

Annual Report 2014

SAIC MOTOR CORPORATION LIMITED



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Important Note

- 1** 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. Zhou Qin Ye, one of the independent directors, was absent due to business reasons, so Mr. Wang Fanghua, one of the independent directors, attended on his behalf).
- 3** Deloitte Touche Tohmatsu Certified Public Accountants LLP issued standard unqualified audit report for the Company.
- 4** Mr. Chen Hong, Chairman of the Board, Mr. Gu Feng, the chief financial officer, and Ms. Gu Xiao Qiong, Head of Accounting Department, certify the authenticity, accuracy and integrity of the financial statements contained in the annual report of the current year.
- 5** Plan of profit distribution or capital reserve capitalization approved by the Board
The Company plans to distribute cash dividends of RMB 13.00 (inclusive of tax) per 10 shares, amounting to RMB 14,333,236,617.70, based on total 11,025,566,629 shares as of the end of year 2014. The Company has no plan of capitalization of capital reserve this year. The profit distribution plan is subject to the approval of annual general meeting of shareholders.
- 6** Risk statement of forward-looking description
The forward-looking description on future plan and development strategy in this report does not constitute substantive commitment to investors. Please note the investment risk.
- 7** Does the situation exist where the controlling shareholders and their related parties occupy the funds of the Company for non-operational use?
No
- 8** Does the situation exist where the Company provides external guarantee which is not in compliance with the required decision-making procedures?
No



Definition

In this report, unless the context otherwise requires, the following terms shall have the meanings set out below:

Definition of usual words		
CSRC	Refers to	China Securities Regulatory Commission
SSE	Refers to	Shanghai Stock Exchange
Shanghai SASAC	Refers to	Shanghai State-owned Assets Supervision and Administration Commission
Company, the Company, the Group	Refers to	SAIC Motor Corporation Limited
SAIC	Refers to	Shanghai Automotive Industry Corporation (Group)

Significant Risk Alert

The Company has described the possibly existing relevant risks in details in this report. Please refer to part "potential risks" in "The Board's discussion and analysis on future development of the Company" in Section IV for details.

Section I Definitions and Significant Risk Alert



- 1** Legal company name in Chinese: 上海汽车集团股份有限公司
Legal company name in English : SAIC Motor Corporation Limited
Legal representative of the Company : Mr. Chen Hong
- 2** Secretary to the Board: Ms. Wang Jianzhang
Telephone number : (021)22011138
E-mail : saicmotor@saic.com.cn
- 3** Securities affairs representative: Mr. Wei Yong
Telephone number : (021)22011138
E-mail : saicmotor@saic.com.cn
- 4** Registration address : Room 509, Building A, No. 563 Songtao Road, Zhangjiang High-tech Park, Pudong, Shanghai, China
Post code of registration address : 201203
Office address : No. 489 Weihai Road, Jing'an District, Shanghai, China
Website : <http://www.saicmotor.com>
Information disclosure and the locations
Designated newspapers for information disclosure : "Shanghai Securities News", "China Securities Journal" and "Securities Times"
Website designated by CSRC 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** Abbreviation of the Company's shares
Class of shares : A shares
Short name : 上汽集团 (SAIC MOTOR)
Former short name : 上海汽车
- 6** Change of registration of the Company in the reporting period
(1) Basic information
Legal representative of the Company was changed to Mr. Chen Hong, President of the Company, on June 3, 2014.
(2) Information of the first-time registration of the Company
Details of the first-time registration of the Company are set out in "Annual Report 1997 of SAIC Motor Corporation Limited".
(3) Changes of business scope since the Company listed
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 equipment, spare parts, raw materials and supplementary materials, and technology needed in the business operating (except goods and technology which are restricted for company operation or forbidden for import and export by Chinese government)(subject to the license if the Company's business relates to licensing)".
On August 10, 2007, business scope of the Company was extended to include "manufacturing of machinery equipment, power train and parts" and "rental of cars and machinery and equipment, industrial investment, import and export business of goods and technology".
On August 26, 2009, business scope of the Company was extended to include "periodical publishing, advertisements in the Company's own media".
(4) Changes of controlling shareholder since the Company listed
In 1997, the Company was registered and the controlling shareholder was Shanghai Automotive Industry Corporation (Group).
In 2005, the controlling shareholder was changed to SAIC Motor Corporation Limited.
In 2007, the controlling shareholder was changed to Shanghai Automotive Industry Corporation (Group).
Details are set out in related announcements in 2005 and 2007.
- 7** Other relevant information
Name of the accounting firm appointed by the Company : Deloitte Touche Tohmatsu Certified Public Accountants LLP
Office address of the accounting firm appointed by the Company : F/30, Bund Center, No. 222 Yan An Road East, Shanghai
Signing Certified Public Accountant : Yuan Shouqing, Ma Tiantian
Sponsor performing continuous supervision duties in the reporting period
Name : CITIC Securities Co., Ltd.
Office address : F/23, CSCEC Tower, No. 1568 Century Road, Shanghai
Authorized sponsor representative : Yu Junli, Yin Xiong
Continuous supervision period : December 10, 2010 - December 31, 2011
- Abbreviation of legal company name in Chinese: 上汽集团
Abbreviation of legal company name in English : SAIC MOTOR
Address : No.489, Weihai Road, Jing'an District, Shanghai, China
Facsimile number : (021)22011777
Address : No.489, Weihai Road, Jing'an District, Shanghai, China
Facsimile number : (021)22011777
Post code of office address : 200041
E-mail : saicmotor@saic.com.cn
Stock exchange : Shanghai Stock Exchange
Stock code : 600104

Section II General Information of the Company



Major accounting data and financial indicators

Major accounting data

Unit: RMB

Major accounting data	2014	2013	Year-on-year (%)	2012
Operating income	630,001,164,437.70	565,807,011,579.82	11.35	480,979,671,654.73
Net profit attributable to shareholders of the Company	27,973,441,274.41	24,803,626,272.23	12.78	20,751,763,307.97
Net profit excluding non-recurring profit or loss attributable to shareholders of the Company	25,916,187,753.37	22,780,329,617.96	13.77	20,655,201,937.87
Net cash flow from operating activities	23,283,810,974.30	20,602,511,608.81	13.01	19,591,127,624.55
	December 31, 2014	December 31, 2013	Year-on-year (%)	December 31, 2012
Net assets attributable to shareholders of the Company	157,664,385,972.52	137,757,238,640.92	14.45	122,337,367,399.45
Total assets	414,870,673,481.85	373,640,740,801.94	11.03	317,202,998,968.11

Major financial indicators

Major financial indicators	2014	2013	Year-on-year (%)	2012
Basic earnings per share (RMB/Share)	2.537	2.250	12.76	1.882
Diluted earnings per share (RMB/Share)	N.A	N.A	N.A	N.A
Basic earnings per share excluding non-recurring profit or loss (RMB/Share)	2.351	2.066	13.79	1.873
Weighted average return on net assets (%)	18.97	19.07	Decreased by 0.10 percentage points	18.52
Weighted average return on net assets excluding non-recurring profit or loss (%)	17.58	17.52	Increased by 0.06 percentage points	18.43

Differences between foreign and domestic accounting principles

Differences between net profit and net assets attributable to shareholders of the Company disclosed by Chinese

Accounting Principles and International Accounting Principles

√ Not applicable

Differences between net profit and net assets attributable to shareholders of the Company disclosed by Chinese

Accounting Principles and foreign Accounting Principles

√ Not applicable

Section III Major Financial Information and Financial Indicators

Items and amounts of non-recurring profit or loss

√Applicable

Unit: RMB

Items and amounts of non-recurring profit or loss	2014	2013	2012
Profit or loss on disposal of non-current assets	78,151,532.81	178,555,175.64	134,328,259.75
Government grants recognized in profit or loss for the current year	2,672,209,600.09	1,390,054,367.76	761,484,342.38
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	802,311.00	8,484,365.00	693,657.36
Profit or loss on debt restructuring	538,622.93	4,743,165.63	-2,029,385.04
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			
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 recurring operating business	141,464,229.85	826,563,161.71	340,625,239.31
Profit or loss on entrusted loans	21,203,441.14	23,782,326.94	-
Other non-operating income and expenses other than the above	-165,240,686.44	134,226,042.86	-60,283,341.25
Impairment loss on available-for-sale financial assets	-30,000,000.00	-23,347,620.00	-652,323,606.66
Amounts attributable to minority interests (after taxation)	-300,617,158.36	-249,990,957.70	-191,094,247.04
Income tax effects	-361,258,371.98	-269,773,373.57	-234,839,548.71
Total	2,057,253,521.04	2,023,296,654.27	96,561,370.10

Items at fair value

Unit: RMB

Item	December 31, 2013	December 31, 2014	Movement	Effects on profit or loss
Financial assets at fair value through profit or loss	17,906,491.20	179,263,543.85	161,357,052.65	10,572,642.36
Available-for-sale assets	14,207,905,107.41	36,448,127,149.53	22,240,222,042.12	-
Financial liabilities at fair value through profit or loss	7,155,000.00	-	-7,155,000.00	7,155,000.00
Total	14,232,966,598.61	36,627,390,693.38	22,394,424,094.77	17,727,642.36



The Board's discussion and analysis on the operation of the Company during the reporting period

Affected by the downward growth of macro economy, the increase of domestic automobile market became slower. 24.08 million vehicles were sold during the year of 2014, with an increase of 8.3% on a year-to-year basis, which included 19.44 million passenger vehicles, an increase of 14.4%, and 4.64 million commercial vehicles, a decrease of 11.5%.

Facing the challenges of the macroeconomic downturn and market slowdown, the Company stuck on the overall strategy of progress with robust operation, strengthened synergy among business divisions, enlarged market shares and kept leadership in the market. Compared with last year, the Company sold 5.62 million vehicles, with an increase of 10.1%, which include 4.60 million passenger vehicles, an increase of 16.2%, and 1.02 million commercial vehicles, a decrease of 11%. The growth rate of the Company's sales of commercial vehicles decreased mainly due to shrinking of the overall market segment except that of light bus. In the meantime, influenced by upgrade of environment protection regulations, the sales of light trucks decreased greatly, which impacted the growth rate of the overall sales of commercial vehicles segment.

Joint ventures of the Company have taken full advantage of their brands and products, optimized product structure and capacity allocation oriented by the market and strived to create new marketing pattern to satisfy customers' needs. In particular, Shanghai Volkswagen Co., Ltd. ("SVW") and Shanghai General Motor Co., Ltd. ("SGM") were ranked the top three best seller among automakers in passenger vehicle market in China, and SAIC GM Wuling Co., Ltd. ("SGMW") remained the leading position in mini-van market, while entering successfully into the new market segment of domestic MPV, which drove the rapid development of its passenger vehicles operation. As regard to boosting independent innovation, there was a progressive achievement in the development of "A-architecture", a remarkable upgrade of power plant's technology level, and new breakthrough in the research ability of key parts (electric control, batteries and electric motors, etc.) of new energy vehicles. When it comes to innovation of business model, the Company actively applied internet thinking by building an O2O automobile electronic business platform, researched jointly with Alibaba Group to develop Internet automobile services and online finance services for automobile industry, and thrived to build a new competitive advantage in the supply chain.

Concurrent to exploration and sales expansion, the Company also took measures to reduce material cost and increase efficiency in order to promote operating quality. During the reporting period, the growth rate of net profit attributable to shareholders of the Company is higher than that of the operating income, the growth rate of operating income is higher than that of the sales amount of vehicles, and the quality of operation increases steadily.

During the reporting period, the Company achieved total operating income of RMB 630,001.16 million for the whole year, net profit attributable to shareholders of the Company of RMB 27,973.44 million and earnings per share of RMB 2.54. As of December 31, 2014, the Company's total assets were RMB 414,870.67 million, and net assets attributable to shareholders of the Company were 157,664.38 million.

Section IV Report of the Board of Directors

Analysis of major business

Analysis of changes in income statement and cash flow statement

Unit: RMB

Items	2014	2013	Changes (%)
Operating income	626,712,394,486.86	563,345,672,365.78	11.25
Operating costs	549,236,025,914.00	490,988,482,076.07	11.86
Selling expenses	40,073,775,337.67	34,730,501,074.47	15.38
Administrative expenses	19,308,705,072.27	18,344,614,751.99	5.26
Financial expenses	-164,598,681.79	-254,715,398.50	35.38
Net cash flow from operating activities	23,283,810,974.30	20,602,511,608.81	13.01
Net cash flow from investing activities	-5,292,759,991.92	22,709,765,906.38	-123.31
Net cash flow from financing activities	-20,185,314,532.36	-15,681,888,558.34	-28.72
Research and development expenditures	6,832,028,495.10	5,286,615,538.70	29.23

① Compared with last year, net cash flow from investing activities decreased by RMB 28.003 billion, or 123.31%, mainly due to increasing investment in securities and funds by SFC, a subsidiary of the Company.

Revenue

Analysis of factors which impact revenue from product sales

The production and sales of major automakers of the Group in 2014:

Enterprises	Production (Volume)			Sales (Volume)		
	2014	2013	Changes (%)	2014	2013	Changes (%)
Shanghai Volkswagen Automotive Co., Ltd.	1,743,281	1,559,469	11.79%	1,725,006	1,525,008	13.11%
Shanghai General Motors Co., Ltd.	1,731,325	1,550,942	11.63%	1,760,158	1,575,167	11.74%
SAIC Motor Passenger Vehicle Branch	184,872	231,981	-20.31%	180,298	230,020	-21.62%
SAIC GM Wuling Co., Ltd.	1,803,189	1,635,088	10.28%	1,805,850	1,600,550	12.83%
SAIC Motor Commercial Vehicle Co., Ltd.	21,286	11,455	85.82%	21,012	11,300	85.95%
Shanghai Sunwin Bus Co., Ltd.	3,868	3,782	2.27%	3,866	3,783	2.19%
SAIC - Iveco Hongyan Commercial Vehicle Co., Ltd.	24,985	27,041	-7.60%	25,000	28,008	-10.74%
Nanjing Iveco Automobile Co., Ltd.	99,184	128,266	-22.67%	99,008	132,000	-24.99%
Total	5,611,990	5,148,024	9.01%	5,620,198	5,105,836	10.07%

Major customers

Unit: RMB

Total amount of sales to top 5 customers	66,720,435,521.17
Proportion to total operating income (%)	10.65

Costs

Costs analysis

Unit: RMB

Divided by Industry						
By Industry	Items	2014	Proportion to total costs (%)	2013	Proportion to total costs (%)	Changes (%)
Automotive manufacturing	Vehicles	437,472,171,075.10	79.52	385,844,647,899.63	78.47	13.38
	Parts	89,667,112,081.10	16.30	86,069,384,830.23	17.50	4.18
	Trading	9,786,066,547.86	1.78	8,750,931,954.31	1.78	11.83
	Service and others	12,310,676,209.94	2.23	10,323,517,391.90	2.10	19.25
Financial service		910,465,638.39	0.17	723,092,988.93	0.15	25.91
Total		550,146,491,552.39	100.00	491,711,575,065.00	100.00	11.88

Major suppliers

Unit: RMB

Total amount of purchase from top 5 suppliers	376,639,250,785.80
Proportion to total purchase (%)	67.61

Expenses

Unit: RMB

Items	2014	2013	Changes (%)
Selling expenses	40,073,775,337.67	34,730,501,074.47	15.38
Administrative expenses	19,308,705,072.27	18,344,614,751.99	5.26
Financial expenses	-164,598,681.79	-254,715,398.50	35.38
Income tax expenses	4,438,022,170.80	5,909,056,164.95	-24.89

① Compared with last year, financial expenses increased by about RMB 90 million, or 35.38%, mainly due to changes in exchange gain or loss resulted from changes in exchange rates.

Research and development expenditures

Research and development ("R&D") expenditures

Unit: RMB

R&D expenditures expensed in the current period	6,832,028,495.10
R&D expenditures capitalized in the current period	0.00
Total R&D expenditures	6,832,028,495.10
Proportion of R&D expenditures to net assets (%)	3.69
Proportion of R&D expenditures to operating income (%)	1.09

Cash flow

Unit: RMB

Items	2014	2013	Changes
Net cash flow from operating activities	23,283,810,974.30	20,602,511,608.81	2,681,299,365.49
Net cash flow from investing activities	-5,292,759,991.92	22,709,765,906.38	-28,002,525,898.30
Net cash flow from financing activities	-20,185,314,532.36	-15,681,888,558.34	-4,503,425,974.02

① Compared with last year, net cash flow from investing activities decreased by RMB 28.003 billion, or 123.31%, mainly due to increasing investment in securities and funds by SFC, a subsidiary of the Company.

Others

Development strategy and progress of business plans

As described in the Company's annual report of 2013, the target sales volume in 2014 was 5.6 million vehicles, with estimated operating income of RMB 609 billion and estimated operating cost of RMB 535.1 billion.

In 2014, the Company achieved a domestic sales volume of 5.62 million vehicles, which increased 10.1% compared with 2013. During the year, operating income was RMB 630 billion and operating cost was RMB 550.1 billion.

1) Analysis of operations by industry, product or region

a.Primary operations by industry or product

Unit: RMB

By industry						
Industry	Operating income	Operating costs	Gross margin ratio (5)	Change of operating income (%)	Change of operating costs (%)	Change of gross margin ratio (%)
Automotive manufacturing	626,712,394,486.86	549,236,025,914.00	12.36	11.25	11.86	Decreased by 0.48 percentage points
Financial	3,288,769,950.84	910,465,638.39	72.32	33.62	25.91	Increased by 1.70 percentage points
Total	630,001,164,437.70	550,146,491,552.39	12.68	11.35	11.88	Decreased by 0.42 percentage points

By product						
Product	Operating income	Operating costs	Gross	Change of operating income (%)	Change of operating costs (%)	Change of gross margin ratio (%)
Vehicles	487,904,640,265.90	437,472,171,075.10	10.34	12.78	13.38	Decreased by 0.47 percentage points
Parts	112,350,643,124.74	89,667,112,081.10	20.19	4.17	4.18	Decreased by 0.01 percentage points
Trading	10,190,290,392.62	9,786,066,547.86	3.97	11.17	11.83	Decreased by 0.56 percentage points
Service and others	16,266,820,703.60	12,310,676,209.94	24.32	18.57	19.25	Decreased by 0.43 percentage points
Financial	3,288,769,950.84	910,465,638.39	72.32	33.62	25.91	Increased by 1.70 percentage points
Total	630,001,164,437.70	550,146,491,552.39	12.68	11.35	11.88	Decreased by 0.42 percentage points

b.Primary operations by region

Unit: RMB

Region	Operating income	Changes (%)
China	628,870,334,379.90	11.36
Others	1,130,830,057.80	1.84
Total	630,001,164,437.70	11.35

2) Analysis of assets and liabilities

a. Analysis of balance sheet

Unit: RMB

Items	Amount December 31, 2014	Proportion to total assets (%) December 31, 2014	Amount December 31, 2013	Proportion to total assets (%) December 31, 2013	Changes (%)
Financial assets at fair value through profit or loss	179,263,543.85	0.04	17,906,491.20		901.11
Prepayments	21,298,374,862.24	5.13	32,046,375,065.44	8.58	-33.54
Dividends receivable	1,185,280,168.70	0.29	817,638,611.35	0.22	44.96
Held-for-sale assets	34,684,325.47	0.01	670,400,392.60	0.18	-94.83
Available-for-sale financial assets	36,448,127,149.53	8.79	14,207,905,107.41	3.80	156.53
Development expenditures	8,434,650.99		40,916,902.32	0.01	-79.39
Dividends payable	137,519,670.03	0.03	65,411,503.89	0.02	110.24
Special payable	1,097,038,323.24	0.26	2,081,571,199.17	0.56	-47.30
Deferred income	8,701,834,935.13	2.10	6,236,464,197.97	1.67	39.53
Provisions	7,685,580,005.22	1.85	5,296,078,871.23	1.42	45.12
Deferred tax liabilities	2,189,275,882.82	0.53	970,554,280.97	0.26	125.57

Analysis:

1) The balance of financial assets at fair value through profit or loss increased by RMB 161 million, or 901.11% compared with the opening balance, mainly because subsidiaries of the Company increased their investment in held-for-trading financial assets.

2) The balance of prepayments decreased by RMB 10.75 billion, or 33.54%, compared with opening balance, mainly because prepayments from automobile sales companies to automobile manufacturing joint ventures at the year-end are less than that at the beginning of the year.

3) The balance of dividends receivable at the year-end increased by RMB 368 million, or 44.96%, compared with the opening balance, mainly because JCEs declared dividends at the year-end.

4) Compared with last year, the balance of held-for-sale assets decreased by RMB 636 million, or 94.83%, mainly because transaction relevant to held-for-sale equity investments was completed and settled during the year.

5) Compared with last year, the balance of available-for-sale financial assets increased by RMB 22.24 billion, or 156.33%, mainly because subsidiaries of the Company increased their investment in funds.

6) Compared with last year, the balance of development expenditures decreased by RMB 32 million, or 79.39%, mainly because the Company recognized part of development expenditures in profit or loss during the year according to the nature of the program.

7) Compared with last year, the balance of dividends payable increased by RMB 72 million, or 110.24%, mainly because subsidiaries of the Company declared dividends to minority shareholders.

8) Compared with last year, the balance of special payable decreased by RMB 985 million, or 47.30%, mainly because subsidiaries of the Company purchased land and buildings due to relocation and transferred the relevant amount to deferred income.

9) Compared with last year, the balance of deferred income increased by RMB 2,465 million, or 39.53%, mainly because subsidiaries of the Company received compensation for relocation.

10) Compared with last year, the balance of provisions increased by RMB 2,390 million, or 45.12%, mainly because products quality warranty increased with sales amount increasing.

11) Compared with last year, the balance of deferred tax liabilities increased by RMB 1,219, or 125.57%, mainly because the fair value of the available-for-sale financial assets increased.

b. Changes in assets at fair value and valuation method of major assets:

N.A

3) Analysis of core competitiveness

Core competitiveness of the Company is demonstrated in three aspects. Firstly, the Company has competitive advantage by owning the entire automotive industry chain. Operations of the Group have covered the entire automotive industry chain including vehicles, parts, services and trading, and automotive financing, etc., which has produced beneficial synergistic effect and enhanced the comprehensive competitive capacity. Secondly, the Company has leading advantage in domestic market. The Company plays a leading role for years in vehicle production and sales, with varieties of product categories and extensive sales network under continuous optimization in layout, which is beneficial for the Company to enhance the market presence and capability of quick reaction to customers' needs. Thirdly, innovation capability, an emerging advantage of the Company, is being advanced. The Company has initially established a global self-owned brand R&D framework; local R&D capability of major joint ventures is getting stronger; and new energy vehicle industrialization program is implemented smoothly

During the reporting period, the Company continued to strengthen the overall development of the automobile industry chain, while at the same times speeded up to extend both ends of the industry chain.

At the front end of the industry chain, the Company emphasized on upgrading brand and core technology, and insisted on developing self-owned brands as the top priority. Facing competition of "Red Sea", the Company aimed at segment markets with the highest growth rate and largest volume, and grasped the needs of users. To accelerate overall development of "Blue Sea" strategy, the Company took active action in cross-boundary operations, strived to create new product conception and to apply product differentiation advantage to high-tech combination of internet and new energy. Last, but not least, the Company enhanced branding of SAIC to establish an image of reliable, responsible, innovative company and to back up the development of self-own brands.

At the back-end of the industry chain, the Company based an innovative business model on an electronic business platform, connected online and offline resources to solve the customers' "pain point" and to create "sweet point", which is forming a new competitive advantage. The Company accelerated development of automobile finance service to promote integration of industry capital and financial capital, to better utilize the investment and financing functions, and to support integration of resources from all business segments and industrial development.

To link the front-end and back-end of the industry chain, the Company has cooperated with internet companies to build up an ecosystem for internet cars, seize the market opportunity and improve customer experience.

4) Analysis of investments

a. Overall analysis of equity investments

The Company is a large group engaged in manufacturing and sales of vehicles and auto parts, as its major business, and automotive financing and automotive service. The Company's investments cover a wide variety of categories. The closing balance of the Company's long-term equity investments was RMB 63.39 billion, increased by RMB 6.99 billion compared with the opening balance, mainly due to the changes of the net assets of associates and JCEs. Please refer to financial statements for details.

1) Information of shares of other listed companies held by the Company:

Unit: RMB

Stock code	Name of security	Initial investments	Percentage of shares held	Book value at the year-end	Gain in reporting period	Change in equity in reporting period	Accounts	Source of stocks
600036	China Merchants Bank	4,964,095,910.37	1.71	7,168,968,598.05	267,918,054.90	2,132,386,698.35	Available-for-sale financial assets	Private placement, Allotment
600841	Shanghai Diesel	1,173,419,996.46	48.05	1,173,419,996.46	24,570,699.27	0	Long-term equity investments	Acquisition
600741	HASCO	9,956,431,904.22	60.10	9,956,431,904.22	729,650,687.37	0	Long-term equity investments	Private placement
Total		16,093,947,811.05		18,298,820,498.73	1,022,139,441.54	2,132,386,698.35		

2) Purchase or disposal of other listed companies' shares:

Name of security	Investment on December 31, 2013 (shares)	Purchase during the reporting period (shares)	Amount of investment (RMB)	Disposal during the reporting period (shares)	Investment on December 31, 2014 (shares)	Investment income (RMB)
China Construction Bank	3,334,120	0	0	3,334,120	0	1,918,040.42

b. Entrusted investments and derivative investments of non-financial companies

Unit: RMB '0000

1) Entrusted loans

Unit: RMB '0000

Name of the borrower	Amount of the loan	Term of the loan	Interest rate per annum (%)	Use	Overdue or not	Related party or not	Raised fund or not	Relationship
SAIC Motor Commercial Vehicle Co., Ltd.	20,000	2014.04.09–2015.04.08	2.75%	working capital	No	No	No	wholly owned subsidiary
SAIC Motor Commercial Vehicle Co., Ltd.	1,000	2014.04.15–2015.04.14		working capital	No	No	No	wholly owned subsidiary
SAIC Motor Commercial Vehicle Co., Ltd.	10,000	2014.07.22–2015.07.21		working capital	No	No	No	wholly owned subsidiary
SAIC Motor Commercial Vehicle Co., Ltd.	10,000	2014.10.13–2015.10.12		working capital	No	No	No	wholly owned subsidiary
SAIC Motor Commercial Vehicle Co., Ltd.	9,000	2014.12.22–2015.12.21		working capital	No	No	No	wholly owned subsidiary
Nanjing Automobile (Group) Corporation	50,000	2014.01.03–2015.01.02		working capital	No	No	No	wholly owned subsidiary
Nanjing Automobile (Group) Corporation	40,000	2014.01.15–2015.01.14		working capital	No	No	No	wholly owned subsidiary
Nanjing Automobile (Group) Corporation	92,500	2014.02.21–2015.02.20		working capital	No	No	No	wholly owned subsidiary
Nanjing Automobile (Group) Corporation	2,500	2014.08.26–2015.08.25		working capital	No	No	No	wholly owned subsidiary
Shanghai PengPu Machine Building Plant Co., Ltd.	15,566	2014.03.07–2015.03.06		working capital	No	No	No	wholly owned subsidiary
Shanghai PengPu Machine Building Plant Co., Ltd.	16,200	2014.06.18–2015.06.17		working capital	No	No	No	wholly owned subsidiary
Shanghai PengPu Machine Building Plant Co., Ltd.	15,000	2014.07.01–2015.06.30		working capital	No	No	No	wholly owned subsidiary
Shanghai PengPu Machine Building Plant Co., Ltd.	20,100	2014.11.05–2016.03.31		working capital	No	No	No	wholly owned subsidiary

Name of the borrower	Amount of the loan	Term of the loan	Interest rate per annum (%)	Use	Overdue or not	Related party or not	Raised fund or not	Relationship
Shanghai PengPu Machine Building Plant Co., Ltd.	19,000	2014.12.09–2015.12.08	5.04%	working capital	No	No	No	wholly owned subsidiary
Anyue Motor Supplies Co., Ltd.	2,000	2014.10.08–2015.04.07		working capital	No	No	No	wholly owned subsidiary
Anyue Motor Supplies Co., Ltd.	2,000	2014.10.20–2015.04.19	5.04%	working capital	No	No	No	wholly owned subsidiary
Anyue Motor Supplies Co., Ltd.	6,000	2014.12.23–2015.06.22	5.04%	working capital	No	No	No	wholly owned subsidiary
Donghua Automotive Industrial Co., Ltd.	65,000	2014.12.29–2015.12.28	1.00%	working capital	No	No	No	Holding subsidiary
SAIC Motor Equity Investment Co., Ltd.	45,000	2014.03.21–2015.03.20	3.00%	working capital	No	No	No	wholly owned subsidiary
Shanghai Shangyuan Investment Management Co., Ltd.	6,280	2014.11.11–2015.11.10		working capital	No	No	No	wholly owned subsidiary
SAIC Motor (Beijing) Co., Ltd.	1,400	2013.04.22–2016.04.21	3.00%	working capital	No	No	No	wholly owned subsidiary
SAIC Motor Transmission Co., Ltd.	45,000	2013.12.25–2016.12.24	3.00%	working capital	No	No	No	wholly owned subsidiary
SAIC Activity Center Co., Ltd.	5,839	2014.09.29–2015.09.28	3.30%	working capital	No	No	No	wholly owned subsidiary
Shanghai Automobile Import & Export Co., Ltd.	38,000	2014.12.29–2015.06.28		working capital	No	No	No	wholly owned subsidiary
Yizheng Automotive Industrial Park Investment and Development Co., Ltd.	10,000	2014.12.17–2015.12.17	0.81%	working capital	No	No	No	Others

c. Use of raised funds

1) General information of the use of raised funds

Unit: RMB '000,000

Year of fund raised	Financing method	Total amount of fund raised	Amount of fund used	Accumulative amount of fund used	Amount of unused fund	Status of unused fund
2010	Non-public offering	987,900.00	161,945.48	854,262.41	175,872.49	Deposit in designated account for raised fund
Total	/	987,900.00	161,945.48	854,262.41	175,872.49	/
General information on the use of raised funds	<p>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 and raised total funds of RMB 9,999,999,992.71. By December 9, 2010, the Company had received net proceeds of RMB 9,878,999,992.71 after deducting the issuance costs of RMB 121,100,000.00. As of December 31, 2010, the balance of unused fund raised was RMB 9,882.7145 million (inclusive of interest income).</p> <p>As of December 31, 2014, accumulative amount of the raised-funds used by the Company was RMB 8,542.6241 million, of which RMB 1,619.4548 million was used during year 2014, RMB 1,705.5809 million was used during year 2013, RMB 993.8041 million was used during year 2012, 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 end of 2014, the balance of unused funds is RMB 1,758.7249 million (inclusive of interest income of RMB 418.6345 million in 2011, 2012, 2013 and 2014).</p>					

2) Fund used in committed projects

Unit: RMB '0,000

Name of project	Change of project	Planned investment amount	Actual investment amount in 2014	Accumulative actual investment amount	Consistent with planned progress	Project progress
Investment projects of self-owned brand passenger vehicles	N	553,100.00	89,398.70	527,242.98	Y	Under construction, progressing by schedule
Investment projects of self-owned brand commercial vehicles	N	117,850.00	0	117,850.00	Y	Completed
Project of dual clutch automatic transmission assembly	N	59,650.00	13,440.80	59,650.00	Y	Completed
Project of construction of Technology Center (Phase II)	N	269,400.00	59,105.98	149,519.43	Y	Under construction, progressing by schedule
Total	/	1,000,000.00	161,945.48	854,262.41	/	/

3) Change of fund raised project

N.A

4) Analysis of major invested companies with controlling shareholding and non-controlling shareholding

Unit: RMB '0,000

Company name	Business nature	Main products or services	Registered capital	Total assets	Net assets attributable to owners of the company	Total revenue	Net profit attributable to owners of the company
Shanghai Volkswagen Automotive Co., Ltd.	Manufacturing	Manufacturing and sales of vehicles	1,150,000	10,611,415	4,346,033	22,619,015	2,789,324
Shanghai General Motors Co., Ltd.	Manufacturing	Manufacturing and sales of vehicles	USD 108,300	8,245,138	2,968,763	16,733,517	1,478,459
SAIC GM Wuling Co., Ltd.	Manufacturing	Manufacturing and sales of vehicles	166,808	4,062,840	904,914	7,328,854	515,801
HUAYU Automotive Systems Co., Ltd.	Manufacturing	Manufacturing and sales of auto-parts	258,320	6,324,157	2,361,871	7,397,259	445,572
SAIC Finance Co., Ltd.	Financial	Financial service	300,000	10,307,178	1,013,402	406,703	245,345

5) Non-raised fund's projects

Unit: RMB '0,000

Name of project	Project amount	Project progress	Investment in 2014	Accumulative investment
Additional capital contribution to SAIC Motor Equity Investment Co., Ltd.	260,000.00	Completed	260,000.00	260,000.00
Additional capital contribution to Shanghai Advanced Traction Battery Systems Co., Ltd.	2,030.92	Completed	2,030.92	2,030.92
capital contribution to SAIC investment management Co., Ltd.	300,000.00	In progress	50,000.00	50,000.00
Total	562,030.92	/	312,030.92	312,030.92

The Board's discussion and analysis on future development of the Company

Industry competitive landscape and development trend

In the mid and long term, in the "new norm" of economy, automobile industry is facing new challenges and opportunities. From perspective of market change, domestic automobile market is becoming saturated, but potential of after-sales market is huge, and there are structural opportunities in overseas markets. From the perspective of the trend of technology development, burst of high-tech will impact the traditional boundary of automobile industry, but the rise of internet car and new energy car has created opportunities for automobile industry, in particular, it is beneficial for self-owned brand to build the differentiated competitive advantages. From perspective of changes of laws and demand of consumers, the needs for energy conservation, intelligentization, security, individualization and transportation efficiency are getting prominent. Application of new technology and innovation of business model will be conducive to form new growth point of the industry.

It is estimated that the domestic automotive market will continue to grow steadily in 2015 and domestic sales of vehicles will reach 25.80 million units, increasing by around 7%, including approximately 21.20 million units of passenger vehicles, an increase of 9%, and 4.60 million units of commercial vehicles, an increase of 0.9%.

The Company's development strategy

The transformation target and strategic positioning of the Company is: focus on innovation, accelerate the transformation from traditional manufacturing company to supplier of comprehensive products and services, become world famous automobile company with global competitiveness and brand influence. The innovation strategy of the Company is upgrading the industry chain by placing innovation chain around industry chain and focusing on extension of the two ends of industry chain.

Business plan

In 2015, the Company will follow market trend, and seizes opportunities, respond to downward economy, endeavor to keep growing and increase output with higher quality; focus on transformation and innovation; improve synergy among various business



divisions, expand overseas market in a proactive manner, improve international operating capabilities; strengthen daily operation management and ensure the accomplishment of the goals of the year. The Company targets to achieve sales of over 6.2 million vehicles, with estimated operating income of RMB 697 billion and operating cost of RMB 608 billion.

The main tasks of the Company in 2015 are: a. seize the market opportunities, achieve operation goals and steadily promote operation quality, b. build up differentiated competitive advantages and develop self-owned brand business, c. strengthen synergy among business divisions and innovation of business model, and increase the competitiveness of the industry chain, improve overseas business system and further promote overseas operations, e. strength daily operation management by implementing various systems, e. develop plan of "13th five years" with scientific and long-term perspective.

Funds need to sustain current business and investment projects under construction

Capital needed by the Company for maintaining existing business and completing work-in-progress investments is approximately RMB 20.60 billion in 2015.

Potential risks

The potential risks include influence of macro economy, market fluctuation and change of government policies. Regarding the automobile industry, the risks include: a. Restrictions on automobile industry is getting more rigorous, including the launch of Phase 3 corporate-average fuel consumption standards, implementation of new "management policies of automobile sales", improvement of warranty policies, revision of in-car air quality standards; b. downward economy will influence consumers' confidence; decrease of profitability of dealership imposed challenges to stability of sales channels; d. expansion of capacity and increase of new products launch aggravated market competition, which squeezed the profitability of automakers.

Plan of profit distribution or capitalization of capital reserve

Policies of cash dividend distribution of the Company and the implementation or adjustment

Pursuant to item 155 of the Articles of Association, profit distribution policy of the Company is: (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 can distribute dividends in cash or by stocks, while cash dividend should be considered first. The Company can make mid-year 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 occupy the funds of the Company which is in violation of the regulations, the occupied amount should be deducted from the cash dividend.

During the reporting period, the Company completed the profit distribution of year 2013. The profit distribution policies comply with the requirements of Article of Association of the Company and the approval process, which has fully protected the interests of investors.

In 2014, based on total 11,025,566,629 shares, the Company plans to distribute RMB 13 (inclusive of tax) per 10 shares, amounting to RMB 14,333,236,617.70. The Company has no plan of capitalization of capital reserve this year. The accumulative cash dividends during the last three years (including year 2014) of the Company were over RMB 34.1 billion.

Plan or proposed plan of profit distribution or capitalization of capital reserve in recent three years (inclusive of the reporting period)

Unit: RMB

Year	Stock dividend per 10 shares (shares)	Cash dividend per 10 shares (RMB) (inclusive of tax)	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 of net profit attributable to the Company in consolidated financial statements (%)
2014		13.00		14,333,236,617.70	27,973,441,274.41	51.24
2013		12.00		13,230,679,954.80	24,803,626,272.23	53.34
2012		6.00		6,615,339,977.40	20,751,763,307.97	31.88

Fulfillment of social responsibilities

Work done related to social responsibilities:

Please refer to social responsibility report of the Company of year 2014 for details (published on SSE website: www.sse.com.cn).



Significant litigation or arbitration cases and events extensively questioned by media

✓ Not applicable

Funds occupation and settlement during the reporting period

✓ Not applicable

Events related to bankruptcy reorganization

There are no events related to bankruptcy reorganization.

Assets transaction and merger

✓ Not applicable

The Company's stock option incentive

✓ Not applicable

Significant related party transactions of the Company during the reporting period

✓ Not applicable

There are no significant related party transactions of the Company during the reporting period.

Significant contracts and implementation

Trusteeship, contracting and leasing

✓ Not applicable

SECTION V Important Events

Guarantee

√ Applicable

Unit: RMB'0,000

General information of guarantee										
Guarantor	Relationship	Guarantee	Amount of guarantee	Signed date of guarantee	Starting date of guarantee	Ending date of guarantee	Type of guarantee	Overdue of guarantee	Counter guarantee	Related party guarantee
Saicmotor Co., Ltd	The Company	SAIC Motor-CP Co., Ltd	67,365.90	August 13, 2014	August 13, 2014	December 18, 2022	Joint liability guarantee	N	N	N
Total amount of guarantee incurred during the reporting period (except guarantee provided for subsidiaries)										
Total balance of guarantee at the end of the reporting period(A) (except guarantee provided for subsidiaries)										1,652.96
Guarantee provided for subsidiaries										
Total amount of guarantees provided for subsidiaries during the reporting period										67,365.90
Total balance of guarantees provided for subsidiaries at the end of the reporting period(B)										7,660.47
Total amount of guarantees provided (including guarantee provided for subsidiaries)										
Total amount of guarantees provided (A and B)										9,313.43
Ratio of total amount of guarantee against net assets										0.06
Including:										
Amount of guarantee provided for shareholders, actual controller and its related parties (C)										-
Direct or indirect debt guarantees provided for guaranteed parties whose asset-liability ratio exceeds 70% (D)										-
Amount of total amount exceeding 50% of net assets (E)										-
Total amount of guarantee above (C, D and E)										-
Statement for joint liability of undue guarantee										
Information of guarantee										

Other significant contracts

There are no other significant contracts of the Company during the reporting period.

Implementation of commitments

√ Applicable

Commitments of listed company, shareholders with more than 5% of shares, controlling shareholders and actual controller in reporting period

Background of commitment	Type of commitment	Guarantor	Content of guarantee	Time and due date of commitment	Deadline for commitment	Fulfillment
Commitment in relation to major restructuring	Restricted shares	SAIC Shanghai Automotive Industry Co., Ltd.	The Company completed transaction of issuing shares to purchase assets in 2011, SAIC committed to hold the additional 1,448,736,163 shares, for 36 months. Shanghai Automotive Industry Co., Ltd. committed to hold the additional 334,408,775 shares for 36 months.	December 28, 2011 – December 27, 2014	Y	Y

The appointment and dismissal of the accounting firm

Unit: RMB

Reappointment of accounting firm	N	
	Originally appointed	Present appointed
Name of domestic accounting firm		Deloitte Touche Tohmatsu Certified Public Accountants LLP
Remuneration of domestic accounting firm		RMB 8.35 million
Years of service provided by domestic accounting firm		9 years

	Name	Audit fee
Accounting firm for internal control audit	Deloitte Touche Tohmatsu Certified Public Accountants LLP	RMB 2 million

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

During the reporting period, the Company, the Board and directors didn't receive any inspections, government punishment, notice of criticism from CSRC or public condemn from SSE.

Risks of suspension and delisting

None

Information of convertible bonds

√ Not applicable

Influence of new accounting standards on consolidated financial statements

The Group has applied new standards of Accounting Standard for Business Enterprises No.39–Fair Value Measurement (CAS 39), Accounting Standard for Business Enterprises No.40–Joint Arrangements (CAS 40), Accounting Standard for Business Enterprises No.41–Disclosure of Interests in Other Entities (CAS 41) and amendments to Accounting Standard for Business Enterprises No.2–Long–term Equity Investments (CAS 2), Accounting Standard for Business Enterprises No.9–Employee Benefits (CAS 9), Accounting Standard for Business Enterprises No.30–Presentation of Financial Statements (CAS 30) and Accounting Standard for Business Enterprises No.33–Consolidated Financial Statements (CAS 33) issued by the Ministry of Finance in 2014 from 1 July, 2014; moreover, the Group has applied Accounting Standard for Business Enterprises No.37–Presentation of Financial Instruments (CAS 37) revised by the Ministry of Finance for the first time in 2014 annual financial statements.

