958,783,794.01	1,104,705,482.43
Elimination	(381,477,131.38)	(531,488,315.67)
Total	434,803,949,080.55	365,724,431,806.96

Unit: RMB

Item	December 31, 2011	December 31, 2010
Non-current assets located within the country	126,292,012,421.12	105,384,858,552.31
Others	2,055,345,723.36	4,018,304,501.85
Elimination	(947,138,695.26)	(305,492,667.42)
Total	127,400,219,449.22	109,097,670,386.74

4 Financial instrument and risk management

The Group's major financial instruments include cash and bank balances, held-for-trading financial assets, notes receivable, equity investments, debt investments, accounts receivable, financial assets purchased under resell agreements, long-term receivables, loans and advances, held-for-trading financial liabilities, notes payable, financial assets sold under repurchase agreements and bonds payable, etc. Details of these financial instruments are disclosed in Note (VI). The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure the risks are monitored at a certain level.

(1) Risk management objectives and policies

The Group's risk management objectives are to achieve a proper balance between risks and yield, minimize the adverse impacts of risks on the Group's operation performance, and maximize the benefits of the shareholders and other stakeholders. Based on these risk management objectives, the Group's basic risk management strategy is to identify and analyses the Group's exposure to various risks, establish an appropriate maximum tolerance to risk, implements risk management, and monitors regularly and effectively these exposures to ensure the risks are monitored at a certain level.

(1) 1 Market risk

(1) 1.1 Currency risk

Currency risk is the risk that losses will occur because of changes in foreign exchange rates. The Group is closely monitoring effects might have on currency risk due to change in exchange rate. However since the majority of the Group's transactions are took place inside China and most of assets are accounted for in RMB, the management of the Group considered there is no significant currency risk affecting the financial statements.

(1) 1.2 Interest rate risk

The Group's fair value interest rate risk of financial instruments relates primarily to variable-rate bank borrowings. At the year-end, variable-rate borrowings of the Group are RMB 9,608,008,000. As for variable-rate bank borrowings, if the interest rate of loans denominated in RMB increases or decreases by 25 base points and other variables remain the same, income before tax would decrease or increase by RMB 24,020,000 (minority interest is not considered) assuming that balance of the borrowings during the year is the same as that at year-end.

(1) 1.3 Other price risk

The Group's available-for-sale financial assets and held-for-trading financial assets are measured at fair value at each balance sheet date. At the year-end, available-for-sale financial assets and held-for-trading financial assets held by the Group are mainly stocks, monetary funds, bond funds and bond investments etc. Therefore, the Group is exposed to the risks of changes in the security prices. As for security investments, if the market price investments denominated in RMB increases or decreases by 10 percent and other variables remain the same, income before tax would decrease or increase by RMB 1,472,715,000 (deferred tax is not considered).

(1) 2 Credit risk

At the year-end, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Group is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheet. For financial instruments measured at fair value, the carrying amount reflects the exposure to risks (but not the maximum exposure to risks); the maximum exposure to risks would vary according to the future changes in fair value.

In order to minimize the credit risk, the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The Group's working capital is deposited in banks with high credit rating, so the credit risk of working capital is limited.

Except for the amount of account receivables due from certain JCEs of the Group (see Note (VII)6(2)), the Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

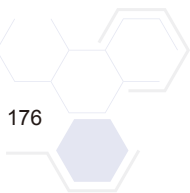
(1) 3 Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of bank borrowings and ensures compliance with loan covenants. Therefore, management of the Group believes that the Group is not exposed to significant liquidity risks.

(2) Fair value

Fair values of the financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active markets are determined with reference to quoted market bid prices and ask prices respectively;
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions;
- The fair value of derivative instruments are determined with reference to quoted market prices in active markets. Where such quoted prices are not available, the fair value of a non-option-based derivative is estimated using discounted cash flow analysis and on the basis of the applicable yield curve. For an option-based derivative, the fair value is estimated using option pricing model.



XII. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

1 Notes receivable

Unit: RMB

Item	December 31, 2011	December 31, 2010
Bank acceptances	786,530,626.00	515,793,601.50
Commercial acceptances	40,032,000.00	-
Total	826,562,626.00	515,793,601.50

At the end and the beginning of the year, there are no endorsed notes to other parties which are not yet due.

2 Accounts receivable

(1) Aging analysis of accounts receivable is as follows:

Unit: RMB

Aging	December 31, 2011				December 31, 2010			
	Book value	Amount	Book value	Amount	Book value	Amount	Book value	Amount
Within 1 year	258,282,933.53	99.89	-	258,282,933.53	150,655,428.41	97.55	-	150,655,428.41
1-2 years	278,886.33	0.11	20,100.00	258,786.33	2,805,341.15	1.82	-	2,805,341.15
Over 3 years	-	-	-	-	977,807.55	0.63	977,807.55	-
Total	258,561,819.86	100.00	20,100.00	258,541,719.86	154,438,577.11	100.00	977,807.55	153,460,769.56

(2) Disclosure of accounts receivable by categories:

Unit: RMB

Category	December 31, 2011				December 31, 2010			
	Book balance		Bad debt provision		Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Receivables for individually significant items and with individual provision for bad debts	-	-	-	-	-	-	-	-
Receivables with provision for bad debts on aging combination								
Within 1 year	258,282,933.53	99.89	-	-	150,655,428.41	97.55	-	-
1-2 years	278,886.33	0.11	20,100.00	100.00	2,805,341.15	1.82	-	-
Over 3 years	-	-	-	-	977,807.55	0.63	977,807.55	100.00
Total	258,561,819.86	100.00	20,100.00	100.00	154,438,577.11	100.00	977,807.55	100.00



(3) Top five entities with the largest balances of accounts receivable

Unit: RMB

Organization name	Relationship with the Company	Amount	Aging	Proportion to total accounts receivable (%)
Company 1	Subsidiary	41,524,712.04	Within 1 year	16.06
Company 2	Third party	32,906,370.21	Within 1 year	12.73
Company 3	JCE	30,180,477.60	Within 1 year	11.67
Company 4	Third party	29,766,315.83	Within 1 year	11.51
Company 5	Third party	29,160,751.80	Within 1 year	11.28
Total		163,538,627.48		63.25

3 Other receivables

(1) Aging analysis of other receivables is as follows:

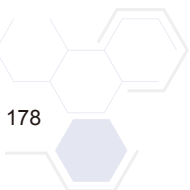
Unit: RMB

Aging	December 31, 2011				December 31, 2010			
	Amount	Proportion (%)	Bad debt provision	Book value	Amount	Proportion (%)	Bad debt provision	Book value
Within 1 year	113,777,213.17	19.68	-	113,777,213.17	696,642,716.99	99.79	-	696,642,716.99
1-2 years	463,489,550.43	80.15	-	463,489,550.43	499,450.52	0.07	-	499,450.52
2-3 years	437,665.50	0.07	-	437,665.50	186,900.00	0.03	-	186,900.00
Over 3 years	568,394.00	0.10	-	568,394.00	796,603.52	0.11	200,659.04	595,944.48
Total	578,272,823.10	100.00	-	578,272,823.10	698,125,671.03	100.00	200,659.04	697,925,011.99

(2) Disclosure of other receivable by categories:

Unit: RMB

Category	December 31, 2011				December 31, 2010			
	Book balance		Bad debt provision		Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Other receivables for individually significant items and with individual provision for bad debts	-	-	-	-	-	-	-	-
Other receivables with provision for bad debts on aging combination								
Within 1 year	113,777,213.17	19.68	-	-	696,642,716.99	99.79	-	-
1-2 years	463,489,550.43	80.15	-	-	499,450.52	0.07	-	-
2-3 years	437,665.50	0.07	-	-	186,900.00	0.03	-	-
Over 3 years	568,394.00	0.10	-	-	796,603.52	0.11	200,659.04	100.00
Total	578,272,823.10	100.00	-	-	698,125,671.03	100.00	200,659.04	100.00



(3) Top five entities with the largest balances of other receivables:

