Company Code: 600104 **Abbreviation of Company: SAIC**

SAIC MOTOR CORPORATION LIMITED

Annual Report 2019

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.**
3. **Deloitte Touche Tohmatsu Certified Public Accountants LLP issued a standard and unqualified auditors report to the Company.**
4. **Mr. Chen Hong, Chairman of the Board, Mr. Wei Yong, the chief financial officer, and Ms. Gu Xiao Qiong, head of Accounting Department, certify the authenticity, accuracy and integrity of the financial reports 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 8.80 (inclusive of tax) per 10 shares, amounting to RMB 10,281,446,001.20 in total based on total shares of 11,683,461,365. The Company has no plan of capitalization of capital reserve this year. The cash dividend distribution for the recent three years accumulates to RMB 46,383,341,619.05 in total (including the year of 2019).

6. **Risk statement of forward-looking description**

√ Applicable □N/A

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 shareholder and its 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.

9. **Significant risk alert**

   There are no significant risks which have substantive effects on the Company's production and operation during the reporting period. The Company has described the possible risks that the Company may be exposed to in the process of production and operation in this report. Please refer to "Possible Risks" in Section IV Discussion and Analysis of Operations.

10. **Others**

□Applicable √ N/A

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Section I Definitions

I. Definition

In this report, unless the context otherwise indicated, the following terms are defined as below:

Definitions of frequently-used 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, SAIC Group, SAIC Motor	Refer to	SAIC Motor Corporation Limited
SAIC	Refers to	Shanghai Automotive Industry Corporation (Group)
SAIC VOLKSWAGEN	Refers to	SAIC Volkswagen Automobile Co., Ltd.
SAIC GM	Refers to	SAIC General Motors Co., Ltd.
SAIC Passenger Vehicle	Refers to	SAIC Motor Corporation Limited Passenger Vehicle Branch
SGMW	Refers to	SAIC GM Wuling Co., Ltd.
SAIC Maxus	Refers to	SAIC Maxus Vehicle Co., Ltd.
Shanghai Sunwin	Refers to	Shanghai Sunwin Bus Co., Ltd.
IVECO Hongyan, SAIC-IVECO Hongyan	Refer to	SAIC-IVECO Hongyan Commercial Vehicle Co., Ltd.
Nanjing Iveco	Refers to	Nanjing Iveco Automobile Co., Ltd.
SAIC Motor-CP	Refers to	SAIC Motor-CP Co., Ltd.
SAIC Indonesia	Refers to	SAIC-GM-Wuling Motor Indonesia
HASCO Motor, HASCO	Refer to	HUAYU Automotive Systems Co., Ltd.

SFC	Refers to	SAIC Finance Co., Ltd.
SAIC-GMAC	Refers to	SAIC-GMAC Automotive Finance Co., Ltd.
Chexiang Technology	Refers to	Shanghai Chexiang Technology Industry Co., Ltd.
Global Car Sharing	Refers to	Global Car Sharing and Rental Co., Ltd.
Anji Logistics	Refers to	Anji Automotive Logistics Co., Ltd.
Zhonghaiting	Refers to	Wuhan Zhonghaiting Data Technology Co., Ltd.
SAIC Infineon	Refers to	SAIC Infineon Automotive Power Modules (Shanghai) Co., Ltd.

Section II General Information and Major Financial Indicators of the Company

I. Information of the Company

Name of Company in Chinese	上海汽车集团股份有限公司
Abbreviation of company name in Chinese	上汽集团
Name of Company in English	SAIC Motor Corporation Limited
Abbreviation of company name in English	SAIC Motor
Legal representative of the Company	Mr. Chen Hong

II. Contacts

	Secretary of the Board	**Securities affairs representative**
Name	Mr. Chen Xiao Dong	Mr. Chen Xiao Dong
Address	No.489,Weihai Road, Jing'an District, Shanghai, China	No.489,Weihai Road, Jing'an District, Shanghai, China
Telephone number	(021) 22011138	(021) 22011138
Facsimile number	(021) 22011777	(021) 22011777
E-mail	saicmotor@saic.com.cn	saicmotor@saic.com.cn

III. Basic information of the Company

Registered address	Room 509, No.1 Tower, No. 563 Songtao Road, Pilot Free Trade Zone, Shanghai, China
Post code of registered address	201203
Office address	No. 489, Weihai Road, Jing'an District, Shanghai, China
Post code of office address	200041
Website	http://www.saicmotor.com
E-mail	saicmotor@saic.com.cn

IV. Information disclosure and the location

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

V. Profile of the Company's shares

Profile of the Company's shares				
Class of shares	**Stock exchange**	**Short name**	**Stock code**	**Former short name**
A shares	Shanghai Stock Exchange	SAIC MOTOR	600104	Shanghai Automotive

VI. Other relevant information

Information of the accounting firm appointed by the Company (domestic)	**Name**	Deloitte Touche Tohmatsu Certified Public Accountants LLP
	Office address	F/30,Bund Center, No. 222 Yan An Road East, Shanghai
	Signing Certified Public Accountant	Hu Yuan Yuan, Luo, Yi Ming
Sponsor performing continuous supervision duties in the reporting period	**Office address**	Guotai Junan Securities Co., Ltd.
	Authorized sponsor representative	35th Floor, Bohua Plaza, No.669 Xinzha Road, Jing'an District, Shanghai
	Continuous supervision period	Chi Hui Tao, Ding Ying Hua
	Office address	From 19 January 2017 to the funds raised are used up

VII. Major accounting data and financial indicators in recent three years

(I) Major accounting data

Unit: RMB

Major accounting data	2019	2018	Year-on-year (%)	2017
Total operating income	843,324,372,577.26	902,194,064,732.24	-6.53	870,639,427,000.07
Operating income	826,530,002,967.87	887,626,207,288.41	-6.88	857,977,717,906.64
Net profit attributable to shareholders of listed companies	25,603,384,202.16	36,009,210,583.83	-28.90	34,410,339,492.71
Net profit attributable to shareholders of listed companies after deducting non-recurring profit or loss	21,581,115,159.90	32,409,013,305.15	-33.41	32,915,755,236.71
Net cash flow from operating activities	46,271,852,926.75	8,975,654,791.66	415.53	24,301,071,935.41
	December 31, 2019	**December 31,2018**	**Year-on-year (%)**	**December 31, 2017**
Net assets attributable to shareholders of listed companies	249,702,009,694.74	234,368,561,956.28	6.54	225,335,302,711.77
Total assets	849,333,279,599.19	782,769,849,841.01	8.50	723,533,131,261.59

(II) Major financial indicators

Major financial indicators	2019	2018	Year-on-year (%)	2017
Basic earnings per share (RMB/Share)	2.191	3.082	-28.91	2.959
Diluted earnings per share (RMB/Share)	N/A	N/A	N/A	N/A

Basic earnings per share after deducting non-recurring profit or loss (RMB/Share)	1.847	2.774	-33.42	2.831
Weighted average return on net assets (%)	10.53	15.67	Decreased by 5.14 %	16.87
Weighted average return on net assets after deducting non-recurring profit or loss (%)	8.87	14.10	Decreased by 5.23 %	16.14

Explanations on major accounting data and financial indicators in recent three years

√ Applicable □ N/A

The net profit attributable to shareholders of listed companies after deducting non-recurring profit and loss decreased by 33.41% compared with the same period last year. The year-on-year decrease in the net profit attributable to shareholders of listed companies is due to multiple factors, mainly including a year-on-year decrease in the Company's total vehicle sales for the current year and the intensification of contradictions between supply and demand from the shift between National V and National VI models and the decrease of domestic new energy vehicle subsidies.

Net cash flows from operating activities increased by 415.53% compared to the same period last year, mainly due to a decrease in loans to customers issued by Shanghai Automotive Group Finance Co., Ltd., subsidiary of the Company.

VIII. Differences in accounting figures under China and foreign accounting standards

i. Differences in net profit and net assets attributable to shareholders of the listed companies where financial statements are disclosed in accordance with International Accounting Standards and China Accounting Standards

□Applicable √ N/A

ii. Differences in net profit and net assets attributable to shareholders of the listed companies where financial statements are disclosed in accordance with Foreign Accounting Standards and China Accounting Standards

□Applicable √ N/A

iii. Explanations on differences between China and foreign accounting standards

□Applicable √ N/A

IX. Major quarterly financial data for the year 2019

Unit: RMB

	First Quarter (Jan. to Mar.)	Second Quarter (Apr. to Jun.)	Third Quarter (Jul. to Sept.)	Fourth Quarter (Oct. to Dec.)
Total operating income	200,191,827,747.40	176,101,463,597.36	209,051,442,474.96	257,979,638,757.54
Operating income	196,015,557,324.56	171,900,291,533.61	204,903,466,608.02	253,710,687,501.68
Net profit attributable to shareholders of listed companies	8,250,836,638.83	5,513,498,365.60	7,028,247,482.25	4,810,801,715.48
Net profit attributable to shareholders of listed companies after deducting non-recurring profit or loss	7,603,496,750.06	4,891,385,650.06	6,320,608,158.50	2,765,624,601.28
Net cash flow from operating activities	-17,932,522,069.49	18,061,614,456.80	25,360,376,816.20	20,782,383,723.24

Note:
Net cash flows from operating activities fluctuate among quarters, as there are remarkable changes in terms of scale of customer deposits and loans to customers of Shanghai Automotive Group Finance Co., Ltd., subsidiary of the Company.

Explanations on differences between above quarterly data and disclosed data in periodic reports
□Applicable √ N/A

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

√ Applicable □N/A

Unit: RMB

Items of non-recurring profit or loss	2019	Note (if applicable)	2018	2017
Profit or loss on disposal of non-current assets	442,170,091.22		559,505,098.66	-176,186,005.11
Government grants recognized in profit or loss for the current period, except those that are closely related to the normal business of the Company, and granted on quota basis continuously based on the state policy	4,718,105,151.72		3,583,637,108.24	2,658,540,681.19
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	214,426,978.94		1,449,378,901.59	90,827,100.61
Profit or loss on debt restructuring	-1,275,683.38		-304,726.30	506,460.00
Net profit or loss of subsidiary for the period from the beginning to the date of combination arising from business combination involving enterprises under common control				-1,120,333.39
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 effective hedging activities relating to normal operating business of the Company	/		7,043,819.47	4,944,490.56
In addition to effective hedging operations related to the normal operations of the Company, gains and losses on fair value changes arising from held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and investment income from the disposal of investments in held-for trading financial assets, derivative financial assets, held-for trading financial liabilities, derivative financial liabilities and other debt investments	8,120,839.43		/	/
Reversal of impairment provision for accounts receivable that are individually tested for impairment				220,849,689.64
Profit or loss on entrusted loans	61,038,194.43		53,313,687.71	29,686,211.04
The effect of one-off adjustment to profit or loss in accordance with laws and regulations in respect of taxes and accounting on profit or loss for the period				-186,509,549.00
Income from a business combination not involving enterprises under common control is achieved in stages that involve multiple transactions	146,659,331.55			
Other non-operating income and expenses other than the above	59,991,429.10		-310,571,110.00	-353,613,492.77

Effects on minority interests	-756,049,659.84		-1,155,074,706.27	-436,018,732.67
Effects on income tax	-870,917,630.91		-586,730,794.42	-357,322,264.10
Total	**4,022,269,042.26**		**3,600,197,278.68**	**1,494,584,256.00**

XI. Items measured at fair value

√ Applicable ☐N/A

Unit: RMB

Item	December 31, 2018	December 31, 2019	Changes	Effects on profit of the period
Held-for-trading financial assets	38,962,323,652.23	49,796,599,024.47	10,834,275,372.24	1,514,882,730.29
Receivables financing	9,019,071,632.12	11,401,837,512.65	2,382,765,880.53	
Other current assets - negotiable certificate of deposit	3,193,623,500.00	35,220,926,210.05	32,027,302,710.05	
Other debt investments	1,059,460,112.10	610,824,643.23	-448,635,468.87	
Investments in other equity instruments	12,793,440,069.72	18,281,876,133.32	5,488,436,063.60	
Other non-current financial assets	1,535,997,716.87	2,094,472,035.47	558,474,318.60	-40,693,859.11
Held-for-trading financial liabilities	977,399,765.77	1,211,285,653.79	233,885,888.02	22,321,220.42
Total	**67,541,316,448.81**	**118,617,821,212.98**	**51,076,504,764.17**	**1,496,510,091.60**

XII. Other explanations

☐Applicable √ N/A

Section III Business Overview of the Company

I. Explanations on principal business, operation model and industry profile during the reporting period

Categorized as automotive manufacturing industry, the Company is currently striving to grasp the industrial development trend, speeding up innovation and transformation, and developing from a traditional manufacturing enterprise towards a comprehensive supplier which provides consumers with mobility services and products. The Company's principal activities include research and development (R&D), production and sales of vehicles (including passenger vehicles and commercial vehicles); active promotion of the commercialization of new-energy vehicles and internet vehicles, and implementation of technical research and industrialization exploration such as intelligent driving; R&D, production and sales of spare parts (including power drive system, chassis system, interior and exterior decoration system, and core components of new-energy vehicles including battery, electronic drive and power electronics, and intelligent products system); auto service and trading business including logistics, auto E-commerce, mobility services, energy-saving and recharging services; automobile-related finance, insurance and investment businesses; overseas operations and international commerce and trade business; and active deployment in the fields of the industry big data and artificial intelligence.

On the basis of operation model combining investment control and entity operation, the Company implements investment control on its associates and joint ventures including SAIC Volkswagen, SAIC GM, SGMW, etc., and put self-owned brands into entity operations. The Company is the largest domestic automobile group in terms of sales and manufacturing scale so far, and the largest automobile company listed in A share market in terms of market capitalization.

II. Explanations on significant changes in major assets of the Company during the reporting period

☐Applicable √ N/A

III. Analysis of core competitiveness during the reporting period

√ Applicable ☐N/A

Firstly, the Company has leading advantages in domestic market. The Company plays a leading role for years in vehicle production and sales, with products covering various major segment markets, nationwide manufacturing bases and extensive sales network, which is beneficial for the Company to enhance the market presence and capability of quick response to customers' needs.

Secondly, the Company has advantages in its industrial system with integration synergy. The Company is an automobile enterprise with the most complete domestic auto industry chain layout and the most remarkable comprehensive strength, aims at the new trend of development of the automotive industry, to promote the implementation of the "new four modernizations" development strategy, namely, "electrification, intelligent networking, sharing and internationalization", and carries out a comprehensive layout in key technology fields of new energy vehicles, intelligent connected vehicles, mobility services, to introduce its advantages in innovation technology to overseas to achieve differentiated competitiveness, and accelerate the construction of ecological system with future orientation and global competitiveness, through comprehensive synergy and integration of four modernization.

Thirdly, the Company has advantages in its continuously advancing innovation capability. The Company has established a globally connected independent R&D framework, with its self-owned innovation capability and local R&D capability of jointta ncinak,atij-0.05568 Tc (ti) Th the Coml a j-0.05568 Tc (ti) Th tl a edabtDteC

against the trend. The export sales continue to rank first in the country, further expanding the leading advantage. During the reporting period, the Company achieved the total operating income of RMB 843.324 billion, a year-on-year decrease of 6.53%, and realized net profit attributable to shareholders of listed companies amounted to RMB 25.603 billion, a year-on-year decrease of 28.90%.

II. Operation conditions in the reporting period

In the face of major changes in the industry and adjustments in the auto market, the Company strives to grasp the market trend and seize structural incremental opportunities, actively respond to technological changes and promote the implementation of the new "Four Modernizations" and accelerate the pace of international business to enhance the differentiated competitiveness. By persevering in the market, promoting innovation, and strengthening reform and party building, various businesses including SAIC's self-owned brand, new energy vehicles and international business have blossomed in the cold winter, further enhancing the spirit and courage of the Company to face the frost and snow and overcome difficulties.

1. Make efforts to grasp the market trend and seize structural incremental opportunities

In terms of grasping the trend of consumption upgrading, SAIC Passenger Vehicle launched the "first mass-produced intelligent cockpit" product, RX5 MAX with a comprehensive upgrade of performance and configuration. This product was sold like hot cakes after the launch, strongly consolidating the market position of the RX5 family. SAIC Volkswagen T-Cross, Teramont X and other new SUVs were launched, driving the SUV sales growth against the trend, with Passat ranking first in the intermediate car market. Both of the SAIC GM Cadillac and the Buick GL8 have performed well in the luxury car market and the midsize MPV market. While buffing up the market present of the Wuling brand, SAIC-GM Wuling has accelerated the transformation pace towards the passenger car, and launched four new Baojun models in succession, taking the opportunity of rebuilding the Baojun brand, which has significantly improved the product appeal and optimized the sales structure.

In terms of new energy vehicle sales, the market competitiveness was further enhanced after the launch of the Roewe Ei5 long-range version, with sales up by more than 40% year-on-year. SAIC-Volkswagen Passat PHEV and Tiguan L PHEV quickly ranked among the top of the plug-in hybrid market sales; SAIC-GM Wuling Baojun micro electric vehicle accelerated its nationwide promotion with annual sales volume of 60,000, and had steadily occupied the first place in the domestic micro electric vehicle sales since July of this year.

In the commercial vehicle market, SAIC Maxus launched the Intelligent wide-body light bus V90 and the New Flagship MPV G20 for high-end business users, further enhancing the product competitiveness in the business market. Maxus pickup products continue to maintain the rapid growth momentum, and T60 products are exported to Australia, New Zealand, Chile and other overseas markets. SAIC Hongyan accelerated the upgrading of the interior and exterior styling of heavy truck products and the development of the sixth generation of products to meet the National VI emissions. In this way, SAIC Hongyan consolidated its leading position in the dump truck market, accelerated the enhancement of the market competitiveness of tractor-trailer products to achieve the dual upgrading of production and marketing scale and system capacity.

2.Actively respond to technological changes and promote the implementation of the New Four Modernizations

In terms of new energy, the Company has accelerated the development of the independent core capability of the EIC system, successfully launched the mass production of the second generation EDU electric drive transmission and steadily advanced the EDU G2 Plus, electric axle, HairPin motor, exclusive electric vehicle architecture, the new generation of electronic and electrical architecture and other technologies and products of independent development work. In the area of forward-looking fuel cell technology, the Company also started the development of the 400 type fuel cell electric stack and system, promoting the core competitiveness for the future. SAIC-Volkswagen MEB New Energy Plant was officially completed, and key electric vehicle platform development projects such as SAIC-Volkswagen MEB and SAIC-GM BEV3 were steadily advanced. While continuously improving product technology, safety reliability and cost competitiveness, the Company focuses on user concerns

such as battery endurance and charging, accelerates capacity layout and technical breakthroughs, and strives to turn technical advantages in the industry chain into competitive advantages in the market.

For intelligent network connection, new strides were made by the Company to commercialize intelligent driving technology. Following the release of the "last mile" autonomous parking project and the achievement of mass production, the 5G self-driving heavy truck project of Shanghai Yangshan Port, jointly built by the Company in collaboration with SIPG and China Mobile, was successfully presented and started the demonstration operation during the second session of the Expo. At the same time, the Company has accelerated the independent development of future-oriented electronic and electrical architecture, new generation intelligent cockpit and other independent development work, and pushed forward the product development and capacity layout in areas such as domain controller, intelligent gateway, intelligent driving chassis and ADAS system around the intelligent driving industry chain. Great improvements have also been made by three joint venture vehicle enterprises, SAIC-Volkswagen, SAIC-GM and SAIC-GM Wuling, in mobile interconnection, intelligent driving localization development, and intelligent networked vehicle public road testing.

In terms of shared exploration, the Company further strengthened the integration of resources and refined operations. As for the mobile travel, SAIC Mobility adheres to the service concept of "quality experience", strengthens compliance and refined operation management, and launches the "Xiangdao Rental" brand served for enterprise. Through resource synergy and integrated operations, Xiangdao Rental has successfully turned losses into gains. Xiangdao Mobility has extended its business in Zhengzhou, Suzhou, Kunshan, Hangzhou and Ningbo, and has strengthened its cooperation with EVCARD, with over 7 million registered users and an average daily order number of over 100,000. In terms of convenient car service, the Company achieved new car sales volume of 0.13 million, a year-on-year increase of 81%. Che Xiang Jia optimized store services and continued to improve revenue. In terms of efficient mobility, SAIC Anji Logistics Co., Ltd., while deep arranging the whole vehicle and parts production service logistics network, takes the opportunity of integrating HOAU Intercity Express and urban distribution business to strengthen lean management, resource synergy and operational integration, accelerate the construction of intelligent and social integrated logistics platform, and enhance customer service capabilities for non-automotive fields.

In order to speed up the innovation transformation, the Company continues to act as the platform including "Seed fund", "Home for Engineers", "Future Automobile Innovation Competition" and so on, providing employees with a broader space for innovation and entrepreneurship. As for new enterprises, equity incentives, core team shareholding and other incentive mechanism innovation measures are adopted by the Company to deepen reform and enhance innovation vitality. In addition, the Company further broadened the external financing channels, approved RMB 20 billion of corporate bonds of shelf offering. Out of the credit line, 2 trenches of corporate bonds amounting to RMB 5 billion were successfully issued during the year which effectively reduced the cost of capital, and there were also financial insurance and other means provided to help new energy vehicle sales and mobile travel service innovation, actively play the role of capital link, financial support and service synergy, providing "vitality" and "boosters" for innovation and transformation.

3. Accelerate the pace of international business and enhance differentiated competitiveness

In terms of overseas sales structure, the Company continued to buff up the presence of overseas markets. In 2019, overseas sales of MG, MAXUS and other self-owned brands reached the sales volume of 0.186 million, a year-on-year increase of 82.3%, accounting for more than 50% of the Company's overall overseas sales volume. Among them, MG overseas sales volume reached 0.138 million, a year-on-year increase of 89.3%, single-brand overseas sales ranked first in China; and MG EZS pure electric SUV, as SAIC's first global overseas new energy model, took the lead in the European market under the strict standards, and created an electric trend after its launch in the UK, the Netherlands and Norway in the second half of the year, hitting one of the best electric car sales in the local market.

In terms of overseas base construction, the Company's own brand has taken the lead in building a global right-hand drive base overseas, establishing an important first-mover advantage. With the completion of the plant and

the launch of the first product MG Hector, SAIC India base has produced and sold 16,500 cars in just six months, with orders growing rapidly and products in short supply. The real estate level of SAIC Motor CP Company Limited Thailand base continues to improve with the capability of supply chain cost reduction and base manufacturing further strengthened. The new product, Almaz of SAIC Indonesia base has beoe bTc 24 Tc (h) Tj0.1

Unit: RMB

By industry						
By industry	**Operating income**	**Operating costs**	**Gross margin ratio (%)**	**Changes in operating income (%)**	**Changes in operating costs (%)**	**Changes in gross margin ratio (%)**
Automotive manufacturing	826,530,002,967.87	726,100,213,388.33	12.15	-6.88	-5.70	Decreased by 1.10%
Financing	16,794,369,609.39	4,487,533,702.37	73.28	15.28	15.28	Increased by 0.00 %
Total	**843,324,372,577.26**	**730,587,747,090.70**	**13.37**	**-6.53**	**-5.59**	Decreased by 0.85%
By product						
By product	**Operating income**	**Operating costs**	**Gross margin ratio (%)**	**Changes in operating income (%)**	**Changes in operating costs (%)**	**Changes in gross margin ratio (%)**
Vehicles	613,341,075,419.72	556,458,246,294.66	9.27	-8.09	-5.83	Decreased by 2.18%
Parts	164,853,324,589.96	128,184,047,685.11	22.24	-6.04	-8.47	Increased by 2.06%
Trading	10,575,491,931.44	9,826,704,207.43	7.08	11.07	10.90	Increased by 0.15 %
Service and others	37,760,111,026.75	31,631,215,201.13	16.23	6.86	4.87	Increased by 1.59 %
Financial services	16,794,369,609.39	4,487,533,702.37	73.28	15.28	15.28	Increased by 0.00%
Total	**843,324,372,577.26**	**730,587,747,090.70**	**13.37**	**-6.53**	**-5.59**	Decreased by 0.85%
By geographical region						
By geographical region	**Operating income**	**Operating costs**	**Gross margin ratio (%)**	**Changes in operating income (%)**	**Changes in operating costs (%)**	**Changes in gross margin ratio (%)**
China	803,527,140,782.32	695,086,432,953.17	13.50	-7.17	-6.19	Decreased by 0.90%
Others	39,797,231,794.94	35,501,314,137.53	10.79	8.61	7.73	Increased by 0.72%
Total	**843,324,372,577.26**	**730,587,747,090.70**	**13.37**	**-6.53**	**-5.59**	Decreased by 0.85%

(2). Analysis on production and sales volume

√ Applicable ☐N/A

Enterprises	Unit	Production	Sales	Inventories	Changes in production volume (%)	Changes in sales volume (%)	Changes in inventories (%)
SAIC VOLKSWAGEN	Volume	1,926,224	2,001,777	15,384	-8.14	-3.07	-85.21
SAIC GM	Volume	1,616,755	1,600,102	60,528	-17.51	-18.78	37.57
SAIC Passenger Vehicle	Volume	654,281	673,255	18,937	-8.00	-4.08	-50.24
SGMW	Volume	1,654,655	1,660,007	63,337	-15.38	-19.42	-7.79
SAIC Maxus	Volume	152,429	153,024	5,174	20.71	21.36	-10.31
Shanghai Sunwin	Volume	1,159	1,159	0	41.34	41.69	-100.00
SAIC-IVECO Hongyan	Volume	53,885	58,077	4,162	-3.25	0.07	-50.33
Nanjing Iveco	Volume	25,919	25,500	1,189	-15.76	-17.74	54.42
SAIC Motor-CP	Volume	25,157	23,528	3,998	-11.78	-13.36	65.27
SAIC GM Wuling Indonesia Co., Ltd.	Volume	24,447	25,001	256	97.86	116.57	-68.43
MG Motor India Private Limited	Volume	17,001	16,520	481	-	-	-
Total	**Volume**	**6,151,912**	**6,237,950**	**173,446**	**-11.84**	**-11.54**	**-36.44**

(3). Cost analysis

Unit: RMB

By Industry						
By industry	**Items**	**2019**	**Proportion to total costs (%)**	**2018**	**Proportion to total costs (%)**	**Changes (%)**
Automotive manufacturing	Raw materials, labor salaries and wages, depreciation, energy, etc.	726,100,213,388.33	99.39	769,985,822,499.66	99.50	-5.70
Financial services	Labor salaries and wages, depreciation, energy, etc.	4,487,533,702.37	0.61	3,892,602,852.95	0.50	15.28
Total		**730,587,747,090.70**	**100.00**	**773,878,425,352.61**	**100.00**	**-5.59**
By Product						
By product	**Items**	**2019**	**Proportion to total costs (%)**	**2018**	**Proportion to total costs (%)**	**Changes (%)**
Vehicles	Raw materials, labor salaries and wages, depreciation, energy, etc.	556,458,246,294.66	76.16	590,918,548,655.90	76.36	-5.83
Parts	Raw materials, labor salaries and wages, depreciation, energy, etc.	128,184,047,685.11	17.55	140,043,700,616.08	18.10	-8.47
Trading	Raw materials, labor salaries and wages, depreciation, energy, etc.	9,826,704,207.43	1.35	8,861,249,145.62	1.14	10.90
Service and others	Raw materials, labor salaries and wages, depreciation, energy, etc.,	31,631,215,201.13	4.33	30,162,324,082.06	3.90	4.87
Financing	Labor salaries and wages, depreciation, energy, etc.	4,487,533,702.37	0.61	3,892,602,852.95	0.50	15.28
Total		**730,587,747,090.70**	**100.00**	**773,878,425,352.61**	**100.00**	**-5.59**

(4). Major customers and suppliers

√ Applicable ☐N/A

Turnover from top five customers amounts to RMB 77,603.19 million , accounting for 9.39% of the total annual turnover, of which the amount from related parties (based on the definition of the *Stock Listing Rules of the Shanghai Stock Exchange*) is RMB 0, accounting for 0% of the total annual turnover.

Purchase from top five suppliers amounts to RMB 404,922.71 million, accounting for 55.77% of the total annual purchase amount, of which the amount from related parties (based on the definition of the *Stock Listing Rules of the Shanghai Stock Exchange*) is RMB 0, accounting for 0 % of the total annual purchase amount.

3. Expenses

√ Applicable ☐N/A

Unit: RMB

Items	**2019**	**2018**	**Changes** (%)
Selling expenses	57,450,586,216.84	63,423,027,141.41	-9.42
Administrative expenses	22,308,086,660.76	21,336,015,125.43	4.56
R&D expenses	13,394,150,277.23	15,385,012,641.18	-12.94

Financial expenses	24,366,630.19	195,437,294.67	-87.53
Income tax expenses	5,668,885,296.06	5,939,186,429.07	-4.55

Note: Analysis of changes in expenses is set out in the analysis table of changes in relevant accounts in income statement and cash flow statement.

4. Research and development expenditures

Research and development ("R&D") expenditures

√ Applicable ☐ N/A

Unit: RMB

R&D investments expensed in the current period	13,394,150,277.23
R&D investments capitalized in the current period	1,373,849,378.11
Total R&D expenditures	14,767,999,655.34
Proportion of R&D expenditures to operating income (%)	1.79
Headcount of R&D personnel	27,061
Proportion of R&D headcount to total employee headcount (%)	11.8
Proportion of capitalization of R&D expenditures (%)	9.30

Explanations

☐Applicable √N/A

5. Cash flows

√Applicable ☐N/A

Unit: RMB

Items	2019	2018	Changes (%)
Net cash flow from operating activities	46,271,852,926.75	8,975,654,791.66	415.53
Net cash flow from investing activities	-39,264,387,323.87	9,844,850,629.33	-498.83
Net cash flow from financing activities	-3,093,679,371.44	-19,113,689,270.88	83.81

Note: Analysis of changes in cash flows is set out in the analysis table of changes in relevant accounts in income statement and cash flow statement.

(II) Explanations on significant changes in profit arising from non-principal business

☐Applicable √N/A

(III) Analysis of assets and liabilities

√ Applicable ☐ N/A

1. Assets and liabilities

Unit: RMB

Items	Amount December 31, 2019	Proportion to total assets (%) December 31, 2019	Amount December 31, 2018	Proportion to total assets (%) December 31, 2018	Changes (%)
Notes receivable	6,245,092,532.74	0.74	20,960,437,399.34	2.68	-70.21

Prepayments	28,939,123,052.21	3.41	18,693,772,988.65	2.39	54.81
Financial assets purchased under resale agreement	13,542,369,331.38	1.59	664,270,025.14	0.08	1,938.68
Other current assets	109,788,322,384.77	12.93	78,989,593,361.29	10.09	38.99
Long-term receivables	11,144,424,111.43	1.31	6,837,413,269.79	0.87	62.99
Development expenditure	1,646,702,512.60	0.19	538,649,981.13	0.07	205.71
Short-term borrowings	25,587,986,199.99	3.01	16,726,440,287.46	2.14	52.98
Non-current liabilities due within 1 year	26,838,165,703.07	3.16	14,613,907,051.50	1.87	83.65
Other comprehensive income	12,504,734,839.32	1.47	8,014,045,544.15	1.02	56.04

Other explanations

1) The balance of notes receivable decreased by 70.21% compared to the closing balance of the previous period, mainly due to the reclassification of notes receivable by the Company under the new financial instrument standard.

2) The balance of prepayments increased by 54.81% compared to the closing balance of the previous period, mainly due to the slowdown in the completion and delivery of the Company's joint venture vehicle manufacturing enterprises.

3) The balance of financial assets purchased under resale agreement increased by 1938.68% compared to the closing balance of the previous period, mainly due to the increase in asset allocation for repurchase business by SAIC Finance Co., Ltd., subsidiary of the Company, based on liquidity needs.

4) The balance of other current assets increased by 38.99% compared to the closing balance of the previous period, mainly due to the reclassification of financial instruments by the Company under the new financial instrument standard.

5) Long-term receivables increased by 62.99% compared to the closing balance of the previous period, mainly due to Anji Logistics' business scale expansion, increasing receivables under finance lease.

6) The balance of development expenditure increased by 205.71% compared to the closing balance of the previous period, mainly due to the increase in R&D investment capitalized by the Company.

7) The balance of short-term borrowings increased by 52.98% compared to the closing balance of the previous period, mainly due to the Company's increase in borrowings for its business development demand.

8) The balance of non-current liabilities due within one year increased by 83.65% compared to the closing balance of the previous period, mainly due to an increase in bonds payable due within one year from SAIC Finance Co., Ltd., subsidiary of the Company.

9) Other comprehensive income increased by 56.04% compared to the closing balance of the previous period, mainly due to the increase in the fair value of financial instruments held by the Company that are measured at fair value through other comprehensive income.

2. Restriction of significant assets as at December 31, 2019

☐ Applicable √ N/A

3. Other explanations

☐ Applicable √ N/A

(IV) Analysis on operational data in automotive industry

√ Applicable ☐ N/A

Details are as follows:

Analysis of operation data for automotive manufacturing

1. Production capacity

√ Applicable ☐ N/A

Existing production capacity

√ Applicable ☐ N/A

Unit: 0'000 (vehicles)

Major manufactures	Designed production capacity	Production capacity in the reporting period	Utilization rate (%)
SAIC VOLKSWAGEN	184.8	192.6	104
SAIC GM	190.8	161.7	85
SAIC Passenger Vehicle	86.0	65.4	76
SGMW	176.0	165.5	94
SAIC Maxus	37.5	15.2	41
Shanghai Sunwin	0.2	0.1	58
SAIC – IVECO Hongyan	7.5	5.4	72
Nanjing Iveco	6.0	2.6	43
SAIC Motor-CP	4.0	2.5	63
SAIC-GM-WULING MOTOR INDONESIA	6.0	2.4	41
MG Motor India Private Limited	5.6	1.7	30

Capacity under construction

√ Applicable ☐ N/A

Unit: RMB 0'000

Workshop under construction	Planed investment	Amount invested in the period	Accumulated investment	Estimated completion date	Estimated capacity (Vehicles)
MEB Plant of SAIC VOLKSWAGEN	818,700	318,829	383,829	Year 2020	240,000
SAIC Passenger Vehicle Zhengzhou Base, Phase II	535,980	36,530	399,980	Year 2020	240,000

Capacity calculation criteria

√ Applicable ☐ N/A

The calculation of designed production capacity is on the basis of 250 working days per year, and 16 working hours per day, namely 4000 working hours for one year; "production capacity in the period" refers to actual output

for the reporting period; utilization rate is actual output for the reporting period divided by designed production capacity.

2. Sales and production of vehicles

√ Applicable ☐N/A

By vehicle type

√ Applicable ☐N/A

	Sales (Volume)			Production (Volume)		
Categories	**2019**	**2018**	**Changes(%)**	**2019**	**2018**	**Changes(%)**
Basic passenger car	2,831,041	3,356,466	-15.65	2,758,014	3,351,363	-17.70
Sports utility vehicle (SUV)	1,698,184	1,842,871	-7.85	1,687,453	1,862,903	-9.42
Multi-purpose vehicle (MPV)	849,249	963,028	-11.81	856,900	930,623	-7.92
Cross passenger car	263,062	306,920	-14.29	263,387	277,521	-5.09
Passenger car	59,143	62,314	-5.09	58,872	62,648	-6.03
Truck	537,271	520,135	3.29	527,286	492,860	6.98
Total	**6,237,950**	**7,051,734**	**-11.54**	**6,151,912**	**6,977,918**	**-11.84**

By region

√ Applicable ☐N/A

	Sales in domestic market (Volume)			Sales in overseas market (Volume)		
Categories	**2019**	**2018**	**Changes (%)**	**2019**	**2018**	**Changes (%)**
Basic passenger car	2,682,664	3,201,699	-16.21	148,377	154,767	-4.13
Sports utility vehicle (SUV)	1,542,061	1,758,497	-12.31	156,123	84,374	85.04
Multi-purpose vehicle (MPV)	833,027	947,725	-12.10	16,222	15,303	6.01
Cross passenger car	254,058	298,874	-14.99	9,004	8,046	11.91
Passenger car	54,468	58,334	-6.63	4,675	3,980	17.46
Truck	521,569	509,735	2.32	15,702	10,400	50.98
Total	**5,887,847**	**6,774,864**	**-13.09**	**350,103**	**276,870**	**26.45**

3. Sales and production of auto parts

√ Applicable ☐N/A

The Company's businesses of auto parts are mainly operated by HASCO (security code: 600741), a subsidiary controlled by the Company. For details of its business in 2019, refer to the annual report 2019 published on www.sse.com.cn by HASCO (600741).

Categorized by spare parts

☐Applicable √ N/A

Categorized by market

☐Applicable √ N/A

4. New energy vehicles

√ Applicable ☐N/A

Production capacity of new energy vehicles

√ Applicable ☐N/A

Major workshops	Designed production capacity (Volume)	Production capacity in the period (Volume)	Utilization rate (%)
SAIC VOLKSWAGEN	- es	32,471	-
SAIC GM	-	11,898	-
SAIC Passenger Vehicle	-	75,649	-
SGMW	-	56,238	-
SAIC Maxus	-	2,971	-
Shanghai Sunwin	-	1,107	-
Nanjing Iveco	-	386	-

Sales of new energy vehicles

√ Applicable ☐N/A

	Sales (Volume)			Production (Volume)		
Categories	**2019**	**2018**	**Changes (%)**	**2019**	**2018**	**Changes (%)**
Passenger vehicles	180,633	136,008	32.81	176,695	151,344	16.75
Commercial vehicles	3,973	5,512	-27.92	4,025	5,649	-28.75
Total	**184,606**	**141,520**	**30.45**	**180,720**	**156,993**	**15.11**

Income and subsidies of new energy vehicles

√ Applicable ☐N/A

Unit: RMB 0'000

Categories	**Income**

Subsidn2-369. Tc-80.48 re f200.16 457.91 10.56 Tf198.24 0 TD ( ) Tj/F4+1 10.5

(3) Financial assets at fair value

√ Applicable ☐N/A

Unit: RMB

Items	December 31, 2018	December 31, 2019	Changes	Effects on profits of the period
Held-for-trading financial assets	38,962,323,652.23	49,796,599,024.47	10,834,275,372.24	1,514,882,730.29
Receivables financing	9,019,071,632.12	11,401,837,512.65	2,382,765,880.53	
Other current assets – negotiable certificate of deposit	3,193,623,500.00	35,220,926,210.05	32,027,302,710.05	
Other debt investments	1,059,460,112.10	610,824,643.23	-448,635,468.87	
Investments in other equity instruments	12,793,440,069.72	18,281,876,133.32	5,488,436,063.60	
Other non-current financial assets	1,535,997,716.87	2,094,472,035.47	558,474,318.60	-40,693,859.11
Total	**66,563,916,683.04**	**117,406,535,559.19**	**50,842,618,876.15**	**1,474,188,871.18**

(VI) Disposal of significant assets and equity

☐Applicable √ N/A

(VII) Analysis of major holding companies and joint stock companies

√ Applicable ☐N/A

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
SAIC VOLKSWAGEN	Manufacturing	Manufacturing and sales of vehicles	1,150,000	13,894,470.58	3,726,118.00	23,595,005.36	2,002,455.19
SAIC GM	Manufacturing	Manufacturing and sales of vehicles	USD 108,300	10,273,959.55	2,630,583.54	18,782,141.68	1,095,832.41
SGMW	Manufacturing	Manufacturing and sales of vehicles	166,808	4,976,271.35	752,042.94	8,572,654.96	169,855.56
HASCO	Manufacturing	Manufacturing and sales of auto-parts	315,272	13,912,743.21	4,942,299.82	14,402,362.61	646,316.33
SFC	Finance	Financial service	1,538,000	32,365,027.99	3,636,173.67	1,827,364.88	491,142.22

(VIII) Structured entities controlled by the Company

☐Applicable √ N/A

III. Discussion and analysis on future development of the Company

(I) Industry structure and development trend

√ Applicable ☐N/A

With the economic downturn and the gradual slowdown of market growth, the Chinese auto market is entering a new stage of stock competition. As affected by the novel coronavirus pandemic ("COVID - 19 "), China's macroeconomic and auto market will be confronted with periodic severe challenges this year. However, as the pandemic gradually winded down, suppressed auto consumption demand will certainly butt up. At the same time, in order to hedge the impact of the epidemic, greater efforts are devoted in infrastructure investment, employment stabilization and consumption promotion. Therefore, more policies are expected to be introduced to stabilize growth, and there are opportunities in crisis with the domestic auto market. It is estimated that the domestic sales of vehicles in 2020 will reach 22.9-23.8 million, increased by -11.6% to -8.1% year-on-year, including approximately 19.0-19.8 million of passenger vehicles with a year-on-year increase of -11.8% to -8.1%, 3.9-4.0 million of commercial vehicles with a year-on-year increase of -10.5% to -8.2%, and 1.25 million of new energy vehicle with a year-on-year increase of 4%.