Effect of change of accounting standards on long-term equity investment on consolidated financial statements

Unit: RMB

Investee	General information of transaction	December 31th, 2013	
		Long-term equity investment (+/-)	Available-for-sale financial assets (+/-)
Guoqi (Beijing) Lightweight of Automobile Technology Research Institute Co., Ltd.	Holding 6.89% of shares	-3,000,000.00	3,000,000.00
Shanghai Used Car Trade Market Co., Ltd.	Holding 10% of shares	-3,000,000.00	3,000,000.00
Guotai&Junan Securities Co., Ltd	Holding less than 5% of shares	-7,660,000.00	7,660,000.00
SAIC Industry Hunan Shenxiang Co., Ltd.	No significant influence	-16,500,000.00	16,500,000.00
Tianjin Lovol Heavy Industries Co., Ltd.	Holding 2.19% of shares	-10,000,000.00	10,000,000.00
Shenyin & Wanguo Securities Co., Ltd.	Holding 0.83% of shares	-64,260,937.40	64,260,937.40
Bank of Shanghai Co., Ltd.	No significant influence	-28,392.00	28,392.00
Shanghai Kaizhong Polyurethane Co., Ltd.	Holding 4.89% of shares	-24,440,000.00	24,440,000.00
Huatai Property Insurance Co., Ltd	Holding less than 5% of shares	-5,000,000.00	5,000,000.00
Changjiang United Economy Development Co., Ltd.	Holding less than 5% of shares	-2,800,000.00	2,800,000.00
Changjiang United Economy Development Co., Ltd. Nanjing Branch	Holding less than 5% of shares	-2,800,000.00	2,800,000.00
Total	/	-139,489,329.40	139,489,329.40

Statement of effect of change of accounting standards on long-term equity investment on consolidated financial statements

Changes of accounting policies above, only have effect on balances of available-for-sale financial assets and long-term equity investment in the consolidated balance sheet, and have no effect on net profit and net assets of 2013 and 2014. The Company has retrospectively adjusted the opening balances and comparable figures of the financial statements.



Share capital changes

Change of shares

Change of shares

Unit: Shares

	Before the change		Change during the year (+ , -)					After the change	
	Number	Proportion (%)	Issue of new share	Stock dividend	Capitalization of capital reserve	Others	Subtotal	Number	Proportion (%)
I. Restricted shares	1,783,144,938	16.17				-1,783,144,938	-1,783,144,938	0	0
1. Shares held by the state									
2. Shares held by state-owned legal person	1,783,144,938	16.17				-1,783,144,938	-1,783,144,938	0	0
3. Other domestic shares									
Including: shares held by not state-owned 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	9,242,421,691	83.83				1,783,144,938	1,783,144,938	11,025,566,629	100.00
1. Ordinary shares in RMB	9,170,323,637	83.83				1,783,144,938	1,783,144,938	11,025,566,629	100.00
2. Domestic listed shares in foreign currency									
3. Overseas listed shares in foreign currency									
4. Others									
III. Total Shares	11,025,566,629	100.00				0	0	11,025,566,629	100.00

Section VI Share Capital Changes and Information of Shareholders

Changes of 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)	1,448,736,163	1,448,736,163	0	0	Non-public issue	December 29, 2014
Shanghai Automotive Industry Co., Ltd.	334,408,775	334,408,775	0	0	Non-public issue	December 29, 2014
Total	1,783,144,938	1,783,144,938	0	0	/	/

Shares issuing and listing

Issue of shares during the past three years

None

Changes of total shares and shareholders' structure and change of structure of assets and liabilities of the Company

There are no changes of total shares or share structure resulting from shares dividends or share allotment during the reporting period.

Shareholders and actual controller

Number of shareholders:

Number of shareholders at the end of the reporting period	105,751
Number of shareholders fifth trading day prior to the announcement of the annual report	119,987

Shareholding of top ten shareholders till the end of reporting period

Unit: Shares

Top ten shareholders						
Name of shareholders	Increase/decrease during reporting period	Number of shares held	Proportion (%)	Number of restricted shares hold	Number of shares pledged or frozen	Nature of shareholders
Shanghai Automotive Industry Corporation (Group)	–	8,191,449,931	74.30	0	None	Stated-owned legal person
Yuejin Motor (Group) Corporation	–	413,919,141	3.75	0	Unknown	Stated-owned legal person
Shanghai Automotive Industry Co., Ltd.	–	334,408,775	3.03	0	None	Stated-owned legal person
Hong Kong Securities Clearing Company Ltd	228,730,277	228,730,277	2.07	0	Unknown	Unknown
Shuangyashan Runke Industrial Co., Ltd.	–13,289,602	89,647,626	0.81	0	Unknown	Unknown
UBS AG	–3,171,514	55,950,170	0.51	0	Unknown	Unknown
MORGAN STANLEY & CO. INTERNATIONAL PLC.	–10,279,244	44,828,816	0.41	0	Unknown	Unknown
GIC PRIVATE LIMITED	41,963,237	41,963,237	0.38	0	Unknown	Unknown
Robeco Institutional Asset management B.V. – client fund	15,863,532	29,300,231	0.27	0	Unknown	Unknown
Fidelity Investment (Hong Kong) Co., Ltd – client fund	–8,012,700	29,265,223	0.27	0	Unknown	Unknown

Top ten shareholders of non-restricted shares

Name of shareholders	Number of non-restricted shares held	Type of shares and number	
		Type	Number
Shanghai Automotive Industry Corporation (Group)	8,191,449,931	Ordinary shares in RMB	8,191,449,931
Yuejin Motor (Group) Corporation	413,919,141	Ordinary shares in RMB	413,919,141
Shanghai Automotive Industry Co., Ltd.	334,408,775	Ordinary shares in RMB	334,408,775
Hong Kong Securities Clearing Company Ltd	228,730,277	Ordinary shares in RMB	228,730,277
Shuangyashan Runke Industrial Co., Ltd.	89,647,626	Ordinary shares in RMB	89,647,626
UBS AG	55,950,170	Ordinary shares in RMB	55,950,170
MORGAN STANLEY & CO. INTERNATIONAL PLC.	44,828,816	Ordinary shares in RMB	44,828,816
GIC PRIVATE LIMITED	41,963,237	Ordinary shares in RMB	41,963,237
Robeco Institutional Asset management B.V. - client fund	29,300,231	Ordinary shares in RMB	29,300,231
Fidelity Investment (Hongkong) Co., Ltd - client fund	29,265,223	Ordinary shares in RMB	29,265,223
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).		

Controlling shareholder and actual controller

Corporate controlling shareholder

Legal person

Unit: RMB 00'000'000

Name	Shanghai Automotive Industry Corporation (Group)
Legal representative	Mr. Chenhong
Date of establishment	March 1, 1996
Organization code	13222217-4
Registered capital	215.99175737
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.
Investment in domestic or foreign listed companies during the reporting period	None

Index and date of change of shareholders during reporting period

There is no change of shareholders during reporting period.

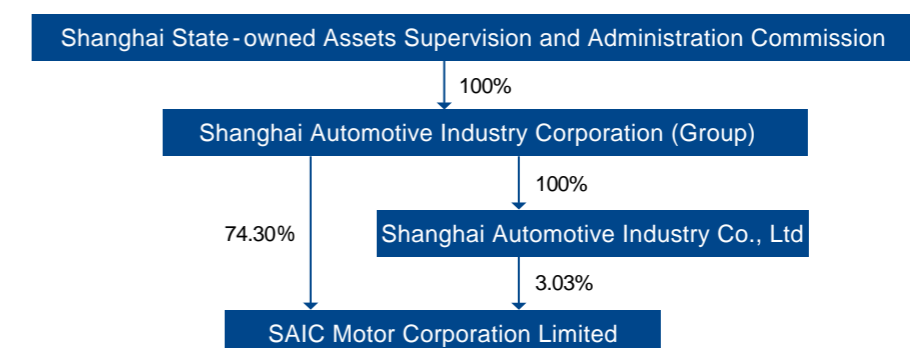
Actual controller

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

Index and date of change of actual controller during reporting period

There is no change of actual controller during reporting period.

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



The Company received the notice from Shanghai Automotive Industry Corporation (Group) on February 12th, 2015, according to reform plan of state-owned enterprises in Shanghai, Shanghai Automotive Industry Co., Ltd., the wholly owned subsidiary of Shanghai Automotive Industry Corporation (Group) signed agreement of free transfer of state-owned stocks with Shanghai International Group Co., Ltd. on February 12th, 2015, to transfer 334,408,775 shares to Shanghai International Group Co., Ltd. After the transfer, Shanghai Automotive Industry Co., Ltd. will no longer hold shares of the Company and Shanghai International Group Co., Ltd. will hold 334,408,775 shares of the Company's, accounting for 3.03% of total share capital of the Company. The transfer of stocks is subject to approval by State Owned Assets Supervision and Administration Commission of State Council.

Please refer to related announcement released on February 14th, 2015 for details.

Other corporate shareholders holding more than 10% shares of the Company

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



Section VII Directors, Supervisors, Senior Management and Employees

Information of shareholding and remuneration

(1) Ownership and remuneration of directors, supervisors and senior management in incumbent and outgoing in reporting period

Unit: share

Name	Position (note)	Gender	Age	Beginning date of term	Ending date of term	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 '0000) (before taxes)		Remuneration received at the shareholder's unit
										Remuneration payable (RMB '0000)	Including incentive fund(RMB '0000)	
Chen Hong	Chairman of the Board	Male	53	2014-5-23	2015-5-23	8,380	8,380	0		260.76	126.36	
Chen Zhi Xin	Director, President	Male	55	2014-5-23	2015-5-23					238.76	103.76	
Shen Jian Hua	Director	Male	61	2012-5-24	2015-5-23					267.76	121.96	
Yu Zhuo Ping	Director	Male	54	2012-5-24	2015-5-23					0	0	
Xie Rong	Director	Male	62	2012-5-24	2015-5-23					0	0	
Zhong Li Xin	Employee representative director	Male	51	2014-8-22	2015-5-23					185.06	54.17	
Zhou Qin Ye	Independent director	Male	62	2012-5-24	2015-5-23					10	0	
Wang Fang Hua	Independent director	Male	67	2012-5-24	2015-5-23					10	0	
Yu Ying Hui	Independent director	Male	66	2012-5-24	2015-5-23					5.83	0	
Bian Bai Ping	Chairman of board of supervisors	Male	58	2014-11-21	2015-5-23					0	0	
Liu Jian De	Supervisor	Male	61	2012-5-24	2015-5-23					0	0	
Ma Long Ying	Employee representative supervisor	Female	53	2012-5-16	2015-5-23					141.53	50.85	
Zhu Xian	Employee representative supervisor	Male	60	2012-5-16	2015-5-23					141.53	52.40	
Zhou Lang Hui	Vice president	Male	43	2012-5-24	2015-5-23					202.19	90.59	
Yu Jian Wei	Vice president	Male	54	2012-5-24	2015-5-23					46.27	46.27	
Zhu Gen Lin	Vice president	Male	59	2012-5-24	2015-5-23					198.59	90.59	



Name	Position (note)	Gender	Age	Beginning date of term	Ending date of term	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 '0000) (before taxes)		Remuneration received at the shareholder's unit
										Remuneration payable (RMB '0000)	Including incentive fund(RMB '0000)	
Gu Feng	Chief financial officer	Male	42	2012-5-24	2015-5-23					189.58	85.78	
Chen De Mei	Vice president	Male	52	2012-5-24	2015-5-23					189.58	85.78	
Wang Xiao Qiu	Vice president	Male	50	2014-8-12	2015-5-23					87.84	68.04	
Shen Yang	Vice president	Male	53	2014-8-12	2015-5-23					68.04	68.04	
Zhang Hai Liang	Vice president	Male	44	2014-8-12	2015-5-23					85.14	68.04	
Lan Qing Song	Vice president	Male	50	2014-8-12	2015-5-23					50.70	33.60	
Cheng Jing Lei	Chief engineer	Male	47	2014-8-12	2015-5-23					199.01	55.06	
Wang Jian Zhang	Secretary to the Board	Female	45	2012-5-24	2015-5-23					141.53	51.62	
Hu Mao Yuan	Former board of directors	Male	63	2012-5-24	2014-5-23	40,763	40,763	0		175.44	56.16	
Li Ji Rong	Former employee representative director	Male	60	2012-5-24	2014-8-12	24,911	24,911	0		180.59	90.59	
Jiang Ying Shi	Former chairman of board of supervisors	Male	65	2012-5-24	2014-5-30					0	0	
Xue Jian	Former vice president of board of supervisors	Male	61	2012-5-24	2014-5-30					185.97	137.97	
Xiao Guo Pu	Former vice president	Male	61	2012-5-24	2014-8-12					198.36	99.36	
Total	/	/	/	/	/	74,054	74,054	0	/	3,460.06	1,636.99	/

* Mr. Yu Ying Hui, independent director of the 5th board of directors of the Company, according to relating requirements of People's Bank of China, apply to PBC and approved by PBC to hold the post of independent director to the end of the term. Mr. Yu Ying Hui did not have allowance pay since August, 2014.

Name	Major working experience during the past 5 years
Chen Hong	He served as 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 chairman of board of directors, and secretary of Party Committee of SAIC Motor Corporation Limited.
Chen Zhi Xin	He served as executive vice president of SAIC Motor Corporation Limited and general manager of passenger vehicle branch, president of SAIC Motor Corporation Limited, vice secretary of Party Committee of SAIC Motor Corporation Limited. He is currently director, president and vice secretary of Party Committee of SAIC Motor Corporation Limited.
Shen Jian Hua	He served as vice chairman of board of SAIC Motor Corporation Limited, president and vice secretary of Party Committee of Shanghai Automotive Industry Corporation (Group). He is currently the director of SAIC Motor Corporation Limited.
Zhong Li Xin	He served as assistant president, head of president office, and chairman of the labor union of SAIC Motor Corporation Limited. He is currently employee representative director, chairman of the labor union and head of Party Committee office of SAIC Motor Corporation Limited.
Yu Zhuo Ping	He is currently the director of SAIC Motor Corporation Limited, assistant to the president and dean of automobile college of Tongji University.
Xie Rong	He served as vice dean of Accounting Department of Shanghai University of Finance and Economics. He is currently director of SAIC Motor Corporation Limited and professor of Shanghai National Accounting Institute.
Zhou Qin Ye	He served as vice general manager and chief accountant of Shanghai Stock Exchange. He is currently independent director of SAIC Motor Corporation Limited, member of China Accounting Standards Committee, syndic of The Chinese Institute of Certified Public Accountants, member of Auditing Standards Committee of the Chinese Institute of Certified Public Accountants, doctoral tutor of Fudan University, part-time professor of Xiamen University and Shanghai University of Finance and Economics.
Wang Fang Hua	He served as director of industrial economy teaching and research section of college of management, assistant to dean of college of management and director of department of business management of Fudan University, vice dean and general vice dean of college of management, dean of Antai College of Economics & Management of Shanghai Jiao Tong University. He is currently independent director of SAIC Motor Corporation Limited and president special adviser of Shanghai Jiao Tong University.
Yu Ying Hui	He served as deputy section chief, chief of program credit section, deputy division chief of investigation and statistics section of Xinjiang branch, vice president of Urumuchi branch, vice bureau chief of financial research institute of Shanghai branch, division chief of monetary gold and silver office, vice director of financial services No.1 department of Shanghai Branch of the People's Bank of China. He is currently independent director of SAIC Motor Corporation Limited and Shanghai Rural Commercial Bank.
Bian Bai Ping	He served as Secretary of Changning District. He is currently the chairman of board of supervisors of SAIC Motor Corporation Limited.
Liu Jian De	He is currently the full-time supervisor of SAIC Motor Corporation Limited, Shanghai Electric Corporation (Group), Shanghai Airport (Group) Corporation Limited.
Ma Long Ying	He served as vice secretary of Party Committee of Shanghai Clutch Factory, secretary of Party Committee, secretary of Committee for Discipline Inspection, chairman of labor union of Shanghai Automotive Break Systems Corporation Limited, vice chairman of labor union of Shanghai Automotive Industry Corporation (Group), vice chairman of labor union of SAIC Motor Corporation Limited. He is currently the employee representative supervisor and vice chairman of labor union of SAIC Motor Corporation Limited.
Zhu Xian	He served as head of Internal Audit Office of SAIC Motor Corporation Limited. He is currently the employee representative supervisor of SAIC Motor Corporation Limited.
Zhou Lang Hui	He served as vice president and director of Human Resources Department of SAIC Motor Corporation. He is currently vice president and vice Secretary of Party Committee of SAIC Motor Corporation Limited.
Yu Jian Wei	He is currently vice president of SAIC Motor Corporation and secretary of Party Committee of Nanjing Automobile (Group) Corporation concurrently.

Name	Major working experience during the past 5 years
Zhu Gen Lin	He has served as 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.
Gu Feng	He served as 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 and general manager of SAIC Motor HK Investment Ltd and SAIC Investment Management Co., Ltd concurrently.
Chen De Mei	He served as vice chief economic engineer of SAIC Motor Corporation Limited, general manager of Shanghai Huizhong Automobile Manufacturing Corporation Limited and general manager of Shanghai Wanzhong Auto Parts Manufacturing Corporation Limited, vice president of Shanghai Automotive Industry Corporation (Group) and general manager of automobile trade in services business department concurrently. He is currently vice president of SAIC Motor Corporation Limited.
Wang Xiao Qiu	He served as general manager and vice secretary of Party Committee of Shanghai Diesel Engine Co., Ltd, vice chief economic engineer of SAIC Motor Corporation Limited, general manager of SGM. He is currently vice president of SAIC Motor Corporation Limited and general manager of passenger vehicle branch concurrently.
Shen Yang	He is currently the vice president of SAIC Motor Corporation Limited and general manager of SGMW concurrently.
Zhang Hai Liang	He served as executive manager of SVW, general manager of SVWS, general manager and vice Secretary of Party Committee of SVW. He is currently vice president of SAIC Motor Corporation Limited.
Lan Qing Song	He served as vice manager of department of commercial vehicle of SAIC Motor Corporation Limited. He is currently general manager of department of commercial vehicle of SAIC Motor Corporation Limited and SAIC Commercial Vehicle Co., Ltd.
Cheng Jing Lei	He served as vice chief engineer of SAIC Motor Corporation Limited, executive director of department of strategy and business planning. He is currently the chief engineer of SAIC Motor Corporation Limited.
Wang Jian Zhang	She served as 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.

Information of directors, supervisors and senior management in incumbent and outgoing in the reporting period

Information of positions held in shareholders' entities

√ applicable

Name	Name of shareholder entity	Position held	Starting date of term	Ending date of term
Chen Hong	Shanghai Automotive Industry Corporation (Group)	Board chairman	2014-10-16	2017-10-15
Chen Zhi Xin	Shanghai Automotive Industry Corporation (Group)	Director	2014-10-16	2017-10-15
Zhou Lang Hui	Shanghai Automotive Industry Corporation (Group)	Supervisor	2014-10-16	2017-10-15
Gu Feng	Shanghai Automotive Industry Corporation (Group)	Director	2014-10-16	2017-10-15
Chen De Mei	Shanghai Automotive Industry Corporation (Group)	Director	2014-10-16	2017-10-15

Information of positions held in other entities

√ applicable

Name	Name of other entity	Position held	Starting date of term	Ending date of term
Chen Hong	HUAYU Automotive Systems Co., Ltd.	Board chairman	2012-5-25	2015-5-24
Shen Jian Hua	HUAYU Automotive Systems Co., Ltd.	Vice board chairman	2012-5-25	2015-5-24
Zhou Lang Hui	HUAYU Automotive Systems Co., Ltd.	Chairman of board of supervisors	2014-12-18	2015-5-24
Zhou Lang Hui	Shanghai Diesel Engine Co., Ltd.	Chairman of board of supervisors	2012-5-18	2015-5-17
Gu Feng	Shanghai Diesel Engine Co., Ltd.	Director	2012-5-18	2015-5-17
Lan Qing Song	Shanghai Diesel Engine Co., Ltd.	Director	2014-9-17	2015-5-17
Cheng Jing Lei	Shanghai Diesel Engine Co., Ltd.	Director	2012-5-18	2015-5-17
Xiao Guo Pu	Shanghai Diesel Engine Co., Ltd.	Former director	2012-5-18	2014-8-27
Xue Jian	HUAYU Automotive Systems Co., Ltd.	Former chairman of board of supervisor	2012-5-25	2014-12-18
Zhu Xian	Shanghai Diesel Engine Co., Ltd.	Supervisor	2012-5-18	2015-5-17

Information of incentive shares awarded to directors, supervisors and senior management during reporting period

√ Not applicable

Remuneration of directors, supervisors and senior management

Decision-making process of remuneration of directors supervisors and senior management	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 100,000 and the necessary and reasonable costs arising from performing the duties shall be borne by the Company. The Company's non-independent directors shall not receive remuneration for the position of directors. The Company's supervisors shall not receive remuneration 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.
Basis for decision of remuneration of directors, supervisors and senior management	The remuneration is based on performance review of senior management according to the key performance indicators including the Company's operating performance and individual's performance.
Actual payment of remuneration of directors supervisors and senior management	According to "Incentive Fund Plan of SAIC Motor Corporation Limited" approved by the 36th meeting of 4th board of directors of the Company, 15th meeting of 5th board of directors approved "Implementation Plan of Incentive Fund of SAIC Motor Corporation Limited of 2013", and this plan has been implemented in reporting period. Amount of incentive fund is included in the total amount of remuneration.
Total remuneration of directors supervisors and senior management received by the end of the reporting period	34.60 million

Changes of directors, supervisors and senior management

Name	Position	Changes	Reason for the change
Chen Hong	Chairman of the board	Election	Elected by the board of directors
Chen Zhi Xin	Director, President	Appointment	Director elected by shareholders, president appointed by the board
Shen Jian Hua	Vice chairman of the board	Dismissal	Resign vice chairman of the board on August 12th, 2014
Zhong Li Xin	Employee representative director	Election	Elected by 24th meeting of 2nd employee representative meeting
Bian Bai Ping	Chairman of board of supervisors	Election	Supervisor elected by shareholders, chairman of board of supervisors by board of supervisors
Wang Xiao Qiu	Vice president	Appointment	Appointed by board of directors
Shen Yang	Vice president	Appointment	Appointed by board of directors
Zhang Hai Liang	Vice president	Appointment	Appointed by board of directors
Lan Qing Song	Vice president	Appointment	Appointed by board of directors
Cheng Jing Lei	Vice president	Appointment	Appointed by board of directors
Hu Mao Yuan	Chairman of the board	Dismissal	Retirement
Li Ji Rong	Employee representative director	Dismissal	Retirement
Jiang Ying Shi	Chairman of board of supervisors	Dismissal	Retirement
Xue Jian	Vice chairman of board of supervisors	Dismissal	Retirement
Xiao Guo Pu	Vice president	Dismissal	Retirement

Information of the Company's core technical team or key technical personnel

There are no personnel changes which have significant influence on the Company's core competitive capacity during the reporting period.

Information of the Company's employees

Information of employees

Amount of employees of parent company	7,315
Amount of employees of main subsidiaries	144,505
Total amount of employees in active	151,820
Retired employees of parent company and main subsidiaries	46,271

Composition of employees by specialization

Areas of specialization	Headcounts (persons)
Production personnel	2,084
Marketing and sales personnel	349
Engineering technical personnel	3,594
Finance and auditing personnel	142
Administrative personnel	334
Others	812
Total	7,315

Composition of employees by education level

Education level	Headcounts (persons)
Postgraduate or above	2,278
University graduate	3,138
College diploma	964
Secondary school diploma or below	935
Total	7,315

Remuneration policy

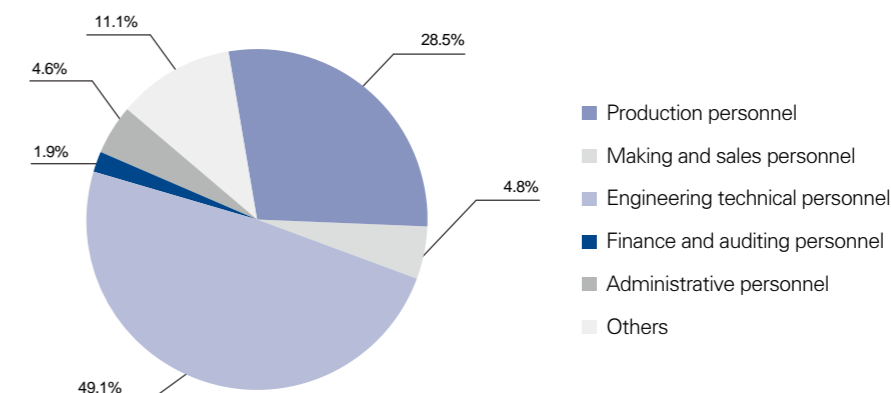
The Company complies with relevant national labor laws and regulations strictly by establishing remuneration and welfare system, paying employees remuneration in full and on time and contributing to employee social insurance schemes. In the meantime, the Company has established salary growth mechanism, where the increase of employees' income is in line with labor productivity and operating performance, by determining annual salary adjustment program based on CPI index, enterprise salary growth guideline set by the local government, operating performance of the Company and the benchmark of the market.

The Company has explored diversified incentives, created high performance, high motivated atmosphere and mobilize the initiative of employees. For medium and senior executives and core personnel, the Company sets up mechanism of risk and benefit sharing, implements the short term and the longer term incentive fund. In addition, the Company awarded incentive to employees who win medal of national development of technology and labor in 2014.

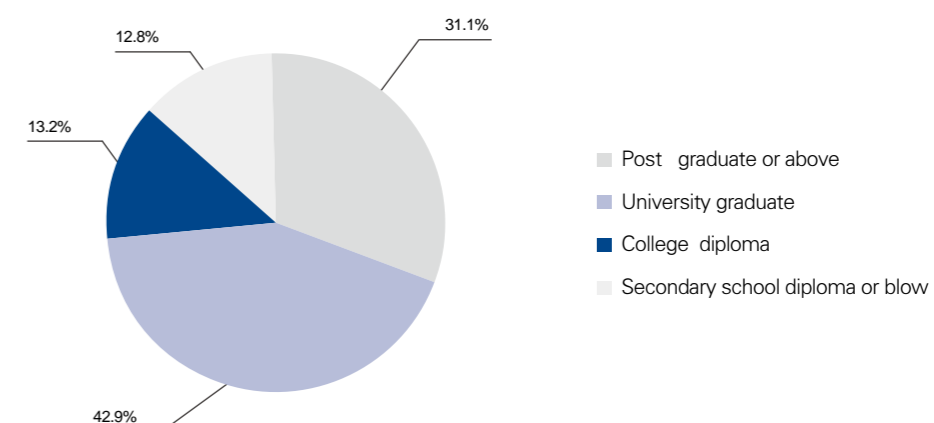
Training plan

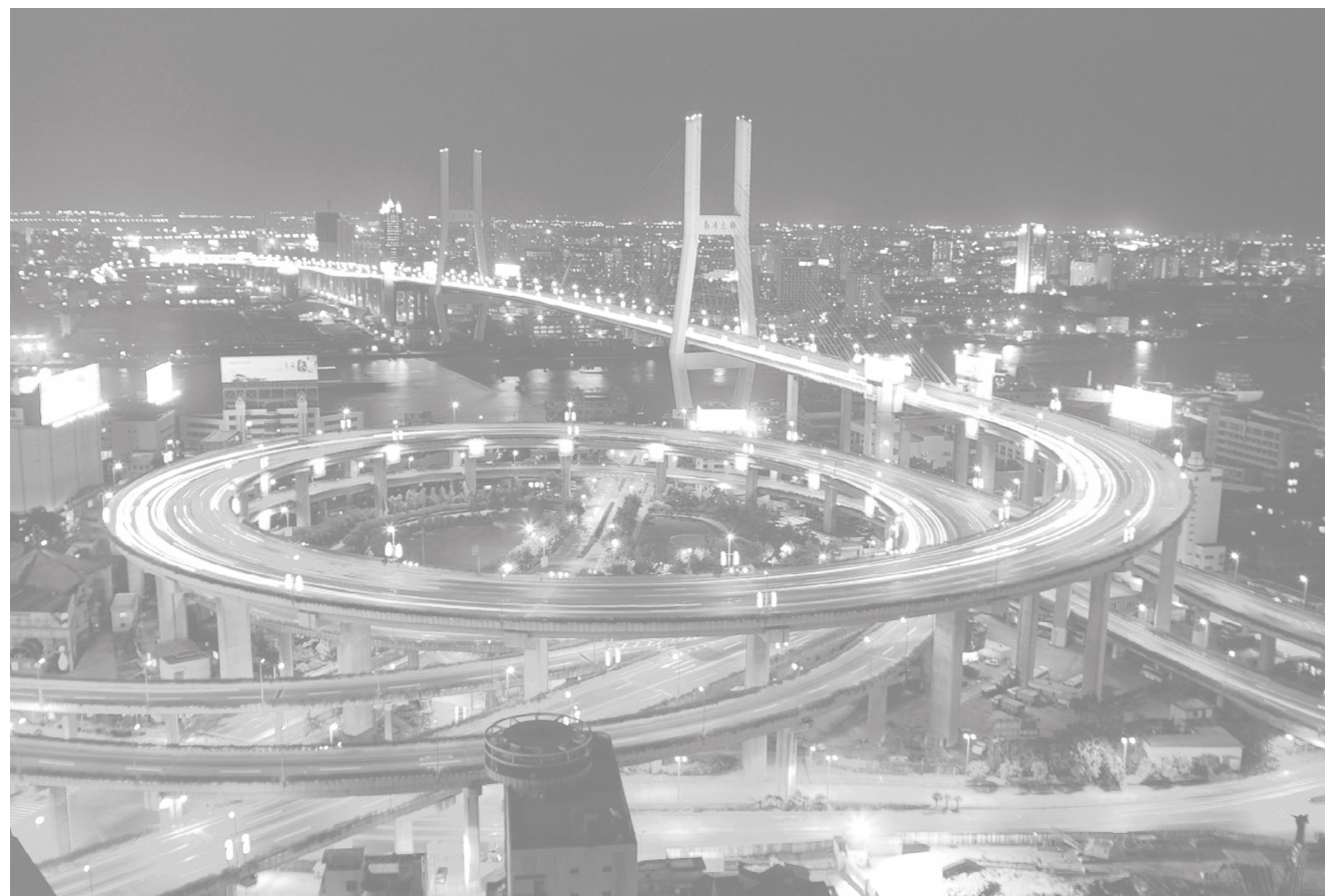
The Company focuses on the target of promoting core competitive and global management, carrying out medium and long-term talent development program, promoting professional education of employees.

Areas of specialization



Education level





Corporate governance and related information

Shareholders and general meeting of shareholders

During the reporting period, the Company strictly followed 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, combine online voting with on-site voting, 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 and the equal status and rights of all shareholders to exercise their rights. The Company held two annual general meetings of shareholders in year 2014 which reviewed and approved the Company's annual report in year 2013, general election of board of directors and board of supervisors, revision of articles of association, incentive fund plan, appointment of accounting firm and external guarantee, etc., which ensured the effective protection for the rights and interests of the public shareholders.

Directors and board of directors

The composition and the number of members of the board of directors follow the regulation of the law and "Code of Corporate Governance for Listed Companies". The Company has 9 directors, including 3 independent 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 6 board meetings, 1 strategy committee meetings, 5 auditing committee meetings and 3 nomination, remuneration and appraisal committee meetings. The specialized committees played important roles in decision making of significant matters including drawing the Company's strategy, reviewing periodic financial reports, drawing up incentive plan, improving internal control system and supervising external auditing firm.

During the reporting period, all the directors performed their obligations and duties in a faithful and diligent manner. They devoted continuous attention to the operation and management of the Company and actively participated in on-site interviews and investigations. On board meetings, they 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 were found.

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 held 7 meetings for reviewing and supervising the Company's periodic reports, revision of rules of procedures, internal control construction and use of raised-funds, etc. No circumstances of violation of laws and regulations or damage of the interests of the Company or shareholders were found.

Section VIII Corporate Governance

Corporate governance system

During the reporting period, the Company revised "Management System of Raised Funds" and "Working Instruction of President" according to regulatory requirements, which further improved the Company's management system. Meanwhile, the Company executed inside information's insider registration system seriously, actively performed the administration work of training, registration, filing for insider of inside information, and maintained the equality principle of information disclosure effectively.

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 management with the Company's operating performance and individual's performance. Meanwhile, in order to improve the Company's operating performance continuously and to achieve sustainable development, the Company implemented "The Incentive Fund Plan of the Company" in year 2013. Given that the operating performance of the Company in 2013 met the criteria for implementation of incentive fund plan, board of directors approved "Implementation Plan of the Company's Incentive Fund Plan of Year 2013", which involved 316 employees, including medium and senior executives and core talents of the Company.

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 2014.

Information disclosure and transparency

During the reporting period, the Company took 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 2014, the Company received 252 investment agents' visits, 1379 individual investors' visits and 660 enquiry calls. In addition, 2 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 41 temporary announcements, and made no announcement for amendment, so that the investors could be informed of the true status of the Company on a timely, fair, accurate and comprehensive basis.

If corporate governance is difference from related requirements of China Securities Regulatory Commission; if there is difference, specify the reason

None

General meeting of shareholders

Session	Date	Name of proposal	Result of decision Approved	Website where decision is published	Date of disclosure
General meeting of shareholders in Year 2014	June 19, 2014	1. "Work Report of the Board of Year 2013" 2. "Work Report of the Board of Supervisors of Year 2013" 3. "Incumbents Report of Independent Directors of Year 2013" 4. "Profit Distribution Plans of Year 2013" 5. "Financial Statements of Year 2013" 6. "Annual Report and Annual Report Abstract of Year 2013" 7. "The Proposal of Provision of Guarantee to GMAC-SAIC Automotive Finance Co., Ltd." 8. "The Proposal of Provision of Guarantee to Anyue Automotive Supplies Co., Ltd. by Shanghai Automobile Import & Export Co., Ltd." 9. "The Proposal of Provision of Guarantee to Anji Leasing Co., Ltd. by Shanghai Automotive Industry Sales Co., Ltd." 10. "The Proposal of Re-appointment of Deloitte Touche Tohmatsu Certified Public Accountants LLP as Auditor of the Company" 11. "The Proposal of Re-appointment of Deloitte Touche Tohmatsu Certified Public Accountants LLP as Internal Control Auditor of the Company" 12. "The Proposal of By-election of the Board of Directors"	Approved	Website of SSE http://www.sse.com.cn	June 20, 2014
2014 1 st temporary general meeting of shareholders	November 21, 2014	1. "The Proposal of By-election of the Board of Supervisors"	Approved	Website of SSE http://www.sse.com.cn	November 22, 2014

Performance of directors

Attendance of directors in the 4th Board meetings

Name of director	Independent director (yes or no)	Attendance of directors in board meetings						Attendance of directors in general meeting of shareholders
		Number of 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)	Number of attendance in general meeting of shareholders
Chen Hong	No	6	6	3	0	0	No	2
Chen Zhi Xin	No	3	3	2	0	0	No	1
Shen Jian Hua	No	6	6	3	0	0	No	2
Yu Zhuo Ping	No	6	6	3	0	0	No	1
Xie Rong	No	6	6	3	0	0	No	0
Zhong Li Xin	No	2	2	2	0	0	No	1
Zhou Qin Ye	Yes	6	5	3	1	0	No	1
Wang Fang Hua	Yes	6	6	3	0	0	No	0
Yu Ying Hui	Yes	6	6	3	0	0	No	2
Hu Mao Yuan	No	2	2	1	0	0	No	0
Li Ji Rong	No	3	3	1	0	0	No	1

Note: (1) On May 23th, 2014, Hu Mao Yuan, chairman of board of directors retired because of age, resigning chairman of 5th board of directors of SAIC Motor Corporation Limited, director and committee member of strategy committee of the Company;

(2) On May 23th, 2014, the 15th board meeting of 5th board of the Company approved relating proposal, electing vice chairman Chen Hong to be board of directors of SAIC Motor Corporation Limited, and committee member of strategy committee of the Company;

(3) On June 19th, 2014, 2013 general annual meeting of shareholders of the Company elected President Chen Zhi Xin as director of the Company;

(4) On August 12th, 2014, Li Ji Rong, because of his age, resigned the employee representative director of SAIC Motor Corporation Limited;

(5) On August 12th, 2014, Shen Jian Hua, because of working arrangement, resigned the vice chairman of SAIC Motor Corporation Limited, continuing with director;

(6) On August 22th, 2014, 24th meeting of 2nd employee representative meeting of the Company elected Zhong Li Xin as employee representative director of the Company.

(7) On October 23rd, 2014, according to personal reason of Mr. Zhou Qin Ye, he offered to resign the independent director of the Company, because resign of Mr. Zhou Qin Ye leads to number of independent directors less than one-third of number of board members, his resign report will be in effect after new independent directors are elected.

Statement of absence twice consecutively: None

Number of meetings of the Board	6
Including: Number of on-site meetings	3
Number of meetings via communication tools	3
Number of meetings on-site and via communication tools simultaneously	0

Circumstance where independent directors raised different opinions

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

Others

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 with Regards to Annual Reports" and "Annual Report Work System for Independent Directors", which ensured independent directors' performance of their duties. Independent directors performed their duties faithfully, took their roles in specialized committees actively and protected the interests of the Company and shareholders, in particular, of the minority shareholders. Independent directors actively participated in the Board meetings and specialized committees meetings, investigated the Company's operation of manufacturing base and development of automobile finance in depth, studied the annual incentive implementation program in details, which enable the independent directors to understand the Company's operations, to provide their recommendations for the management and development of the Company and to enhance the improvement of corporate governance. During the reporting period, independent directors also expressed their independent opinions on election of the board, employment of the management, external guarantees and other significant matter to enhance the corporate governance of the Company. During the preparation of the annual report of year 2011, independent directors communicated with finance department, internal audit office and statutory auditor of the Company according to "Work System for Independent Directors with Regards to Annual Reports".



Important comments and suggestions made by specialized committees under the Board when performing their duties during the reporting period

During the reporting period, the strategy committee studied the domestic and global trends of economy and industry development as well as the national policy trends, and has held meeting to deliberate on "1+5" rolling business plan of the Company. When deliberating on "1+5" rolling business plan of the Company (2014–2018), the strategy committee suggested that the Company should focus on new mode and business of new energy automobile promoted by information technology about market promotion of new energy automobile.

The audit committee held 5 meetings to review the significant matters including reviewing periodic financial report, assessing external audit authority, guiding internal audit work, reviewing internal control system. After the brief of "Report of internal control's supervision and inspection work of year 2013", the audit committee proposed that the Company should supervise and inspect implementation status of internal control system seriously, pay close attention to internal control condition of new enterprises.

The nomination, remuneration and appraisal committee held 3 meetings to supervise the implementation of remuneration system, to review significant events including incentive fund plan. When reviewing "Proposal of 'Implementation plan of the Company's Incentive Fund Plan of Year 2013'", the nomination, remuneration and appraisal committee suggested that the Company should optimize the distribution plan further and improve the Company's sustainable and rapid development through motivating talents effectively.

Declaration about the risk of the Company made by board of supervisors

In accordance with relevant laws, regulations and the relevant provisions of the "Articles of Association" and "Rules of Procedure for the Board of Supervisors", the board of supervisors has monitored and supervised the Company's decision-making procedures, internal control management and the performance of duties of senior management. The board of supervisors has been present at the general meeting of shareholders of the Company, Board meetings and meetings of relevant specialized committees of the Board. In the opinion of board of supervisors, during the reporting period, the Company's decision-making process has been in strict compliance with the "Articles 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 and has periodically reported 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. There has been no violation of the laws, regulations or the "Article of Association". No damage to the interests of the Company or shareholders has been found.

Declaration on whether the Company is independent from the controlling shareholder on business, personnel, assets, organization and finance and whether it can keep independent operating abilities

After the Company completed the transaction of assets acquisition through issuing shares to the controlling shareholder, the Company has integrated the business resource of controlling shareholder in automobile industry chain. With more than 99% controlling shareholder's assets acquired by the Company, the Company has built integrated and independent business and independent operating abilities, which are completely independent from controlling shareholder in respects of business, personnel, assets, organization and finance. Related party transactions between the Company and the controlling shareholder were reduced substantially and there's no horizontal competition. The Company has fully independent operation capability.

Competition because of reform of share capital, features of industry, national policies and merger and acquisition, the correspondence work of the Company

None

The establishment and execution of evaluation and incentive system for senior management during the reporting period

1. The Company drafted "Annual Assessment and Incentive Measures of Members of Manager Team by Board of Directors of SAIC Motor Corporation Limited (Pilot)", and made assessment to senior executives.

2. Board of directors approved "Implementation Plan of SAIC Motor Corporation Limited Incentive Fund Plan of Year 2013", and implemented after the annual general meeting approved the annual report.



Declaration about internal control responsibilities and construction of internal control system

The board of directors and supervisors, directors, supervisors and senior executives 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.

Establishment, maintenance, effective operation and effectiveness assessment of internal control and disclosure of internal control's assessment report are the responsibilities of the Board. The board of supervisors is responsible for supervision of the establishment and operation of internal control, which are executed by the Board. The senior management of the Company is responsible for daily operation of internal control.

The internal control target of the Company: reasonably ensure that the Company management is legal, the asset is safe, the financial reports and related information are true and complete, improve operational efficiency and effectiveness, and promote the development strategy of company. Due to the inherent limitations of internal control, the Company can only provide reasonable assurance to achieve the above targets. In addition, internal control may become inappropriate or the degree of compliance of control policies and procedures may reduce due to change of situation. There are certain risks to speculate effectiveness of future internal control on the basis of the assessment result. For more details, please see "Self-assessment Report on Internal Controls of SAIC Motor Corporation Limited of 2014", which is published on the website of Shanghai Security Exchange on April 3, 2015.

If release internal control report of the Company or not : Yes

Audits' report on internal control

Deloitte Touche Tohmatsu Certified Public Accountants LLP issued "Auditors' Report on Internal Control of SAIC Motor Corporation Limited" (De Shi Bao (Shen) Zi (15) No.S0123). For details, please refer to relevant announcements of the Company.

If release internal control report or not : Yes

Accountability system for significant errors and related implementation in annual report

To ensure the quality of information disclosure related to annual report, the Company clarifies the policies of accountability for significant errors made in information disclosure in "Information Disclosure Management System" according to the regulation of CSRC, which has enhanced the execution of the accountability policies. During the reporting period, there is no significant error in information disclosure.