Unit: RMB

Name	Relationship with the Company	Amount	Aging	Proportion to total other receivables (%)
Company 1	Subsidiary	450,077,811.63	1-2 years	77.83
Company 2	Subsidiary	21,924,493.11	Within 1 year	3.79
Company 3	JCE	11,792,958.43	Within 1 year	2.04
Company 4	Subsidiary	5,690,880.85	1-2 years	0.99
Company 5	Third party	2,568,649.58	Within 1 year	0.44
Total		492,054,793.60		85.09

4 Inventories

(1) Categories of inventories

Unit: RMB

Categories of inventories	December 31, 2011			December 31, 2010		
	Book balance	Provision	Book balance	Book balance	Provision	Book balance
Raw materials	298,389,896.35	46,871,991.36	251,517,904.99	260,662,386.21	48,330,000.00	212,332,386.21
Goods in process	12,087,834.85	-	12,087,834.85	12,138,685.58	-	12,138,685.58
Finished products	1,259,999,373.50	10,226,691.10	1,249,772,682.40	1,636,316,652.17	35,390,000.00	1,600,926,652.17
Total	1,570,477,104.70	57,098,682.46	1,513,378,422.24	1,909,117,723.96	83,720,000.00	1,825,397,723.96

(2) Provision for decline in value of inventories

Unit: RMB

Classification of inventory	December 31, 2010	Write-off	December 31, 2011
Raw materials	48,330,000.00	1,458,008.64	46,871,991.36
Finished goods	35,390,000.00	25,163,308.90	10,226,691.10
Total	83,720,000.00	26,621,317.54	57,098,682.46

(3) Situation of the provision for inventory reduction

Item	Basis of provision for decline in value of inventories	Reason for reversal of provision
Raw materials	Lower of cost or net realizable value	N/A
Finished goods	Lower of cost or net realizable value	N/A

5 Available-for-sale financial assets

Unit: RMB

Item	December 31, 2011	December 31, 2010
Available-for-sale equity instruments	4,384,246,255.53	15,303,610.80

6 Investments in JCEs and associates

See Note (VI) 15.

7 Long-term equity investments

Unit: RMB

	December 31, 2011	December 31, 2010
Long-term equity investments accounted for using equity method		
- Investments in JCEs and associates	18,018,307,950.53	14,661,481,608.99
Long-term equity investments accounted for using cost method		
-Investments in subsidiaries	44,897,222,465.68	23,426,040,865.81
-Investments in other enterprises	894,566,740.00	400,000,000.00
Total	63,810,097,156.21	38,487,522,474.80
Less: Impairment	894,566,740.00	400,000,000.00
Net book value	62,915,530,416.21	38,087,522,474.80

Details of long-term equity investment are as follows:

Unit: RMB

Invested companies	Accounting method	December 31, 2010	December 31, 2011	Equity interest held by the Company at the year-end (%)	Impairment at the year-end	Provision for impairment for the year
Subsidiaries						
Shanghai General Motors Co., Ltd.	Cost method	8,142,956,696.33	8,142,956,696.33	50.00	-	-
Shanghai GM Dong Yue Motors Co., Ltd.	Cost method	473,357,238.98	473,357,238.98	25.00	-	-
Shanghai GM Dong Yue Automotive Powertrain Co., Ltd.	Cost method	980,945,394.04	980,945,394.04	25.00	-	-
Shanghai GM (Shenyang) Norsom Motors Co., Ltd.	Cost method	828,776,981.17	828,776,981.17	25.00	-	-
SAIC GM Wuling Co., Ltd.	Cost method	1,126,669,400.01	1,126,669,400.01	50.10	-	-
Shanghai Huizhong Automotive Manufacturing Co., Ltd. (Note 1)	Cost method	2,794,065,607.56	2,866,842,821.53	100.00	-	-
SAIC Motor Commercial Vehicle Co., Ltd. (Note 1)	Cost method	-	1,949,435,000.00	100.00	-	-
Shanghai Wanzhong Auto Parts Manufacturing Co., Ltd. (Note 1)	Cost method	668,777,213.97	-	100.00	-	-
SAIC Finance Co., Ltd.	Cost method	3,584,176,933.09	3,584,176,933.09	98.59	-	-
SAIC-Volkswagen Sales Co., Ltd.	Cost method	225,339,303.84	225,339,303.84	50.00	-	-
Shanghai PengPu Machine Building Plant Co., Ltd. (Note 2)	Cost method	129,529,562.58	168,571,831.61	100.00	-	-
Shanghai Shenlian Special Purpose Vehicle Co., Ltd.	Cost method	14,733,987.11	14,733,987.11	51.00	-	-
DIAS Automotive Electronic Systems Co., Ltd.	Cost method	36,000,000.00	36,000,000.00	37.50	-	-
SAIC Motor Transmission Co., Ltd. (Note 3)	Cost method	1,600,000,000.00	2,196,500,000.00	100.00	-	-
Nanjing Automobile (Group) Corporation (Note 4)	Cost method	1,756,077,057.13	2,723,861,978.39	100.00	-	-
Shanghai Diesel Engine Co., Ltd.	Cost method	923,420,000.00	923,420,000.00	50.32	-	-

Details of long-term equity investments are as follows: - Continued

Unit: RMB

Invested companies	Accounting method	December 31, 2010	December 31, 2011	Equity interest held by the Company at the year-end (%)	Impairment at the year-end	Provision for impairment for the year
Subsidiaries - Continued						
SAIC HK Investment Co., Ltd.	Cost method	67,746,690.00	67,746,690.00	100.00	-	-
Jiangsu SAIC Roewe Automotive Sales & Service Co., Ltd.	Cost method	27,000,000.00	27,000,000.00	90.00	-	-
SAIC Motor UK Co., Ltd.	Cost method	46,468,800.00	46,468,800.00	100.00	-	-
SAIC Tangshan Bus Co., Ltd. (Note 5)	Cost method	-	86,700,000.00	51.00	-	-
SAIC Motor Equity Investment Co., Ltd. (Note 5)	Cost method	-	500,000,000.00	100.00	-	-
SAIC General Motors Sales Co., Ltd. (Note 5)	Cost method	-	158,319,147.00	51.00	-	-
HUAYU Automotive Systems Co., Ltd. (Note 2)	Cost method	-	9,956,431,904.22	60.10	-	-
Anji Automotive Logistics Co., Ltd. (Note 2)	Cost method	-	2,071,960,289.98	100.00	-	-
Shanghai Automotive Industry Sales Co., Ltd. (Note 2)	Cost method	-	1,263,264,296.95	100.00	-	-
Shanghai Automobile Import & Export Co., Ltd. (Note 2)	Cost method	-	718,946,218.48	100.00	-	-
SAIC Information Industrial Investment Co., Ltd. (Note 2)	Cost method	-	123,581,596.26	100.00	-	-
Shanghai Venture Capital Co., Ltd. (Note 2)	Cost method	-	904,962,635.32	100.00	-	-
Shanghai Shangyuan Investment Management Co., Ltd. (Note 2)	Cost method	-	115,167,221.39	100.00	-	-
China Automotive Industrial Development Co., Ltd. (Note 2)	Cost method	-	274,872,910.12	100.00	-	-
SAIC HK Limited (Note 2)	Cost method	-	590,973,200.76	100.00	-	-
SAIC Motor North America Co., Ltd. (Note 2)	Cost method	-	172,336,204.50	100.00	-	-
SAIC Motor(Beijing) Co., Ltd. (Note 2)	Cost method	-	316,317,252.11	100.00	-	-
Shanghai Automobile Asset Management Co., Ltd. (Note 2)	Cost method	-	354,425,316.32	100.00	-	-
Shanghai International Auto Parts Sourcing Center Co., Ltd. (Note 2)	Cost method	-	35,103,538.99	80.00	-	-
Donghua Automobile Industrial Co., Ltd. (Note 2)	Cost method	-	654,940,453.36	75.00	-	-
SAIC Motor Activity Centre Co., Ltd. (Note 2)	Cost method	-	113,314,188.68	100.00	-	-
Shanghai Automotive News Press Co., Ltd. (Note 2)	Cost method	-	9,891,593.78	100.00	-	-
Nanjing Tooling Co., Ltd. (Note 2)	Cost method	-	92,911,441.36	35.00	-	-
Sub-total		23,426,040,865.81	44,897,222,465.68		-	-

Note 1: As stated in Note (IV)2(2), Huizhong was split off by establishing SMCV. Accordingly, the Company decreased the investment in Huizhong is by RMB 596,000,000.00. During the year, Huizhong merged Wangzhong, thus the original investment in Wangzhong of RMB 668,777,213.97 was transferred to investment in Huizhong and Wanzhong was liquidated afterwards. In addition, the Company made additional capital contribution in SMCV by RMB 1,353,435,000.00, of which RMB 846,000,000.00 was transferred from entrusted loans and the rest was contributed by cash.