Looking forward to the coming period, China's economy will still remain favorable for long-term growth, though facing the COVID - 19 and other difficult challenges. The volume advantage of China's mega auto market, the development trend of auto consumption upgrade and the central position of the global auto industry transformation remain unchanged. However, in the same general trend, it also contains new changes, bringing new challenges and opportunities .

According to the market structure, although the proportion of first purchase consumption demand for cars has decreased, the car consumption upgrading has driven the rapid increase in demand for additional purchases and exchange purchases, driving the continuous upgrading of the "price/quality ratio". Consumers pay more attention to the quality and brand and attach more importance to the safety and health of the transportation. Meanwhile, with the diversification of urban transportation, the demand of consumer is gradually shifted from "have a car" to "use a car", the used car market is also growing rapidly with the continued increase in car ownership.

In terms of product attributes, the change in software-defined cars is accelerating. In the future, the car will not only be a means of transportation, but also a private space for mobility. It will also become an important mobile hub linking everything, and the car transportation experience will be largely defined by software.

From the industry landscape, the concentration of the market is constantly increasing. Vulnerable brands face the danger of elimination. Car enterprises significantly increased the input in the field of "new four modernizations, bringing greater challenges to the profit growth. New rivals access to the industry from other borders, promoting the application of new technology and business model changes together with the traditional car enterprises and redefining the industry competition.

(II) The Company's development strategy

√ Applicable ☐N/A

The Company will firmly grasp the major orientation of progress in science and technology, the bigger picture of market evolution, the general trend of changes in the industry, make a deeper advancement of “new four modernizations—electrification, intelligent networking, sharing and internationalization” strategy, insist in the philosophy of “innovation-leading, breakthrough at key points, promotion with successful experiences in selected units, and advancement in a proper order”, deeply lay out and carry forward innovation chain construction while grasping market structured opportunity and promoting operational performance so as to spare no effort to seize vantage ground and commanding height, and accelerate to push the business transformation and upgrading in the process of reconstitution of global automobile industry value chain, striding forward globally competitive and influential comprehensive provider for traffic service and products.

On the research and development end, the Company makes breakthroughs focused on key technologies including new energy and intelligent networking, and keeps creating technical advantages. On the manufacturing end, the

Company accelerates digitalized and customized manufacturing method and unceasingly steps towards high-class manufacturing and intelligent manufacturing. On the user end, the Company emphatically breaks through new business models including mobility platform, intelligent logistics and financial services and keeps opening up new space for transformation and development. On the market end, the Company provides capacity to expand domestic and international markets with advantages in innovative technology and services, and keeps improving brand competitiveness and international influence, presenting a brand image of SAIC with innovative vitality, technology charisma and sincere service.

The Company is to become a comprehensive supplier of mobility services and products that is globally competitive and influential by 2025, striving to be a world-class automotive enterprise.

(III) Business plan

√ Applicable ☐N/A

In 2020, the Company will continue to adhere to work keynote to seek for improvement on a steady basis guided by President Xi Jinping's thought on socialism with Chinese's characteristics for a new era, practicing the concept of new development and the general requirements of "increasing efficiency and quality through market development, witnessing results through innovation and transformation, improving efficiency and quality through deepened reform". The Company also persist in strengthening risk awareness, holding the bottom line of risk, promoting the innovation of the "new four modernizations" and deepening market-oriented reform in a firm way. In this way, the stable and orderly production and operation is ensured on the basis of effective epidemic prevention and control, and the resilience of economic operation is enhanced to provide strong supports for the launch of a new round of innovative development in a persistent way. The Company strives to achieve an annual sales of about 6 million vehicles, maintaining a leading market share in China, and has expected a total operating income of RMB 780 billion and a total operating cost of RMB 678.6 billion for the year 2020.

Major tasks of the Company's operations in 2020:

For economic operation, the Company actively grasps the changes in consumption and market opportunities in post-COVID-19 period. Focused on exploiting the market potential on both the "stock" and "incremental", the Company grasps the upgrading of current customers and promotes marketing system changes to maintain the leading superiority in the "stock" market. In addition, the Company strives to develop incremental opportunities in new energy vehicles, international operations and after-market to seize market opportunities.

In terms of innovation and transformation, the Company focuses on enhancing "capacity" and "brand", strengthening the independent control of key technologies, deepening multi-level collaborative innovation to continuously improve core competencies. In addition, the advanced technology, energetic and active model, precise marketing and communication promote the upgrading of the brand.

In terms of deepening the reform, the Company focuses on activating "talent" and revitalizing "assets" resources. By optimizing assessment, focusing on incentives and constraints, the cadre talent team is further activated; and by implementing policies according to the classification, accelerating transformation and improving efficiency, the stock assets and business are further revitalized.

(IV) Potential risks

√ Applicable ☐N/A

The development trend of the COVID – 19 is the most important risk factor affecting the direction of the car market this year. The impact of the pandemic on the domestic economy and car market is yet to be further observed. However, the rapid spread of the overseas pandemic around the world will exacerbate the downward pressure on the world economy and increase the supply risk of the global auto industry chain. Therefore, both consumer demand and production supply will be confronted with considerable challenges.

(V) Other explanations

☐Applicable √N/A

IV. Explanations on conditions and reasons for undisclosed matters due to regulations or other special reasons

☐Applicable √N/A

Section V Important Events

I. Preliminary proposal for distribution of ordinary shares or capitalization of capital reserve

(I) Determination, implementation and adjustment of policies on cash dividends

√Applicable ☐N/A

Pursuant to item 164 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 take into account of sustainable development of the Company. Profit distribution policy shall be consistent and stable. (2) The Company can distribute dividends in cash or by stocks, and cash dividend should be considered first. The Company can make mid-year cash dividend distribution. (3) The Company shall make cash dividends distribution when its net profits and accumulated retained profits in the audited financial statements of the Company during the current year are presented in positive figures, and the cash flow of the Company can satisfy the Company's ordinary operation and sustainable development. Total amount for cash dividends distribution by the Company in the current year shall be equal to or exceed 30% of net profits attributable to shareholders of the listed companies in the audited consolidated financial statements in the current year. Cash paid for the repurchase of shares shall be deemed as cash dividends. (4) If the Company does not propose cash dividends distribution plan though it makes profits and accumulated retained profits are presented in positive figures during the current year, independent directors shall issue a clear opinion, meanwhile the Company shall explain in details the reasons for not making profit distribution in the annual report, and the usage of the funds which would otherwise have been used for cash dividend distribution. (5) 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 shareholder's cash dividend in order to repay the cash the shareholders occupy. (6) When significant changes incur in the Company's operating environment or the Board think it is necessary, the Company will changes the profit distribution policies. During the adjustment of profit distribution policies proposed by the Company, opinions of minority shareholders should be considered, while reasons for the adjustment should be specified by the Board on the basis of an issue of independent opinions from independent directors. Resolution in respect of the adjustment of profit distribution shall be passed by over 2/3 of voting rights held by shareholders who attend the general meeting.

During the reporting period, the Company completed the profit distribution of year 2018. 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.

(II) Plan or preliminary proposal for distribution of ordinary shares and capitalization of capital reserve of the Company in recent three years

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 listed companies in consolidated financial statements for the	Proportion of net profit attributable to the listed company in consolidated financial statements (%)

					year of dividend distribution	
2019	0	8.80	0	10,281,446,001.20	25,603,384,202.16	40.16
2018	0	12.60	0	14,721,161,319.90	36,009,210,583.83	40.88
2017	0	18.30	0	21,380,734,297.95	34,410,339,492.71	62.13

(III) Particulars of repurchase of shares in cash offer recognized in cash dividends

☐Applicable √N/A

(IV) Where the preliminary proposal for cash distribution of ordinary shares is not proposed although the Company earns profits and the profit available for distribution to ordinary shareholders is set out in positive figures, the Company shall disclose relevant reasons in details, and the usage and plan for retained profits.

☐Applicable √N/A

II. Performance of commitment matters

(I) Commitments of controlling shareholder, shareholders, related parties, acquirer, companies etc. during the reporting period or sustained to the reporting period

√Applicable ☐N/A

Background	Type	Party	Content	Commitment time and deadline	Is there a deadline for performance?	Is it performed timely and strictly	If not performed in time, specify the reason	If not performed in time, specify the next plan
Commitment relating to refinancing	Restricted shares	SAIC Group	The non-public offering of the Company was completed on January 19, 2017, and SAIC, the controlling shareholder, committed that the shares subscribed for this time would not be transferred within 36 months from the issuance date.	2017/1/19 -2020/1/18	Yes	Yes	N/A	N/A
	Restricted shares	Core Staff Shareholding Plan of SAIC Motor (Changjiang Pension Insurance Co., Ltd., which is entrusted to manage this	The non-public offering of the Company was completed on January 19, 2017, and the Core Staff Shareholding Plan committed that the shares subscribed for this time will not be transferred	2017/1/19 -2020/1/18	Yes	Yes	N/A	N/A

		plan, sets up special products for subscription)	within 36 months from the issuance date.					

(II) For assets or projects which the Company has prepared profit forecast and are still within the forecast period in the reporting period, the Company shall state whether the forecasted profits are achieved and explain the reasons.

☐ Achieved ☐Not achieved √N/A

(III) Completion of performance commitment and its effects on goodwill impairment testing

☐Applicable √N/A

III. Funds occupation and settlement during the reporting period

☐Applicable √N/A

IV. Explanations on "Non-standard Auditors' Report" issued by certified public accountants

☐Applicable √N/A

V. Analysis and explanation of the Company on reasons and effects of changes in accounting policies and accounting estimates and correction of significant accounting errors

(I) Analysis and explanation of the Company on reasons and effects of changes in accounting policies and accounting estimates

√Applicable ☐N/A

In 2017, the Ministry of Finance revised and issued "Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments", "Accounting Standard for Business Enterprises No. 23 - Transfer of Financial Assets", "Accounting Standard for Business Enterprises No. 24 - Hedging" and " Accounting Standard for Business Enterprises No. 37 - Presentation of Financial Instruments". In accordance with the above amendments to the accounting standards and implementation deadline requirements, the Company made corresponding changes to the original accounting policies with application starting from 1 January 2019. The above changes have been considered and approved by the 5th session of the seventh board of directors, the 5th session of the seventh board of supervisors, and the independent directors have expressed their opinions hereon. The changes in accounting policy do not require adjustments to the Company's comparative financial statements, and the implementation of the above-mentioned new standard has had no material impact on the Company's financial statements. For details, please refer to the Company's announcement dated 30 April 2019 “Announcement of SAIC Group on Changes to Accounting Policies"(No. 2019-013).

(II) Analysis and explanation of the Company on reasons and effect of correction in significant accounting errors

☐Applicable √N/A

(III) Communication with the previous certified public accountants

☐Applicable √N/A

(IV) Other explanations

☐Applicable √N/A

VI. Appointment and dismissal of certified public accountants

Unit: RMB 0'000

	Current auditor
Domestic certified public accountants	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Remuneration paid to domestic certified public accountants	910
Audit period of domestic certified public accountants	14 years

Unit: RMB 0'000

	Name	**Remuneration**
Certified public accountants for internal control audit	Deloitte Touche Tohmatsu Certified Public Accountants LLP	200

Explanations on the appointment and dismissal of certified public accountants
☐Applicable √N/A

Explanations on changing the certified public accountants during the audit period.
☐Applicable √N/A

VII. Risk exposure to the suspension of listing

(I) Reasons for the suspension of listing

☐Applicable √N/A

(II) Measures adopted by the Company to resume listing

☐Applicable √N/A

VIII. Circumstances and reasons for termination of listing

☐Applicable √N/A

IX. Bankruptcy and reorganization

☐Applicable √N/A

X. Significant lawsuit and arbitration

☐ Significant lawsuits and arbitrations for the year √ No significant lawsuits and arbitrations for the year

XI. Penalty and rectification of the listed companies and their directors, supervisors, senior management, controlling shareholders, actual controllers and acquirers

☐Applicable √N/A

XII. Explanations on credit issue of the listed companies and their controlling shareholder and actual controller during the reporting period

√ Applicable ☐N/A

During the reporting period, the Company and its controlling shareholder, and actual controller have good credit records.

XIII. The Company's share option incentive scheme, employee stock ownership plan or other employee incentive schemes and relevant impacts

(I) Related incentive schemes that have been disclosed in the temporary announcement but have no progress or change subsequently

√ Applicable ☐N/A

Description of event	Search index
Share option incentive scheme	No. 2017-022 *Announcement on the Resolutions at the 6th Session of 16th Board Meeting of SAIC*

(II) Incentive schemes not disclosed in the temporary announcement or having subsequent progresses

Share option incentive scheme

☐Applicable √ N/A

Other explanations

☐Applicable √ N/A

Employee stock ownership plan

√ Applicable ☐N/A

In order to accelerate the innovation-driven development strategy, SAIC Motor Corporation Limited made a non-public offering of shares on the domestic A-share market in 2017 and simultaneously implemented a core employee stock ownership plan. The core employees mainly include the group leaders of SAIC Group (including the chairman, directors, supervisors and senior management, except for external directors and external supervisors), factory cadres, key backbone employees (including scientific researchers, management personnel and business backbone who have a direct or greater influence on the business performance and sustainable development of the enterprise).On 19 January 2017, the Company, after fair bidding and legal procedures, issued 657,894,736 A-shares at a non-public price of RMB22.80 per share. After the issuance, the total share capital of the Company reaches up to11,683,461,365 shares. The number of shares subscribed under the core employee stock ownership plan was 48,449,561 shares, representing 0.41% of the total share capital of the Company with the subscribed amount of RMB1104.65 million. Based on actual employee contributions, the actual participants in the core employee stock ownership plan was 2,207, of which 14 were directors, supervisors and senior management. The core employee stock ownership plan forms an investment portfolio through special pension management products which participates in the subscription of SAIC shares in the name of the core employee stock ownership plan. The products are entrusted to Cheung Kong Pension Insurance Company Limited for professional management. The duration of the plan is 48 months from the time when the Company announces the registration of the shares of this non-public offering under the plan, with the first 36 months being the lock-up period and the second 12 months being the unlocking period. On 14 January 2020, the Company published the "Announcement on the Listing and Circulation of Non-public Issuance of Restricted Shares" on the website of the SSE (for details, see www.sse.com.cn).

As of the date of disclosure in this annual report, there are still 24.2249 million shares under the employee stock ownership plan.

Other incentive schemes

☐Applicable √N/A

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

(I) Significant related party transactions related to daily operations

1. **Events that have been disclosed in the temporary announcement but have no progress or change subsequently**

☐Applicable √N/A

2. Events that have been disclosed in the temporary announcement and have progresses or changes subsequently

☐Applicable √N/A

3. Events that not been disclosed in the temporary announcement

☐Applicable √N/A

(II) Significant related party transactions related to acquisition and disposal of assets or equity

1. Events that have been disclosed in the temporary announcement but have no progress or change subsequently

☐Applicable √N/A

2. Events that have been disclosed in the temporary announcement and have progresses or changes subsequently

☐Applicable √N/A

3. Events that not been disclosed in the temporary announcement

☐Applicable √N/A

4. Performance achievements involving performance convention in reporting period should be disclosed

☐Applicable √N/A

(III) Significant related party transactions related to external joint investment

1. **Events that have been disclosed in the temporary announcement but have no progress or change subsequently**

☐Applicable √N/A

2. Events that have been disclosed in the temporary announcement and have progresses or changes subsequently

☐Applicable √N/A

3. Events that not been disclosed in the temporary announcement

☐Applicable √N/A

(IV) Balances due from/to related parties

1. Events that have been disclosed in the temporary announcement but have no progress or change subsequently

☐Applicable √N/A

2. Events that have been disclosed in the temporary announcement and have progresses or changes subsequently

☐Applicable √N/A

3. **Events that not been disclosed in the temporary announcement**

☐Applicable √N/A

(V) Others

☐Applicable √N/A

XV. Significant contracts and performance of contracts

(I) Trusteeship, contracting and leasing

1. Trusteeship

☐Applicable √N/A

2. Contracting

☐Applicable √N/A

3. Leasing

☐Applicable √N/A

(II) Guarantee

√Applicable ☐N/A

Unit: RMB 0'000

General information of guarantee (except guarantee provided for subsidiaries)												
Guarantor	**Relationship**	**Guarantee**	**Amount of guarantee**	**Signed date of guarantee**	**Starting date of guarantee**	**Ending date of guarantee**	**Type of guarantee**	**Completion of guarantee**	**Overdue of guarantee**	**Overdue amount of guarantee**	**Counter guarantee**	**Related party guarantee**
HUAYU Automotive Systems Co., Ltd.	Holding subsidiary	HUAYU KS Alu Tech GmbH	15,631.00	2019/6/19	2019/6/19	2020/6/30	Joint and several liability guarantee	No	No		No	No
Total amount of guarantee incurred during the reporting period (except guarantee provided for subsidiaries)						15,631.00						

Total balance of guarantee at the end of the reporting period(A) (except guarantee provided for subsidiaries)	8,554.89
Guarantee provided to subsidiaries by the Company and its subsidiaries.	
Total amount of guarantees provided for subsidiaries during the reporting period	0.00
Total balance of guarantees provided for subsidiaries at the end of the reporting period(B)	192,559.32
Total amount of guarantees provided (including guarantee provided for subsidiaries)	
Total amount of guarantees provided (A and B)	201,114.21
Proportion of total amount of guarantee to net assets of the Company - %)	0.81
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)	195,114.21
Amount of total guarantee exceeding 50% of net assets (E)	
Total amount of guarantee above (C, D and E)	195,114.21
Explanations on joint liability of undue guarantee	No
Explanations on the guarantee	No

(III) Cash asset management by others under entrustment

1. Entrusted financing

(1) General situation of entrusted financing

☐Applicable √N/A

Others

☐Applicable √N/A

(2) Single entrusted financing

☐Applicable √N/A

Others

☐Applicable √N/A

(3) Provision for impairment of entrusted financing

☐Applicable √N/A

2. Entrusted loans

(1) General situation of entrusted loans

√Applicable ☐N/A

Unit: RMB 0'000

Type	Source of fund	Amount ncurred	Undue balance	Amount due but not collected
Entrusted loans	Self-owned funds	991,302	1,510,766	

Others

☐Applicable √N/A

(2) Single entrusted loan

√ Applicable ☐N/A

Unit: RMB 0'000

Borrower	Type	Amount	Inception date	Maturity date	Source of fund	Usage of fund	Method of compensation payment	Annual yield	Actual gains or losses	If under statutory procedures
Shanghai Automotive Industry Sales Co., Ltd.	Entrusted loans	45,964	2019.01.31	2022.01.30	Self-owned funds	Working capital	As per agreement	3.00%	1,283.16	Yes
Shanghai Automotive Industry Sales Co., Ltd.	Entrusted loans	70,000	2019.11.28	2020.03.31	Self-owned funds	Working capital	As per agreement	2.10%	138.83	Yes
SAIC Motor Equity Investment Co., Ltd	Entrusted loans	15,000	2018.09.19	2020.09.18	Self-owned funds	Working capital	As per agreement	2.10%	319.38	Yes
Shanghai Sunwin Bus Co., Ltd.	Entrusted loans	12,500	2018.03.22	2020.03.21	Self-owned funds	Working capital	As per agreement	2.10%	266.15	Yes
SAIC Motor Activity Center Co., Ltd.	Entrusted loans	670	2019.02.12	2020.04.30	Self-owned funds	Working capital	As per agreement	0.00%		Yes
SAIC Europe Co., S.a.r.l.	Entrusted loans	USD 3,670	2016.09.07	2021.09.07	Self-owned funds	Working capital	As per agreement	1.00%	USD37.21	Yes
SAIC HK Investment Co., Ltd.	Entrusted loans	USD 12,000	2014.09.19	2024.09.11	Self-owned funds	Working capital	As per agreement	0.30%	USD36.50	Yes
SAIC HK Investment Co., Ltd.	Entrusted loans	USD 3,000	2014.09.19	2024.09.11	Self-owned funds	Working capital	As per agreement	3.00%	USD91.25	Yes
SAIC HK Investment Co., Ltd.	Entrusted loans	USD 7,000	2015.01.28	2025.01.28	Self-owned funds	Working capital	As per agreement	0.30%	USD21.29	Yes
SAIC HK Investment Co., Ltd.	Entrusted loans	USD 8,000	2015.01.29	2025.01.29	Self-owned funds	Working capital	As per agreement	0.30%	USD24.33	Yes
SAIC HK Investment Co., Ltd.	Entrusted loans	USD 10,000	2015.01.30	2025.01.30	Self-owned funds	Working capital	As per agreement	0.30%	USD30.42	Yes
SAIC HK Investment Co., Ltd.	Entrusted loans	USD 35,980	2015.05.19	2025.04.30	Self-owned funds	Working capital	As per agreement	0.30%	USD109.44	Yes
SAIC HK Investment Co., Ltd.	Entrusted loans	USD 20,000	2016.06.29	2026.06.29	Self-owned funds	Working capital	As per agreement	0.30%	USD60.83	Yes
SAIC HK Investment Co., Ltd.	Entrusted loans	USD 10,000	2016.07.08	2026.07.08	Self-owned funds	Working capital	As per agreement	0.30%	USD30.42	Yes
SAIC HK Investment Co., Ltd.	Entrusted loans	USD 10,000	2016.08.03	2026.08.03	Self-owned funds	Working capital	As per agreement	0.30%	USD30.42	Yes
SAIC HK Investment Co., Ltd.	Entrusted loans	USD 10,000	2016.10.11	2026.10.11	Self-owned funds	Working capital	As per agreement	0.30%	USD30.42	Yes
SAIC HK Investment Co., Ltd.	Entrusted loans	40,000	2017.02.08	2022.02.28	Self-owned funds	Working capital	As per agreement	1.50%	608.33	Yes
Shanghai Shanghong Real Estate Co., Ltd.	Entrusted loans	54,000	2015.12.24	2020.12.23	Self-owned funds	Working capital	As per agreement	3.00%	1,642.50	Yes
Global Carsharing & Rental Co. Ltd	Entrusted loans	33,000	2019.09.27	2020.09.26	Self-owned funds	Working capital	As per agreement	4.67%	410.96	Yes
Global Carsharing & Rental Co. Ltd	Entrusted loans	29,368	2019.11.18	2020.11.17	Self-owned funds	Working capital	As per agreement	4.35%	156.14	Yes
Shanghai Automotive Co., Ltd.	Entrusted loans	35,000	2019.11.28	2020.03.31	Self-owned funds	Working capital	As per agreement	2.10%	69.42	Yes

Shanghai SAIC Anji Automobile Sales Service Co. LTD	Entrusted loans	168,000	2019.12.25	2020.06.30	Self-owned funds	Working capital	As per agreement	2.10%	68.60	Yes
Shanghai SAIC Anji Automobile Sales Service Co. LTD	Entrusted loans	102,800	2019.12.26	2020.06.30	Self-owned funds	Working capital	As per agreement	2.10%	35.98	Yes

Others

☐Applicable √N/A

(3) Provision for impairment of entrusted loans

☐Applicable √N/A

3. **Others**

☐Applicable √N/A

(IV) Other significant contracts

☐Applicable √N/A

XVI. Explanations on other significant matters

☐Applicable √N/A

XVII. Active fulfilment of social responsibility

(I) Poverty alleviation by listed companies

√Applicable ☐N/A

The Company and its affiliated companies actively responded to the government's demand for a "Targeted Poverty Alleviation" battle and carried out poverty alleviation centering on industry, employment, education and health. During the reporting period, the Company and its affiliated companies actively participated in all kinds of social welfare undertakings and donated money and things equivalent to RMB 37 million in various ways including school-enterprise cooperation, charitable donation, assistance in construction, supporting education and country doctor training plan. Refer to the Company's 2019 Social Responsibility Report (announced in www.sse.com.cn) for details.

1. Plan of targeted poverty alleviation

☐Applicable √N/A

2. **Summary of targeted poverty alleviation for the year**

☐Applicable √N/A

3. **Achievements of targeted poverty alleviation**

☐Applicable √N/A

4. Follow-up plans for targeted poverty alleviation

☐Applicable √N/A

(II) Achievement of fulfilling social responsibility

√ Applicable ☐N/A

For details, refer to the Company's 2019 Social Responsibility Report (announced in www.sse.com.cn).

(III) Environmental information

1. Explanations on environment protection of companies and their subsidiaries listed as key pollutant discharging units by the State Environmental Protection Department

√ Applicable ☐N/A

(1) Pollution discharge

√ Applicable ☐N/A

SAIC Motor attached great importance to environment protection work, and has set up environmental protection leading group and work group especially to advance environmental protection institution and system construction and implement environmental protection policies strictly. During the reporting period, the relevant environmental protection information of the important subsidiaries of the Company (mainly refer to the holding companies, excluding HASCO Motor) such as SAIC VOLKSWAGEN, SAIC GM and SGMW is as follows: the pollutants involve the categories including wastewater, exhaust gas and solid waste, and major pollutants include chemical oxygen demand (COD), ammonia nitrogen (NH_3-N), nitric oxide (NOx), sulfur dioxide (SO_2) and etc. Wastewater, including industrial wastewater and sanitary wastewater, when meeting the standards after treatment, should be discharged to local sewage treatment plant through connecting facility for processing in a centralized manner, exhaust gas should be discharged at high altitude after collection and treatment, and solid wastes should be disposed properly through separation and collection. Hazardous waste shall be entrusted to eligible unit for treatment. The Company strictly implements duplicate form system and standing book management system.

The implemented discharge standards of pollutants include state standards, local standards where the enterprise is located and industrial standard. The major standards implemented include: wastewater discharge is applicable to *Comprehensive Sewage Discharge Standards (GB8978-1996)*: maximum acceptable emission concentration standard of class-2 pollutants, COD≤500mg/L; *Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015)*: COD≤500mg/L, NH_3-N≤45mg/L; exhaust emission is applicable to *Integrated Emission Standard of Air Pollutants (GB16297-1996)* Grade II Standard: SO_2≤550mg/m^3, NOx ≤240mg/m^3; *Integrate Emission Standards of Air Pollutants (DB31/933-2015)*: SO_2≤100mg/m^3, NOx ≤150mg/m^3; *Emission Standard of Air Pollutants for Industrial Furnaces and Kilns (DB31/860-2014)*: NOx ≤200mg/m^3, SO_2≤100mg/m^3; NMHC emission concentration ≤30mg/m^3; *Emission Standard of Air Pollutants for Boiler (GB13271-2014)* gas-fired boiler standard: SO_2 ≤50mg/m^3, NOx ≤200mg/m^3; *Emission Standard of Air Pollutants for Boilers (DB31/387-2018)*: NOx ≤150mg/m^3, SO_2≤20mg/m^3, etc.

During the reporting period, the Company's significant subsidiaries (share-holding or share-participating companies, excluding Huayu Automobile) have 24 wastewater discharge outlets which are located in Minfeng Road, Hejing Road, Changji Road, Miquan Road, Tashan Road, Yutian Road, Zepu Road, Cao'an Road, Jinjing Road, Jinsui Road, Dongjing Road, Xihuan Road, Shuangren Road, etc. There were 539 exhaust discharge outlets, which are distributed in painting workshop, vehicle body workshop, GA workshop, engine workshop, energy center, technology center, canteens, etc.

The certified emissions and actual emissions for key pollutant chemical oxygen demand ("COD") are 1427 tonnes and 542 tonnes respectively. The certified emissions and actual emissions for ammonia nitrogen (NH3-N) are 99 tonnes and 23 tonnes, respectively. The certified emissions and actual emissions for nitrogen oxides (NOx) are 433 tonnes and 161 tonnes, respectively. The certified emissions and actual emissions for sulphur dioxide (SO2) are 63 tonnes and 25 tonnes, respectively.

Shanghai Volkswagen mainly had the pollutants including COD with average emission concentration of 20.46mg/L, NH3-N with average emission concentration of 0.17 mg/L, NOx with average emission concentration of 41mg/m3 and SO2 with average emission concentration of 3mg/m3. SAIC GM mainly had the pollutants including COD with average emission concentration of 178.43mg/L for North Plant and South Plant and 238.61mg/L for Cadillac Plant, NH3-N with average emission concentration of 8.98mg/L for North Plant and South Plant and 13.57mg/L for Cadillac Plant, NOx with average emission concentration of 11.69mg/m^3 for North Plant and South Plant and 8.63mg/m^3 for Cadillac Plant; SO2 with average emission concentration of 3.6mg/m^3 for North Plant and South Plant and 2.99mg/m^3 for Cadillac Plant. SGMW mainly had the pollutants including COD with average emission concentration of 72.02mg/L for Hexi Base and 38.33mg/L for Baojun Base; NH3-N with average emission concentration of 2.41mg/L for Hexi Base and 1.41mg/L for Baojun Base; NOx with average emission concentration of 56.69mg/m^3 for Hexi Base and 51.58mg/m^3 for Baojun Base; SO2 with average emission concentration of 3.05mg/m^3 for Hexi Base and 3mg/m^3 for Baojun Base. The major pollutants were discharged in accordance with the emission standard specified by environmental protection laws and regulations.

(2) Construction and operation of pollution prevention facilities

√ Applicable ☐N/A

The Company and its affiliated companies carried out pollution prevention work in terms of wastewater, exhaust gas, noise and solid waste, and encouraged to advance third-party governance; maintained governance equipment and facilities regularly to ensure effective pollutant governance and meet the emission standards; entrusted eligible monitoring company annually to monitor wastewater, exhaust gas and noise, etc.; implemented rain and sewage separation and online monitor on water pollutants in heavy-metal-related enterprises; fugitive emissions have been strictly controlled, online monitoring devices for atmospheric pollutants emission have been installed at key atmospheric discharge outlets such as vehicle painting workshops; carried out industrial noise pollution governance; strictly separated and collected solid wastes and treated them properly; entrusted eligible units to disposed hazardous wastes legally, executed duplicate system and standing book management system strictly, and popularized sludge reduction treatment to hazardous waste. Therefore, facilities and devices for pollution control of SAIC Motor were complete and ran well.

(3) Construction project environmental impact assessment and other environmental protection administrative licensing

√ Applicable ☐N/A

The Company and its affiliated companies carried out construction project environmental impact assessment following relevant laws and regulations of the *Law of the People's Republic of China on Environmental Impact Assessment* and implemented the "Three Simultaneities (the environmental protection facilities should be designed, constructed and put into operation simultaneously with major facilities)" strictly. During the reporting period, the newly-built, reconstructed and expansion projects have been approved by the environmental protection department and implemented in accordance with laws.

(4) Emergency plans for environmental emergencies

√ Applicable ☐N/A

The Company and its affiliated companies have prepared emergency plans for environmental emergencies and established emergency organization to ensure to carry out emergency response in a fast, orderly and efficient manner, reduce casualties and economic losses, so as to prevent the occurrence of such emergencies.

Meanwhile, the Company also well prepared for the emergency training and practices of emergent environmental incidents.

(5) Environmental self-monitoring plan

√ Applicable ☐N/A

The Company and affiliated companies implemented the Self-monitoring Technology Guidelines for Pollution Sources—General Rule issued by the Ministry of Ecology and Environment of the People's Republic of China, prepared self-monitoring plan, and entrusted an eligible monitoring unit to monitor the relevant pollutant discharge outlets as required to ensure that the discharge of all the pollutants have met the standards and requirements. The key monitor enterprise disclosed the environmental monitoring data on the environmental information platform of local environmental protection bureau.

(6) Other environmental information that should be disclosed

☐Applicable √ N/A

2. Explanations on the environmental protection of the companies other than key pollutant discharging units

√ Applicable ☐N/A

For the detailed environmental protection of HASCO Motor (stock code: 600741), an important subsidiary of the Company, see the annual report for 2019 of HASCO Motor released on Shanghai Stock Exchange (www.sse.com.cn).

As an important subsidiary of the Company, SFC is a non-banking financial institution not involving production and manufacturing, and has no industrial wastewater and industrial exhaust gas discharged.

As a leader in the domestic automotive industry, the Company has advanced the implementation of ISO14001 environmental management system continuously, and directed the affiliated companies to observe environmental protection laws and regulations and execute the environmental emission standards strictly in the day-to-day operation and project construction. Meanwhile, the Company required the affiliated companies to give full expression to the environmental protection and sustainable development, etc. in the preparation of long-term development plan so as to include the environmental requirements and planning into the medium- and long-term business development plan and corporate operating decisions comprehensively as important elements of enterprise development, and thereby promote further upgrade and transformation of enterprises, help to achieve industrial high-end level in the aspect of manufacturing level in the environmental protection, creating value for the society.

3. Explanations on the reason why the companies other than key pollutant discharging units did not disclose environmental information

☐Applicable √ N/A

4. Explanations on the subsequent progress or changes of the environmental information disclosed during the reporting period

☐Applicable √ N/A

(IV) Other explanations

☐Applicable √ N/A

XVIII. Convertible bonds of the Company

☐Applicable √ N/A

Section VI Changes in Ordinary Shares and Shareholders

I. Changes in share capital of ordinary shares

(I) Statement of changes in ordinary shares

1. Statement of changes in ordinary shares

During the reporting period, the Company's total ordinary shares and share capital structure remain unchanged.

2. Explanations on changes in ordinary shares

√ Applicable ☐N/A

The Company published the *Announcement on Listing and Circular of Non-public Offering of Restricted Shares* (refer to www.sse.com.cn for details) on January 14, 2020, the number of restricted shares to be listed was 180,028,508 shares and the listing date was January 20, 2020. From January 20, 2020, the Company has 0 restricted tradable shares and 11,683,461,365 unrestricted tradable shares, and there are 11,683,461,365 ordinary shares in total.

3. Effect of changes in ordinary shares on financial indicators including earnings per share and net assets per share in latest year/period (if any)

☐Applicable √ N/A

4. Other content the Company considers necessary or required to be disclosed by regulators

☐Applicable √ N/A

(II) Changes in restricted shares

☐Applicable √ N/A

II. Shares issuing and listing

(I) Securities issuing as at the reporting period

√ Applicable ☐N/A

Unit: share Currency: RMB

Type of shares and derivative securities	Issuing date	Issuing price (or interest rate)	Number of shares	Listing date	Number of shares approved to be listed for trading	Closing date
Convertible corporate bonds, separate bargaining convertible bonds, corporate bonds						
Corporate bonds 155709-19 SAIC 01	2019/9/19	3.42%	3,000,000,000.00	2019/9/26	3,000,000,000.00	2022/9/19
Corporate bonds 155847-19 SAIC 02	2019/11/14	3.60%	2,000,000,000.00	2019/11/21	2,000,000,000.00	2022/11/14

Explanations on securities issuing as at the reporting period (Please specify separately for bonds with different interest rate in the duration):

√ Applicable ☐N/A

On September 10, 2019, the Company published *Announcement on Approval of CSRC Regarding Public Offering Corporate Bonds to Qualified Investors* (refer to www.sse.com.cn for details). The CSRC approves the Company to publicly offer corporate bonds with aggregate par value up to RMB 20 billion to qualified investors; the corporate bonds are issued in tranches, with the issuance of first tranche

completed within 12 months since the issuing date as approved by CSRC and the issuance of the rest tranches completed within 24 months since the issuing date as approved by CSRC. During the reporting period, the Company has respectively issued two tranches of corporate bonds on September 19, 2019 and November 14, 2019 with respective issuing amount of RMB 3 billion and RMB 2 billion. For details, refer to "Section X Corporate Bonds"

(II) Changes in the Company's total ordinary shares and shareholders' structure, as well as assets and liabilities

☐Applicable √N/A

(III) Existing shares held by internal employees

☐Applicable √N/A

III. Shareholders and actual controller

(I) Total number of shareholders

Total number of ordinary shareholders at the end of the reporting period	132,207
Total number of ordinary shareholders at the end of last month prior to the announcement of the annual report	131,436

(II) Shareholding of top ten shareholders, and top ten circulating shareholders (or shareholders of non-restricted shares) as at the end of reporting period

Unit: share

Top ten shareholders							
Name of shareholder	Increase/decrease during reporting period	Number of shares held at the end of the period	Proportion (%)	Number of restricted shares held	Number of shares pledged or frozen		Nature of shareholders
					Status	Number	
Shanghai Automotive Industry Corporation (Group)		8,323,028,878	71.24	131,578,947	None		State-own legal person
Hong Kong Securities Clearing Company Ltd	91,841,098	414,480,905	3.55		None		Unknown
Yuejin Motor (Group) Corporation		413,919,141	3.54		None		State-own legal person
China Securities Finance Corporation Limited		349,768,497	2.99		None		Unknown
Zhonghai Trust Co., Ltd.－Central China Equity Value No. 1 Single-asset Trust		111,200,000	0.95		None		Unknown
Central Huijin Investment Ltd.		100,754,000	0.86		None		Unknown
Hebei Port Group Co., Ltd.		87,719,298	0.75		None		Unknown
Guangdong Hengjian Investment Holding Co., Ltd.		79,711,098	0.68		None		Unknown
Huarong Huitong Asset Management Co., Ltd.	-2,848,536	76,219,362	0.65		None		Unknown
Changjiang Pension Insurance Co., Ltd.－employee stock ownership plan (ESOP) special pension security management products		48,449,561	0.41	48,449,561	None		Unknown

Top ten shareholders of non-restricted shares			
Name of shareholders	**Number of non-restricted shares held**	**Type of shares and number**	
		Type	**Shares**
Shanghai Automotive Industry Corporation (Group)	8,191,449,931	Ordinary shares in RMB	8,191,449,931
Hong Kong Securities Clearing Company Ltd	414,480,905	Ordinary shares in RMB	414,480,905
Yuejin Motor (Group) Corporation	413,919,141	Ordinary shares in RMB	413,919,141
China Securities Finance Corporation Limited	349,768,497	Ordinary shares in RMB	349,768,497

Zhonghai Trust Co., Ltd.-Zhongyuan Equity Value No.1 Single Fund Trust	111,200,000	Ordinary shares in RMB	111,200,000
Central Huijin Investment Ltd.	100,754,000	Ordinary shares in RMB	100,754,000
Hebei Port Group Co., Ltd.	87,719,298	Ordinary shares in RMB	87,719,298
Guangdong Hengjian Investment Holding Co., Ltd.	79,711,098	Ordinary shares in RMB	79,711,098
Huarong Huitong Asset Management Co., Ltd.	76,219,362	Ordinary shares in RMB	76,219,362
China Life Insurance Company Limited－Traditional－Ordinary Insurance Products－005L－CT001 Hu	48,248,403	Ordinary shares in RMB	48,248,403
Explanations on the related relationship or concerted actions among the above shareholders	Among the top 10 shareholders, Shanghai Automotive Industry Corporation (Group) and other 9 shareholders have no related relationships or persons acting in concert as regulated in *Administrative Rules on Acquisition of Listed Company*. It is unknown whether other 9 shareholders have related relationships or persons acting in concert.		