SAIC Motor Corporation Limited

Chairman of the Board:



April 3, 2015

Section IX Internal Control



AUDITOR ' S REPORT

AUDITOR ' S REPORT

De Shi Bao (Shen) Zi (15) No.P1020

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, 2014, 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.

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.

Auditor ' s responsibility

Our responsibility is to express our 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. While 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. 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.

Opinion

In our opinion, the consolidated and the company' s financial statements of SAIC Motor present fairly, in all material respects, the financial position of SAIC Motor as of December 31, 2014, 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
Certified Public Accountants LLP



Shanghai, China

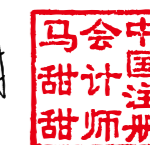
Chinese Certified Public Accountant:

原宇清



Chinese Certified Public Accountant:

马甜甜



April 01, 2015

The auditors' report and the accompanying financial statements are English translations of the Chinese auditors' report and 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 does not conform to the Chinese version, the Chinese version prevails.

Section X Financial Report



financial report

Consolidated Balance Sheet

December 31, 2014

Unit: RMB

Item	Notes	December 31, 2014	December 31, 2013(Restated)
Current assets:			
Cash and bank balances	(VI)1	87,948,624,133.99	89,097,639,504.38
Financial assets at fair value through profit or loss	(VI)2	179,263,543.85	17,906,491.20
Notes receivable	(VI)3	31,144,243,041.67	29,238,845,252.60
Accounts receivable	(VI)4	20,696,097,314.82	19,244,289,149.61
Prepayments	(VI)5	21,298,374,862.24	32,046,375,065.44
Interest receivable		222,437,332.51	234,450,263.71
Dividends receivable	(VI)6	1,185,280,168.70	817,638,611.35
Other receivables	(VI)7	2,729,970,912.83	2,493,966,488.51
Financial assets purchased under resale agreements	(VI)8	–	146,040,000.00
Inventories	(VI)9	38,765,888,491.75	30,914,532,082.83
Assets classified as held for sale	(VI)10	34,684,325.47	670,400,392.60
Non-current assets due within one year	(VI)11	15,793,373,034.24	13,181,502,475.24
Other current assets	(VI)12	17,044,305,103.64	14,080,882,246.34
Total current assets		237,042,542,265.71	232,184,468,023.81

Consolidated Balance Sheet - Continued

December 31, 2014

Unit: RMB

Item	Notes	December 31, 2014	December 31, 2013(Restated)
Non-current assets:			
Loans and advances	(VI)13	8,574,071,474.85	8,585,851,095.28
Available-for-sale financial assets	(VI)14	36,448,127,149.53	14,207,905,107.41
Long-term receivables	(VI)15	1,347,201,401.01	1,316,182,094.25
Long-term equity investments	(VI)16	63,389,634,195.51	56,403,540,848.21
Investment properties	(VI)17	2,884,580,134.77	2,982,690,192.04
Fixed assets	(VI)18	31,709,006,820.92	27,515,791,339.38
Construction in progress	(VI)19	10,702,857,557.18	10,614,731,816.73
Intangible assets	(VI)20	6,477,803,607.25	5,625,725,268.74
Development expenditure	(VI)21	8,434,650.99	40,916,902.32
Goodwill	(VI)22	82,304,137.64	84,993,655.59
Long-term prepaid expenses	(VI)23	1,033,544,543.95	880,204,499.49
Deferred tax assets	(VI)24	13,757,825,810.37	11,692,712,759.09
Other non-current assets	(VI)25	1,412,739,732.17	1,505,027,199.60
Total non-current assets		177,828,131,216.14	141,456,272,778.13
TOTAL ASSETS		414,870,673,481.85	373,640,740,801.94

Consolidated Balance Sheet - Continued

December 31, 2014

Unit: RMB

Item	Notes	December 31, 2014	December 31, 2013(Restated)
Current liabilities:			
Short-term borrowings	(VI)26	5,505,253,039.46	5,251,574,760.18
Customer deposits and deposits from banks and other financial institutions	(VI)27	44,758,063,908.24	42,771,754,977.17
Financial liabilities at fair value through profit or loss	(VI)28	-	7,155,000.00
Notes payable	(VI)29	5,574,215,320.69	4,393,002,801.01
Accounts payable	(VI)30	66,027,244,570.41	61,076,035,671.86
Receipts in advance	(VI)31	27,430,862,400.76	27,031,992,611.61
Employee benefits payable	(VI)32	7,107,347,694.73	5,937,970,517.14
Taxes payable	(VI)33	3,410,400,465.00	3,409,416,661.83
Interest payable		152,481,488.16	180,345,203.80
Dividends payable	(VI)34	137,519,670.03	65,411,503.89
Other payables	(VI)35	32,830,291,360.05	28,661,920,266.78
Non-current liabilities due within one year	(VI)36	6,843,788,125.87	5,968,591,031.54
Other current liabilities	(VI)37	154,042,787.13	109,477,605.53
Total current liabilities		199,931,510,830.53	184,864,648,612.34

Consolidated Balance Sheet - Continued

December 31, 2014

Unit: RMB

Item	Notes	December 31, 2014	December 31, 2013(Restated)
Non-current liabilities:			
Long-term borrowings	(VI)38	2,049,144,366.45	2,430,221,291.15
Bonds payable	(VI)39	2,700,490,000.00	3,833,983,000.00
Long-term employee benefits payable	(VI)40	5,516,722,123.55	6,154,535,396.77
Special payables	(VI)41	1,097,038,323.24	2,081,571,199.17
Provisions	(VI)42	7,685,580,005.22	5,296,078,871.23
Deferred income	(VI)43	8,701,834,935.13	6,236,464,197.97
Deferred tax liabilities	(VI)24	2,189,275,882.82	970,554,280.97
Other non-current liabilities		-	40,592,841.30
Total non-current liabilities		29,940,085,636.41	27,044,001,078.56
TOTAL LIABILITIES		229,871,596,466.94	211,908,649,690.90
SHAREHOLDERS' EQUITY:			
Share capital	(VI)44	11,025,566,629.00	11,025,566,629.00
Capital reserve	(VI)45	37,986,599,121.54	37,969,525,894.74
Other comprehensive income	(VI)46	9,703,495,421.66	4,422,625,915.82
Special reserve		181,962,263.44	94,184,174.87
Surplus reserve	(VI)47	21,836,161,907.74	16,943,432,989.44
General risk reserve		844,919,712.17	844,919,712.17
Retained earnings	(VI)48	76,085,680,916.97	66,456,983,324.88
Total shareholders' equity attributable to shareholders of the Company		157,664,385,972.52	137,757,238,640.92
Minority interests		27,334,691,042.39	23,974,852,470.12
TOTAL SHAREHOLDERS' EQUITY		184,999,077,014.91	161,732,091,111.04
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		414,870,673,481.85	373,640,740,801.94

The accompanying notes form part of the financial statements.

Balance Sheet of the Company

December 31, 2014

Unit: RMB

Item	Notes	December 31, 2014	December 31, 2013 (Restated)
Current assets:			
Cash and bank balances		45,655,207,147.68	39,964,590,909.55
Notes receivable	(XV)1	1,667,502,363.90	1,528,517,522.10
Accounts receivable	(XV)2	811,157,896.85	729,557,891.22
Prepayments		408,921,235.09	411,451,092.97
Interest receivable		638,170,737.20	448,230,974.72
Dividends receivable		862,327,306.04	618,210,697.15
Other receivables	(XV)3	801,358,750.64	732,148,603.50
Inventories	(XV)4	1,437,442,939.95	1,270,657,653.67
Non-current assets due within one year		2,231,616,200.00	1,150,882,798.16
Other current assets		4,909,965,865.00	7,448,087,257.07
Total current assets		59,423,670,442.35	54,302,335,400.11
Non-current assets:			
Available-for-sale financial assets	(XV)5	7,168,968,598.05	4,719,654,253.35
Long-term equity investments	(XV)6	82,063,231,267.52	74,812,750,277.08
Investment properties	(XV)7	335,627,123.72	347,342,603.70
Fixed assets	(XV)8	2,757,682,219.42	3,885,316,541.31
Construction in progress	(XV)9	2,048,908,249.16	1,199,119,820.34
Intangible assets	(XV)10	1,565,627,184.74	1,633,316,043.87
Development expenditure	(XV)10	-	-
Other non-current assets		1,594,523,313.92	2,220,457,958.04
Total non-current assets		97,534,567,956.53	88,817,957,497.69
TOTAL ASSETS		156,958,238,398.88	143,120,292,897.80

Balance sheet of the Company - Continued

December 31, 2014

Unit: RMB

Item	Notes	December 31, 2014	December 31, 2013(Restated)
Current liabilities:			
Short-term borrowings		-	1,200,000.00
Accounts payable		6,441,305,184.24	6,894,878,780.15
Receipts in advance		490,209,598.46	691,916,996.68
Employee benefits payable	(XV)11	2,123,793,742.11	1,947,665,741.76
Taxes payable		(388,225,008.04)	(47,072,457.12)
Other payables		1,334,056,672.37	740,765,748.01
Non-current liabilities due within one year	(XV)12	263,788,740.11	240,280,081.30
Total current liabilities		10,264,928,929.25	10,469,634,890.78
Non-current liabilities:			
Long-term employee benefits payable	(XV)13	3,154,776,437.94	4,166,550,565.68
Special payables	(XV)14	900,428,309.00	939,884,119.00
Provisions	(XV)15	1,001,248,196.79	547,355,040.27
Deferred income	(XV)16	451,507,338.75	384,068,102.89
Deferred tax liabilities	(XV)17	330,730,903.15	-
Total non-current liabilities		5,838,691,185.63	6,037,857,827.84
TOTAL LIABILITIES		16,103,620,114.88	16,507,492,718.62
SHAREHOLDERS' EQUITY:			
Share capital		11,025,566,629.00	11,025,566,629.00
Capital reserve	(XV)18	50,924,492,456.98	50,921,287,880.33
Other comprehensive income	(XV)19	2,765,116,611.53	(240,532,279.94)
Surplus reserve		21,836,161,907.74	16,943,432,989.44
Retained earnings		54,303,280,678.75	47,963,044,960.35
TOTAL SHAREHOLDERS' EQUITY		140,854,618,284.00	126,612,800,179.18
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		156,958,238,398.88	143,120,292,897.80

The accompanying notes form part of the financial statements.

Consolidated Income Statement

January-December, 2014

Unit: RMB

Item	Notes	Year Ended December 31, 2014	Year Ended December 31, 2013
I. Total operating income		630,001,164,437.70	565,807,011,579.82
Including: Operating income	(VI)49	626,712,394,486.86	563,345,672,365.78
Interest income	(VI)50	3,195,091,850.17	2,364,124,238.21
Fee and commission income	(VI)51	93,678,100.67	97,214,975.83
II. Total operating costs		550,146,491,552.39	491,711,575,065.00
Including: Operating costs	(VI)49	549,236,025,914.00	490,988,482,076.07
Interest expenses	(VI)50	899,418,199.38	716,512,659.62
Fee and commission expenses	(VI)51	11,047,439.01	6,580,329.31
Business taxes and levies	(VI)52	3,757,210,874.15	3,439,459,975.60
Selling expenses	(VI)53	40,073,775,337.67	34,730,501,074.47
Administrative expenses	(VI)54	19,308,705,072.27	18,344,614,751.99
Financial expenses	(VI)55	(164,598,681.79)	(254,715,398.50)
Impairment losses of assets	(VI)56	4,400,239,891.44	3,114,033,598.76
Add: Gain (loss) from changes in fair values	(VI)57	17,727,642.36	(3,215,178.20)
Investment income	(VI)58	27,834,668,696.05	25,456,416,827.35
Including: Income from investments in associates and JCEs		25,300,635,852.35	22,269,927,243.45
Foreign exchange gains		2,031,776.32	4,370,693.79
III. Operating Profit		40,333,768,506.30	40,179,114,855.44
Add: Non-operating income	(VI)59	3,329,082,332.66	2,057,949,943.93
Including: Gains from disposal of non-current assets		428,958,213.82	357,478,296.91
Less: Non-operating expenses	(VI)60	974,055,646.12	744,067,121.89
Including: Losses from disposal of non-current assets		105,676,803.02	87,267,549.29

Consolidated Income Statement - Continued

January-December, 2014

Unit: RMB

Item	Notes	Year Ended December 31, 2014	Year Ended December 31, 2013
IV. Total profit		42,688,795,192.84	41,492,997,677.48
Less: Income tax expenses	(VI)61	4,438,022,170.80	5,909,056,164.95
V. Net profit		38,250,773,022.04	35,583,941,512.53
Net profit attributable to shareholders of the Company		27,973,441,274.41	24,803,626,272.23
Profit or loss attributable to minority interests		10,277,331,747.63	10,780,315,240.30
VI. Other comprehensive income(loss)	(VI)62	6,065,205,482.27	(989,585,379.72)
Other comprehensive income(loss) attributable to shareholders of the Company		5,280,869,505.84	(911,900,048.28)
1. Other comprehensive income that will not be reclassified subsequently to profit or loss		936,924,910.50	-
(1) Changes in net liabilities or net assets due to remeasurement of defined benefit plans		926,771,704.72	-
(2) Shares of other comprehensive income that will not be reclassified subsequently to profit or loss of invested entities under equity method		10,153,205.78	-
2. Other comprehensive income that may be reclassified subsequently to profit or loss		4,343,944,595.34	(911,900,048.28)
(1) Shares of other comprehensive income that may be reclassified subsequently to profit or loss of invested entities under equity method in future		(125,331,242.26)	3,222,139.17
(2) Changes in fair value of available-for-sale financial assets		4,386,120,889.83	(840,582,892.37)
(3) Exchange differences on translating foreign operations		83,154,947.77	(74,539,295.08)
Other comprehensive income (loss) attributable to minority interests		784,335,976.43	(77,685,331.44)
VII. Total comprehensive income		44,315,978,504.31	34,594,356,132.81
Total comprehensive income attributable to shareholders of the Company		33,254,310,780.25	23,891,726,223.95
Total comprehensive income attributable to minority interests		11,061,667,724.06	10,702,629,908.86
VIII. Earnings per share			
(I) Basic earnings per share		2.537	2.250
(II) Diluted earnings per share		Not applicable	Not applicable

The accompanying notes form part of the financial statements.

Income Statement of the Company

January-December, 2014

Unit: RMB

Item	Notes	Year Ended December 31, 2014	Year Ended December 31, 2013
I. Operating income	(XV)20	15,303,502,982.84	18,585,566,506.07
Less: Operating costs	(XV)20	13,806,053,316.69	16,913,553,598.94
Business taxes and levies		200,641,579.73	324,307,311.75
Selling expenses		2,914,277,533.64	2,455,261,031.10
Administrative expenses		4,749,686,383.00	5,476,307,929.36
Financial expenses		(1,083,957,239.68)	(867,846,131.13)
Impairment losses of assets	(XV)21	1,731,222,071.66	1,000,054,396.16
Add: Investment income	(XV)22	30,805,506,118.09	23,938,728,772.77
Including: Income from investments in associates and JCEs		23,145,791,236.31	18,779,284,683.95
II. Operating profit		23,791,085,455.89	17,222,657,142.66
Add: Non-operating income		966,813,433.79	243,868,752.52
Including: Gains from disposal of non-current assets		801,315.01	91,937.49
Less: Non-operating expenses		294,254,298.18	81,009,616.44
Including: Losses from disposal of non-current assets		1,419,726.63	1,523,914.80
III. Total profit		24,463,644,591.50	17,385,516,278.74
Less: Income tax expenses		-	(31,988,639.94)
IV. Net Profit		24,463,644,591.50	17,417,504,918.68
V. Other comprehensive income (loss)	(XV)19	3,005,648,891.47	(840,540,615.86)
(I) Other comprehensive income that will not be reclassified subsequently to profit or loss		992,538,210.20	-
1.Changes in net liabilities or net assets due to remeasurement of defined benefit plans		992,538,210.20	-
(II) Other comprehensive income that may be reclassified subsequently to profit or loss		2,013,110,681.27	(840,540,615.86)
1. Shares of other comprehensive income that may be reclassified subsequently to profit or loss of invested entities under equity method in future		(126,393,272.68)	7,429,799.60
2. Changes in fair value of available-for-sale financial assets		2,139,503,953.95	(847,970,415.46)
VI. Total comprehensive income		27,469,293,482.97	16,576,964,302.82

The accompanying notes form part of the financial statements.

Consolidated Cash Flow Statement

January-December, 2014

Unit: RMB

Item	Notes	Year Ended December 31, 2014	Year Ended December 31, 2013
I. Cash flow from operating activities:			
Cash receipts from the sale of goods and rendering of services		738,442,989,311.00	672,810,793,621.65
Net increase in customer deposits and deposits from bank and other financial institutions		1,986,308,931.07	10,963,373,389.21
Net decrease in financial assets sold under repurchase		146,040,000.00	-
Cash receipts from interests, fees and commissions		3,532,720,138.45	2,278,986,157.83
Receipts of tax refunds		480,313,600.63	509,243,720.57
Other cash receipts relating to operating activities		3,786,729,124.20	1,988,935,140.70
Sub-total of cash inflow from operating activities		748,375,101,105.35	688,551,332,029.96
Cash payments for goods purchased and services received		644,150,534,452.98	597,515,847,454.09
Net increase in loans and advances		5,603,896,029.81	9,047,889,365.05
Net increase in balance with the central bank		991,173,322.38	265,132,884.77
Net increase in financial assets sold under repurchase		-	146,040,000.00
Cash payments for interests, fees and commissions		938,329,354.03	647,481,116.63
Cash payments to and on behalf of employees		15,372,676,121.15	13,536,917,202.14
Payments for various types of taxes		24,266,442,926.38	26,541,038,224.58
Other payments relating to operating activities		33,768,237,924.32	20,248,474,173.89
Sub-total of cash outflow relating to operating		725,091,290,131.05	667,948,820,421.15
Net cash flow from (used in) operating activities	(VI)65(1)	23,283,810,974.30	20,602,511,608.81

Consolidated Cash Flow Statement – Continued

January-December, 2014

Unit: RMB

Item	Notes	Year Ended December 31, 2014	Year Ended December 31, 2013
II. Cash flow from investing activities:			
Cash receipts from recovery of investments		12,707,747,663.64	32,831,700,785.62
Cash receipts from investment income		23,263,910,855.77	20,920,322,295.03
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		239,465,087.44	415,084,131.35
Other cash receipts relating to investing activities		1,529,114,250.98	4,220,125,125.03
Sub-total of cash inflow from investing activities		37,740,237,857.83	58,387,232,337.03
Cash payment to acquire or construct fixed assets, intangible assets and other long-term assets		14,319,557,135.32	15,659,444,887.26
Cash payments to acquire investments		28,694,072,514.43	19,367,579,532.39
Net cash payments for acquisitions or disposal of subsidiaries	(VII)1(2)	19,368,200.00	650,442,011.00
Sub-total of cash outflow relating to investing		43,032,997,849.75	35,677,466,430.65
Net Cash flow from (used in) investing activities		(5,292,759,991.92)	22,709,765,906.38
III. Cash flow from financing activities:			
Cash receipts from capital contributions		313,478,333.19	595,060,764.84
Including: cash receipts from capital contributions from minority owners of subsidiaries		310,273,756.54	583,905,624.15
Cash receipts from borrowings		12,384,390,445.08	12,451,813,039.54
Cash receipts from bonds issuance		–	3,833,983,000.00
Sub-total of cash inflow from financing activities		12,697,868,778.27	16,880,856,804.38
Cash repayments of borrowings		11,503,737,624.30	18,717,940,151.49
Cash payments for distribution of dividends or profits or settlement of interest expenses		21,313,472,330.49	13,338,537,954.11
Including: payments for distribution of dividends or profit to minority owners of subsidiaries		7,520,125,067.24	6,335,371,206.10
Other cash payments relating to financing activities	(VI)64	65,973,355.84	506,267,257.12
Sub-total of cash outflow relating to financing activities		32,883,183,310.63	32,562,745,362.72
Net cash flow from (used in) financing activities		(20,185,314,532.36)	(15,681,888,558.34)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(11,898,498.63)	(150,575,516.12)
V. Net increase (decrease) in cash and cash equivalents		(2,206,162,048.61)	27,479,813,440.73
Add: Opening balance of cash and cash equivalents		74,277,677,348.07	46,797,863,907.34
VI. Closing balance of cash and cash equivalents	(VI)65(2)	72,071,515,299.46	74,277,677,348.07

The accompanying notes form part of the financial statements.

Cash Flow Statement of the Company

January-December, 2014

Unit: RMB

Item	Notes	Year Ended December 31, 2014	Year Ended December 31, 2013
I. Cash flow from operating activities:			
Cash receipts from the sale of goods and rendering of services		17,205,243,561.22	21,571,772,191.03
Other cash receipts relating to operating activities		2,108,814,039.94	1,101,855,164.12
Sub-total cash inflow from operating activities		19,314,057,601.16	22,673,627,355.15
Cash payments for goods purchased and services		16,105,626,560.72	18,314,057,989.48
Cash payments to and on behalf of employees		2,233,780,114.35	2,012,475,117.00
Payments of various types of taxes		537,187,864.74	445,047,336.12
Other cash payments relating to operating activities		4,709,687,998.81	3,315,311,802.75
Sub-total cash outflow relating to operating activities		23,586,282,538.62	24,086,892,245.35
Net Cash Flow from (used in) operating activities	(XV)23	(4,272,224,937.46)	(1,413,264,890.20)
II. Cash flow from investing activities:			
Cash receipts from recovery of investments		8,056,617,476.41	6,714,092,487.00
Cash receipts from investment income		26,128,872,087.89	22,552,822,835.01
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		208,712,134.61	157,065,034.22
Sub-total cash flow from investing activities		34,394,201,698.91	29,423,980,356.23
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		2,068,362,500.96	1,402,024,061.77
Cash payments to acquire investments		9,039,243,805.82	11,503,398,433.04
Sub-total cash outflow relating to investing activities		11,107,606,306.78	12,905,422,494.81
Net cash flow from (used in) investing activities		23,286,595,392.13	16,518,557,861.42

Cash Flow Statement of the Company - Continued

January-December, 2014

Unit: RMB

Item	Notes	Year Ended December 31, 2014	Year Ended December 31, 2013
III. Cash flow from financing activities			
Cash receipts from borrowings		-	3,132,000.00
Other cash receipts relating to financing activities		3,204,576.65	11,155,140.69
Sub-total cash inflow from financing activities		3,204,576.65	14,287,140.69
Cash repayments of borrowings		-	6,300,000,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses		13,326,246,970.02	6,775,110,032.11
Sub-total cash outflow relating to financing activities		13,326,246,970.02	13,075,110,032.11
Net Cash flow from (used in) financing activities		(13,323,042,393.37)	(13,060,822,891.42)
IV. Effect of foreign exchange rate on cash and cash equivalents		(711,823.17)	(922,602.21)
V. Net Increase in cash and cash equivalents		5,690,616,238.13	2,043,547,477.59
Add: Opening balance of cash and cash equivalents		39,964,590,909.55	37,921,043,431.96
VI. Closing Balance of cash and cash equivalents	(XV)23	45,655,207,147.68	39,964,590,909.55

The accompanying notes form part of the financial statements.

Consolidated Statement of Changes in Shareholders' Equity

January-December, 2014

Unit: RMB

Item	Shareholders' equity attributable to shareholders of the Company							Total shareholders' equity		
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings		Sub-total	Minority interests
Balance as of January 1, 2014 (Restated)	11,025,566,629.00	37,969,525,894.74	4,422,625,915.82	94,184,174.87	16,943,432,889.44	844,919,712.17	66,456,883,324.88	137,757,238,640.92	23,974,852,470.12	161,732,091,111.04
Changes during the year	-	17,073,226.80	5,280,869,505.84	87,778,088.57	4,892,728,918.30	-	9,628,697,592.09	19,907,147,331.60	3,359,838,572.27	23,266,985,903.87
(I) Total comprehensive income	-	-	5,280,869,505.84	-	-	-	27,973,441,274.41	33,254,310,780.25	11,061,667,724.06	44,315,978,504.31
(II) Shareholders' contribution	-	3,204,576.65	-	-	-	-	-	3,204,576.65	310,273,756.54	313,478,333.19
(III) Profit distribution	-	976,695.30	-	-	4,892,728,918.30	(18,344,743,682.32)	(13,451,038,068.72)	(13,451,038,068.72)	(7,846,554,807.12)	(21,297,592,875.84)
1. Appropriation of surplus reserve	-	-	-	-	4,892,728,918.30	(4,892,728,918.30)	-	-	-	-
2. Distribution to shareholders	-	-	-	-	-	(13,230,679,954.80)	(13,230,679,954.80)	(13,230,679,954.80)	(7,592,233,233.38)	(20,822,913,188.18)
3. Others	-	976,695.30	-	-	-	(221,334,809.22)	(221,334,809.22)	(220,356,113.92)	(254,321,573.74)	(474,679,687.66)
(IV) Special reserve	-	-	-	87,778,088.57	-	-	-	87,778,088.57	(996,306.72)	86,781,781.85
1. Provision for special reserve	-	-	-	92,174,967.53	-	-	-	92,174,967.53	3,552,871.51	95,727,839.04
2. Use of special reserve	-	-	-	(4,396,888.96)	-	-	-	(4,396,888.96)	(4,549,178.23)	(8,946,077.19)
(V) Others	-	12,891,954.85	-	-	-	-	-	12,891,954.85	(164,551,794.49)	(151,659,839.64)
1. Changes due to changes in the scope of consolidation during the year	-	-	-	-	-	-	-	-	9,846,672.00	9,846,672.00
2. Changes due to changes of proportion of capital contribution to subsidiaries during the year	-	12,891,954.85	-	-	-	-	-	12,891,954.85	(174,398,466.49)	(161,506,511.64)
Balance as of December 31, 2014	11,025,566,629.00	37,986,599,121.54	9,703,495,421.66	181,962,263.44	21,836,161,307.74	844,919,712.17	76,085,680,916.97	157,664,385,972.52	27,334,691,042.39	184,999,077,014.91

Consolidated Statement of Changes in Shareholders' Equity – Continued

January-December, 2014

Unit: RMB

Item	Shareholders' equity attributable to shareholders of the Company										Minority interests	Total shareholders' equity
	Share capital	Capital reserve (Restated)	Other comprehensive income (Restated)	Special reserve	Surplus reserve (Restated)	General risk reserve (Restated)	Retained earnings	Sub-total				
Balance as of January 1, 2013	11,025,566,629.00	39,647,597,607.99	5,334,525,964.10	46,320,745.65	13,459,932,005.70	844,919,712.17	51,978,504,734.84	122,337,367,399.45	22,668,989,151.14	145,006,356,550.59		
Changes during the year	-	(1,678,071,713.25)	(911,900,048.28)	47,863,429.22	3,483,500,983.74	-	14,478,478,590.04	15,419,871,241.47	1,305,863,318.98	16,725,734,560.45		
(I) Total comprehensive income	-	-	(911,900,048.28)	-	-	-	24,803,626,272.23	23,891,726,223.95	10,702,629,908.86	34,594,356,132.81		
(II) Shareholders' contribution	-	11,155,140.69	-	-	-	-	-	11,155,140.69	583,905,624.15	595,060,764.84		
(III) Profit distribution	-	2,033,061.27	-	-	3,483,500,983.74	(10,325,147,682.19)	(6,839,613,637.18)	(6,839,613,637.18)	(5,725,736,737.44)	(12,565,350,374.62)		
1. Appropriation of surplus reserve	-	-	-	-	-	(3,483,500,983.74)	-	-	-	-		
2. Distribution to shareholders	-	-	-	-	-	(6,615,339,977.40)	(6,615,339,977.40)	(6,615,339,977.40)	(5,345,525,405.19)	(11,960,865,382.59)		
3. Others	-	2,033,061.27	-	-	-	(226,306,721.05)	(224,273,659.78)	(224,273,659.78)	(360,211,332.25)	(604,484,992.03)		
(IV) Special reserve	-	-	-	47,863,429.22	-	-	-	47,863,429.22	(1,218,613.10)	46,644,816.12		
1. Provision for special reserve	-	-	-	47,863,429.22	-	-	-	47,863,429.22	3,211,641.55	55,303,561.03		
2. Use of special reserve	-	-	-	(4,228,490.26)	-	-	-	(4,228,490.26)	(4,430,254.65)	(8,668,744.91)		
(V) Others	-	(1,691,259,915.21)	-	-	-	-	-	(1,691,259,915.21)	(4,253,716,863.49)	(5,944,976,778.70)		
1. Changes due to changes in the scope of consolidation during the year	-	-	-	-	-	-	-	-	(234,813,319.00)	(234,813,319.00)		
2. Changes due to changes of proportion of capital contribution to subsidiaries during the year	-	(1,691,259,915.21)	-	-	-	-	-	(1,691,259,915.21)	(4,018,903,544.49)	(5,710,163,459.70)		
Balance as of December 31, 2013	11,025,566,629.00	37,969,525,894.74	4,422,625,915.82	94,184,174.87	16,943,432,989.44	844,919,712.17	66,456,983,324.88	137,757,238,640.92	23,974,852,470.12	161,732,091,111.04		

The accompanying notes form part of the financial statements.

Statement of Changes in Shareholders' Equity of the Company

January-December, 2014

Unit: RMB

Item	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total shareholders' equity
Balance as of January 1, 2014 (Restated)	11,025,566,629.00	50,921,287,880.33	(240,532,279.94)	16,943,432,989.44	47,963,044,960.35	126,612,800,179.18
Changes during the year	-	3,204,576.65	3,005,648,891.47	4,892,728,918.30	6,340,235,718.40	14,241,818,104.82
(I) Total comprehensive income	-	-	3,005,648,891.47	-	24,463,644,591.50	27,469,293,482.97
(II) Shareholders' contribution	-	3,204,576.65	-	-	-	3,204,576.65
(III) Profit distribution	-	-	-	4,892,728,918.30	(18,123,408,873.10)	(13,230,679,954.80)
1. Appropriation of surplus reserve	-	-	-	4,892,728,918.30	(4,892,728,918.30)	-
2. Distribution to shareholders	-	-	-	-	(13,230,679,954.80)	(13,230,679,954.80)
Balance as of December 31, 2014	11,025,566,629.00	50,924,492,456.98	2,765,116,611.53	21,836,161,907.74	54,303,280,678.75	140,854,618,284.00



Statement of Changes in Shareholders' Equity of the Company – Continued
January-December, 2014

Unit: RMB

Item	Share capital	Capital reserve(Restated)	Other comprehensive income(Restated)	Surplus reserve	Retained earnings	Total shareholders' equity
Balance as of January 1, 2013	11,025,566,629.00	50,910,132,739.64	600,008,335.92	13,459,932,005.70	40,644,381,002.81	116,640,020,713.07
Changes during the year	-	11,155,140.69	(840,540,615.86)	3,483,500,983.74	7,318,663,957.54	9,972,779,466.11
(I) Total comprehensive income	-	-	(840,540,615.86)	-	17,417,504,918.68	16,576,964,302.82
(II) Shareholders' contribution	-	11,155,140.69	-	-	-	11,155,140.69
(III) Profit distribution	-	-	-	3,483,500,983.74	(10,098,840,961.14)	(6,615,339,977.40)
1. Appropriation of surplus reserve	-	-	-	3,483,500,983.74	(3,483,500,983.74)	-
2. Distribution to shareholders	-	-	-	-	(6,615,339,977.40)	(6,615,339,977.40)
Balance as of December 31, 2013	11,025,566,629.00	50,921,287,880.33	(240,532,279.94)	16,943,432,989.44	47,963,044,960.35	126,612,800,179.18

The accompanying notes form part of the financial statements.

GENERAL

SAIC Motor Corporation Limited (hereinafter referred to as the "Company") is a 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 on August, 1997. 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, 2011, the Company's total share capital was RMB 9,242,421,691.00, in 9,242,421,691 shares, of which SAIC held 6,742,713,768 shares, accounting for 72.95% of the total shares, Yuejin Motor Group Corporation (hereinafter referred to as "Yuejin") held 468,398,580 shares, accounting for 5.07% of the total shares, and remaining shares held by the public were 2,031,309,343 shares, accounting for 21.98% of the total shares.

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 board meeting and 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 "2011 Restructuring"). 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 2011 Restructuring with "Approval of the Nonpublic 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 2011 Restructuring 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 2011 restructuring 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 2011 Restructuring, the Company had 11,025,566,629 shares in issue, with share capital of RMB 11,025,566,629.00, of which SAIC held 8,191,449,931 shares, accounting for 74.30% of the total shares, Yuejin held 468,398,580 shares, accounting for 4.25% of the total shares, SAIC Ltd held 334,408,775 shares, accounting for 3.03% of the total shares, and other public shareholders held 2,031,309,343 shares, accounting for 18.42% of the total shares.

During the year of 2012, Yuejin had transferred 54,479,439 shares of the Company.

By December 31, 2012, the Company's total share capital was RMB 11,025,566,629.00 in 11,025,566,629 shares, of which SAIC held 8,191,449,931 shares, accounting for 74.30% of the total shares, Yuejin held 413,919,141 shares, accounting for 3.75% of the total shares, SAIC Ltd held 334,408,775 shares, accounting for 3.03% of the total shares, and other public shareholders held 2,085,788,782 shares, accounting for 18.92% of the total shares.

During the year of 2013 and 2014, the shares of the Company remain unchanged.

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 equipment, 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 equipment, industrial investment, periodical publishing, advertisements in the Company's own media, import and export business of goods and technology (Any project that requires to be approved by law can only be carried out after approved by relevant authorities).

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

Refer to Note (VIII) "interests in other entities" for details of the scope of consolidated financial statements of the year. Refer to note (VII) "Changes in the scope of consolidation" for details of changes in the scope of consolidation during the year.

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 (including new and revised accounting standards issued in 2014). 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 2014)".

SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. 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, 2014, and the consolidated and the Company's results of operations and cash flows for the year then ended.

2. 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 Company has adopted the historical cost as the principle of measurement of the financial statements. Where assets are impaired, provisions for asset impairment are made in accordance with relevant requirements.

Under the basis of historical cost, assets measured by amount of cash or cash equivalents paid for purchase or fair value of paid consideration. Liabilities measured by funds or amount of assets received by current obligation or amount of contract, or anticipated cash and cash equivalents paid for repayment of liabilities in daily routines

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction

between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Fair value for measurement and disclosure purposes in the financial statements is determined on such a basis.

Fair value measurements are categorized into 3 levels based on the degree to which the inputs to the fair value measurements are observable and the significances of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. Accounting period

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

4. Operating cycle

Operating cycle is the period from purchasing assets for processing to realizing cash and cash equivalents. The operating cycle of the Group is usually about 12 month.

5. 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.

6. Business combination and preparation of consolidated financial statements

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

6.1 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.

6.2 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. 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 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.

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.

6.3 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 over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns. If changes of related facts and situations lead to changes of related elements of control, the Group will undertake reassessment.

The combination of subsidiaries begins with controlling the subsidiary by the Group, and ends with the Group's losing control of the subsidiary.

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.

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 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 owners' 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 receipts 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.

For the stepwise acquisition of equity interest till acquiring control after a few transactions and leading to business combination not under common control, this should be dealt with for whether this belongs to 'package deal': if it belongs to 'package deal', transactions will be dealt as transaction to acquire control. If it does not belong to 'package deal', transactions to acquire control on acquisition date will be under accounting treatment, the fair value of acquirees' shares held before acquisition date will be revalued, and the difference between fair value and book value will be recognized in profit or loss of current period; if acquirees' shares held before acquisition date involve in changes of other comprehensive income and other equity of owners under equity method, this will be transferred to income of acquisition date.

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 (i) the aggregate of the consideration received on disposal and the fair value of any retained interest and (ii) 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, and goodwill is offset at the same time. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

When the Group loses control of a subsidiary in two or more arrangements (transactions), terms and conditions of the arrangements (transactions) and their economic effects are considered. One or more of the following indicate that the Group shall account for the multiple arrangements as a single transaction: (i) they are entered into at the same time or in contemplation of each other; (ii) they form a single transaction designed to achieve an overall commercial effect; (iii) the occurrence of one arrangement is dependent on the occurrence of at least one other arrangement; (iv) one arrangement considered on its own is not economically justified, but it is economically justified when considered together with other arrangements. If the transactions of disposal of equity interest of a subsidiary are assessed as a single transaction, these



transactions are accounted for as one transaction of disposal of a subsidiary. Before losing control, the difference of consideration received on disposal and the share of net assets of the subsidiary continuously calculated from acquisition date is recognized as other comprehensive income. When losing control, the cumulated other comprehensive income is transferred to profit or loss of the period of losing control. If the transactions of disposal of equity investment of a subsidiary are not assessed as a single transaction, these transactions are accounted for as unrelated transactions.

7. Classification of joint arrangement and accounting treatment of joint operation

Joint arrangement is classified into joint operation and joint venture, depending on the rights and obligations of the parties to the arrangement, which is assessed by considering the structure and the legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

The Group accounts for investments in joint ventures using equity method. Refer to Note (III) 14.3.2 "Long-term equity investment accounted for using the equity method" for details.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognizes in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting standards applicable to the particular assets, liabilities, revenues and expenses.

8. 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.

9. Translation of transactions and financial statement denominated in foreign currencies

9.1 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 (i) 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, (ii) exchange differences related to hedging instruments for the purpose of hedging against foreign currency risks are accounted for using hedge accounting, (iii) 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.

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 other comprehensive income, 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.

9.2 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 other comprehensive income 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.

When the Group decreases equity interest in a foreign operation without losing control by partial disposal or other means, 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.



10. 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.

10.1 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.

10.2 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.

10.2.1 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: (i) It has been acquired principally for the purpose of selling in the near term, or (ii) 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 (iii) 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: (i) 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 (ii) 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; (iii) The hybrid financial instrument combines financial asset with embedded derivatives.

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.

10.2.2 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.

10.2.3. 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.

10.2.4. 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, 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.

10.3 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 recognize 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

A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is objective evidence of impairment. At each balance sheet date, the Group assesses available-for-sale equity instruments on an item-by-item basis. Impairment is indicated when the fair value of an equity instrument is lower than its initial investment cost over 50% (including 50%) or the fair value has been lower than its initial investment cost for over 12 months (including 12 months).

When an available-for-sale financial asset is impaired, the cumulative loss arising from decline in fair value previously recognized directly in other comprehensive income is reclassified from other comprehensive income 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.

10.4 Transfer and derecognition of financial assets

Transfer of the Group's financial assets, includes following two situations:

(1) The contractual right of receiving cash flow of financial assets has been transferred,

(2) Although the financial assets have been transferred, the Group retains the contractual right of receiving cash flow of financial assets and undertakes obligation of paying received cash flow to final recipient,

• When receiving cash flow from financial assets, the obligation of paying to final recipients should be undertaken. The Group incurs short-term advance payment, and has the right of recovering all advances and receiving interests calculated by bank loan interest, meeting the criteria;

• According to agreement of contract, the financial assets cannot be sold or taken as collateral, but they can be the guarantee of paying cash flow to final recipients;

• Obligation of paying received cash flow to final recipients. The Group has no right of using cash flow to reinvest, except that the Group uses cash and cash equivalents to invest during interval of two payments. The Group reinvests according to contract agreement, and the investment income should be paid to final recipients according to contract agreement.

A financial asset of a part of a financial asset will be derecognized if one of the following conditions is satisfied:

(1) Contractual right of receiving cash flow from the financial asset terminates;

(2) The financial asset has been transferred, and meets one of the following conditions:

• The Group has transferred almost all risks and reward of the financial asset;

• The Group has not retained or transferred ownership of the financial asset, and not keeps control on the financial asset.

If the financial asset has been transferred and the risks and reward of its ownership has not been retained, and the control of the financial asset has not been transferred, the Group will recognize related financial asset according to the extent of the Group's continuing involvement in the transferred asset.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (i) the carrying amount of the financial asset transferred, and (ii) 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.

10.5 Assets securitization

As a part of operating activities, the Group has securitized certain credit assets. The Group normally transfers such



assets to structured entities, which issues securities to investors. The conditions of derecognition of financial assets are set out in Note (III) 10.4. When applying the conditions of derecognition of financial assets, the Group considers the degree to which the risks and rewards of the assets are transferred to structured entities and the degree to which the Group an exercise control over the structured entities. For credit assets securitization not meeting derecognition conditions, relevant financial assets are derecognized, fund raised from third party will be treated as financing.

10.6 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 the economic nature not its legal form.

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

10.6.1 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; or (3) The hybrid financial instrument with related embedded derivatives which meets the requirements.

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.

10.6.2 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. Except for financial guarantee contracts, financial liabilities and guarantees of loans 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.

10.6.3. 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".

10.7 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.

10.8 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.

10.8.1 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.



10.9 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.

10.10 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. Equity instruments issued (including refinanced), repurchased, sold and written off by the Group are recognized as changes of equity. Change of fair value of equity instruments is not recognized by the Group. Transaction costs related to equity transaction are deducted from equity. The Group recognizes the distribution to holders of the equity instruments as distribution of profits, and dividends paid do not affect total amount of shareholders equity.

11. Receivables

11.1 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 RMB100 million or other receivable that exceeds RMB50 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.

11.2 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.

11.3 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

12. Inventories

12.1 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.

12.2 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.

12.3 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.

12.4 Inventory count system

The perpetual inventory system is maintained for stock system.

12.5 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.

13. Assets classified as held for sale

When a component or non-current assets (except deferred tax assets) of the Group meets all the following conditions, the Group classifies such assets as held for sale: the component or non-current assets are available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets; the Group has decided to dispose the component or non-current assets; the Group has signed an irrevocable transfer agreement with the transferee; the transfer is to be completed within one year.

Non-current assets held for sale are not accounted for using equity method, not depreciated or amortized, and are measured at the lower of carrying amount and fair value less costs to disposal.



14. Long-term equity investments

14.1. Determination of control, joint control and significant influence

Control is achieved when the investor has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and the ability to use its power to affect its returns. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require 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 assessing whether the investor can has control or significant influence over the investee, potential voting rights (e.g. exercisable convertible bonds and warrants) held by the investor and other parties.