Note 2: As stated in Note (XI)1(1), the Company acquired subsidiaries as stated in Note (I) and accounted for the Transaction as business combination involving enterprises under common control. Therefore, increases in investments in such subsidiaries are the amounts of attributable share of the carrying amount of the shareholders' equity of the acquiree at the date of combination. The Company held 80% equity interest in Pengpu previously, the remaining 20% equity interest of Pengpu was held by SAIC. In the Transaction, the Company acquired the 20% equity interest of Pengpu from SAIC. Thus, the Company holds 100% equity interest of Pengpu after the Transaction.

Note 3: During the year, the Company made additional capital contribution of RMB 596,500,000.00 in SAIC Transmission by cash.

Note 4: During the year, the Company made additional capital contribution of RMB 967,784,921.26 in NAGC by cash.

Note 5: These three subsidiaries were newly established during the year.

Unit: RMB

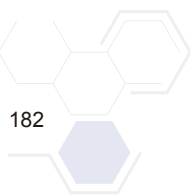
Invested companies	Accounting method	December 31, 2010	December 31, 2011	Equity interest held by the Company at the year-end (%)	Impairment at the year-end	Provision for impairment for the year
JCEs and Associates						
SAIC-Volkswagen automotive Co., Ltd.	Equity method	12,824,951,075.99	15,878,298,968.94	50.00	-	-
Pan-Asia Technical Automotive Center	Equity method	316,284,468.65	363,136,706.65	50.00	-	-
Shanghai Sunwin Co., Ltd.	Equity method	156,211,656.11	163,855,485.70	50.00	-	-
SAIC Iveco Commercial Vehicle Investment Co., Ltd.	Equity method	349,616,766.13	370,391,339.22	50.00	-	-
Shanghai Jieneng Automotive Technology Co., Ltd.	Equity method	29,992,594.42	12,569,664.97	10.00	-	-
Shanghai Advanced Traction Battery Systems Co., Ltd. (Note 1)	Equity method	16,336,947.80	20,474,359.77	51.00	-	-
Volkswagen Automotive Powertrain Co., Ltd.	Equity method	806,352,562.46	980,047,964.64	40.00	-	-
Volkswagen Transmission (Shanghai) Co., Ltd.	Equity method	120,801,693.81	144,949,152.04	20.00	-	-
China Automobile Development United Investment Co., Ltd.	Equity method	40,933,843.62	40,503,300.68	20.74	-	-
Sunrise Power Co., Ltd. (Note 2)	Equity method	-	44,081,007.92	34.19	-	-
Sub-total		14,661,481,608.99	18,018,307,950.53		-	-

Unit: RMB

Invested companies	Accounting method	December 31, 2010	December 31, 2011	Equity interest held by the Company at the year-end (%)	Impairment at the year-end	Provision for impairment for the year
Other long-term equity investment						
Nanfeng Securities Co., Ltd.	Cost method	396,000,000.00	396,000,000.00	10.41	396,000,000.00	-
Shanghai Great Dragon Sanhe Information Technology Co., Ltd.	Cost method	4,000,000.00	4,000,000.00	<5.00	4,000,000.00	-
GM Korea Company (Note 2)		-	494,566,740.00	6.01	494,566,740.00	-
Sub-total		400,000,000.00	894,566,740.00		894,566,740.00	-
Total		38,487,522,474.80	63,810,097,156.21		894,566,740.00	-

Note 1: The Company made additional capital contribution of RMB 9,393,459.91 in Shanghai Advanced Traction Battery Systems Co., Ltd. by cash.

Note 2: As stated in Note(I), the company was acquired in the Transaction, see Note(XI)1(1).



8 Investment properties

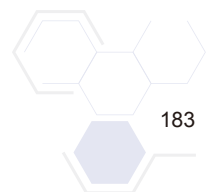
Movements of investment properties measured at cost are as follows:

Unit: RMB

Item	December 31, 2010	Increase	Decrease	December 31, 2011
I. Cost	248,692,716.72	192,641,727.29	15,872,536.69	425,461,907.32
1. Buildings	190,944,040.22	192,641,727.29	8,510,813.17	375,074,954.34
2. Land use right	57,748,676.50	-	7,361,723.52	50,386,952.98
II. Accumulated depreciation and amortization	30,309,608.78	37,200,311.56	3,909,023.47	63,600,896.87
1. Buildings	22,632,062.72	36,192,572.56	2,613,824.61	56,210,810.67
2. Land use right	7,677,546.06	1,007,739.00	1,295,198.86	7,390,086.20
III. Net book value	218,383,107.94			361,861,010.45
1. Buildings	168,311,977.50			318,864,143.67
2. Land use right	50,071,130.44			42,996,866.78

Note:

- (1) The increase in cost is due to the Transaction.
- (2) The decrease in cost is due to disposals.
- (3) Of the increase in accumulated depreciation and amortization, RMB 6,165,286.09 is due to provision of depreciation and amortization and RMB 31,035,025.47 is due to the Transaction.
- (4) The decrease in accumulated depreciation and amortization is due to disposals.



9 Fixed assets

(1) General

Unit: RMB

Item	December 31, 2010	Increase	Decrease	December 31, 2011
I. Cost	5,594,787,941.03	959,106,179.13	694,006,255.35	5,859,887,864.81
Including:Buildings	1,522,587,392.13	382,115,156.63	263,044,380.03	1,641,658,168.73
Machinery and equipment	2,355,995,974.33	405,964,108.26	416,050,200.77	2,345,909,881.82
Electronic equipment, furniture and fixtures	270,456,379.48	57,743,188.70	10,780,645.75	317,418,922.43
Transportation vehicles	43,329,336.33	18,127,368.25	4,131,028.80	57,325,675.78
Mould	1,402,418,858.76	95,156,357.29	-	1,497,575,216.05
II. Accumulated depreciation	1,279,859,645.16	509,162,842.46	238,118,766.18	1,550,903,721.44
Including:Buildings	190,940,805.82	126,439,610.11	58,340,859.85	259,039,556.08
Machinery and equipment	540,362,189.57	228,889,464.31	169,046,999.29	600,204,654.59
Electronic equipment, furniture and fixtures	136,256,800.04	65,250,733.31	8,822,002.82	192,685,530.53
Transportation vehicles	23,095,685.29	12,554,113.93	1,908,904.22	33,740,895.00
Mould	389,204,164.44	76,028,920.80	-	465,233,085.24
III. Closing balance	4,314,928,295.87			4,308,984,143.37
Including:Buildings	1,331,646,586.31			1,382,618,612.65
Machinery and equipment	1,815,633,784.76			1,745,705,227.23
Electronic equipment, furniture and fixtures	134,199,579.44			124,733,391.90
Transportation vehicles	20,233,651.04			23,584,780.78
Mould	1,013,214,694.32			1,032,342,130.81
IV. Impairment	338,782,304.18	91,632,100.00	45,621,676.62	384,792,727.56
Including:Buildings	8,005,049.29	-	8,005,049.29	-
Machinery and equipment	44,338,040.74	-	37,448,204.33	6,889,836.41
Electronic equipment, furniture and fixtures	199,973.00	-	168,423.00	31,550.00
Transportation vehicles	261,291.00	-	-	261,291.00
Mould	285,977,950.15	91,632,100.00	-	377,610,050.15
V. Net book value	3,976,145,991.69			3,924,191,415.81
Including:Buildings	1,323,641,537.02			1,382,618,612.65
Machinery and equipment	1,771,295,744.02			1,738,815,390.82
Electronic equipment, furniture and fixtures	133,999,606.44			124,701,841.90
Transportation vehicles	19,972,360.04			23,323,489.78
Mould	727,236,744.17			654,732,080.66