Number of restricted shares held by the top ten shareholders and the restricted conditions

√ Applicable ☐N/A

Unit: share

Item	Name of shareholder with restricted condition	Number of restricted shares held	Condition of restricted shares available for listing and trading		Restricted condition
			Date	Number of new shares available for listing and trading	
1	Shanghai Automotive Industry Corporation (Group)	131,578,947	January 20, 2020	131,578,947	Non-public offeri

Investment in domestic or foreign listed companies during the reporting period	None
Other explanations	None

2 Natural person

☐Applicable √N/A

3 Special explanation for the Company that has no controlling shareholder

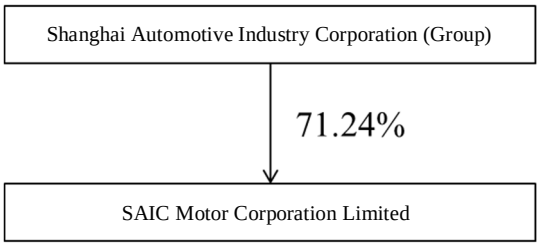
☐Applicable √N/A

4 Index and date of changes in controlling shareholder during the reporting period

☐Applicable √N/A

5 Block diagram of ownership and controlling relationships between the Company and controlling shareholder

√Applicable ☐N/A



(II) Actual controller

1 Legal person

√Applicable ☐N/A

Actual controller of the Company is State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government which is directly under Municipal Government of Shanghai and authorized to represent the Municipal Government of Shanghai to perform responsibilities as contributor and supervise municipal state-owned assets.

2 Natural Person

☐Applicable √N/A

3 Special explanation for the Company that has no actual controller

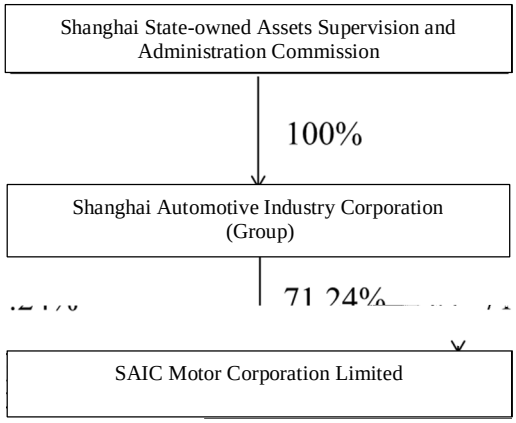
☐Applicable √N/A

4 Index and date of changes in actual controller during the reporting period

☐Applicable √N/A

5 Block diagram of ownership and controlling relationship between the Company and actual controller

√Applicable ☐N/A



6 The actual controller controls the Company through trust and other asset management

☐Applicable √N/A

(III) Other explanations about the controlling shareholder and the actual controller

☐Applicable √N/A

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

☐Applicable √N/A

VI. Explanations on reduction of ownership of restricted shares

☐Applicable √N/A

Section VII Preferred Shares

☐Applicable √N/A

Section VIII Directors, Supervisors, Senior Management and Employees

I. Changes in shareholding and remuneration

(I) Changes in shareholding of current and resigned directors, supervisors and senior management during the reporting period and their remuneration

√ Applicable ☐N/A

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	Total remuneration before tax received from the Company during the reporting period (RMB 0'000)		Whether received remuneration from related parties of the Company
										Total amount (Including 2018 incentive fund) (before tax)	Including: 2018 incentive fund (before tax)	
Chen Hong	Chairman of the Board	Male	58	2018-6-26	2021-6-25	8,380	8,380	0		154.67	0	No
Wang Xiao Qiu	Director	Male	55	2019-8-9	2021-6-25					277.06	92.56	No
	President			2019-7-19	2021-6-25							
Wang Jian	Director	Male	65	2018-6-26	2021-6-25					0	0	No
Tao Xin Liang	Independent director	Male	69	2018-6-26	2021-6-25					10.00	0	No
Li Ruo Shan	Independent director	Male	70	2018-6-26	2021-6-25					10.00	0	No
Zeng Sai Xing	Independent director	Male	53	2018-6-26	2021-6-25					10.00	0	No
Zhong Li Xin	Employee representative director	Male	56	2018-6-26	2021-6-25					137.09	0	No
Shen Xiao Su	Chairman of board of supervisors	Male	59	2019-8-9	2021-6-25					0	0	No
Yi Lian	Supervisor	Male	53	2018-6-26	2021-6-25					0	0	No
Jiang Bao Xin	Employee representative supervisor	Male	50	2018-6-26	2021-6-25					158.47	10.95	No
Zhu Pei Li	Employee representative supervisor	Female	47	2018-6-26	2021-6-25					165.37	11.79	No
Zhou Lang Hui	Vice president	Male	48	2018-6-26	2021-6-25					275.32	93.60	No
Chen De Mei	Vice president	Male	57	2018-6-26	2021-6-25					253.64	85.28	No

Shen Yang	Vice president	Male	58	2018-6-26	2021-6-25					12.00	12.00	No
Lan Qing Song	Vice president	Male	54	2018-6-26	2021-6-25					261.57	88.40	No
Wei Yong	Vice president	Male	47	2019-7-19	2021-6-25					199.22	36.83	No
	Acting CFO			2018-6-26	2021-6-25							
	Former secretary of the Board			2018-6-26	2019-8-4							
Zu Si Jie	Vice president, chief engineer	Male	51	2019-7-19	2021-6-25					197.54	36.83	No
Yang Xiao Dong	Vice president	Male	49	2019-7-19	2021-6-25					199.30	36.83	No
Chen Xiao Dong	Secretary of the Board	Male	42	2019-8-5	2021-6-25					30.66	0	No
Chen Zhi Xin	Former director, former president	Male	60	2018-6-26	2019-7-18					260.89	104.00	No
Bian Bai Ping	Former chairman of board of supervisors	Male	63	2018-6-26	2019-7-18					0	0	No
Chen Wei Feng	Former vice-chairman of board of supervisors	Male	57	2018-6-26	2019-10-9					120.22	0	No
Yu Jian Wei	Former vice president	Male	59	2018-6-26	2019-7-19					133.28	62.40	No
Total	/	/	/	/	/	**8,380**	**8,380**	**0**	/	**2,866.30**	**671.47**	/

Note: 1. During the reporting period, in accordance with relevant regulations and the tenure assessment results for 2015-2017 and performance assessment result for 2018, the remuneration of the Company's senior management as disclosed included a part of tenure incentives for 2015-2017, the annual performance salary for 2018 and medium- and long-term incentives for 2018 that had been honored.

2.During the reporting period, the professional managers from senior management of the Company obtained the incentive fund for 2018 and medium- and long-term incentives for 2018.

Name	**Major working experience**
Chen Hong	He is the chairman of the Board and secretary of the Party Committee of SAIC Motor Corporation Limited.
Wang Xiao Qiu	He served as executive vice president of SAIC Motor Corporation Limited and general manager of passenger vehicle branch, Head of Technical Center. He is currently director, president and deputy secretary of the Party Committee of SAIC Motor Corporation Limited.
Zhong Li Xin	He served as chairman of the labor union and director of president office. He is currently staff representative director and chairman of the labor union of SAIC Motor Corporation Limited.
Wang Jian	He served as chairman of the Board and deputy secretary of the Party Committee of Shenergy Group Company Limited; secretary of the Party Committee and chairman of the Board; the vice chairman of the Board of China Pacific Insurance (Group) Co., Ltd. He is currently director of SAIC Motor Corporation Limited.

Tao Xin Liang	He currently serves as honorary dean of Intellectual Property Academy of Dalian University of Technology, honorary dean of Intellectual Property Academy of Shanghai University, partner of DeHeng Shanghai Law Office and an independent director at SAIC Motor Corporation Limited.
Li Ruo Shan	He served as deputy dean of School of Management, director of accounting department and director of finance department of Fudan University; deputy president of Shanghai Institute of Accounting and Shanghai Institute of Audit; and independent directors of CPIC, Sinochem International and other listing companies. He is currently academic director of Professional Master of Accounting of School of Management of Fudan University, member of the listed company expert committee of Shanghai Stock Exchange, member of budget committee of Shanghai SASAC and an independent director of SAIC Motor Corporation Limited.
Zeng Sai Xing	Former head of discipline of Management Science and Department of Innovation and Strategy of Antai College of Economics & Management, Shanghai Jiao Tong University. Current distinguished professor and doctoral advisor of Antai College of Economics & Management, Shanghai Jiao Tong University. Independent director of SAIC Motor Corporation Limited.
Shen Xiao Su	Former director and secretary of the Leading Party Members' Group of Shanghai Municipal Civil Defence Office. Current chairman of board of supervisors SAIC Motor Corporation Limited, chairman of boad of supervisors of Shanghai Land (Group) Co., Ltd.
Yi Lian	He served as deputy director general of Economic Responsibility Audit Division (Internal Audit Guidance Office) of Shanghai Municipal Audit Bureau. He is currently supervisor of SAIC Motor Corporation Limited.
Jiang Bao Xin	He currently serves as staff representative supervisor and director of audit office in Shanghai Motor Corporation Limited. General manager of risk management department.
Zhu Pei Li	She used to serve as the secretary of the Party Committee, secretary of the Disciplinary Committee and chairman of the labor union of KPSNC. She currently serves as staff representative supervisor, vice director of the Party Committee Office, vice chairman of the labor union, and secretary of the Party Committee of the headquarters of SAIC Motor Corporation Limited.
Zhou Lang Hui	He is currently vice president and vice secretary of the Party Committee of SAIC Motor Corporation Limited.
Chen De Mei	He is currently vice president of SAIC Motor Corporation Limited.
Shen Yang	He is currently the vice president of SAIC Motor Corporation Limited and general manager of SGMW.
Lan Qing Song	He served as general manager of SAIC Motor Commercial Vehicle Co., Ltd. and general manager of SAIC Maxus. He is currently vice president of SAIC Motor Corporation Limited and general manager of department of commercial vehicle.
Wei Yong	Former director of Board Office, Board Secretary, general manager of Securities Department, securities affairs representative and general manager of Finance Business Department of SAIC Motor Corporation Limited. Current vice president, acting CFO of SAIC Motor Corporation Limited, general manager of SAIC HK Investment Co., Ltd., general manager of SAIC investment management Co., Ltd.
Zu Si Jie	Former executive director, general manager of Planning Department of SAIC Motor Corporation Limited, former deputy general engineer. Current vice president, general engineer of SAIC Motor Corporation Limited.
Yang Xiao Dong	Former director (administration), executive director, general manager of International Business Department SAIC Motor Corporation Limited, general manager of SAIC International Trade Co., Ltd., general manager of Shanghai Automobile Import & Export Company. Current vice president of SAIC Motor Corporation Limited and general manager of Passenger Vehicle Branch, Head of Technical Center.
Chen Xiao Dong	Former director of finance department of SAIC Motor Corporation Limited, CFO of HUAYU Automotive Systems Co., Ltd., general manager of Huayu Automotive Systems (Shanghai) Co., Ltd., general manager of Huayu Automotive Systems (HK) Co., Ltd. Current secretary of the board, general manager of securities affairs &investor relations department, securities affairs representative of SAIC Motor Corporation Limited.

Other explanations
☐Applicable √N/A

(II) Information of incentive shares awarded to directors, supervisors and senior management during the reporting period

☐Applicable √N/A

II. Information of current and resigned directors, supervisors and senior management during the reporting period

(I) Positions held in shareholders entity

√ Applicable ☐N/A

Name	Name of shareholder entity	Position held	Starting date of term	Ending date of term
Chen Hong	Shanghai Automotive Industry Corporation (Group)	Chairman of the Board	2018-3-30	2021-3-29
Zhou Lang Hui	Shanghai Automotive Industry Corporation (Group)	Supervisor	2018-3-30	2021-3-29
Chen De Mei	Shanghai Automotive Industry Corporation (Group)	Director	2018-3-30	2021-3-29

(II) Positions held in other entities

√ Applicable ☐N/A

Name	Name of shareholder entity	Position held	Starting date of term	Ending date of term
Chen Hong	HUAYU Automotive Systems Co., Ltd.	Chairman of the Board	2018-6-27	2021-6-26
Wang Xiao Qiu	HUAYU Automotive Systems Co., Ltd.	Vice chairman of the Board	2019-9-25	2021-6-26
Zhong Li Xin	HUAYU Automotive Systems Co., Ltd.	Director	2018-6-27	2021-6-26
Zhou Lang Hui	HUAYU Automotive Systems Co., Ltd.	Chairman of board of supervisors	2018-6-27	2021-6-26
Zhou Lang Hui	Shanghai Diesel Engine Co., Ltd.	Chairman of board of supervisors	2018-5-17	2021-5-16
Lan Qing Song	Shanghai Diesel Engine Co., Ltd.	Director	2018-5-17	2021-5-16
Jiang Bao Xin	Shanghai Diesel Engine Co., Ltd.	Supervisor	2018-5-17	2021-5-16

Chen Zhi Xin	HUAYU Automotive Systems Co., Ltd.	Former vice chairman of the Board	2018-6-27	2019-9-24

III Remuneration of directors, supervisors and senior management personnel

√ Applicable ☐N/A

Decision-making process for remuneration of directors supervisors and senior management	The allowance of independent directors shall be decided by the Board 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.
Determination basis of remuneration of directors, supervisors and senior management	According to the Company's medium and long-term strategic planning, annual key work arrangements, and the division of responsibilities of senior management personnel, etc., the performance assessment targets are clarified and assessments are conducted. Senior management personnel' performance pay is related to the results of performance assessment.
Actual payment of remuneration of directors, supervisors and senior management	According to the new "Corporate Incentive Fund Scheme" (2017 - 2020) approved by the 16th session of the sixth board of directors and the "Corporate Incentive Fund Scheme 2018 Implementation Plan" and "Proposal on 2018 Annual Performance Assessment for the Company's Professional Manager" approved by the 5th session of the seventh board of directors, the Company's senior management cashed part of 2015-2017 incentives, 2018 performance annual pay and 2018 mi-long term incentive within their tenure. The specific amount have been included in the total annual remuneration payable.
Total remuneration of all directors supervisors and senior management received by the end of the reporting period	RMB 28.663million

IV. Alteration of directors, supervisors and key management personnel

√ Applicable ☐N/A

Position	Changes	Reason for the change	Position
Wang Xiao Qiu	Director and president	Election	Elected as director through general meeting of shareholders, and appointed as president by the Board
Shen Xiao Su	Chairman of the board of supervisors	Election	Elected as supervisor through general meeting of shareholders, and elected as chairman of the board of supervisors by the board of supervisors

Wei Yong	Vice president and acting CFO	Appointment	Appointed by the Board
Zu Si Jie	Vice president and chief engineer	Appointment	Appointed by the Board
Yang Xiao Dong	Vice president	Appointment	Appointed by the Board
Chen Xiao Dong	Secretary of the Board	Appointment	Appointed by the Board
Chen Zhi Xin	Former director and president	Resignation	Resign as director and CEO at the age of retirement
Bian Bai Ping	Former chairman of the board of supervisors	Resignation	Resign as chairman of board of supervisors and supervisor at the age of retirement
Chen Wei Feng	Former vice chairman of the board of supervisors	Resignation	Resigned from the post of vice chairman of the board of supervisors and supervisor due to change of job
Yu Jian Wei	Former vice president	Resignation	Resigned from the post of vice president due to change of job
Wei Yong	Former secretary of the Board	Resignation	Resigned from the post of secretary of the Board due to change of job

V. Penalty by regulators in recent three years

☐Applicable √N/A

VI. Employees of the parent company and subsidiaries

(I) Information of employees

Number of employees of parent company	13,958
Number of employees of major subsidiaries	202,402
Total number of employees on active duty	216,360
Number of resigned and retired employees whose expenses be undertaken by the parent company and major subsidiaries	40,118
Composition of employees	
Categories	**Headcounts (persons)**
Production personnel	3,527
Marketing and sales personnel	898
Engineering technical personnel	8,111
Finance and auditing personnel	149
Administrative personnel	1,273
Total	13,958
Education level	
Categories	**Headcounts (persons)**
Postgraduate and above	5,352
University graduate	5,852
Secondary school diploma and below	2,754
Total	13,958

(II) Remuneration policy

√ Applicable ☐N/A

On the aspect of compensation and welfare, the Company complied with relevant laws and regulations strictly by paying employees remuneration in full and on time, contributing to employee social insurance schemes, and providing welfare like paid annual leave and holidays. In the meantime, the Company further improves the same-direction linkage and mechanism of increase and decrease between the total salary and economic benefits, continuously advances collective negotiation focusing on wage negotiations, and gives different guidance to different enterprises to perfect remuneration allocation, establishes salary growth level and salary adjustment range of employees at different posts in a reasonable manner, and makes more efforts to remuneration security combined with the factors of the affiliated companies including economic benefits and employee income level so as to achieve favor to workers at the production line and with low income.

In the aspect of employee incentive, the Company took the following moves: 1) to implement SAIC innovation incentive fund on technology and management for key talents; 2) to implement stimulating fund award for 2018 to the middle and senior management; 3) to implement incentives to personnel with significant contribution to the employees awarded with national and industrial, provincial/municipal award

for scientific and technological advancement, national skill master, Chief Mechanic, Shanghai May 1st Labor Medal and other honors, the employees awarded with national patent invention grant, and the employees awarded with SAIC Excellent Technical Talent Award, Technological Innovation Award, Patent Award and Software Award.

(III) Training plan

√ Applicable ☐N/A

The Group, focused on vision, mission, value and "new four modernizations" strategy deployment, vigorously advances the vocational education for employees and makes more efforts to employee education and training to accelerate the capacity construction and employee quality improvement in 2019.

In 2019, the Company intensifies training on innovation and transformation, in combination with the key projects deployment, promoting the building of SAIC talents team:

Firstly, the Company has strengthened the building of senior management talent team. The Company has enriched the knowledge structure of senior management talents through holding "Biweekly Lecture" and overseas training for plant department leader cadres, training classes for young cadres and Tsinghua University Innovation Workshop, which broadened the visions, enriched the thinking, enhanced the capabilities, and promoted the work of related personnel.

Secondly, the Company has held induction training for new employees. The Company organizes 17 induction trainings for all university graduators newly employed by SAIC in 2019 to help them understand SAIC cultures and set up group awareness.

Thirdly, the Company has developed professional technicians in a deep-going way. In 2019, through continuing education, the Company trained 30,000 automotive engineers and 2000 technicians of professional fields such accounting, internal audit and so on approximately.

Fourthly, the Company has strengthened the development of skilled personnel, carried out the continuing education for technicians and organized high-skilled talents to participate in industrial evaluation staff training; it has also deepened the professional skills competitions and carried out 10 competitions at all levels. In 2019, nearly 10,000 skilled personnel have achieved professional-skill-level promotion through professional skills training and appraisal, among which, about 800 were at the grade of senior staff or above. Since the high-skilled personnel training base was approved in 2011, SAIC Motor has continuously increased the investment in the construction of training bases. The total construction area of the training base has been built to approximately 35,500 square meters.

(IV) Labor outsourcing

☐Applicable √ N/A

VII. Others

☐Applicable √ N/A

Section IX Corporate Governance

I. Explanations on corporate governance

√ Applicable ☐N/A

In accordance with laws and regulations including *Corporate Law*, *Securities Law*, *Code of Corporate Governance for Listed Companies*, *Stock Listing Rules of Shanghai Stock Exchange*, *Articles of Association* and relevant normative documents issued by CSRC and SSE, the Company established of a governance system that is suitable for the Company's production and operation, innovation and development so as to promote sustainable development and effectively control risks. The Company sticks to regulated operation and effective implementation, strictly fulfills the obligation of information disclosure, actively carries out investors' relationship management, seriously fulfills social responsibility and continuously improves the Company's governance.

1. 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*, *Stock Listing Rules of Shanghai Stock Exchange*, *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. At the same time, the Company commissioned an attorney to attend general meetings of shareholders to witness and verify meeting procedures, and the identification of the attendants, proposal to be deliberated, and voting related matters 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 one annual general meeting of shareholders in year 2019, and please refer to "general meeting of shareholders review" for more details.

2. Directors and Board

There are seven directors of the Company including 1 external director (no other duty role in the Company except for director and is not an independent director) and 3 independent directors. Strategic committee, audit committee as well as nomination, remuneration and assessment committee are established under the Board of the Company, of which external directors and independent directors account for three fifths, and comprise audit committee and nomination, remuneration and assessment committee with the independent director acting as chairman of the committee. During the reporting period, the board of directors held 5 board meetings, 2 meeting of the strategic committee, 5 meetings of audit committee and 3 meetings of nomination, remuneration and appraisal committee, and the special committee has played an important role in by-election of directors, selection of senior management, reviewing and deliberating "1+5" rolling plan and regular reports, formulating annual implementation scheme for incentive fund plan and assessing professional manager, improving internal control system, supervising and assessing external audit institutions, etc.

During the reporting period, all the directors performed their obligations and duties in a faithful, diligent and prudent 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.

3. 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 operation,

financial condition, internal control construction and duty-performing of directors and senior management. During the reporting period, the board of supervisors held 6 meetings in total, during which they have deliberated and supervised on important matters such as by-election of supervisor, regular reports, recommendations for internal control, management of the raised funds, and changes in accounting policies etc., and no situations such as violation of laws or regulations or damage to the interests of shareholders was identified.

4. Corporate governance system

During the reporting period, considering the actual demands, the Company need to continuously optimize the systems, supplement and improve innovation and key business process, continuously enhances internal control. In the aspects of proposal decision, information disclosure, investor relationship management, dividends distribution, fund raising, the Company strictly implements relevant systems and regulate various work procedures. Meanwhile, the Company carries out registration management system for insiders to continue its good work in management including training, registering, reporting, and etc., to effectively maintain fair disclosure of company information.

5. Performance evaluation, incentive and restraining mechanism

The Company has selected managerial personnel according to the principle of ability and integrity, equality and fairness and implemented tenure system. In the meantime, the Company has established a performance evaluation and remuneration system which links remuneration of 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 approved "*The Incentive Fund Plan of the Company*" at the 4th session of 36th board meeting in 2012. The 14th session of the sixth board meeting in 2017 deliberated and approved the *Proposal on Continuous Implementation of the Company's Incentive Fund Plan in 2016*. Given that the incentive fund plan is able to better stimulate the enthusiasm and creativity of the Company's core talent team, meanwhile, in order to further stimulate innovation vitality of the senior management, the 6th session of the 16th board meeting has approved the new round of *Incentive Fund Plan of the Company* and *Proposal on the Implementation of the Company's Professional Managers Scheme*. The Company's operating results for 2018 satisfy the implementation criteria of incentive funds plan, therefore, the 5th session of the seventh board of directors of 2019 approved *Proposal on 2018 Performance Assessment for the Company's Professional Managers* and *Proposal on 2018 Implementation Sheme of the Company's Incentive Funds Plan*

6. Stakeholders

The Company has fully demonstrated due respect to maintain legal rights of stakeholders and actively perform social responsibilities to balance interest in shareholders, employee and society, etc. to promote sustainable and healthy development of the Company eventually. (Please refer to the Company's social responsibility report of 2019).

7. 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 2019, the Company received 236 investment agents' visits, 1820individual investors' visits and more than 900 enquiry calls. In addition, 2 meetings for communication of financial performance and 39 attendance in investors communication meetings organized by security traders 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 of correction, so that the investors could be informed of the true status of the Company on a timely, fair, accurate, effective and comprehensive basis.

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

☐Applicable √N/A

II. Brief introduction of general meeting of shareholders

Sequence of the Meeting	Date	Designated website of resolutions publicized	Disclosure date of resolutions
General meeting of shareholders in 2018	May 23, 2019	Shanghai Stock Exchange Website http://www.sse.com.cn	May 24, 2019
2019 first extraordinary shareholder meeting	August 9, 2019	Shanghai Stock Exchange Website http://www.sse.com.cn	August 10, 2019

Explanations on general meeting of shareholders

☐Applicable √N/A

III. Duty performance of directors

(I) Directors' attendance of board meetings and general meeting of shareholders

Name of direct or	Independent director (yes or no)	Attendance of board meetings						Attendance of general meeting of shareholders
		Number of board meetings attended (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	5	5	3	0	0	No	2
Wang Xiao Qiu	No	2	2	1	0	0	No	0
Wang Jian	No	5	5	3	0	0	No	0
Zhong Li Xin	No	5	5	3	0	0	No	2
Tao Xin Liang	Yes	5	5	3	0	0	No	1
Li Ruo Shan	Yes	5	5	3	0	0	No	0
Zeng Sai Xing	Yes	5	5	3	0	0	No	1
Chen Zhi Xin	No	2	2	1	0	0	No	1

Note: (1) On July 18, 2019, the Company's director and CEO Chen Zhixin resigned as the director of the seventh board of directors and member of strategy committee and CEO at the age of retirement. (2) On August 9, 2019, the Company's CEO Wang Xiaoqiu was by-elected as the director at the 2019 first extraordinary shareholder meeting.

Reasons for not attending board meeting in person twice consecutively

☐Applicable √N/A

Number of board meetings	5
Including: Number of on-site meetings	2
Number of meetings via communication tools	3

Number of meetings on-site and via communication tools simultaneously	0

(II) Circumstance where independent directors raised different opinions

☐Applicable √ N/A

(III) Others

☐Applicable √ N/A

IV. Important comments and suggestions made by specialized committees under the Board when performing their duties during the reporting period, any disagreement should be disclosed with details

√ Applicable ☐N/A

During the reporting period, the Company's strategy committee of the board held 2 meetings, mainly deliberating the Company's "1+5" rolling development plan and proposal of shelf offering corporate bonds. When deliberating the *"1+5" Rolling Development Plan* (2019 - 2023), the strategy committee believes that the rolling development plan, which takes into consideration of operation status and external environment analysis and scientifically adjusts targets, has a strong guiding significance for the Company's mid-long term development. It is suggested that the Company pay more attention to the effect of scientific progress and changes of environment and policies on the form of automotive industry and operation conditions, and pay more attention to talents development and optimize talent incentive mechanism.

The audit committee of the board of directors of the Company held 5 meetings, mainly reviewing regular financial reports, assessing external audit institutions, deliberating the use and management of the raised funds, guiding internal audit work, inspect the effectiveness of internal control system etc. When listening to the report of Deloitte regarding the effect of new accounting standards on the Company's financial statements, the Company proposed that where the implementation of new accounting standards results in changes in relevant items and figures in the Company's financial statements, clear distinction and explanation need to be provided to ensure the investors objectively and fully understand the Company's financial position.

The Company's Nomination, Remuneration and Appraisal Committees of Board of Directors held 3 meetings, mainly supervised and reviewed the implementation of the Company's remuneration system, by-election of director, appointment of senior management, assessment of professional managers and the annual implementation scheme for the Company's incentive fund plan, etc. In discussing and deliberating the *Proposal for the Implementation of the Proposals on Company's Incentive Fund Plan 2018*, the Nomination, Remuneration and Appraisal Committees believed that through the implementation of the incentive fund plan, the Company has stimulated the innovation vitality of the core talent team, which was significant to accelerate innovation developing strategy successfully.

V. Explanations on the risks of the Company identified by board of supervisors

☐Applicable √ N/A

VI. 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

☐Applicable √ N/A

Resolutions, work schedules and subsequent working plan for peer rivalry

☐Applicable √ N/A

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

√ Applicable ☐N/A

(I) As the operation results of the Company in 2018 conformed to the implementation condition of incentive fund plan, the *Implementation Scheme of the Company's Incentive Fund Plan* for 2018 was approved at the 5th session of the seventh board of directors, and implemented after the annual report was approved at the shareholders meeting.

(II) During the reporting period, to further stimulate the innovation vitality of senior management, according to the *Proposal on Implementation of the Company's Professional Manager Scheme*, the 5th session of the seventh board of directors in 2019 approved *Proposal on 2018 Annual Performance Assessment for the Company's Professional Managers*.

VIII. Whether the self-assessment report on internal control is disclosed

√ Applicable ☐N/A

In accordance with internal control system and evaluation method, the Company assessed effectiveness of internal control on December 31, 2019 (date of internal control assessment report) based on regular and special supervision on internal control and then prepared an internal control self-assessment report. There was no significant deficiency regarding internal control over financial reporting at the date of internal control assessment report based on relevant assessment. Directors believe that the Company has maintained, in all material aspects, effective internal control over financial reporting in accordance with relevant requirements and internal control system of the Company. Please refer to *Internal Control Assessment Report of SAIC Motor Corporation Limited of 2019* published on Shanghai Stock Exchange website on the same issuing day of this report for more details.

Explanations on significant deficiencies in internal control during the reporting period

☐Applicable √ N/A

IX. Auditors' report on internal control

√ Applicable ☐N/A

Deloitte Touche Tohmatsu Certified Public Accountants LLP issued "Auditors' Report on Internal Control of SAIC Motor Corporation Limited" (De Shi Bao (Shen) Zi (20) No. S00114). For details, please refer to relevant announcement of the Company.

Whether the auditors' report on internal control is disclosed: Yes

X. Others

☐Applicable √ N/A

Section X Corporate Bonds

√ Applicable ☐N/A

I. Basic information of corporate bonds

Unit: RMB hundred million

Bonds name	Abbreviation	Code	Issuing date	Maturity date	Balance	Interest rate（%）	Method of repayment of principal and payment of interest	Trading place
SAIC Motor Corporation Limited 2019 Public Corporate Bonds (1st tranche)	19 SAIC 01	155709	2019/9/19	2022/9/19	30	3.42	Interest paid on yearly basis, principal fully repaid in one time upon maturity.	Shanghai Stock Exchange
SAIC Motor Corporation Limited 2019 Public Corporate Bonds (2nd tranche)	19 SAIC 02	155847	2019/11/14	2022/11/14	20	3.60	Interest paid on yearly basis, principal fully repaid in one time upon maturity.	Shanghai Stock Exchange

Interest payment, encashment of corporate bonds

☐Applicable √N/A

Other descriptions of the corporate bonds

☐Applicable √N/A

II. Corporate bonds trusteeship contacts, phone number and contact of credit rating institution

Trustee of the bonds	**Name**	Guotai Junan Securities Co., Ltd.
	Office address	Bohua Plaza 36F, No.669 Xinzha Rd.,Jingan District, Shanghai
	Contact	Wang Pai, Guan Wenjing
	Phone number	021-38676666
Credit rating institution	**Name**	China Chengxin Securities Rating Co., Ltd.
	Office address	Anji Building 21F, No.760 Xizang South Road, Huangpu District, Shanghai

Other descriptions:

☐Applicable √N/A

III. Use of the funds raised by the Company

√ Applicable ☐N/A

As of December 31, 2019, the funds raised by the Company through issuance of "19 SAIC 01" AND "19 SAIC 02" have been fully used for the purpose disclosed in the prospectus.

IV. Rating of corporate bonds

√ Applicable ☐N/A

On September 6, 2019, China Chengxin Securities Rating Co., Ltd. issued "SAIC Motor Corporation Limited 2019 Public Corporate Bonds (1st Tranche) Credit Rating Report", and published the above reports at the website of Shanghai Stock Exchange (www.sse.com.cn). As assessed, the Company's credit rating is AAA, and the rating outlook is stable; the credit rating of this tranche of bonds is AAA.

On November 6, 2019, China Chengxin Securities Rating Co., Ltd. issued "SAIC Motor Corporation Limited 2019 Public Corporate Bonds (2nd Tranche) Credit Rating Report" and published the above reports at the website of Shanghai Stock Exchange (www.sse.com.cn). As assessed, the Company's credit rating is AAA, and the rating outlook is stable; the credit rating of this tranche of bonds is AAA.

V. Credit enhancement mechanism, debt settlement plan and other information within the reporting period

√ Applicable ☐N/A

The Company issued the corporate bonds without providing guarantee or taking other credit enhancement measures.

The value date of "19 SAIC 01" is September 19, 2019. The interest of the bonds is paid once a year within lifetime since the value date. From 2020 to 2022, the September 19 is the payment date of interest of the current tranche of bonds for prior interest-bearing period (in case of non-trading date, defer to the subsequent first trading date). The maturity date of this tranche of bonds is September 19, 2022, on which the principal and the interest of last period are paid.

The value date of "19 SAIC 02" is November 14, 2019. The interest of the bonds is paid once a year within lifetime since the value date. From 2020 to 2022, the November 14 is the payment date of interest of the current tranche of bonds for prior interest-bearing period (in case of non-trading date, defer to the subsequent first trading date). The maturity date of this tranche of bonds is November 14, 2022, on which the principal and the interest of last period are paid.

During the reporting period, the Company's credit enhancement mechanism for corporate bonds, debt settlement plan and other debt settlement guarantee measures remain unchanged. This is in line with commitments in prospectus.

VI. Meetings held by holders of corporate bonds

□Applicable √N/A

VII. Performance of trustee of corporate bonds

√Applicable □N/A

During the reporting period, the trustee of corporate bonds performs its duty strictly in accordance with relevant laws and regulations and "Bonds Trusteeship Management Agreement".

VIII. Recent 2 years accounting figures and financial indicators of the Company as at the end of the reporting period

√Applicable □N/A

Unit: RMB

Major indicator	2019	2018	Year-on-year Changes (%)
EBITDA	56,458,190,319.75	67,690,668,446.69	-16.59
Liquidity ratio	1.1045	1.0943	0.93
Quick ratio	0.9869	0.9520	3.67
Asset-liability ratio (%)	64.58	63.63	1.50
EBITDA total debt ratio	0.1029	0.1359	-24.26
Interest coverage ratio	20.4611	28.7550	-28.84
Cash flow interest coverage ratio	29.3799	12.9285	127.25
EBITDA Interest coverage ratio	26.8753	34.6300	-22.39
Loan repayment rate (%)	100.00	100.00	
Interest coverage ratio (%)	100.00	100.00	

Note: Cash flow interest coverage ratio increased by 127.25% from prior year. This is mainly resulted from that the loans and advances to customers of the Company's subsidiary SAIC Finance Co., Ltd. decreased from prior period while the net cash flows from operating activities increased from prior year.

IX. Payment of interest of the Company's other bonds and debt financing instruments

□Applicable √N/A

X. Bank credit of the Company within the reporting period

√Applicable □N/A

The Company has good credit and maintains long-term cooperation with several banks, enabling the Company with strong financing capabilities. As at December 31, 2019, the Company has total bank credit of RMB 51.11 billion, including used credit of RMB 9.67 billion.

XI. The Company's performance of relevant agreements or commitments in the prospectus within reporting period

√Applicable □N/A

During the reporting period, the Company has strictly performs the commitments made in the prospectus and used the raised funds according to regulations, without any detriment to the interests of bonds investors.

XII. Significant events of the Company and the impact on the Company's operation and solvency

□Applicable √N/A

Section XI Financial Report

I. Auditors' report

√ Applicable ☐N/A

De Shi Bao (Shen) Zi (20) No.P01554

To the shareholders of SAIC Motor Corporation Limited:

I. Opinion

We have audited the financial statements of SAIC Motor Corporation Limited ("SAIC Motor"), which comprise the consolidated and company's balance sheets as at December 31, 2019, the consolidated and company's income statements, the consolidated and company's cash flow statements and the consolidated and company's statements of changes in shareholders' equity for the year then ended, and the notes to the financial statements (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position as at December 31, 2019, and the consolidated and company's results of operations and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

II. Basis for Opinion

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

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.

(I) Recognition of Revenue from Vehicle

1. Description

As disclosed in Note (VII) 62 to the financial statements, revenue from sale of vehicle of SAIC Motor in 2019 was about RMB 613,341.08 million which was significant in terms of amount. The revenue from sale of vehicle is one of the key business indictors of SAIC Motor, and whether revenue from sale of vehicle is recognized in a correct period has a significant impact on the financial statements. Therefore, we identified the cut-off of the recognition of revenue from sale of vehicle as a key audit matter.

2. How our audit addressed the key audit matter

Our audit procedures in relation to the cut-off of the recognition of revenue from sale of vehicle mainly included:

(1) Understand and evaluate the reasonableness of the design of the internal control relating to the recognition of revenue from sale of vehicle, and test their operating effectiveness;

(2) Perform cut-off test for revenue and inspect the documents and vouchers regarding revenue recognition, such as contracts, invoices, dealer electronic transaction platform records, delivery note, receipt records etc., focusing on whether the revenue is recognized in appropriate period and whether there is significant cross-period transaction or subsequent significant adjustment;

(3) Conduct year-end stocktaking, and pay attention to whether there are vehicles of which the revenue from sale has been recognized but the vehicles are not delivered to the dealers;

(4) Select samples or use data analysis technique, analyze the time interval from the dealer's placing order at electronic platform and the actual delivery of goods. Analyze and test the records with abnormal time interval, and determine whether the revenue is recognized in correct period;

(5) Perform analytic review procedures including analyzing sale profit margin of branch product types, and analyzing whether the sale performance of the Company conforms to the industry environment where it operates, and judge whether the revenue amount is fluctuated abnormally;

(6) Test the subsequent sales return of vehicle, pay attention to the significant sales return, and evaluate its impact on financial statements.

(II) Product Quality Warranty

1. Description

As disclosed in Note (VII) 51 to the financial statements, the balance of accrued warranty as at December 31, 2019 was RMB 13,872,430,000, of which the balance of warranty for vehicles was RMB 11,746,160,000, which was significant. The management makes estimation of warranty and makes provision accordingly based on contract terms and historical experience, where judgments and estimates are needed. We therefore identified product quality warranty of vehicles business as a key audit matter.

2. How our audit addressed the key audit matter

Our audit procedures in relation to the product quality guarantee mainly included:

(1) Understand and evaluate effectiveness of the design and implementation of internal controls relevant to the recognition of warranty, and test their operating effectiveness;

(2) Assess the method of the management for provision of warranty and review the calculation process of warranty;

(3) Check the supporting documents of source data used in the calculation, such as sales data, historical claim data, etc.;

(4) Test the actual payment of warranty in 2019;

(5) Discuss with the management and search public information to check whether there is a major

product defect in the current or subsequent period that may have a significant impact on the provision of warranty.

IV. Other Information

The management of SAIC Motor is responsible for the other information. The other information comprises the information included in the 2019 annual report of SAIC Motor, but does not include the financial statements and our auditor's report thereon.

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

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

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

V. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Management of SAIC Motor is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standards for Business Enterprises, and for designing, implementing and maintaining internal control management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with Governance are responsible for overseeing the SAIC Motor's financial reporting process.

VI. Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that

are appropriate in the circumstances.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

4. Conclude on the appropriateness of the Management' use of the going concern assumption and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SAIC Motor's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required by CSAs to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the SAIC Motor to cease to continue as a going concern.