14.2 Determination of initial investment cost

For a long-term equity investment acquired through business combination involving enterprises under common control, shares of book value of owners' equity of combined party in financial statements of ultimate controlling party are recognized as initial investment cost of long-term equity investment at combination date. The difference between initial investment cost of long-term equity investment and cash paid, non-cash assets transferred and book value of liabilities assumed, is adjusted in capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings. If the consideration of the combination is satisfied by the issue of equity securities, the initial investment cost of the long-term equity investment is the share of book value of owners' equity of the acquired entity in the ultimate controlling party' s consolidated financial statements at the date of combination. The aggregate face value of the shares issued is accounted for as share capital. The difference between the initial investment cost and the aggregate face value of the shares issued is adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings. Where equity interests in an acquiree are acquired in stages through multiple transactions ultimately constituting a business combination involving entities under common control, the acquirer shall determine if these transactions are considered to be "a bundled transaction". If yes, these transactions are accounted for as a single transaction where control is obtained. If no, the initial investment cost of the long-term equity investment is the share of book value of owners' equity of the acquired entity in the ultimate controlling party' s consolidated financial statements at the date of combination. The difference between the initial investment cost and the sum of carrying amount of equity investments previously held in the acquiree and the new investment cost is adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings. Other comprehensive income recognized for the previously held equity investments by accounting treatment of equity method or available-for-sale financial assets is not subject to accounting treatment temporarily.

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. Where equity interests in an acquiree are acquired in stages through multiple transactions ultimately constituting a business combination not involving entities under common control, the acquirer shall determine if these transactions are considered to be "a bundled transaction". If yes, these transactions are accounted for as a single transaction where control is obtained. If no, the sum of carrying amount of equity investments previously held in the acquiree and the new investment cost is deemed as the initial investment cost of long-term equity investments that was changed to be accounted for using cost method. If the equity previously held was accounted for using the equity method, the corresponding other comprehensive income is not subject to accounting treatment temporarily. If the equity investment previously held was classified as available-for-sale financial assets, the difference between the fair value and carrying amount, together with the accumulated fair value previously included in other comprehensive income are transferred to profit or loss for the period.

The expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services and other associated administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

Long-term equity investment acquired otherwise than through a business combination is initially measured at its cost. When

the entity is able to exercise significant influence or joint control (but not control) over an investee due to additional investment, the cost of long-term equity investments is the sum of the fair value of previously-held equity investments determined in accordance with Accounting Standard for Business Enterprises No.22 – Financial Instruments; Recognition and Measurement (CAS 22) and the additional investment cost.

14.3 Subsequent measurement and recognition of profit or loss

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

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. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Investment income is recognized in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

14.3.2. 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.



14.4. 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. For a long-term equity investment accounted for using the cost method, if it is still accounted for cost method after disposal, other comprehensive income recognized before controlling the investee according to equity method or recognition and measurement of financial instruments, account for them on the basis of related assets and liabilities, and recognized in profit or loss for proportion; change of owners' equity except for net profit or loss, other comprehensive income and profit distribution is recognized in profit or loss of current period.

The Group loses control on investee due to disposal of part of shares, during preparing separate financial statement, remaining shares after disposal can make joint control or significant influence on investee, are accounted under equity method, and adjust them as they are accounted under equity method from acquisition date; if remaining shares after disposal cannot make joint control or significant influence on investee, they are accounted according to recognition and measurement of financial instrument, and the difference between fair value on date of losing control and book value is recognized in profit or loss of current period. Before the Group controls the investee, other comprehensive income recognized due to equity method or recognition and measurement of financial instruments, account for them on the basis of related assets and liabilities, and recognized in profit or loss for proportion; change of owners' equity except for net profit or loss, other comprehensive income and profit distribution is recognized in profit or loss of current period. Remaining shares after disposal are accounted under equity method, other comprehensive income and other owners' equity are carried forward as proportion; remaining shares after disposal are accounted due to recognition and measurement of financial instruments other comprehensive income and other owners' equity are all carried forward.

For the Group loses joint control or significant influence on investee after part disposal of shares, remaining shares after disposal are accounted according to recognition and measurement of financial instruments, the difference between fair value at the date of losing joint control or significant influence and book value is recognized in profit or loss of current period. Other comprehensive income recognized under equity method, is accounted on the basis of related assets or liabilities when stop using equity method, change of owners' equity except for net profit or loss, other comprehensive income and profit distribution is recognized in profit or loss of current period

The Group loses control on subsidiaries through step by step transactions of disposal, if transactions are package deal, all transactions are seemed as one transaction of disposal investment on subsidiaries, difference between amount of disposal and book value of long-term equity investment, is recognized as other comprehensive income, and recognized in profit or loss when losing control.

15. 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.

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.

16. Fixed assets

16.1 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.

16.2 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 method	Depreciation period (years)	Residual value rate (%)	Annual depreciation rate (%)
Buildings	Straight-line depreciation	8 – 50	0 – 10	1.8 – 12.5
Machinery and equipment	Straight-line depreciation	5 – 35	0 – 10	2.57 – 20
Electronic equipment, appliance and furniture	Straight-line depreciation	2 – 20	0 – 10	4.5 – 50
Transportation vehicles	Straight-line depreciation	3 – 12	0 – 10	7.5 – 33.33
Molds	Straight-line depreciation or units of production method	Not applicable	0 – 5	Not applicable

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.

16.3 Identification, valuation and depreciation method for fixed assets under finance lease

At the beginning of lease term, the lower between fair value of lease assets at the beginning of lease term and present value of the least payment is recognized as book value of lease assets, and recognize least payment as book value of long-term payables, and the difference is unrecognized financial charge. In addition, in the process of lease negotiating and signing lease contract, initial direct expense attributable to lease item is recognized in value of assets.

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.

16.4 Other explanations

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.

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.

17. 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.

18. 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.

19. Intangible assets

19.1 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.

Category	Amortization method	Useful life (year)
Land use right	Straight-line method	40 – 50
Non-patent	Straight-line method	3 – 10
Royalty	Straight-line method	10 – 20
Software license	Straight-line method	5 – 10
Patent	Straight-line method	3 – 10
Trademark	Straight-line method	10

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.

19.2 Internal 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.

20. Provision for impairment losses of intangible assets

The Group assesses at each balance sheet date whether there is any indication that long-term equity investment, investment property, fixed assets and construction in progress and 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. 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.

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. Recoverable amount is the higher of net value of fair value of assets or assets group less disposal expenses and present value of anticipated future cash flow.

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.

Goodwill is undertaken impairment test at balance sheet date. When goodwill is undertaken impairment test, it is combined with related asset group or asset group portfolio. From the acquisition date, the book value of goodwill is divided into asset group or



asset portfolio benefited from synergy effect of the Company, if the recoverable amount of asset group or asset portfolio including divided goodwill is less than its book value, corresponding impairment loss is recognized. Firstly, amount of impairment loss should offset the book value of goodwill of asset group or asset portfolio, and offset book value of other assets according to proportion of other assets in asset group or asset portfolio.

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

21. 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.

22. Employee benefits

22.1 Accounting treatment of short-term benefits

Actually occurred short-term employee benefits are recognized as liabilities, with a corresponding charge to the profit or loss for the period or in the costs of relevant assets in the accounting period in which employees provide services to the Group. Staff welfare expenses incurred by the Group are recognized in profit or loss for the period or the costs of relevant assets based on the actually occurred amounts when it actually occurred. Non-monetary staff welfare expenses are measured at fair value.

Payment made by the Group of social security contributions for employees such as premiums or contributions on medical insurance, work injury insurance and maternity insurance, etc. and payments of housing funds, as well as trade union fund and employee education fund provided in accordance with relevant requirements, are calculated according to prescribed bases and percentages in determining the amount of employee benefits and recognized as relevant liabilities, with a corresponding charge to the profit or loss for the period or the costs of relevant assets in the accounting period in which employees provide services.

22.2 Accounting treatment of post-employment benefits

Post-employment benefits are classified into defined contribution plans and defined benefit plans.

During the accounting period of rendering service to employees of the Group, amount which should be paid according to defined contribution plans is recognized as liabilities, and recognized in profit or loss or related costs of assets.

For defined benefit plans, the Group calculates defined benefit plan obligations using projected unit credit method and the service cost resulting from employee service in the current period is recorded in profit or loss or the cost of related assets. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income (including interest income of planned assets, interest expenses of defined benefit plan liabilities and effect of asset ceiling);
- Remeasurement of net liabilities or net assets of defined benefit plans.

Service costs and net interest of net liabilities and net assets of defined benefit plans are recognized in profit or loss of current period or costs of related assets. Remeasurements of the net defined benefit liability (asset) (including actuarial gains and losses, the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset), and any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)) are recognized in other comprehensive income.

Deficit or surplus from present value of obligation of defined benefit plans less fair value of planned asset of defined benefit plans are recognized as net liabilities or net assets of a defined benefit plan. When the defined benefit plan has a surplus, the defined benefit asset is measured at the lower of the surplus in the defined benefit plan and asset ceiling.

22.3 Accounting treatment of termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

The Group provides early retirement benefits to employees who accept arrangement of early retirement. Early retirement is that the Group pays salaries and social insurance to employees whose age is below the statutory retirement age, and they quit their jobs voluntarily approved by management of the Group. The Group pays early retirement benefits to early retirement employees from the date of early retirement arrangement to statutory retirement age of employees. The Group accounts for early retirement benefits using the same accounting policy for termination benefits. When recognition criteria for termination benefits are met, the Group recognizes the salaries and social insurance of early retirement employees for the period from the date termination of service to the date of statutory retirement as liabilities, and recognizes the cost in profit or loss of current period. The difference arising from actuarial gains and losses and adjustment of benefit standards is recognized in profit or loss of current period when it incurs.

22.4 Accounting treatment of other long-term employee benefit

For other long-term employee benefits, where the definition of defined contribution plans is met, it is accounted for according to related requirements of defined contribution plans. Otherwise, net liabilities or net assets of such other long-term employee benefit are recognized and measured according to related requirements of defined benefit plans. At balance sheet date, cost of employee benefit generated from other long-term employee benefit comprises service cost, net interest of net liabilities or net assets of other long-term employee benefit and changes arising from remeasurement of net liabilities or net assets. Net value of these items is recognized in profit or loss or cost of related assets.

23. 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.

24. Revenue

24.1 Revenue from sale of goods

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



24.2 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.

25. Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. Government grants are classified into government grants related to assets and government grants related to income according to the subjects required by the Government documents.

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.

25.1 Identification and accounting treatment of government grants related to assets

The Group's government grants include land eviction grant, subsidy for fixed assets purchase and technical transformation, because the grants are the government grants received by the Group to purchase or construct long-term assets, these grants are accounted for as government grants related to assets.

The government grants related to assets are recognized as deferred income, and recognized in profit or loss in using the straight-line method over the useful life of the relevant assets.

25.2 Identification and accounting treatment of government grants related to income

The Group's government grants mainly include allowance for project development and fiscal subsidies, which are the government grants other than government grants related to assets. These government grants are accounted for as government grants related to income.

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.

26. Deferred tax assets/ deferred tax liabilities

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

26.1 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.

26.2 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.

27. 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.

27.1 Accounting treatment of operating lease

27.1.1 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.

27.1.2 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.

27.2 Accounting treatment of finance lease

27.2.1 The Group as lessee under finance leases

Recognition and measurement of finance leased assets are set out in notes (III) 16.3.

Unrecognized finance charge is recognized as current finance charge by effective interest method during the lease term. Contingent rental is recognized in profit or loss when incurred. Minimum lease payment net of unrecognized finance charge is presented as long-term liabilities and long-term liabilities due in one year.

27.2.2 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.

28. Other important accounting policies and accounting estimates

28.1 Transfer of assets under repurchase agreement

28.1.1 Financial assets purchased under resale agreements

According to agreement, financial assets to be sold on certain future date are not recognized in balance sheet. Cost paid to purchase such assets, is presented in balance sheet as financial assets purchased under resale agreements. The difference between price to purchase and price to sell is calculated by effective interest method, recognized in interest income.

28.1.2 Financial assets sold under repurchase agreements

According to agreement, financial assets to be purchased on future certain date are not recognized in balance sheet. Cash received from sale of such assets, is presented in balance sheet as financial assets sold under repurchase agreements. The difference between price to purchase and price to sell is calculated by effective interest method, recognized in interest expense.

28.2 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.

28.3 Safe production fund

Safe production fund accrued according to relevant regulations is recognized in the cost of relevant products or profit or loss for the current period and is recorded as special reserve. Accounting treatments for the use safe production fund are distinguished whether fixed assets are formed, for those in the nature of expenses are directly charged against special reserve, for those which form part of fixed assets, the accumulated cost is recognized in fixed assets when it is ready for intended use, meanwhile special reserve is reversed at the same amount and depreciation is recognized at the same amount.



29. Changes in significant accounting policies and accounting estimates

From July 1, 2014, the Group has applied new standards of Accounting Standard for Business Enterprises No.39 – Fair Value Measurement (CAS 39), Accounting Standard for Business Enterprises No.40 – Joint Arrangements (CAS 40), Accounting Standard for Business Enterprises No.41 – Disclosure of Interests in Other Entities (CAS 41) and amendments to Accounting Standard for Business Enterprises No.2 – Long-term Equity Investments (CAS 2), Accounting Standard for Business Enterprises No.9 – Employee Benefits (CAS 9), Accounting Standard for Business Enterprises No. 30 – Presentation of Financial Statements (CAS 30) and Accounting Standard for Business Enterprises No.33 – Consolidated Financial Statements (CAS 33) issued by the Ministry of Finance in 2014. Meanwhile, the Group has applied Accounting Standard for Business Enterprises No.37 – Presentation of Financial Instruments (CAS 37) revised by the Ministry of Finance in 2014 annual financial statements.

These changes of accounting policies have been approved by the 4th session of the board of the Company on the 17th board meeting on October 31, 2014.

Long-term equity investment

Before the implementation of Accounting Standard for Business Enterprises No.2 – Long-term Equity Investments (Revised), the equity investments that the Group had no control, joint control or significant influence over the investee and were not quoted in an active market, also whose fair value could not be reliably measured were accounted for as long-term equity investments using cost method.

After the implementation of Accounting Standard for Business Enterprises No.2 – Long-term Equity Investments (Revised), the equity investments that the Group have no control, joint control or significant influence over the investee and are not quoted in an active market, also whose fair value cannot be reliably measured are accounted for as available-for-sale financial assets. The above changes in accounting policy have been applied retrospectively. Refer to the table below for the impact of such changes in accounting policy.

Employee benefits

Definition and classification of short-term employee benefits, compensated absences, accumulated compensated absences, profit sharing plan, post-employment benefits, termination welfare and other long-term employee benefits are added in Accounting Standard for Business Enterprises No.9 – Employee Benefits (Revised). The revised accounting standard clarifies the accounting treatments of defined contribution plans and defined benefit plans for post-employment benefits. Defined benefit costs are categorized as (1) service cost, (2) net interest expense or income of net liabilities or assets of defined benefit plans and (3) remeasurement. (1) and (2) are recorded in profit or loss unless other accounting standards require or permit it to be included in cost of assets, and (3) is recognized in other comprehensive income that will not be reclassified subsequently to profit or loss. The revised accounting standard also requires to disclose the characteristics of the defined benefit plans and risks associated with them, the amounts in the financial statements arising from the defined benefit plans, how the defined benefit plans may affect the amount, timing and uncertainty of the entity's future cash flows, significant actuarial assumptions and sensitivity analysis. The Group has made the accounting treatments and disclosures according to the revised accounting standard.

Joint arrangements

Under Accounting Standard for Business Enterprises No.40 – Joint Arrangements, there are two types of joint arrangements – joint operations and joint ventures. The type of joint arrangements is determined based on the rights and obligations of joint operator to the joint arrangements by considering the factors, such as the structure, the legal form of the arrangements, and the

contractual terms, etc. A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement. [Management of the Group believes that the adoption of CAS 40 has no material impact on the Group's financial statements.]

Consolidated financial statements

Accounting Standard for Business Enterprises No.33 – Consolidated Financial Statements (Revised) revised the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. It also clarifies the accounting treatments for certain special transactions. Management of the Group believes that the adoption of CAS 40 has no material impact on the Group's financial statements.

Presentation of financial instruments

Accounting Standard for Business Enterprises No.37 – Presentation of Financial Instruments (Revised) added the requirements regarding offsetting and disclosures, the disclosure requirements on the transfer of financial assets, and revised disclosure requirements on the maturity analysis for financial assets and financial liabilities. The financial statements have been prepared in accordance with CAS 37, and the disclosure in the notes to the comparative financial statements had been adjusted accordingly.

Presentation of financial statements

According to Accounting Standard for Business Enterprises No. 30 – Presentation of Financial Statements (Revised), other comprehensive income is classified into two categories: (1) items that will not be reclassified subsequently to profit or loss; (2) items that may be reclassified subsequently to profit or loss when specific conditions are met. CAS 30 also sets out the presentation requirements for other items (e.g. those held for sale). The financial statements have been prepared in accordance with CAS 30, and the presentation of comparative financial statements has been adjusted accordingly.

Fair value measurement

Accounting Standard for Business Enterprises No.39 – Fair Value Measurement prescribes the measurements of fair value and disclosures about fair value measurements. The adoption of CAS 39 has no material impact on the measurement of financial statement items, but results in more extensive disclosures about fair value in the notes to the financial statements. Required disclosures have been made in the financial statements in accordance with CAS 39.

Disclosure of interest in other entities

Accounting Standard for Business Enterprises No. 41 – Disclosure of Interests in Other Entities applies to the disclosure of an entity's interest in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The adoption of CAS 41 results in more extensive disclosure in the notes to the Group's financial statements. Required disclosures have been made in the financial statements in accordance with CAS 41, and the notes to the comparative financial statements had been adjusted accordingly.

The impact of the above changes in accounting policies on the consolidated balance sheet as at December 31, 2013 and January 1, 2013 is presented as follows:



Unit: RMB

Item	December 31, 2013					
	Reported	Long-term equity investments	Employee benefits	Consolidated financial statements	Presentation of financial statements	Restated
Available-for-sale financial assets	14,068,415,778.01	139,489,329.40	-	-	-	14,207,905,107.41
Long-term equity investments	56,543,030,177.61	(139,489,329.40)	-	-	-	56,403,540,848.21
Assets classified as held for sale	-	-	-	-	670,400,392.60	670,400,392.60
Other current assets	14,751,282,638.94	-	-	-	(670,400,392.60)	14,080,882,246.34
Non-current liabilities due within one year	5,978,410,643.79	-	-	-	(9,819,612.25)	5,968,591,031.54
Other current liabilities	1,574,677,902.47	-	-	-	(1,465,200,296.94)	109,477,605.53
Long-term employee benefits payable	-	-	6,154,535,396.77	-	-	6,154,535,396.77
Other non-current liabilities	10,956,572,526.85	-	(6,154,535,396.77)	-	(4,761,444,288.78)	40,592,841.30
Deferred income	-	-	-	-	6,236,464,197.97	6,236,464,197.97
Capital reserve	42,348,637,643.17	-	-	-	(4,379,111,748.43)	37,969,525,894.74
Other comprehensive income	-	-	-	-	4,422,625,915.82	4,422,625,915.82
Translation reserve	43,514,167.39	-	-	-	(43,514,167.39)	-
Surplus reserve	17,788,352,701.61	-	-	(844,919,712.17)	-	16,943,432,989.44
General risk reserve	-	-	-	844,919,712.17	-	844,919,712.17

Unit: RMB

Item	January 1, 2013					
	Reported	Long-term equity investments	Employee benefits	Consolidated financial statements	Presentation of financial statements	Restated
Available-for-sale financial assets	20,907,581,748.67	143,339,329.38	-	-	-	21,050,921,078.05
Long-term equity investments	45,483,194,021.66	(143,339,329.38)	-	-	-	45,339,854,692.28
Assets classified as held for sale	12,142,257,516.08	-	-	-	(9,474,483.88)	12,132,783,032.20
Other current assets	496,949,396.85	-	-	-	(391,455,151.24)	105,494,245.61
Non-current liabilities due within one year	-	-	6,121,188,099.58	-	-	6,121,188,099.58
Other current liabilities	7,355,363,450.76	-	(6,121,188,099.58)	-	(1,157,971,681.96)	76,203,669.22
Deferred income	-	-	-	-	1,558,901,317.08	1,558,901,317.08
Capital reserve	44,866,152,104.51	-	-	-	(5,218,554,496.52)	39,647,597,607.99
Other comprehensive income	-	-	-	-	5,334,525,964.10	5,334,525,964.10
Translation reserve	115,971,467.58	-	-	-	(115,971,467.58)	-
Surplus reserve	14,304,851,717.87	-	-	(844,919,712.17)	-	13,459,932,005.70
General risk reserve	-	-	-	844,919,712.17	-	844,919,712.17

Note: Changes of accounting policies above have no significant impact on net profit and comprehensive income of 2013



30. 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 III, 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 inherent 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:

Bad debt provision for receivables

The Group recognizes bad debt provision for receivables based on the assessment of the collectability of receivables. When there are indications that the collectability of receivables is in doubt, the Group recognizes bad debt provision. The management needs to make assumptions and judgement according to history of the collection, aging and financial condition of debtors when estimating bad debt provision, so the estimate of bad debt provision has uncertainty. If actual bad debt or re-estimate result is different from the current estimate, the difference will affect the book value of receivables during the period of changing estimate.

Provision for decline in value of inventory

The Group recognizes provision for decline in value of inventories based on estimate of the net realizable value of inventories. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion, the estimated costs necessary to make the sale and related taxes. When there is any indication that net realizable value of inventory is lower than its cost, provision for decline in value of inventories is recognized. The determination of net realizable value involves judgment and estimate. If there is difference between re-estimate result and current estimate, the difference will affect book value of inventories during the period of changing estimate.

Impairment of non-current assets

The Group assesses at balance sheet date whether there is any indication that the non-current assets excluding financial assets may be impaired. If there is any indication that the book value of such non-current assets is not recoverable, the Group makes impairment assessment. Provision for impairment of an asset or an asset group is calculated by the lower of book value and recoverable amount. Recoverable amount of an asset or an asset group is determined by the higher of fair value less cost of disposal and the present value of the future cash flows of an asset or an asset group. When estimating present value of the future cash flows, the management needs to estimate the future cash flow and determine appropriate discount rate. When calculating fair value less cost of disposal, the fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. If re-estimated recoverable amount is lower than current estimate, the difference will affect book value of asset during the period of changing.

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.

Capitalization of development expenditure

Development expenditures which meet the criteria set out in Note (III) 19.2 are capitalized, otherwise such expenditures are expensed. Judgment and estimation are required when determining whether development expenditures are capitalized or expensed.

Estimate of warranty

Warranty is estimated for expenditures and claims related to products sold. The Group estimates and makes corresponding provision for warranty based on contract terms and history experience. Provision for warranty involves judgment and estimate. If there is difference between re-estimate result and current estimate, the difference will affect book value of provisions during the period of changing.

Recognition of deferred tax assets

As of end of the year and beginning of the year, the Group recognized deferred tax assets amounting to RMB 13,757,825,810.37 and RMB 11,692,712,759.09, respectively. Realization 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 is lower than the estimation to allow the benefit of the deferred tax asset to be realized, the carrying amount of the deferred tax asset is reversed and recognized in the profit or loss. In addition, as stated in Note (VI) 24, at the beginning and the end of the year, it was uncertain whether the Group could obtain sufficient taxable profits in the future, certain deductible losses and deductible temporary differences were not recognized as deferred tax assets.

Actuarial valuation of defined benefit plans obligation

The Group provides benefits to retired employees, employees in position and early-retired employees and this supplementary retirement benefits, which are defined benefit plans. The Group engaged professional institution to conduct actuarial valuation for liabilities and expenses of defined benefit plans.

The amount of the supplementary retirement benefit expenses and liabilities are calculated by assumptions. The Group determined discount rate on the basis of government bonds rate, death rate on the basis of "China Life Insurance Mortality Table (2000-2003) - Pension" and benefit increase rate on basis of price index. If there is difference between reassessment of related assumptions and current assessment, the difference will change liabilities of defined benefit plans and other comprehensive income.

TAXES

Major categories of taxes and tax rates of the Group:

Category of tax	Basis of tax computation	Tax rate
Value-Added Tax ("VAT")	Sales of good and rendering of services	6%, 11%, 13%, 17%(Note 1)
Consumption tax	Sales of automobiles by vehicle manufacturer	1% – 25%
Business tax	Taxable revenue	3%, 5% – 20%
Enterprise income tax	Taxable income	Note 2

Note1: According to "Provisional Regulations of the People's Republic of China on VAT" approved by the 34th executive meetings of the State Council on November 5, 2008, sales of goods, provision of processing, repairs and replacement services, and import of goods in the territory of the People's Republic of China are subject to VAT at 17% or 13%.

According to "Business Tax to VAT Transformation Pilot Program" (Cai Shui No.[2011]110) and "Notice on the Pilot Program of Business Tax to VAT Transformation in Transportation Industry and Certain Modern Service Industries in Shanghai" (Cai Shui No.[2011]111), which were jointly released by the Ministry of Finance and State Taxation Administration on November 26, 2011. The pilot program of VAT is effective from January 1, 2012 and was firstly launched in Shanghai for transportation industry and certain modern service. The nationwide pilot program will be launched for selected industries when circumstance allows.

On July 31, 2012, the Ministry of Finance and State administration of Tax jointly issued "Notice on the Pilot Program of Business Tax to VAT Transformation in Transportation Industry and Certain Modern Service Industries in 8 Provinces and Cities of China including Beijing" (Cai Shui No.[2012] 71). The Notice expanded the pilot program for transportation industry and certain modern service industries from Shanghai to 8 provinces (municipalities). The pilot program was launched in from September 1, 2012, in Jiangsu Province and Anhui Province from October 1, 2012, in Fujian Province and Guangdong Province from November 1, 2012 and in Tianjin Province, Zhejiang Province and Hubei Province from December 1, 2012.

According to "Notice on the Pilot Program of Business Tax to VAT Transformation in Transportation Industry and Certain Modern Service Industries in China " (Cai Shui No.[2013] 37), the pilot program for transportation industry and certain modern service industries is launched in China from August 1, 2013.

According to "Notice on Covering Railway Transportation and Postal Industries under the VAT Reform" (Cai Shui No. [2013] 106), the pilot gram for railway transportation and postal industries is launched from January 1, 2014.

During the pilot period, applicable tax rate for tangible properties leasing service is 17%, applicable tax rate for transportation industry and postal industry is 11%, applicable tax rate of other modern service industry (except tangible properties leasing service) is 6%.

Note 2: Enterprise income tax (hereinafter referred to as "EIT") 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 was recognized as a High-Technology Enterprise which was qualified to get the state's special support. From 2008 to 2010, applicable income tax rate for the Company was 15%. The qualification of High-Technology Enterprise is subject to review every 3 years and reassessment every 6 years. In 2011, the

Company passed the review for High-Technology Enterprise and the qualification is renewed for another 3 years. In September 2014, the Company passed the reassessment of High-Technology Enterprise and the qualification is effective for 3 years. The applicable income tax rate for the Company is 15% for the current year.

(2) SGMW is located in Liuzhou, Guangxi, which is covered in grand western development area. On August 20, 2014, "Catalogue of Encouraged Industries in the Western Region (Order of The Ministry of Commerce No.22) has included vehicle manufacturing and special vehicle manufacturing in the catalogue of encouraged industries of Guangxi. According to "Circular on the Issues Concerning Related Tax Policies for the In-depth Implementation of the West Development Strategy " (Cai Shui[2011] No. 58), SGMW's headquarter in Liuzhou Guangxi and Chongqing Branch are subject to the EIT rate of 15%.

(3) According to the New EIT Law and other relevant regulations, SAIC Transmission and Shanghai Diesel were recognized as High-Technology Enterprises which was qualified to get the state's special support in 2008. 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 obtained the certificates with effective period of three years. In 2014, these companies passed the reassessment of High-Technology Enterprise and the qualification is effective for 3 years. Therefore, these companies are subject to the EIT rate of 15% for the current year.

(4) Huizhong was recognized as High-Technology Enterprises which was qualified to get the state's special support in 2009, and was entitled for enjoying EIT rate of 15% from 2009 to 2011. In 2012, Huizhong passed the review for High-Technology Enterprise and obtained the certificates of which effective period is three years. Therefore, Huizhong is subject to the EIT of 15% for the current year.

(5) According to the New EIT Law, SAIC-Volkswagen Sales Co., Ltd., SAIC General Motors Sales Co., Ltd., SAIC Finance Co., Ltd. ("SFC"), HUAYU Automotive Systems Co., Ltd. ("HASCO"), SAIC Motor Commercial Vehicle Co., Ltd., Anji Automotive Logistics Co., Ltd., Shanghai Automotive Industry Sales Co., Ltd. and Shanghai Automobile Import & Export Co., Ltd. are subject to the EIT rate of 25%.

(6) Income tax rates of the foreign subsidiary for the current year follow tax law in their respective tax jurisdictions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

Unit: RMB

Item	December 31, 2014	December 31, 2013
Cash:		
RMB	4,839,768.13	5,935,875.23
Others	733,439.08	785,226.99
Bank balances:		
RMB	70,965,854,712.93	70,386,184,941.78
USD	2,048,481,018.96	4,795,770,211.48
GBP	73,977,045.34	50,107,848.39
EUR	151,980,192.73	127,526,897.86
JPY	39,010,698.43	41,714,817.24
HKD	132,472,096.47	31,385,436.91
Others	221,498,911.74	392,850,609.86
Other currencies:		
RMB	14,309,512,521.16	13,258,336,450.77
USD	263,729.02	7,041,187.87
Total	87,948,624,133.99	89,097,639,504.38
Including: Cash and Bank Balances in Foreign Territory	1,790,168,770.39	4,317,484,687.23

Details for restricted bank balances are as follows:

Unit: RMB

Item	December 31, 2014	December 31, 2013
Bank balances:		
–Pledged for bank acceptances	1,790,886,851.04	1,656,854,568.78
–Pledged for letters of credit, etc.	70,088,857.39	57,499,252.81
–Pledged for loans	–	21,420,599.00
–Others	205,814.00	6,657,500.00
Other currencies		
–SFC' s restricted deposits at the People' s Bank of China (Note)	13,590,143,365.10	12,598,970,042.72
–Deposits for bank draft	425,783,947.00	478,560,193.00
Total	15,877,108,834.53	14,819,962,156.31

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. Financial assets at fair value through profit or loss

Unit: RMB

Item	Fair value at December 31, 2014	Fair value at December 31, 2013
Available-for-trading financial assets	69,161,394.38	17,906,491.20
Including: bonds for trading	20,022,164.38	–
equity instruments for trading	21,938,230.00	17,906,491.20
derivative financial assets	27,201,000.00	–
Designated as financial assets at fair value through profit or loss	110,102,149.47	–
Including: bonds for trading	110,102,149.47	–
Total	179,263,543.85	17,906,491.20

3. Notes receivable

(1) Details of notes receivable are as follows:

Unit: RMB

Item	December 31, 2014	December 31, 2013
Bank acceptances	30,655,733,619.46	28,956,573,876.46
Commercial acceptances	488,509,422.21	282,271,376.14
Total	31,144,243,041.67	29,238,845,252.60

(2) At the year - end, detail of bank acceptances that were pledged as collateral is as follow:

Unit: RMB

Item	December 31, 2014
Bank acceptances	767,237,084.00

The bank acceptances listed above were pledged as collateral to issue bank acceptances.

4. Accounts receivable

(1) Disclosure of accounts receivable by categories:

Unit: RMB

Category	December 31, 2014					December 31, 2013				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	(%)	Amount	(%)		Amount	(%)	Amount	(%)	
Receivables for individually significant items and with individual provision for bad debts	-	-	-	-	-	-	-	-	-	-
Receivables with provisions that were assessed by credit risk characteristics	21,270,978,739.66	100.00	574,881,424.84	100.00	20,696,097,314.82	19,751,503,837.56	100.00	507,214,687.95	100.00	19,244,289,149.61
Receivables for individually non-significant items but individual provision for bad debts	-	-	-	-	-	-	-	-	-	-
Total	21,270,978,739.66	100.00	574,881,424.84	100.00	20,696,097,314.82	19,751,503,837.56	100.00	507,214,687.95	100.00	19,244,289,149.61

Aging analysis of accounts receivable is as follows:

Unit: RMB

Aging	December 31, 2014			
	Book value		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	20,320,340,251.94	95.53	89,148,644.37	0.44
1-2 years	469,193,794.60	2.21	64,695,507.62	13.79
2-3 years	116,350,403.02	0.55	60,755,464.01	52.22
Over 3 years	365,094,290.10	1.71	360,281,808.84	98.68
Total	21,270,978,739.66	100.00	574,881,424.84	2.70

(2) Bad debt provision, reversal and written-off:

During the year, bad debt provision, reversal and written-off are RMB 126,445,999.67, RMB 38,702,248.25 and RMB 20,077,014.53, respectively.

(3) Top five balances of accounts receivable classified by debtor:

Unit: RMB

Name	Relationship with the Group	Amount	Aging	Proportion to total accounts receivable (%)
Company 1	JCE	2,608,594,374.90	Within 1 year	12.26
Company 2	JCE	1,605,562,278.06	Within 1 year	7.55
Company 3	JCE	1,256,617,521.67	Within 1 year	5.91
Company 4	Associate	1,094,308,733.11	Within 1 year	5.14
Company 5	JCE	528,959,262.98	Within 1 year	2.49
Total		7,094,042,170.72		33.35

(4) At the year-end, accounts receivable of RMB 68,618,200.00 were pledged to banks as collateral for loans, refer to Note (VI) 26.

5. Prepayments

(1) Aging analysis of prepayments is as follows:

Unit: RMB

Aging	December 31, 2014		December 31, 2013	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	20,973,642,397.66	98.47	31,736,147,709.10	99.03
1-2 years	276,489,839.29	1.30	282,869,214.29	0.88
2-3 years	44,551,947.06	0.21	6,144,030.54	0.02
Over 3 years	3,690,678.23	0.02	21,214,111.51	0.07
Total	21,298,374,862.24	100.00	32,046,375,065.44	100.00

(2) Top five balances of prepayments:

Unit: RMB

Name	Relationship with the Group	Amount	Aging	Proportion to total accounts receivable (%)
Company 1	JCE	13,887,744,480.43	65.21	Within 1 year
Company 2	JCE	3,107,196,473.85	14.59	Within 1 year
Company 3	Third party	223,826,645.95	1.05	Within 1 year
Company 4	Third party	145,588,847.33	0.68	Within 1 year
Company 5	Third party	130,415,000.00	0.61	Within 1 year
Total		17,494,771,447.56	82.14	

6. Dividends receivable

Unit: RMB

Item	December 31, 2014	December 31, 2013
Dividends receivable due from JCEs	976,340,867.20	743,763,683.25
Dividends receivable due from associates	208,939,301.50	73,874,928.10
Total	1,185,280,168.70	817,638,611.35

7. Other receivables

(1) Disclosure of other receivables by categories:

Unit: RMB

Category	December 31, 2014					December 31, 2013				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	%	Amount	%		Amount	%	Amount	%	
Other receivables for individually significant items and with individual provision for bad debts	1,313,594,808.76	34.70	890,794,808.76	84.40	422,800,000.00	255,089,099.42	9.09	178,714,488.18	57.64	76,374,611.24
Other receivables with provisions that were assessed by credit risk characteristics	2,471,860,590.76	65.30	164,689,677.93	15.60	2,307,170,912.83	2,548,930,017.46	90.91	131,338,140.19	42.36	2,417,591,877.27
Receivables for individually non-significant items but individual provision for bad debts	-	-	-	-	-	-	-	-	-	-
Total	3,785,455,399.52	100.00	1,055,484,486.69	100.00	2,729,970,912.83	2,804,019,116.88	100.00	310,052,628.37	100.00	2,493,966,488.51

Aging analysis for other receivables is as follows:

Unit: RMB

Aging	December 31, 2014			
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,958,326,486.70	79.23	36,649,511.03	1.87
1-2 years	347,624,401.15	14.06	27,647,853.05	7.95
2-3 years	71,447,345.25	2.89	50,018,428.59	70.01
Over 3 years	94,462,357.66	3.82	50,373,885.26	53.33
Total	2,471,860,590.76	100.00	164,689,677.93	6.66

(2) Bad debt provision, reversal and written-off:

During the year, bad debt provision, reversal and written-off are RMB 802,567,938.29, RMB 19,881,711.43 and RMB 37,254,368.54, respectively.

(3) Disclosure of other receivables by nature:

Unit: RMB

Nature of other receivables	December 31, 2014	December 31, 2013
Deposits, receivables of disposal of non-current assets, etc.	3,785,455,399.52	2,804,019,116.88

(4) Top five balances of other receivables:

Unit: RMB

Name	Relationship with the Group	Amount	Aging	Proportion to total other receivables (%)
Company 1	Third party	1,175,465,104.95	Within 2 year	31.05
Company 2	Third party	117,804,415.81	Within 1 year	3.11
Company 3	Third party	86,378,025.64	2-3 years	2.28
Company 4	Third party	72,279,047.43	Within 1 year	1.91
Company 5	Third party	51,751,678.17	2-3 years	1.37
Total		1,503,678,272.00		39.72

8. Financial assets purchased under resale agreements

Unit: RMB

Item	December 31, 2014	December 31, 2013
Financial assets purchased under resale agreements – Bonds purchased under resale agreements	-	146,040,000.00

9. Inventories

(1) Categories of inventories

Unit: RMB

Item	December 31, 2014			December 31, 2013		
	Book balance	Provision	Book value	Book balance	Provision	Book value
Raw materials	4,016,231,656.06	528,804,256.31	3,487,427,399.75	3,646,549,863.53	662,253,898.20	2,984,295,965.33
Work-in-process	1,110,115,397.01	58,854,229.04	1,051,261,167.97	948,658,448.54	58,315,745.82	890,342,702.72
Finished goods	35,189,059,427.16	961,859,503.13	34,227,199,924.03	27,917,338,090.56	877,444,675.78	27,039,893,414.78
Total	40,315,406,480.23	1,549,517,988.48	38,765,888,491.75	32,512,546,402.63	1,598,014,319.80	30,914,532,082.83

(2) Provision for decline in value of inventories

Unit: RMB

Categories of inventories	December 31, 2013	Provision	Decrease during the year		December 31, 2014
			Reversal	Write-off	
Raw materials	662,253,898.20	109,683,522.22	25,828,138.01	217,305,026.10	528,804,256.31
Work-in-process	58,315,745.82	23,039,760.75	8,038,835.71	14,462,441.82	58,854,229.04
Finished goods	877,444,675.78	404,867,214.14	44,384,195.28	276,068,191.51	961,859,503.13
Total	1,598,014,319.80	537,590,497.11	78,251,169.00	507,835,659.43	1,549,517,988.48

10. Assets classified as held for sale

Unit: RMB

Item	December 31, 2014	December 31, 2013
Fixed assets and investment properties held for sale(Note 1)	34,316,379.82	-
Equity investments held for sale (Note 2)	367,945.65	670,400,392.60
Total	34,684,325.47	670,400,392.60

Note 1 : Please refer to Note (VI) 17, 18.

Note 2 : At the year-end, the balance of equity interest held for sale represents the equity interest of Shanghai Automobile Gear Works Branch No.1. At the year-end of 2013, the balance of equity interest held for sale represents the equity interest of Yanfeng Visteon Electronics of RMB 667,109,907.00 and of Shanghai Zhongding Equipment Manufacture & Installation Co., Ltd. of RMB 3,290,485.60 held by HASCO, all of which has been disposed of during 2014.

11. Non-current assets due within one year

Unit: RMB

Item	December 31, 2014	December 31, 2013
Long-term loans due within one year (Note (VI)13)	14,721,748,222.71	11,682,713,472.00
Long-term receivables due within one year (Note (VI)15)	1,071,624,811.53	1,498,789,003.24
Total	15,793,373,034.24	13,181,502,475.24

12. Other current assets

Unit: RMB

Item	December 31, 2014	December 31, 2013
Short-term loans issued by SFC	15,041,936,152.29	12,656,865,868.88
Wealth management products (Note)	1,385,914,566.83	728,628,350.02
Short-term entrusted loans	676,246,471.00	712,800,000.00
Prepaid and deferred costs	329,684,959.48	262,850,410.23
Receivables investment of SFC	-	55,830,742.72
Discount held by SFC	133,028,437.07	26,464,083.50
Sub-total	17,566,810,586.67	14,443,439,455.35
Less: Impairment loss on other current assets	522,505,483.03	362,557,209.01
Total	17,044,305,103.64	14,080,882,246.34

Note:

At the year-end, the balances represent a variety of short-term bank wealth-management products held by the Group.