Note:

- (1) Of the increase in cost, RMB 16,511,772.55 is due to purchase, RMB 727,233,789.36 is due to transfer from construction in progress, RMB 214,031,981.05 is due to the Transaction and RMB 1,328,636.17 is due to transfer from intangible assets.
- (2) The decrease in cost is due to disposals.
- (3) Of the increase in accumulated depreciation, RMB 407,164,243.16 is due to provision of depreciation, RMB 101,561,556.05 is due to the Transaction and RMB 436,043.25 is due to transfer from intangible assets.
- (4) The decrease in accumulated depreciation is due to disposals.
- (5) The increase in impairment is due to disposals.

(2) Fixed assets of which certificates of title have not been obtained

Unit: RMB

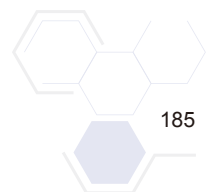
Item	Net value	Reasons why certificates of title have not been obtained
Buildings	908,230,798.50	In progress.

10 Construction in progress

(1) Details of the construction in process are as follows:

Unit: RMB

	December 31, 2010	Increase during the year	Transfer to fixed assets upon completion	Transfer to intangible assets	December 31, 2011
Project of passenger vehicles of self-owned brands	361,382,756.81	639,327,445.97	673,027,546.96	7,637,882.85	320,044,772.97
Project of R&D center expansion	200,280,911.36	277,117,768.36	53,696,523.16	26,423,649.99	397,278,506.57
Others	8,824,014.34	143,223,901.40	509,719.24	341,174.35	151,197,022.15
Total	570,487,682.51	1,059,669,115.73	727,233,789.36	34,402,707.19	868,520,301.69
Less: Impairment	-				-
Net book value	570,487,682.51				868,520,301.69



11 Intangible assets and development expenditures

(1) General

Unit: RMB

Item	December 31, 2010	Increase	Decrease	December 31, 2011
I. Cost	2,405,372,025.37	2,303,487,359.18	74,149,220.79	4,634,710,163.76
Land use right	759,798,587.12	608,145,936.17	72,820,584.62	1,295,123,938.67
Know-how	1,407,802,573.74	628,953,181.19	-	2,036,755,754.93
Software	237,770,864.51	38,325,989.77	1,328,636.17	274,768,218.11
Patent	-	1,025,962,252.05	-	1,025,962,252.05
Trademark right	-	2,100,000.00	-	2,100,000.00
II. Accumulated amortization	584,105,685.17	1,309,763,315.86	9,524,251.94	1,884,344,749.09
Land use right	61,563,209.86	30,610,835.85	9,088,208.69	83,085,837.02
Know-how	443,208,131.02	366,231,351.88	-	809,439,482.90
Software	79,334,344.29	30,336,624.96	436,043.25	109,234,926.00
Patent	-	882,365,085.17	-	882,365,085.17
Trademark right	-	219,418.00	-	219,418.00
III. Closing balance	1,821,266,340.20			2,750,365,414.67
Land use right	698,235,377.26			1,212,038,101.65
Know-how	964,594,442.72			1,227,316,272.03
Software	158,436,520.22			165,533,292.11
Patent	-			143,597,166.88
Trademark right	-			1,880,582.00
IV. Impairment	140,962,049.85	134,660,000.00	-	275,622,049.85
Know-how	140,962,049.85	53,410,000.00	-	194,372,049.85
Patent	-	81,250,000.00	-	81,250,000.00
V. Net book value	1,680,304,290.35			2,474,743,364.82
Land use right	698,235,377.26			1,212,038,101.65
Know-how	823,632,392.87			1,032,944,222.18
Software	158,436,520.22			165,533,292.11
Patent	-			62,347,166.88
Trademark right	-			1,880,582.00

Note:

(1) Of the increase in cost, RMB 34,402,707.19 is due to transfer from construction in progress, RMB 628,953,181.19 transfer from development expenditures, RMB 1,636,964,313.65 is due to the Transaction and RMB 3,167,157.15 is due to purchase. Of the decrease in cost, RMB 72,820,584.62 is due to disposals and RMB 1,328,636.17 is due to transfer to fixed assets.

- (2) Of the increase in accumulated amortization, RMB 409,906,254.32 is due to provision of amortization and RMB 899,857,061.54 is due to the Transaction. Of the decrease in accumulated amortization, RMB 9,088,208.69 is due to disposals and RMB 436,043.25 is due to transfer to fixed asset.
- (3) The increase in the impairment of RMB 134,660,000.00 is due to provision of in the year.
- (4) As of the year-end, certificates of title of land use right with the net value of RMB 187,816,763.05 have not been obtained.

(2) Details of development expenditures

Unit: RMB

Item	December 31, 2010	Increase during the year	Decrease during the year		December 31, 2011
			Recognized in profit and loss	Transferred to intangible assets	
Research expenditures	-	644,731,511.96	644,731,511.96	-	-
Development expenditures	1,021,840,010.92	1,360,887,660.78	1,241,752,346.01	628,953,181.19	512,022,144.50
Total	1,021,840,010.92	2,005,619,172.74	1,886,483,857.97	628,953,181.19	512,022,144.50

Development expenditures account for 67.85% of total research and development expenditures.

12 Short-term borrowings

Unit: RMB

Item	December 31, 2011	December 31, 2010
Credit loans	64,508,000.00	-

13 Employ benefits payable

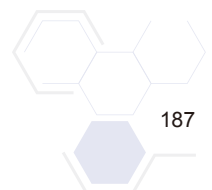
Unit: RMB

Item	December 31, 2011	December 31, 2010
Payroll, bonus, allowance and compensation	557,286,399.26	202,527,350.74
Housing funds	109,202.00	1,484.00
Trade union fund and employee education fund	217,328,411.12	45,900,966.27
Termination benefits	31,308,296.96	32,803,294.95
Total	806,032,309.34	281,233,095.96

14 Non-current liabilities due within one year

Unit: RMB

Item	December 31, 2011	December 31, 2010
Provisions due within one year (Note (XII)16)	189,021,614.94	194,457,019.40
Bonds payable due within one year (Note (VI)40)	-	2,000,000,000.00
Long-term borrowings due within one year (Note (XII)15)	1,307,900,000.00	-
Total	1,496,921,614.94	2,194,457,019.40



15 Long-term borrowings

Unit: RMB

Item	December 31, 2011	December 31, 2010
Credit loans (Note)	1,129,800,000.00	1,129,800,000.00
Guaranteed loans	210,000,000.00	90,000,000.00
Sub-total	1,339,800,000.00	1,219,800,000.00
Less: Long-term borrowings due within one year (Note (XII)14)	1,307,900,000.00	-
Total	31,900,000.00	1,219,800,000.00

Note: At the year-end, long-term borrowings of RMB 210,000,000.00 are guaranteed by SAIC and it is due within one year.