5. Evaluate the overall presentation, including the disclosures, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the SAIC Motor to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Those charged with Governance regari74 Tc (s) Tj6l Tj-3u.12864 Tc (e) Tj0.48 Tc ( ) Tj0.11136 Tc

accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

II. Financial Statements

Consolidated Balance Sheet

December 31, 2019

Prepared by: SAIC MOTOR CORPORATION LIMITED

Unit: RMB

Item	Notes	December 31, 2019	December 31, 2018
Current assets:			
Cash and bank balances	(VII)1	127,826,836,682.25	123,771,376,378.50
Balances with clearing agencies			
Placements with banks and other financial institutions			
Held-for-trading financial assets	(VII)2	49,796,599,024.47	
Financial assets at fair value through profit or loss			26,561,958,372.83
Derivative financial assets			
Notes receivable	(VII)4	6,245,092,532.74	20,960,437,399.34
Accounts receivable	(VII)5	41,340,635,443.91	40,129,806,051.07
Financing with receivables	(VII)6	11,401,837,512.65	
Prepayments	(VII)7	28,939,123,052.21	18,693,772,988.65
Premiums receivable			
Amounts receivable under reinsurance contracts			
Reinsurer's share of insurance contract reserves			
Other receivables	(VII)8	14,602,620,859.24	16,098,675,531.76
Including: Interest receivable		323,603,469.30	845,875,895.56
Dividends receivable		1,066,824,275.97	1,684,077,535.91
Financial assets purchased under resale agreements	(VII)9	13,542,369,331.38	664,270,025.14
Inventories	(VII)10	54,398,633,356.34	58,942,623,891.76
Held-for-sale assets		83,313,948.40	80,713,400.00
Non-current assets due within one year	(VII)12	53,192,243,425.13	68,482,616,753.87
Other current assets	(VII)13	109,788,322,384.77	78,989,593,361.29
Total current assets		511,157,627,553.49	453,375,844,154.21
Non-current assets:			
Loans and advances	(VII)14	81,827,057,625.85	83,622,585,035.57
Debt investments	(VII)15	391,919,940.49	
Available-for-sale financial assets			23,930,347,255.24
Other debt investments	(VII)16	610,824,643.23	
Held-to-maturity investments			
Long-term receivables	(VII)17	11,144,424,111.43	6,837,413,269.79
Long-term equity investments	(VII)18	64,617,007,133.41	70,930,412,035.35
Investments in other equity instruments	(VII)19	18,281,876,133.32	
Other non-current financial assets	(VII)20	2,094,472,035.47	
Investment properties	(VII)21	3,252,061,451.33	3,189,719,135.21

Fixed assets	(VII)22	83,056,007,151.50	69,187,280,487.53
Construction in progress	(VII)23	16,187,540,866.58	20,849,258,157.42
Bearer biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	(VII)27	15,281,159,697.99	14,008,333,485.71
Development expenditure	(VII)28	1,646,702,512.60	538,649,981.13
Goodwill	(VII)29	1,480,799,484.53	1,481,372,227.53
Long-term defered expenses	(VII)30	2,471,107,186.38	2,046,972,887.33
Deferred tax assets	(VII)31	29,815,148,154.50	27,929,663,770.25
Other non-current assets	(VII)32	6,017,543,917.09	4,841,997,958.74
Total non-current assets		338,175,652,045.70	329,394,005,686.80
TOTAL ASSETS		849,333,279,599.19	782,769,849,841.01
Current liabilities:			
Short-term borrowings	(VII)33	25,587,986,199.99	16,726,440,287.46
Loans from the central bank			
Taking from banks and other financial institutions		49,742,870,582.98	51,770,000,000.00
Held-for-trading financial liabilities	(VII)34	1,211,285,653.79	
Financial liabilities at fair value through profit or loss			977,399,765.77
Derivative financial liabilities			
Notes payable	(VII)36	32,961,523,274.74	29,561,215,637.83
Accounts payable	(VII)37	137,086,140,309.74	125,265,496,964.04
Receipts in advance	(VII)38	11,873,058,903.09	15,354,857,292.90
Financial assets sold under repurchase agreements		506,133,790.80	470,099,390.00
Customer deposits and deposits from banks and other financial institutions	(VII)39	79,251,489,643.61	71,888,866,760.03
Funds from securities trading agency			
Funds from underwriting securities agency			
Employee benefits payable	(VII)40	10,379,170,737.45	9,421,027,458.19
Taxes payable	(VII)41	10,094,429,795.94	10,574,884,976.00
Other payables	(VII)42	77,082,601,425.77	67,550,463,107.22
Including: Interest payable		104,301,970.97	962,428,254.89
Dividends payable		764,365,300.59	647,498,222.92
Fees and commissions payable			
Amounts payable under reinsurance contracts			
Held-for-sale liabilities			
Non-current liabilities due within one year	(VII)44	26,838,165,703.07	14,613,907,051.50
Other current liabilities	(VII)45	188,420,686.01	148,482,040.29
Total current liabilities		462,803,276,706.98	414,323,140,731.23
Non-current liabilities:			
Insurance contract reserves			
Long-term borrowings	(VII)46	19,136,965,849.72	19,157,930,619.58
Bonds payable	(VII)47	16,161,761,950.51	13,374,792,430.97

Including: Preference shares			
Perpetual bonds			
Lease liability			
Long-term payables	(VII)49	1,566,933,667.08	1,197,541,788.28
Long-term employee benefits payable	(VII)50	5,604,308,153.21	5,853,234,035.63
Provisions	(VII)51	13,997,027,058.90	15,265,687,656.41
Deferred income	(VII)52	26,111,589,446.55	26,610,620,988.75
Deferred tax liabilities	(VII)31	3,111,792,424.53	2,266,676,112.19
Other non-current liabilities			
Total non-current liabilities		85,690,378,550.50	83,726,483,631.81
TOTAL LIABILITIES		548,493,655,257.48	498,049,624,363.04
SHAREHOLDERS' EQUITY:			
Share capital	(VII)54	11,683,461,365.00	11,683,461,365.00
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve	(VII)56	55,566,657,996.87	55,322,945,530.44
Less: Treasury shares			
Other comprehensive income	(VII)58	12,504,734,839.32	8,014,045,544.15
Special reserve	(VII)59	620,295,956.53	509,046,814.71
Surplus reserve	(VII)60	40,843,171,648.51	40,843,171,648.51
General risk reserve		3,202,907,349.43	2,898,526,086.15
Retained earnings	(VII)61	125,280,780,539.08	115,097,364,967.32
Total shareholders equity attributable to shareholders of the Company		249,702,009,694.74	234,368,561,956.28
Minority interests		51,137,614,646.97	50,351,663,521.69
TOTAL SHAREHOLDERS EQUITY		300,839,624,341.71	284,720,225,477.97
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		849,333,279,599.19	782,769,849,841.01

Legal Representative: Chen Hong Chief Financial Officer: Wei Yong

Head of Accounting Department: Gu Xiao Qiong

Balance Sheet of the Company

December 31, 2019

Prepared by: SAIC MOTOR CORPORATION LIMITED

Unit: RMB

Item	Notes	December 31, 2019	December 31, 2018
Current assets:			
Cash and bank balances		72,011,119,065.60	65,270,094,412.35
Held-for-trading financial assets			
Financial assets at fair value through profit or loss			

Derivative financial assets			
Notes receivable		6,071,016,788.76	3,685,023,144.94
Accounts receivable	(XVII)1	2,874,223,501.88	2,420,857,752.11
Financing with receivables		160,542,072.65	
Prepayments		529,361,646.55	422,726,331.27
Other receivables	(XVII)2	7,444,277,448.97	8,452,326,721.12
Including: Interest receivable		1,145,422,370.63	1,068,804,496.43
Dividends receivable		1,110,646,255.34	1,401,149,536.35
Inventories		2,798,712,159.80	5,066,183,360.72
Held-for-sale assets			
Non-current assets due within one year		821,700,000.00	220,000,000.00
Other current assets		5,250,897,362.65	1,795,559,060.29
Total current assets		97,961,850,046.86	87,332,770,782.80
Non-current assets:			
Debt investments		9,904,283,300.00	
Available-for-sale financial assets			7,815,170,714.40
Other debt investments			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments	(XVII)3	123,983,204,581.05	126,617,133,347.57
Investments in other equity instruments		11,654,528,390.76	
Other non-current financial assets			
Investment properties		268,817,494.81	279,357,608.03
Fixed assets		14,687,071,548.71	9,397,105,933.55
Construction in progress		3,720,856,168.81	4,091,602,479.41
Bearer biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets		3,067,833,723.25	2,687,633,257.29
Development expenditure		1,548,417,822.58	491,796,612.09
Goodwill			
Long-term defered expenses			
Deferred tax assets			
Other non-current assets		25,633,554.50	10,152,668,068.64
Total non-current assets		168,860,646,584.47	161,532,468,020.98
TOTAL ASSETS		266,822,496,631.33	248,865,238,803.78
Current liabilities:			
Short-term borrowings		1,000,000,000.00	
Held-for-trading financial liabilities			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable		4,768,554,262.85	455,182,068.00
Accounts payable		28,222,090,695.05	25,520,968,862.24
Receipts in advance		1,493,046,298.26	2,235,358,890.39
Employee benefits payable		1,652,215,281.49	1,674,403,681.66

Taxes payable		410,401,145.84	268,417,005.42
Other payables		1,679,751,892.69	1,337,656,450.85
Including: Interest payable		44,181,076.85	11,090,062.50
Dividends payable			
Held-for-sale liabilities			
Non-current liabilities due within one year		1,817,576,741.00	2,298,908,678.20
Other current liabilities			
Total current liabilities		41,043,636,317.18	33,790,895,636.76
Non-current liabilities:			
Long-term borrowings		4,400,000,000.00	7,720,000,000.00
Bonds payable		4,986,117,808.21	
Including: Preference shares			
Perpetual bonds			
Lease liability			
Long-term payables		702,265,794.35	769,707,669.35
Long-term employee benefits payable		3,432,505,683.16	3,502,882,676.16
Provisions		2,056,596,984.62	1,950,623,933.94
Deferred income		3,257,536,722.60	2,515,135,076.12
Deferred tax liabilities		1,213,788,352.22	637,884,700.77
Other non-current liabilities			
Total non-current liabilities		20,048,811,345.16	17,096,234,056.34
TOTAL LIABILITIES		61,092,447,662.34	50,887,129,693.10
SHAREHOLDERS' EQUITY:			
Share capital		11,683,461,365.00	11,683,461,365.00
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve		65,129,333,550.92	65,129,333,550.92
Less: Treasury shares			
Other comprehensive income		7,893,035,927.05	4,493,845,449.56
Special reserve			
Surplus reserve		40,843,171,648.51	40,843,171,648.51
Retained earnings		80,181,046,477.51	75,828,297,096.69
TOTAL SHAREHOLDERS EQUITY		205,730,048,968.99	197,978,109,110.68
TOTAL LIABILITIES AND SHAREHOLDERS EQUIT		266,822,496,631.33	248,865,238,803.78

Legal Representative: Chen Hong Chief Financial Officer: Wei Yong

Head of Accounting Department: Gu Xiao Qiong

Consolidated Income Statement

January 2019 - December 2019

Unit: RMB

Item	Notes	Year Ended December 31, 2019	Year Ended December 31, 2018
I. Total operating income		843,324,372,577.26	902,194,064,732.24

Including: Operating income	(VII)62	826,530,002,967.87	887,626,207,288.41
Interest income		14,882,956,800.25	12,586,716,281.29
Premiums earned			
Fee and commission income		1,911,412,809.14	1,981,141,162.54
II. Total operating costs		830,374,831,205.25	881,681,249,039.80
Including: Operating costs	(VII)62	726,100,213,388.33	769,985,822,499.66
Interest expenses		3,940,188,803.65	3,562,591,536.38
Fee and commission expenses		547,344,898.72	330,011,316.57
Surrenders			
Claims and policyholder benefits (net of amounts recoverable from reinsurers)			
Changes in insurance contract reserves (net of reinsurers' share)			
Insurance policyholder dividends			
Expenses for reinsurance accepted			
Taxes and levies	(VII)63	6,609,894,329.53	7,463,331,484.50
Selling expenses	(VII)64	57,450,586,216.84	63,423,027,141.41
Administrative expenses	(VII)65	22,308,086,660.76	21,336,015,125.43
Research and development expenses	(VII)66	13,394,150,277.23	15,385,012,641.18
Financial expenses	(VII)67	24,366,630.19	195,437,294.67
Including: Interest expenses		2,025,928,206.43	1,863,096,729.92
Interest income		2,014,804,147.44	1,618,779,749.28
Add: Other income	(VII)68	4,378,558,797.16	3,126,294,342.09
Investment income (loss is indicated by "-")	(VII)69	24,900,817,939.77	33,125,862,628.59
Including: Income from derecognition of financial assets at amortized cost		23,016,568,257.62	25,920,863,141.08
Foreign exchange gains (loss is indicated by "-")		29,587,749.04	28,693,998.20
Net exposure hedging income (Loss is indicated by "-")			
Gains from changes in fair values (loss is indicated by "-")	(VII)71	1,496,510,091.60	-112,814,667.64
Credit impairment loss (Loss is indicated by "-")	(VII)72	-1,865,439,213.72	
Impairment losses of assets (loss is indicated by "-")	(VII)73	-1,641,964,704.12	-3,490,499,788.31
Gains from disposal of assets (loss is indicated by "-")	(VII)74	97,491,092.73	483,465,595.97
III. Operating Profit (loss is indicated by "-")		40,345,103,124.47	53,673,817,801.34
Add: Non-operating income	(VII)75	766,952,147.81	1,125,111,297.69
Less: Non-operating expenses	(VII)76	154,263,068.59	455,079,268.10
IV. Total profit (total loss is indicated by "-")		40,957,792,203.69	54,343,849,830.93
Less: Income tax expenses	(VII)77	5,668,885,296.06	5,939,186,429.07
V. Net profit (net loss is indicated by "-")		35,288,906,907.63	48,404,663,401.86
(I) Categorized by the continuity of operation			
1. Net profit from continuing operations (net loss is indicated by "-")		35,288,906,907.63	48,404,663,401.86
2. Net profit from discontinued operations (net loss is indicated by "-")			

(II) Categorized by ownership of equity			
1. Net profit attributable to shareholders of the Company (net loss is indicated by "-")		25,603,384,202.16	36,009,210,583.83
2. Profit or loss attributable to minority interests (net loss is indicated by "-")		9,685,522,705.47	12,395,452,818.03
VI. Other comprehensive income, net of tax		4,844,427,958.97	-6,106,285,737.83
Other comprehensive income attributable to owners of the Company, net of tax		4,381,508,462.73	-5,839,105,226.09
(I) Other comprehensive income that will not be reclassified subsequently to profit or loss		4,137,132,146.22	-255,834,422.67
1. Changes due to re-measurement of defined benefit plans		119,175,784.78	-256,347,050.06
2. Other comprehensive income that will not be reclassified subsequently to profit or loss under equity method		-14,904,422.81	512,627.39
3. Changes in fair value of investments in other equity instruments		4,032,860,784.25	
4. Changes in fair value of corporate credit risk			
(II) Other comprehensive income that may be reclassified subsequently to profit or loss		244,376,316.51	-5,583,270,803.42
1. Other comprehensive income that may be reclassified subsequently to profit or loss under equity method		13,241,598.11	4,449,842.46
2. Changes in fair value of other debt investments		1,766,325.28	
3. Profit or loss on changes in fair value of available-for-sale financial assets			-6,121,587,716.61
4. Financial assets reclassified into other comprehensive income			
5. Profit or loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets			
6. Credit impairment provision of other debt investments		137,007.27	
7. Effective portion of profit or loss from cash flow hedges		3,877,385.80	
8. Translation difference of financial statements denominated in foreign currencies		201,613,087.36	533,867,070.73
9. Others		23,740,912.69	
Other comprehensive income attributable to minority interests, net of tax		462,919,496.24	-267,180,511.74
VII. Total comprehensive income		40,133,334,866.60	42,298,377,664.03
Total comprehensive income attributable to owners of the Company		29,984,892,664.89	30,170,105,357.74
Total comprehensive income attributable to minority interests		10,148,442,201.71	12,128,272,306.29
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		2.191	3.082
(II) Diluted earnings per share (RMB/share)		N/A	N/A

For business combination involving enterprises under common control incurred in the current period, the net profit of the acquired entity for the period from the beginning of the year to the date of combination was RMB 0; and the net profit of the acquired entity for the prior year was RMB 0.

Legal Representative: Chen Hong Chief Financial Officer: Wei Yong

Head of Accounting Department: Gu Xiao Qiong

Income Statement of the Company

January 2019 - December 2019

Unit: RMB

Item	Notes	Year Ended December 31, 2019	Year Ended December 31, 2018
I. Operating income	(XVII)4	63,840,991,415.99	76,495,518,517.85
Less: Operating costs	(XVII)4	57,911,804,806.57	64,003,685,490.33
Taxes and levies		1,299,870,485.86	1,246,928,922.66
Selling expenses		7,704,254,806.29	8,574,596,577.61
Administrative expenses		1,989,319,481.45	1,499,593,300.39
Research and development expenses		4,138,495,827.68	7,328,439,354.91
Financial expenses		-1,185,882,309.53	-1,446,454,329.83
Including: Interest expenses		523,601,568.24	536,987,692.03
Interest income		1,486,523,251.56	1,571,669,874.31
Add: Other income		1,112,456,065.69	1,144,926,440.90
Investment income (loss is indicated by "-")	(XVII)5	26,334,907,737.65	34,614,802,616.71
Including: Income from investments in associates and joint ventures		16,820,236,026.59	23,655,101,701.59
Income from derecognition of financial assets at amortized cost			
Net exposure hedging income (Loss is indicated by "-")			
Gains from changes in fair values (loss is indicated by "-")			
Credit impairment loss (Loss is indicated by "-")		-26,375,413.30	
Impairment losses of assets (loss is indicated by "-")		-201,984,205.85	-110,953,042.40
Gains from disposal of assets (loss is indicated by "-")		15,121,888.96	31,347,790.31
II. Operating profit (loss is indicated by "-")		19,217,254,390.82	30,968,853,007.30
Add: Non-operating income		14,019,763.75	8,094,413.56
Less: Non-operating expenses		5,706,179.43	10,086,944.36
III. Total profit (total loss is indicated by "-")		19,225,567,975.14	30,966,860,476.50
Less: Income tax expenses			
IV. Net Profit (net loss is indicated by "-")		19,225,567,975.14	30,966,860,476.50
(I) Net profit from continuing operations (net loss is indicated by "-")		19,225,567,975.14	30,966,860,476.50
(II) Net profit from discontinued operations (net loss is indicated by "-")			
V. Other comprehensive income, net of tax		3,399,190,477.49	-3,097,275,587.94
(I) Other comprehensive income that will not be reclassified subsequently to profit or loss		3,387,994,921.88	-275,769,425.42
1. Changes due to re-measurement of defined benefit plans		124,540,896.97	-275,769,425.42

2. Other comprehensive income that will not be reclassified subsequently to profit or loss under equity method			
3. Changes in fair value of investments in other equity instruments		3,263,454,024.91	
4. Changes in fair value of corporate credit risk			
(II) Other comprehensive income that may be reclassified subsequently to profit or loss		11,195,555.61	-2,821,506,162.52
1. Other comprehensive income that may be reclassified subsequently to profit or loss under equity method		11,195,555.61	3,581,794.60
2. Changes in fair value of other debt investments			
3. Profit or loss on changes in fair value of available-for-sale financial assets			-2,825,087,957.12
4. Financial assets reclassified into other comprehensive income			
5. Profit or loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets			
6. Credit impairment provision of other debt investments			
7. Effective portion of profit or loss from cash flow hedges			
8. Translation difference of financial statements denominated in foreign currencies			
9. Others			
VI. Total comprehensive income		22,624,758,452.63	27,869,584,888.56
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

Legal Representative: Chen Hong Chief Financial Officer: Wei Yong

Head of Accounting Department: Gu Xiao Qiong

Consolidated Cash Flow Statement

January 2019 - December 2019

Unit: RMB

Item	Notes	Year Ended December 31, 2019	Year Ended December 31, 2018
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and rendering of services		694,909,477,909.70	989,717,646,343.40
Net increase in customer deposits and deposits from banks and other financial institutions		7,263,211,252.04	1,631,605,604.38
Net increase in loans from the central bank			
Net decrease in balance with the central bank			1,378,400,791.97
Net increase in taking from banks and other financial institutions			
Cash receipts from premiums under direct insurance contracts			

Net cash receipts from reinsurance business			
Net cash receipts from policyholders' deposits and investment contract liabilities			
Cash receipts from interests, fees and commissions		15,328,282,421.77	15,646,047,341.72
Net increase in loans from banks and other financial institutions			16,839,500,000.00
Net decrease in loans and advances		24,906,969,924.38	
Net increase in financial assets sold under repurchase arrangements			117,789,478.50
Net cash receipts from deputy securities trading			
Receipts of tax refunds		1,930,925,392.56	1,097,568,031.62
Other cash receipts relating to operating activities		8,959,680,772.78	12,080,260,746.15
Sub-total of cash inflows from operating activities		753,298,547,673.23	1,038,508,818,337.74
Cash payments for goods purchased and services received		583,098,756,031.78	857,881,419,255.72
Net increase in loans and advances			39,873,167,481.28
Net increase in balance with the central bank and due from banks and other financial institutions		800,610,904.30	
Cash payments for claims and policyholders' benefits under direct insurance contracts			
Net decrease in loans from banks and other financial institutions		2,367,787,705.29	
Net increase in placements with other financial institutions			
Cash payments for interests, fees and commissions		4,491,044,386.48	3,540,733,616.63
Cash payments for insurance policyholder dividends			
Cash payments to and on behalf of employees		38,757,306,010.75	37,240,837,570.71
Net decrease in financial assets sold under repurchase arrangements		12,666,507,248.51	
Payments for various types of taxes		29,840,839,002.02	39,249,452,589.79
Other payments relating to operating activities		35,003,843,457.35	51,747,553,031.95
Sub-total of cash outflows relating to operating activities		707,026,694,746.48	1,029,533,163,546.08
Net cash flow from operating activities		46,271,852,926.75	8,975,654,791.66
II.Cash flows from investing activities:			
Cash receipts from disposals and recovery of investments		464,382,536,647.28	261,188,782,080.49
Cash receipts from investment income		28,993,477,154.78	33,300,787,187.72
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		1,855,522,650.39	1,655,877,795.34
Net cash receipts from disposals of subsidiaries and business entities		148,789,000.58	
Other cash receipts relating to investing activities			
Sub-total of cash inflows from investing activities		495,380,325,453.03	296,145,447,063.55
Cash payment to acquire or construct fixed assets, intangible assets and other long-term assets		26,934,783,653.85	31,975,144,862.13

Cash payments to acquire investments		505,994,490,738.53	252,687,177,282.00
Net increase in pledged loans receivables			
Net cash payments for acquisitions of subsidiaries and other business entities		1,715,438,384.52	1,632,625,274.34
Net cash payments for disposal of subsidiaries			5,649,015.75
Sub-total of cash outflows relating to investing activities		534,644,712,776.90	286,300,596,434.22
Net cash flow from investing activities		-39,264,387,323.87	9,844,850,629.33
III. Cash flow from financing activities:			
Cash receipts from capital contributions		334,289,852.97	1,169,064,100.00
Including: Cash receipts from capital contributions from minority shareholders of subsidiaries		334,289,852.97	1,169,064,100.00
Cash receipts from borrowings		42,166,534,928.93	47,638,547,471.78
Cash receipts from bonds issuance		27,615,854,244.70	10,378,915,094.32
Other cash receipts relating to financing activities		350,475,738.Tj0.10464Tc (7) TTc (a) Tj-0.209293 TjET	

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Sub-total of cash inflows from operating activities		63,909,228,501.45	86,134,586,614.79
Cash payments for goods purchased and services received		46,119,928,500.04	72,790,865,965.16
Cash payments to and on behalf of employees		5,121,126,838.68	4,236,240,985.21
Payments of various types of taxes		1,831,912,442.53	2,758,960,870.37
Other cash payments relating to operating activities		8,325,397,781.86	11,597,775,469.15
Sub-total of cash outflows relating to operating activities		61,398,365,563.11	91,383,843,289.89
Net cash flow from operating activities		2,510,862,938.34	-5,249,256,675.10
II. Cash flows from investing activities:			
Cash receipts from disposals and recovery of investments		6,541,000,000.00	10,106,368,460.67
Cash receipts from investment income		32,734,188,305.11	31,961,047,925.85
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		25,090,648.35	34,425,154.17
Net cash receipts from disposals of subsidiaries and other business entities			2,224,839,152.72
Other cash receipts relating to investing activities			
Sub-total of cash inflows from investing activities		39,300,278,953.46	44,326,680,693.41
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		8,476,259,628.10	7,984,770,761.69
Cash payments to acquire investments		13,414,563,744.88	16,789,454,679.25
Net cash payments for acquisitions of subsidiaries and other business entities			
Other cash payments relating to investing activities			
Sub-total of cash outflows relating to investing activities		21,890,823,372.98	24,774,225,440.94
Net cash flow from investing activities		17,409,455,580.48	19,552,455,252.47
III.Cash flows from financing activities:			
Cash receipts from capital contributions			
Cash receipts from borrowings		7,000,000,000.00	18,950,000,000.00
Other cash receipts relating to financing activities		4,985,000,000.00	
Sub-total of cash inflows from financing activities		11,985,000,000.00	18,950,000,000.00
Cash repayments of borrowings		10,040,000,000.00	13,310,000,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses		15,152,457,702.52	21,819,000,756.31
Other cash payments relating to financing activities			
Sub-total of cash outflows relating to financing activities		25,192,457,702.52	35,129,000,756.31
Net cash flow from financing activities		-13,207,457,702.52	-16,179,000,756.31
IV.Effect of foreign exchange rate on cash and cash equivalents		28,163,836.95	-202,239.09
V.Net increase in cash and cash equivalents		6,741,024,653.25	-1,876,004,418.03

Add: Opening balance of cash and cash equivalents		65,270,094,412.35	67,146,098,830.38
VI.Closing balance of cash and cash equivalents		72,011,119,065.60	65,270,094,412.35

Legal Representative: Chen Hong Chief Financial Officer: Wei Yong

Head of Accounting Department: Gu Xiao Qiong

Consolidated Statement of Changes in Owners Equity

January 2019 - December 2019

Unit: RMB

Item	2019														
	Attributable to owners of the Company													Minority interests	Total owners equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	Others	Subtotal		
		Preference shares	Perpetual bonds	Others											
I. Balance as at December 31, 2018	11,683,461,365.00				55,322,945,530.44		8,014,045,544.15	509,046,814.71	40,843,171,648.51	2,898,526,086.15	115,097,364,967.32		234,368,561,956.28	50,351,663,521.69	284,720,225,477.97
Add: Changes in accounting policies							110,350,903.67				-181,598,428.51		-71,247,524.84	-54,300,086.58	-125,547,611.42
Corrections of prior period errors															
Business combination involving enterprises under common control															
Others															
II. Balance as at January 1, 2019	11,683,461,365.00				55,322,945,530.44		8,124,396,447.82	509,046,814.71	40,843,171,648.51	2,898,526,086.15	114,915,766,538.81		234,297,314,431.44	50,297,363,435.11	284,594,677,866.55
III. Changes for the period (Decrease is indicated by "-")					243,712,466.43		4,380,338,391.50	111,249,141.82		304,381,263.28	10,365,014,000.27		15,404,695,263.30	840,251,211.86	16,244,946,475.16
(I) Total comprehensive income							4,381,508,462.73				25,603,384,202.16		29,984,892,664.89	10,148,442,201.71	40,133,334,866.60
(II) Owners' contributions and reduction in capital														334,289,852.97	334,289,852.97
1. Ordinary shares from owners														334,289,852.97	334,289,852.97
2. Capital contribution from other equity instrument holders															
3. Share-based payment recognized in owners' equity															
4. Others															

(III) Profit distribution					4,298,659.31					304,381,263.28	-15,231,855,142.38		-14,923,175,219.79	-9,713,815,358.48	-24,636,990,578.27
1. Transfer to special reserve															
2. Transfer to general risk reserve										304,381,263.28	-304,381,263.28				
3. Distribution to owners (or shareholders)															

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Item	2018														
	Attributable to owners of the Company													Minority interests	Total owners equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	Others	Subtotal		
		Preference shares	Perpetual bonds	Others											
I. Balance as at December 31, 2017	11,683,461,365.00				54,868,434,877.87		13,853,150,770.24	409,006,286.66	37,746,485,600.86	2,080,126,313.35	104,694,637,497.79		225,335,302,711.77	46,770,514,086.55	272,105,816,798.32
Add: Changes in accounting policies															
Corrections of prior period errors															
Business combination involving enterprises under common control															
Others															
II. Balance as at January 1, 2018	11,683,461,365.00				54,868,434,877.87		13,853,150,770.24	409,006,286.66	37,746,485,600.86	2,080,126,313.35	104,694,637,497.79		225,335,302,711.77	46,770,514,086.55	272,105,816,798.32
III. Changes for the period (Decrease is indicated by "-")					454,510,652.57		-5,839,105,226.09	100,040,528.05	3,096,686,047.65	818,399,772.80	10,402,727,469.53		9,033,259,244.51	3,581,149,435.14	12,614,408,679.65
(I) Total comprehensive income							-5,839,105,226.09				36,009,210,583.83		30,170,105,357.74	12,128,272,306.29	42,298,377,664.03
(II) Owners' contributions and reduction in capital														1,169,064,100.00	1,169,064,100.00
1. Ordinary shares from owners														1,169,064,100.00	1,169,064,100.00
2. Capital contribution from other equity instrument holders															
3. Share-based payment recognized in owners' equity															
4. Others															
(III) Profit distribution					4,023,972.65				3,096,686,047.65	818,399,772.80	-25,472,226,842.45		-21,553,117,049.35	-9,934,584,118.30	-31,487,701,167.65
1. Transfer to special reserve									3,096,686,047.65		-3,096,686,047.65				
2. Transfer to general risk reserve										818,399,772.80	-818,399,772.80				

3. Distribution to owners (or shareholders)											-21,380,734,297.95		-21,380,734,297.95	-9,665,059,539.83	-31,045,793,837.78
4. Others					4,023,972.65						-176,406,724.05		-172,382,751.40	-269,524,578.47	-441,907,329.87
(IV) Transfers within owners' equity															
1. Capitalization of capital reserve (or share capital)															
2. Capitalization of surplus reserve (or share capital)															
3. Loss offset by surplus reserve															
4. Transfers of retained earnings due to changes in defined benefit plans															
5. Transfer of changes in other comprehensive income to retained earnings															
6. Others															
(V) Special reserve								100,040,528.05					100,040,528.05	19,768,080.35	119,808,608.40
1. Transfer to special reserve in the period								132,827,269.48					132,827,269.48	39,595,166.35	172,422,435.83
2. Amount utilized in the period								32,786,741.43					32,786,741.43	19,827,086.00	52,613,827.43
(VI) Others					450,486,679.92						-134,256,271.85		316,230,408.07	198,629,066.80	514,859,474.87

Statement of Changes in Owners Equity of the Company

January 2019 - December 2019

Unit: RMB

Item	2019										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total owners equity
		Preference shares	Perpetual bonds	Others							
I. Balance as at December 31, 2018	11,683,461,365.00				65,129,333,550.92		4,493,845,449.56		40,843,171,648.51	75,828,297,096.69	197,978,109,110.68
Add: Changes in accounting policies										-151,657,274.42	-151,657,274.42
Corrections of prior period errors											
Others											
II. Balance as at January 1, 2019	11,683,461,365.00				65,129,333,550.92		4,493,845,449.56		40,843,171,648.51	75,676,639,822.27	197,826,451,836.26
III. Changes for the period (Decrease is indicated by "-")							3,399,190,477.49			4,504,406,655.24	7,903,597,132.73
(I) Total comprehensive income							3,399,190,477.49			19,225,567,975.14	22,624,758,452.63
(II) Owners' contributions and reduction in capital											
1. Ordinary shares from owners											
2. Capital contribution from other equity instrument holders											
3. Share-based payment recognized in owners' equity											
4. Others											
(III) Profit distribution										-14,721,161,319.90	-14,721,161,319.90
1. Transfer to special reserve										-	
2. Distribution to owners (or shareholders)										-14,721,161,319.90	-14,721,161,319.90
3. Others											
(IV) Transfers within owners' equity											
1. Capitalization of capital reserve (or share capital)											
2. Capitalization of surplus reserve (or share capital)											
3. Loss offset by surplus reserve											
4. Transfers of retained earnings due to changes in defined benefit plans											

5. Transfer of changes in other comprehensive income to retained earnings											
6. Others											
(V) Special reserve											
1. Transfer to special reserve in the period											
2. Amount utilized in the period											
(VI) Others											
IV. Balance as at December 31, 2019	11,683,461,365.00				65,129,333,550.92		7,893,035,927.05		40,843,171,648.51	80,181,046,477.51	205,730,048,968.99

Item	2018										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total owners equity
		Preference shares	Perpetual bonds	Others							
I. Balance as at December 31, 2017	11,683,461,365.00				65,129,333,550.92		7,591,121,037.50		37,746,485,600.86	69,338,856,965.79	191,489,258,520.07
Add: Changes in accounting policies											
Corrections of prior period errors											
Others											
II. Balance as at January 1, 2018	11,683,461,365.00				65,129,333,550.92		7,591,121,037.50		37,746,485,600.86	69,338,856,965.79	191,489,258,520.07
III. Changes for the period (Decrease is indicated by "-")							-3,097,275,587.94		3,096,686,047.65	6,489,440,130.90	6,488,850,590.61
(I) Total comprehensive income							-3,097,275,587.94			30,966,860,476.50	27,869,584,888.56
(II) Owners' contributions and reduction in capital											
1. Ordinary shares from owners											
2. Capital contribution from other equity instrument holders											
3. Share-based payment recognized in owners' equity											
4. Others											
(III) Profit distribution									3,096,686,047.65	-24,477,420,345.60	-21,380,734,297.95
1. Transfer to special reserve									3,096,686,047.65	-3,096,686,047.65	-
2. Distribution to owners (or shareholders)										-21,380,734,297.95	-21,380,734,297.95
3. Others											
(IV) Transfers within owners' equity											
1. Capitalization of capital reserve (or share capital)											

2. Capitalization of surplus reserve (or share capital)											
3. Loss offset by surplus reserve											
4. Transfers of retained earnings due to changes in defined benefit plans											
5. Transfer of changes in other comprehensive income to retained earnings											
6. Others											
(V) Special reserve											
1. Transfer to special reserve in the period											
2. Amount utilized in the period											
(VI) Others											
IV. Balance as at December 31, 2018	11,683,461,365.00				65,129,333,550.92		4,493,845,449.56		40,843,171,648.51	75,828,297,096.69	197,978,109,110.68

Legal Representative: Chen Hong Chief Financial Officer: Wei Yong

Head of Accounting Department: Gu Xiao Qiong

III. THE COMPANY'S PROFILE

1. General

√ Applicable ☐N/A

SAIC Motor Corporation Limited (hereinafter referred to as the "Company") is a limited liability company exclusively initiated by Shanghai Automotive Industry Corporation (Group) (hereinafter referred to as "SAIC") as approved by [1997] No. 41 Document issued by Shanghai Municipal People's Government and Hu Zheng Si [1997] No.104 Document issued by Shanghai Securities Management Office in August 1997. The credibility code is 91310000132260250X, 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 were 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 at December 31, 2015, 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, and remaining shares held by the public were 2,834,116,698 shares, accounting for 25.70% of the total shares.

Proposal concerning the Company's non-public issuance of A shares was approved in the 4th meeting of the sixth session of Board held on November 5, 2015 and the 1st extraordinary general meeting in 2015 and authorized by Shanghai State-owned Assets Supervision and Administration Commission with "Reply to SAIC Motor Corporation Limited's Non-public Issuance of A Shares " (Hu Guo Zi Wei Chan Quan [2015] No.484) and China Securities Regulatory Commission with "Approval of the Non-public Issuance of Shares of SAIC Motor Corporation Limited." (Zheng Jian Xu Ke [2016] No. 2977), the Company was approved to issue no more than 1,056,338,028 shares (the "Issuance") of non-public issuance of A shares in RMB. The final price of the Issuance is RMB 22.80 per share at par value of RMB 1 per share which were subscribed by cash. As at January 19, 2017, the Company actually issued ordinary shares in RMB (A Share) of 657,894,736 shares at the price of RMB 22.80 per share with par value of RMB 1 per share to raise funds of RMB 14,999,999,980.80 in total. After the non-public issuance of A shares, the Company held a total of 11,683,461,365 shares.

As at December 31, 2018, the Company's total share capital was RMB 11,683,461,365.00 in 11,683,461,365 shares, of which SAIC held 8,323,028,878 shares, accounting for 71.24% of the total shares, and other public shareholders held 3,360,432,487 shares, accounting for 28.76% of the total shares.

Business scope of the Company includes manufacturing and sales of automobiles, motorcycles, tractors and other motor vehicles, and machinery equipment, assembly and automobile parts, domestic trading (except those under special provisions), advisory services, sale of vehicle, assembly and components and parts in an e-commerce manner, technical service in the field of science and technology, 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 item that requires to be approved by law can only be carried out after approval by relevant authorities).

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

2. **Scope of the consolidated financial statements**

√ Applicable ☐N/A

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

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

The financial statements of the Company have been prepared on a going concern basis.

Basis of preparation

The Company and its subsidiaries (hereinafter collectively referred to as the "Group") adopt Accounting Standards for Business Enterprises (hereinafter referred to as "ASBE") and other related regulations issued and enforced by the Ministry of Finance of the People's Republic of China. 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)".

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 are measured by amount of cash or cash equivalents paid for purchase or fair value of paid consideration. Liabilities are 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.

In measuring a non-financial asset at fair value, market participants' ability of generating economic benefits by making the best use of the assets or the ability of generating economic benefits by selling the assets to other market participants who can make the best use of the assets should be taken into consideration.

For a financial asset for which the transaction price is recognized as fair value upon initial recognition and using an valuation technique involving unobservable inputs when it is subsequently measured at fair value, the valuation technique should be rectified during the course of valuation so as to make the results of initial recognition determined by the valuation technique equal to the transaction price.

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.

2. Going concern

√ Applicable ☐N/A

The Group assessed its ability to continue as a going concern for the 12 months from December 31, 2019 and did not notice any events or circumstances that may cast significant doubt upon its ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Tips on specific accounting policies and accounting estimates:

☐Applicable √ N/A

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 at December 31, 2019, and the consolidated and the Company's results of operations and cash flows for the year then ended.

2. Accounting period

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

3. Operating cycle

√ Applicable ☐N/A

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.

4. Functional currency

The Company adopts Renminbi ("RMB") as its functional currency.

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 Company adopts RMB to prepare its financial statements.

5. Accounting treatment of business combinations involving and not involving enterprises under common control

√ Applicable ☐N/A

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

5.1 Business combination involving enterprises under common control

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

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

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

5.2 Business combination not involving enterprises under common control and goodwill

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

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. 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. Preparation of consolidated financial statements

√ Applicable ☐N/A

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 cash flow statement, 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 cash flow statement, 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 cash flow statement, 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.