13. Loans and advances

Unit: RMB

Item	December 31, 2014	December 31, 2013
Long-term loans issued by SFC	23,893,148,407.75	20,788,271,351.05
Less: Impairment loss on loans	597,328,710.19	519,706,783.77
Net book value of long-term loans issued	23,295,819,697.56	20,268,564,567.28
Less: Long-term loans due within one year (Note (VI)11)	14,721,748,222.71	11,682,713,472.00
Long-term loans due after one year	8,574,071,474.85	8,585,851,095.28

14. Available-for-sale financial assets

(1) Available-for-sale financial assets:

Unit: RMB

Item	December 31, 2014			December 31, 2013		
	Book balance	Impairment	Book value	Book balance	Impairment	Book value
Available-for-sale debt instruments	2,232,248,267.30	-	2,232,248,267.30	931,569,120.00	-	931,569,120.00
Available-for-sale equity instruments	34,720,377,859.29	504,498,977.06	34,215,878,882.23	13,824,354,964.47	548,018,977.06	13,276,335,987.41
-measured at fair value	34,040,090,490.23	-	34,040,090,490.23	13,136,846,658.01	-	13,136,846,658.01
-measured at cost	680,287,369.06	504,498,977.06	175,788,392.00	687,508,306.46	548,018,977.06	139,489,329.40
Total	36,952,626,126.59	504,498,977.06	36,448,127,149.53	14,755,924,084.47	548,018,977.06	14,207,905,107.41

(2) Available-for-sale financial assets measured at fair values:

Unit: RMB

Categories of available-for-sale financial assets	December 31, 2014		
	Available-for-sale debt instruments	Available-for-sale equity instruments	Total
Costs of equity instruments / amortized cost of debt instrument	21,316,107,991.12	2,176,763,161.50	23,492,871,152.62
Fair value	34,040,090,490.23	2,232,248,267.30	36,272,338,757.53
Accumulated amount of changes of fair value recognized in other comprehensive income	12,770,535,119.11	55,485,105.80	12,826,020,224.91
Impairment provisions	(46,552,620.00)	-	(46,552,620.00)

(3) Available-for-sale financial assets measured at cost:

Unit: RMB

Equity invested	Book value				Provision			Equity interest held by the Company as of the year end (%)	Cash bonus in 2014
	December 31, 2013	Increase during the year	Decrease during the year	December 31, 2014	December 31, 2013	Decrease during the year	December 31, 2014		
GM Korea Company	494,566,740.00	-	-	494,566,740.00	494,566,740.00	-	494,566,740.00	6.01	-
Tianjin Lovol Heavy Industries Co., Ltd.	10,000,000.00	-	-	10,000,000.00	-	-	-	2.19	-
Shenyin & Wanguo Securities Co., Ltd.	64,260,937.40	-	64,260,937.40	-	-	-	-	0.83	5,571,162.60
Dazhong Insurance Co., Ltd.	43,520,000.00	-	43,520,000.00	-	43,520,000.00	43,520,000.00	-	2.79	-
Shanghai Carthane Co., Ltd.	24,440,000.00	-	24,440,000.00	-	-	-	-	4.89	-
Guoqi (Beijing) Lightweight of Automobile Technology Research Institute Co., Ltd.	3,000,000.00	-	-	3,000,000.00	-	-	-	6.89	-
Shanghai International Trust & Investment Co., Ltd.	-	122,000,000.00	-	122,000,000.00	-	-	-	2.00	9,000,000.00
Others	47,720,629.06	3,000,000.00	-	50,720,629.06	9,932,237.06	-	9,932,237.06	-	2,391,036.39
Total	687,508,306.46	125,000,000.00	132,220,937.40	680,287,369.06	548,018,977.06	43,520,000.00	504,498,977.06	/	16,962,198.99

(4) Impairment loss on available-for-sale financial assets:

Unit: RMB

available-for-sale financial assets	Available-for-sale equity instruments
Impairment provisions at the beginning of the year	571,366,597.06
Provisions	30,000,000.00
Write-off	50,315,000.00
Impairment provisions at the end of the year	551,051,597.06

15. Long-term receivables

Unit: RMB

Item	December 31, 2014			December 31, 2013		
	Book balance	Provision	Book value	Book balance	Provision	Book value
Finance lease receivables (Note)	2,814,541,175.11	445,139,415.86	2,369,401,759.25	2,884,921,620.22	330,542,491.17	2,554,379,129.05
Including: unearned finance income	407,741,010.64	-	407,741,010.64	436,171,954.79	-	436,171,954.79
Long-term receivables arising from assets transfer	29,871,433.29	10,346,980.00	19,524,453.29	235,726,388.44	5,034,420.00	230,691,968.44
Others	29,900,000.00	-	29,900,000.00	29,900,000.00	-	29,900,000.00
Sub-total	2,874,312,608.40	455,486,395.86	2,418,826,212.54	3,150,548,008.66	335,576,911.17	2,814,971,097.49
Less: Long-term assets due within one year (Note (VI)11)	1,071,624,811.53	-	1,071,624,811.53	1,498,789,003.24	-	1,498,789,003.24
Long-term assets due after one year	1,802,687,796.87	455,486,395.86	1,347,201,401.01	1,651,759,005.42	335,576,911.17	1,316,182,094.25

Note: At the year-end, finance lease receivables of RMB 1,931,083,776.83 were pledged to banks as collateral for loans, refer to Note (VI) 26 and 38.

16. Long-term equity investments

Unit: RMB

	December 31, 2014	December 31, 2013
Long-term equity investments accounted for using equity method		
-Investments in JCEs and associates	64,230,363,240.27	56,938,615,667.51
-Elimination of unrealized profit, etc.	(782,454,512.66)	(476,765,373.62)
Total	63,447,908,727.61	56,461,850,293.89
Less: Impairment	58,274,532.10	58,309,445.68
Net book value	63,389,634,195.51	56,403,540,848.21

Details of long-term equity investments are as follows:

Unit: RMB

Invested companies	December 31, 2013	Increase (decrease) during the year	December 31, 2014	Equity interest held by the Company as of the year-end (%)		Impairment at the year-end	Provision for impairment for the year
				Directly	Indirectly		
JCEs and associates							
Shanghai Volkswagen Automotive Co., Ltd.	19,455,939,110.38	2,274,227,655.74	21,730,166,766.12	50.00	-	-	-
Shanghai General Motors Co., Ltd.	13,536,022,872.61	1,535,763,893.44	15,071,786,766.05	50.00	-	-	-
Shanghai GM Dong Yue Motors Co., Ltd.	538,925,151.03	21,792,963.94	560,718,114.97	25.00	25.00	-	-
Shanghai GM Dong Yue Powertrain Co., Ltd.	1,553,553,146.61	8,010,845.31	1,561,563,991.92	25.00	25.00	-	-
Shanghai GM (Shenyang) Norsom Motors Co., Ltd.	1,051,844,764.48	60,461,630.73	1,112,306,395.21	25.00	25.00	-	-
Pan Asia Technical Automotive Center Co., Ltd.	444,300,584.26	73,168,733.80	517,469,318.06	50.00	-	-	-
Shanghai Sunwin Bus Co., Ltd.	167,994,801.22	(33,905,788.89)	134,089,012.33	50.00	-	-	-
SAIC Iveco Commercial Vehicle Investment Co., Ltd.	450,008,646.49	26,370,766.09	476,379,412.58	50.00	-	-	-
Shanghai Jieneng Automotive Technology Co., Ltd. (Note 11)	20,096,556.76	(11,147,976.18)	8,948,580.58	10.00	-	-	-
Shanghai Advanced Traction Battery Systems Co., Ltd. (Note 1)(Note 11)	-	17,666,461.51	17,666,461.51	51.00	-	-	-
GMAC-SAIC Automotive Finance Co., Ltd.	2,925,170,098.19	687,479,493.23	3,612,649,591.42	-	50.00	-	-
Shanghai Onstar Telematics Co., Ltd.	65,617,186.75	10,936,118.00	76,553,304.75	-	50.00	-	-
ZF Transmissions Shanghai Co., Ltd.	190,652,584.55	(3,946,854.08)	186,705,730.47	-	49.00	-	-
Shanghai SAIC Magneti Marelli Powertrain Co., Ltd.	89,456,150.48	9,676,298.35	99,132,448.83	-	50.00	-	-
United Automotive Electronic Systems Co., Ltd.	1,996,206,584.65	420,607,872.92	2,416,814,457.57	-	49.00	-	-
Nanjing Iveco Automobile Co., Ltd.	1,603,585,556.73	(100,774,711.49)	1,502,810,845.24	-	50.00	-	-
Shanghai Edscha Machinery Co., Ltd. (Note 2)	102,593,963.92	(4,976,342.17)	97,617,621.75	-	45.00	-	-
Tianjin Zhongxing Auto Parts Co., Ltd.	24,456,571.46	514,983.50	24,971,554.96	-	50.00	-	-
Contitech Fluid Shanghai Co., Ltd.	25,234,437.95	574,503.53	25,808,941.48	-	49.00	-	-
Shanghai Inteva Automotive Parts Co., Ltd.	97,026,111.44	(4,450,156.04)	92,575,955.40	-	50.00	-	-
Shanghai TRW Automotive Safety Systems Co., Ltd.	208,189,783.16	6,980,679.61	215,170,462.77	-	50.00	-	-
Shanghai ZF Steering System Co., Ltd.	895,241,149.34	221,819,866.23	1,117,061,015.57	-	49.00	-	-
Shanghai Koito Automotive Lamp Co., Ltd.	628,770,761.59	54,471,830.19	683,242,591.78	-	50.00	-	-

Unit: RMB

Invested companies	December 31, 2013	Increase (decrease) during the year	December 31, 2014	Equity interest held by the Company as of the year-end (%)		Impairment at the year-end	Provision for impairment for the year
				Directly	Indirectly		
JCEs and associates - continued							
Kolbenschmidt shanghai piston Co., Ltd.	196,664,069.04	12,996,436.74	209,660,505.78	-	50.00	-	-
Shanghai Valeo Automotive Electrical Systems Co., Ltd.	351,024,639.82	61,819,522.59	412,844,162.41	-	50.00	-	-
Shanghai Kolbenschmidt Pierburg Shanghai Nonferrous Components Co., Ltd.	375,275,557.04	(24,566,026.06)	350,709,530.98	-	50.00	-	-
Shanghai GKN Drive System Co., Ltd.	1,213,004,461.94	118,437,627.47	1,331,442,089.41	-	45.00	-	-
Huayu-Cooper Standard Sealing Systems Co., Ltd.	177,983,552.14	9,659,230.74	187,642,782.88	-	47.50	-	-
Shanghai Sachs Powertrain Components Parts System Co., Ltd.	124,572,212.28	3,612,601.44	128,184,813.72	-	50.00	-	-
Shanghai Behr Thermal System Co., Ltd.	284,265,021.29	45,225,844.94	329,490,866.23	-	50.00	-	-
Yan Feng Gabriel (Shanghai) Automotive Safety Systems Co., Ltd.	225,162,255.00	29,751,199.00	254,913,454.00	-	50.10	-	-
Yanfeng Plastic Omnium Automotive Exterior Trimming System Co., Ltd (Note 11)	473,094,700.00	56,928,030.00	530,022,730.00	-	50.05	-	-
Yanfeng Johnson Controls Automotive Seating Mechanical Parts Co., Ltd. (Note 3)	-	188,680,637.92	188,680,637.92	-	50.00	-	-
KS HUAYU Alu Tech GmbH (Note 3)	-	126,555,000.00	126,555,000.00	-	50.00	-	-
Hua Dong Teksid Automotive Foundry Co., Ltd.	227,791,154.92	12,832,504.34	240,623,659.26	-	50.00	-	-
Yanfeng Visteon India Automotive Trim Systems Pvt. Ltd. (Note 4)	6,116,147.00	(6,116,147.00)	-	-	-	-	-
Dongfeng Johnson Controls Automotive Seating Co., Ltd.	46,649,515.00	12,783,921.00	59,433,436.00	-	50.00	-	-
Shanghai ANJI-CEVA Automotive Logistics Co., Ltd.	360,694,397.65	(10,546,994.56)	350,147,403.09	-	50.00	-	-
Anji Car Rental & Leasing Co., Ltd.	192,729,265.09	7,571,350.73	200,300,615.82	-	50.00	-	-
Beijing Boruiyechuan Car Service Co., Ltd.	58,390,957.82	5,261,912.71	63,652,870.53	-	50.00	-	-
Beijing Zhongqi Lifa Automotive Sales Services Co., Ltd.	3,483,208.13	(13,767.60)	3,469,440.53	-	49.00	-	-
Nanjing Dongwei Metal Products Co., Ltd. (Note 5)	15,244,639.88	(15,244,639.88)	-	-	-	-	-
Nanjing Dongzhong Mechanical Assembly Co., Ltd. (Note 5)	7,159,116.73	(7,159,116.73)	-	-	-	-	-
Shanghai Volkswagen Powertrain Co., Ltd.	1,457,520,354.70	376,848,369.62	1,834,368,724.32	40.00	-	-	-
Volkswagen Transmission (Shanghai) Co., Ltd.	233,355,662.77	26,010,817.20	259,366,479.97	20.00	-	-	-
China Automobile Development United Investment Co., Ltd.	34,967,484.89	(6,676,936.38)	28,290,548.51	20.74	-	-	-
Sunrise Power Co., Ltd.	44,683,518.03	246,153.87	44,929,671.90	34.19	-	-	-
Shanghai No.1 Automotive Gear Factory Jiaohang Branch (Note 6)	367,945.65	(367,945.65)	-	-	-	-	-
Shanghai Huizhong Sachs Shock absorber Co., Ltd	149,650,581.48	3,083,081.46	152,733,662.94	-	40.00	-	-

Unit: RMB

Invested companies	December 31, 2013	Increase (decrease) during the year	December 31, 2014	Equity interest held by the Company as of the year-end (%)		Impairment at the year-end	Provision for impairment for the year
				Directly	Indirectly		
JCEs and associates - continued							
Shanghai ThyssenKrupp Presta HuiZhong Co., Ltd.	186,430,911.74	20,258,817.56	206,689,729.30	-	40.00	-	-
Shanghai Benteler Huizhong Automotive Parts Co., Ltd. (Note 7)	90,682,158.24	46,231,570.98	136,913,729.22	-	40.00	-	-
Shanghai Sanli-Huizhong Auto Parts Co., Ltd.	157,381,551.68	31,434,595.85	188,816,147.53	-	40.00	-	-
Wuxi Yuejin Vehicle Trade Co., Ltd. (Note 8)	-	-	-	-	-	-	-
Shanghai Mhi Turbocharger Co., Ltd.	113,761,182.26	70,073,183.97	183,834,366.23	-	40.00	-	-
Shanghai SAIC Futong Investment Management Center	25,477,769.47	(2,450,956.14)	23,026,813.33	-	49.00	-	-
Shanghai Wanzhong Car Service Co., Ltd.	14,213,817.83	(3,738,752.57)	10,475,065.26	-	49.00	-	-
Shanghai Tenneco Exhaust System Co., Ltd.	149,286,253.79	(507,478.82)	148,778,774.97	-	45.00	-	-
Shanghai New Holland Agricultural Machinery Co., Ltd.	27,680,080.68	-	27,680,080.68	-	40.00	27,680,080.68	-
Federal-Mogul Shanghai Bearing Co., Ltd.	73,123,150.21	(2,990,816.95)	70,132,333.26	-	40.00	-	-
Shanghai Federal-Mogul Compound Material Co., Ltd.	17,998,956.46	4,360,561.94	22,359,518.40	-	40.00	-	-
Yapp Automotive Parts Co., Ltd.	377,893,604.43	49,531,139.32	427,424,743.75	-	33.90	-	-
Shanghai Aichi Forging Co., Ltd.	145,326,879.21	10,931,737.97	156,258,617.18	-	40.00	-	-
Shanghai Nuturen Co., Ltd.	95,271,827.31	5,275,700.53	100,547,527.84	-	40.00	-	-
Shanghai Meridian Magnesium Products Co., Ltd.	59,916,518.53	3,982,164.03	63,898,682.56	-	40.00	-	-
Shanghai Xingsheng Gasket Co., Ltd.	23,174,172.05	4,227,703.63	27,401,875.68	-	40.00	-	-
Shanghai KangYi Auto & Tractor Accessory Co., Ltd.	363,865.49	28,665.93	392,531.42	-	32.50	32,531.42	32,531.42
Shanghai Boze Auto Parts Co., Ltd.	129,161,481.67	(9,423,812.15)	119,737,669.52	-	40.00	-	-
Valeo Shanghai Automotive Electric Motors & Wiper System Co., Ltd.	62,982,820.40	1,916,614.77	64,899,435.17	-	45.00	-	-
Shanghai Inteva Automotive Door Systems Co., Ltd.	102,907,755.74	26,966,734.98	129,874,490.72	-	40.00	-	-
Pierburg Huayu Pump Technology Co. Ltd. (Note 7)	12,024,902.38	7,192,944.38	19,217,846.76	-	50.00	-	-
Founding of Yanfeng Visteon Investment Co., Ltd.	294,854,438.00	(58,752,177.00)	236,102,261.00	-	50.00	-	-
Dongfeng Visteon(ShiYan)Automotive Trim Systems Co.,Ltd	222,092,138.00	(26,667,093.00)	195,425,045.00	-	50.00	-	-
Shanghai LEAR STEC Automotive Parts Co., Ltd.	101,292,118.85	58,008,806.03	159,300,924.88	-	45.00	-	-
Sanden (Suzhou) Precision Parts Co., Ltd.	38,750,307.25	1,584,058.30	40,334,365.55	-	35.00	-	-

Unit: RMB

Invested companies	December 31, 2013	Increase (decrease) during the year	December 31, 2014	Equity interest held by the Company as of the year-end (%)		Impairment at the year-end	Provision for impairment for the year
				Directly	Indirectly		
JCEs and associates - continued							
Wuhan TACHI-S Johnson Controls Automotive Seat Co., Ltd.	15,784,856.00	1,113,551.00	16,898,407.00	-	20.00	-	-
Dongfeng Visteon Automotive Trim Systems Co., Ltd.	141,509,169.00	(71,201,723.00)	70,307,446.00	-	50.00	-	-
Continental Brake Systems (Shanghai) Co., Ltd.	39,221,604.49	5,821,595.21	45,043,199.70	-	49.00	-	-
Beijing Hainachuan Yanfeng Automotive Module System Co., Ltd.	3,405,526.00	691,980.00	4,097,506.00	-	40.00	-	-
Shanghai Benz Co., Ltd. (Note 5)	17,628,748.46	(17,628,748.46)	-	-	-	-	-
Shanghai Dongchi Automobile Co., Ltd. (Note 5)	9,953,010.77	(9,953,010.77)	-	-	-	-	-
Shanghai Dexing Automobile Sales Co., Ltd. (Note 5)	18,855,229.46	(18,855,229.46)	-	-	-	-	-
Shanghai SAIC Dingshun Automotive Sales Co., Ltd. (Note 5)	700,000.00	(700,000.00)	-	-	-	-	-
SAIC Motor Korea Co.,Ltd. (Note 9)	-	-	-	-	24.00	-	-
Shanghai Waigaoqiao Pawn Co., Ltd. (Note 5)	4,225,817.06	(4,225,817.06)	-	-	-	-	-
Shanghai Jingcheng Auction Co., Ltd.	3,254,641.92	(132,592.69)	3,122,049.23	-	40.00	-	-
Jiangsu ANJI-TNT Logistics Co., Ltd.	23,469,771.93	(1,629,581.43)	21,840,190.50	-	30.00	-	-
Jiangsu Used Motor Vehicle Market Co., Ltd.	1,558,753.62	401,131.72	1,959,885.34	-	20.00	-	-
Nanjing Nanqi Stamping Parts Co., Ltd.	33,424,049.99	13,687,002.47	47,111,052.46	-	46.00	-	-
Nanjing Auto Parts Factory	4,100,499.80	89,783.58	4,190,283.38	-	45.00	-	-
Nanjing Valeo Clutch Co., Ltd.	57,749,577.90	914,682.96	58,664,260.86	-	25.00	-	-
Qingdao Toyo Heat Exchanger Co., Ltd.	52,808,372.61	(1,445,024.26)	51,363,348.35	-	26.00	-	-
Nanjing Fata Tooling Co., Ltd.	236,460.00	-	236,460.00	-	30.00	236,460.00	-
Shanghai Shanke Automotive Culture Communication Co., Ltd.	267,550.28	1,416.80	268,967.08	-	45.45	-	-
Shanghai Anjie Car Transportation Co., Ltd.	19,972,179.46	1,485,062.13	21,457,241.59	-	50.00	-	-
Dalian Hai Jia Automobile Harbour Co., Ltd.	200,000,000.00	-	200,000,000.00	-	50.00	-	-
Nanjing Anji Mingjie Automobile Sales And Service Co., Ltd.	6,724,467.35	(2,846,092.47)	3,878,374.88	-	49.00	-	-
Anji Nyk Logistics (Thailand) Co., Ltd.	7,547,757.73	(51,618.94)	7,496,138.79	-	49.00	-	-
Shanghai MHI Engine Co., Ltd.	89,497,832.61	(8,325,315.40)	81,172,517.21	-	50.00	-	-

Unit: RMB

Invested companies	December 31, 2013	Increase (decrease) during the year	December 31, 2014	Equity interest held by the Company as of the year-end (%)		Impairment at the year-end	Provision for impairment for the year
				Directly	Indirectly		
JCEs and associates - continued							
Sailing Capital Management Co., Ltd. (Note 11)	75,194,377.41	(1,438,129.64)	73,756,247.77	-	18.18	-	-
SAIC James (Shannan) Equity Investment Fund Partnership Enterprise	18,428,789.53	478,521.72	18,907,311.25	-	39.98	-	-
Sailing Capital International (Shanghai) Co., Ltd. (Note 10)	578,221,754.50	983,038,369.97	1,561,260,124.47	-	22.20	-	-
Shanghai SAIC Huankai Investment Management Co., Ltd.	300,497,749.82	(141,116,171.55)	159,381,578.27	-	37.50	30,325,460.00	-
SAIC Tangtian Investment Management Center	20,508,616.26	(7,937,239.25)	12,571,377.01	-	43.16	-	-
Shanghai Shangqi Equity Investment Fund First Section Partnership Enterprise	42,290,323.15	(8,256,046.24)	34,034,276.91	-	45.16	-	-
Nanjing Automotive Forging Co., Ltd.	131,065,993.58	6,442,988.91	137,508,982.49	-	50.00	-	-
SAIC Maxus Thailand Company (Note 3)	-	9,680,063.93	9,680,063.93	-	49.00	-	-
Shanghai Anji Riyou Vehicle Transportation Co., Ltd. (Note 3)(Note 11)	-	26,240,811.08	26,240,811.08	-	51.00	-	-
Nanjing Harbour Jiangsheng Vehicle Dock Co., Ltd. (Note 3)	-	15,038,577.90	15,038,577.90	-	50.00	-	-
Guangzhou Harbour Haijia Vehicle Dock Co., Ltd. (Note 3)	-	25,891,265.86	25,891,265.86	-	50.00	-	-
Easunlux S.A	114,707,133.96	(13,124,442.67)	101,582,691.29	-	15.00	-	-
Others	53,019,398.85	(26,811,797.91)	26,207,600.94				
Total	56,938,615,667.51	7,291,747,572.76	64,230,363,240.27			58,274,532.10	32,531.42

Note 1: During the year, the Company made additional capital contribution to such companies by entrusted loans and cash of RMB 20,309,185.82 in total.

Note 2: During the year, HASCO sold 5% equity interest of this company. Accordingly, equity interest of this company held by HASCO decreased from 50% to 45% and it became an associate of the Group according to the revised Articles of Association.

Note 3: These companies are new investments of the Group in the year.

Note 4: Yanfeng Visteon India Automotive Trim Systems Pvt. Ltd. ("Yanfeng India") was a JCE of Yanfeng Automotive Trim Systems Co., Ltd. ("Yanfeng Trim") which held 50% equity interest of Yanfeng India. During the year, Yanfeng Trim solely made additional capital contribution to Yanfeng India. Consequently, equity interest of Yanfeng India held by Yanfeng Trim increased to 93%. Yanfeng Trim has obtained control over Yanfeng India according to the revised Articles of Association, and has included it in the scope of the consolidated financial statements.

Note 5: These investments were disposed of during the year.

Note 6: During the year, investment of the company has been reclassified as equity investment held-for-sale, refer to Note (VI) 10.

Note 7: During the year, such companies' investors made additional capital contribution in alignment with the original stake ratio to such companies by cash, of which total capital contributed by the Group is RMB 54,602,574.08.

Note 8: This company finished de-registration during the year.

Note 9: Investments in such companies are accounted for using equity method and the book value is zero.

Note 10: Please refer to Note (VI) 25 (1).

Note 11: Such companies are JCEs of the Group according to the Articles of Association of such companies, which specified that significant financial and operating decisions shall be agreed by both parties.

17. Investment properties

(1) Movements of investment properties measured at cost are as follows:

Unit: RMB

Item	Buildings	Land use right	Total
I. Cost			
December 31, 2013	3,298,879,084.48	729,681,639.70	4,028,560,724.18
Purchase during the year	7,371,262.90	-	7,371,262.90
Transfer from construction in progress during the year	34,706,216.20	-	34,706,216.20
Transfer from intangible assets during the year	-	30,346,867.85	30,346,867.85
Transfer from fixed assets during the year	39,580,065.03	-	39,580,065.03
Disposals during the year	60,107,475.88	7,299,935.62	67,407,411.50
Transfer to intangible assets during the year	-	5,891,244.81	5,891,244.81
Transfer to fixed assets during the year	13,223,226.00	-	13,223,226.00
Transfer to assets held-for-sale during the year	39,765,843.20	-	39,765,843.20
December 31, 2014	3,267,440,083.53	746,837,327.12	4,014,277,410.65
II. Accumulated depreciation and amortization			
December 31, 2013	933,063,158.61	111,866,035.73	1,044,929,194.34
Provision during the year	115,803,172.11	15,187,134.79	130,990,306.90
Transfer from intangible assets during the year	-	2,956,506.62	2,956,506.62
Transfer from fixed assets during the year	2,339,933.60	-	2,339,933.60
Disposals during the year	20,508,771.28	1,952,151.38	22,460,922.66
Transfer to intangible assets during the year	-	473,040.60	473,040.60
Transfer to building for self-use during the year	729,231.42	-	729,231.42
Transfer to assets held-for-sale during the year	28,796,808.70	-	28,796,808.70
December 31, 2014	1,001,171,452.92	127,584,485.16	1,128,755,938.08
III. Impairment			
December 31, 2014 and 2013	941,337.80	-	941,337.80
IV. Net book value			
December 31, 2014	2,265,327,292.81	619,252,841.96	2,884,580,134.77
December 31, 2013	2,364,874,588.07	617,815,603.97	2,982,690,192.04

(2) Details of the certificates of title of investment properties that were not obtained are as follows:

Unit: RMB

Item	Book value	Reasons why certificates of title have not been obtained
Investment properties - Buildings	71,167,222.85	In progress

(3) At the year-end, investment properties with net book value of RMB 57,917,429.82 were pledged as collateral for bank borrowings. Please refer to Note (VI) 26 and 38 for more details

18. Fixed assets

(1) General

Unit: RMB

Item	Buildings	Machinery and equipment	Electronic equipment, furniture and fixtures	Transportation vehicles	Mold	Total
I. Cost						
December 31, 2013	14,171,455,044.53	29,741,216,120.75	2,987,903,027.66	2,049,410,837.44	3,617,885,614.49	52,567,870,644.87
Purchase during the year	402,025,371.25	218,724,710.01	138,701,091.03	169,128,311.49	4,316,048.30	932,895,532.08
Transfer from construction in progress during the year	2,887,124,429.65	6,431,902,465.18	463,566,967.44	134,960,105.57	624,079,350.56	10,541,633,318.40
Transfer from investment properties during the year	13,223,226.00	-	-	-	-	13,223,226.00
Increases due to changes in the scope of consolidation during the year	-	15,927,226.00	2,196,968.00	242,549.00	-	18,366,743.00
Increases due to changes in the exchange rate during the year	1,387,245.31	-	843,723.21	146,718.17	396,180.90	2,773,867.59
Disposals during the year	178,857,383.35	1,569,560,522.10	209,957,821.22	314,191,813.37	64,664,976.79	2,337,232,516.83
Transfer to intangible assets during the year	39,580,065.03	-	-	-	-	39,580,065.03
Transfer to assets held-for-sale during the year	45,931,136.27	-	-	-	-	45,931,136.27
Decreases due to changes in the exchange rate during the year	1,480,892.87	6,077,759.53	1,837,697.03	331,137.54	-	9,727,486.97
December 31, 2014	17,209,365,839.22	34,832,132,240.31	3,381,416,259.09	2,039,365,570.76	4,182,012,217.46	61,644,292,126.84
II. Accumulated depreciation and amortization						
December 31, 2013	3,854,296,392.35	13,802,395,356.40	1,872,210,085.17	1,374,967,743.95	1,588,003,089.44	22,491,872,667.31
Provision during the year	609,144,704.83	2,682,052,694.87	404,614,623.09	155,111,125.23	193,524,639.53	4,044,447,787.55
Transfer from construction in progress during the year	729,231.42	-	-	-	-	729,231.42
Increases due to changes in the scope of consolidation during the year	-	2,891,279.00	540,556.00	59,678.00	-	3,491,513.00
Increases due to changes in the exchange rate during the year	89,305.62	-	95,948.81	34,050.12	9,494.27	228,798.82
Disposals during the year	67,585,522.68	1,022,093,659.92	167,843,661.88	263,397,527.78	32,812,098.80	1,553,732,471.06
Transfer to intangible assets during the year	2,339,933.60	-	-	-	-	2,339,933.60
Transfer to assets held-for-sale during the year	22,583,790.95	-	-	-	-	22,583,790.95
Decreases due to changes in the exchange rate during the year	1,155,404.60	2,708,542.65	1,168,842.33	224,398.86	-	5,257,188.44
December 31, 2014	4,370,594,982.39	15,462,537,127.70	2,108,448,708.86	1,266,550,670.66	1,748,725,124.44	24,956,856,614.05
III. Impairment						
December 31, 2013	349,790,058.64	948,419,188.49	7,931,042.50	8,109,814.19	1,245,956,534.36	2,560,206,638.18
Provision during the year	-	2,036,248,387.08	20,966,643.74	12,921,142.93	588,401,124.94	2,658,537,298.69
Disposals during the year	133,488.26	207,748,697.53	1,222,907.55	1,389,404.92	29,040,746.03	239,535,244.29
Decreases due to changes in the exchange rate during the year	-	780,000.71	-	-	-	780,000.71
December 31, 2014	349,656,570.38	2,776,138,877.33	27,674,778.69	19,641,552.20	1,805,316,913.27	4,978,428,691.87

Unit: RMB

Item	Buildings	Machinery and equipment	Electronic equipment, furniture and fixtures	Transportation vehicles	Mold	Total
IV. Net book value						
December 31, 2014	12,489,114,286.45	16,593,456,235.28	1,245,292,771.54	753,173,347.90	627,970,179.75	31,709,006,820.92
December 31, 2013	9,967,368,593.54	14,990,401,575.86	1,107,761,899.99	666,333,279.30	783,925,990.69	27,515,791,339.38

(2) Details of the certificates of title of fixed assets that were not obtained are as follows:

Unit: RMB

Item	December 31, 2014	Reasons why certificates of title have not been obtained
Buildings	2,230,519,639.69	In progress

(3) At the year-end, buildings with net book value of RMB 97,116,978.85 were pledged as collateral for bank borrowings. Please refer to Note (VI) 26 and 38 for more details.

19. Construction in progress

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

Unit: RMB

Item	December 31, 2014		December 31, 2013			
	Book value	Impairment	Book value	Book value	Impairment	Book value
Dual clutch transmission project and relocation	1,286,476,875.72	-	1,286,476,875.72	1,785,988,973.07	-	1,785,988,973.07
Project of technology improvement and capacity expansion of SGMW	3,223,768,031.66	25,273,202.59	3,198,494,829.07	2,960,027,426.91	-	2,960,027,426.91
Project of technology improvement and capacity expansion of Huizhong	333,983,591.57	200,000.00	333,783,591.57	327,501,390.82	200,000.00	327,301,390.82
Construction of MG Pukou base phase II of NAGC	68,756,221.88	235,913.07	68,520,308.81	248,275,081.92	139,611,817.40	108,663,264.52
Donghua CP4 logistics supporting project	16,921,829.47	1,050,329.40	15,871,500.07	28,941,772.94	1,050,329.40	27,891,443.54
Donghua Pukou Qiaolin project	8,063,909.35	-	8,063,909.35	1,567,172.96	-	1,567,172.96
Project of technology improvement and capacity expansion of Shanghai Diesel	219,757,070.91	31,716,626.11	188,040,444.80	982,054,400.28	83,488,014.95	898,566,385.33
Project of technology improvement and capacity expansion of Yanfeng Johnson	1,909,813,005.74	17,134,493.00	1,892,678,512.74	1,346,526,379.89	411,230.00	1,346,115,149.89
Project of passenger vehicles of self-owned brands	1,024,881,793.87	-	1,024,881,793.87	697,066,827.65	-	697,066,827.65
Project of R&D center expansion	885,940,436.98	-	885,940,436.98	420,468,828.89	-	420,468,828.89
Project of construction of port of Anji Logistics	974,910,900.64	-	974,910,900.64	1,087,383,647.33	-	1,087,383,647.33
Project of self-owned brand of Commercial Vehicles	253,117,806.17	222,747.30	252,895,058.87	394,933,345.11	222,747.30	394,710,597.81
Project of photovoltaic generation of Asset Management	7,938,646.10	-	7,938,646.10	174,869,047.33	-	174,869,047.33
Project of self-owned brand in Thailand	31,967,038.86	-	31,967,038.86	71,055,537.01	-	71,055,537.01
Others	532,393,709.73	-	532,393,709.73	313,056,123.67	-	313,056,123.67
Total	10,778,690,868.65	75,833,311.47	10,702,857,557.18	10,839,715,955.78	224,984,139.05	10,614,731,816.73

(2) Movement of major construction in progress:

Unit: RMB													
Name of item	Budget	December 31, 2013	Increase during the year	Transfer to fixed assets upon completion	Other decreases during this year	December 31, 2014	Proportion of project investment to the budget (%)	Project progress	Accumulated interest capitalized	Including interest capitalized	Rate of interest capitalized (%)	Sources of funds	
Dual clutch transmission project and relocation	6,216,786,755.53	1,785,988,973.07	1,680,185,121.84	2,169,585,097.77	10,092,121.42	1,286,476,875.72	84	Under construction	71,112,193.62	4,684,979.75	6.55	Self-financed and raised funds	
Project of technology improvement and capacity expansion of SGMW	15,216,523,530.89	2,960,027,426.91	3,438,723,622.42	2,685,528,489.29	489,454,528.38	3,223,768,031.66	66	Under construction	-	-	-	Self-financed	
Project of technology improvement and capacity expansion of Huizhong	2,367,322,349.66	327,501,390.82	668,275,810.14	651,249,462.95	544,146.44	333,963,691.57	69	Under construction	-	-	-	Self-financed	
Construction of MG Pukou base phase II of NACG	1,847,188,500.00	248,275,081.92	363,870,018.85	391,424,898.36	151,963,980.53	68,756,221.88	43	Under construction	-	-	-	Self-financed	
Donghua CP4 logistics supporting project	113,879,200.00	28,941,772.94	28,770,028.48	17,213,543.61	23,576,428.34	16,921,825.47	65	Under construction	-	-	-	Self-financed	
Donghua Pukou Qiaolin project	1,346,280,000.00	1,567,172.96	7,223,236.39	-	726,500.00	8,063,909.35	66	Under construction	-	-	-	Self-financed	
Project of technology improvement and capacity expansion of Shanghai Diesel	2,172,393,665.00	982,054,400.28	170,825,114.73	871,867,843.28	61,254,600.82	219,757,070.91	61	Under construction	-	-	-	Self-financed and raised funds	
Project of technology improvement and capacity expansion of Yanfeng Johnson	4,588,284,579.07	1,346,526,379.89	2,659,480,655.85	1,936,136,008.66	160,036,021.34	1,909,813,005.74	57	Under construction	16,091,808.26	16,091,808.26	3.41	Self-financed	
Project of passenger vehicles of self-owned brands	11,359,552,170.88	697,066,827.65	1,214,623,120.90	871,829,765.57	14,976,389.11	1,024,881,793.87	52	Under construction	-	-	-	Self-financed and raised funds	
Project of R&D center expansion	3,697,401,391.00	420,488,828.89	579,742,160.16	98,602,845.83	15,667,706.24	885,940,436.98	75	Under construction	-	-	-	Self-financed and raised funds	
Project of construction of port of Anji Logistics	3,594,731,868.00	1,087,383,647.33	272,698,920.39	43,978,436.55	341,193,230.53	974,910,900.64	36	Under construction	-	-	-	Self-financed	
Project of self-owned brand of Commercial Vehicles	1,541,866,530.00	394,933,345.11	104,274,161.87	245,656,931.58	230,769.23	253,117,905.17	56	Under construction	-	-	-	Self-financed and raised funds	
Project of photovoltaic generation of Asset Management	450,700,000.00	174,869,047.33	182,534,286.92	349,464,690.15	-	7,938,646.10	84	Under construction	10,616,960.87	7,110,311.24	5.31	Self-financed	
Project of self-owned brand in Thailand	90,982,497.38	71,095,537.01	91,885,786.87	123,149,397.38	7,824,887.64	31,967,038.86	78	Under construction	-	-	-	Self-financed	
Others	-	313,056,123.67	362,813,476.78	85,743,907.42	57,731,983.30	532,393,705.73		Under construction	-	-	-	Self-financed	
Total	54,604,883,037.41	10,838,715,955.78	11,815,885,524.59	10,541,633,318.40	1,335,277,293.32	10,778,690,868.65			97,820,962.75	27,887,099.25			

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

Unit: RMB	
Item	Amount
December 31, 2013	10,839,715,955.78
Purchase during the year	11,809,723,445.59
Increases due to changes in the exchange rate during the year	6,162,079.00
Transfer to fixed assets upon completion	10,541,633,318.40
Transfer to intangible assets upon completion	925,317,808.43
Transfer to investment properties upon completion	34,706,216.20
Disposals during the year	375,253,268.69
December 31, 2014	10,778,690,868.65

(4) Impairment for constructions in progress

Unit: RMB					
Item	December 31, 2013	Increase	Decrease	December 31, 2014	Reason for impairment
Dalian Shanghai Diesel product line and plant construction	83,488,014.95	-	51,771,388.84	31,716,626.11	Termination of the project
Construction of MG Pukou base phase II of NACG	139,611,817.40	-	139,375,904.33	235,913.07	Changes of products
Project of technology improvement and capacity expansion of SGMW	-	25,273,202.59	-	25,273,202.59	Suspension of project
Project of technology improvement and capacity expansion of Yanfeng Johnson	411,230.00	16,723,263.00	-	17,134,493.00	Termination of the project
Others	1,473,076.70	-	-	1,473,076.70	Termination of the project
Total	224,984,139.05	41,996,465.59	191,147,293.17	75,833,311.47	

(5) At the year-end, constructions in progress with net book value of RMB 184,904,051.98 were pledged as collateral for bank borrowings. Please refer to Note (VI) 38 for more details.

20. Intangible assets and development expenditures

(1) General

Unit: RMB

Item	Land use right	Know-how	Royalties	Software	Patent	Trademark right	Others	Total
I. Cost								
December 31, 2013	5,215,623,751.33	2,735,683,635.59	8,113,500.00	894,970,290.39	1,033,952,252.05	247,715,745.00	932,086,536.00	11,068,145,710.36
Purchase during the year	432,696,831.92	65,503,142.48	-	108,032,197.96	-	4,938,546.17	-	611,170,718.53
Transfer from investment properties during the year	5,891,244.81	-	-	-	-	-	-	5,891,244.81
Transfer from construction in progress during the year	819,498,869.65	-	-	105,818,938.78	-	-	-	925,317,808.43
Increases due to changes in the exchange rate during the year	-	465,128.60	-	131,358.24	-	-	-	596,486.84
Disposals during the year	103,387,741.78	622,930.00	-	51,073,126.25	-	-	-	155,083,798.03
Transfer to investment properties during the year	30,346,867.85	-	-	-	-	-	-	30,346,867.85
December 31, 2014	6,339,976,088.08	2,801,028,976.67	8,113,500.00	1,057,879,659.12	1,033,952,252.05	252,654,291.17	932,086,536.00	12,425,691,303.09
II. Accumulated amortization								
December 31, 2013	584,530,453.60	1,829,747,686.22	2,793,550.00	487,756,225.35	923,865,940.22	27,137,178.01	618,671,457.25	4,474,502,490.65
Provision during the year	131,306,760.79	24,043,759.34	165,000.00	135,467,411.86	25,654,927.86	24,403,560.23	239,441,482.96	580,482,903.04
Transfer from investment properties during the year	473,040.60	-	-	-	-	-	-	473,040.60
Disposals during the year	22,620,011.34	622,930.00	-	40,053,458.89	-	-	-	63,296,400.23
Transfer to investment properties during the year	2,956,506.62	-	-	-	-	-	-	2,956,506.62
December 31, 2014	690,733,737.03	1,853,168,515.56	2,958,550.00	583,170,178.32	949,520,868.08	51,540,738.24	858,112,940.21	4,989,205,527.44
III. Impairment								
December 31, 2013	3,612,787.25	859,289,951.94	4,714,950.00	19,050,261.78	81,250,000.00	-	-	967,917,950.97
Disposals during the year	-	-	-	9,235,782.57	-	-	-	9,235,782.57
December 31, 2014	3,612,787.25	859,289,951.94	4,714,950.00	9,814,479.21	81,250,000.00	-	-	958,682,168.40
IV. Net book value								
December 31, 2014	5,645,629,563.80	88,570,509.17	440,000.00	464,895,001.59	3,181,383.97	201,113,552.93	73,973,595.79	6,477,803,607.25
December 31, 2013	4,627,480,510.48	46,645,997.43	605,000.00	388,163,803.26	28,836,311.83	220,578,566.99	313,415,078.75	5,625,725,268.74

(2) Details of the certificates of title of fixed assets that were not obtained are as follows:

Unit: RMB

Item	Book value	Reasons why certificates of title have not been obtained
Land use right	293,788,594.47	In progress

(3) At the year-end, land use right with net book value of RMB 68,897,316.22 was pledged as collateral of bank borrowings. Refer to Note (VI) 26 and 38.

21. Development expenditures

Unit: RMB

Item	December 31, 2013	Increase	Recognized in profit and loss	December 31, 2014
Research expenditures	-	1,801,808,498.07	1,801,808,498.07	-
Development expenditures	40,916,902.32	5,030,219,997.03	5,062,702,248.36	8,434,650.99
Total	40,916,902.32	6,832,028,495.10	6,864,510,746.43	8,434,650.99

Development expenditures accounts for 73.63% of total research and development expenditures during the year.