16 Provisions

Unit: RMB

Item	December 31, 2011	December 31, 2010
Products quality warranty	337,414,715.20	228,711,763.41
Others	144,520,000.00	185,541,400.00
Sub-total	481,934,715.20	414,253,163.41
Less: Provisions due within one year (Note (XII)14)	189,021,614.94	194,457,019.40
Provisions due after one year	292,913,100.26	219,796,144.01

17 Deferred tax liabilities

(1) Recognized deferred tax liabilities

Unit: RMB

Item	December 31, 2011	December 31, 2010
Deferred tax liabilities		
Initial recognition and accumulated amortization of convertible bonds	71,653,649.82	109,260,645.58

(2) Deductible or taxable temporary differences associated with recognized deferred tax liabilities

Unit: RMB

Item	Temporary differences
December 31, 2011	
Taxable temporary differences:	
Initial recognition and accumulated amortization of convertible bonds	477,690,998.89
December 31, 2010	
Taxable temporary differences:	
Initial recognition and accumulated amortization of convertible bonds	728,404,303.89

18 Special payables

Unit: RMB

Item	December 31, 2011	December 31, 2010
Special reward fund	987,830,000.00	-

19 Other non-current liabilities

Unit: RMB

Item	December 31, 2011	December 31, 2010
Compensation and retirement benefits	4,403,541,488.23	804,383,095.02
Deferred income - Government grants	276,053,015.80	178,518,718.55
Total	4,679,594,504.03	982,901,813.57

20 Capital reserve

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Year 2011:				
Share premium	28,978,121,576.00	21,178,656,745.54	-	50,156,778,321.54
Including: Capital contributed by investors(Note)	28,798,622,238.61	21,178,656,745.54	-	49,977,278,984.15
Differences arising from business combination involving enterprises under common control	179,499,337.39	-	-	179,499,337.39
Other comprehensive income	283,485,230.10	-	161,820,793.28	121,664,436.82
Other capital reserves	473,181,640.96	-	-	473,181,640.96
Total	29,734,788,447.06	21,178,656,745.54	161,820,793.28	50,751,624,399.32
Year 2010:				
Share premium	20,484,777,905.78	10,459,830,091.22	1,966,486,421.00	28,978,121,576.00
Including: Capital contributed by investors(Note)	20,305,278,568.39	10,459,830,091.22	1,966,486,421.00	28,798,622,238.61
Differences arising from business combination involving enterprises under common control	179,499,337.39	-	-	179,499,337.39
Other comprehensive income	288,391,268.77	-	4,906,038.67	283,485,230.10
Other capital reserves	1,673,745,752.20	-	1,200,564,111.24	473,181,640.96
Others: Equity component of convertible bonds	1,200,564,111.24	-	1,200,564,111.24	-
Others	473,181,640.96	-	-	473,181,640.96
Total	22,446,914,926.75	10,459,830,091.22	3,171,956,570.91	29,734,788,447.06

Note: See Note (XI)1(1).



21 Operating income/costs

(1) Operating income/costs

Unit: RMB

	Year Ended December 31, 2011		Year Ended December 31, 2010	
	Operating income	Operating costs	Operating income	Operating costs
Primary operations	14,818,471,443.83	12,903,398,665.39	17,685,010,648.43	14,268,612,898.11
Other operations	1,034,126,202.77	955,383,679.13	1,148,419,597.06	1,081,782,055.14
Total	15,852,597,646.60	13,858,782,344.52	18,833,430,245.49	15,350,394,953.25

(2) Primary operations

Unit: RMB

	Year Ended December 31, 2011		Year Ended December 31, 2010	
	Operating income	Operating costs	Operating income	Operating costs
Sales of vehicles	13,882,317,888.85	12,168,031,771.75	17,015,367,544.63	13,797,636,435.61
Sales of parts	936,153,554.98	735,366,893.64	669,643,103.80	470,976,462.50
Total	14,818,471,443.83	12,903,398,665.39	17,685,010,648.43	14,268,612,898.11

(3) Other operations

Unit: RMB

	Year Ended December 31, 2011		Year Ended December 31, 2010	
	Operating income	Operating costs	Operating income	Operating costs
Sales of raw materials	527,000,611.20	556,777,829.29	863,697,568.71	867,818,807.48
Rendering services	225,100,473.27	166,627,916.17	188,154,122.68	179,843,554.15
Rental	25,739,299.00	7,217,490.24	45,910,042.04	19,931,201.38
Others	256,285,819.30	224,760,443.43	50,657,863.63	14,188,492.13
Total	1,034,126,202.77	955,383,679.13	1,148,419,597.06	1,081,782,055.14

(4) Operating incomes from the top five customers are as follows:

Unit: RMB

Organization name	Operating income	Proportion to total sales (%)
Company 1	459,324,732.06	2.90
Company 2	253,118,008.46	1.60
Company 3	232,266,794.31	1.46
Company 4	218,127,907.49	1.37
Company 5	184,869,606.45	1.17
Total	1,347,707,048.77	8.50

22 Impairment losses on assets

Unit: RMB

Item	Year Ended December 31, 2011	Year Ended December 31, 2010
Bad debt losses	20,100.00	-
Decline in value of inventories	-	82,915,000.00
Impairment on fixed assets	91,632,100.00	328,277,950.15
Impairment on intangible assets	134,660,000.00	140,962,049.85
Total	226,312,200.00	552,155,000.00

23 Investment income

Unit: RMB

Item	Year Ended December 31, 2011	Year Ended December 31, 2010
Dividends received from investments under cost method	10,267,438,648.47	8,753,482,576.80
Long-term equity investment income under equity method	8,732,111,991.08	6,136,643,396.04
Amortization of long-term equity investment difference	(827,623.32)	(1,269,146.16)
Entrust loans investment income	11,439,633.68	19,612,069.16
Gain from available-for-sale financial assets	707,500.27	313,171,409.13
Gain on disposal of long-term equity investments	-	95,695,936.23
Others	422,290.56	77,209,760.28
Total	19,011,292,440.74	15,394,546,001.48

24 Other comprehensive income (loss)

Unit: RMB

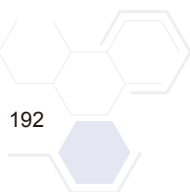
Item	Year Ended December 31, 2011	Year Ended December 31, 2010
1. Gain (Loss) from available-for-sale financial assets	(166,706.00)	(4,806,741.60)
less: Tax effects arising from available-for-sale financial assets	-	6,375.00
Sub-total	(166,706.00)	(4,813,116.60)
2. Share of other comprehensive income(loss) of the investee accounted for using the equity method	(161,654,087.28)	(92,922.07)
Total	(161,820,793.28)	(4,906,038.67)



25 Supplementary information to the cash flow statements

Unit: RMB

Supplementary information	Year Ended December 31, 2011	Year Ended December 31, 2010
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	15,590,169,767.35	12,773,319,903.84
Add: Provision for impairment loss of assets	226,312,200.00	552,155,000.00
Depreciation of fixed assets	407,165,243.16	465,189,435.17
Amortization of intangible assets	409,906,254.32	319,882,108.39
Depreciation and amortization of investment properties	6,165,286.09	6,469,511.88
Amortization of long-term prepaid expenses	82,552,138.86	2,128,084.36
Losses on disposal of fixed assets, intangible assets and other long-term assets (less gains)	(6,051,571.87)	(79,516.85)
Amortization of deferred tax liabilities confirmed by bonds with warrants	(37,606,995.76)	(35,659,961.84)
Financial expenses	476,398,932.22	456,529,865.64
Losses arising from investments (less gains)	(19,011,292,440.74)	(15,394,546,001.48)
Decrease in inventories (less increase)	312,019,301.72	4,843,992.66
Decrease in operating receivables (less increase)	(1,257,188,955.29)	422,548,022.40
Increase in operating payables (less decrease)	507,026,825.57	760,081,449.72
Net cash flow from operating activities	(2,294,424,014.37)	332,861,893.89
2. Significant investing and financing activities that do not involve cash receipts and payments:		
Non-monetary assets acquired in the Transaction	19,813,535,388.39	-
Transfer of entrust loans into investment in a subsidiary	846,000,000.00	-
3. Net movement of cash and cash equivalents:		
Balance at the end of the year	27,755,933,364.63	21,126,904,062.35
Less: Balance at the beginning of the year	21,126,904,062.35	5,019,064,516.55
Net increase in cash and cash equivalents	6,629,029,302.28	16,107,839,545.80