Influence over the consolidated financial statements arising from significant intra-group transactions are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "minority interests" in the consolidated balance sheet within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to minority shareholders 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 shareholders' 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 'a bundled transaction', transactions will be dealt as transaction to acquire control. If it does not belong to 'a bundled transaction', transactions to acquire control on acquisition date will be under accounting treatment, the fair value of acquiree's 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 acquiree's 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.

Special purpose trust

The Group establishes a special purpose trust (structured entity) to satisfy the need of specific businesses. The Group will assess the nature of the relationship with the special purpose trust and relevant risks and rewards to determine whether the Group has control over the special purpose trust. During the above assessment, the Group make the judgement on whether it obtains control over special purpose trust based on all relevant facts and circumstances. Once the elements involved in the definition of control changes due to changes in relevant facts and circumstances, the Group will make a reassessment. Relevant facts and circumstances include: (1) Motivation for establishing special purpose trust; (2) Activities related to the special purpose trust and how to make decisions on such activities; (3) Capabilities of the Group to dominate activities related to the special purpose trust which depends on the rights enjoyed by the Group; (4) Possibility of enjoying variable returns by participating activities related to the special purpose trust; (5) Capabilities of the Group to affect the return amount by using its power on the invested entities; (6) Relationship between the Group and other parties. If the results of the assessment show that the Group obtains control over the special purpose trust, the special purpose trust will be merged by the Group.

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

√ Applicable ☐N/A

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 (V) 20.3.2 "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.

When the Group invest or sell assets or others (except that such assets constitute a business), only profit or loss arising from the transaction attributable to parties involved in such joint operation is recognized prior to the resale of the assets to third parties by joint operations. When there is impairment of the asset investment or sale, the Group recognizes such loss in full.

When the Group purchase assets and other from joint operations (except that such assets constitute a business), only profit or loss arising from the transaction attributable to parties involved in such joint operation is recognized prior to the resale of the assets to third parties. When there is impairment of purchased assets, the Group recognizes losses based on its share.

8. Recognition criteria of cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. 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

√ Applicable ☐N/A

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; (3) exchange differences arising from changes in the carrying amounts (other than the amortized cost) of monetary items classified as at FVTOCI are recognized in 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.

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

10. Financial instruments

√ Applicable ☐N/A

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

For financial assets purchased or sold in a regular way, the Group recognizes assets acquired and liabilities assumed on a trade date basis, or derecognizes the assets sold on a trade date basis.

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 initially recognized amounts. Initially recognized accounts receivable that do not contain significant financing components and accounts receivable that the Group decides not to consider a financing component of less than a year in accordance with the Accounting Standards for Business Enterprises No.14 - Revenue ("Revenue Standards") are initially measured at the transaction price defined by the Revenue Standards.

When the fair value of a financial asset or financial liability is different from the transaction price, no profit or loss is recognized upon the initial recognition of such financial asset or financial liability provided that its fair value is determined based upon neither the quotation of same assets or liabilities in an active market nor the valuation techniques using observable market data.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant accounting period.

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 expected credit losses.

The amortized cost of a financial asset or a financial liability is an accumulatively amortized amount arising from the initially recognized amount of the financial asset or the financial liability deducting repaid principals plus or less amortization of balances between the initially recognized amount on initial recognition and the amount on maturity date using the effective interest method, and then deducting accumulated provisions for losses (only applicable to financial assets).

10.1 Classification, recognition and measurement of financial assets

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant accounting period.

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows, the Group shall classify the financial asset into the financial asset measured at amortized cost. Such type of financial assets are presented as debt investments or long-term receivables by nature if the maturity is over one year since acquisition date; or presented under non-current assets due within one year if the maturity is within one year (inclusive) since the balance sheet date; or presented under cash and bank balances, notes receivable, accounts receivable, other receivables or other current assets by nature if the maturity is within one year (inclusive) since acquisition date.

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, the Group shall classify the financial asset into the financial assets at FVTOCI. Such type of financial assets are presented as other debt investments if the maturity is over one year since acquisition date; or presented under non-current assets due within one year if the maturity is within one year (inclusive) since the balance sheet date; or presented under financing with receivables or other current assets by nature if the maturity is within one year (inclusive) since acquisition date.

Upon initial recognition, the Group irrevocably designates non-held-for-trading equity instrument investment except contingent considerations recognized in the business combination not under the same control as financial assets at fair value through other comprehensive income. Such type of financial assets are presented as other equity instrument investment.

Financial assets meeting one of the following requirements indicate that the financial assets held by the Group are for trading:

- The obtaining of relevant financial assets is mainly for the purpose of sale in the near future;
- Relevant financial assets are part of the identifiable financial instrument combination under centralized management upon initial recognition and there is objective evidence indicating that recently there exists a short-term profit model.
- Relevant financial assets are derivatives, excluding derivatives following the definition of financial guarantee contracts as well as derivatives designated as effective hedging instruments.

Financial assets at FVTPL include financial assets at FVTPL and those designated as at FVTPL.

- Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are categorized into financial assets measured at FVTPL.

- On initial recognition, the Group may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

The financial assets at FVTPL is presented under held-for-trading financial assets. Where the financial assets are due after one year (or without fixed maturity) and expected to be held for more than one year, they are presented under other non-current financial assets.

10.1.1 **Financial assets measured at amortized cost**

Financial assets at amortized cost are measured subsequently at amortized cost using the effective interest method. Gains or losses arising from impairment or derecognition are recorded to profit or loss for the period.

The Group recognizes interest income for financial assets measured at amortized cost using the effective interest method. The Group determines the interest income by multiplying the carrying amount of financial assets by effective rate except the following situations:

- For purchased or original credit-impaired financial assets, the Group recognizes their interest income based on amortized cost and credit-adjusted effective interest rate of such financial assets since initial recognition.
- For purchased or original financial assets without credit-impairment but subsequently becoming credit-impaired, the Group subsequently recognizes their interest income based on amortized costs and effective interest rate of such financial assets. If there exists no credit impairment due to improvement in credit risk of the financial instruments subsequently and the improvement is relevant to an event incurred subsequent to the application of above provisions, the Group recognizes interest income based on applying effective interest rate to carrying amount of the financial assets.

10.1.2 Financial assets classified as at fair value through other comprehensive income (FVTOCI)

Except that gains or losses on impairment relating to financial assets at fair value through other comprehensive income, interest income calculated using effective interest rate and exchange gains or losses are recognized in profit or loss for the period, fair value changes in the above financial assets are included in other comprehensive income. The amount of the financial assets included into profit or loss of each period shall be regarded as equal as the amount measured at amortized cost through profit or loss over each period. Upon derecognition of the financial assets, cumulative gains or losses previously recognized in other comprehensive income are transferred and reclassified into profit or loss for the period.

The changes in fair value of non-held-for-trading equity investments designated as at fair value through other comprehensive income are included in retained earnings. Upon derecognition of the financial asset, cumulative gains or losses previously recognized in other comprehensive income are transferred and included in retained earnings. During the period for which the Group holds the investments in the non-held-for-trading equity instruments, dividend income is recognized and included in profit or loss for the period when 1) the Group's right to collect dividend has been established; 2) it is probable that economic benefits associated with dividend will flow to the Group; and 3) the amount of dividend can be reliably measured.

10.1.3 Financial assets classified as at fair value through profit or loss

Financial assets at fair value through profit or loss are measured subsequently at fair value with gains or losses arising from changes in the fair value and dividend and interest income relevant to the financial assets are recorded to profit or loss for the period.

10.2 Impairment of financial assets

For financial assets at amortized cost, financial assets at FVTOCI, lease receivable and financial guarantee contract etc., the Group makes accounting treatment for impairment and recognizes loss provision on the basis of expected credit loss.

The Group measures loss provision based on the amount equal to the lifetime ECL for all the contract assets and accounts receivable arising from the transactions under revenue standards.

For other financial instruments, except for purchased or original credit-impaired financial assets, at each balance sheet date, the Group assesses changes in credit risk of relevant financial instruments since initial recognition. If the credit risk of the above financial instruments has increased significantly since initial recognition, the Group measures loss allowance based on the amount of full lifetime; if credit risk of the financial instrument has not increased significantly since initial recognition, the Group recognizes loss allowance based on 12-month ECL of the financial instrument. Increase in or reversal of credit loss allowance is included in profit or loss as loss/gain on impairment, except for financial assets classified as at fair value

through other comprehensive income. The Group recognizes credit loss allowance for financial assets at FVOCI in other comprehensive income and recognizes loss/gain on impairment in profit or loss for the period, without reducing the carrying amount of the financial assets presented in the balance sheet.

The Group measured loss allowance at the full lifetime ECL of the financial instruments in the prior accounting period. However, as at the balance sheet date for the current period, for the above financial instruments, due to failure to qualify as significant increase in credit risk since initial recognition, the Group measures loss allowance for the financial instrument at 12-month ECL at the balance sheet date for the current period. Relevant reversal of loss allowance is included in profit or loss as gain on impairment.

10.2.1 Significant increase of credit risk

The Group will make use of reasonable and supportable forward-looking information that is available to determine whether credit risk has increased significantly since initial recognition through comparing the risk of a default occurring on the financial instruments as at the reporting date with the risk of a default occurring on the financial instruments as at the date of initial recognition.

The Group will take the following factors into consideration when assessing whether credit risk has increased significantly:

(1) Significant changes in internal price indicators of credit risk as a result of a change in credit risk;
(2) Significant change in the interest rate or other terms (e.g. stricter contract terms, increase of guarantees or collaterals or higher rate of return etc.) of the financial instrument, where the existing financial instrument is a new financial instrument originated or issued at the balance sheet date;
(3) Significant changes in external market indicators of the same financial instrument or similar financial instruments with the same estimated lifetime. These indicators include: credit spread, credit-default-swap prices for borrowers, the length of time and extent to which the fair value of the financial assets is below its amortized cost, other market information relating to the borrower (such as the changes in prices of the debt instrument or equity instrument of the borrower);
(4) Actual or expected significant changes in external ratings of the financial instrument;
(5) Actual or expected downwards grading of internal credit ratings of the debtor;
(6) Adverse changes in business, financial or economic conditions that are expected to cause a significant change in the debtor’s ability to meet its debt obligations;
(7) An actual or expected significant change in the operating results of the debtor;
(8) Significant changes in credit risk of other financial instruments issued by the same debtor;
(9) Significant adverse change in the regulatory, economic, or technological environment of the debtor;
(10) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the debtor’s economic incentive to make scheduled contractual payments or to otherwise have an effect on the probability of a default occurring;
(11) Significant changes in circumstances expected to reduce the debtor’s economic incentive to make scheduled contractual payments;
(12) Expected changes in the loan documentation including an expected breach of contract that may lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the financial instruments;
(13) Significant changes in the expected performance and behavior of the debtor;
(14) Changes in the Group’s credit management approach in relation to the financial instrument;

No matter whether the credit risk is increased significantly after above assessment, it indicates that the credit risk of such financial instrument has been increased significantly if it lasts over 30 (inclusive) days after the overdue payment of the financial instrument contract.

At balance sheet date, if the Group judges that the financial instruments solely has lower credit risk, the Group will assume that the credit risk of the financial instruments has not been significantly increased since initial recognition. If the risk of default on financial instruments is low, the borrowerie

When the Group expected occurrence of one or more events which may cause adverse impact on future cash flows of a financial asset, the financial asset will become a credit-impaired financial assets. Objective evidence that a financial asset is impaired includes the following observable events:

(1) Significant financial difficulty of the issuer or debtor;
(2) A breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
(3) The creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting a concession to the debtor;
(4) It becoming probable that the debtor 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 or the debtor;
(6) Purchase or originate a financial asset with a large scale of discount, which reflects facts of credit loss incurred.

Based on the internal credit risk management of the Group, the Group considers that a default event happens if the financial instrument debtor cannot make a repayment fully to the debtors including the Group (irrespective of any guarantee obtained by the Group) according to internal suggestions or external information.

10.2.3 Determination of expected credit loss

For notes receivable, accounts receivable, financing with receivables, other receivables, loans and advances, debt investments, other debt investments and long-term receivables, the Group determines the credit loss of relevant financial instruments on collective basis. The Group divides the financial instruments into different groups based on the shared risk characteristics. The shared risk characteristics adopted by the Group include: type of financial instruments, credit risk rating, type of collaterals, initial recognition date, remaining contractual period, industry of the debtor, geographical location of the debtor and the relative value of collaterals to the financial assets etc.

The Group determines expected credit losses of relevant financial instruments using the following methods:

- For a financial asset, a credit loss is the present value of the difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive;
- For a financial guarantee contract, the credit loss is the present value of the differences between estimated amount paid by the Group for the credit losses incurred by the contract holder and the amount the Group expects to receive from the contract holder, the debtor or any other party;
- For a financial asset with credit-impaired at the balance sheet date, but not purchased or originated credit-impaired, a credit losses is the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

The factors reflected in methods of measurement of expected credit losses include an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; time value of money; reasonable and supportable information about past events, current conditions and forecasts on future economic status at balance sheet date without unnecessary additional costs or efforts.

10.2.4 Write-down of financial assets

When the Group will no longer reasonably expect that the contractual cash flows of financial assets can be collected in aggregate or in part, the Group will directly write down the carrying amount of the financial asset, which constitutes derecognition of relevant financial assets.

10.3 Transfer of financial assets

The Group will derecognize a financial asset if one of the following conditions is satisfied: (i) the contractual rights to the cash flows from the financial asset expire; (ii) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; or (iii) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control of the financial asset, the Group will recognize the financial asset to the extent of its continuing involvement in the transferred financial asset and recognize an associated liability. The Group measures relevant liabilities as follows:

- For transferred financial assets carried at amortized cost, the carrying amount of relevant liabilities is the carrying amount of financial assets transferred with continuing involvement less amortized cost of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of amortized cost of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Relevant liabilities are not designated as financial liabilities at fair value through profit or loss.
- For financial assets carried at fair value, the carrying amount of relevant financial liabilities is the carrying amount of financial assets transferred with continuing involvement less fair value of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of fair value of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Accordingly, the fair value of relevant rights and obligations shall be measured on an individual basis.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) carrying amount of such financial asset transferred on the derecognition date; and (2) the sum of consideration received from the transfer of such financial asset and the amount of derecognized part in the accumulative changes in fair value that has been recognized in other comprehensive income, is recognized in profit or loss. Where the financial asset transferred by the Group is a non-trading equity instrument designated as at fair value through other comprehensive income, cumulative gains or losses previously recognized in other comprehensive income are transferred and included in retained earnings.

If a part of the transferred financial asset qualifies for derecognition, the overall carrying amount of the financial asset prior to transfer is allocated between the part that continues to be recognized and the part that is derecognized, based on the respective fair values of those parts at the date of transfer. The difference between (1) the carrying amount allocated to the part derecognized on the date of derecognition; and (2) the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income, is recognized in profit or loss. Where the financial asset transferred by the Group is a non-trading equity instrument designated as at fair value through other comprehensive income, cumulative gains or losses previously recognized in other comprehensive income are transferred and included in retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group will continuously recognize the transferred financial asset in its entirety. Considerations received due to transfer of assets should be recognized as a liability upon receipts.

10.4 Classification of financial liabilities and equity instrument

Financial instruments issued by the Group are classified into financial liabilities or equity instruments on the basis of the substance of the contractual arrangements and the economic nature not only its legal form, together with the definition of financial liability and equity instruments.

10.4.1 Financial liabilities at fair value through profit or loss

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

10.4.1.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss consist of financial liabilities held for trading (including derivative instruments of financial liabilities) and those designated as at fair value through profit or loss on initial recognition. The financial liabilities at fair value through profit or loss are presented as held-for-trading financial liabilities except for the derivative financial liabilities that are presented individually.

Financial liabilities meet one of the following conditions, indicating that the Group's purpose of undertaking the financial liabilities is transactional:

- The purpose of undertaking relevant financial liabilities is mainly for the recent repurchase;
- The relevant financial liabilities are part of the centrally managed identifiable financial instrument portfolio at initial recognition, and there is objective evidence that there is a short-term profits will presence in the near future;

- Related financial liabilities are derivatives, except for derivatives that meet the definition of a financial guarantee contract and that are designated as effective hedging instruments.

The Group designates a financial liability as at FVTPL upon initial recognition if any of the following criteria is satisfied: (1) such designation may eliminate or significantly reduce accounting mismatch; (2) according to the risk management or investment strategy specified in the Group's formal written documents, the fair value is used as the basis for management and performance assessment for the portfolio of financial liabilities or portfolio of financial assets and liabilities to which the financial liability belongs, meanwhile the management and performance assessment within the Group as well as the reporting to key management personnel are on such basis; (3) qualified hybrid contracts that contain embedded derivative instruments.

Held-for-trading financial liabilities are subsequently measured at fair value, and any gains or losses arising from changes in fair value and any dividend or interest income earned on the financial liabilities are recognized in profit or loss.

The amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability shall be presented in other comprehensive income, and upon the derecognition of such liability, the accumulated amount of change in fair value that is attributable to changes in the credit risk of t t the-0.12864 Tc (e) Tj0 Tc ( ) Tj-0r-0.29568

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.

10.5 Derivatives and embedded derivatives

Derivative financial instruments include forward exchange contracts, interest rate swap contracts and 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.

For the hybrid contract comprised of embedded derivatives and master contract, if the master contract belongs to financial assets, the Group shall apply the hybrid contract as a whole to the accounting standards on the classification of financial assets rather than split embedded derivatives from the hybrid contract.

The Group will split the embed derivatives from the hybrid contract to treat as a stand-alone derivative instrument if the master contract included in the hybrid contract does not belong to financial assets, and the following conditions are met:

(1) The economic characteristics of the embedded derivatives are not closely related to the economic characteristics and risk of the master contract.
(2) The stand-alone instrument which has the same terms of embedded derivatives conforms to the definition of derivative instruments.
(3) The hybrid contract is not measured at fair value through profit or loss over the current period.

Where an embedded derivative is split from a hybrid contract, the Group performs accounting treatment for the master contract of the hybrid contract in accordance with applicable accounting standards. Where the Group is unable to measure the fair value of an embedded derivative reliably in accordance with the terms and conditions of the embedded derivative, the fair value of such embedded derivative is determined as the difference between the fair value of the hybrid contract and that of the master contract. Where the fair value of such embedded derivative on the acquisition date or the subsequent balance sheet dates is still unable to be measured separately, the Group designates the hybrid contract in a whole into the financial instrument at fair value through profit or loss over the current period.

10.6 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.

11. Notes receivable

Determination and accounting methods of expected credit loss of notes receivable

☐Applicable √N/A

12. Accounts receivable

Determination and accounting methods of expected credit loss of accounts receivable

☐Applicable √N/A

13. Financing with receivables

√Applicable ☐N/A

The notes receivable classified as at FVTOCI are presented as financing with receivables. Related accounting policies are set out in Note V 10.1, 10.2, 10.3.

14. Other receivables

Determination and accounting methods of expected credit loss of other receivables

☐Applicable √N/A

15. Inventories

√Applicable ☐N/A

15.1 Categories of inventories

The Group's inventories mainly include raw materials, work-in-progress, finished goods or goods on hand. 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.

15.2 Valuation method of inventories upon delivery

The actual cost of inventories upon delivery is calculated using the weighted average method.

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.

15.3 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 conclusive evidence obtained, and takes into consideration the purposes of holding inventories and effect of post balance sheet events.

For large quantity and low price of inventories, the inventory impairment loss provision is appropriated by category. Provisions of other inventories are appropriated at cost of individual inventory item over its net realizable 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.

15.4 Inventory count system

The perpetual inventory system is maintained for stock system.

15.5 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.

16. Assets classified as held-for-sale

√Applicable ☐N/A

Non-current assets and disposal groups are classified as held for sale category when the Group recovers the book value through a sale (including an exchange of nonmonetary assets that has commercial substance) rather than continuing use.

Non-current assets or disposal groups classified as held for sale are required to satisfy the following conditions: (1) the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset or disposal group; (2) the sale is highly probable, i.e. the Group has made a resolution about selling plan and obtained a confirmed purchase commitment and the sale is expected to be completed within one year.

When there is loss of control over a subsidiary due to disposal of investments in the subsidiary, and the proposed disposal of investment in the subsidiary satisfies classification criteria of held-for-sale category, the investments in subsidiaries are classified as held-for-sale category as a whole in the company's separate financial statement , and all assets and liabilities of subsidiaries are classified as held-for-sale category in the consolidated financial statements regardless that part of the equity investments are remained after the sale.

The Group measures the no-current assets or disposal groups classified as held for sale at the lower of their carrying amount and fair value less costs to sell. Where the carrying amount is higher than the net amount of fair value less costs to sell, carrying amount should be reduced to the net amount of fair value less costs to sell, and such reduction is recognized in impairment loss of assets and included in profit or loss for the period. Meanwhile, provision for impairment of held-for-sale assets are made. When there is increase in the net amount of fair value of non-current assets held for sale less costs to sell at the balance sheet date, the original deduction should be reversed in impairment loss of assets recognized after the classification of held-for-sale category, and the reverse amount is include in profit or loss for the period. No reversal would be made in the impairment loss of assets recognized before classification of held-for sale category.

Non-current assets classified as held-for-sale or disposal groups are not depreciated or amortized, interest and other costs of liabilities of disposal group classified as held for sale continue to be recognized.

All or part of equity investments in an associate or joint venture are classified as held-for-sale assets. For the part that is classified as held-for-sale, it is no longer accounted for using the equity method since the date of the classification.

17. Debt investments

(1). Determination and accounting method of expected credit loss of debt investments

☐Applicable √N/A

18. Other debt investments

(1). Determination and accounting method of expected credit loss of other debt investments

☐Applicable √N/A

19. Long-term receivables

(1). Determination and accounting method of expected credit loss of long-term receivables

☐Applicable √N/A

20. **Long-term equity investments**

√Applicable ☐N/A

20.1 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, it has considered potential voting rights (e.g. exercisable convertible bonds and warrants) held by the investor and other parties.

20.2 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 stepwise 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. Where the previous equity investment is a non-trading equity instrument investment designated as at FVTOCI, the difference between its fair value and carrying amount, and the accumulated fair value changes previously included in other comprehensive income are transferred to retained earnings.

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" and the additional investment cost.

20.3 Subsequent measurement and recognition of profit or loss

20.3.1 *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.

20.3.2 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 and other comprehensive income of the investee for the period as investment income and other comprehensive income for the period. Meanwhile, carrying amount of long-term equity investment is adjusted: the carrying amount of long-term equity investment is decreased in accordance with its share of the investee's declared profit or cash dividends; Other changes in owners' equity of the investee other than net profit or loss and other comprehensive income are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognized in the capital reserve. The Group recognizes its share of the investee's net profit or loss based on the fair value of the investee's individual identifiable assets, etc. at the acquisition date after making appropriate adjustments. When the investors' accounting policies and accounting period are inconsistent with those of the Company, the Company recognizes investment income and other comprehensive income after making appropriate adjustments to conform to the Company's accounting policies and accounting period. However, unrealized gains or losses resulting from the Group's transactions with its associates and joint ventures, which do not constitute a business, are eliminated based on the proportion attributable to the Group and then investment gains or losses or is recognized. 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.

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.

20.4 Disposal of long-term equity investments

On disposal of a long term equity investment, the difference between the proceeds actually received and the carrying amount of receivables 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 owners' 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 stepwise transactions of disposal, if transactions are a bundled transaction, 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.

21. 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.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals.

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.

22. Fixed assets

(1). Recognition criteria for fixed assets

√ Applicable ☐N/A

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.

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.

(2). Depreciation method

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, depreciation method, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

√ Applicable ☐N/A

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	3 - 20	0 – 10%	4.5% - 33.33%
Electronic equipment, fixtures and furniture	Straight-line depreciation	2 - 20	0 – 10%	4.5% - 48%
Transportation vehicles	Straight-line depreciation	3 - 15	0 – 10%	6% - 33.33%
Molds	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.

(3). Identification, valuation and depreciation method for fixed assets under finance lease

√ Applicable ☐N/A

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

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.

(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.

23. Construction in progress

√ Applicable ☐N/A

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.

24. Borrowing costs

√ Applicable ☐N/A

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.

25. Biological assets

☐Applicable √N/A

26. Oil and gas assets

☐Applicable √N/A

27. Right-of-use assets

☐Applicable √N/A

28. Intangible assets

(1). Valuation method, useful life and impairment test

√Applicable ☐N/A

Intangible assets include land use rights, non-patent technology, royalty, software license, patents, and trademark, 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.

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

Specific impairment tests of relevant intangible assets are set out in Note (V) 29 Impairment of long-term assets.

(2). Accounting policies of internal research and development expenditure

√Applicable ☐N/A

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. Costs of intangible assets from internal development only include the total expenses incurred from the time point when the capitalization condition is satisfied to that when the intangible assets meet the expected purpose, and no adjustment should be made to an intangible asset that has been expensing and included into profit or loss before it met the capitalization condition in the process of development.

29. Impairment of long-term assets

√ Applicable ☐N/A

The Group assesses at each balance sheet date whether there is any indication that long-term equity investment, investment properties measured at cost method, 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 at least 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.

30. Long-term defered expenses

√ Applicable ☐N/A

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

31. Employee benefits

(1). Accounting treatment of short-term benefits

√ Applicable ☐N/A

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.

(2). Accounting treatment of post-employment benefits

√ Applicable ☐N/A

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); and
- Changes arising from 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. Re-measurements 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.

(3). Accounting treatment of termination benefits

√ Applicable ☐N/A

A liability for a termination benefit is recognized in profit or loss for the period at the earlier of when the Group cannot unilaterally withdraw from the termination plan or the redundancy offer and when the Group recognizes any related restructuring costs or expenses.

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.

(4). Accounting treatment of other long-term employee benefits

√ Applicable ☐N/A

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 re-measurement of net liabilities or net assets. Net value of these items is recognized in profit or loss, other comprehensive income or cost of related assets.

32. Lease liability

☐Applicable √N/A

33. Provisions

√Applicable ☐N/A

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.

34. Share-based payment

☐Applicable √N/A

35. Preference shares, perpetual bonds and other financial instruments

☐Applicable √N/A

36. Revenue

√Applicable ☐N/A

36.1 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.

36.2 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.

37. Government grants

√ Applicable □N/A

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

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

37.1 Determination basis 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.

A government grant related to an asset is charged against carrying amount of related assets or recognized as deferred income, if it is recognized as deferred income, it will be included in profit or loss over the useful life of related asset. A government grant related to an asset is charged against carrying amount of related assets or recognized as deferred income and included in profit or loss over the useful life of the related asset.

37.2 Determination basis and accounting treatment of government grants related to income

The Group's government grants mainly include allowance for project development and fiscal subsidies. 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 or charged against the related cost over the periods in which the related costs or losses are recognized; If the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss or charged against related cost for the period.

A government grant related to the Group's daily activities is recognized in other income based on the nature of economic activities; a government grant not related to the Group's daily activities is recognized in non-operating income.

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 com mou e e t A sog0.12864 Tc (e) Tj-0.055684 Tc (y)c ( )0 Tc (o) Tj-0.2956-0.24 Tc (n) Tj0 -ouc (c) Tj0 Tc (o) Tj-0.20 Tc

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

38.1 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.

38.2 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.

38.3 Offset of income tax

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.

39. 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.

(1). Accounting treatment of operating lease

√ Applicable ☐N/A

39.1.1 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.

39.1.2 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.

(2). Accounting treatment of finance lease

√ Applicable ☐N/A

39.2.1 The Group as lessee under finance leases

Recognition and measurement of finance leased assets are set out in Note (V) 22.3 Identification, valuation and depreciation method for fixed assets under finance lease.

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 within one year.

39.2.2 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 receivables and the portion of long-term receivables due within one year for presentation.

(3). Determination and accounting method of leases under the New Lease Standards

☐Applicable √N/A

40. Other significant accounting policies and accounting estimates

√ Applicable ☐N/A

40.1 Hedge accounting

40.1.1 Basis for hedge accounting and method of accounting treatment

To manage the risk exposures arising from the specific risks such as foreign currency risk, interest rate risk, etc., the Group designates certain financial instruments as hedging instruments to hedge the risks. For hedges that satisfy specified criteria, the Group adopts hedge accounting treatment. The Group's hedges include cash flow hedges. Hedges of interest rate risk arising from specified commitments are accounted for as cash flow hedges.

At the inception of a hedge, the Group records the relationship between the hedging instrument and hedged item, risk management objective and strategy for undertaking various hedging transactions. At the inception and in subsequent periods, the hedge is assessed for effectiveness by the Group on an ongoing basis so as to determine whether the hedge is highly effective throughout the accounting periods for which the hedging relationship was designated.

Where any of the following scenarios is satisfied, the Group will cease to use hedge accounting:

- the hedging relationship no longer satisfies risk management objectives due to the changes of risk management objectives;
- the hedging instrument has expired, been sold, terminated or exercised;
- the economic relationship between the hedged item and hedging instrument no longer exists, or the impact of credit risk is becoming a dominating factor of changes in value arising from the economic relationship between the hedged item and hedging instrument.
- the hedging relationship no longer satisfy other criteria of using hedge accounting.

Cash flow hedges

For gains or losses from hedging instruments, the part attributable to effective hedges is considered as cash flow hedge reserves and included in other comprehensive income; while the part attributable to ineffective hedges is included in profit or loss. The amount of cash flow hedge reserves is determined at the lower of absolute amounts of: accumulated gains or losses of the hedging instrument since the commencement of the hedge; accumulated changes of present value of expected future cash flows of the hedged item since the commencement of the hedge.

Where the hedged item is an expected transaction that results in that the Group subsequently recognizes a non-financial asset or non-financial liability, or the expected transaction of non-financial asset or non-financial liability forms a specified commitment that is applicable to fair value hedge accounting, the Group will transfer the cash flow hedge reserve previously recognized in other comprehensive income to the initially recognized amount of the asset or liability. For cash flow hedges other than those involved in above scenarios, the Group transfers the cash flow hedge reserve previously recognized in other comprehensive income to profit or loss in the period in which the profit or loss is affected by expected cash flows of the hedged item. If the cash flow hedge reserve recognized in other comprehensive income is a loss, and the loss (or part of it) is not expected to be made up for in future accounting periods, the part that is not expected to be made up for is transferred from other comprehensive income to profit or loss when the Group makes such anticipation.

When the Group ceases to use the hedge accounting for cash flow hedges, if it is still expected that the hedged future cash flows will occur, the accumulated cash flow hedge reserve is retained, and accounted for using the above method; if it is expected that the hedged future cash flows will not occur, the accumulated cash flow hedge reserve is transferred from other comprehensive income to profit or loss.

40.1.2 Methods of assessment of effectiveness of hedges

The Group continuously assesses whether the hedging relationship satisfies the requirements of hedging effectiveness on the commencement date of the hedge and in subsequent periods. Where the hedge satisfies all of the following criteria, the Group will consider that the hedging relationship satisfies the requirements of hedging effectiveness:

- there is economic relationship between the hedged item and hedging instrument;
- the impact of credit risk is not the dominating factor of changes in value arising from the economic relationship between the hedged item and hedging instrument;
- the hedging ratio of hedging relationship will equal to the ratio of the number of items hedged by the Group to the actual number of hedging instruments.

Where the hedging relationship no longer satisfies the requirements of hedging effectiveness due to the reason of hedging ratio, but the risk management objective of the hedging relationship remains unchanged, the number of hedged items or hedging instruments where the hedging relationship exits is adjusted so as to make the hedging ratio satisfy the requirements of hedging effectiveness again.

40.2 Accounting treatment of assets securitization

The Group transfers part of the individual automotive mortgage loans or portfolios of finance lease receivables to structured entities, which will then issue securities to the investors (hereinafter refer to as "assets securitization transactions"). The interests of securitized financial assets are reflected in the form of preferred asset-backed securities or subordinated asset-backed securities. The subordinated asset-backed securities are not allowed to be transferred before the settlement of principal and interest of preferred asset-backed securities in full amount.

For assets securitization transaction that does not satisfy the criteria of derecognition, relevant financial assets are not derecognized and the funds raised from third party investors are accounted for as financing transactions.

For assets securitization transaction where the Group neither transferred nor retained substantially all the risks and rewards of the ownership of the financial assets, but retained control over the financial assets, the Group continue to recognize the transferred assets to the extent of its continuing involvement in the transferred assets and recognizes relevant liabilities.

When the assets securitization results in derecognition of (part of) the financial assets, the Group allocates the carrying amount of the transferred assets based on the respective fair value of the derecognized financial assets and the financial assets with retained interests. The gains of losses from the securitization transaction, i.e. the difference between the consideration received and the carrying amount of the derecognized financial assets, are included in profit or loss.

In applying the accounting policies of assets securitization, the Group has taken into consideration of the extent of risks and rewards transferred to other entity, as well as the extent of the Group's control over the entity:

- when the Group has transferred substantially all the risks and rewards of the ownership of the financial assets, the Group derecognizes the financial assets;
- when the Group retained substantially all the risks and rewards of the ownership of the financial assets, the Group continue to recognize the financial assets;
- If the Group neither transferred nor retained substantially all the risks and rewards of the ownership of the financial assets, the Group will consider whether it has control over the financial assets. If the Group retains no control, the Group will derecognize the financial assets, and respectively recognize rights and obligations from or retained in the transfer as assets or liabilities. If the Group retains control, the Group will recognize the financial assets to the extent of continuing involvement in the financial assets and recognize relevant liabilities.

40.3 Criteria of recognition of discontinued operation and accounting treatment

Discontinued operation represents the component that satisfies any of the following criteria and can be separately distinguished, and the component has been disposed or classified as held for sale:

- the component represents an independent major business or a major operation area；
- the component is a part of the plan relating to the proposed disposal of an independent major business or a separate major operation area;
- the component is a subsidiary obtained especially for resale purpose.

The gains or losses from derecognition are presented separately from operating profit or loss in the income statement. The operating profit or loss and gains or losses on disposal such as impairment losses from discontinued operations and amount of reversal, etc. are presented as discontinued operations. The Group presents the information previously presented as profit or loss from continuing operations as discontinued operations for the comparative accounting period in the current financial statements.

40.4 Transfer of assets under repurchase agreement

40.4.1 Financial assets purchased under resale agreements

According to agreement, financial assets to be sold on a 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 the price to purchase and price to sell the asset is calculated by effective interest method, and recognized in interest income.

40.4.2 Financial assets sold under repurchase agreements

According to agreement, financial assets to be purchased on a 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 the price to purchase and price to sell the asset is calculated by effective interest method, and recognized in interest expenses.

40.5 Production safety fee

Production safety fee 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 of production safety fee 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.

40.6 Exchange of non-monetary assets

If the exchange of non-monetary assets is of commercial substance, and the fair value of assets received or surrendered can be reliably measured, the exchange of non-monetary assets is measured at fair value. The asset received is initially measured at cost which is the sum of the fair value of assets surrendered and related tax payable; for the asset surrendered, upon derecognition, the difference between the fair value of the asset surrendered and its carrying amount is included in profit or loss. Where there is objective evidence indicating the fair value of the asset received is more reliable, the initially recognized amount of the asset received is the sum of the fair value of the asset received and related tax payable; for the asset surrendered, upon derecognition, the difference between the fair value of the asset received and the carrying amount of the asset surrendered is included in profit or loss.

For exchange of non-monetary assets not satisfying the criteria of measurement at fair value, it is measured at carrying amount. For the asset received, the initially recognized amount is the sum of the carrying amount of the asset surrendered and related tax payable; for the asset surrendered, upon derecognition, no profit or loss is recognized upon derecognition.

When the time point of recognition of asset received is different from the time point of derecognition of asset surrendered, and where the asset received satisfies the criteria of recognition while the asset surrendered does not satisfy the criteria of derecognition, the obligation to deliver the asset surrendered is recognized as a liability at the meantime of recognition of asset received; where the asset received does not satisfy the criteria of recognition while the asset surrendered satisfies the criteria of derecognition, the right to obtained the asset received is recognized as an asset at the meantime of derecognition of the asset surrendered.

40.7 Debt restructuring

40.7.1 Recording of debt restructuring obligation as the debtor

Where a debt is restructured in the manner of settlement of debt with asset, the Group will derecognize relevant asset and settled debt upon satisfaction of criteria of derecognition. The difference between the carrying amount of the settled debt and the carrying amount of the transferred asset is included in profit or loss.

Where the debt is restructured in the manner of debt-to-equity conversion, the Group will derecognize the settled debts upon satisfaction of criteria of derecognition. Upon initial recognition, the equity instrument is measured at fair value. If the fair value of the equity instrument cannot be reliably measured, it is measured at the fair value of the settled debts. The difference between the carrying amount of the settled debts and the recognized amount of the equity instrument is recognized in profit or loss.

Where the debt is restructured by revising other terms, the Group will recognize and measure the restructured debt in accordance with "Accounting Standards for Business Enterprises No.22 – Recognition and Measurement of Financial Instruments" and "Accounting Standards for Business Enterprises No.37 – Presentation of Financial Instruments".

Where the debt is restructured through settlement of debt with multiple assets or through portfolios, the Group will recognize and measure equity instrument and restructuring debts using the above methods. The difference between the carrying amount of the settled debt and the sum of carrying amount of the transferred assets and recognized amount of the restructured debt is included in profit or loss.

40.7.2 Recording debt restructuring obligation as the creditor

Where a debt is restructured in the manner of settlement of debt with asset, upon initial recognition, the assets other than the financial assets received are measured at cost. Therein, the cost of inventories includes the fair value of debt waived and other direct costs incurred to bring the assets to current location and conditions, such as tax, transportation fee, handling charges, insurance premium, etc. The cost of investments in associates or joint ventures includes the fair value of debt waived and other costs directly attributable to the asset, such as tax etc. The cost of investment properties includes the fair value of debt waived and other costs directly attributable to the asset, such as tax etc. The cost of fixed assets include the fair value of debt waived and other direct costs incurred to bring the assets to current location and conditions, such as tax, transportation fee, handling charges, installation fee, professional service fee, etc. The cost of intangible assets include the fair value of debt waived and other direct costs incurred to bring the assets to current location and conditions, such as tax, etc. The difference between the fair value of debt waived and its carrying amount is included in profit or loss.

Where the debt restructuring through debt-to-equity instrument conversion results in the Group's conversion of debts to equity investments in associates or joint ventures, the Group will measure the initial investment cost at the fair value of the debt waived and other costs directly attributable to the asset, such as tax, etc. The difference between the fair value of debt waived and its carrying amount is included in profit or loss.

Where the debt is restructured by revising other terms, the Group will recognize and measure the restructured debt in accordance with "Accounting Standards for Business Enterprises No.22 – Recognition and Measurement of Financial Instruments".

Where the debt is restructured through settlement of debt with multiple assets or through portfolios, the Group will first recognize and measure the financial assets received and restructured debts in accordance with "Accounting Standards for Business Enterprises No.22 – Recognition and Measurement of Financial Instruments", the allocate the fair value of debts waived net of the recognized amounts of financial assets received and restructured debt according to the respective fair value of the assets other than the financial assets received. And the cost of each asset is determined using aforesaid methods on such basis. The fair value of the debt waived and its carrying amount is included in profit or loss.