22. Goodwill

(1) Cost

Unit: RMB

Invested company	December 31, 2013	Increase	Disposals	December 31, 2014
Chongqing Yanfeng Johnson Automotive Parts Systems Co., Ltd	71,566,642.00	-	-	71,566,642.00
Shanghai Diesel	6,994,594.88	-	-	6,994,594.88
Nanya Motor	11.11	-	-	11.11
Others	9,332,418.71	1,480,775.51	4,170,293.46	6,642,900.76
Total	87,893,666.70	1,480,775.51	4,170,293.46	85,204,148.75

(2) Impairment

Unit: RMB

Invested company	December 31, 2013 and December 31, 2014
Nanya Motor	11.11
Others	2,900,000.00
Total	2,900,011.11

23. Long-term deferred expenses

Unit: RMB

Item	December 31, 2014	December 31, 2013
Improvement expenditure of fixed assets	919,090,098.38	761,788,305.35
Mould costs	23,244,990.54	14,368,761.11
Others	91,209,455.03	104,047,433.03
Total	1,033,544,543.95	880,204,499.49

24. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets and corresponding deductible temporary differences:

Unit: RMB

Item	December 31, 2014		December 31, 2013	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Assets impairment	2,227,177,532.02	416,604,147.20	1,504,558,165.04	318,327,811.25
Temporary difference arising from depreciation of fixed assets	351,828,771.95	58,709,288.50	463,721,867.63	93,264,566.01
Temporary difference arising from amortization of intangible assets	8,489,667.50	1,273,450.13	6,936,691.60	1,040,503.74
Deferred income	487,001,254.43	88,143,823.00	287,060,825.43	71,765,206.36
Liabilities accrued but not deductible	52,172,138,874.41	12,122,537,072.24	43,342,542,107.87	10,570,323,671.62
Unrealized profit elimination	3,663,545,961.24	914,744,229.66	2,141,358,212.19	533,489,227.06
Others	678,726,955.43	159,781,037.27	508,838,432.85	105,538,971.43
Total	59,588,909,016.98	13,761,793,048.00	48,255,016,302.61	11,693,749,957.47

(2) Differed tax liabilities and corresponding taxable temporary differences:

Unit: RMB

Item	December 31, 2014		December 31, 2013	
	Taxable temporary differences	Differed tax liabilities	Taxable temporary differences	Differed tax liabilities
Held-for-trading financial assets and liabilities measured at fair value	31,116,040.00	7,779,010.00	-	-
Available-for-sale financial assets measured at fair value	9,102,049,123.43	2,038,637,564.61	2,937,679,576.55	723,792,555.51
Fair value adjustment on fixed assets, intangible assets and other assets obtained from business combination not involving enterprises under common control	363,509,325.26	90,876,487.11	618,799,663.49	145,176,246.37
Equity interest held for sale	-	-	478,109,907.00	71,716,486.00
Others	185,989,972.38	55,950,058.73	94,638,260.93	30,906,191.47
Total	9,682,664,461.07	2,193,243,120.45	4,129,227,407.97	971,591,479.35

(3) Deferred tax assets offset by deferred tax liabilities

Unit: RMB

Item	Deferred tax assets offset by deferred tax liabilities at December 31, 2014	Net amount of deferred tax assets (liabilities) at December 31, 2014	Deferred tax assets offset by deferred tax liabilities at December 31, 2013	Net amount of deferred tax assets (liabilities) at December 31, 2013
Differed tax assets	3,967,237.63	13,757,825,810.37	1,037,198.38	11,692,712,759.09
Differed tax liabilities	3,967,237.63	2,189,275,882.82	1,037,198.38	970,554,280.97

(4) Details of unrecognized deferred tax assets

Unit: RMB

Item	December 31, 2014	December 31, 2013
Deductible losses and deductible temporary differences	47,753,342,139.90	40,577,037,633.19

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

Item	Unit: RMB
December 31, 2013	10,722,158,478.12
Increase due to changes in the consolidation scope during the year	1,952,228.00
Recognized in profit and loss of the year	2,159,284,230.53
Recognized in equity during the year	(1,314,845,009.10)
December 31, 2014	11,568,549,927.55

25. Other non-current assets

Unit: RMB

Item	December 31, 2014	December 31, 2013
Prepayment of long-term assets	936,713,590.61	289,821,575.08
Payment in advance investment (Note 1)	-	800,000,000.00
Long-term loans (Note 2)	220,849,689.64	220,849,689.64
Receivables investment (Note 3)	159,797,500.74	151,742,873.25
Others (Note 4)	316,228,640.82	288,462,483.18
Sub-total	1,633,589,421.81	1,750,876,621.15
Less: Impairment loss on other non-current assets	220,849,689.64	245,849,421.55
Total	1,412,739,732.17	1,505,027,199.60

Note 1: The balances of December 31, 2013 represent prepayment for investment of the Group. At the year end, the equity change of the invested companies has been completed.

Note 2: The balances represent long-term loans granted to SAIC General Motors Investments Limited, of which full provision for impairment loss was recognized in last year-end.

Note 3: The balances represent long-term certificated bonds held by SFC.

Note 4: Included in the opening balance, RMB 49,999,276.23 is securitization of financial assets held by SFC. SFC recognized corresponding financial assets and liabilities due to the continuing involvement. At the year end, the securitization of financial assets has been settled.

26. Short-term borrowings

Unit: RMB

Item	December 31, 2014	December 31, 2013
Pledge loans (Note 1)	233,800,000.00	824,349,079.84
Mortgage loans (Note 2)	21,000,000.00	-
Guaranteed loans (Note 3)	59,000,000.00	8,500,000.00
Credit loans	5,191,453,039.46	4,418,725,680.34
Total	5,505,253,039.46	5,251,574,760.18

Note 1: At the year-end, accounts receivable with net book value of RMB 68,618,200.00 were pledged to secure pledge loans of RMB 53,000,000.00 (see Note (VI) 4). At the year-end, finance leases receivables with net book value of RMB 96,302,506.88 were pledged to secure pledge loans of RMB 180,800,000.00 (see Note (VI) 15).

Note 2: At the year end, land use right with net book value of RMB 632,467.24 was mortgaged to secure mortgage loans of RMB 10,000,000.00 (see Note (VI) 20). At the year end, fixed assets (buildings) with net book value of 7,641,242.09 and investment properties (buildings) with net book value of 1,576,724.91 were mortgaged to secure mortgage loans of RMB 11,000,000.00 (see Note (VI) 17 and 18).

Note 3: Such loans are guaranteed by third parties at the year-end.

27. Customer deposits and deposits from banks and other financial institutions

Unit: RMB

Item	December 31, 2014	December 31, 2013
Enterprises' deposits held by SFC	40,642,489,748.76	38,691,473,576.31
Bankers' deposit held by SFC	318,909,458.84	610,518,790.13
Short-term deposits held by SFC	3,796,664,700.64	3,469,762,610.73
Total	44,758,063,908.24	42,771,754,977.17

28. Financial liabilities at fair value through profit or loss

Unit: RMB

Item	December 31, 2014	December 31, 2013
Derivative financial liabilities - forward exchange contracts	-	7,155,000.00

29. Notes payable

Unit: RMB

Item	December 31, 2014	December 31, 2013
Bank acceptances	5,093,528,730.98	3,941,333,352.29
Trade acceptances	480,686,589.71	451,669,448.72
Total	5,574,215,320.69	4,393,002,801.01

30. Accounts payable

Unit: RMB

Item	December 31, 2014	December 31, 2013
Accounts payable for purchase of materials and equipment, etc.	66,027,244,570.41	61,076,035,671.86

31. Receipts in advance

Unit: RMB

Item	December 31, 2014	December 31, 2013
Receipt in advance arising from sales of vehicles, materials, parts, etc.	27,430,862,400.76	27,031,992,611.61

32. Employee benefits payable

(1) Details of employee benefits payable are as follows:

Unit: RMB

Item	December 31, 2014	December 31, 2013
Short-term employee benefits	6,755,982,241.11	5,550,972,259.06
Post-employment benefit - Defined contribution plans	60,430,013.26	54,016,170.65
Termination benefits	290,935,440.36	332,982,087.43
Total	7,107,347,694.73	5,937,970,517.14

(2) Details of short-term employee benefits are as follows:

Unit: RMB

Item	December 31, 2014	December 31, 2013
Payroll, bonus, allowance and compensation	4,595,870,275.37	3,765,095,540.54
Staff incentive and welfare fund	1,474,414,975.11	1,152,880,316.32
Social security contributions	89,123,758.37	74,942,075.63
Housing funds	60,959,250.17	55,882,374.89
Trade union fund and employee education fund	359,943,388.14	340,251,116.24
Others	175,670,593.95	161,920,835.44
Total	6,755,982,241.11	5,550,972,259.06

(3) Defined contribution plans

Unit: RMB

Item	December 31, 2014	December 31, 2013
Basic pensions	48,130,571.19	44,063,701.52
Unemployment insurance	9,794,180.54	7,546,757.79
Corporate annuity	2,505,261.53	2,405,711.34
Total	60,430,013.26	54,016,170.65

33. Taxes payable

Unit: RMB

Item	December 31, 2014	December 31, 2013
Value added tax	(840,129,805.93)	(1,606,972,965.74)
Consumption tax	232,899,629.28	242,039,546.90
Business tax	124,367,230.74	85,753,964.46
Enterprise income tax	3,430,921,799.42	4,364,239,278.59
Individual income tax	89,451,964.91	67,435,833.71
City construction and maintenance tax	57,461,037.63	44,069,728.10
Land use tax	18,449,831.83	6,965,996.81
Education surcharge	71,074,522.30	36,078,193.61
Others	225,904,254.82	169,807,085.39
Total	3,410,400,465.00	3,409,416,661.83

34. Dividends payable

Unit: RMB

Item	December 31, 2014	December 31, 2013
Dividends payable of subsidiaries due to minority investors	137,519,670.03	65,411,503.89

35. Other payables

Unit: RMB

Item	December 31, 2014	December 31, 2013
Sales commission and discount	24,426,372,989.74	20,184,194,558.93
Dealers' deposits and other deposits	3,162,242,514.52	3,281,089,187.34
Others	5,241,675,855.79	5,196,636,520.51
Total	32,830,291,360.05	28,661,920,266.78

36. Non-current liabilities due within one year

Unit: RMB

Item	December 31, 2014	December 31, 2013
Provisions due within one year (Note (VI)42)	3,933,234,863.80	5,199,582,235.67
Long-term borrowings due within one year (Note (VI)38)	1,777,060,262.07	769,008,795.87
Bonds payable due within one year (Note (VI)39)	1,133,493,000.00	-
Total	6,843,788,125.87	5,968,591,031.54

(1) Provisions due within one year

Unit: RMB

Item	December 31, 2014	December 31, 2013
Products quality warranty	3,484,295,885.92	3,740,353,815.29
Others	448,938,977.88	1,459,228,420.38
Total	3,933,234,863.80	5,199,582,235.67

(2) Long-term borrowings due within one year

Unit: RMB

Item	December 31, 2014	December 31, 2013
Pledge loans	1,303,455,395.62	505,693,489.35
Credit loans	423,704,866.45	208,165,306.52
Mortgage loans	49,900,000.00	55,150,000.00
Total	1,777,060,262.07	769,008,795.87

(3) Bonds payable due within one year

Unit: RMB

Item	December 31, 2014	December 31, 2013
Bonds payable	1,133,493,000.00	-

37. Other current liabilities

Unit: RMB

Item	December 31, 2014	December 31, 2013
Accrued expenses	154,042,787.13	109,477,605.53

38. Long-term borrowings

Unit: RMB

Item	December 31, 2014	December 31, 2013
Pledge loans (Note 1)	1,645,245,602.82	1,802,692,280.53
Mortgage loans (Note 2)	376,700,000.00	231,360,000.00
Credit loans	1,804,259,025.70	1,165,177,806.49
Sub-total	3,826,204,628.52	3,199,230,087.02
Less: Long-term borrowings due within one year (Note (VI)36)	1,777,060,262.07	769,008,795.87
Long-term borrowings due after one year	2,049,144,366.45	2,430,221,291.15

Note 1: At the year-end, financial leases receivables of RMB 1,834,781,269.95 were pledged to secure pledge loans of RMB 849,775,602.82 (see Note (VI) 15). At the year-end, 50% equity interest of Yanfeng Visteon Trim, HASCO's subsidiary, was set as pledge for RMB 795,470,000.00 of pledge loans.

Note 2: At the year-end, the Company mortgaged investment properties – buildings with net book value of RMB 3,580,279.26 and intangible assets – land use rights with net book value of RMB 4,242,499.09 to secure mortgage loans of RMB 8,000,000.00 (see Note (VI)17, 20), mortgaged fixed assets – buildings with net book value of RMB 13,668,571.20, investment properties – buildings with net book value of RMB 11,898,625.94 and intangible assets – land use rights with net book value of RMB 12,082,107.67 to secure mortgage loans of RMB 15,600,000.00 (see Note (VI)17, 18 and 20), mortgaged investment properties – buildings with net book value of RMB 40,861,799.71 and intangible assets – land use rights with net book value of RMB 16,625,540.42 to secure mortgage loans of RMB 12,000,000.00 (see Note (VI)17 and 20), mortgaged construction in progress with net book value of RMB 184,904,051.98 and intangible assets – land use rights with net book value of RMB 35,314,701.80 to secure mortgage loans of RMB 152,000,000.00 (see Note (VI)19, 20), mortgaged fixed assets – buildings with net book value of RMB 75,807,165.56 to secure mortgage loans of RMB 173,200,000.00 (see Note (VI)18), and mortgaged assets rented out through finance lease – ships, etc. to secure mortgage loans of RMB 15,900,000.00.

39. Bonds payable

Unit: RMB		
Category	December 31, 2014	December 31, 2013
Corporate bonds of HASCO (Note)	3,833,983,000.00	3,833,983,000.00
Less: Bonds payable due within one year(Note (VI) 36)	1,133,493,000.00	–
Bonds payable due after one year	2,700,490,000.00	3,833,983,000.00

Note: As approved by China Securities Regulatory Commission Zheng Xu Ke [2013] No. 1380, “About approving HASCO of issuing corporate bonds”, HASCO, the Company’s subsidiary, issued of RMB 4,000,000,000 on November 21, 2013 at par value of RMB 100. The bond was categorized as two types. Type 1 was a two-year bond with issuance of RMB 1,200,000,000 and nominal annual interest rate of 5.60%. Type 2 was a 5-year bond with attached options which enable the issuer to raise the nominal annual interest rate and the investor to sell it back at the end of the third year after the issuance of the bond. The issuance of type 2 was RMB 2,800,000,000 and the nominal annual interest rate was 5.72%. Interests of both types were simple and calculated annually. Interests of the bond are paid annually and the principle will be paid when it is due. There is no guarantee for this bond by HASCO.

SFC, the Company’s subsidiary, subscribed for RMB 166,017,000.00 of the corporate bonds of HASCO. After elimination within the group, balance of bonds payable at the year-end is RMB 3,833,983,000.00, RMB 2,700,490,000.00 of which is due after one year.

40. Long-term employee benefits payable

(1) Details of long-term employee benefits payable

Unit: RMB		
Item	December 31, 2014	December 31, 2013
Post-retirement benefit – defined benefit plan liabilities	3,018,996,758.83	3,808,790,867.53
Termination benefits	2,311,013,889.91	2,132,661,442.04
Other long-term benefits	186,711,474.81	213,083,087.20
Total	5,516,722,123.55	6,154,535,396.77

(2) Details of defined benefit plans

Present value of defined benefit plan liabilities:

Unit: RMB	
Item	Year ended December 31, 2014
I. January 1, 2014	3,808,790,867.53
II. Cost of defined benefit plans recognized in profit or loss	217,428,499.05
Including: Past service cost	110,913,572.12
Interests	106,514,926.93
III. Cost of defined benefit plans recognized in other comprehensive income	(914,866,778.31)
Including: Actuarial (gains) losses	(914,866,778.31)
IV. Other movements	(92,355,829.44)
Including: Benefits paid	(92,355,829.44)
V. December 31, 2014	3,018,996,758.83

The Group provided retired employees with defined benefit plans of supplementary post-employment benefits. The Group estimated its commitment to employees after retirement by actuarial valuation, and calculated its liabilities resulted from the supplementary post-employment based on estimation. Liabilities of the plan is estimated based on its future cash outflow at certain benefit increase rate and death rate and discounted to its present value at certain discount rate. The discount rate is determined based to the rate of the government bonds with an expected term and currency that are consistent with the expected term of the obligations at the balance sheet date. The Group recognized the liability according to the results from actuarial valuation, and recognized relevant Actuarial gains and losses in other comprehensive income that will not be reclassified subsequently to profit or loss. Past service cost is recognized as profit or loss when the defined benefit plan is revised. Interest expense is calculated based on net liabilities of defined benefit plans and discount rate.

Defined benefit plans of supplementary post-employment benefits expose the Group to actuarial risks such as: interest rate risk, longevity risk and inflation risk. A decrease in the bond interest rate will increase the plan liability. The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan’s liability. Besides, the present value of the defined benefit plan liability is related to the future payment standards, which is estimated based on inflation rate. Therefore, the increase of inflation rate will increase the plan’s liability.

The most recent actuarial valuation of the defined benefit plan liabilities was carried out at December 31, 2015 by professional institution. The present value of the defined benefit obligation and the related service cost were measured using the projected unit credit method.

Significant actuary assumptions for the purposes of the actuarial valuations are discount rate, benefit increase rate and death rate. The discount rates used are 3.78% – 4.25%. The assumption of death rate was based on “China Life Insurance Mortality Table (2000–2003)”.

The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

• If the discount rate is 25 basis points higher (lower), the present value of defined benefit plan liabilities would decrease by RMB 1.4171 million (increase by RMB 1.5323 million).

• If the benefit increase rate increases (decreases) by 1%, the present value of defined benefit plan liabilities would increase by RMB 5.5735 million (decrease by RMB 4.1318 million).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit liabilities as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In the above sensitivity analysis, the present value of defined benefit plan liabilities has been calculated using the same method as that applied in calculating the defined benefit plan liabilities recognized in in the balance sheet.

41. Special payables

Unit: RMB

Item	December 31, 2014	December 31, 2013
Compensation for relocation (Note 1)	196,610,014.24	1,141,687,080.17
Special reward fund (Note 2)	900,428,309.00	939,884,119.00
Total	1,097,038,323.24	2,081,571,199.17

Note 1: The balance represents compensations appropriated by the government for its purchase of land use rights owned by the Group for relocation for the benefit of the public interest.

Note 2: Balance of special reward fund was injected by SAIC in 2011 restructuring 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.

42. Provisions

Unit: RMB

Item	December 31, 2014	December 31, 2013
Products quality warranty	10,232,551,493.13	8,499,429,995.92
Expected compensation expenditure	482,643,289.24	371,269,579.87
Others	903,620,086.65	1,624,961,531.11
Sub-total	11,618,814,869.02	10,495,661,106.90
Less: Provisions due within one year (Note (VI) 36)	3,933,234,863.80	5,199,582,235.67
Provisions due after one year	7,685,580,005.22	5,296,078,871.23

43. Deferred income

Unit: RMB

Item	December 31, 2014	December 31, 2013
Government grants (Note)	6,587,189,457.74	4,596,193,157.81
Interest received in advance by SFC	1,357,856,281.33	1,127,646,806.92
Others	756,789,196.06	512,624,233.24
Total	8,701,834,935.13	6,236,464,197.97

Note: Details of deferred income – government grants are as follows:

Unit: RMB

Item	December 31, 2013	Increase	Amount recognized in non-operating income	December 31, 2014	Related to assets/income
Relocation compensation	2,792,210,427.54	1,573,797,106.60	576,754,940.85	3,789,252,593.29	Assets/Income
Subsidies for purchase of fixed assets	683,160,540.07	765,534,537.39	52,120,327.46	1,396,574,750.00	Assets
Technical improvement	349,906,061.45	58,618,157.00	28,307,937.49	380,216,280.96	Assets
Subsidies for project development	505,515,082.03	377,538,287.10	152,776,915.03	730,276,454.10	Income
Financial subsidies	265,401,046.72	48,466,891.35	22,998,558.68	290,869,379.39	Income
Total	4,596,193,157.81	2,823,954,979.44	832,958,679.51	6,587,189,457.74	

44. Share capital

Registered capital and paid-in capital of the Company are RMB 11,025,566,629.00, with a par value of RMB1.00 per share.

Categories and composition of the shares are as follows:

Year 2014	December 31, 2013 (shares)	Changes (shares) (Note)	December 31, 2014 (shares)	% of shares held at the end of the years
I. Restricted shares				
Shares held by domestic legal person				
–SAIC	1,448,736,163	(1,448,736,163)	–	–
–SAIC Ltd	334,408,775	(334,408,775)	–	–
Sub-total	1,783,144,938	(1,783,144,938)	-	-
II. Non-restricted shares				
Ordinary shares in RMB				
–SAIC	6,742,713,768	1,448,736,163	8,191,449,931	74.30
–Yuejin	413,919,141	–	413,919,141	3.75
–SAIC Ltd	–	334,408,775	334,408,775	3.03
–Others	2,085,788,782	–	2,085,788,782	18.92
Sub-total	9,242,421,691	1,783,144,938	11,025,566,629	100.00
III. Total	11,025,566,629	-	11,025,566,629	100.00

Note: As stated in Note (I), in 2011 restructuring, the Company issued 1,783,144,938 shares (with par value of RMB 1.00 per share), of which 1,448,736,163 shares were issued to SAIC and 334,408,775 shares were issued to SAIC Ltd. Such shares were restricted for 36 months after the issue and such shares were released for trading during the year.

Year 2013	December 31, 2013 (shares)	Changes (shares)(Note)	December 31, 2013 (shares)	% of shares held at the end of the years
I. Restricted shares				
Shares held by domestic legal person				
-SAIC	1,520,834,217	(72,098,054)	1,448,736,163	13.14
-SAIC Ltd	334,408,775	-	334,408,775	3.03
Sub-total	1,855,242,992	(72,098,054)	1,783,144,938	16.17
II. Non-restricted shares				
Ordinary shares in RMB				
-SAIC	6,670,615,714	72,098,054	6,742,713,768	61.16
-Yuejin	413,919,141	-	413,919,141	3.75
-SAIC Ltd	2,085,788,782	-	2,085,788,782	18.92
-Others	9,170,323,637	72,098,054	9,242,421,691	83.83
Sub-total	11,025,566,629	-	11,025,566,629	100.00
III. Total				

Note: In 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 (with par value of RMB 1.00 per share) to 10 investors, including SAIC, the controlling shareholder. Of the 720,980,533 shares issued, 648,882,479 shares issued to other investors were restricted for 12 months after the issue (such shares were released for trading during 2011) and 72,098,054 shares issued to SAIC were restricted for 36 months after the issue (such shares were released for trading during 2013).

45. Capital reserve

Unit: RMB

Item	January 1	Increase	Decrease	December 31
Year 2014				
Share premium	36,997,624,621.54	16,096,531.50	-	37,013,721,153.04
Including: Capital contributed by investors (Note 1)	37,144,575,538.93	3,204,576.65	-	37,147,780,115.58
Differences arising from business combination involving enterprises under common control	1,454,026,130.62	-	-	1,454,026,130.62
Effect of changes of investment in subsidiaries	(1,600,977,048.01)	12,891,954.85	-	(1,588,085,093.16)
Other capital reserves	971,901,273.20	976,695.30	-	972,877,968.50
Total	37,969,525,894.74	17,073,226.80	-	37,986,599,121.54
Year 2013				
Share premium	38,677,729,396.06	11,155,140.69	1,691,259,915.21	36,997,624,621.54
Including: Capital contributed by investors (Note 1)	37,133,420,398.24	11,155,140.69	-	37,144,575,538.93
Differences arising from business combination involving enterprises under common control	1,454,026,130.62	-	-	1,454,026,130.62
Effect of changes of investment in subsidiaries (Note 2)	90,282,867.20	-	1,691,259,915.21	(1,600,977,048.01)
Other capital reserves	969,868,211.93	2,033,061.27	-	971,901,273.20
Total	39,647,597,607.99	13,188,201.96	1,691,259,915.21	37,969,525,894.74

Note 1: In 2014 and 2013, the increase of capital reserve relates to 2011 restructuring as stated in Note (I). In 2011 Restructuring, certain assets acquired from SAIC were appraised using income approach. As committed by SAIC, the shortfall of the actual profit of such assets compared with the forecasted profit were compensated by SAIC in cash. The Company recognized the compensation as capital reserve.

Note 2: In 2013, the decrease was resulted from the changes of proportion of equity interest in subsidiaries including Shanghai Diesel, Yanfeng Trim and etc.

Yanfeng Trim was a subsidiary of the HASCO, which held 50% equity interest in Yanfeng Trim and controlled majority voting rights in its board of directors. Visteon International Corporation Limited ("Visteon") held the remaining 50% equity interest in Yanfeng Trim. By the end of 2013, HASCO completed the acquisition of 50% equity interest of Yanfeng Trim held by Visteon, and Yanfeng Trim has become a wholly owned subsidiary of HASCO. HASCO paid consideration of USD 928.4 million (equivalent in RMB 5,648,790,217.90). In accordance with CAS Interpretation No.2, the difference between the consideration and the book value of the corresponding net assets acquired is adjusted to capital reserve. HASCO reduced capital reserve of RMB 2,800,875,482.90. Accordingly, the Company reduced capital reserve of RMB 1,683,326,165.22 and minority interest of RMB 1,117,549,317.68, respectively, based on 60.1% equity interest of HASCO held by the Company.

46. Other comprehensive income

Unit: RMB

Item	December 31, 2013	During the year					December 31, 2014
		Increase before income tax	Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss of the current period	Less: Income tax expenses	Attributable to shareholders of the Company after income tax	Attributable to minority interests after income tax	
I. Other comprehensive income that will not be reclassified subsequently to profit or loss	-	928,404,386.02	-	-	936,924,910.50	(8,520,524.48)	936,924,910.50
Including: Changes in net liabilities or net assets due to remeasurement of defined benefit plans	-	914,866,778.31	-	-	926,771,704.72	(11,904,926.41)	926,771,704.72
Shares of other comprehensive income that will not be reclassified subsequently to profit or loss of invested entities under equity method	-	13,537,607.71	-	-	10,153,205.78	3,384,401.93	10,153,205.78
II. Other comprehensive income that may be reclassified subsequently to profit or loss	4,422,625,915.82	6,444,728,140.84	(6,917,964.51)	1,314,845,009.10	4,343,944,595.34	792,856,500.91	8,766,570,511.16
Including: Shares of other comprehensive income that may be reclassified subsequently to profit or loss of invested entities under equity method in future	16,395,139.10	(124,198,812.96)	199,291.09	-	(125,331,242.26)	933,138.21	(108,936,103.16)
Changes in fair value of available-for-sale financial assets	4,367,399,747.63	6,481,540,843.60	(7,117,255.60)	1,314,845,009.10	4,386,120,889.83	787,692,200.27	8,753,520,637.46
Exchange differences on translating foreign operations	38,831,029.09	87,386,110.20	-	-	83,154,947.77	4,231,162.43	121,985,976.86
Total	4,422,625,915.82	7,373,132,526.86	(6,917,964.51)	1,314,845,009.10	5,280,869,505.84	784,335,976.43	9,703,495,421.66

47. Surplus reserve

Unit: RMB

Item	January 1	Appropriation	December 31
Year 2014			
Statutory surplus reserve	9,280,817,747.99	2,446,364,459.15	11,727,182,207.14
Discretionary surplus reserve	7,662,615,241.45	2,446,364,459.15	10,108,979,700.60
Total	16,943,432,989.44	4,892,728,918.30	21,836,161,907.74
Year 2013			
Statutory surplus reserve	7,539,067,256.12	1,741,750,491.87	9,280,817,747.99
Discretionary surplus reserve	5,920,864,749.58	1,741,750,491.87	7,662,615,241.45
Total	13,459,932,005.70	3,483,500,983.74	16,943,432,989.44

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

48. Retained earnings

Unit: RMB

Item	2014	2013
Balance at the beginning of year	66,456,983,324.88	51,978,504,734.84
Add: Net profit attributable to the shareholders of the Company	27,973,441,274.41	24,803,626,272.23
Less: Appropriation to statutory surplus reserve of the Company	2,446,364,459.15	1,741,750,491.87
Appropriation to discretionary surplus reserve of the Company	2,446,364,459.15	1,741,750,491.87
Dividends distribution (Note 1)	13,230,679,954.80	6,615,339,977.40
Appropriation to foreign capital reserve of SFC	976,695.30	2,033,061.27
Appropriation to staff incentive and welfare fund of subsidiaries	220,358,113.92	224,273,659.78
Balance at the end of year	76,085,680,916.97	66,456,983,324.88

Note 1: Prior year's cash dividends approved by shareholders' meeting

According to resolution reached at 2013 annual general meeting of shareholders on June 19, 2014, the Company distributed cash dividends of RMB12.00 (inclusive of tax) per 10 shares, amounting to RMB 13,230,679,954.80 based on total 11,025,566,629 shares.

Note 2: Profit distribution proposed after the balance sheet date

According to the proposals made at the 19th meeting of the 5th session of the Board of Directors, the Company planned to distribute cash dividends of RMB 13 (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 is yet to be approved by the general meeting of shareholders.

49. Operating income/costs

(1) Operating income/costs

Unit: RMB

Item	Year Ended December 31, 2014		Year Ended December 31, 2013	
	Operating income	Operating costs	Operating income	Operating costs
Primary operations	616,091,866,780.01	540,616,517,511.13	555,145,042,181.45	484,458,273,003.97
Other operations	10,620,527,706.85	8,619,508,402.87	8,200,630,184.33	6,530,209,072.10
Total	626,712,394,486.86	549,236,025,914.00	563,345,672,365.78	490,988,482,076.07

(2) Primary operations

Unit: RMB

	Year Ended December 31, 2014		Year Ended December 31, 2013	
	Operating income	Operating costs	Operating income	Operating costs
Sales of vehicles	487,904,640,265.90	437,472,171,075.10	432,606,057,505.39	385,844,647,899.63
Sales of parts	112,350,643,124.74	89,667,112,081.10	107,853,711,372.36	86,069,384,830.23
Trading	10,190,290,392.62	9,786,066,547.86	9,166,191,780.85	8,750,931,954.31
Service and others	5,646,292,996.75	3,691,167,807.07	5,519,081,522.85	3,793,308,319.80
Total	616,091,866,780.01	540,616,517,511.13	555,145,042,181.45	484,458,273,003.97

(3) Other operations

Unit: RMB

	Year Ended December 31, 2014		Year Ended December 31, 2013	
	Operating income	Operating costs	Operating income	Operating costs
Sales of raw materials	8,443,251,098.31	7,321,017,866.21	5,962,796,606.37	5,200,660,543.13
Rendering services	476,375,880.15	390,304,436.67	626,739,273.09	483,297,159.72
Rental	481,895,192.23	200,203,253.28	461,334,271.74	198,668,572.37
Others	1,219,005,536.16	707,982,846.71	1,149,760,033.13	647,582,796.88
Total	10,620,527,706.85	8,619,508,402.87	8,200,630,184.33	6,530,209,072.10

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

Unit: RMB

Name	Operating income	Proportion to total operating income (%)
Company 1	36,749,343,498.10	5.87
Company 2	12,809,273,220.01	2.05
Company 3	7,910,933,324.39	1.26
Company 4	5,796,699,142.96	0.92
Company 5	3,454,186,335.71	0.55
Total	66,720,435,521.17	10.65

50. Interest income/expenses

Unit: RMB

	Year Ended December 31, 2014		Year Ended December 31, 2013	
	Income	Expenses	Income	Expenses
Interest income/expenses of SFC	3,195,091,850.17	899,418,199.38	2,364,124,238.21	716,512,659.62

51. Fee and commission income/ expenses

Unit: RMB

	Year Ended December 31, 2014		Year Ended December 31, 2013	
	Income	Expenses	Income	Expenses
Fee and commission income/expenses of SFC	93,678,100.67	11,047,439.01	97,214,975.83	6,580,329.31

52. Business taxes and levies

Unit: RMB

Item	Year Ended December 31, 2014	Year Ended December 31, 2013
Consumption tax	2,239,122,040.50	1,973,589,976.74
Business tax	308,070,569.99	263,190,389.20
City construction and maintenance tax	554,454,079.50	507,934,972.94
Education surcharges	599,524,556.99	627,953,671.97
Others	56,039,627.17	66,790,964.75
Total	3,757,210,874.15	3,439,459,975.60

53. Selling expenses

Unit: RMB

Item	Year Ended December 31, 2014	Year Ended December 31, 2013
Transportation expenses	10,852,429,906.17	9,504,059,895.15
Advertising expenses	10,039,144,659.33	8,402,066,316.07
After sales service expenses	4,206,950,824.26	4,464,656,551.10
Others	14,975,249,947.91	12,359,718,312.15
Total	40,073,775,337.67	34,730,501,074.47

54. Administrative expenses

Unit: RMB

Item	Year Ended December 31, 2014	Year Ended December 31, 2013
Salaries	6,349,904,696.07	6,131,137,834.89
Depreciation and amortization	1,044,440,926.11	1,199,239,389.61
Research and development expenditures	6,864,510,746.43	5,890,265,313.47
Royalties	62,557,024.84	107,310,410.02
Others	4,987,291,678.82	5,016,661,804.00
Total	19,308,705,072.27	18,344,614,751.99

55. Financial expenses

Unit: RMB

Item	Year Ended December 31, 2014	Year Ended December 31, 2013
Interest expenses	669,182,235.38	665,714,797.25
Less: Capitalized expenses (Note (VI) 19)	27,887,099.25	9,610,426.95
Less: Interest income	932,026,859.16	922,450,732.25
Exchange (gain) loss	92,897,702.19	(23,490,730.47)
Others	33,235,339.05	35,121,693.92
Total	(164,598,681.79)	(254,715,398.50)

56. Impairment losses of assets

Unit: RMB

Item	Year Ended December 31, 2014	Year Ended December 31, 2013
Bad debt loss	990,379,462.97	394,491,015.33
Decline in value of inventories	459,339,328.11	629,606,420.62
Impairment of available-for-sale financial assets	30,000,000.00	23,347,620.00
Impairment of long-term investments	32,531.42	30,325,460.00
Impairment of fixed assets	2,658,537,298.69	1,140,767,738.52
Impairment of construction in process	41,996,465.59	222,747.30
Impairment of intangible assets	-	631,708,714.31
Impairment of loans	221,954,536.57	263,563,882.68
Impairment of other current assets	23,000,000.00	-
Impairment of other non-current assets	(24,999,731.91)	-
Total	4,400,239,891.44	3,114,033,598.76

57. Gain (loss) from changes in fair values

Unit: RMB

Item	Year Ended December 31, 2014	Year Ended December 31, 2013
Gain (loss) resulting from:		
Financial assets at fair value through profit or loss	10,572,642.36	3,939,821.80
Financial liabilities at fair value through profit or loss	7,155,000.00	(7,155,000.00)
Total	17,727,642.36	(3,215,178.20)

58. Investment income

Unit: RMB

Item	Year Ended December 31, 2014	Year Ended December 31, 2013
Long-term equity investment income under equity method	25,301,463,475.67	22,270,754,866.77
Amortization of long-term equity investment difference	(827,623.32)	(827,623.32)
Effect of loss of control over subsidiaries due to partial disposal	–	265,249,246.00
Gain (loss) on disposal of long-term equity investments	518,600,960.51	136,910,686.20
Gain (loss) from held-for-trading financial assets/liabilities	(3,486,345.14)	8,161,094.49
Gain from available-for-sale financial assets	1,874,283,009.70	2,635,750,729.32
Gain from financial assets purchased under resale agreements	66,360,924.24	68,822,913.80
Others	78,274,294.39	71,594,914.09
Total	27,834,668,696.05	25,456,416,827.35

59. Non-operating income

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

Unit: RMB

Item	Year Ended December 31, 2014	Year Ended December 31, 2013
Government grants	2,672,209,600.09	1,390,054,367.76
Gain on disposal of non-current assets	428,958,213.82	357,478,296.91
Payables waived by creditors	43,054,041.45	60,026,975.27
Debt restructuring gain	541,413.93	4,793,600.54
Acquisition discounts from business combination not involving enterprises under common control (Note)	802,311.00	8,484,365.00
Others	183,516,752.37	237,112,338.45
Total	3,329,082,332.66	2,057,949,943.93

Note: See Note (VII).

(2) Details of government grants recognized in profit or loss are as follows:

Unit: RMB

Item	Year Ended December 31, 2014	Year Ended December 31, 2013	Related To Assets/Income
Relocation compensation	600,360,270.91	566,964,239.07	Assets/Income
Subsidies for purchase of fixed assets	52,120,327.46	41,666,174.10	Assets
Technical improvement	28,307,937.49	14,007,360.44	Assets
Subsidies for project development	188,476,715.03	326,306,103.96	Income
Financial subsidies	1,802,944,349.20	441,110,490.19	Income
Total	2,672,209,600.09	1,390,054,367.76	

60. Non-operating expenses

Unit: RMB

Item	Year Ended December 31, 2014	Year Ended December 31, 2013
Relocation	476,538,705.78	493,815,504.18
Indemnity loss to suppliers	281,418,480.34	23,444,965.88
Loss on disposal of non-current assets	105,676,803.02	87,267,549.29
Donations	8,934,728.95	20,694,065.07
Others	101,486,928.03	118,845,037.47
Total	974,055,646.12	744,067,121.89

61. Income tax expenses

Unit: RMB

Item	Year Ended December 31, 2014	Year Ended December 31, 2013
Current income tax expenses	6,597,306,401.33	9,044,728,434.68
Deferred income tax expenses	(2,159,284,230.53)	(3,135,672,269.73)
Total	4,438,022,170.80	5,909,056,164.95

Reconciliation of income tax and accounting profit is as follows:

Unit: RMB

	Year Ended December 31, 2014	Year Ended December 31, 2013
Accounting profit	42,688,795,192.84	41,492,997,677.48
Income tax expenses calculated at 15% (Year 2013: 15%)	6,403,319,278.93	6,223,949,651.62
Effect of costs, expenses and losses that are not deductible for tax purposes	120,492,912.29	147,376,154.71
Effect of using previously unrecognized deductible losses and deductible temporary differences for tax purposes	(156,669,634.23)	(384,821,362.18)
Effect of unrecognized deductible losses and deductible temporary differences for tax purposes	1,629,444,573.06	1,588,856,975.11
Adjustment on prior year's income tax according to final settlement	(261,706,117.29)	(67,893,883.85)
Effect of non-taxable revenue	(4,199,821,379.56)	(3,514,541,524.60)
Effect of super tax deduction for research and development expenditures	(237,649,989.02)	(207,956,522.23)
Effect of different tax rates of subsidiaries operating in other jurisdictions	1,140,612,526.62	2,124,086,676.37
Total	4,438,022,170.80	5,909,056,164.95

62. Other comprehensive income (loss)

Please refer to Note (VI) 46 for more details.

63. Entrusted business of SFC

Unit: RMB

	December 31, 2014	December 31, 2013
Entrusted deposits	907,302,495.15	1,366,773,562.54
Entrusted loans	745,500,000.00	1,206,000,000.00
Entrusted investments	161,802,495.15	160,773,562.54
Total	907,302,495.15	1,366,773,562.54

64. Note to cash flow statement

Other cash payments relating to financing activities

Unit: RMB

Item	Year Ended December 31, 2014	Year Ended December 31, 2013
Increase of restricted cash (including pledge of bank acceptances, etc.)	65,973,355.84	506,267,257.12

65. Supplementary information to the cash flow statements

(1) Supplementary information to the cash flow statements

Unit: RMB

Supplementary information	Year Ended December 31, 2014	Year Ended December 31, 2013
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	38,250,773,022.04	35,583,941,512.53
Add: Provision for impairment loss of assets	4,400,239,891.44	3,114,033,598.76
Depreciation of fixed assets	4,044,447,787.55	3,831,627,123.55
Amortization of intangible assets	580,482,903.04	902,920,396.76
Depreciation and amortization of investment properties	130,990,306.90	123,185,295.51
Amortization of long-term prepaid expenses	196,901,938.37	215,095,419.73
Losses on disposal of fixed assets, intangible assets and other long-term assets (less gains)	153,257,294.98	223,604,756.56
Losses on changes in fair values (less gains)	(17,727,642.36)	3,215,178.20
Financial expenses	641,295,136.13	656,104,370.30
Losses arising from investments (less gains)	(27,834,668,696.05)	(25,456,416,827.35)
Decrease in deferred tax assets (less increase)	(2,063,160,823.28)	(3,169,367,578.73)
Increase in deferred tax liabilities (less decrease)	(96,123,407.25)	33,695,309.00
Decrease in inventories (less increase)	(10,626,113,631.55)	(7,412,804,737.24)
Decrease in financial assets purchased under resell agreements (less increase)	146,040,000.00	(146,040,000.00)
Decrease in operating receivables (less increase)	7,475,211,708.82	(25,570,843,645.93)
Increase in operating payables	7,901,965,185.52	37,670,561,437.16
Net cash flow from operating activities	23,283,810,974.30	20,602,511,608.81
2. Net movement of cash and cash equivalents:		
Balance at the end of the year	72,071,515,299.46	74,277,677,348.07
Less: Balance at the beginning of the year	74,277,677,348.07	46,797,863,907.34
Net increase (decrease) in cash and cash equivalents	(2,206,162,048.61)	27,479,813,440.73

(2) Cash and cash equivalents

Unit: RMB

Item	December 31, 2014	December 31, 2013
Cash	5,573,207.21	6,721,102.22
Bank deposit	71,772,093,154.17	74,083,108,842.93
Other currencies	293,848,938.08	187,847,402.92
Closing balance of cash and cash equivalents	72,071,515,299.46	74,277,677,348.07

66. Assets with restricted ownership or use right

Unit: RMB

Item	Book value at December 31, 2014	Reason of restriction(Please refer to)
Cash and bank balance	15,877,108,834.53	Note (VI) 1
Notes receivable	767,237,084.00	Note (VI) 3
Accounts receivable	68,618,200.00	Note (VI) 4
Long-term receivables	1,931,083,776.83	Note (VI) 15
Investment properties	57,917,429.82	Note (VI) 17
Fixed assets	97,116,978.85	Note (VI) 18
Construction in progress	184,904,051.98	Note (VI)19
Intangible assets	68,897,316.22	Note (VI)20
Total	19,052,883,672.23	

67. Foreign currency monetary items

Item	Balance of foreign currency at December 31, 2014	Exchange rate	Balance of RMB at December 31, 2014
Cash and bank balance			
-USD	334,820,060.77	6.1190	2,048,763,951.85
-GBP	7,809,749.66	9.5437	74,533,907.83
-EUR	20,394,462.43	7.4556	152,052,954.09
-JPY	759,399,565.37	0.0514	39,033,137.66
-HKD	167,928,542.93	0.7889	132,478,827.52
-Others			221,554,352.82
Total			2,668,417,131.77
Short-term borrowings			
-USD	185,777,020.59	6.1190	1,136,769,588.99
-EUR	7,764,426.52	7.4556	57,888,458.36
-JPY	1,904,302,304.00	0.0514	97,881,138.43
Total			1,292,539,185.78
Long-term borrowing - Others			149,460,352.48

Note: As majority of the transactions of the Group are incurred domestically, majority of the assets and liabilities are dominated in RMB. Therefore, there were no significant foreign currency monetary items except cash and borrowings.

CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combination not involving enterprises under common control

(1) Business combination not involving enterprises under common control in current year

Yanfeng India was a JCE of Yanfeng Trim which held 50% equity interest of Yanfeng India. During the year, Yanfeng Trim made unilateral additional capital contribution to Yanfeng India. Consequently, equity interest of Yanfeng India held by Yanfeng Trim increased to 93%. Yanfeng Trim has obtained control over Yanfeng India, and has included it in the scope of the consolidated financial statements.

Unit: RMB

Name	Cost	% of shares acquires	Acquisition date	Operating income of the acquired subsidiary for the period from acquisition date to the year-end	Net profit of the acquired subsidiary for the period from acquisition date to the year-end
Yanfeng India	122,967,776.00	43.00	May 31, 2014	4,041,804.69	(3,099,973.42)

(2) Acquisition cost and goodwill

Unit: RMB

	Yanfeng India
-Cash	122,967,776.00
-The fair value at the acquisition date of shares acquired before the acquisition date	7,049,984.00
Total	130,017,760.00
Less: the share acquired in the fair value of the acquiree' s identifiable net assets	130,820,071.00
The amount of the cost of combination less than the share acquired in the fair value of the acquiree' s identifiable net assets	(802,311.00)

Unit: RMB

	Yanfeng India
Cash consideration	122,967,776.00
Less: Cash and cash equivalents held by the disposed subsidiary on disposal date	103,599,576.00
Net cash outflow for disposal of subsidiary	(19,368,200.00)

(3) The acquiree' s identifiable assets and liabilities at the acquisition date

Unit: RMB

	Yanfeng India	
	Acquisition date Fair value (Note 2)	Acquisition date Book value
Current assets	137,600,582.00	137,597,061.00
Non-current assets	34,362,611.00	32,027,323.00
Total assets	171,963,193.00	169,624,384.00
Current liabilities	31,296,450.00	31,296,450.00
Total liabilities	31,296,450.00	31,296,450.00
Total net assets (Note 1)	140,666,743.00	138,327,934.00

Note 1: After the acquisition, the Group holds 93% of equity interest of this company. The fair value at the acquisition date of Yanfeng India's identifiable net assets is RMB 130,820,071.00.

Note 2: Fair value of residual equity investment above was determined based on the appraisal report.

(4) Profits or loss resulted from recalculation of fair value of shares acquired before the acquisition date

Unit: RMB

	Book value of shares acquired before the acquisition date	Fair value of shares acquired before the acquisition date	Profits/(loss) resulted from recalculation of fair value of shares acquired before the acquisition date	Method used to determine fair value of shares acquired before the acquisition date
Yanfeng India	6,643,182.39	7,049,984.00	406,801.61	Equity method

2. Other changes of the scope of consolidation

During the year, the Company established a subsidiary, SAIC investment management Co., Ltd., which has been included in the scope of the consolidated financial statements from the establishment date.

Other than items stated above, there were no significant changes regarding the scope of consolidation.

INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group - major subsidiaries

Full name of the subsidiary	Place of incorporation	Registered capital		Scope of business	Equity interest held at year-end (%)		Ways of Acquisition
		Currency	' 000		Directly	Indirectly	
SAIC Motor UK Co., Ltd.	Birmingham, UK	GBP	3,000	R&D of automobiles	100.00	-	established or acquired through investments
SAIC Motor Transmission Co., Ltd.	Shanghai, China	RMB	2,196,500	Manufacturing and sales of automobile transmission and components	100.00	-	established or acquired through investments
SAIC Motor HK Investment Ltd.	Hong Kong, China	USD	9,900	International trade of auto and critical parts, investment, technical and service trade, training and consulting	100.00	-	established or acquired through investments
SAIC Motor Commercial Vehicle Co., Ltd.	Shanghai, China	RMB	2,350,000	Manufacturing of automobiles and components	100.00	-	established or acquired through investments
SAIC Motor Equity Investment Co., Ltd.	Shanghai, China	RMB	3,300,000	Equity investment, venture capital investment, industrial consulting, property management	100.00	-	established or acquired through investments
SAIC Tangshan Bus Co., Ltd.	Hebei, China	RMB	170,000	Develop, design, manufacturing and sales of buses	51.00	-	established or acquired through investments
SAIC General Motors Sales Co., Ltd.	Shanghai, China	USD	49,000	Sales of automobiles	51.00	-	established or acquired through investments
Shanghai Jineng Bus Drive System Co., Ltd.	Shanghai, China	RMB	100,000	Manufacturing of new energy bus drive system and other components	60.00	-	established or acquired through investments
SAIC Motor - CP Co., Ltd.	Bangkok, Thailand	THB	2,494,000	Developing, manufacturing and sales of automobiles and components; Manufacturing and processing of machinery	-	51.00	established or acquired through investments
SAIC Investment Management Co., Ltd. (Note 1)	Shanghai, China	RMB	3,000,000	Industrial investment, asset management, investment management, storage service (except hazardous goods)	100.00	-	established or acquired through investments
SAIC-Volkswagen Sales Co., Ltd.	Shanghai, China	USD	29,980	Sales of automobiles and components	50.00	10.00	acquired through business combinations involving enterprises under common control
SAIC GM Wuling Co., Ltd.	Guangxi, China	RMB	1,668,077	Sales and manufacturing of automobiles and components	50.10	-	acquired through business combinations involving enterprises under common control
China United Automotive System Co., Ltd.	Shanghai, China	RMB	600,620	Manufacturing and sales of electricity-controlled burning oil products	-	53.00	acquired through business combinations involving enterprises under common control
SAIC Finance Co., Ltd. (Note 1)	Shanghai, China	RMB	3,000,000	Financial agent service	98.59	1.41	acquired through business combinations involving enterprises under common control
Shanghai PengPu Machine Building Plant Co., Ltd.	Shanghai, China	RMB	760,000	Manufacturing and sale of engineering machinery facilities	100.00	-	acquired through business combinations involving enterprises under common control
DIAS Automotive Electronic Systems Co., Ltd.	Shanghai, China	RMB	150,000	Manufacturing and sales of auto electric system and components	60.00	38.00	acquired through business combinations involving enterprises under common control
HUAYU Automotive Systems Co., Ltd.	Shanghai, China	RMB	2,583,200	Design, manufacturing and sales of components assembly	60.10	-	acquired through business combinations involving enterprises under common control
Anji Automotive Logistics Co., Ltd.	Shanghai, China	RMB	500,000	Logistics service for automobiles and components	100.00	-	acquired through business combinations involving enterprises under common control
Shanghai Automotive Industry Sales Co., Ltd.	Shanghai, China	RMB	1,490,880	Sales and purchase of automobiles and components	100.00	-	acquired through business combinations involving enterprises under common control
Shanghai Automobile Import & Export Co., Ltd.	Shanghai, China	RMB	400,000	Import and export of automobiles and components	100.00	-	acquired through business combinations involving enterprises under common control
SAIC Information Industrial Investment Co., Ltd.	Shanghai, China	RMB	100,000	IT service of automobiles	100.00	-	acquired through business combinations involving enterprises under common control
Shanghai Shangyuan Investment Management Co., Ltd.	Shanghai, China	RMB	120,000	Special-designed workshop supplement etc.	100.00	-	acquired through business combinations involving enterprises under common control



Full name of the subsidiary	Place of incorporation	Registered capital		Scope of business	Equity interest held at year-end (%)		Ways of Acquisition
		Currency	' 000		Directly	Indirectly	
China Automotive Industrial Development Co., Ltd.	Beijing, China	RMB	64,165	Sales and after-sales service of automobiles	100.00	-	acquired through business combinations involving enterprises under common control
SAIC HK Limited	Hong Kong, China	USD	17,250	Import and export of auto and components	100.00	-	acquired through business combinations involving enterprises under common control
SAIC Motor North America Co., Ltd.	USA	USD	60	Import and export of components	100.00	-	acquired through business combinations involving enterprises under common control
SAIC Motor (Beijing) Co., Ltd.	Beijing, China	RMB	200,000	Marketing, warehouse and logistics of automobiles	100.00	-	acquired through business combinations involving enterprises under common control
Shanghai Automobile Asset Management Co., Ltd.	Shanghai, China	RMB	300,000	Property management and innovation services, etc.	100.00	-	acquired through business combinations involving enterprises under common control
Shanghai International Auto Parts Sourcing Center Co., Ltd.	Shanghai, China	RMB	50,000	Sales of components	80.00	-	acquired through business combinations involving enterprises under common control
Donghua Automotive Industrial Co., Ltd.	Jiangsu, China	RMB	1,083,208	Logistics, import and export, detail services of automobiles	75.00	-	acquired through business combinations involving enterprises under common control
SAIC Activity Center Co., Ltd.	Shanghai, China	RMB	160,000	Hospitality, beverage and catering services	100.00	-	acquired through business combinations involving enterprises under common control
Shanghai Automotive News Press Co., Ltd.	Shanghai, China	RMB	1,000	Publishing and distribution of <Shanghai Auto News>	100.00	-	acquired through business combinations involving enterprises under common control
Shanghai Diesel Engine Co., Ltd. (Note 2)	Shanghai, China	RMB	866,690	Manufacturing and sales of diesel engines and components	48.05	-	acquired through a business combination not involving enterprises under common control
Shanghai Huizhong Automobile Manufacturing Co., Ltd.	Shanghai, China	RMB	1,488,596	Manufacturing and sales of chassis and components	100.00	-	acquired through a business combination not involving enterprises under common control
Nanjing Automobile (Group) Corporation	Jiangsu, China	RMB	6,900,000	Development, manufacturing and sales of automobiles, engines and components	100.00	-	acquired through a business combination not involving enterprises under common control

Note 1: During the year, the Company established SAIC investment management Co., Ltd. by cash of RMB 500,000,000.00. Registered capital of this company is RMB 3 billion.

Note 2: Proportion of the Group's shareholding of Shanghai Diesel is below 50%. However, given the fact that other shareholders held relatively small and dispersed amount of shares, the Group has control over Shanghai Diesel.

(2) Significant non-wholly owned subsidiaries

Unit: RMB ' 000

Name of the subsidiary	Equity interest held by minority interests	Profit or loss attributable to minority interests during the year	Dividend declared to minority interests during the year	Minority interests at December 31, 2014
HASCO	39.90%	3,517,625.90	1,854,138.49	14,322,535.00
SGMW	49.90%	2,573,949.35	1,340,713.57	4,515,702.85

(3) Major financial information of significant non-wholly owned subsidiaries

Unit: RMB ' 000

Name of the subsidiary	December 31, 2014						December 31, 2013					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
HASCO	36,795,862.85	26,445,710.70	63,241,573.55	28,520,121.70	6,204,070.05	34,724,191.75	33,533,457.80	21,192,510.61	54,725,968.41	24,204,400.72	6,972,095.13	31,176,495.85
SGMW	25,555,029.83	15,073,374.87	40,628,404.70	29,969,215.83	1,610,046.86	31,579,262.69	22,120,063.65	13,178,681.52	35,298,745.17	27,522,487.64	1,030,512.54	28,553,000.18

Unit: RMB ' 000

Name of the subsidiary	Year ended at December 31, 2014				Year ended at December 31, 2013			
	Operating income	Net profit attributable to shareholders of the Company	Total comprehensive income	Net cash flow from (used in) operating activities	Operating income	Net profit attributable to shareholders of the Company	Total comprehensive income	Net cash flow from (used in) operating activities
HASCO	73,972,592.35	4,455,720.98	8,145,925.21	6,094,069.74	69,754,594.93	3,448,020.50	6,128,760.06	6,820,288.42
SGMW	73,288,541.92	5,158,008.40	5,158,008.40	9,912,911.13	60,709,575.80	3,358,157.72	3,358,157.72	5,158,192.71

2. Interests in JCEs and associates

(1) Significant JCEs and associates

JCE	Place of incorporation	Nature of operation	Equity interest held at year-end (%)		Accounting method
			Directly	Indirectly	
Shanghai Volkswagen Automotive Co., Ltd. ("SVA")	Shanghai, China	Manufacturing and sales of automobiles and components	50.00	-	Equity method
Shanghai General Motors Co., Ltd. ("SGM")	Shanghai, China	Manufacturing and sales of automobiles and components	50.00	-	Equity method

(2) Major financial information of significant JCEs and associates

Unit: RMB ' 000

	Year ended December 31, 2014		Year ended December 31, 2013	
	SVA	SGM	SVA	SGM
Current assets	54,428,761.87	36,527,070.86	53,270,046.15	40,935,154.93
Non-current assets	51,685,384.26	45,924,311.26	45,076,970.09	34,643,910.86
Total assets	106,114,146.13	82,451,382.12	98,347,016.24	75,579,065.79
Current liabilities	51,103,268.60	44,210,953.94	50,104,592.21	40,849,475.07
Non-current liabilities	11,550,544.00	2,091,251.11	9,330,545.81	1,824,845.23
Total liabilities	62,653,812.60	46,302,205.05	59,435,138.02	42,674,320.30
Minority interests	-	6,461,549.91	-	6,288,646.12
Shareholders' equity attributable to shareholders of the Company	43,460,333.53	29,687,627.16	38,911,878.22	26,616,099.37
Share of net assets according to portion of shareholding	21,730,166.77	14,843,813.58	19,455,939.11	13,308,049.68
Reconciliations				
- Goodwill	-	227,973.19	-	227,973.19
Book value of equity investment in JCEs	21,730,166.77	15,071,786.77	19,455,939.11	13,536,022.87
Operating income	226,190,146.53	167,335,172.09	205,000,105.25	145,699,917.07
Net profit attributable to shareholders of the Company	27,893,244.12	14,784,586.35	23,390,808.05	11,618,178.75
Other comprehensive income	(227,504.23)	-	9,570.69	-
Total comprehensive income	27,665,739.89	17,803,687.13	23,400,378.74	13,822,136.68

(3) Summarized financial information of insignificant JCEs and associates

Unit: RMB ' 000

	Year ended December 31, 2014	Year ended December 31, 2013
JCEs		
Total book value of investments		
The following items are calculated according to portion of shareholding		
– Net profit attributable to shareholders of the Company	5,460,762.49	4,664,925.31
– Other comprehensive income	(876.58)	2,098.96
– Total comprehensive income	5,459,885.91	4,667,024.27
Associates:		
Total book value of investments		
The following items are calculated according to portion of shareholding		
– Net profit attributable to shareholders of the Company	1,343,118.00	1,011,850.67
– Other comprehensive income	3,768.20	(5,977.45)
– Total comprehensive income	1,346,886.20	1,005,873.22

3. Interests in structured entities that are not included in the scope of the consolidated financial statements

Interests in structured entities that are not included in the scope of the consolidated financial statements are those invested by the Group through other institutions, including funds and wealth management products. The Group only holds the shares of investment without control, so these structured entities are not included in the scope of the consolidated financial statements. During the year 2014, the Group did not provide any financial support to any of these structured entities.

The table below illustrates the book value and risk exposure of the interests in structured entities that are not included in the scope of the consolidated financial statements at December 31, 2014.

Unit: RMB

Item	Year ended at December 31, 2014		
	Amount of investment	Maximum risk exposure	Account
Funds	19,802,957,497.50	19,802,957,497.50	Available-for-sale financial assets
Wealth management products	1,585,914,566.83	1,585,914,566.83	Other non-current assets, available-for-sale financial assets

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's major financial instruments include cash and bank balances, financial assets at fair value through profit or loss, notes receivable, accounts receivable, financial assets purchased under resell agreements, loans and advances, available-for-sale financial assets, long-term receivables, borrowings, financial liabilities at fair value through profit or loss, 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.

The Group conducted sensitivity analysis to analyze the impact of reasonable and possible changes of risk variables on profit or loss and equity of the current period. Any risk variables may not change in isolation, so there might be certain relativity between the variables that will have significant effect on the amount influenced by one variable. Thus, the statements below are based on the assumption that every variable changes in isolation.

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 took place inside China and most assets and liabilities are dominated in RMB, the management of the Group considers there is no significant currency risk affecting the financial statements.

1.1.2. Interest rate risk

The Group is exposed to cash flow risk because the Group borrows funds at floating interest rates. At the year-end, Group had floating rate borrowings of RMB 4,809,439.63. For floating rate borrowings, if the interest rates had been 25 base points higher/lower and other variables were held constant, shareholders' equity would decrease/increase by RMB 12,023,600 (effect of income tax is not considered).

The Group is exposed to fair value risk arising from changes of interest rates of debt instrument investments, including available-for-sale financial assets and financial assets at fair value through profit or loss. If the interest rates had been 25 base points higher/lower and other variables were held constant, shareholders' equity would decrease/increase by RMB 5,698,680 (effect of deferred tax is not considered).

1.1.3. Other price risk

The Group's equity investments, including available-for-sale financial assets and financial assets at fair value through profit or loss, are measured at fair value at each balance sheet date. At the year-end, the Group's equity instrument investments are mainly stocks and funds. Therefore, the Group is exposed to the risks of changes in the security prices. For equity instrument investments held by the Group at the year-end, if the market price had been 1% higher/lower and other variables were held constant, shareholders' equity at the year-end would increase/decrease by RMB 341,721,000 (effect of deferred tax is not considered).

1.2 Credit risk

At the year-end, the Group's maximum exposure to credit risk which will result in financial loss to the Group arises from counterparty's default on its contractual obligations. Carrying amounts of financial assets as of the balance sheet date represent the credit risk exposure. For financial instruments measured at fair value, the carrying amount reflects the exposure to risks rather than the maximum exposure to risks, which varies with the future changes in fair value.

In order to minimize credit risk, the Group 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 receivables 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 accounts receivable and other receivable due from certain JCEs and associates of the Group (see Note (VII) 4 and 6), 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 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 of 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. Capital management

The Group manages its capital by optimizing its structure of liabilities and equity to ensure that entities with the group are able to operate sustainably and to maximize shareholders return of investment. The overall strategy of the Group remains the same during year 2013 and 2014.

The capital structure of the Group is made up of the Group's net liabilities and equity.

The Group is not restrained to external mandatory requirements of capital management. The Group's management regularly reviews the capital structure of the Group.

FAIR VALUE MEASUREMENTS

1. Fair value of assets and liabilities measured at fair value

Unit: RMB

Item	December 31, 2014				December 31, 2013			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Measured at fair value on a recurring basis								
I. Financial assets at fair value through profit or loss								
1. Held-for-trading financial assets								
–Debt instruments	20,022,164.38	–	–	20,022,164.38	–	–	–	–
–Equity instruments	21,938,230.00	–	–	21,938,230.00	17,906,491.20	–	–	17,906,491.20
–Derivative financial assets	–	27,201,000.00	–	27,201,000.00	–	–	–	–
2. Designated as financial assets at fair value through profit or loss								
–Equity instruments	–	–	110,102,149.47	110,102,149.47	–	–	–	–
II. Available-for-sale financial assets								
1. Debt instruments	2,232,248,267.30	–	–	2,232,248,267.30	931,569,120.00	–	–	931,569,120.00
2. Equity instruments	32,940,674,098.09	–	1,099,416,392.14	34,040,090,490.23	13,136,846,658.01	–	–	13,136,846,658.01
Total assets measured at fair value on a recurring basis	35,214,882,759.77	27,201,000.00	1,209,518,541.61	36,451,602,301.38	14,086,322,269.21	–	–	14,086,322,269.21
III. Financial liabilities at fair value through profit or loss								
1. Held-for-trading financial liabilities								
–Derivative financial liabilities	–	–	–	–	–	7,155,000.00	–	7,155,000.00
Total liabilities measured at fair value on a recurring basis	–	–	–	–	–	7,155,000.00	–	7,155,000.00

2. Determination of levels of fair value hierarchy

Financial assets categorized as Level 1 are mainly publicly stocks, funds and bonds traded at Shanghai Stock Exchange and Shenzhen Stock Exchange. The fair value of these assets is determined according to closing price on the balance sheet date.

Financial assets categorized as Level 2 are mainly derivative financial assets (forward exchange contract). The Group used discounted cash flow model to determine the fair value. The key parameter of the model is the forward exchange rate.

Financial assets categorized as Level 3 are mainly unlisted equity investments, including shares of Shenyin Wanguo Securities Co., Ltd. ("Shenyin Wanguo"). On December 14, 2014, the board of directors of Shenyin Wanguo approved the restructuring plan of Shenyin Wanguo's merger of Hongyuan Securities Co., Ltd. ("Hongyuan Securities"). The Group used valuation technique of "listed company comparison method" to measure the fair value of shares of Shenyin Wanguo, based on the stock price of Hongyuan Security and exchange ratio of the shares in the restructuring.

RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent of the Company

Unit: RMB

Name of the parent company	Type	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. Chen Hong	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.(any project that requires to be approved by law can only be carried out after approved by relevant authorities)	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. Major subsidiaries of the Group

See Note (VIII) 1.

3. Major JCEs and associates of the Group

See Note (VI) 16 and Note (VIII) 2.

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
SAIC Sodexo Service Co., Ltd.	Subsidiary of SAIC
Shanghai Shangkai Real Estate Development Co., Ltd.	Subsidiary of SAIC
Shanghai Automotive Electronics 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
Shanghai Qiyuan Human Resources Consulting Co., Ltd.	Subsidiary of SAIC
Shanghai Internal Combustion Engine Testing Institute of Mechanical Industry	Subsidiary of SAIC
Shanghai Automotive Industry Real Estate Development Co., Ltd.	Subsidiary 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
SAIC Building Engineering 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

5. Related party transactions

(1) Sales and purchases

(a) Sales of goods

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
JCEs	65,657,180,038.02	59,891,755,213.87
Associates	4,186,502,046.80	3,638,881,741.17
Subsidiaries of SAIC	23,814,934.15	2,221,266.44
Total	69,867,497,018.97	63,532,858,221.48

(b) Sales of materials

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
JCEs	29,228,628.36	273,153,274.32
Associates	60,000.00	-
Subsidiaries of SAIC	3,967,676.62	4,917,396.90
Total	33,256,304.98	278,070,671.22

(c) Trading

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
JCEs	1,679,873,971.75	1,096,739,019.18
Associates	23,421,122.46	38,359,268.22
Total	1,703,295,094.21	1,135,098,287.40

(d) Purchase of goods and materials

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
JCEs	373,026,424,365.97	330,225,433,854.91
Associates	3,019,267,162.52	2,815,921,995.34
SAIC	-	-
Subsidiaries of SAIC	28,701,442.57	20,534,952.71
Associates of SAIC	17,471,469.99	23,400,396.06
Total	376,091,864,441.05	333,085,291,199.02

(d) Purchase of goods and materials

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
JCEs	97,671,786.05	48,562,241.10
Associates	2,942,121.69	896,334.33
SAIC	-	668,572,000.00
Subsidiaries of SAIC	122,650,598.29	3,267,966.55
Associates of SAIC	761,044.68	3,549,709.47
Total	224,025,550.71	724,848,251.45

(f) Acceptance of services – R&D expenditures

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
JCEs	376,634,069.23	201,948,848.58
Associates	47,497,994.66	13,136,934.41
Subsidiaries of SAIC	1,161,807.06	67,123,297.43
Associates of SAIC	1,617,521.36	500,000.00
Total	426,911,392.31	282,709,080.42

(2) Rendering of services

(a) Rendering of services

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
JCEs	1,359,519,359.61	1,194,365,970.87
Associates	100,664,946.71	90,622,715.14
SAIC	108,080,041.55	197,272,792.68
Subsidiaries of SAIC	40,685,311.61	117,826,554.05
Total	1,608,949,659.48	1,600,088,032.74

(b) Rental income

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
JCEs	264,245,645.14	240,405,719.51
Associates	45,477,920.01	49,871,741.58
Total	309,723,565.15	290,277,461.09

(c) Guarantee income

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
JCEs	1,222,465.75	1,400,001.99

(3) Other expenses**(a) Logistics service expenses, royalties and others**

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
JCEs	597,860,665.71	566,137,412.26
Associates	16,737,958.94	26,516,993.58
SAIC	162,000.00	-
Subsidiaries of SAIC	15,505,859.75	1,786,597.64
Associates of SAIC	-	144,000.00
Total	630,266,484.40	594,585,003.48

(b) Rental expenses

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
JCEs	56,552,823.74	31,525,822.15
Associates	-	177,666.71
SAIC	16,610,820.00	8,635,391.02
Subsidiaries of SAIC	6,392,036.85	-
Total	79,555,680.59	40,338,879.88

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

(4) Financing

Details of financing transactions between the Group and related parties are as follows:

(a) Loans offered by SFC to related parties**① Movements of loans offered by SFC to related parties are as follows:**

Unit: RMB

	JCEs	Associates	Total
December 31, 2013	540,356,600.00	529,664,083.50	1,070,020,683.50
Loans offered	2,167,637,562.93	77,644,825.23	2,245,282,388.16
Repayment collected	(1,622,328,163.19)	(32,864,083.50)	(1,655,192,246.69)
December 31, 2014	1,085,665,999.74	574,444,825.23	1,660,110,824.97

② Balances of loans offered by SFC to related parties were as follows:

Unit: RMB

	December 31, 2014	December 31, 2013
JCEs- Short-term loans and discounts	1,055,665,999.74	540,356,600.00
Associates-Short-term loans and discounts	574,444,825.23	29,664,083.50
JCEs-Long-term loans	30,000,000.00	-
Associates-Long-term loans	-	500,000,000.00
Total	1,660,110,824.97	1,070,020,683.50

③ Loan interests received by SFC from related parties are as follows:

Unit: RMB

	Year Ended December 31, 2014	Year Ended December 31, 2013
JCEs	56,485,005.59	51,377,460.68
Associates	31,191,488.47	36,182,156.73
Total	87,676,494.06	87,559,617.41

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

(b) Related parties' deposits at SFC**① Movements of related parties' deposits at SFC are as follows:**

Unit: RMB

	JCEs	Associates	SAIC	Subsidiaries of SAIC	Associates of SAIC	Total
December 31, 2013	32,366,536,759.76	1,489,030,994.84	5,033,854,351.15	262,299,316.37	2,568,567.24	39,154,289,989.36
Receipts/Repayment	(6,847,783,040.20)	249,400,288.63	8,070,192,093.03	133,131,539.43	2,849,910.32	1,607,790,791.21
December 31, 2014	25,518,753,719.56	1,738,431,283.47	13,104,046,444.18	395,430,855.80	5,418,477.56	40,762,080,780.57

② Interest paid by SFC to related parties were as follows:

Unit: RMB

	Year Ended December 31, 2014	Year Ended December 31, 2013
JCEs	680,342,839.82	612,322,896.51
Associates	33,902,741.07	20,971,994.31
SAIC	113,527,067.51	43,300,957.17
Subsidiaries of SAIC	3,789,941.73	2,091,935.92
Associates of SAIC	41,475.06	32,156.39
Total	831,604,065.19	678,719,940.30

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**① Movement of the Group's deposits at related parties are as follows:**

Unit: RMB

	JCEs
December 31, 2013	2,380,000,000.00
Movement	14,000,000.00
December 31, 2014	2,394,000,000.00

② Deposit interests received by the Group from related parties are as follows:

Unit: RMB

	Year Ended December 31, 2014	Year Ended December 31, 2013
JCEs	67,070,363.04	71,531,632.23

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 (except SFC) to related parties

① Balances of entrusted loans provided by the Group to related parties are as follows:

Unit: RMB

	JCEs	Associates	Total
December 31, 2013	445,200,000.00	157,600,000.00	602,800,000.00
Loans offered	752,500,000.00	312,892,787.00	1,065,392,787.00
Increased capital during the year	(10,200,000.00)	-	(10,200,000.00)
Repayments collected	(787,500,000.00)	(309,246,316.00)	(1,096,746,316.00)
December 31, 2014	400,000,000.00	161,246,471.00	561,246,471.00

② Interests received by the Group from related parties are as follows:

Unit: RMB

	Year Ended December 31, 2014	Year Ended December 31, 2013
JCEs	15,943,077.78	18,446,388.88
Associates	3,834,908.89	2,392,817.98
Total	19,777,986.67	20,839,206.86

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

(e) Borrowings received by the Group from related parties

① Balances of borrowings received by the Group from related parties are as follows:

Unit: RMB

	December 31, 2014	December 31, 2013
JCEs	316,868,096.05	217,012,840.46

② Interests paid by the Group to related parties are as follows:

Unit: RMB

	Year Ended December 31, 2014	Year Ended December 31, 2013
JCEs	3,314,824.63	255,441.82

(f) Entrusted business of SFC

① Entrust business between SFC and related parties (see Note (VI) 63) 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, 2014	Year Ended December 31, 2013
JCEs	647,203.33	587,176.67
Associates	660,837.25	605,858.85
Subsidiaries of SAIC	129,700.00	574,833.32
Total	1,437,740.58	1,767,868.84

② At the 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, 2014	Targets	Entrusted loans December 31, 2014
JCEs	547,000,000.00	JCEs	247,000,000.00
		Associates	300,000,000.00
		Sub-total	547,000,000.00
Associates	159,000,000.00	Associates	159,000,000.00
SAIC	20,000,000.00	Non-related party	20,000,000.00
Total	726,000,000.00	Total	726,000,000.00

Entrusting parties	Entrusted deposit December 31, 2013	Targets	Entrusted loans December 31, 2013
JCEs	582,000,000.00	JCEs	82,000,000.00
		Associates	500,000,000.00
		Sub-total	582,000,000.00
Associates	70,000,000.00	Associates	70,000,000.00
		Subsidiaries of SAIC	490,000,000.00
SAIC	510,000,000.00	Non-related party	20,000,000.00
		Sub-total	510,000,000.00
Non-related party	29,000,000.00	JCEs	29,000,000.00
Total	1,191,000,000.00	Total	1,191,000,000.00

(g) 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 allow the related parties to provide financial service to dealers with the credit limits, the Group pays financing charges to the related parties as follows:

Unit: RMB

	Year Ended December 31, 2014	Year Ended December 31, 2013
JCEs	981,713,573.37	749,410,810.45

Financing charges are paid to related parties based on agreements.

(5) Guarantees

See Note (XII) 3 for guarantees provided by the Group to related parties.

(6) Remuneration for key management personnel

Unit: RMB

	Year Ended December 31, 2014	Year Ended December 31, 2013
Remuneration for key management personnel	34,600,600.00	24,770,000.00

(7) Others

See Note (VI) 25 Note 4.

6. Amounts due from/to related parties

(1) Notes receivable

Unit: RMB

Related party	December 31,2014	December 31,2013
JCEs	474,047,996.98	335,176,332.56

(2) Accounts receivable

Unit: RMB

Related party	December 31,2014	December 31,2013
JCEs	6,873,240,766.79	7,336,499,906.98
Associates	1,266,222,923.68	1,164,368,611.35
SAIC	27,068,999.69	2,500,000.00
Subsidiaries of SAIC	37,172,500.64	204,343,679.90
Total	8,203,705,190.80	8,707,712,198.23

(3) Prepayments

Unit: RMB

Related party	December 31,2014	December 31,2013
JCEs	17,506,072,866.62	27,786,956,238.32
Associates	69,547,659.78	30,749,484.37
Total	17,575,620,526.40	27,817,705,722.69

(4) Dividends receivable

Unit: RMB

Related party	December 31,2014	December 31,2013
JCEs	976,340,867.20	743,763,683.25
Associates	208,939,301.50	73,874,928.10
Total	1,185,280,168.70	817,638,611.35

(5) Other receivables

Unit: RMB

Related party	December 31,2014	December 31,2013
JCEs	22,812,768.29	17,078,987.80
Associates	5,995,301.36	18,154,282.84
Subsidiaries of SAIC	330,350.00	330,421.08
Total	29,138,419.65	35,563,691.72

(6) Notes Payable

Unit: RMB

Related party	December 31,2014	December 31,2013
JCEs	110,825,688.82	247,316,645.44
Associates	25,320,000.00	45,230,000.00
Total	136,145,688.82	292,546,645.44

(7) Accounts payable

Unit: RMB

Related party	December 31,2014	December 31,2013
JCEs	2,859,346,245.86	2,301,860,058.25
Associates	610,008,230.76	683,026,791.74
Subsidiaries of SAIC	4,328,498.14	1,968,348.07
Associates of SAIC	6,261,223.07	1,600,041.70
Total	3,479,944,197.83	2,988,455,239.76

(8) Receipts in advance

Unit: RMB

Related party	December 31,2014	December 31,2013
JCEs	475,961,179.89	424,091,232.86
Associates	425,000.00	43,861.19
SAIC	404,574,299.03	508,571,593.14
Total	880,960,478.92	932,706,687.19

(9) Other payables

Unit: RMB

Related party	December 31,2014	December 31,2013
JCEs	23,817,710.23	5,583,028.75
Associates	34,384.00	32,064.00
Subsidiaries of SAIC	34,400.00	35,400.00
Associates of SAIC	416,600.00	32,600.00
Total	24,303,094.23	5,683,092.75

XIII COMMITMENTS**1. Capital commitments**

Unit: RMB ' 000

	Consolidated	
	December 31, 2014	December 31, 2013
Capital commitments that have been signed but have not been recognized in the financial statements:		
– Commitment for acquisition of long-term assets	4,632,068	6,947,071
– External investment commitment (Note)	149,324	643,387
Capital commitments that have been approved by the board of directors but have not been signed:		
– Commitment for acquisition of long-term assets	–	184,887
Total	4,781,392	7,775,345

2. Operating lease commitments

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

Unit: RMB ' 000

	Consolidated	
	December 31, 2014	December 31, 2013
Minimum lease payments under non-cancellable operating lease:		
1st year subsequent to the balance sheet date	393,270	250,465
2nd year subsequent to the balance sheet date	317,008	189,781
3rd year subsequent to the balance sheet date	279,560	165,745
Subsequent years	1,270,660	1,279,025
Total	2,260,498	1,885,016

3. Contingencies

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

Guarantor	Guarantee	Relationship with the Group	Category	Currency	Ceiling amount	Debt amount
HASCO, Donghua)	Hua Dong Teksid Automotive Foundry Co., Ltd.	JCE	Ceiling guarantee	USD	5,775,000.00	2,701,355.70

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

XIV EVENTS AFTER THE BALANCE SHEET DATE**1. Profit appropriation after the balance sheet date**

See Note (VI) 48.

2. SFC ' s acquisition of 5% of equity interest of GMAC

SAIC-GMAC Automotive Finance Co., Ltd. ("GMAC") was a joint-venture invested by Ally Financial Inc., SFC and SGM, holding equity interest of 40%, 40% and 20%, respectively.. GMAC was a JCE of the Group.

During the year, General Motors Financial Company, Inc. ("GMFC"), GMAC UK plc and Ally Financial Inc. entered into an equity transfer agreement. According to the agreement, GMFC and GMAC UK plc respectively acquired 5% and 35% equity interest in GMAC from Ally Financial Inc. The share transfer was completed on January 2, 2015.

After signing the above agreement, SFC signed an equity transfer agreement with GMFC to acquire 5% of equity interest in GMAC from Ally Financial Inc.. The equity transfer agreement has been approved by the Department of Commerce and the transfer was completed on January 2, 2015.

3. Gratuitous transfer of state-owned equity interest of the Group

SAIC Ltd, a shareholder of the Company, reached a gratuitous transfer of state-owned equity interest agreement with Shanghai International Group Ltd to transfer 334,408,775 shares of the Company to Shanghai International Group Ltd. After the transfer, SAIC Ltd. will no longer hold any shares of the Company, and Shanghai International Group Ltd. will hold 334,408,775 shares of the Company, which accounts for 3.03% of the Company' s total shares. The above agreement is yet to be approved by State-owned Assets Supervision and Administration Commission of the State Council.

4. HASCO ' s non-public offering of stock

On March 20, 2015, the board of HASCO, a subsidiary of the Company, announced to the plan for a public a non-public offering of stock, which is under discussion.

XV OTHER SIGNIFICANT EVENTS**1. Segment report**

The disclosure of segment report is based on accounting policies. 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		Financing		Elimination		Total	
	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2014	Year Ended December 31, 2013
	Total operating income							
External revenue	626,712,394,486.86	563,345,672,365.78	3,288,769,950.84	2,461,339,214.04	-	-	630,001,164,437.70	565,807,011,579.82
Inter-segment revenue	-	-	555,711,868.17	496,354,252.18	(555,711,868.17)	(496,354,252.18)	-	-
Total segment operating income	626,712,394,486.86	563,345,672,365.78	3,844,481,819.01	2,957,693,466.22	(555,711,868.17)	(496,354,252.18)	630,001,164,437.70	565,807,011,579.82
Operating costs and expenses	614,976,051,547.87	548,842,609,847.10	3,322,296,918.50	2,695,871,497.98	(776,524,420.24)	(453,012,277.76)	617,521,824,046.13	551,085,489,067.32
Add: Gain(loss)from changes in fair value	13,812,602.36	(3,147,567.13)	3,915,040.00	(67,611.07)	-	-	17,727,642.36	(3,215,178.20)
Investment income	25,571,699,987.90	24,138,009,444.49	2,262,968,708.15	2,197,706,726.00	-	(879,299,343.14)	27,834,668,696.05	25,456,416,827.35
Exchange gain(loss)	(1,949,570.99)	-	3,981,347.31	4,370,693.79	-	-	2,031,776.32	4,370,693.79
Profit (loss)	37,319,905,958.26	38,637,924,396.04	2,793,049,995.97	2,463,831,776.96	220,812,552.07	(922,641,317.56)	40,333,788,506.30	40,179,114,855.44
Add: Non-operating income	3,258,803,913.25	2,005,538,912.85	70,278,419.41	52,411,031.08	-	-	3,329,082,332.66	2,057,949,943.93
Less: Non-operating expense	973,689,156.82	743,982,699.25	366,489.30	84,422.64	-	-	974,055,646.12	744,067,121.89
Total profit	39,605,020,714.69	39,899,480,609.64	2,862,961,926.08	2,516,168,385.40	220,812,552.07	(922,641,317.56)	42,688,795,192.84	41,492,997,677.48
Less: Income tax expense	4,028,169,452.80	5,351,364,958.01	409,852,718.00	557,691,206.94	-	-	4,438,022,170.80	5,909,056,164.95
Net profit	35,576,851,261.89	34,548,115,651.63	2,453,109,208.08	1,958,467,178.46	220,812,552.07	(922,641,317.56)	38,250,773,022.04	35,583,941,512.53

Unit: RMB

	Vehicles and parts		Financing		Elimination		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	Total assets by segment	367,601,014,546.40	332,976,417,654.03	103,071,782,484.57	91,045,213,514.06	(55,802,123,549.12)	(50,380,890,366.15)	414,870,673,481.85
Total liabilities by segment	189,564,779,723.72	175,223,659,066.31	92,937,761,609.57	83,550,711,271.25	(52,630,944,866.35)	(46,865,720,646.66)	229,871,596,466.94	211,908,649,690.90
Additional information:								
Depreciation and amortization	4,943,735,208.08	5,066,125,152.41	9,087,727.78	6,703,083.14	-	-	4,952,822,935.86	5,072,828,235.55
Impairment loss recognized in current year	4,012,336,772.27	2,850,469,716.08	497,912,949.03	356,631,227.25	(110,009,829.86)	(93,067,344.57)	4,400,239,891.44	3,114,033,598.76
Capital expenditure	14,310,747,663.70	15,655,611,642.26	8,809,471.62	3,833,245.00	-	-	14,319,557,135.32	15,659,444,887.26
Including: Expenditure used in construction in progress	12,429,250,711.98	13,667,412,478.94	-	6,000.00	-	-	12,429,250,711.98	13,667,418,478.94
Expenditure used in purchase of fixed assets	924,241,214.30	686,446,057.42	8,654,317.78	2,656,605.00	-	-	932,895,532.08	689,102,662.42
Expenditure used in purchase of intangible assets	611,015,564.69	1,122,642,075.02	155,153.84	1,170,640.00	-	-	611,170,718.53	1,123,812,715.02
Expenditure used in long-term deferred expenses	338,868,909.83	176,358,064.20	-	-	-	-	338,868,909.83	176,358,064.20
Expenditure used in investment properties	7,371,262.90	2,752,966.68	-	-	-	-	7,371,262.90	2,752,966.68

(2) The Group's revenue derived from other countries is insignificant and the Group's assets located in other countries are insignificant.