26 Related party relationships and transactions

A. Major related parties which have significant transactions or balances with the Company

Name of related parties	Relationship with the Company	
	Before the Transaction(Note)	After the Transaction(Note)
Shanghai Huizhong Automotive Sales Service Co., Ltd.	Subsidiary	Subsidiary
Shanghai Huierzhong Automotive Equip Manufacturing Co., Ltd.	Subsidiary	Subsidiary
Shanghai Huizhong Automotive Manufacturing Co., Ltd.	Subsidiary	Subsidiary
Ningbo Yuejin Automobile Front Axle Co., Ltd.	Subsidiary	Subsidiary
SAIC Motor Transmission Co., Ltd.	Subsidiary	Subsidiary
Nanjing Automobile (Group) Corporation	Subsidiary	Subsidiary
SAIC Motor Commercial Vehicle Co., Ltd.	Subsidiary	Subsidiary
SAIC Motor UK Co., Ltd.	Subsidiary	Subsidiary
DIAS Automotive Electronic Systems Co., Ltd.	Subsidiary	Subsidiary
Shanghai Automobile Gear No. 3 works	Subsidiary	Subsidiary
Nanjing Motor Engineering Research Institute Co., Ltd.	Subsidiary	Subsidiary
Nanjing Automobile Corporation (UK) Limited	Subsidiary	Subsidiary
SAIC Finance Co., Ltd.	Subsidiary	Subsidiary
Shanghai General Motors Co., Ltd.	Subsidiary	Subsidiary
Shanghai GM Dong Yue Motors Co., Ltd.	Subsidiary	Subsidiary
Shanghai GM Dong Yue Automotive Powertrain Co., Ltd.	Subsidiary	Subsidiary
Shanghai GM (Shenyang) Norsom Motors Co., Ltd.	Subsidiary	Subsidiary
Jiangsu SAIC Roewe Sales Co., Ltd.	Subsidiary	Subsidiary
Shanghai Automobile Gear No. 1 works	Subsidiary	Subsidiary
SAIC HK Investment Co., Ltd.	Subsidiary	Subsidiary
Nanjing MG Automobile Trading Co., Ltd.	Subsidiary	Subsidiary
Shanghai Diesel Engine Co., Ltd.	Subsidiary	Subsidiary
Shanghai Huijin automobile and Tractor Parts Co., Ltd.	Subsidiary	Subsidiary
Nanjing Special Auto Co., Ltd.	Subsidiary	Subsidiary
Shanghai SIIC Transportation Electric Co., Ltd.	Subsidiary of SAIC	Subsidiary
Nanjing Tooling Co., Ltd.	Subsidiary of SAIC	Subsidiary
Anyue Motor Supplies Co., Ltd.	Subsidiary of SAIC	Subsidiary
SAIC Dazhong Gardening Co., Ltd.	Subsidiary of SAIC	Subsidiary
Yanfeng Visteon Automotive Trim Systems Co., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai Dongchang-SETECH Integrated Supply Ltd.	Subsidiary of SAIC	Subsidiary

Name of related parties	Relationship with the Company	
	Before the Transaction(Note)	After the Transaction(Note)
Shanghai Union Automobile & Tractor Industry Trade Co., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai Superior Die Technology Co., Ltd.	Subsidiary of SAIC	Subsidiary
Jiangsu Toppower Automotive Electronics Co., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai Yanfeng Johnson Controls Automotive Seating Co., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai Jixiang Automobile Roof Trimming Co., Ltd.	Subsidiary of SAIC	Subsidiary
SAIC Motor Activity Centre Co., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai Automobile Import & Export Co., Ltd.	Subsidiary of SAIC	Subsidiary
SAIC Motor (Beijing) Co., Ltd.	Subsidiary of SAIC	Subsidiary
Anji Automotive Logistics Co., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai Tractor & Internal Combustion Engine CO., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai Sanden Behr Automotive Air Conditioning Co., Ltd.	Subsidiary of SAIC	Subsidiary
Donghua Automobile Industrial Co., Ltd. Supply Branch	Subsidiary of SAIC	Subsidiary
China Spring Corporation Limited	Subsidiary of SAIC	Subsidiary
Shanghai Xingfu Motorcycle Co., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai Cosmopolitan Automobile Accessory Co., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai Automobile Brake Co., Ltd.	Subsidiary of SAIC	Subsidiary
SAIC Information Industrial Investment Co., Ltd.	Subsidiary of SAIC	Subsidiary
Anyue Xianfeng Automobile Information Technology Co., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai Automotive Industry Sales Co., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai Anji Automobile Sales Co., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai SAIC Anfu Automobile Sales Service Co., Ltd.	Subsidiary of SAIC	Subsidiary
Nanjing Shenhua Automotive trading Co., Ltd.	Subsidiary of SAIC	Subsidiary
Nanjing Donghua Automotive Interior Trim Systems Co., Ltd.	Subsidiary of SAIC	Subsidiary
Nanjing Donghua Automotive Steering Co., Ltd.	Subsidiary of SAIC	Subsidiary
Nanjing Automobile Forging Co., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai Shenhua Automobile Electronics Co., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai Anji Vehicle Auction Co., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai Mingliu Auto After-sales Service Co., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai Automotive Powder Metallurgy Co., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai Sanhuan Spring Co., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai Sandmann Foundry Co., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai Zhongshun Elastic Parts Co., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai Automobile Asset Management Co., Ltd.	Subsidiary of SAIC	Subsidiary

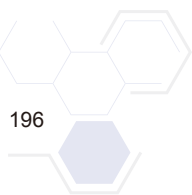
Name of related parties	Relationship with the Company	
	Before the Transaction(Note)	After the Transaction(Note)
Anji Car Rental & Leasing Co., Ltd.	Subsidiary of SAIC	Subsidiary
HUAYU Automotive Systems Co., Ltd.	Subsidiary of SAIC	Subsidiary
Shanghai Automobile Brake System Co., Ltd.	Subsidiary of SAIC	Subsidiary
GMAC-SAIC Automotive Finance Co., Ltd.	JCE	JCE
SAIC-Iveco Hongyan Commercial Vehicle Co., Ltd.	JCE	JCE
Nanjing Iveco Motor Co., Ltd.	JCE	JCE
Shanghai SAIC Magneti Marelli Powertrain Co., Ltd.	JCE	JCE
Shanghai Sunwin Co., Ltd.	JCE	JCE
Shanghai Advanced Traction Battery Systems Co., Ltd.	JCE	JCE
Pan-Asia Technical Automotive Center	JCE	JCE
United Automotive Electronic Systems Co., Ltd.	JCE	JCE
Shanghai ZF Transmissions Shanghai Co., Ltd.	JCE	JCE
Shanghai Volkswagen Automotive Co., Ltd.	JCE	JCE
Shanghai ZF Steering Machine Co., Ltd.	JCE	JCE
Shanghai GKN Drive Shaft Co., Ltd.	JCE of SAIC	JCE
Huayu-Cooper Standard Sealing Systems Co., Ltd.	JCE of SAIC	JCE
Yan Feng Gabriel (Shanghai) Automotive Safety Systems Co., Ltd.	JCE of SAIC	JCE
Yanfeng Plastic Omnium Automotive Exterior Trimming System Co., Ltd.	JCE of SAIC	JCE
Huayu-Cooper Standard Sealing Systems (Huaian) Co., Ltd.	JCE of SAIC	JCE
Kolbenschmidt Pierburg Shanghai Nonferrous Components Co., Ltd.	JCE of SAIC	JCE
Shanghai Anji Tonghui Automobile Logistics Co., Ltd.	JCE of SAIC	JCE
ContiTech Fluid Shanghai Co., Ltd.	JCE of SAIC	JCE
Shanghai Behr Thermal System Co., Ltd.	JCE of SAIC	JCE
Shanghai Koito Automotive Lamp Co., Ltd.	JCE of SAIC	JCE
Shanghai TRW Automotive Safety Systems Co., Ltd.	JCE of SAIC	JCE
Huayu-Cooper Standard Sealing Systems Co., Ltd.	JCE of SAIC	JCE
Shanghai Valeo Automotive Electrical Systems Co., Ltd.	JCE of SAIC	JCE
Shanghai Sachs Powertrain Components Systems Co., Ltd.	JCE of SAIC	JCE
ANJI-CEVA Automotive Logistics Co., Ltd.	Associate	Associate
Shanghai ThyssenKrupp Presta HuiZhong Co., Ltd.	Associate	Associate
Shanghai Huizhong Sachs Shock absorber Co., Ltd.	Associate	Associate
Shanghai SanHe Automobile Plastic and Rubber Parts Co., Ltd.	Associate	Associate
Shanghai Mhi Turbocharger Co., Ltd.	Associate	Associate