41. Significant changes in accounting policies and estimates

(1). Changes in significant accounting policies

√ Applicable ☐N/A

Changes of accounting policies and reasons for the changes	Approval procedures	Remark (name and amount of significantly affected items in the financial statements)
Implementation of New Financial Instrument Standards	Approved by the 5th session of the seventh board of directors, the 5th session of the seventh board of supervisors	Details are set out below

Other descriptions

The Group implements the *Accounting Standards for Business Enterprises No.22 – Recognition and Measurement of Financial Instrument, Accounting Standards for Business Enterprises No.23 – Transfer of Financial Instruments, Accounting Standards for Business Enterprises No.24 – Hedge Accounting and Accounting Standards for Business Enterprises No.37 – Presentation of Financial Instrument* (the "New Financial Instrument Standards") revised b -12.48 Ter

and financial assets at FVTPL) on the basis of contractual cash flow characteristics and the business model used by the Group to manage such assets, and cancels the classification to loans and receivables, held-to-maturity investments and available-for-sale financial assets etc. under previous financial instrument standards. The equity investments are generally classified as financial assets at FVTPL, and it is also allowed to irrevocably designate the non-trading equity investments as financial assets at FVTOCI, and the accumulated changes in fair value previously included in other comprehensive income shall not be included in profit or loss upon disposal.

In respect of the impairment, the requirements of New Financial Instrument Standards regarding impairment are applicable to financial assets at amortized cost, financial assets at FVTOCI, lease receivable and specific unutilized loan commitments and financial guarantee contracts. The New Financial Instrument Standards requires recognition of credit loss provision using expected credit loss model to replace the previous incurred credit loss model. The impairment model adopts three-stage model, and the credit loss provision is assessed based on 12-month ECL or lifetime ECL depending on whether the credit risk has increased significantly since initial recognition of relevant items.

In respect of hedge accounting, the New Financial Instrument Standards improved the applicability of hedge accounting, combing the hedge accounting with enterprise risk management more closely.

Where the recognition and measurement of financial instruments prior to January 1, 2019 are inconsistent with the requirements of the New Financial Instrument Standards, the Group will make retrospective adjustments in accordance with the New Financial Instrument Standards. Where the comparative figures of prior period are inconsistent with the New Financial Instrument Standards, the comparative figures are not adjusted. The difference between the original carrying amount of the financial instrument and the new carrying amount at the application date of the New Financial Instrument Standards is included in retained earnings or other comprehensive income at January 1, 2019.

(2). Changes in significant accounting estimates

☐Applicable √N/A

(3). Adjustment on the related opening balances in the financial statements for the current year due to implementation of New Financial Instruments Standards, New Revenue Standards or New Lease Standards since 2019

√Applicable ☐N/A

Consolidated Balance Sheet

Unit: RMB

Item	December 31, 2018	January 1, 2019	Adjustments
Current assets:			
Cash and bank balances	123,771,376,378.50	123,771,376,378.50	
Balances with clearing agencies			
Placements with banks and other financial institutions			
Held-for-trading financial assets		38,962,323,652.23	38,962,323,652.23
Financial assets at fair value through profit or loss	26,561,958,372.83		-26,561,958,372.83
Derivative financial assets			
Notes receivable	20,960,437,399.34	5,112,814,572.67	-15,847,622,826.67
Accounts receivable	40,129,806,051.07	40,100,962,318.30	-28,843,732.77
Financing with receivables		9,019,071,632.12	9,019,071,632.12
Prepayments	18,693,772,988.65	18,693,772,988.65	
Premiums receivable			
Amounts receivable under reinsurance contracts			
Reinsurer's share of insurance contract reserves			
Other receivables	16,098,675,531.76	15,253,051,253.60	-845,624,278.16
Including: Interest receivable	845,875,895.56	239,026,584.31	-606,849,311.25
Dividends receivable	1,684,077,535.91	1,684,077,535.91	

Financial assets purchased under resale agreements	664,270,025.14	664,995,954.06	725,928.92
Inventories	58,942,623,891.76	58,942,623,891.76	
Held-for-sale assets	80,713,400.00	80,713,400.00	
Non-current assets due within one year	68,482,616,753.87	68,479,422,816.59	-3,193,937.28
Other current assets	78,989,593,361.29	82,183,216,861.29	3,193,623,500.00
Total current assets	453,375,844,154.21	461,264,345,719.77	7,888,501,565.56
Non-current assets:			
Loans and advances	83,622,585,035.57	83,765,249,775.22	142,664,739.65
Debt investments		407,000,000.00	407,000,000.00
Available-for-sale financial assets	23,930,347,255.24		-23,930,347,255.24
Other debt investments		1,059,460,112.10	1,059,460,112.10
Held-to-maturity investments			
Long-term receivables	6,837,413,269.79	6,834,116,075.02	-3,297,194.77
Long-term equity investments	70,930,412,035.35	70,930,412,035.35	
Investments in other equity instruments		12,793,440,069.72	12,793,440,069.72
Other non-current financial assets		1,535,997,716.87	1,535,997,716.87
Investment properties	3,189,719,135.21	3,189,719,135.21	
Fixed assets	69,187,280,487.53	69,187,280,487.53	
Construction in progress	20,849,258,157.42	20,849,258,157.42	
Bearer biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	14,008,333,485.71	14,008,333,485.71	
Development expenditure	538,649,981.13	538,649,981.13	
Goodwill	1,481,372,227.53	1,481,372,227.53	
Long-term deferedexpenses	2,046,972,887.33	2,046,972,887.33	
Deferred tax assets	27,929,663,770.25	27,972,554,968.77	42,891,198.52
Other non-current assets	4,841,997,958.74	4,780,139,394.91	-61,858,563.83
Total non-current assets	329,394,005,686.80	321,379,956,509.82	-8,014,049,176.98
TOTAL ASSETS	782,769,849,841.01	782,644,302,229.59	-125,547,611.42
Current liabilities:			
Short-term borrowings	16,726,440,287.46	16,726,440,287.46	
Loans from the central bank			
Taking from banks and other financial institutions	51,770,000,000.00	52,110,658,288.27	340,658,288.27
Held-for-trading financial liabilities		977,399,765.77	977,399,765.77
Financial liabilities at fair value through profit or loss	977,399,765.77		-977,399,765.77
Derivative financial liabilities			
Notes payable	29,561,215,637.83	29,561,215,637.83	
Accounts payable	125,265,496,964.04	125,265,496,964.04	
Receipts in advance	15,354,857,292.90	15,354,857,292.90	
Financial assets sold under repurchase agreements	470,099,390.00	470,099,390.00	
Customer deposits and deposits from banks and other financial institutions	71,888,866,760.03	71,988,278,391.57	99,411,631.54
Funds from securities trading agency			
Funds from underwriting securities agency			
Employee benefits payable	9,421,027,458.19	9,421,027,458.19	
Taxes payable	10,574,884,976.00	10,574,884,976.00	
Other payables	67,550,463,107.22	66,695,847,507.41	-854,615,599.81

Including: Interest payable	962,428,254.89	107,812,655.08	-854,615,599.81
Dividends payable	647,498,222.92	647,498,222.92	
Fees and commissions payable			
Amounts payable under reinsurance contracts			
Held-for-sale liabilities			
Non-current liabilities due within one year	14,613,907,051.50	14,613,907,051.50	
Other current liabilities	148,482,040.29	150,275,665.50	1,793,625.21
Total current liabilities	414,323,140,731.23	413,910,388,676.44	-412,752,054.79
Non-current liabilities:			
Insurance contract reserves			
Long-term borrowings	19,157,930,619.58	19,157,930,619.58	
Bonds payable	13,374,792,430.97	13,787,544,485.76	412,752,054.79
Including: Preference shares			
Perpetual bonds			
Lease liability			
Long-term payables	1,197,541,788.28	1,197,541,788.28	
Long-term employee benefits payable	5,853,234,035.63	5,853,234,035.63	
Provisions	15,265,687,656.41	15,265,687,656.41	
Deferred income	26,610,620,988.75	26,610,620,988.75	
Deferred tax liabilities	2,266,676,112.19	2,266,676,112.19	
Other non-current liabilities			
Total non-current liabilities	83,726,483,631.81	84,139,235,686.60	412,752,054.79
TOTAL LIABILITIES	498,049,624,363.04	498,049,624,363.04	
SHAREHOLDERS' EQUITY:			
Share capital	11,683,461,365.00	11,683,461,365.00	
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve	55,322,945,530.44	55,322,945,530.44	
Less: Treasury shares			
Other comprehensive income	8,014,045,544.15	8,124,396,447.82	110,350,903.67
Special reserve	509,046,814.71	509,046,814.71	
Surplus reserve	40,843,171,648.51	40,843,171,648.51	
General risk reserve	2,898,526,086.15	2,898,526,086.15	
Retained earnings	115,097,364,967.32	114,915,766,538.81	-181,598,428.51
Total owners' equity attributable to equity holders of the Company	234,368,561,956.28	234,297,314,431.44	-71,247,524.84
Minority interests	50,351,663,521.69	50,297,363,435.11	-54,300,086.58
TOTAL SHAREHOLDERS EQUITY	284,720,225,477.97	284,594,677,866.55	-125,547,611.42
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	782,769,849,841.01	782,644,302,229.59	-125,547,611.42

Description of adjustments of items:

√ Applicable ☐N/A

Summary of Impacts of Initial Application of New Financial Instrument Standards at January 1, 2019 (Consolidated)

Unit: RMB

Item	Carrying amount under previous standards December 31, 2018	Impact of implementation of New Financial Instrument Standards						Carrying amount under New Financial Instrument Standards January 1, 2019
		Reclassification				Remeasurement		
		Transfer from financial assets previously classified as loans and receivables (Note 1)	Transfer from financial assets previously classified as available-for-sale financial assets (Note 2)	Transfer from financial assets/liabilities previously measured at fair value through profit or loss (Note 3)	Others (Note 5)	ECL (Note 4)	Change from cost measurement to fair value measurement (Note 1, 2)	
Held-for-trading financial assets		6,823,754,460.29	7,011,410,654.68	25,025,960,655.96	6,371,528.31		94,826,352.99	38,962,323,652.23
Financial assets at FVTPL	26,561,958,372.83			-26,561,958,372.83				
Notes receivable	20,960,437,399.34	-15,844,072,431.58				-3,550,395.09		5,112,814,572.67
Accounts receivable	40,129,806,051.07					-28,843,732.77		40,100,962,318.30
Financing with receivables		9,020,317,971.29					-1,246,339.17	9,019,071,632.12
Other receivables	16,098,675,531.76				-606,849,311.25	-238,774,966.91		15,253,051,253.60
Financial assets purchased under resale agreement	664,270,025.14				725,928.92			664,995,954.06
Non-current assets due within one year	68,482,616,753.87					-3,193,937.28		68,479,422,816.59
Other current assets	78,989,593,361.29		3,193,623,500.00					82,183,216,861.29
Loans and advances	83,622,585,035.57				238,854,605.44	-96,189,865.79		83,765,249,775.22
Debt investments					407,000,000.00			407,000,000.00
Available-for-sale financial assets	23,930,347,255.24		-23,930,347,255.24					
Other debt investments			1,043,704,299.69		15,755,812.41			1,059,460,112.10
Long-term receivables	6,837,413,269.79					-3,297,194.77		6,834,116,075.02
Investments in other equity instruments			12,681,608,800.87				111,831,268.85	12,793,440,069.72
Other non-current financial assets				1,535,997,716.87				1,535,997,716.87
Deferred tax assets	27,929,663,770.25					29,743,238.90	13,147,959.62	27,972,554,968.77
Other non-current assets	4,841,997,958.74				-61,858,563.83			4,780,139,394.91
Takings from banks and other financial instructions	51,770,000,000.00				340,658,288.27			52,110,658,288.27
Held-for-trading financial liabilities				977,399,765.77				977,399,765.77

Financial liabilities at FVTPL	977,399,765.77			-977,399,765.77				
Customer deposits and deposits from banks and other financial institutions	71,888,866,760.03				99,411,631.54			71,988,278,391.57
Other payables	67,550,463,107.22				-854,615,599.81			66,695,847,507.41
Other current liabilities	148,482,040.29				1,793,625.21			150,275,665.50
Bonds payable	13,374,792,430.97				412,752,054.79			13,787,544,485.76
Other comprehensive income	8,014,045,544.15		20,968,163.15				89,382,740.52	8,124,396,447.82
Retained earnings	115,097,364,967.32		-20,968,163.15			-302,808,139.78	142,177,874.42	114,915,766,538.81
Minority interests	50,351,663,521.69					-41,298,713.93	-13,001,372.65	50,297,363,435.11

Note 1: Transfer from financial assets previously classified as loans and receivables

In the course of its business, the Group discounts or endorses some of the notes receivable before they are mature.

As the Group managed a part of the its notes receivable by using a business model of which the objective was not only to receive the contractual cash flow but also to sell such financial assets, as at 1 January 2019, the notes receivable amounting to RMB 9,020,317,971.29 were reclassified from financial assets classified as loans and receivables to financial assets measured at fair value through other comprehensive income and included in the receivables financing. Besides, the re-measurement of the notes receivable previously measured at amortized cost to fair value resulted in a decrease of RMB 1,246,339.17 in the carrying amount of the receivables financing and a corresponding reduction in other comprehensive income.

The Group managed the other part of its notes receivable by using a business model of which the objective was to sell such financial assets. Therefore, as at 1 January 2019, the notes receivable amounting to RMB 6,823,754,460.29 were reclassified from financial assets classified as loans and receivables to financial assets measured at fair value through profit or loss and included in the held-for-trading financial assets. Besides, the re measurement of the notes receivable previously measured at amortized cost to fair value resulted in a decrease of RMB 81,769,691.31 in the carrying amount of the held-for-trading financial assets, together with an increase of RMB 13,068,006.86 in deferred tax assets, a decrease of RMB 34,283,514.57 in minority interests and a decrease of RMB 34,418,169.88 in retained earnings.

Note 2: Transfer from financial assets previously classified as available for sale

Transfer from available-for-sale financial assets to investments in other equity instruments

As at 1 January 2019, available-for-sale financial assets amounting to RMB 12,681,608,800.87 were designated as financial assets at fair value through other comprehensive income and included in investments in other equity instruments, which were investments in held-for-trading equity instruments and would not be sold in a foreseeable future by the Group. In the above available-for-sale financial assets, RMB 841,379,494.64 that were not quoted in an active market and of which the fair value could not be measured reliably, were measured at cost in prior period according to previous standards. As at 1 January 2019, such part of equity investment was measured at fair value, resulting in an increase of RMB 111,831,268.85 in the carrying amount of investments in other equity instruments, together with an increase of RMB 79,952.76 in deferred tax assets, an increase of RMB 90,629,079.69 in other comprehensive income (changes in fair value of investments in other equity instruments) and an increase of RMB 21,282,141.92 in minority interests. Besides, impairment loss for the owners' equity attributable to equity holders of the Company recognized in prior periods amounted to RMB 22,446,226.13, which was transferred from retained earnings to other comprehensive income (changes in fair value of investments in other equity instruments) at 1 January 2019.

Transfer from available-for-sale financial assets to held-for-trading financial assets

As at 1 January 2019, available-for-sale financial assets amounting to RMB 7,011,410,654.68 were reclassified as financial assets at fair value through profit or loss and included in held-for-trading financial assets, with accumulated loss from changes in fair value as measured at fair value amounting to RMB 43,414,389.28 was transferred from other comprehensive income (profit or loss from changes in fair value

As at 1 January 2019, according to the contractual terms of the available-for-sale debt instruments amounting to RMB 4,237,327,799.69, the cash flows they generated on a specific date were payments of principal and interest based on the outstanding principal, and the Group managed such financial assets by using a business model of which the objective was not only to receive the contractual cash flow but also to sell such financial assets. Therefore, this part of financial assets were reclassified from the available-for-sale financial asset to financial assets measured at fair value through other comprehensive income and included RMB 3,193,623,500.00 in other current assets and RMB 1,043,704,299.69 in other debt investments.

Note 3: Transfer from financial assets/liabilities previously classified as at fair value through profit or loss

As at 1 January 2019, the Group classified equity instruments and debt instruments carrying an amount of RMB 26,561,958,372.83 to financial assets at fair value through profit or loss and included RMB 25,025,960,655.96 in held-for-trading financial assets and RMB 1,535,997,716.87 in other non-current financial assets.

As at 1 January 2019, the Group designated the interests of other shareholders in structured entities carrying an amount of RMB 977,399,765.77 as financial liabilities at fair value through profit or loss and included in held-for-trading financial liabilities.

Note 4: Expected credit loss (“ECL”)

As at 1 January 2019, the Group recognized credit loss provision impairment of accounts receivable, other financial assets classified as at amortized cost and debt instruments at fair value through other comprehensive income according to the new standards of financial instruments. Specifically, the effects include:

For notes receivable and accounts receivable, the Group adopted simplified method to measure the expected credit loss according to the new standards of financial instruments, i.e. the provision was assessed at an amount equivalent to lifetime expected credit loss, resulting in an increase of RMB 3,550,395.09 in the credit loss provision of notes receivable and an increase of RMB 28,843,732.77 in credit loss provision of accounts receivable as at 1 January 2019, together with an increase of RMB 2,577,253.03 in deferred tax assets, an decrease of RMB 3,578,535.48 in minority interests and an decrease of RMB 26,238,339.35 in retained earnings.

For other financial assets at amortized cost (mainly include other receivables, loans and advances, non-current assets due within one year, and long-term receivables), the Group adopted three-phase model to measure the expected credit loss according to the new standards of financial instruments. Based on whether the credit risk has increased significantly after the initial recognition of relevant items, the credit loss provision was assessed according to the expected credit loss for 12 months or its lifetime, resulting in an increase of RMB 341,455,964.75 in the credit loss provision of other receivables, loans and advances, non-current assets due within one year and long-term receivables as at 1 January 2019, an increase of RMB 27,165,985.87 in deferred tax assets, a decrease of RMB 37,720,178.45 in minority interests, and a decrease of RMB 276,569,800.43 in retained earnings.

Note 5: Others

As at 1 January 2019, the Group included interest provided on financial instruments based on the effective interest rate method in the book balance of corresponding financial instruments, transferred RMB 6,371,528.31 of the interest receivable under other receivables in held-for-trading financial assets amounting to RMB 606,849,311.25, RMB 725,928.92 in financial assets purchased under resale agreements, RMB 345,141,436.17 in other non-current assets, RMB 238,854,605.44 in loans and advances, and RMB 15,755,812.41 in other debt investments, and transferred RMB 340,658,288.27 of interest payable under other payables amounting to RMB 854,615,599.81 in taking from banks and other financial institutions,

RMB 99,411,631.54 in customers deposits, RMB 412,752,054.79 in bonds payable and RMB 1,793,625.21 in other current liabilities.

As the Group managed entrusted loans by using a business model of which the objective was to collect contractual cash flow, as at 1 January 2019, the Group reclassified long-term entrusted loans amounting to RMB 407,000,000.00 from other non-current assets to financial assets at amortized cost, and included in debt investments.

The following table set forth the reconciliation between the loss provision previously recognized according to the original standards of financial instruments and the credit loss provision recognized according to the new standards of financial instruments of the financial assets measured at amortized cost and the financial assets classified as at fair value through other comprehensive income as at 1 January 2019.

Statement of Reconciliation of the Consolidated Credit Loss Provision as at 1 January 2019 (Consolidated)

Unit: RMB

Item	Impairment provision recognized under original standards of financial instruments	Reclassification	Expected loss provision as re-measured	Credit loss provision recognized under new standards of financial instruments
Credit loss provision of financial assets:				
Credit loss provision of notes receivable			3,550,395.09	3,550,395.09
Bad debt provision / credit loss provision of accounts receivable	1,645,574,103.01		28,843,732.77	1,674,417,835.78
Credit loss provision of receivables financing				
Bad debt provision / credit loss provision of other receivables	745,936,660.61		238,774,966.91	984,711,627.52
Impairment provision / credit loss provision of entrusted loans	90,000,000.00			90,000,000.00
Loss provision / credit loss provision of loans and advances	6,535,951,905.80		96,189,865.79	6,632,141,771.59
Impairment provision of available-for-sale financial assets	846,762,690.87	-846,762,690.87)		
Credit loss provision of other debt investments				
Bad debt provision / credit loss provision of long-term receivables	448,326,669.51		6,491,132.05	454,817,801.56
Impairment provision / credit loss provision of other non-current assets	237,819,336.36			237,819,336.36
Sub-total of credit loss provision of financial assets	**10,550,371,366.16**	**-846,762,690.87)**	**373,850,092.61**	**10,077,458,767.90**

Balance Sheet of the Company

Unit: RMB

Item	31 December 2018	1 January 2019	Adjustments
Current assets:			
Cash and bank balances	65,270,094,412.35	65,270,094,412.35	
Held-for-trading financial assets			
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable	3,685,023,144.94	2,409,802,454.92	-1,275,220,690.02
Accounts receivable	2,420,857,752.11	2,405,474,403.89	-15,383,348.22
Receivables financing		1,259,342,666.00	1,259,342,666.00
Prepayments	422,726,331.27	422,726,331.27	

Other receivables	8,452,326,721.12	8,331,930,818.94	-120,395,902.18
Including: Interest receivable	1,068,804,496.43	1,068,804,496.43	
Dividends receivable	1,401,149,536.35	1,401,149,536.35	
Inventories	5,066,183,360.72	5,066,183,360.72	
Held-for-sale assets			
Non-current assets due within one year	220,000,000.00	220,000,000.00	
Other current assets	1,795,559,060.29	1,795,559,060.29	
Total current assets	87,332,770,782.80	87,181,113,508.38	-151,657,274.42
Non-current assets:			
Debt investments		10,113,138,800.00	10,113,138,800.00
Available-for-sale financial assets	7,815,170,714.40		-7,815,170,714.40
Other debt investments			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments	126,617,133,347.57	126,617,133,347.57	
Investments in other equity instruments		7,815,170,714.40	7,815,170,714.40
Other non-current financial assets			
Investment properties	279,357,608.03	279,357,608.03	
Fixed assets	9,397,105,933.55	9,397,105,933.55	
Construction in progress	4,091,602,479.41	4,091,602,479.41	
Bearer biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	2,687,633,257.29	2,687,633,257.29	
Development expenditure	491,796,612.09	491,796,612.09	
Goodwill			
Long-term defered expenses			
Deferred tax assets			
Other non-current assets	10,152,668,068.64	39,529,268.64	-10,113,138,800.00
Total non-current assets	161,532,468,020.98	161,532,468,020.98	
TOTAL ASSETS	248,865,238,803.78	248,713,581,529.36	-151,657,274.42
Current liabilities:			
Short-term borrowings			
Held-for-trading financial liabilities			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable	455,182,068.00	455,182,068.00	
Accounts payable	25,520,968,862.24	25,520,968,862.24	
Receipts in advance	2,235,358,890.39	2,235,358,890.39	
Employee benefits payable	1,674,403,681.66	1,674,403,681.66	
Taxes payable	268,417,005.42	268,417,005.42	
Other payables	1,337,656,450.85	1,337,656,450.85	
Including: Interest payable	11,090,062.50	11,090,062.50	
Dividends payable			
Held-for-sale liabilities			
Non-current liabilities due within one year	2,298,908,678.20	2,298,908,678.20	
Other current liabilities			

Total current liabilities	33,790,895,636.76	33,790,895,636.76	
Non-current liabilities:			
Long-term borrowings	7,720,000,000.00	7,720,000,000.00	
Bonds payable			
Including: Preference shares			
Perpetual bonds			
Lease liability			
Long-term payables	769,707,669.35	769,707,669.35	
Long-term employee benefits payable	3,502,882,676.16	3,502,882,676.16	
Provisions	1,950,623,933.94	1,950,623,933.94	
Deferred income	2,515,135,076.12	2,515,135,076.12	
Deferred tax liabilities	637,884,700.77	637,884,700.77	
Other non-current liabilities			
Total non-current liabilities	17,096,234,056.34	17,096,234,056.34	
TOTAL LIABILITIES	50,887,129,693.10	50,887,129,693.10	
SHAREHOLDERS' EQUITY:			
Share capital	11,683,461,365.00	11,683,461,365.00	
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve	65,129,333,550.92	65,129,333,550.92	
Less: Treasury shares			
Other comprehensive income	4,493,845,449.56	4,493,845,449.56	
Special reserve			
Surplus reserve	40,843,171,648.51	40,843,171,648.51	
[illegible]	[illegible]	[illegible]	[illegible]

Explanation on the adjustments:

√ Applicable ☐N/A

Summary of Initial Implementation of New Standards of Financial Instruments since 1 January 2019 (The Company)

Unit: RMB

Item	Carrying amount under original standards 31 December 2018	Effect of the implementation of new standards of financial instruments				Carrying amount under new standards of financial instruments 1 January 2019
		Reclassification			Re-measurement	
		Transfer from financial assets previously classified as loans and receivables (Note 1)	Transfer from financial assets previously classified as available for sale (Note 2)	Others (Note 4)	Expected credit loss (Note 3)	
Notes receivable	3,685,023,144.94	-1,259,342,666.00			-15,878,024.02	2,409,802,454.92
Accounts receivable	2,420,857,752.11				-15,383,348.22	2,405,474,403.89
Receivables financing		1,259,342,666.00				1,259,342,666.00
Other receivables	8,452,326,721.12				-120,395,902.18	8,331,930,818.94
Debt investments				10,113,138,800.00		10,113,138,800.00
Available-for-sale financial assets	7,815,170,714.40		-7,815,170,714.40			
Investments in other equity instruments			7,815,170,714.40			7,815,170,714.40
Other non-current assets	10,152,668,068.64			-10,113,138,800.00		39,529,268.64
Retained earnings	75,828,297,096.69				-151,657,274.42	75,676,639,822.27

Note 1: Transfer from financial assets previously classified as loans and receivables

In managing the liquidity, the Company discounts or endorses the bank acceptances before they are mature, and will derecognize the bank acceptances discounted or endorsed provided that the Company has transferred almost all the risks and rewards to the related counterparties.

As the Company managed bank acceptances receivable by using a business model of which the objective was not only to collect contractual cash flow but also to sell such financial assets, as at 1 January 2019, the notes receivable amounting to RMB 1,259,342,666.00 were reclassified from financial assets classified as loans and receivables to financial assets at fair value through other comprehensive income and included in receivables financing.

Note 2: Transfer from financial assets previously classified as available for sale

As at 1 January 2019, available-for-sale financial assets amounting to RMB 7,815,170,714.40 were designated as financial assets at fair value through other comprehensive income and included in investments in other equity instruments, which were investments in held-for-trading equity instruments and would not be sold in a foreseeable future by the Company. In the above available-for-sale financial assets, RMB 494,566,740.00 that were not quoted in an active market and of which the fair value could not be measured reliably, were measured at cost

in prior period according to previous standards, and were invested by SAIC in the Company's share purchase transactions with SAIC and Shanghai Automotive Industry Co., Ltd. in 2011, of which impairment had been provided fully before investments.

Note 3: Expected credit loss

As at 1 January 2019, the Company recognized credit loss provision impairment of accounts receivable and other financial assets classified as at amortized cost according to the new standards of financial instruments. Specifically, the effects include:

For notes receivable and accounts receivable, the Company adopted simplified method to measure the expected credit loss according to the new standards of financial instruments, i.e. the provision was assessed at an amount equivalent to lifetime expected credit loss, resulting in an increase of RMB 15,878,024.02 in the credit loss provision of notes receivable and a decrease of RMB 15,878,024.02 in retained earnings as at 1 January 2019; as well as an increase of RMB 15,383,348.22 in credit loss provision and an decrease of RMB 15,383,348.22 in retained earnings as at 1 January 2019.

For other receivables, the Company adopted three-phase model to measure the expected credit loss according to the new standards of financial instruments. Based on whether the credit risk has increased significantly after the initial recognition of relevant items, the credit loss provision was assessed according to the expected credit loss for 12 months or its lifetime, resulting in an increase of RMB 120,395,902.18 in the credit loss provision of other receivables and a decrease of RMB 120,395,902.18 in retained earnings as at 1 January 2019.

Note 4: Others

As the Company managed entrusted loans by using a business model of which the objective was to collect contractual cash flow, as at 1 January 2019, the Company reclassified long-term entrusted loans amounting to RMB 10,113,138,800.00 to financial assets at amortized cost, and included in debt investments.

The following table set forth the reconciliation between the loss provision previously recognized according to the original standards of financial instruments and the credit loss provision recognized according to the new standards of financial instruments of the financial assets measured at amortized cost and the financial assets classified as at fair value through other comprehensive income as at 1 January 2019.

Statement of Reconciliation of the Credit Loss Provision as at 1 January 2019 (The Company)

Unit: RMB

Item	Impairment provision recognized under original standards	Reclassification	Expected loss provision as re-measured	Credit loss provision recognized under new standards of financial instruments
Credit loss provision of financial assets:				
Bad debt provision / credit loss provision of notes receivable			15,878,024.02	15,878,024.02
Bad debt provision / credit loss provision of accounts receivable			15,383,348.22	15,383,348.22
Credit loss provision of receivables financing				
Bad debt provision / credit loss provision of other receivables			120,395,902.18	120,395,902.18
Impairment provision / credit loss provision of entrusted loans				
Impairment provision of available-for-sale financial assets	494,566,740.00	-494,566,740.00		
Sub-total of credit loss provision of financial assets	**494,566,740.00**	**-494,566,740.00**	**151,657,274.42**	**151,657,274.42**

(4) Explanation on adjusting the comparable figures for the prior periods retroactively due to due to implementation of new standards of financial instruments or new lease standards since 2019

☐Applicable √ N/A

42. Others

√ Applicable ☐N/A

42.1 New exchange standards of non-monetary assets

The revised Accounting Standards for Business Enterprises No. 7—Exchange of Non-Monetary Assets (Cai Kuai (2019) No. 8, hereinafter referred to as “new exchange standards of non-monetary assets”) which was

issued by the Ministry of Finance on 9 May 2019 and applied since 10 June 2019 revised the definition of the exchange of non-monetary assets; defined the applicable scope of the standards; specified the time point to recognize the assets received and derecognize the assets surrendered, as well as the accounting principles when the time point to recognize the assets received and the time point to derecognize the assets surrendered; detailed the accounting treatment of the exchange of non-monetary assets; and added the relevant disclosure requirements.

The new exchange standards of non-monetary assets have no significant impact on the financial statements.

42.2 New standards of debt restructuring

The revised Accounting Standards for Business Enterprises No. 12—Debt Restructuring (Cai Kuai (2019) No. 9, hereinafter referred to as “new standards of debt restructuring”) issued by the Ministry of Finance on 16 May 2019 and applied since 17 June 2019 revised the definition of debt restructuring; defined the applicable scope of standards; revised the accounting treatment of debt restructuring; and simplified the disclosure requirements in debt restructuring.

The new exchange standards of debt restructuring have no significant impact on the financial statements.

42.3 Presentation format of financial statements

The Group has prepared the financial statements for the year 2019 in accordance with the Notice of the Revised Format of 2019 Financial Statements for General Business Enterprises (Cai Kuai (2019) No. 6, hereinafter referred to as the "Cai Kuai No.6 Document") issued by the Ministry of Finance on 30 April 2019. Cai Kuai No.6 Document revised the presenting accounts in the balance sheet and income statement and split "Notes and accounts receivable" to be "Notes receivable" and "Accounts receivable", and "Notes and accounts payable" to be "Notes payable" and "Accounts payable". It also specified or revised the presentation of line items of "Non-current assets due within one year", "Deferred income", "Other equity instruments", "Research and development expenses", "Interest income" under "Financial expenses", "Other income", "Gains on disposal of assets", "Non-operating income" and "Non-operating expenses", and adjusted the presenting location of "Impairment losses of assets", and specified the presentation of "Capital contribution of holders of other equity instruments". For the changes of the above presentation items, the Company restated the comparative figures of prior year.

VI. TAXES

1. Major categories of taxes and tax rates

Information of major categories of taxes and tax rates

√ Applicable ☐N/A

Category of tax	Basis of tax computation	Tax rate
Value-added tax	Sales of goods, rending of processing and repair and replacement services, and tangible movable property rental service	13%, 16%
	Transportation service	9%, 10%
	Modern service (excluding real estate leases and tangible movable property rental services) (including research and technical services, and logistics support services, etc.)	6%
	Immovable property rental services	10%, 9%, 5%
	Financial services	6%
Consumption tax	Sales of automobiles by vehicle manufacturer	1% - 25%
Enterprise income tax	Enterprise taxable income	15%, 25%

Note: The value-added tax (“VAT”) is the output tax after deducting input tax deductible. Before 1 April 2019, 16% or 10% is applicable to the taxable sale of goods, transportation services and immovable lease, etc. In accordance with the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (Announcement [2019] No. 39 of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs), since 1 April 2019, the original applicable tax rate of 16% for taxable sales is adju ae rate oeis tryapplicabl l s is le%

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(1) According to Enterprise Income Tax Law of the People's Republic of China (hereinafter referred to as "EIT Law") and other related regulations, the Company is recognized as a High-Technology Enterprise which is qualified to get the State's special support from 2008, enjoying a preferential tax rate of 15% of enterprise income tax. The Company passed the review/reassessment of High-Technology Enterprise in 2011, 2014 and 2017, and obtained the certificate of High-Technology Enterprise. Therefore, the applicable income tax rate for the Company is 15% for the current year and last year.

(2) SAIC GM Wuling Co., Ltd. ("SGMW") is located in Liuzhou, Guangxi, which is covered in grand western development area, and has incorporated the Chongqing Branch in Chongqing. On 20 August 2014, the Catalogue of Encouraged Industries in the Western Region (Order of The National Development and Reform Commission No.15) has included vehicle manufacturing and special vehicle manufacturing in the catalogue of encouraged industries of Guangxi and Chongqing. According to the 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 EIT Law and other related regulations, SAIC Motor Transmission Co., Ltd. ("SAIC Transmission"), Shanghai Diesel Engine Co., Ltd. ("Shanghai Diesel"), DIAS Automotive Electronic Systems Co., Ltd. ("DIAS Electronic") and SAIC-IVECO Hongyan Commercial Vehicle Co., Ltd. ("IVECO Hongyan") are recognized as a High-Technology Enterprises which is qualified to get the State's special support, in which SAIC Transmission, Shanghai Diesel and DIAS Electronic passed the reassessment of High-Technology Enterprise in 2017, and obtained the certificate of High-Technology Enterprise valid from 2017 to 2019, and IVECO Hongyan passed the reassessment of High-Technology Enterprise in 2018, and obtained the certificate of High-Technology Enterprise valid from 2018 to 2020. Therefore, these companies are subject to the EIT rate of 15% in the current year.

(4) In the current year, the EIT rate applicable to the overseas subsidiaries is subject to the local tax requirements.

3. Others

☐Applicable √N/A

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

√ Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Cash on hand	3,524,842.95	4,377,293.17
RMB	2,956,636.47	3,849,218.16
Other currencies	568,206.48	528,075.01
Bank balances	109,298,022,130.97	106,805,208,016.94
RMB	96,442,837,153.29	96,080,138,132.88
USD	8,011,320,753.78	8,115,731,699.39
THB	1,076,993,197.38	338,474,817.12
EUR	867,073,643.25	326,676,215.41
GBP	603,753,593.86	832,472,622.54
AED	522,322,152.74	75,162,549.09
INR	374,516,950.04	250,907,351.31
HKD	279,180,821.86	252,866,834.26
AUD	245,910,766.93	131,540,135.87
CZK	243,625,680.00	
CLP	182,056,909.89	115,041,552.09
MYR	109,645,732.39	621,099.56
IDR	189,409,556.06	167,416,690.02

ZAR	72,082,196.18	3,156,616.58
JPY	5,126,124.07	43,621,283.20
Other currencies	72,166,899.25	71,380,417.62
Other monetary funds	18,525,289,708.33	16,961,791,068.39
RMB	18,296,134,031.76	16,898,761,158.91
Other currencies	229,155,676.57	63,029,909.48
Total	**127,826,836,682.25**	**123,771,376,378.50**
Including: Cash and bank balances deposited abroad	10,201,043,942.59	8,442,015,168.28

Other explanations
Details of restricted cash and bank balances are as follows:

Unit: RMB

Item	31 December 2019	1 January 2019
Bank balances		
- Pledged for bank acceptances	415,129,790.46	1,530,666,945.25
- Others	11,963,207.78	28,648,761.37
Other monetary funds		
- Restricted deposits at the central bank (Note)	10,370,435,816.20	9,569,824,911.90
- Deposits for bank draft	7,058,257,083.47	6,352,193,473.08
- Pledged for letters of credit	134,556,197.59	50,759,359.66
- Others	13,756,640.06	21,870,118.36
Total	**18,004,098,735.56**	**17,553,963,569.62**

Note: It represents the general deposit reserve deposited at the central bank by SFC and SAIC-GMAC as required. SFC and SAIC-GMAC contribute restricted deposits at the central bank in accordance with its regulations, and the above-mentioned deposits should not be used for daily operations.