XVI NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

1. Notes receivable

Unit: RMB

Item	December 31, 2014	December 31, 2013
Bank acceptances	1,005,119,744.90	1,178,693,053.10
Commercial acceptances	662,382,619.00	349,824,469.00
Total	1,667,502,363.90	1,528,517,522.10

2. Accounts receivable

Disclosure of accounts receivable by categories:

Unit: RMB

Item	December 31, 2014					December 31, 2013				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	%	Amount	%		Amount	%	Amount	%	
Receivables for individually significant items and with individual provision for bad debts	-	-	-	-	-	-	-	-	-	-
Receivables with provisions that were assessed by credit risk characteristics	811,157,896.85	100.00	-	-	811,157,896.85	729,557,891.22	100.00	-	-	729,557,891.22
Receivables for individually non-significant items but individual provision for bad debts	-	-	-	-	-	-	-	-	-	-
Total	811,157,896.85	100.00	-	-	811,157,896.85	729,557,891.22	100.00	-	-	729,557,891.22

Aging analysis of accounts receivable is as follows:

Unit: RMB

Aging	December 31, 2014			
	Account receivable	Proportion (%)	Bad debt provision	Proportion (%)
Within 1 year	758,640,915.83	93.53	-	-
1-2 years	31,335,756.02	3.86	-	-
2-3 years	21,181,225.00	2.61	-	-
Total	811,157,896.85	100.00	-	-

3. Other receivables

Disclosure of other receivables by categories:

Unit: RMB

Item	December 31, 2014					December 31, 2013				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	%	Amount	%		Amount	%	Amount	%	
Receivables for individually significant items and with individual provision for bad debts	-	-	-	-	-	-	-	-	-	-
Receivables with provisions that were assessed by credit risk characteristics	801,358,750.64	100.00	-	-	801,358,750.64	732,148,603.50	100.00	-	-	732,148,603.50
Receivables for individually non-significant items but individual provision for bad debts	-	-	-	-	-	-	-	-	-	-
Total	801,358,750.64	100.00	-	-	801,358,750.64	732,148,603.50	100.00	-	-	732,148,603.50

Aging analysis of other receivables is as follows:

Unit: RMB

Aging	December 31, 2014			
	Other receivable	Proportion (%)	Bad debt provision	Proportion (%)
Within 1 year	462,283,214.33	57.69	-	-
1-2 years	337,651,988.79	42.13	-	-
2-3 years	843,827.60	0.11	-	-
Over 3 years	579,719.92	0.07	-	-
Total	801,358,750.64	100.00	-	-

4. Inventories

(1) Categories of inventories

Unit: RMB

Item	December 31, 2014			December 31, 2013		
	Book balance	Provision	Book value	Book balance	Provision	Book value
Raw materials	270,076,736.56	-	270,076,736.56	272,760,152.18	39,788,927.62	232,971,224.56
Goods in process	13,693,615.61	-	13,693,615.61	9,777,135.05	-	9,777,135.05
Finished products	1,267,563,643.84	113,891,056.06	1,153,672,587.78	1,049,410,343.68	21,501,049.62	1,027,909,294.06
Total	1,551,333,996.01	113,891,056.06	1,437,442,939.95	1,331,947,630.91	61,289,977.24	1,270,657,653.67

(2) Provision for decline in value of inventories

Unit: RMB

Item	December 31, 2013	Provision	Write-off	December 31, 2014
Raw material	39,788,927.62	–	39,788,927.62	–
Finished goods	21,501,049.62	106,755,199.53	14,365,193.09	113,891,056.06
Total	61,289,977.24	106,755,199.53	54,154,120.71	113,891,056.06

(3) Provision for decline in value of inventories

Unit: RMB

Item	Basis of provision for decline in value of inventories	Reason for reversal of provision
Raw material	Lower of cost or net realizable value	Not applicable
Finished goods	Lower of cost or net realizable value	Not applicable

5. Available-for-sale financial assets

Unit: RMB

Item	December 31, 2014			December 31, 2013		
	Book balance	Impairment	Book value	Book balance	Impairment	Book value
Available-for-sale equity instruments	7,663,535,338.05	494,566,740.00	7,168,968,598.05	5,214,220,993.35	494,566,740.00	4,719,654,253.35
–measured at fair value	7,168,968,598.05	–	7,168,968,598.05	4,719,654,253.35	–	4,719,654,253.35
–measured at cost	494,566,740.00	494,566,740.00	–	494,566,740.00	494,566,740.00	–
Total	7,663,535,338.05	494,566,740.00	7,168,968,598.05	5,214,220,993.35	494,566,740.00	4,719,654,253.35

6. Long-term equity investments

Details of long-term equity investment are as follows:

Unit: RMB

	December 31, 2014	December 31, 2013
Investments in subsidiaries	38,933,154,211.23	36,051,510,810.59
Investments in JCEs and associates	43,130,077,056.29	38,761,239,466.49
Total	82,063,231,267.52	74,812,750,277.08

(1) Investments in subsidiaries

Unit: RMB

Invested companies	December 31, 2013	Increase/Decrease	December 31, 2014
SAIC GM Wuling Co., Ltd.	1,126,669,400.01	–	1,126,669,400.01
Shanghai Huizhong Automotive Manufacturing Co., Ltd.	2,866,842,821.53	–	2,866,842,821.53
SAIC Motor Commercial Vehicle Co., Ltd.	2,350,000,000.00	–	2,350,000,000.00
SAIC Finance Co., Ltd.	3,584,176,933.09	–	3,584,176,933.09
SAIC-Volkswagen Sales Co., Ltd.	225,339,303.84	–	225,339,303.84
Shanghai PengPu Machine Building Plant Co., Ltd.	655,582,955.01	–	655,582,955.01
DIAS Automotive Electronic Systems Co., Ltd.	90,000,000.00	–	90,000,000.00
SAIC Motor Transmission Co., Ltd.	2,196,500,000.00	–	2,196,500,000.00
Nanjing Automobile (Group) Corporation	2,723,861,978.39	–	2,723,861,978.39
Shanghai Diesel Engine Co., Ltd.	1,173,419,996.46	–	1,173,419,996.46
SAIC HK Investment Co., Ltd.	67,746,690.00	–	67,746,690.00
SAIC Motor UK Co., Ltd.	46,468,800.00	–	46,468,800.00
SAIC Tangshan Bus Co., Ltd.	86,700,000.00	–	86,700,000.00
SAIC Motor Equity Investment Co., Ltd. (Note 1)	700,000,000.00	2,600,000,000.00	3,300,000,000.00
SAIC General Motors Sales Co., Ltd.	158,319,147.00	–	158,319,147.00
HUAYU Automotive Systems Co., Ltd.	9,956,431,904.22	–	9,956,431,904.22
SAIC Motor(Beijing) Co., Ltd.	316,317,252.11	–	316,317,252.11
Shanghai Automobile Asset Management Co., Ltd.	354,425,316.32	–	354,425,316.32
Shanghai International Auto Parts Sourcing Center Co., Ltd.	35,103,538.99	–	35,103,538.99
SAIC Information Industrial Investment Co., Ltd.	123,581,596.26	–	123,581,596.26
Shanghai Automobile Import & Export Co., Ltd.	718,946,218.48	–	718,946,218.48
Shanghai Automotive Industry Sales Co., Ltd.	2,163,264,296.95	–	2,163,264,296.95
SAIC HK Limited	590,973,200.76	–	590,973,200.76
SAIC Motor North America Co., Ltd.	172,336,204.50	–	172,336,204.50
Anji Automotive Logistics Co., Ltd.	2,071,960,289.98	–	2,071,960,289.98
Donghua Automobile Industrial Co., Ltd.	654,940,453.36	–	654,940,453.36
Nanjing Tooling Co., Ltd. (Note 2)	218,356,599.36	(218,356,599.36)	–
Shanghai Shangyuan Investment Management Co., Ltd.	115,167,221.39	–	115,167,221.39
China Automotive Industrial Development Co., Ltd.	274,872,910.12	–	274,872,910.12
SAIC Motor Activity Center Co., Ltd.	163,314,188.68	–	163,314,188.68
Shanghai Automotive News Press Co., Ltd.	9,891,593.78	–	9,891,593.78
Shanghai Jineng Bus Drive System Co., Ltd.	60,000,000.00	–	60,000,000.00
SAIC investment management Co., Ltd.(Note 3)	–	500,000,000.00	500,000,000.00
Total	36,051,510,810.59	2,881,643,400.64	38,933,154,211.23

Note 1: During the year, the Company made additional capital contribution of RMB 2,600,000,000.00 to SAIC Motor Equity Investment Co., Ltd. by cash.

Note 2: During the year, the Company disposed its investment in Nanjing Tooling Co., Ltd., which was 70% of its equity interest.

Note 3: During the year, the Company made capital contribution of RMB 500,000,000.00 to establishing SAIC investment management Co., Ltd. by cash.

(2) JCEs and Associates

Unit: RMB

Invested companies	December 31, 2013	Increase/Decrease	December 31, 2014
SAIC-Volkswagen automotive Co., Ltd.	19,455,939,110.38	2,274,227,655.74	21,730,166,766.12
Shanghai General Motors Co., Ltd.	13,308,049,684.87	1,535,763,893.44	14,843,813,578.31
Shanghai GM Dong Yue Motors Co., Ltd.	538,925,151.03	21,792,963.94	560,718,114.97
Shanghai GM Dong Yue Automotive Powertrain Co., Ltd.	1,553,553,146.61	8,010,845.31	1,561,563,991.92
Shanghai GM (Shenyang) Norsom Motors Co., Ltd.	1,051,844,764.48	60,461,630.73	1,112,306,395.21
Pan-Asia Technical Automotive Center	444,300,584.26	73,168,733.80	517,469,318.06
Shanghai Sunwin Co., Ltd.	167,994,801.22	(33,905,788.89)	134,089,012.33
SAIC Iveco Commercial Vehicle Investment Co., Ltd.	450,008,646.49	26,370,766.09	476,379,412.58
Shanghai Jieneng Automotive Technology Co., Ltd.	20,096,556.76	(11,147,976.18)	8,948,580.58
Shanghai Advanced Traction Battery Systems Co., Ltd. (Note 1)	-	17,666,461.51	17,666,461.51
Volkswagen Automotive Powertrain Co., Ltd.	1,457,520,354.70	376,848,369.62	1,834,368,724.32
Volkswagen Transmission (Shanghai) Co., Ltd.	233,355,662.77	26,010,817.20	259,366,479.97
China Automobile Development United Investment Co., Ltd.	34,967,484.89	(6,676,936.38)	28,290,548.51
Sunrise Power Co., Ltd.	44,683,518.03	246,153.87	44,929,671.90
Total	38,761,239,466.49	4,368,837,589.80	43,130,077,056.29

Note 1: Please refer to Note VI (16) (1) for more details.

7. Investment properties

Movements of investment properties measured at cost are as follows:

Unit: RMB

Item	Land use right	Buildings	Total
I. Cost			
December 31, 2013	50,386,952.98	388,197,858.41	438,584,811.39
Increase	-	21,848.80	21,848.80
December 31, 2014	50,386,952.98	388,219,707.21	438,606,660.19
II. Accumulated depreciation and amortization			
December 31, 2013	9,405,564.20	81,836,643.49	91,242,207.69
Increase	1,007,739.07	10,729,589.71	11,737,328.78
December 31, 2014	10,413,303.27	92,566,233.20	102,979,536.47
III. Net book value			
December 31, 2014	39,973,649.71	295,653,474.01	335,627,123.72
December 31, 2013	40,981,388.78	306,361,214.92	347,342,603.70

8. Fixed assets

(1) General

Unit: RMB

Item	Buildings	Machinery and equipment	Electronic equipment, furniture and fixtures	Transportation vehicles	Mold	Total
I. Cost						
December 31, 2013	1,958,945,079.56	2,961,982,132.90	408,435,951.14	68,492,280.89	1,826,778,645.39	7,224,634,089.88
Purchase during the year	-	41,800.00	19,198,952.50	1,193,305.67	-	20,434,058.17
Transfer from construction in progress during the year	114,617,708.29	746,255,394.27	63,302,425.42	7,613,507.27	89,353,419.16	1,021,142,454.41
Disposals during the year	-	1,760,771.82	16,875,448.05	20,667,962.67	-	39,304,182.54
December 31, 2014	2,073,562,787.85	3,706,518,555.35	474,061,881.01	56,631,131.16	1,916,132,064.55	8,226,906,419.92
II. Accumulated depreciation and amortization						
December 31, 2013	410,754,318.74	1,088,150,447.60	272,515,524.43	40,008,164.66	659,298,931.14	2,470,727,386.57
Provision during the year	77,679,978.64	356,233,081.09	60,583,367.12	6,993,185.73	40,271,601.69	541,761,214.27
Disposals during the year	-	1,319,499.60	16,333,049.35	18,668,885.52	-	36,321,434.47
December 31, 2014	488,434,297.38	1,443,064,029.09	316,765,842.20	28,332,464.87	699,570,532.83	2,976,167,166.37
III. Impairment						
December 31, 2013	-	32,260,873.75	25,620.00	217,357.00	836,086,311.25	868,590,162.00
Provision during the year	-	1,288,822,327.70	-	-	335,644,544.43	1,624,466,872.13
December 31, 2014	-	1,321,083,201.45	25,620.00	217,357.00	1,171,730,855.68	2,493,057,034.13
IV. Net book value						
December 31, 2014	1,585,128,490.47	942,371,324.81	157,270,418.81	28,081,309.29	44,830,676.04	2,757,682,219.42
December 31, 2013	1,548,190,760.82	1,841,570,811.55	135,894,806.71	28,266,759.23	331,393,403.00	3,885,316,541.31

(2) Details of the certificates of title of fixed assets that were not obtained are as follows:

Unit: RMB

Item	December 31, 2014	Reasons why certificates of title have not been obtained
Buildings	1,172,546,537.21	In progress

9. Construction in progress

Unit: RMB

Item	December 31, 2013	Increase during the year	Transfer to fixed assets upon completion	Transfer to intangible assets	December 31, 2014
Project of passenger vehicles of self-owned brands	697,066,827.65	1,214,623,120.90	871,829,765.57	14,978,389.11	1,024,881,793.87
Project of R&D center expansion	420,468,828.89	579,742,160.16	98,602,845.83	15,667,706.24	885,940,436.98
Others	81,584,163.80	111,677,110.52	50,709,843.01	4,465,413.00	138,086,018.31
Total	1,199,119,820.34	1,906,042,391.58	1,021,142,454.41	35,111,508.35	2,048,908,249.16

10. Intangible assets and development expenditures

(1) General

Unit: RMB

Item	Land use right	Patent	Know-how	Software	Trademark right	Total
I. Cost						
December 31, 2013	1,494,715,319.54	1,025,962,252.05	2,344,710,403.83	408,770,519.09	2,100,000.00	5,276,258,494.51
Purchase during the year	-	-	-	287,400.00	9,433,962.26	9,721,362.26
Transfer from construction in progress during the year	-	-	-	35,111,508.35	-	35,111,508.35
Disposals during the year	-	-	-	197,152.60	-	197,152.60
December 31, 2014	1,494,715,319.54	1,025,962,252.05	2,344,710,403.83	443,972,274.84	11,533,962.26	5,320,894,212.52
II. Accumulated amortization						
December 31, 2013	141,703,616.75	921,742,243.25	1,605,980,521.32	181,027,255.10	698,148.16	2,851,151,784.58
Provision during the year	29,812,908.37	19,688,578.97	17,046,863.27	45,262,315.94	711,063.19	112,521,729.74
Disposals during the year	-	-	-	197,152.60	-	197,152.60
December 31, 2014	171,516,525.12	941,430,822.22	1,623,027,384.59	226,092,418.44	1,409,211.35	2,963,476,361.72
III. Impairment						
December 31, 2013	-	81,250,000.00	710,540,666.06	-	-	791,790,666.06
December 31, 2014	-	81,250,000.00	710,540,666.06	-	-	791,790,666.06
IV. Net book value						
December 31, 2014	1,323,198,794.42	3,281,429.83	11,142,353.18	217,879,856.40	10,124,750.91	1,565,627,184.74
December 31, 2013	1,353,011,702.79	22,970,008.80	28,189,216.45	227,743,263.99	1,401,851.84	1,633,316,043.87

Note: At the year-end, certificates of title of land use right with net value of RMB 175,422,874.12 were not obtained.

(2) Details of development expenditures

Unit: RMB

Item	December 31, 2013	Occurred during the year	Recognized in profit and loss	December 31, 2014
Research expenditures	-	1,615,240,084.68	1,615,240,084.68	-
Development expenditures	-	1,854,177,932.41	1,854,177,932.41	-
Total	-	3,469,418,017.09	3,469,418,017.09	-

Development expenditures accounts for 53.44% of total research and development expenditures.

11. Employee benefits payable

(1) Details of employee benefits payable are as follows:

Unit: RMB

Item	December 31, 2014	December 31, 2013
Short-term employee benefits	2,123,793,742.11	1,946,402,999.25
Termination benefits	-	1,262,742.51
Total	2,123,793,742.11	1,947,665,741.76

(2) Details of short-term employee benefits are as follows:

Unit: RMB

Item	December 31, 2014	December 31, 2013
Payroll, bonus, allowance and compensation	1,874,896,223.76	1,711,592,887.21
Social security contributions	17,500,247.00	8,453,869.36
Housing funds	27,900.00	31,730.00
Trade union fund and employee education fund	231,369,371.35	226,324,512.68
Total	2,123,793,742.11	1,946,402,999.25

12. Non-current liabilities due within one year

Unit: RMB

Item	December 31, 2014	December 31, 2013
Provisions due within one year (Note (XV)15)	263,788,740.11	240,280,081.30

13. Long-term employee benefits payable

(1) Details of long-term employee benefits payable

Unit: RMB

Item	December 31, 2014	December 31, 2013
Postretirement benefit—defined benefit plan net indebtedness	2,170,181,223.98	3,149,436,144.11
Termination benefits	984,595,213.96	1,017,114,421.57
Total	3,154,776,437.94	4,166,550,565.68

(2) Details of defined benefit plan

Present value of defined benefit plan net indebtedness:

Unit: RMB

Item	Year ended December 31, 2014
I. December 31, 2013	3,149,436,144.11
II. Cost of defined benefit plan recognized in profit or loss – Net value of interests	62,988,722.88
III. Cost of defined benefit plan recognized in other comprehensive income – Profit of actuary	(992,538,210.20)
IV. Other movements – Benefits paid	(49,705,432.81)
V. December 31, 2014	2,170,181,223.98

14. Special payables

Unit: RMB

Item	December 31, 2014	December 31, 2013
Special reward fund	900,428,309.00	939,884,119.00

15. Provisions

Unit: RMB

Item	December 31, 2014	December 31, 2013
Products quality warranty	906,447,254.90	719,691,428.57
Others	358,589,682.00	67,943,693.00
Sub-total	1,265,036,936.90	787,635,121.57
Less: Provisions due within one year (Note (XV)12)	263,788,740.11	240,280,081.30
Provisions due after one year	1,001,248,196.79	547,355,040.27

16. Deferred income

Unit: RMB

Item	December 31, 2014	December 31, 2013
Government grants	451,507,338.75	384,068,102.89

17. Deferred tax liabilities

Unit: RMB

Item	December 31, 2014	Taxable temporary differences	December 31, 2013	Taxable temporary differences
Fair value changes of held-for-sale financial assets	330,730,903.15	2,204,872,687.68	-	-

18. Capital reserve

Unit: RMB

Item	January 1	Increase	December 31
Year 2014			
Share premium	50,167,744,782.98	3,204,576.65	50,170,949,359.63
Including: Capital contributed by investors	49,988,245,445.59	3,204,576.65	49,991,450,022.24
Differences arising from business combination involving enterprises under common control	179,499,337.39	-	179,499,337.39
Other capital reserves	753,543,097.35	-	753,543,097.35
Total	50,921,287,880.33	3,204,576.65	50,924,492,456.98
Year 2013			
Share premium	50,156,589,642.29	11,155,140.69	50,167,744,782.98
Including: Capital contributed by investors	49,977,090,304.90	11,155,140.69	49,988,245,445.59
Differences arising from business combination involving enterprises under common control	179,499,337.39	-	179,499,337.39
Other capital reserves	753,543,097.35	-	753,543,097.35
Total	50,910,132,739.64	11,155,140.69	50,921,287,880.33

Note: Please refer to Note (VI) 45(1) for more details.

19. Other comprehensive income

Unit: RMB

Item	December 31, 2013	Year ended December 31, 2014			December 31, 2014
		Increase before income tax	Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss of the current period	Less: Income tax expenses	
I. Other comprehensive income that will not be reclassified subsequently to profit or loss	-	992,538,210.20	-	-	992,538,210.20
Including: Changes in net liabilities or net assets due to remeasurement of defined benefit plans	-	992,538,210.20	-	-	992,538,210.20
II. Other comprehensive income that may be reclassified subsequently to profit or loss	(240,532,279.94)	2,336,724,328.82	(7,117,255.60)	330,730,903.15	1,772,578,401.33
Including: Shares of other comprehensive income that may be reclassified subsequently to profit or loss of invested entities under equity method in future	24,829,889.48	(126,393,272.68)	-	-	(101,563,383.20)
Changes in fair value of available-for-sale financial assets	(265,362,169.42)	2,463,117,601.50	(7,117,255.60)	330,730,903.15	1,874,141,784.53
Total	(240,532,279.94)	3,329,262,539.02	(7,117,255.60)	330,730,903.15	2,765,116,611.53

20. Operating income/costs

(1) Operating income/costs

Unit: RMB

Item	Year Ended December 31, 2014		Year Ended December 31, 2013	
	Operating income	Operating costs	Operating income	Operating costs
Primary operations	14,428,828,111.07	13,363,093,496.69	17,541,378,682.13	16,110,590,024.52
Other operations	874,674,871.77	442,959,820.00	1,044,187,823.94	802,963,574.42
Total	15,303,502,982.84	13,806,053,316.69	18,585,566,506.07	16,913,553,598.94

(2) Primary operations

Unit: RMB

Item	Year Ended December 31, 2014		Year Ended December 31, 2013	
	Operating income	Operating costs	Operating income	Operating costs
Sales of vehicles	12,636,766,504.94	11,808,534,738.98	16,012,262,663.61	14,832,612,289.54
Sales of parts	1,792,061,606.13	1,554,558,757.71	1,529,116,018.52	1,277,977,734.98
Total	14,428,828,111.07	13,363,093,496.69	17,541,378,682.13	16,110,590,024.52

(3) Other operations

Unit: RMB

	Year Ended December 31, 2014		Year Ended December 31, 2013	
	Operating income	Operating costs	Operating income	Operating costs
Sales of raw materials	287,693,732.90	242,718,808.50	221,775,240.02	232,311,264.89
Rendering services	118,175,218.68	103,135,052.01	336,333,727.85	288,724,746.14
Rental	46,077,431.94	17,853,770.66	53,363,072.04	19,302,924.50
Royalties and transfer of technology	286,725,100.00	–	304,201,900.00	147,266,260.80
Others	136,003,388.25	79,252,188.83	128,513,884.03	115,358,378.09
Total	874,674,871.77	442,959,820.00	1,044,187,823.94	802,963,574.42

21. Impairment losses on assets

Unit: RMB

Item	Year Ended December 31, 2014	Year Ended December 31, 2013
Impairment on fixed assets	1,624,466,872.13	463,342,293.95
Decline in value of inventories	106,755,199.53	20,590,386.00
Bad debt losses	–	(46,900.00)
Impairment on intangible assets	–	516,168,616.21
Total	1,731,222,071.66	1,000,054,396.16

22. Investment income

Unit: RMB

Item	Year Ended December 31, 2014	Year Ended December 31, 2013
Dividends received from subsidiaries under cost method	7,397,090,732.93	4,906,974,830.76
Long-term equity investment income under equity method	23,146,618,859.63	18,780,112,307.27
Amortization of long-term equity investment difference	(827,623.32)	(827,623.32)
Entrust loans investment income	35,192,308.88	19,392,840.13
Gain from available-for-sale financial assets	269,836,095.32	232,783,930.93
Gain on disposal of long-term equity investments	(42,404,255.35)	292,487.00
Total	30,805,506,118.09	23,938,728,772.77

23. Supplementary information to the cash flow statements

Unit: RMB

Supplementary information	Year Ended December 31, 2014	Year Ended December 31, 2013
1. Reconciliation of net profits to cash flow from operating activities:		
Net profit	24,463,644,591.50	17,417,504,918.68
Add: Provision for impairment loss of assets	1,731,222,071.66	1,000,054,396.16
Depreciation of fixed assets	541,761,214.27	514,801,825.61
Amortization of intangible assets	112,521,729.74	446,136,059.67
Depreciation and amortization of investment properties	11,737,328.78	11,853,806.99
Amortization of long-term prepaid expenses	3,004,566.12	20,617,303.08
Losses on disposal of fixed assets, intangible assets and other long-term assets (less gains)	618,411.62	1,431,977.31
Amortization of deferred tax liabilities confirmed by bonds with warrants	–	(31,988,639.94)
Financial expenses	116,672,328.39	532,754,456.61
Losses arising from investments (less gains)	(30,805,506,118.09)	(23,938,728,772.77)
Decrease in inventories (less increase)	(273,540,485.81)	(166,963,570.35)
Decrease in operating receivables (less increase)	(633,087,600.48)	378,612,400.00
Increase in operating payables (less decrease)	458,727,024.84	2,400,648,948.75
Net cash flow from operating activities	(4,272,224,937.46)	(1,413,264,890.20)
2. Net movement of cash and cash equivalents:		
Balance at the end of the year	45,655,207,147.68	39,964,590,909.55
Less: Balance at the beginning of the year	39,964,590,909.55	37,921,043,431.96
Net increase in cash and cash equivalents	5,690,616,238.13	2,043,547,477.59

24. 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
Shanghai Huizhong Automotive Manufacturing Co., Ltd.	Subsidiary
SAIC Motor Transmission Co., Ltd.	Subsidiary
Nanjing Automobile (Group) Corporation	Subsidiary
SAIC Motor Commercial Vehicle Co., Ltd.	Subsidiary
SAIC Motor UK Co., Ltd.	Subsidiary
DIAS Automotive Electronic Systems Co., Ltd.	Subsidiary
SAIC Finance Co., Ltd.	Subsidiary
SAIC GM Wuling Co., Ltd.	Subsidiary
SAIC Motor Activity Center Co., Ltd.	Subsidiary
Shanghai Automobile Import & Export Co., Ltd.	Subsidiary
SAIC Motor (Beijing) Co., Ltd.	Subsidiary
Anji Automotive Logistics Co., Ltd.	Subsidiary
SAIC Information Industrial Investment Co., Ltd.	Subsidiary
Shanghai Automotive Industry Sales Co., Ltd.	Subsidiary
HUAYU Automotive Systems Co., Ltd.	Subsidiary
Donghua Automobile Industrial Co., Ltd.	Subsidiary
SAIC General Motors Sales Co., Ltd.	Subsidiary
Shanghai General Motors Co., Ltd.	JCE
Shanghai GM Dong Yue Motors Co., Ltd.	JCE
Shanghai GM Dong Yue Automotive Powertrain Co., Ltd.	JCE
Shanghai GM (Shenyang) Norsom Motors Co., Ltd.	JCE
Shanghai Sunwin Co., Ltd.	JCE
Shanghai Advanced Traction Battery Systems Co., Ltd.	JCE
Pan-Asia Technical Automotive Center	JCE
Shanghai Volkswagen Automotive Co., Ltd.	JCE
SAIC Iveco Commercial Vehicle Investment Co., Ltd.	JCE
Volkswagen Automotive Powertrain Co., Ltd.	Associate
Shanghai Jieneng Automotive Technology Co., Ltd.	Subsidiary of SAIC
Executive directors and other senior management of the Company	Key management personnel

B. Related party transactions

(1) Sales and purchases

(a) Sales of goods

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
Subsidiaries	1,368,450,908.94	1,063,255,369.96
Subsidiaries of SAIC	10,827,310.46	-
Total	1,379,278,219.40	1,063,255,369.96

(b) Sales of materials

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
Subsidiaries	222,885,505.54	118,332,147.41
Associates	-	28,016.64
Subsidiaries of SAIC	2,046,696.60	363,053.23
Total	224,932,202.14	118,723,217.28

(c) Purchase of goods and materials

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
Subsidiaries	10,056,741,450.41	11,381,334,255.13
JCEs	901,918,881.48	833,037,348.82
Associates	259,638,813.52	351,192,271.52
Subsidiaries of SAIC	14,997,677.36	-
Associates of SAIC	13,093,894.39	23,019,208.56
Total	11,246,390,717.16	12,588,583,084.03

(d) Purchase of long-term assets

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
Subsidiaries	55,641,384.23	65,504,563.77
JCEs	97,671,786.05	39,574,273.42
Associates	2,942,121.69	896,334.33
Subsidiaries of SAIC	650,598.29	3,245,966.55
Associates of SAIC	761,044.68	3,549,709.47
Total	157,666,934.94	112,770,847.54

(e) Acceptance of services – R&D expenditures

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
Subsidiaries	611,336,060.21	512,164,024.64
JCEs	342,498,539.23	158,320,797.44
Associates	47,497,994.66	13,136,934.41
Subsidiaries of SAIC	1,161,807.06	67,123,297.43
Associates of SAIC	1,617,521.36	500,000.00
Total	1,004,111,922.52	751,245,053.92

(2) Rendering of services

(a) Rendering of services

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
Subsidiaries	21,463,697.56	68,120,082.58
JCEs	2,999,377.86	1,713,501.85
Associates	102,000.00	148,240.00
SAIC	52,289,476.09	147,337,887.01
Subsidiaries of SAIC	37,952,901.98	106,842,660.28
Total	114,807,453.49	324,162,371.72

(b) Rental income

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
Subsidiaries	13,210,591.40	13,216,880.18
JCEs	28,955,850.44	28,408,242.04
Total	42,166,441.84	41,625,122.22

(c) Guarantee income

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
JCEs	1,222,465.75	1,400,001.99

(d) Royalties for technology

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
Subsidiaries	286,725,100.00	304,201,900.00

(3) Other expenses

(a) Logistics service expenses, royalties and others

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
Subsidiaries	322,425,830.71	357,446,481.37
JCEs	85,358,686.30	105,123,780.96
Associates	744,561.95	23,006,865.50
SAIC	500,000.00	636,627.84
Subsidiaries of SAIC	–	144,000.00
Total	409,029,078.96	486,357,755.67

(b) Rental expenses

Unit: RMB

Related party	Year Ended December 31, 2014	Year Ended December 31, 2013
Subsidiaries	–	20,176,668.19

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

(4) Financing

(a) Loans to related parties

① Movement of entrusted loans to subsidiaries are as follows:

Unit: RMB

	Subsidiaries	JCEs	Total
December 31, 2013	7,294,460,000.00	10,200,000.00	7,304,660,000.00
Loans offered	4,954,850,000.00	–	4,954,850,000.00
Repayment collected	(6,875,460,000.00)	–	(6,875,460,000.00)
Effect of capital contribution	–	(10,200,000.00)	(10,200,000.00)
December 31, 2014	5,373,850,000.00	–	5,373,850,000.00

② Balances of loans offered directly to subsidiaries are as follows:

Unit: RMB

	Subsidiaries
December 31, 2013	3,108,199,620.00
Effect of foreign exchange rate changes	11,266,580.00
December 31, 2014	3,119,466,200.00

③ Loan interests received from subsidiaries are as follows:

Unit: RMB

	Year Ended December 31, 2014	Year Ended December 31, 2013
Subsidiaries	35,192,308.88	19,290,840.13
JCEs	–	102,000.00
Total	35,192,308.88	19,392,840.13

Interest rates for loans issued to related parties were determined according to the contracts.

(b) Deposits in SFC

① Movement of deposits at SFC is as follows:

Unit: RMB

	December 31, 2013	Increase	December 31, 2014
Cash and bank balances	27,922,047,165.56	5,205,220,853.83	33,127,268,019.39

② Interest receivable from SFC is as follows:

Unit: RMB

	December 31, 2014	December 31, 2013
Interest receivable	488,824,416.66	319,272,708.33

③ Interest received from SFC is as follows:

Unit: RMB

	Year Ended December 31, 2014	Year Ended December 31, 2013
Interest income	921,828,786.81	750,437,808.20

Interest rates for deposits at SFC were 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 of the Company and allow SFC provide financial service to dealers with the credit limits, the Company pays financing charges to SFC as follows:

Unit: RMB

	Year Ended December 31, 2014	Year Ended December 31, 2013
SFC	78,306,088.69	92,827,513.03

Financing charges are paid to SFC based on the contracts between both parties.

(5) Guarantees

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

Guarantee	Relationship with the Company	Category	Currency	Ceiling amount	Debt amount
SAIC Motor – CP Co., Ltd.	Subsidiaries	Ceiling guarantee	THB	3,570,000,000.00	405,960,000.00

C. Amounts due from / to related parties

(1) Notes receivable

Unit: RMB

Related party	December 31, 2014	December 31, 2013
Subsidiaries	487,928,751.90	427,800,032.90

(2) Accounts receivable

Unit: RMB

Related party	December 31, 2014	December 31, 2013
Subsidiaries	501,084,282.05	274,255,962.99
JCEs	838,968.00	183,106.00
Associates	60,800.00	676,836.73
Subsidiaries of SAIC	35,513,803.81	195,090,286.31
Total	537,497,853.86	470,206,192.03

(3) Prepayments

Unit: RMB

Related party	December 31, 2014	December 31, 2013
Subsidiaries	170,065,896.15	153,903,373.92
JCEs	92,736,317.35	78,216,696.34
Associates	30,099,059.00	29,989,774.39
Total	292,901,272.50	262,109,844.65

(4) Dividends receivable

Unit: RMB

Related party	December 31, 2014	December 31, 2013
Subsidiaries	21,857,700.00	–
JCEs	840,469,606.04	607,849,893.05
Associates	–	10,360,804.10
Total	862,327,306.04	618,210,697.15

(5) Other receivables

Unit: RMB

Related party	December 31, 2014	December 31, 2013
Subsidiaries	607,568,883.69	622,471,566.26
JCEs	532,131.60	632,131.60
Total	608,101,015.29	623,103,697.86

(6) Accounts payable

Unit: RMB

Related party	December 31, 2014	December 31, 2013
Subsidiaries	1,301,135,993.65	1,736,474,036.24
JCEs	486,131,046.36	379,754,026.79
Associates	58,840,476.99	110,896,832.06
Subsidiaries of SAIC	1,399,116.76	1,120,865.00
Associates of SAIC	6,261,223.07	396,041.70
Total	1,853,767,856.83	2,228,641,801.79

(7) Receipts in advance

Unit: RMB

Related party	December 31, 2014	December 31, 2013
Subsidiaries	6,307,678.95	42,732,025.41
SAIC	404,574,299.03	483,034,800.98
Total	410,881,977.98	525,766,826.39

(8) Other payables

Unit: RMB

Related party	December 31, 2014	December 31, 2013
Subsidiaries	227,500.00	142,451.99
JCEs	29,000.00	23,000.00
Associates	12,500.00	17,500.00
Subsidiaries of SAIC	34,400.00	35,416.00
Associates of SAIC	12,600.00	32,600.00
Total	316,000.00	250,967.99

XVII COMPARATIVE FIGURES

Comparative figures have been reclassified to be consistent with the presentation of the financial statements of the current year.

XVIII APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated and the Company's financial statements have been approved by the Board of Directors on April 1, 2015.

THE END OF THE FINANCIAL STATEMENTS

1. Non-recurring profit or loss

Unit: RMB

Item	Year Ended December 31, 2014	Year Ended December 31, 2013
Profit or loss on disposal of non-current assets	78,151,532.81	178,555,175.64
Government grants recognized in profit and loss	2,672,209,600.09	1,390,054,367.76
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 JCEs	802,311.00	8,484,365.00
Profit or loss on debt restructuring	538,622.93	4,743,165.63
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	141,464,229.85	826,563,161.71
Available-for-sale financial assets impairment loss	(30,000,000.00)	(23,347,620.00)
Profit or loss on offering entrusted loans	21,203,441.14	23,782,326.94
Other non-operating income and expenses other than the above	(165,240,686.44)	134,226,042.86
Tax effects of non-recurring profit or loss	(361,258,371.98)	(269,773,373.57)
Minority interest (after tax)	(300,617,158.36)	(249,990,957.70)
Total	2,057,253,521.04	2,023,296,654.27

Non-recurring profit or loss above 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	Diluted EPS
Calculated based on net profits attributable to shareholders of the Company	18.97	2.537	N/A
Calculated based on net profits attributable to shareholders of the Company after deducting non-recurring profit or loss	17.58	2.351	N/A

3. Supplementary information of changes of accounting policies

The Company has changed the accounting policies according to the new standards of Accounting Standard for Business Enterprises No.39 – Fair Value Measurement (CAS 39), Accounting Standard for Business Enterprises No.40 – Joint Arrangements (CAS 40), Accounting Standard for Business Enterprises No.41 – Disclosure of Interests in Other Entities (CAS 41) and amendments to Accounting Standard for Business Enterprises No.2 – Long-term Equity Investments (CAS 2), Accounting Standard for Business Enterprises No.9 – Employee Benefits (CAS 9), Accounting Standard for Business Enterprises No.30 – Presentation of Financial Statements (CAS 30), Accounting Standard for Business Enterprises No.33 – Consolidated Financial Statements (CAS 33) and Accounting Standard for Business Enterprises No.37 – Presentation of Financial Instruments (CAS 37) issued by the Ministry of Finance in 2014 and has restated the comparative financial statements.

The restated consolidated balance sheets as of January 1, 2013 and December 31, 2013 are as follows:

Unit: RMB

Item	January 1, 2013	December 31, 2013	December 31, 2014
Current assets			
Cash and bank balances	60,846,425,921.76	89,097,639,504.38	87,948,624,133.99
Financial assets at fair value through profit or loss	42,839,755.99	17,906,491.20	179,263,543.85
Notes receivable	24,942,718,373.67	29,238,845,252.60	31,144,243,041.67
Accounts receivable	15,427,853,242.07	19,244,289,149.61	20,696,097,314.82
Prepayments	19,977,601,440.37	32,046,375,065.44	21,298,374,862.24
Interest receivable	52,097,207.50	234,450,263.71	222,437,332.51
Dividends receivable	5,986,377,249.15	817,638,611.35	1,185,280,168.70
Other receivables	3,903,358,709.34	2,493,966,488.51	2,729,970,912.83
Financial assets purchased under resale agreements	–	146,040,000.00	–
Inventories	24,950,803,086.15	30,914,532,082.83	38,765,888,491.75
Assets classified as held for sale	–	670,400,392.60	34,684,325.47
Non-current assets due within one year	7,479,430,263.52	13,181,502,475.24	15,793,373,034.24
Other current assets	25,545,149,999.46	14,080,882,246.34	17,044,305,103.64
Total current assets	189,154,655,248.98	232,184,468,023.81	237,042,542,265.71
Non-current assets:			
Loans and advances	6,596,774,236.12	8,585,851,095.28	8,574,071,474.85
Available-for-sale financial assets	21,050,921,078.05	14,207,905,107.41	36,448,127,149.53
Long-term receivables	1,237,939,132.17	1,316,182,094.25	1,347,201,401.01
Long-term equity investments	45,339,854,692.28	56,403,540,848.21	63,389,634,195.51
Investment properties	2,873,077,080.29	2,982,690,192.04	2,884,580,134.77
Fixed assets	24,792,105,841.46	27,515,791,339.38	31,709,006,820.92
Construction in progress	8,033,818,659.57	10,614,731,816.73	10,702,857,557.18
Intangible assets	5,526,670,004.45	5,625,725,268.74	6,477,803,607.25
Development expenditure	649,652,334.95	40,916,902.32	8,434,650.99
Goodwill	84,993,655.59	84,993,655.59	82,304,137.64
Long-term prepaid expenses	856,057,596.78	880,204,499.49	1,033,544,543.95
Deferred tax assets	8,626,461,184.40	11,692,712,759.09	13,757,825,810.37
Other non-current assets	2,380,018,223.02	1,505,027,199.60	1,412,739,732.17
Total non-current assets	128,048,343,719.13	141,456,272,778.13	177,828,131,216.14
TOTAL ASSETS	317,202,998,968.11	373,640,740,801.94	414,870,673,481.85

Unit: RMB

Item	January 1, 2013	December 31, 2013	December 31, 2014
Current liabilities:			
Short-term borrowings	5,798,812,190.73	5,251,574,760.18	5,505,253,039.46
Customer deposits and deposits from banks and other financial institutions	31,808,381,587.96	42,771,754,977.17	44,758,063,908.24
Financial liabilities purchased under resale agreements	–	7,155,000.00	–
Notes payable	3,083,732,165.14	4,393,002,801.01	5,574,215,320.69
Accounts payable	47,809,876,107.19	61,076,035,671.86	66,027,244,570.41
Receipts in advance	21,911,629,511.49	27,031,992,611.61	27,430,862,400.76
Employee benefits payable	4,437,867,936.97	5,937,970,517.14	7,107,347,694.73
Taxes payable	4,915,632,578.72	3,409,416,661.83	3,410,400,465.00
Interest payable	105,525,826.50	180,345,203.80	152,481,488.16
Dividends payable	1,098,745,971.80	65,411,503.89	137,519,670.03
Other payables	22,742,269,601.58	28,661,920,266.78	32,830,291,360.05
Non-current liabilities due within one year	12,132,783,032.20	5,968,591,031.54	6,843,788,125.87
Other current liabilities	105,494,245.61	109,477,605.53	154,042,787.13
Total current liabilities	155,950,750,755.89	184,864,648,612.34	199,931,510,830.53
Non-current liabilities:			
Long-term borrowings	946,778,928.20	2,430,221,291.15	2,049,144,366.45
Bonds payable	–	3,833,983,000.00	2,700,490,000.00
Long-term employee benefits payable	6,121,188,099.58	6,154,535,396.77	5,516,722,123.55
Special payables	2,649,951,663.82	2,081,571,199.17	1,097,038,323.24
Provisions	3,853,733,529.56	5,296,078,871.23	7,685,580,005.22
Deferred tax liabilities	1,558,901,317.08	6,236,464,197.97	8,701,834,935.13
Special payables	1,039,134,454.17	970,554,280.97	2,189,275,882.82
Other non-current liabilities	76,203,669.22	40,592,841.30	–
Total non-current liabilities	16,245,891,661.63	27,044,001,078.56	29,940,085,636.41
TOTAL LIABILITIES	172,196,642,417.52	211,908,649,690.90	229,871,596,466.94
SHAREHOLDERS' EQUITY:			
Share capital	11,025,566,629.00	11,025,566,629.00	11,025,566,629.00
Capital reserve	39,647,597,607.99	37,969,525,894.74	37,986,599,121.54
Other comprehensive income	5,334,525,964.10	4,422,625,915.82	9,703,495,421.66
Special reserve	46,320,745.65	94,184,174.87	181,962,263.44
Surplus reserve	13,459,932,005.70	16,943,432,989.44	21,836,161,907.74
General risk reserve	844,919,712.17	844,919,712.17	844,919,712.17
Retained earnings	51,978,504,734.84	66,456,983,324.88	76,085,680,916.97
Total shareholders' equity attributable to shareholders of the Company	122,337,367,399.45	137,757,238,640.92	157,664,385,972.52
Minority interests	22,668,989,151.14	23,974,852,470.12	27,334,691,042.39
TOTAL SHAREHOLDERS' EQUITY	145,006,356,550.59	161,732,091,111.04	184,999,077,014.91
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	317,202,998,968.11	373,640,740,801.94	414,870,673,481.85



List of Documents Available For Inspection	Accounting statement with signatures of legal person, responsible person of accounting professional and accountant in charge
List of Documents Available For Inspection	Auditor report with signatures of accounting firm and certificated accountants
List of Documents Available For Inspection	Announcement and document released on paper of CSRC during reporting period
List of Documents Available For Inspection	Article of SAIC Motor Corporation Limited

Board of Directors :

Date of Approval by the board : April 3rd, 2014

Section XI List of Documents Available For Inspection