Name of related parties	Relationship with the Company	
	Before the Transaction(Note)	After the Transaction(Note)
Shanghai Sanli-Huizhong auto parts Co., Ltd.	Associate	Associate
Jiangsu Anji Auto Parts Logistics Co., Ltd.	Associate of SAIC	Associate
Nanjing Nanqi Stamping Parts Co., Ltd.	Associate of SAIC	Associate
Shanghai Meridian Magnesium Products Co., Ltd.	Associate of SAIC	Associate
Shanghai New Holland Agricultural Machinery Co., Ltd.	Associate of SAIC	Associate
Shanghai LEAR STEC Automotive Parts Co., Ltd.	Associate of SAIC	Associate
Shanghai Xingsheng Gasket Co., Ltd.	Associate of SAIC	Associate
Shanghai Inteva Automotive Door Systems Co., Ltd.	Associate of SAIC	Associate
Federal-Mogul Shanghai Bearing Co., Ltd.	Associate of SAIC	Associate
Continental Brake Systems (Shanghai) Co., Ltd.	Associate of SAIC	Associate
Yapp Automotive Parts Co., Ltd.	Associate of SAIC	Associate
Shanghai Tenneco Exhaust System Co. , Ltd.	Associate of SAIC	Associate
Valeo Shanghai Automotive Electric Motors & Wiper System Co., Ltd.	Associate of SAIC	Associate
Shanghai Huali Internal Combustion Engine Co., Ltd.	Subsidiary of SAIC	Subsidiary of SAIC
Shanghai Internal Combustion Engine Research Institute	Subsidiary of SAIC	Subsidiary of SAIC
Shanghai Jieneng Automotive Technology Co., Ltd.	Subsidiary of SAIC	Subsidiary of SAIC
Shanghai Kailian Trading Co., Ltd.	Subsidiary of SAIC	Subsidiary of SAIC
SAIC Construction Engineering Technical Consulting Services Co., Ltd.	Subsidiary of SAIC	Subsidiary of SAIC
Shanghai Yike Green Engineering Co., Ltd.	Associate of SAIC	Associate of SAIC
Shanghai ADT Facilities Management Co., Ltd.	Associate of SAIC	Associate of SAIC
Shanghai Volkswagen Automotive Gift Co., Ltd.	Associate of SAIC	Associate of SAIC
Executive directors and other senior management of the Company	Key management personnel	Key management personnel

Note: Refer to Note (I) for details of the Transaction.

B. Related transactions

The following amounts are transactions and balances in the Company's financial statements.



(1) Sales and purchases

(a) Sales of goods

Unit: RMB

Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
Subsidiaries	127,979,002.03	10,893,642.73
Associates	-	102,564.10
Subsidiaries of SAIC	691,298,334.20	621,407,218.96
Total	819,277,336.23	632,403,425.79

(b) Sales of materials

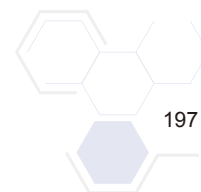
Unit: RMB

Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
Subsidiaries	36,235,076.73	-
Subsidiaries of SAIC	122,032,582.05	-
Associates of SAIC	545,768.32	-
Total	158,813,427.10	-

(c) Purchase of goods and materials

Unit: RMB

Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
Subsidiaries	5,177,854,993.61	5,555,904,880.82
JCEs	151,097,713.57	104,372,994.57
Associates	25,634,345.33	294,332.50
SAIC	2,840,000.00	-
Subsidiaries of SAIC	1,845,096,171.96	2,812,533,045.99
JCEs of SAIC	653,407,893.34	1,046,489,441.33
Associates of SAIC	298,303,807.80	302,663,002.93
Total	8,154,234,925.61	9,822,257,698.14



(d) Purchase of long-term assets

Unit: RMB

Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
Subsidiaries	10,719,298.09	-
JCEs	2,801,049.42	31,005.87
Associates	12,320.00	-
Subsidiaries of SAIC	55,304,841.95	60,811,116.66
JCEs of SAIC	27,783,411.70	27,610,901.10
Associates of SAIC	305,428.53	867,948.72
Total	96,926,349.69	89,320,972.35

(e) Receiving services - R&D expenditures

Unit: RMB

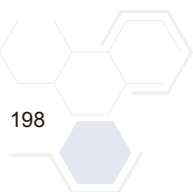
Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
Subsidiaries	386,933,855.22	437,277,549.04
JCEs	209,911,145.27	168,325,162.52
Associates	2,958,100.10	922,732.76
Subsidiaries of SAIC	105,137,931.01	71,972,455.50
JCEs of SAIC	29,586,870.10	9,280,761.37
Associates of SAIC	5,035,395.43	585,926.44
Total	739,563,297.13	688,364,587.63

(2) Rendering of services

(a) Rendering of services

Unit: RMB

Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
Subsidiaries	63,095,535.95	18,951,170.80
JCEs	216,091,760.02	1,690,561.13
Subsidiaries of SAIC	197,324,813.81	178,509,122.68
JCEs of SAIC	-	400,000.00
Associates of SAIC	-	200,000.00
Total	476,512,109.78	199,750,854.61



(b) Rental income

Unit: RMB

Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
SAIC	-	12,000,000.00
JCEs of SAIC	3,048,508.00	3,025,164.04
Associates of SAIC	23,601,748.00	23,601,748.00
Total	26,650,256.00	38,626,912.04

(c) Guarantee income

Unit: RMB

Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
JCEs	3,810,739.71	19,113,315.07

(3) Other expenses

(a) Logistics service expenses, royalties and others

Unit: RMB

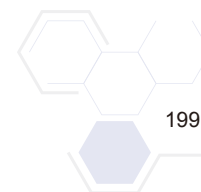
Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
Subsidiaries	12,795,081.03	-
SAIC	100,965,169.66	477,315,148.25
Subsidiaries of SAIC	347,690,293.51	296,529,351.06
JCEs of SAIC	37,805,365.79	29,394,413.00
Associates of SAIC	19,431,766.71	15,274,312.70
Total	518,687,676.70	818,513,225.01

(b) Rental expenses

Unit: RMB

Related party	Year Ended December 31, 2011	Year Ended December 31, 2010
Subsidiaries	24,768,740.15	1,440,910.00
Subsidiaries of SAIC	-	4,061,700.00
Total	24,768,740.15	5,502,610.00

The prices of transactions in (1) to (3) are based on the contracts between both parties.



(4) Financing

(a) Loans to related parties

Movement of loans to related parties are as follows:

Unit: RMB

December 31, 2010	4,612,200,000.00
Loans offered	7,130,115,000.00
Loans received back	(6,014,400,000.00)
Entrust loans transferred to investment to a subsidiary	(846,000,000.00)
Effect of fluctuations of exchange rate	(42,600,000.00)
Increased due to the Transaction	915,809,000.00
December 31, 2011	5,755,124,000.00

Balances of loans directly to related parties are as follows:

Unit: RMB

	Year Ended December 31, 2011
December 31, 2010	67,032,980.00
Effect of fluctuations of exchange rate	(5,284,160.00)
December 31, 2011	61,748,820.00

Loan interests received from related parties are as follows:

Unit: RMB

	Year Ended December 31, 2011	Year Ended December 31, 2010
Subsidiaries	11,439,633.68	19,612,069.16

Interest rates for loans issued to related parties are determined according to the contracts,

(b) Deposits in SFC

Movement of deposits in SFC is as follows:

Unit: RMB

	December 31, 2010	Increase	December 31, 2011
Cash and bank balances	13,594,544,851.64	4,910,099,593.94	18,504,644,445.58

Interest received from SFC is as follows:

Unit: RMB

	Year Ended December 31, 2011	Year Ended December 31, 2010
Interest income	235,651,150.79	58,317,589.74

Interest rates for deposits from SFC are determined according to interest rates specified by the People's Bank of China.