2. Held-for-trading financial assets

√ Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Financial assets at fair value through profit or loss	49,796,599,024.47	38,962,323,652.23
Including:		
Bond investment	5,723,081,459.55	6,732,992,340.86
Stock and fund investment	34,769,424,836.85	25,433,794,084.08
Bank acceptances	9,284,033,134.38	6,741,984,768.98
Derivative instruments	20,059,593.69	53,552,458.31
Financial assets designated as at fair value through profit or loss		
Total	**49,796,599,024.47**	**38,962,323,652.23**

Other explanations:
☐Applicable √N/A

3. Derivative financial assets

☐Applicable √N/A

4. Notes receivable

√ Applicable ☐N/A

(1) Presentation of notes receivable by categories

√ Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Bank acceptances	4,607,251,687.60	4,725,864,665.19
Commercial acceptances	1,637,840,845.14	386,949,907.48
Total	**6,245,092,532.74**	**5,112,814,572.67**

(2) The Company s pledged notes receivable at the end of the period

√ Applicable ☐N/A

Unit: RMB

Item	31 December 2019
Bank acceptances	453,721,649.00
Total	**453,721,649.00**

(3) Notes receivable endorsed or discounted by the Company to other parties which are not yet due at the balance sheet date

☐Applicable √ N/A

(4) Notes receivable reclassified to accounts receivable due to the drawer's inability to settle the notes on maturity

☐Applicable √ N/A

(5) Disclosure by categories under bad debt provision methods

√ Applicable ☐N/A

Unit: RMB

Category	31 December 2019					1 January 2019				
	Book balance		Bad debt provision		Carrying amount	Book balance		Bad debt provision		Carrying amount
	Amount	(%)	Amount	(%)		Amount	(%)	Amount	(%)	
Bad debt provision on a portfolio basis	6,255,400,196.93	100.00	10,307,664.19	0.16	6,245,092,532.74	5,116,364,967.76	100.00	3,550,395.09	0.07	5,112,814,572.67
Total	**6,255,400,196.93**	**100.00**	**10,307,664.19**	**0.16**	**6,245,092,532.74**	**5,116,364,967.76**	**100.00**	**3,550,395.09**	**0.07**	**5,112,814,572.67**

Bad debt provision on an individual basis:

☐Applicable √ N/A

Bad debt provision on a portfolio basis:

√ Applicable ☐N/A

Unit: RMB

Item	31 December 2019		
	Notes receivable	Bad debt provision	(%)
Bank acceptances	4,607,251,687.60	-	-
Commercial acceptances	1,648,148,509.33	10,307,664.19	0.63
Total	**6,255,400,196.93**	**10,307,664.19**	**0.16**

Recognition standards of bad debt provision on a portfolio basis and the explanations thereon

☐Applicable √N/A

If bad debt provision is made by using general model of expected credit loss, please refer to disclosure of other receivables:

☐Applicable √N/A

(6) Details of bad debt provision

√Applicable ☐N/A

Unit: RMB

Type	1 January 2019	Changes for the period			31 December 2019
		Provision	Recovery or reversal	Write-off or charge-off	
Commercial acceptances	3,550,395.09	10,307,664.19	-3,550,395.09		10,307,664.19
Total	**3,550,395.09**	**10,307,664.19**	**-3,550,395.09**		**10,307,664.19**

In the current period, the recovery or reversal of bad debt provision that is significant is as follows:

☐Applicable √N/A

(7) Notes receivable actually written off in the current period

☐Applicable √N/A

Other explanations:

☐Applicable √N/A

5. Accounts receivable

(1) Disclosure of accounts receivable by aging:

√Applicable ☐N/A

Unit: RMB

Aging	31 December 2019
Sub-total of accounts receivable within 1 year	39,371,628,242.21
1-2 years	1,688,126,703.86
2-3 years	223,425,555.85
Over 3 years	57,454,941.99
Total	**41,340,635,443.91**

(2) Disclosure by categories under bad debt provision methods

√Applicable ☐N/A

Unit: RMB

Category	31 December 2019					1 January 2019				
	Book balance		Bad debt provision		Carrying amount	Book balance		Bad debt provision		Carrying amount
	Amount	(%)	Amount	(%)		Amount	(%)	Amount	(%)	
Bad debt provision on an individual basis	360,653,808.91	0.83	360,653,808.91	100.00		185,483,205.91	0.44	185,483,205.91	100.00	
Including:										

High-risk receivables	360,653,808.91	0.83	360,653,808.91	100.00		185,483,205.91	0.44	185,483,205.91	100.00	
Bad debt provision on a portfolio basis	43,137,001,664.71	99.17	1,796,366,220.80	4.16	41,340,635,443.91	41,589,896,948.17	99.56	1,488,934,629.87	3.58	40,100,962,318.30
Including										
General portfolio	43,137,001,664.71	99.17	1,796,366,220.80	4.16	41,340,635,443.91	41,589,896,948.17	99.56	1,488,934,629.87	3.58	40,100,962,318.30
Total	43,497,655,473.62	100.00	2,157,020,029.71	4.96	41,340,635,443.91	41,775,380,154.08	100.00	1,674,417,835.78	4.01	40,100,962,318.30

Bad debt provision on an individual basis

√ Applicable ☐N/A

Unit: RMB

Item	31 December 2019			
	Book balance	Bad debt provision	(%)	Reason
High-risk receivables	360,653,808.91	360,653,808.91	100.00	
Total	**360,653,808.91**	**360,653,808.91**	**100.00**	/

Explanation on bad debt provision on an individual basis:

☐Applicable √N/A

Bad debt provision on a portfolio basis:

√ Applicable ☐N/A

Items on a portfolio basis: General portfolio

Unit: RMB

Item	31 December 2019		
	Accounts receivable	Bad debt provision	(%)
Within 1 year	39,820,704,846.06	449,076,603.85	1.13
1-2 years	2,136,087,158.36	447,960,454.50	20.97
2-3 years	495,193,739.92	271,768,184.07	54.88
Over 3 years	685,015,920.37	627,560,978.38	91.61
Total	**43,137,001,664.71**	**1,796,366,220.80**	**4.16**

Recognition standards of bad debt provision on a portfolio basis and the explanations thereon

√ Applicable ☐N/A

As a part of the Group's credit risk management, the Group assessed the expected credit loss of accounts receivable by using their aging in respect of general portfolio. The Group's management considered that the aging of accounts receivable could reflect the clients' ability to pay accounts receivable on maturity. In determining the expected credit loss of accounts receivable, the Group took the historical actual impairment condition, the present situation and the forecast of future economic condition into considerations to determine the corresponding expected credit risk and calculate the expected credit loss.

If bad debt provision is made by using general model of expected credit loss, please refer to disclosure of other receivables:

☐Applicable √N/A

(3) Details of bad debt provision

√ Applicable ☐N/A

Unit: RMB

Type	1 January 2019	Changes for the period				31 December 2019
		Provision	Recovery or reversal	Write-off or charge-off	Others	
Credit loss provision	1,674,417,835.78	815,988,842.23	-354,011,974.16	-2,231,992.34	22,857,318.20	2,157,020,029.71
Total	1,674,417,835.78	815,988,842.23	-354,011,974.16	-2,231,992.34	22,857,318.20	2,157,020,029.71

Recovery or reversal of bad debt provision that is significant:

☐Applicable √N/A

(4) Accounts receivable actually written off in the current period

☐Applicable √N/A

(5) Top five accounts receivable categorized by debtors

√ Applicable ☐N/A

Name	Relationship with the Group	Amount	Aging	Proportion to total accounts receivable (%)
Company 1	Joint venture	4,136,387,776.35	Within 1 year	9.51
Company 2	Joint venture	3,954,261,089.59	Within 1 year	9.09
Company 3	Third party	942,213,440.03	Within 1 year	2.17
Company 4	Associate	865,182,988.95	Within 1 year	1.99
Company 5	Joint venture	740,071,812.67	Within 1 year	1.70
Total		**10,638,117,107.59**		**24.46**

(6) Accounts receivable derecognized due to transfer of financial assets

☐Applicable √N/A

(7) Assets and liabilities arising from transfer of accounts receivable and continuous involvement:

☐Applicable √N/A

Other explanations:

√ Applicable ☐N/A

At the year-end, accounts receivable carrying an amount of RMB 363,761,124.97 were pledged to banks as the collateral for loans.

6. Financing with receivables

√ Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Notes receivable - Bank acceptances	11,401,837,512.65	9,019,071,632.12
Total	**11,401,837,512.65**	**9,019,071,632.12**

Movements of accounting receivable financing and the changes in fair value:

☐Applicable √N/A

If bad debt provision is made by using general model of expected credit loss, please refer to disclosure of other receivables:

☐Applicable √N/A

Other explanations:

☐Applicable √N/A

7. Prepayments

(1) Aging analysis of prepayments is as follows:

√Applicable ☐N/A

Unit: RMB

Aging	31 December 2019		1 January 2019	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	28,507,620,415.28	98.51	18,291,915,180.48	97.85
1-2 years	292,984,652.62	1.01	264,810,455.87	1.42
2-3 years	82,855,748.52	0.29	64,050,507.12	0.34
Over 3 years	55,662,235.79	0.19	72,996,845.18	0.39
Total	**28,939,123,052.21**	**100.00**	**18,693,772,988.65**	**100.00**

(2) Top five prepayments categorized by receivers

√Applicable ☐N/A

Unit: RMB

Name	Relationship with the Group	31 December 2019	Aging	Proportion to total prepayments (%)
Company 1	Joint venture	19,675,759,323.95	Within 1 year	67.99
Company 2	Joint venture	2,257,688,088.11	Within 1 year	7.80
Company 3	Third party	973,735,921.79	Within 1 year	3.36
Company 4	Third party	935,318,805.00	Within 1 year	3.23
Company 5	Third party	301,682,950.39	Within 1 year	1.04
Total		**24,144,185,089.24**		**83.42**

Other explanations

√Applicable ☐N/A

At the end of current year and prior year, RMB 558,855.00 was recognized as bad debt provision of prepayments, which was not changed in the current year.

8. Other receivables

Presentation by items

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Interest receivable	323,603,469.30	239,026,584.31
Dividends receivable	1,066,824,275.97	1,684,077,535.91
Other receivables	13,212,193,113.97	13,329,947,133.38

Total	**14,602,620,859.24**	**15,253,051,253.60**

Other explanations:
☐Applicable √N/A

Interest receivable

(1) Classification of interest receivable

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Time deposits	296,198,444.47	166,669,526.70
Loans	22,460,180.18	38,568,110.93
Bonds investments		42,127.36
Deposits at banks and other financial institutions	4,944,844.65	33,746,819.32
Total	**323,603,469.30**	**239,026,584.31**

(2) Significant overdue interest

☐Applicable √N/A

(3) Details of bad debt provision accrued

☐Applicable √N/A

Other explanations:
☐Applicable √N/A

Dividends receivable

(4) Dividends receivable

√Applicable ☐N/A

Unit: RMB

Item (or investee)	31 December 2019	1 January 2019
Dividends receivable due from joint ventures	824,196,255.34	1,439,206,472.20
Dividends receivable due from associates	194,840,471.09	212,272,837.39
Others	47,787,549.54	32,598,226.32
Total	**1,066,824,275.97**	**1,684,077,535.91**

(5) Significant dividends receivable aged more than one year

☐Applicable √N/A

(6) Details of bad debt provision accrued

☐Applicable √N/A

Other explanations:
☐Applicable √N/A

Other receivables

(7) Disclosure of other receivables by aging

√ Applicable ☐N/A

Unit: RMB

Aging	31 December 2019
Sub-total of other receivables within 1 year	8,448,652,068.26
1-2 years	3,715,904,917.74
2-3 years	733,000,007.92
Over 3 years	314,636,120.05
Total	**13,212,193,113.97**

(8) Classification of other receivables by nature

√ Applicable ☐N/A

Unit: RMB

Nature	31 December 2019	1 January 2019
New energy vehicle subsidies	7,260,675,697.35	7,581,128,249.35
Disposal of assets	436,959,144.34	507,559,144.34
Advances to project	699,162,174.07	440,636,611.27
Guarantees and deposits, etc.	5,923,900,158.39	5,785,334,755.94
Total	**14,320,697,174.15**	**14,314,658,760.90**

(9) Details of bad debt provision accrued

☐Applicable √ N/A

Bad debt provision in the current period and the basis to assess whether credit risk of financial instruments is increased significantly:

☐Applicable √ N/A

(10) Details of bad debt provision

√ Applicable ☐N/A

Unit: RMB

Type	1 January 2019	Changes for the period				31 December 2019
		Provision	Recovery or reversal	Write-off or charge-off	Others	
Other receivables	984,711,627.52	191,662,067.34	-68,825,047.49	-31,960.16	987,372.97	1,108,504,060.18
Total	**984,711,627.52**	**191,662,067.34**	**-68,825,047.49**	**-31,960.16**	**987,372.97**	**1,108,504,060.18**

In the current period, the recovery or reversal of bad debt provision that is significant is as follows:

☐Applicable √ N/A

(11) Other receivables actually written off in the current period

☐Applicable √ N/A

(12) Top five other receivables categorized by debtors

√ Applicable ☐N/A

Unit: RMB

Name	31 December 2019	Aging	Proportion to total other receivables (%)
Company 1	5,498,653,278.00	Within 1 to 4 years	38.40
Company 2	1,762,022,419.35	Within 1 to 3 years	12.30

Company 3	436,959,144.34	Within 1 year	3.05
Company 4	328,222,500.00	Within 1 year	2.29
Company 5	124,180,382.61	Within 1 year	0.87
Total	**8,150,037,724.30**	/	**56.91**

(13) Other receivables related to government grants

☐Applicable √N/A

(14) Other receivables derecognized due to transfer of financial assets

☐Applicable √N/A

(15) Assets and liabilities arising from transfer of other receivables and continuous involvement:

☐Applicable √N/A

Other explanations:

☐Applicable √N/A

9. Financial assets purchased under resale agreements

Unit: RMB

Item	31 December 2019	1 January 2019
Financial assets purchased under resale agreements	13,542,369,331.38	664,995,954.06

10. Inventories

(1) Categories of inventories

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019			1 January 2019		
	Book balance	Provision for decline in value	Carrying amount	Book balance	Provision for decline in value	Carrying amount
Raw materials	9,346,371,569.98	877,488,313.77	8,468,883,256.21	9,312,995,212.88	596,942,890.22	8,716,052,322.66
Work-in- process	2,055,293,202.23	88,757,571.06	1,966,535,631.17	1,755,616,001.05	79,061,731.18	1,676,554,269.87
Goods on hand	45,782,796,518.77	1,819,582,049.81	43,963,214,468.96	50,256,426,066.75	1,706,408,767.52	48,550,017,299.23
Total	**57,184,461,290.98**	**2,785,827,934.64**	**54,398,633,356.34**	**61,325,037,280.68**	**2,382,413,388.92**	**58,942,623,891.76**

(2) Provision for decline in value of inventories

√Applicable ☐N/A

Unit: RMB

Item	1 January 2019	Increase during the period		Decrease during the period		31 December 2019
		Provision	Others	Reversal or write-off	Others	
Raw materials	596,942,890.22	318,342,459.90	154,838,808.67	180,416,292.41	12,219,552.61	877,488,313.77
Work-in- process	79,061,731.18	27,605,051.82	23,216,240.52	40,626,321.46	499,131.00	88,757,571.06
Goods on hand	1,706,408,767.52	1,333,764,521.51	18,057,946.10	1,238,649,185.32		1,819,582,049.81
Total	**2,382,413,388.92**	**1,679,712,033.23**	**196,112,995.29**	**1,459,691,799.19**	**12,718,683.61**	**2,785,827,934.64**

Details of provision for decline in value of inventories

Item	Basis of provision for decline in value of inventories	Reason for reversal of provision for decline in value of inventories
Raw materials	Lower of cost or net realizable value	Value rebound

[illegible]	Lower of cost or net realizable value	[illegible]
Finished goods or goods on hand	Lower of cost or net realizable value	Value rebound

(3) Explanations on capitalized amount included in the closing balance of inventories

☐Applicable √N/A

(4) Completed but not yet billed assets arising from construction contract

☐Applicable √N/A

Other explanations

☐Applicable √N/A **e/ a √N/A Tj-0.18432 Tc.055HTc ( ) Tj-0.24 Tc (a) TjTc (/) Tj-0.18432 T0.35136 Tc (h) Tj.11136 Tc**

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(1) Details of debt investments

Unit: RMB

Item	31 December 2019			1 January 2019		
	Book balance	Credit impairment provision	Carrying amount	Book balance	Bad debt provision	Carrying amount
Long-term loans issued	130,539,051,957.18	4,634,767,424.36	125,904,284,532.82	150,528,768,841.28	4,450,414,798.07	146,078,354,043.21
Less: Long-term loans due within one year	45,461,598,919.31	1,384,372,012.34	44,077,226,906.97	64,009,388,234.04	1,696,283,966.05	62,313,104,267.99
Long-term loans due after one year	85,077,453,037.87	3,250,395,412.02	81,827,057,625.85	86,519,380,607.24	2,754,130,832.02	83,765,249,775.22

(2) Credit risks of loans are set forth as below:

Unit: RMB

	31 December 2019			
	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	
Total principal of loans and advances	187,150,220,368.88	9,959,215,031.48	767,173,051.13	**197,876,608,451.49**
Less: Impairment loss on loans	5,140,276,381.52	997,483,339.16	572,991,349.42	**6,710,751,070.10**
Loans and advances - net	182,009,943,987.36	8,961,731,692.32	194,181,701.71	**191,165,857,381.39**

(3) Changes in loss provision of loans and advances are as follows:

Unit: RMB

Item	2019			
	12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	Total
Balance at 1 January 2019	5,649,391,420.02	644,890,201.89	337,860,149.68	6,632,141,771.59
Changes for the year				
- Transfer to Stage 2	-24,165,333.85	24,165,333.85		
- Transfer to Stage 3	-3,892,743.77	-26,855,511.58	30,748,255.35	
- Transfer back to Stage 2		896,885.09	-896,885.09	
- Transfer back to Stage 1	18,754,459.17	-15,687,041.88	-3,067,417.29	
Transfer-out for the year	-933,326,213.14			-933,326,213.14
Net change for the year	433,514,793.09	370,073,471.79	439,410,957.70	1,242,999,222.58
Recovered and written-off loans for the year			46,335,807.64	46,335,807.64
Write-off and charge-off for the year			-277,399,518.57	-277,399,518.57
Balance at 31 December 2019	5,140,276,381.52	997,483,339.16	572,991,349.42	6,710,751,070.10
-Loss provision of long-term loans				4,634,767,424.36
- Loss provision of short-term loans				2,075,983,645.74

15. Debt investments

(1) Details of debt investments

√ Applicable ☐N/A

Unit: RMB

Item	31 December 2019			1 January 2019		
	Book balance	Impairment provision	Carrying amount	Book balance	Impairment provision	Carrying amount
Entrusted loans	467,649,154.00	729,213.51	466,919,940.49	407,000,000.00		407,000,000.00
Less: Debt investments due within one year	-75,000,000.00		-75,000,000.00			
Total	**392,649,154.00**	**729,213.51**	**391,919,940.49**	**407,000,000.00**		**407,000,000.00**

In the current year, credit loss provision of entrusted loans was made, amounting to RMB 729,213.51.

(2) Debt investments that are significant at the end of the period

☐Applicable √N/A

(3) Details of provision for impairment

☐Applicable √N/A

Impairment provision in the current period and the basis to assess whether credit risk of financial instruments is increased significantly:

☐Applicable √N/A

Other explanations

☐Applicable √N/A

16. Other debt investments

(1) Details of other debt investments

√Applicable ☐N/A

Unit: RMB

Item	1 January 2019	Interest accrued	Changes in fair value	31 December 2019	Cost	Accumulated changes in fair value	Loss provision accumulatively recognized in other comprehensive income
Interbank depository receipts and bonds over one year	1,059,460,112.10		6,020,195.81	610,824,643.23	604,804,447.42	6,020,195.81	182,676.36
Total	**1,059,460,112.10**		**6,020,195.81**	**610,824,643.23**	**604,804,447.42**	**6,020,195.81**	**182,676.36**

In the current year, credit loss provision of other debt investments was made, amounting to RMB 182,676.36, which had been included other comprehensive income.

(2) Other debt investments that are significant at the end of the period

☐Applicable √N/A

(3) Details of provision for impairment

☐Applicable √N/A

Impairment provision in the current period and the basis to assess whether credit risk of financial instruments is increased significantly:

☐Applicable √N/A

Other explanations:

☐Applicable √N/A

17. Long-term receivables

(1) Long-term receivables

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019			1 January 2019			Range of discount rate
	Book balance	Bad debt provision	Carrying amount	Book balance	Bad debt provision	Carrying amount	
Finance lease receivables	17,152,337,466.76	384,849,464.12	16,767,488,002.64	12,675,260,007.05	454,817,801.56	12,220,442,205.49	
Including: Unrealized financing income	1,437,075,691.72		1,437,075,691.72	1,586,405,244.12		1,586,405,244.12	
Sale of goods settled by installments	832,650,535.00	4,312,413.25	828,338,121.75	362,190,548.80		362,190,548.80	
Rendering of services settled by installments							
Others	14,209,155.48		14,209,155.48	35,801,869.33		35,801,869.33	
Less:Long-term receivables due within one year	-6,524,250,746.76	-58,639,578.32	-6,465,611,168.44	-5,787,512,485.88	-3,193,937.28	-5,784,318,548.60	
Total	**11,474,946,410.48**	**330,522,299.05**	**11,144,424,111.43**	**7,285,739,939.30**	**451,623,864.28**	**6,834,116,075.02**	/

Note: At the year-end, finance lease receivables of RMB 53,100,000.00 were pledged to banks as the collateral for loans.

(2) Details of bad debt provision accrued

☐Applicable √N/A

Bad debt provision in the current period and the basis to assess whether credit risk of financial instruments is increased significantly

☐Applicable √N/A

(3) Long-term receivable derecognized due to transfer of financial assets

☐Applicable √N/A

(4) Assets and liabilities arising from transfer of long-term receivables and continuous involvement:

☐Applicable √N/A

Other explanations

√Applicable ☐N/A

Changes in credit loss provision

Unit: RMB

	Finance lease receivables	Sale of goods settled by installments	Total
Balance at 31 December 2018	448,326,669.51		448,326,669.51
Changes in accounting policies	6,491,132.05		6,491,132.05
Balance at 1 January 2019	454,817,801.56		454,817,801.56
Transfer-out	-116,536,609.87		-116,536,609.87
Net change	359,263,681.15	4,312,413.25	363,576,094.40
Write-off and charge-off	-315,915,131.34		-315,915,131.34
Recovery of write-off in prior years	3,219,722.62		3,219,722.62

Balance at 31 December 2019	384,849,464.12	4,312,413.25	389,161,877.37

18. Long-term equity investments

√ Applicable ☐N/A

Unit: RMB

Investee	1 January 2019	Increase (decrease) during the period	31 December 2019	Impairment provision as at 31 December 2019
		Others		
I. Joint ventures				
SAIC Volkswagen Automotive Co., Ltd.	22,466,291,035.26	-3,835,701,038.23	18,630,589,997.03	
Pan Asia Technical Automotive Center Co., Ltd.	420,827,055.77	-13,328,205.99	407,498,849.78	
SAIC Iveco Commercial Vehicle Investment Co., Ltd.	435,653,029.41	126,820,483.99	562,473,513.40	
Shanghai Advanced Traction Battery Systems Co., Ltd. (Note 1)	46,313,500.52	1,733,092.88	48,046,593.40	
SAIC General Motors Co., Ltd.	15,481,148,842.35	-2,100,257,946.91	13,380,890,895.44	
SAIC GM Dong Yue Motors Co., Ltd.	614,075,055.18	-34,103,124.46	579,971,930.72	
Shanghai GM Dong Yue Powertrain Co., Ltd.	1,548,274,878.79	-8,695,847.51	1,539,579,031.28	
Shanghai GM (Shenyang) Norsom Motors Co., Ltd.	696,276,366.45	10,043,406.55	706,319,773.00	
ZF Transmissions Shanghai Co., Ltd. (Note 1)	183,159,631.41	-13,956,758.77	169,202,872.64	
Shanghai SAIC Magneti Marelli Powertrain Co., Ltd	150,013,424.11	7,270,180.50	157,283,604.61	
United Automotive Electronic Systems Co., Ltd. (Note 1)	5,122,436,993.77	861,256,903.00	5,983,693,896.77	
Nanjing Iveco Automobile Co., Ltd.	1,212,955,311.15	-189,028,281.92	1,023,927,029.23	
Shanghai MHI Engine Co., Ltd.	57,875,644.62	7,258,046.42	65,133,691.04	
Tianjin Zhongxing Auto Parts Co., Ltd.	27,283,018.50	2,748,779.83	30,031,798.33	
Shanghai Inteva Automotive Parts Co., Ltd.	132,500,454.10	-43,448,599.85	89,051,854.25	
Bosch Huayu Steering Systems Co., Ltd. (Note 1)	1,790,756,454.78	187,462,564.75	1,978,219,019.53	
Shanghai Saiwei Investment Center (Limited Partnership) (Note 1, 10)	299,312,659.70	6,584,145.71	305,896,805.41	
Kolbenschmidt Shanghai Piston Co., Ltd.	317,974,120.56	7,541,368.85	325,515,489.41	
Shanghai Valeo Automotive Electrical Systems Co., Ltd.	449,620,034.23	-78,822,168.04	370,797,866.19	
Kolbenschmidt Pierburg Shanghai Nonferrous Components Co., Ltd.	750,829,716.04	120,452,754.50	871,282,470.54	
Shanghai GKN HUAYU Driveline Systems Co., Ltd (Note 1)	1,635,699,284.41	-80,758,274.85	1,554,941,009.56	
Dongfeng Yanfeng Automotive Trim Systems Co., Ltd.	435,572,305.00	116,396,412.00	551,968,717.00	
HASCO Powertrain Components Systems (Shanghai) Co., Ltd. ("HASCO Powertrain Components", former: Shanghai Sachs Powertrain Components Systems Co., Ltd.) (Note 3)	72,615,726.20	-72,615,726.20		
Shanghai Mahle Thermal Systems Co., Ltd.	463,735,610.48	10,566,872.27	474,302,482.75	
Yan Feng Gabriel (Shanghai) Automotive Safety Systems Co., Ltd. (Note 1)	904,ty			

Shanghai Key Automotive Plastic Component Co., Ltd. (Note 4)	30,508,074.00	-30,508,074.00		
Huayu Continental Brake Systems (Chongqing) Co., Ltd.	15,956,876.51	-12,423,326.55	3,533,549.96	
Hubei Hangpeng Chemical Power Technology Co., Ltd. (Note 1)	135,184,418.03	12,108,388.67	147,292,806.70	
Shanghai Anji Nyk Logistics Co., Ltd. (Note 1)	70,084,244.58	6,548,176.73	76,632,421.31	
Shanghai Anjie Car Transportation Co., Ltd.	65,458,181.73	6,376,635.11	71,834,816.84	
Dalian Hai Jia Automobile Harbor Co., Ltd.	198,294,398.87	-5,148,594.82	193,145,804.05	
Nanjing Harbor Jiangsheng Vehicle Dock Co., Ltd.	52,854,491.97	2,288,213.93	55,142,705.90	
Shanghai Anfu Logistics Co., Ltd. (Note1)	75,075,980.20	8,152,099.15	83,228,079.35	
Shanghai Anji Xunda Automobile Transportation Co., Ltd. (Note 1)	58,871,455.53	-3,239,783.80	55,631,671.73	
Tianjin Port Haijia Automotive Terminal Co., Ltd. (Note 1)	190,612,211.37	-2,021,726.63	188,590,484.74	
Hangzhou Chang'an Minsheng Anji Logistics Co., Ltd.	12,522,017.86	323,434.63	12,845,452.49	
Anji Intelligent Instrumentation Technology Co., Ltd.	19,368,010.97	-14,460,621.97	4,907,389.00	
Shanghai Dingshang Logistics Co., Ltd. (Note 1)	1,123,160.76	2,819,549.00	3,942,709.76	
Nanjing Jiazhong Logistics Co., Ltd. (Note 1)	10,396,438.46	-1,528,161.33	8,868,277.13	
Anji Car Rental Co., Ltd.(Anji Car Rental) (Note 1)	171,241,661.67	-171,241,661.67		
Beijing Boruiyechuan Car Service Co., Ltd.	57,707,725.29	-9,652,134.28	48,055,591.01	
Shanghai Volkswagen Automotive Anting Sales & Service Co., Ltd.	778,003.64	-778,003.64		
Shanghai Onstar Telematics Co., Ltd.	114,346,098.17	2,523,613.59	116,869,711.76	
SAIC Qingdao Clean Energy Bus Co., Ltd. (Qingdao Bus) (Note 1 and 7)	84,367,153.02	-84,367,153.02		
Nanjing Automotive Forging Co., Ltd.	248,352,279.81	40,358,733.09	288,711,012.90	
Shenyang Jinbei-Yanfeng Automotive Interior System Co., Ltd.	403,071,334.00	2,452,917.00	405,524,251.00	
SAIC Infineon Automotive Power Semiconductor (Shanghai) Co., Ltd. (Note 1 and 5)	32,027,869.94	-32,027,869.94		
Others	208,465,195.51	-11,708,635.71	196,756,559.80	
Sub-total	60,552,823,855.47	-5,269,094,116.64	55,283,729,738.83	
II. Associates				
Shanghai Volkswagen Powertrain Co., Ltd.	1,843,386,261.71	-282,631,809.06	1,560,754,452.65	
Volkswagen Transmission (Shanghai) Co., Ltd.	199,711,338.23	2,376,570.22	202,087,908.45	
China Automobile Development United Investment Co., Ltd.	55,751,612.92	26,546,785.64	82,298,398.56	
Shanghai Huizhong Sachs Shock absorber Co., Ltd	156,600,502.15	-1,286,741.96	155,313,760.19	
Shanghai ThyssenKrupp Presta HuiZhong Co., Ltd.	201,241,449.34	-17,836,583.02	183,404,866.32	
Shanghai Benteler Huizhong Automotive Parts Co., Ltd.	171,673,134.05	-3,965,464.12	167,707,669.93	
Shanghai Sanli-Huizhong Auto Parts Co., Ltd.	173,273,799.76	-2,894,584.59	170,379,215.17	
Shanghai Mhi Turbocharger Co., Ltd.	291,990,695.73	-10,264,606.28	281,726,089.45	
Shanghai Edscha Machinery Co., Ltd.	92,079,053.21	-3,033,858.11	89,045,195.10	
Shanghai Wanzhong Car Service Co., Ltd.(Note 4)	9,715,086.33	-9,715,086.33		
Shanghai Tenneco Exhaust System Co., Ltd.	225,542,537.68	-15,323,513.37	210,219,024.31	
Federal-Mogul Shanghai Bearing Co., Ltd.	101,763,173.99	16,372,221.41	118,135,395.40	
Shanghai Federal-Mogul Compound Material Co., Ltd.	41,116,141.20	6,832,962.28	47,949,103.48	
Yapp Automotive Parts Co., Ltd.	907,599,871.20	62,454,899.11	970,054,770.31	
Shanghai Aichi Forging Co., Ltd.	198,090,267.36	-5,766,001.97	192,324,265.39	
Shanghai Neturen Co., Ltd.	115,721,609.02	3,031,798.82	118,753,407.84	
Shanghai Meridian Magnesium Products Co., Ltd.	63,251,177.82	-2,647,932.49	60,603,245.33	
Shanghai Xingsheng Gasket Co., Ltd.	35,957,219.54	3,762,868.32	39,720,087.86	
Shanghai Boze Auto Parts Co., Ltd.	97,363,403.36	-17,653,307.44	79,710,095.92	

Valeo Shanghai Automotive Electric Motors & Wiper System Co., Ltd.	151,906,777.33	-7,801,271.44	144,105,505.89	
Shanghai Inteva Automotive Door Systems Co., Ltd.	165,390,090.50	7,610,698.69	173,000,789.19	
Shanghai LEAR STEC Automotive Parts Co., Ltd.	220,891,094.83	12,315,745.77	233,206,840.60	
Sanden (Suzhou) Precision Parts Co., Ltd.	44,892,314.76	-1,301,375.44	43,590,939.32	
Wuhan TACHI-S Adient Automotive Seat Co., Ltd. (Note 4)	37,232,522.00	-37,232,522.00		
Continental Brake Systems (Shanghai) Co., Ltd.	58,950,486.20	4,787,269.66	63,737,755.86	
BAIC Yanfeng Automotive Parts Co., Ltd. (Note 9)	49,543,017.00	22,413,190.00	71,956,207.00	
Dongfeng Adient Controls Automotive Seating Co., Ltd. (Note 9)	112,257,404.00	4,137,593.00	116,394,997.00	
Shaanxi Qinghua Automotive Safety System Co., Ltd.	197,359,756.10	-310,912.06	197,048,844.04	
Avanzar Interior Products LLC	39,429,937.00	19,536,001.00	58,965,938.00	
Chongqing Henglong Hongyan Automotive Steering Co., Ltd.	12,840,339.16	427,011.87	13,267,351.03	
Shanghai Chargedot New Energy Technology Co., Ltd.	27,379,015.36	-6,364,517.91	21,014,497.45	
Jiangsu Used Motor Vehicle Market Co., Ltd.	3,998,393.33	-296,883.22	3,701,510.11	
Nanjing Auto Parts Factory	3,027,518.11	-16,916.55	3,010,601.56	
Nanjing Valeo Clutch Co., Ltd.	106,314,018.87	-15,790,351.50	90,523,667.37	
Qingdao Toyo Heat Exchanger Co., Ltd.	27,064,672.91	4,093,815.36	31,158,488.27	
Shanghai Shanke Automotive Culture Communication Co., Ltd.	266,513.13	26,721.65	293,234.78	
Anji Nyk Logistics (Thailand) Co., Ltd.	22,782,322.11	6,263,225.30	29,045,547.41	
Chongqing Jiangsheng Automotive Logistics Co., Ltd.	115,088,152.54	2,753,536.88	117,841,689.42	
SAIC Wanxiang New Energy Passenger Vehicle Co., Ltd. (Note 4)	66,560,225.02	-66,560,225.02		
Changzhou Qide Equity Investment Fund Center (Limited Partnership) (Note 8)	1,205,007,015.13	-1,205,007,015.13		
Shidai SAIC Power Battery Co., Ltd	989,627,854.55	13,021,936.12	1,002,649,790.67	
Sunrise Power Co., Ltd.	42,659,374.12	-3,188,284.50	39,471,089.62	
Shanghai Kelai Shengluo Automation Equipment Co., Ltd.	33,421,101.95	9,383,500.00	42,804,601.95	
Shanghai Baosteel&Arcelor Tailor Metal Co., Ltd.	192,758,647.78	5,261,789.31	198,020,437.09	
Shanghai Tongzhou Autoparts Co., Ltd. (Note 9)	138,856,695.14	11,833,870.67	150,690,565.81	
SAIC James (Shannan) Equity Investment Fund Partnership Enterprise	77,867,333.82	-41,139,666.84	36,727,666.98	
Sailing Capital International (Shanghai) Co., Ltd. (Note 6)	2,252,560,454.41	-229,896,248.73	2,022,664,205.68	
Shanghai SAIC Huankai Investment Management Co., Ltd.	76,636,829.95	-2,335,335.22	74,301,494.73	30,325,460.00
Shanghai SAIC Equity Investment Fund First Section Partnership Enterprise	79,746,270.82	-21,137,571.18	58,608,699.64	
Sailing Capital Management Co., Ltd.	76,304,075.01	-193,599.34	76,110,475.67	
Shanghai Integrated Circuit Industry Investment Fund Management Co., Ltd.	10,924,644.26	3,900,956.18	14,825,600.44	
Shanghai Xinpeng Lianzhong Auto Parts Co., Ltd.	301,110,098.16	-7,443,569.02	293,666,529.14	
Changzhou SAIKC Mobility Investment Partnership (Limited Partnership) (Note 5)	40,620,948.07	8,338,854.57	48,959,802.64	
Jiaxing Xinsheng Investment Partnership (Limited Partnership) (Note 5)	129,600,000.00	318,483,067.55	448,083,067.55	
Chongqing Guoyuan Ro-Ro Terminal Co., Ltd. (Note 2)		83,106,965.73	83,106,965.73	
Ningde Jiaocheng SAIC Industry Upgrade Equity Investment Partnership (L.P.) (Note 2)		75,625,129.58	75,625,129.58	
Shanghai Yangtze River Delta Industry Upgrade Equity Investment Partnership (L.P.) (Note 2)		496,020,202.54	496,020,202.54	
Others	1,087,815,409.67	-46,721,591.27	1,041,093,818.40	1,097,491.03
Sub-total	13,180,519,657.70	-835,038,157.88	12,345,481,499.82	31,422,951.03

Total	73,733,343,513.17	-6,104,132,274.52	67,629,211,238.65	31,422,951.03

Unit: RMB

	31 December 2019	1 January 2019
Investments in joint ventures	55,283,729,738.83	60,552,823,855.47
Investments in associates	12,345,481,499.82	13,180,519,657.70
Write-off by cross-shareholding	-2,980,781,154.21	-2,771,508,526.79
Total	64,648,430,084.44	70,961,834,986.38
Less: Impairment provisions of long-term equity investment	31,422,951.03	31,422,951.03
Net long-term equity investments	64,617,007,133.41	70,930,412,035.35

Other explanations

Note 1: Pursuant to the Articles of Association, these companies are joint ventures of the Group as their significant financial and operating decisions should achieve unanimous consent of investors.

Note 2: These companies are new investments of the Group for the year.

Note 3: Refer to Note (VIII) 1 (1)

Note 4: These companies were disposed for the year in exchange of disposal price received amounting to RMB 304,236,510.35, and RMB 178,666,385.17 has been recognized as gains from disposal of investments.

Note 5: In the current year, the shareholders of these companies contributed additional capital by cash to these companies at the original shareholding ratio, of which the Group increased its total capital by RMB 632,075,000.00.

Note 6: At the end of current year, 6.66% equity corresponded with long-term equity investment of which the net carrying amount was RMB 606,866,009.62 has been pledged as the collateral for bank loans.

Note 7: In the current year, the Group's subsidiary Investment Management and Qingdao Ocean Investment Group Co., Ltd. ("Qingdao Ocean Investment") signed an equity transfer agreement by which Investment Management transferred all its equity held of Qingdao Bus to Qingdao Ocean Investment. As at the end of current year, the above transaction was in progress, so Investment Management did not include its investment in Qingdao Bus in held-for-sale assets.

Note 8: Refer to Note (VIII) 1 (1)

Note 9: These companies are associates of the Group as the Group had a significant impact on their operating activities.

Note 10: RMB 203,041,058.96 in the "Increase (decrease) during the year" was the increase in long-term equity investment and capital reserve arising from premium contributions made by other shareholders of the subsidiary of such company.