(c) Financing charges paid to SFC

In order to obtain the circulating credits from SFC for the automobile dealers under the company and have SFC provide financial service to dealers with the credit limits, the company paid financing charges to SFC as follows:

Unit: RMB

	Year Ended December 31, 2011	Year Ended December 31, 2010
SFC	63,371,740.37	50,199,963.07

Financing charges are paid to SFC based on the contracts between both parties.

C. Amounts due from / to related parties

(1) Notes receivable

Unit: RMB

Related party	December 31, 2011	December 31, 2010
Subsidiaries	66,105,000.00	-

(2) Accounts receivable

Unit: RMB

Related party	December 31, 2011	December 31, 2010
Subsidiaries	45,153,581.53	13,509,915.23
JCEs	30,376,357.75	8,760,917.81
Subsidiaries of SAIC	46,250,198.07	16,103,050.06
Total	121,780,137.35	38,373,883.10

(3) Prepayments

Unit: RMB

Related party	December 31, 2011	December 31, 2010
Subsidiaries	841,705,870.36	103,783,701.97
JCEs	-	2,298,000.00
Subsidiaries of SAIC	-	67,926,574.18
Total	841,705,870.36	174,008,276.15

(4) Dividends receivable

Unit: RMB

Related party	December 31, 2011	December 31, 2010
Subsidiaries	7,115,098,097.88	5,773,478,779.81



(5) Other receivables

Unit: RMB

Related party	December 31, 2011	December 31, 2010
Subsidiaries	492,472,487.29	655,983,303.22
JCEs	4,073,771.60	11,392,529.47
Associates	-	400,000.00
SAIC	-	39,378.00
Subsidiaries of SAIC	11,792,958.43	29,796,009.30
Total	508,339,217.32	697,611,219.99

(6) Accounts payable

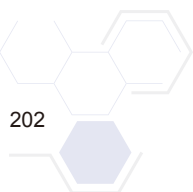
Unit: RMB

Related party	December 31, 2011	December 31, 2010
Subsidiaries	831,155,465.11	212,302,233.88
JCEs	394,003,947.41	54,704,775.94
Associates	134,313,579.11	7,293,171.61
Subsidiaries of SAIC	4,620,037.94	380,393,164.89
JCEs of SAIC	-	297,014,179.05
Associates of SAIC	5,533,776.98	88,467,042.22
Total	1,369,626,806.55	1,040,174,567.59

(7) Receipts in advance

Unit: RMB

Related party	December 31, 2011	December 31, 2010
Subsidiaries	5,293,228.59	1,600,000.00
SAIC	103,375,000.00	2,041,100.00
Subsidiaries of SAIC	-	3,302,474.86
Total	108,668,228.59	6,943,574.86



(8) Other payables

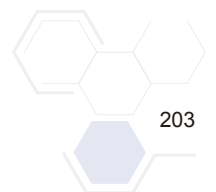
Unit: RMB

Related party	December 31, 2011	December 31, 2010
Subsidiaries	138,000.00	2,000.00
JCEs	23,000.00	-
Associates	135,000.00	3,000.00
SAIC	138,370,465.51	321,544,810.02
Subsidiaries of SAIC	60,923,523.08	833,287.20
JCEs of SAIC	-	6,000.00
Associates of SAIC	27,000.00	2,000.00
Total	199,616,988.59	322,391,097.22

XIII. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated and the company's financial statements have been approved by the Board of Directors on March 28, 2012.

The end of the financial statements



Supplemental Information

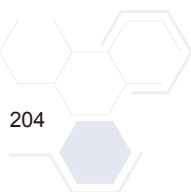
1 NON-RECURRING PROFIT OR LOSS

Unit: RMB

Item	Year Ended December 31, 2011	Year Ended December 31, 2010 (Restated)
Profit or loss on disposal of non-current assets	(76,240,425.58)	45,262,164.03
Government grants recognized in profit and loss	164,600,739.62	104,783,558.80
The excess of acquirer's proportionate share of fair value of identifiable net assets of acquiree over the consideration paid for the acquisition of subsidiaries, associates and joint ventures	7,347,220.78	131,554,995.45
Profit or loss on debt restructuring	(12,651,684.45)	49,866,630.19
Net profit or loss of subsidiaries acquired in business combination involving enterprises under common control from the beginning of the period up to the business combination date (Note)	6,595,787,011.66	5,827,219,957.14
Elimination between the Acquired Assets and the Group's original assets in business combination involving enterprises under common control (Note)	4,322,453.76	(127,537,488.12)
Profit or loss on changes in the fair value of held-for-trading financial assets and held-for-trading financial liabilities and investment income on disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets, other than those for effective hedging activities relating to normal operating business	642,506,114.61	857,213,571.84
Gain related to business combination not involving enterprises under common control achieved in stages	-	240,213,689.49
Other non-operating income and expenses other than the above	27,146,967.57	(635,023,370.21)
Tax effects of non-recurring profit or loss	(182,936,070.70)	(144,628,099.86)
Minority interest (after tax)(Note)	(3,604,366,000.03)	(3,074,807,292.84)
Total	3,565,516,327.24	3,274,118,315.91

Note: Net profit or loss of subsidiaries acquired in business combination involving enterprises under common control from the beginning of the period up to the business combination date and relevant minority interest arise from the Transaction as stated in Note (I) to 2011 financial statements of SAIC Motor Corporation Limited. The comparative figures are restated according.

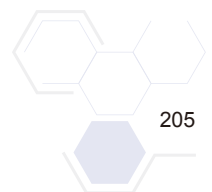
Non-recurring profit or loss is calculated and disclosed according to the Securities Regulatory Commission Notice [2008]No.43 "Explanatory Notice No. 1 to Information Disclosure Guidance for Public Companies - Non-recurring Gains and losses(2008)" issued by China Securities Regulatory Commission.



2 Return on net assets and earnings per share

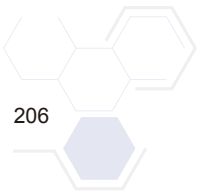
Return on net assets and earnings per share ("EPS") are prepared by SAIC Motor Corporation Limited in accordance with Information Disclosure and Presentation Rules for Companies Making Public Offering No. 9-Calculation and Disclosure of Return on Net Assets and Earnings per Share(Revised 2010) issued by China Securities Regulatory Commission.

Profit for the reporting period	Weighted average return on net assets (%)	EPS (RMB)	
		Basic EPS	Dilute EPS
Calculated based on net profit attributable to shareholders of the Company	21.37	1.834	N/A
Calculated based on net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	22.92	1.802	N/A





Section XII List of Documents Available For Inspection



I. Financial statements signed and stamped by Legal Representative, Chief Financial Officer and Head of Accounting Department of the Company

II. Original copies of auditors' report signed and stamped by the accounting firm and CPAs

III. Original copies of all documents and announcements that have been disclosed in newspapers designated by China Securities Regulatory Commission during the reporting period

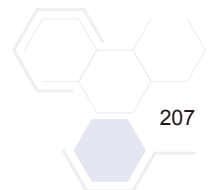
IV. Articles of Association of SAIC Motor Corporation Limited

SAIC Motor Corporation Limited

Chairman of the Board: Hu Mao Yuan



March 30, 2012



www.saicmotor.com



上海汽车集团股份有限公司
SAIC MOTOR CORPORATION LIMITED