19. Investments in other equity instruments

(1) Details of investments in other equity instruments

√ Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Stock investment	18,113,748,987.20	12,629,740,097.76
Others	168,127,146.12	163,699,971.96
Total	18,281,876,133.32	12,793,440,069.72

(2) Details of investments in non-held-for-trading equity instruments

☐Applicable √N/A

Other explanations:

☐Applicable √N/A

20. Other non-current financial assets

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Other non-current financial assets	2,094,472,035.47	1,535,997,716.87
Total	2,094,472,035.47	1,535,997,716.87

Other explanations:

☐Applicable √N/A

21. Investment properties

Measurement of investment properties

(1) Investment properties measured at cost

Unit: RMB

Item	Buildings	Land use right	Total
I. Cost			
1. 1 January 2019	3,848,541,833.14	1,019,727,137.39	4,868,268,970.53
2. Increase in the current period	280,444,116.05	17,701,928.51	298,146,044.56
(1) Purchase			
(2) Transfer from inventories / fixed assets / construction in progress	280,444,116.05	17,701,928.51	298,146,044.56
(3) Increase due to business combinations			
3. Decrease in the current period	45,761,214.56	28,293,833.14	74,055,047.70
(1) Disposals	21,332,226.02	7,287,589.39	28,619,815.41
(2) Other transfer-out	24,428,988.54	21,006,243.75	45,435,232.29
4. 31 December 2019	4,083,224,734.63	1,009,135,232.76	5,092,359,967.39
II. Accumulated depreciation and amortization			
1. 1 January 2019	1,482,271,917.67	196,277,917.65	1,678,549,835.32
2. Increase in the current period	176,869,632.11	25,658,937.74	202,528,569.85
(1) Provision or amortization	140,230,004.81	24,105,067.92	164,335,072.73
(2) Transfer from fixed assets	36,639,627.30		36,639,627.30
(3) Transfer from intangible assets		1,553,869.82	1,553,869.82
3. Decrease in the current period	31,547,192.69	9,232,696.42	40,779,889.11
(1) Disposals	17,767,780.01	1,748,004.72	19,515,784.73
(2) Other transfer-out	13,779,412.68	7,484,691.70	21,264,104.38
4. 31 December 2019	1,627,594,357.09	212,704,158.97	1,840,298,516.06
III. Impairment provision			
1. 1 January 2019			
2. Increase in the current period			
(1) Provision			
3. Decrease in the current period			
(1) Disposals			
(2) Other transfer-out			

4.31 December 2019			
IV. Net carrying amount			
1. 31 December 2019	2,455,630,377.54	796,431,073.79	3,252,061,451.33
2. 1 January 2019	2,366,269,915.47	823,449,219.74	3,189,719,135.21

(2) Investment properties of which certificates of title have not been obtained

√ Applicable ☐N/A

Unit: RMB

Item	Carrying amount	Reasons why certificates of title have not been obtained
Buildings	829,679,468.32	In progress

Other explanations

☐Applicable √ N/A

22. Fixed assets

Presentation by items

√ Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Fixed assets	83,056,007,151.50	69,187,280,487.53
Total	83,056,007,151.50	69,187,280,487.53

Other explanations:

☐Applicable √ N/A

Fixed assets

(1) Details of fixed assets

√ Applicable ☐N/A

Unit: RMB

Item	Buildings	Machinery and equipment	Electronic equipment, fixtures and furniture	Transportation vehicles	Molds	Total
I. Cost						
1. 1 January 2019	32,873,960,503.05	69,987,150,084.98	7,539,326,635.01	5,813,541,399.80	9,703,130,943.14	125,917,109,565.98
2. Increase in the current period	5,020,474,987.06	14,652,052,410.41	1,430,019,420.81	5,489,695,605.76	1,756,168,593.38	28,348,411,017.42
(1) Purchase	128,246,282.08	111,225,699.69	237,212,412.42	564,298,346.02	10,497,813.98	1,051,480,554.19
(2) Transfer from construction in progress	4,565,095,613.92	13,957,295,593.33	1,084,381,156.13	3,245,045,134.10	1,693,912,440.99	24,545,729,938.47
(3) Increase due to business combinations	146,213,556.51	252,286,165.77	105,516,721.41	1,674,478,957.10		2,178,495,400.79
(4) Transfer from investment properties	24,428,988.54					24,428,988.54
(5) Increases due to changes in the exchange rate	156,490,546.01	331,244,951.62	2,909,130.85	5,873,168.54	51,758,338.41	548,276,135.43
3. Decrease in the current period	224,774,914.33	1,713,659,832.90	940,985,401.84	1,213,777,821.87	343,137,231.93	4,436,335,202.87
(1) Disposals or retirement	98,339,396.35	1,697,954,084.87	624,364,272.89	1,213,777,821.87	343,137,231.93	3,977,572,807.91
(2) Transfer to construction in progress		15,705,748.03				15,705,748.03
(3) Transfer to investment properties during the year	126,435,517.98					126,435,517.98
(4) Transfer to long-term defered expenses			316,621,128.95			316,621,128.95
4. 31 December 2019	37,669,660,575.78	82,925,542,662.49	8,028,360,653.98	10,089,459,183.69	11,116,162,304.59	149,829,185,380.53

II. Accumulated depreciation						
1. 1 January 2019	8,625,312,835.82	31,541,153,002.25	4,534,145,544.47	2,033,200,340.73	3,373,554,557.65	50,107,366,280.92
2. Increase in the current period	1,468,539,796.99	7,480,925,619.33	1,033,888,555.80	1,865,939,099.32	571,494,981.03	12,420,788,052.47
(1) Provision	1,440,367,956.05	7,211,217,649.30	969,287,181.42	1,279,706,593.06	555,957,197.38	11,456,536,577.21
(2) Transfer from investment properties	13,779,412.68					13,779,412.68
(3) Increase due to business combinations	4,711,290.23	224,355,462.20	63,218,589.67	584,951,168.18		877,236,510.28
(4) Increases due to changes in the exchange rate	9,681,138.03	45,352,507.83	1,382,784.71	1,281,338.08	15,537,783.65	73,235,552.30
3. Decrease in the current period	79,766,716.76	1,180,579,490.36	499,679,565.58	662,597,914.17	49,268,851.33	2,471,892,538.20
(1) Disposals or retirement	43,127,089.46	1,168,755,097.47	305,987,495.65	662,597,914.17	49,268,851.33	2,229,736,448.08
(2) Transfer to construction in progress		11,824,392.89				11,824,392.89
(3) Transfer to investment properties	36,639,627.30					36,639,627.30
(4) Transfer to long-term defered expenses			193,692,069.93			193,692,069.93
4. 31 December 2019	10,014,085,916.05	37,841,499,131.22	5,068,354,534.69	3,236,541,525.88	3,895,780,687.35	60,056,261,795.19
III. Impairment provision						
1. 1 January 2019	129,394,628.17	3,577,519,473.80	60,612,863.62	37,468,526.38	2,817,467,305.56	6,622,462,797.53
2. Increase in the current period	272,967.12	77,602,273.29	72,472,041.84	68,566,441.58	25,716,932.29	244,630,656.12
(1) Provision	272,967.12	70,174,089.72	72,472,041.84	22,696,426.05	25,716,932.29	191,332,457.02
(2) Increase due to business combinations		7,415,612.73		45,870,015.53		53,285,628.26
(3) Increase due to changes in exchange rate		12,570.84				12,570.84
3. Decrease in the current period	453,286.99	85,236,765.60	3,288,833.28	61,024,841.64	173,292.30	150,177,019.81
(1) Disposal or retirement	453,286.99	85,236,765.60	3,288,833.28	61,024,841.64	173,292.30	150,177,019.81
4. 31 December 2019	129,214,308.30	3,569,884,981.49	129,796,072.18	45,010,126.32	2,843,010,945.55	6,716,916,433.84
IV. Net carrying amount						
1. 31 December 2019	27,526,360,351.43	41,514,158,549.78	2,830,210,047.11	6,807,907,531.49	4,377,370,671.69	83,056,007,151.50
2. 1 January 2019	24,119,253,039.06	34,868,477,608.93	2,944,568,226.92	3,742,872,532.69	3,512,109,079.93	69,187,280,487.53

(2) Details of temporary idle fixed assets

☐Applicable √N/A

(3) Details of fixed assets leased under finance leases

☐Applicable √N/A

(4) Fixed assets leased out under operating leases

☐Applicable √N/A

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

√Applicable ☐N/A

Unit: RMB

Item	Carrying amount	Reasons why certificates of title have not been obtained
Buildings	7,047,308,565.09	In progress

Other explanations:

√Applicable ☐N/A

At the end of current year, the buildings, the machinery and equipment, the electronic equipment, fixtures and furniture, the transportation vehicles and the molds with net carrying amount of RMB 1,521,633,949.65, RMB 962,591,735.08, RMB 66,874,225.99 and RMB 38,460,161.10 and RMB 704,798,428.69 respectively were pledged as the collateral for bank loans.

Disposal of fixed assets

☐Applicable √N/A

23. Construction in progress

Presentation by items

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Construction in progress	16,187,540,866.58	20,849,258,157.42
Total	**16,187,540,866.58**	**20,849,258,157.42**

Other explanations:

☐Applicable √N/A

Construction in progress

(1) Details of construction in progress

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019			1 January 2019		
	Book balance	Impairment provision	Carrying amount	Book balance	Impairment provision	Carrying amount
Dual clutch transmission project and relocation	1,043,504,930.28		1,043,504,930.28	1,604,089,448.84	15,214,444.00	1,588,875,004.84
Project of technology improvement and capacity expansion of SGMW	1,671,047,189.18		1,671,047,189.18	4,073,070,308.06		4,073,070,308.06
Construction of MG Pukou base phase II of NAGC	132,703,544.18		132,703,544.18	127,400,231.11		127,400,231.11
Project of technology improvement and capacity expansion of Shanghai Diesel	87,809,944.01	8,502,996.11	79,306,947.90	282,587,773.59	8,502,996.11	274,084,777.48
Yanfeng interior, seating, and electronic technology renovation projects, etc.	3,209,356,117.62	18,177,653.75	3,191,178,463.87	4,087,137,453.58	18,373,157.03	4,068,764,296.55
Project of passenger vehicles of self-owned brands	3,269,982,658.15		3,269,982,658.15	3,505,892,506.33		3,505,892,506.33
Project of R&D center expansion	74,625,056.72		74,625,056.72	178,361,491.52		178,361,491.52
Project of construction of port of Anji Logistics	518,499,318.03		518,499,318.03	712,062,134.45		712,062,134.45
Project of self-owned brand of Commercial Vehicles	2,234,260,712.63		2,234,260,712.63	2,579,259,341.40		2,579,259,341.40
Project of self-owned brand in Thailand	168,078,453.39		168,078,453.39	128,477,392.37		128,477,392.37
Project of Global Car Sharing periodic lease	844,199,455.12	39,978,901.79	804,220,553.33	631,571,048.79		631,571,048.79
Project of Shanghong Real Estate Changfeng	1,531,915,667.15		1,531,915,667.15	589,478,141.54		589,478,141.54
MG Indian project	249,098,624.48		249,098,624.48	843,673,735.20		843,673,735.20
Others	1,235,365,513.95	16,246,766.66	1,219,118,747.29	1,548,287,747.78		1,548,287,747.78
Total	16,270,447,184.89	82,906,318.31	16,187,540,866.58	20,891,348,754.56	42,090,597.14	20,849,258,157.42

(2) Changes in significant construction in progress

√ Applicable ☐N/A

Unit: RMB

Name of item	Budget	1 January 2019	Increase during the year	Transfer to fixed assets upon completion	Other decreases during the period	31 December 2019	Proportion of project investment to the budget (%)	Project progress	Amount of accumulated capitalized interest	Including: Interest capitalized	Interest capitalization rate for the period (%)	Sources of funds
Dual clutch transmission project and relocation	1,658,000,000.00	1,604,089,448.84	1,436,210,288.48	1,954,444,546.32	42,350,260.72	1,043,504,930.28	86	Under construction	8,451,782.68	2,205,744.00	5.39	Self-financed and raised funds
Project of technology improvement and capacity expansion of SGMW	2,981,321,490.18	4,073,070,308.06	1,825,128,614.12	4,174,419,746.83	52,731,986.17	1,671,047,189.18	61	Under construction				Self-financed
Construction of MG Pukou base phase II of NAGC	7,605,637,938.18	127,400,231.11	266,645,392.64	247,002,017.08	14,340,062.49	132,703,544.18	51	Under construction				Self-financed
Project of technology improvement and capacity expansion of Shanghai Diesel	134,695,934.47	282,587,773.59	87,444,987.65	280,697,176.20	1,525,641.03	87,809,944.01	64	Under construction				Self-financed
Yanfeng interior, seating, and electronic technology renovation projects, etc.	10,336,706,786.50	4,087,137,453.58	4,616,811,075.36	4,779,336,517.78	715,255,893.54	3,209,356,117.62	82	Under construction	159,520,628.67	10,244,523.22	2.53	Self-financed and raised funds
Project of passenger vehicles of self-owned brands	19,605,543,187.75	3,505,892,506.33	5,777,638,190.52	5,961,729,921.82	51,818,116.88	3,269,982,658.15	56	Under construction				Self-financed and raised funds
Project of R&D centre expansion	4,616,241,502.00	178,361,491.52	234,956,941.91	254,733,914.50	83,959,462.21	74,625,056.72	85	Under construction				Self-financed and raised funds
Project of construction of port of Anji Logistics	841,326,173.06	712,062,134.45	841,326,173.06	821,170,484.69	213,718,504.79	518,499,318.03	61	Under construction				Self-financed
Project of self-owned brand of Commercial Vehicles	7,223,448,432.16	2,579,259,341.40	1,472,748,419.68	1,774,828,760.01	42,918,288.44	2,234,260,712.63	31	Under construction				Self-financed and raised funds
Project of self-owned brand in Thailand	1,254,139,871.20	128,477,392.37	506,377,631.28	416,604,655.23	50,171,915.03	168,078,453.39	54	Under construction				Self-financed
Project of Global Car Sharing periodic lease	4,270,000,000.00	631,571,048.79	1,284,650,461.89	1,053,811,181.65	18,210,873.91	844,199,455.12	85	Under construction				Self-financed
Project of Shanghong Real Estate Changfeng	4,543,210,000.00	589,478,141.54	942,437,525.61			1,531,915,667.15	71	Under construction	89,510,509.20	62,364,311.08	4.75	Self-financed
MG Indian project	981,750,329.90	843,673,735.20	450,164,815.46	907,900,156.16	136,839,770.02	249,098,624.48	88	Under construction				Self-financed
Others	9,902,800,213.97	1,548,287,747.78	1,931,305,322.00	1,919,050,860.20	325,176,695.63	1,235,365,513.95		Under construction	12,330,872.76	5,660.42		Self-financed
Total	75,954,821,859.37	20,891,348,754.56	21,673,845,839.66	24,545,729,938.47	1,749,017,470.86	16,270,447,184.89			269,813,793.31	74,820,238.72		/

(3) Provision for impairment losses of construction in progress

√ Applicable ☐N/A

Unit: RMB

Item	Amount provision for the period	Reason for the provision
Provision for impairment losses of construction in progress	41,077,052.46	/
Total	41,077,052.46	/

Other explanations

√ Applicable ☐N/A

At the end of current year, construction in progress with net carrying amount of RMB 304,182,270.76 was pledged as the collateral for bank borrowings.

Materials for construction of fixed assets

(4) Details of materials for construction of fixed assets

☐Applicable √ N/A

24. Bearer biological assets

(1) Bearer biological assets measured at cost

☐Applicable √ N/A

(2) Bearer biological assets measured at fair value

☐Applicable √ N/A

Other explanations

☐Applicable √ N/A

25. Oil and gas assets

☐Applicable √ N/A

26. Right-of-use assets

☐Applicable √ N/A

27. Intangible assets

(1) Details of intangible assets

√ Applicable ☐N/A

Unit: RMB

Item	Land use right	Patent	Royalty right	Software use right	Trademark right	Know-how	Others	Total
I. Cost								
1. 1 January 2019	13,405,141,584.68	1,033,952,252.05	178,567,288.21	3,131,436,500.73	264,962,933.29	3,874,867,665.38	1,013,208,826.20	22,902,137,050.54
2. Increase in the current period	816,824,838.60			784,911,574.51		509,728,887.98	403,034,558.28	2,514,499,859.37
(1) Purchase	469,157,069.89			223,061,947.94		75,992,159.24	9,129,061.40	777,340,238.47
(2) Internal R&D						265,796,846.64		265,796,846.64
(3) Increases due to business combinations	33,427,001.00			36,110,805.06			354,644,722.00	424,182,528.06

(4) Transfer from investment properties	21,006,243.75							21,006,243.75
(5) Transfer from construction in progress	277,719,199.42			517,362,205.10		167,939,882.10	36,950,693.00	999,971,979.62
(6) Increases due to changes in the exchange rate	15,515,324.54			8,376,616.41			2,310,081.88	26,202,022.83
3. Decrease in the current period	24,924,917.34		8,467,194.10	33,535,543.47		12,590,019.07	686,359.00	80,204,032.98
(1) Disposals	7,222,988.83		8,467,194.10	33,535,543.47		12,443,799.00	686,359.00	62,355,884.40
(2)Transfer to investment properties	17,701,928.51							17,701,928.51
(3) Decreases due to changes in the exchange rate						146,220.07		146,220.07
4. 31 December 2019	14,197,041,505.94	1,033,952,252.05	170,100,094.11	3,882,812,531.77	264,962,933.29	4,372,006,534.29	1,415,557,025.48	25,336,432,876.93
II. Accumulated amortization								
1. 1 January 2019	1,454,174,697.92	952,652,252.05	163,755,996.77	1,869,692,110.26	140,429,035.03	2,572,067,590.22	714,066,330.14	7,866,838,012.39
2. Increase in the current period	272,483,404.48		7,126,829.26	518,634,810.22	24,373,331.43	230,991,728.72	138,190,244.80	1,191,800,348.91
(1) Provision	259,059,636.67		7,126,829.26	505,234,425.70	24,373,331.43	230,991,728.72	132,920,164.40	1,159,706,116.18
(2)Transfer from investment properties	7,484,691.70							7,484,691.70
(3) Increase due to business combinations	3,844,105.23			11,882,077.30			5,270,080.40	20,996,262.93
(4) Increases due to changes in the exchange rate	2,094,970.88			1,518,307.22				3,613,278.10
3. Decrease in the current period	1,927,864.61		8,467,194.10	12,463,070.90		11,878,677.19	625,799.18	35,362,605.98
(1) Disposals	373,994.79		8,467,194.10	12,463,070.90		11,712,975.29	36,089.00	33,053,324.08
(2) Transfer to investment properties	1,553,869.82							1,553,869.82
(3) Decreases due to changes in the exchange rate						165,701.90	589,710.18	755,412.08
4. 31 December 2019	1,724,730,237.79	952,652,252.05	162,415,631.93	2,375,863,849.58	164,802,366.46	2,791,180,641.75	851,630,775.76	9,023,275,755.32
III. Impairment provision								
1. 1 January 2019	3,612,787.25	81,250,000.00	4,714,950.00	46,726,651.14		890,661,164.05		1,026,965,552.44
2. Increase in the current period				4,834,573.10		197,298.08		5,031,871.18
(1) Provision				4,834,573.10				4,834,573.10
(2) Increases due to changes in the exchange rate						197,298.08		197,298.08
3. .Decrease in the current period								
(1) Disposals								
4. 31 December 2019	3,612,787.25	81,250,000.00	4,714,950.00	51,561,224.24		890,858,462.13		1,031,997,423.62
IV. Net carrying amount								
1. 31 December 2019	12,468,698,480.90	50,000.00	2,969,512.18	1,455,387,457.95	100,160,566.83	689,967,430.41	563,926,249.72	15,281,159,697.99
2. 1 January 2019	11,947,354,099.51	50,000.00	10,096,341.44	1,215,017,739.33	124,533,898.26	412,138,911.11	299,142,496.06	14,008,333,485.71

At the end of the period, intangible assets arising from internal R&D by the Company accounted for 1.74% of total balance of intangible assets.

(2) Land use right of which certificates of title have not been obtained

√ Applicable ☐N/A

Unit: RMB

Item	Carrying amount	Reasons why certificates of title have not been obtained

Land use right	276,019,347.50	In progress

Other explanations:
√ Applicable ☐N/A
At the end of current year, land use right and know-how at net carrying amount of RMB 4,650,218,741.02 and RMB 482,140,560.43 respectively were pledged as the collateral for bank loans.

28. Development expenditure

√ Applicable ☐N/A

Unit: RMB

Item	1 January 2019	Increase		Decrease		31 December 2019
		Internal development expenditure	Others	Recognized as intangible assets	Recognized in profit or loss	
Research expenditures			3,350,509,845.20		3,350,509,845.20	
Development expenditures	538,649,981.13		11,417,489,810.14	265,796,846.64	10,043,640,432.03	1,646,702,512.60
Total	**538,649,981.13**		**14,767,999,655.34**	**265,796,846.64**	**13,394,150,277.23**	**1,646,702,512.60**

Other explanations
Development expenditures accounted for 77.31% of total research and development expenditures during the year.

29. Goodwill

(1) Cost of goodwill

√ Applicable ☐N/A

Unit: RMB

Name of the investee or item resulting in goodwill	1 January 2019	Increase	Decrease	31 December 2019
		Business combination	Disposal	
SAIC-GMAC Automotive Finance Co., Ltd.	333,378,433.68			333,378,433.68
Shanghai International Automobile City New Energy Automotive Operation Service Co., Ltd.	142,443,867.15			142,443,867.15
Chongqing Yanfeng Johnson Automotive Parts Systems Co., Ltd.	71,566,642.00			71,566,642.00
Wuhan Zhonghaiting Data Technology Co., Ltd.	55,012,594.38			55,012,594.38
Shanghai Sunwin Bus Co., Ltd.	53,349,858.83			53,349,858.83
Shanghai Diesel Engine Co., Ltd.	6,994,594.88			6,994,594.88
Zhejiang Lishui Yidong New Energy Automobile Operation Service Co., Ltd.	2,820,855.59			2,820,855.59
Zhejiang Quzhou Yidong New Energy Automobile Operation Service Co., Ltd.	946,936.57			946,936.57
ANJI-CEVA Logistics Co., Ltd.	290,248.50			290,248.50
HASCO Vision Technology (Shanghai) Co., Ltd	781,115,081.73			781,115,081.73
Anji Car Rental Co., Ltd. (Note 1)		144,642,003.53		144,642,003.53
Others (Note 2)	52,029,066.94		8,406,717.40	43,622,349.54
Total	**1,499,948,180.25**	**144,642,003.53**	**8,406,717.40**	**1,636,183,466.38**

Note 1: Refer to Note (VIII) 1 (1)

Note 2: Refer to Note (VIII) 4.

(2) Impairment of goodwill

√ Applicable ☐N/A

Unit: RMB

Name of the investee or item resulting in goodwill	1 January 2019	Increase	Decrease	31 December 2019
		Provision	Disposal	
Impairment of goodwill	18,575,952.72	145,214,746.53	8,406,717.40	155,383,981.85
Total	**18,575,952.72**	**145,214,746.53**	**8,406,717.40**	**155,383,981.85**

(3) Details of asset group or portfolio of goodwill

☐Applicable √ N/A

(4) Describe the test procedure, parameters of impairment of goodwill (e.g.: growth rate during the forecast period and stable period, profit rate, discount rate, and forecast period when estimating the present value of future cash flows, if applicable) as well as recognition method for impairment loss

☐Applicable √ N/A

(5) Effect of impairment testing of goodwill

☐Applicable √ N/A

Other explanations

☐Applicable √ N/A

30. Long-term defered expenses

√ Applicable ☐N/A

Unit: RMB

Item	1 January 2019	Increase	Amortization	Other decrease	31 December 2019
Improvement expenditure of fixed assets	1,708,420,099.87	806,229,183.98	525,585,483.25	60,652,815.89	1,928,410,984.71
Others	338,552,787.46	372,477,024.17	168,306,660.26	26,949.70	542,696,201.67
Total	**2,046,972,887.33**	**1,178,706,208.15**	**693,892,143.51**	**60,679,765.59**	**2,471,107,186.38**

31. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets that are not offset

√ Applicable ☐N/A

Unit: RMB

Item	31 December 2019		1 January 2019	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment losses of assets	8,070,573,449.49	1,868,843,841.76	6,397,089,107.34	1,491,586,355.99
Unrealized profit from intragroup transactions	6,629,365,838.80	1,657,341,459.70	7,229,115,698.36	1,807,278,924.59
Deductible losses				

Deferred income	8,024,510,846.15	1,783,642,301.33	6,277,238,783.21	1,428,071,022.73
Temporary difference arising from depreciation of fixed assets	274,605,265.91	73,784,972.76	713,308,328.18	190,108,829.54
Temporary difference arising from amortization of intangible assets	84,106,130.65	20,598,658.92	41,593,226.36	10,398,304.08
Investments in other equity instruments measured at fair value			-44,410,975.90	-12,477,602.84
Changes in fair value of other non-current assets			-1,180,923.09	-295,230.77
Changes in fair value of held-for-trading financial assets	444,756,615.97	104,226,182.73	616,283,639.60	146,696,493.94
Liabilities accrued but unpaid	102,259,553,785.62	23,490,538,837.40	95,519,013,682.47	22,036,232,455.18
Others	3,864,525,522.20	841,534,614.91	4,084,808,636.53	878,195,068.33
Total	**129,651,997,454.79**	**29,840,510,869.51**	**120,832,859,203.06**	**27,975,794,620.77**

(2) Deferred tax liabilities that are not offset

√ Applicable ☐N/A

Unit: RMB

Item	31 December 2019		1 January 2019	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Assets assessment appreciation for business combination not involving enterprises under common control	877,009,467.49	206,879,594.34	1,328,481,582.70	296,350,258.81
Changes in fair value of other debt investments	6,020,195.81	1,459,379.87	3,454,343.76	863,585.94
Changes in fair value of investments in other equity instruments	12,666,620,066.04	2,347,498,495.09	7,268,696,213.04	1,383,540,509.18
Changes in fair value of held-for-trading financial assets	390,986,882.52	97,746,720.63	259,701,731.45	58,805,432.86
Changes in fair value of other current assets	38,598,761.00	9,649,690.25		
Temporary difference from depreciation of fixed assets	1,306,704,576.35	314,119,378.83	1,479,263,394.16	375,622,107.73
Others	750,676,248.97	159,801,880.53	696,514,421.09	154,733,869.67
Total	**16,036,616,198.18**	**3,137,155,139.54**	**11,036,111,686.20**	**2,269,915,764.19**

(3) Deferred tax assets or deferred tax liabilities that are presented at the net amount after offset

√ Applicable ☐N/A

Unit: RMB

Item	Offset amount between deferred tax assets and liabilities at 31 December 2019	Deferred tax assets or liabilities after offset at 31 December 2019	Offset amount between deferred tax assets and liabilities at 1 January 2019	Deferred tax assets or liabilities after offset at 1 January 2019
Deferred tax assets	25,362,715.01	29,815,148,154.50	3,239,652.00	27,972,554,968.77
Deferred tax liabilities	25,362,715.01	3,111,792,424.53	3,239,652.00	2,266,676,112.19

(4) Details of unrecognized deferred tax assets

√ Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Deductible losses and deductible temporary differences	74,033,514,815.20	59,305,531,965.09

Total	**74,033,514,815.20**	**59,305,531,965.09**

(5) Deductible losses, for which no deferred tax assets are recognized, will expire in the following years

☐Applicable √N/A

Other explanations:

√Applicable ☐N/A

Unit: RMB

Item	Amount
31 December 2018	25,662,987,658.06
Changes in accounting policies	42,891,198.52
1 January 2019	25,705,878,856.58
Increase due to changes in the scope of consolidation during the year	59,063,985.47
Recognized in profit or loss of the year	1,853,881,418.51
Recognized in equity during the year (Note)	-915,468,530.59
31 December 2019	26,703,355,729.97

Note: RMB964,925,599.90 was represented as the income tax effect of change in fair value of investments in other equity instruments, RMB9,354,459.48 was represented as the income tax effect of change in fair value of other current assets - interbank depository receipts, RMB595,793.93 was represented as the income tax effect of change in fair value of other debt investments, RMB45,669.09 was represented as the income tax effect of credit loss provision of other debt investments, RMB1,292,461.94 was represented as the income tax effect of the effective portion of profit or loss from cash flow hedges and RMB60,745,453.75 was represented as the effect of eliminating translation differences of financial statements denominated in foreign currencies.

32. Other non-current assets

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Receivables investment	4,387,284,031.94	1,638,141,436.17
Continuous involvement in the financial assets	2,910,167,439.68	1,055,985,144.66
Prepayment of long-term assets	881,316,286.06	1,455,848,123.44
Others	1,361,942,665.69	1,249,984,027.00
Less: Impairment of other non-current assets	-948,761,156.56	-237,819,336.36
Less: Other non-current assets due within one year	-2,574,405,349.72	-382,000,000.00
Total	6,017,543,917.09	4,780,139,394.91

33. Short-term borrowings

(1) Categories of short-term borrowings

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Secured loans with securities under the custody of lenders	633,905,049.00	314,000,000.00
Secured loans with securities under the Group's custody	46,000,000.00	

Guaranteed loans	255,740,000.00	20,000,000.00
Unsecured and non-guaranteed loans	24,652,341,150.99	16,392,440,287.46
Total	25,587,986,199.99	16,726,440,287.46

Explanations on categories of short-term borrowings:

Note 1: At the end of current year, the guaranteed loans amounting to RMB 20,000,000.00 were obtained under the guarantee of Jiangsu Susun Group Co., Ltd., and the guaranteed loans amounting to RMB 235,740,000.00 were obtained under the guarantee of Shanghai International Automotive City (Group) Co., Ltd. and Shanghai Anting Industrial Development Co., Ltd. jointly.

Note 2: At the end of current year, the secured loans with securities under the custody of lenders amounting to RMB 30,000,000.00 were obtained with accounts receivable of which the net carrying amount was RMB 36,002,991.13 as the collateral. The secured loans with securities under the custody of lenders amounting to RMB 15,000,000.00 were obtained with accounts receivable of which the net carrying amount was RMB 30,000,000.00 as the collateral. The secured loans with securities under the custody of lenders amounting to RMB 430,022,000.00 were obtained with accounts receivable of which the net carrying amount was RMB 272,938,366.05 as the collateral. The secured loans with securities under the custody of lenders amounting to RMB 158,883,049.00 were obtained with notes receivable of which the net carrying amount was RMB 158,883,049.00 as the collateral.

Note 3: At the end of current year, the secured loans with securities under the Group's custody amounting to RMB 46,000,000.00 were obtained with fixed assets – buildings of which the net carrying amount was RMB23,651,217.17 and intangible assets – land use right of which the net carrying amount was RMB6,381,307.41 as the collateral.

(2) Short-term borrowings overdue but not yet repaid

☐Applicable √N/A

Including significant short-term borrowings overdue but not yet repaid:

☐Applicable √N/A

Other explanations

☐Applicable √N/A

34. Held-for-trading financial liabilities

√Applicable ☐N/A

Unit: RMB

Item	1 January 2019	Increase during the period	Decrease during the period	31 December 2019
Held-for-trading financial liabilities		1,635,193.37		1,635,193.37
Financial liabilities designated as at fair value through profit or loss	977,399,765.77	232,250,694.65		1,209,650,460.42
Total	**977,399,765.77**	**233,885,888.02**		**1,211,285,653.79**

Other explanations:

☐Applicable √N/A

35. Derivative financial liabilities

☐Applicable √N/A

36. Notes payable

(1) Notes payable are presented as follows:

√Applicable ☐N/A

Unit: RMB

Categories	31 December 2019	1 January 2019
Commercial acceptances	103,114,343.36	2,748,139,139.98
Bank acceptances	32,858,408,931.38	26,813,076,497.85
Total	**32,961,523,274.74**	**29,561,215,637.83**

At the end of current period, the balance of total notes receivable due but not paid was RMB 0.

37. Accounts payable

(1) Accounts payable are presented as follows:

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Accounts payable for purchase of materials and equipment, etc.	137,086,140,309.74	125,265,496,964.04
Total	**137,086,140,309.74**	**125,265,496,964.04**

(2) Significant accounts payable aged more than one year

☐Applicable √N/A

Other explanations

☐Applicable √N/A

38. Receipts in advance

(1) Details of receipts in advance

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Receipt in advance arising from sales of vehicles, materials and parts, etc.	11,873,058,903.09	15,354,857,292.90
Total	**11,873,058,903.09**	**15,354,857,292.90**

(2) Significant receipts in advance aged more than one year

☐Applicable √N/A

(3) Billed but not yet completed projects arising from construction contracts at the end of the period

☐Applicable √N/A

Other explanations

☐Applicable √N/A

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

Unit: RMB

Item	31 December 2019	1 January 2019
Corporate deposits absorbed by SFC and SAIC-GMAC	71,641,129,927.38	59,208,510,149.48
Short-term deposits absorbed by SFC and SAIC-GMAC	7,610,359,716.23	12,779,768,242.09
Total	**79,251,489,643.61**	**71,988,278,391.57**

40. Employee benefits payable

(1) Employee benefits payable are presented as follows: ees2.64 12.2111136 T361113572 Tj0.11136 Tc (a) Tj0 Tc

Total	**161,341,452.61**	**2,800,992,465.38**	**2,715,130,598.66**	**247,203,319.33**

Other explanations:
☐Applicable √N/A

41. Taxes payable

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Value added tax	3,467,161,611.38	4,374,549,345.06
Consumption tax	709,246,663.96	607,700,716.02
Enterprise income tax	4,914,379,533.79	4,616,122,065.57
Individual income tax	229,794,105.13	203,075,071.89
City construction and maintenance tax	203,780,197.70	204,087,228.35
Educational surcharge	204,333,481.50	197,368,785.16
Land use tax	23,085,519.35	33,916,047.46
Others	342,648,683.13	338,065,716.49
Total	**10,094,429,795.94**	**10,574,884,976.00**

42. Other payables

Presentation by items

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Interest payable	104,301,970.97	107,812,655.08
Dividends payable	764,365,300.59	647,498,222.92
Other payables	76,213,934,154.21	65,940,536,629.41
Total	**77,082,601,425.77**	**66,695,847,507.41**

Other explanations:
☐Applicable √N/A

Interest payable

(1) Presentation by categories

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Interest of long-term borrowings for which interest is paid by installments and principal is repaid upon maturity	85,642,691.61	74,673,432.77
Interest of corporate bonds		727,143.20
Interest payable on short-term borrowings	18,659,279.36	32,412,079.11
Total	**104,301,970.97**	**107,812,655.08**

Significant overdue but unpaid interest:
☐Applicable √N/A

Other explanations:

☐Applicable √N/A

Dividends payable

(2) Presentation by categories

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Dividends payable-Dividends payable of subsidiaries due to minority shareholders	764,365,300.59	647,498,222.92
Total	**764,365,300.59**	**647,498,222.92**

Other payables

(1) Presentation of other payables by nature

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Sales commission and discount	56,036,040,857.04	50,862,152,103.49
Dealers' guarantees and deposits	2,236,896,124.96	2,184,069,728.91
Others	17,940,997,172.21	12,894,314,797.01
Total	**76,213,934,154.21**	**65,940,536,629.41**

(2) Significant other payables aged more than one year

☐Applicable √N/A

Other explanations:

☐Applicable √N/A

43. Held-for-sale liabilities

☐Applicable √N/A

44. Non-current liabilities due within one year

3.3 re Tj-14,613,907,094.16 2.4 12.24 re h W nBT1.504.48 149.52 TD ( ) Tj3Q q 84.24 186 0.48 0.72 .11136 Tc (a

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Long-term borrowings due within one year	5,336,371,073.57	5,643,316,038.39
Bonds payable due within one year	15,654,288,984.04	2,999,629,135.22
Long-term payables due within one year	123,690,293.29	9,216,084.18
Provisions due within one year	5,723,815,352.17	5,961,745,793.71
Total le		

√ Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Accrued expenses	139,563,238.36	98,741,098.31
Pending output VAT payables	48,857,447.65	51,534,567.19
Total	**188,420,686.01**	**150,275,665.50**

Changes in short-term bonds payable:
☐Applicable √ N/A

Other explanations:
☐Applicable √ N/A

46. Long-term borrowings

(1) Categories of long-term borrowings

√ Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Secured loans with securities under the custody of lenders	1,190,669,524.13	1,644,731,955.88
Secured loans with securities under the Group's custody	3,961,876,825.99	2,457,839,217.59
Guaranteed loans	1,477,853,360.00	1,454,820,800.00
Unsecured and non-guaranteed loans	17,842,937,213.17	19,243,854,684.50
Less: Long-term borrowings due within one year	-5,336,371,073.57	-5,643,316,038.39
Total	**19,136,965,849.72**	**19,157,930,619.58**

Explanations on categories of long-term borrowings:

Note 1: At the end of current year, the secured loans with securities under the custody of lenders amounting to RMB 37,500,000.00 were obtained with the letter of guarantee amounting to RMB 100,000,000.00 issued by the Bank of East Asia (China) Shanghai Branch as the collateral; the secured loans with securities under the custody of lenders amounting to RMB 53,169,524.13 were obtained with finance lease receivables of which the net carrying amount was RMB 53,100,000.00 as the collateral; the secured loans with securities under the custody of lenders amounting to RMB 800,000,000.00 were obtained with 10% equity in Yanfeng Automotive Trim Systems Co., Ltd. held by HASCO Motor as the collateral; the secured loans with securities under the custody of lenders amounting to RMB 300,000,000.00 were obtained with 6.66% equity and usufruct amounting to RMB 606,866,009.62 in Sailing Capital International (Shanghai) Co., Ltd as the collateral.

Note 2: At the end of current year, the guaranteed loans amounting to RMB 1,334,417,200.00 were obtained under the guarantee of Shanghai International Automotive City (Group) Co., Ltd.; and the guaranteed loans amounting to RMB 143,436,160.00 were obtained under the guarantee of Shanghai International Automotive City (Group) Co., Ltd. and Shanghai Anting Industrial Development Co., Ltd. jointly.

Note 3: At the end of current year, the secured loans with securities under the Group's custody amounting to RMB 207,000,000.00 were obtained with intangible assets – land use right of which the net carrying amount was RMB 966,203,619.59 as the collateral; the secured loans with securities under the Group's custody

amounting to RMB 70,922,863.88 were obtained with fixed assets – buildings of which the carrying amount was RMB 107,290,367.99 as the collateral; the secured loans with securities under the Group's custody amounting to RMB 343,940,000.00 were obtained with fixed assets – buildings of which the carrying amount was RMB 219,242,299.45, the fixed assets – machinery and equipment of which the net carrying amount was RMB 246,768,491.48, and intangible assets – land use right of which the net carrying amount was RMB 54,754,212.62 as the collateral; the secured loans with securities under the Group's custody amounting to RMB 120,000,000.00 were obtained with fixed assets – buildings of which the carrying amount was RMB 339,998,394.43, and intangible assets – land use right of which the net carrying amount was RMB 25,819,398.38 as the collateral; the secured loans with securities under the Group's custody amounting to RMB 186,863,870.00 were obtained with construction in progress of which the carrying amount was RMB 139,103,963.73, and intangible assets – land use right of which the net carrying amount was RMB 47,917,508.68 as the collateral; the secured loans with securities under the Group's custody amounting to RMB 947,742,808.42 were obtained with intangible assets – land use right of which the net carrying amount was RMB 3,154,504,647.80 as the collateral; the secured loans with securities under the Group's custody amounting to RMB 2,085,407,283.69 were obtained with fixed assets – buildings which the net carrying amount was RMB 831,451,670.61, fixed assets – machinery and equipment of which the net carrying amount was RMB715,823,243.60, fixed assets – molds of which the net carrying amount was RMB704,798,428.69, fixed assets – transportation vehicles of which the net carrying amount was RMB 38,460,161.10, fixed assets – electronic equipment, fixtures and furniture of which the net carrying amount was RMB66,874,225.99, construction in progress of which the net carrying amount was RMB165,078,307.03, intangible assets – land use right of which the net carrying amount was RMB394,638,046.54, intangible assets – know-how of which the net carrying amount was RMB482,140,560.43, and accounts receivable of which the net carrying amount was RMB24,819,767.79 as the collateral.

Other explanations, including interest rate range:
☐Applicable √N/A

47. Bonds payable

(1) Bonds payable

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Non-bank financial institution bonds of SAIC-GMAC (Note 1)	18,393,045,581.59	16,374,173,620.98
Financial asset-backed securities (Note 2)	8,436,887,544.75	413,000,000.00
Corporate bonds (Note 3)	4,986,117,808.21	-
Less: Bonds payable due within one year	-15,654,288,984.04	-2,999,629,135.22
Total	**16,161,761,950.51**	**13,787,544,485.76**

Note 1: The Company's subsidiary SAIC-GMAC issued a bond with a fixed interest rate of RMB 3,000,000,000 on 14 February 2017 in inter-bank bond markets with the coupon rate of 4.35% per annum and interest to be paid annually, and the bond has been repaid on 16 February 2020 upon maturity. SAIC-GMAC issued a bond with a fixed interest rate of RMB 5,000,000,000 on 2 April 2018 in inter-bank bond markets with the coupon rate of 5.00% per annum and interest to be paid annually, and the bond has been repaid on 4 April 2020 upon maturity. SAIC-GMAC issued a bond with a fixed interest rate of RMB 5,000,000,000 on 22 November 2018 in inter-bank bond markets with the coupon rate of 4.05% per annum and interest to be paid annually. Maturity date of the bond is 26 November 2021. SAIC-GMAC issued a bond with a fixed interest rate of RMB 5,000,000,000 on 18 June 2019 in inter-bank bond markets with the coupon rate of 3.80% per annum and interest to be paid annually. Maturity date of the bond is 20 June 2022. At the end of current year, the book balance of above bonds is RMB 18,393,045,581.59, in which RMB 8,296,503,686.79 will be due within one year.

Note 2: The Company's subsidiary SAIC-GMAC issued preferred A1 assets backed securities with a fixed interest rate amounting to RMB 5,000,000,000.00 and preferred A2 assets backed securities with a floating interest rate amounting to RMB 3,780,000,000.00 as an initiator on 6 March 2019, in which preferred A1 assets backed securities had been paid back fully in February 2020, while preferred A2 assets backed securities would be paid back fully in October 2020. SAIC-GMAC issued preferred A1 assets backed securities with a fixed interest rate amounting to RMB 4,000,000,000.00 and preferred A2 assets backed securities with a floating interest rate amounting to RMB 4,850,000,000.00 as an initiator on 6 August 2019, in which preferred A1 assets backed securities would be paid back fully in June 2020, while preferred A2 assets backed securities would be paid back fully in May 2020. SAIC-GMAC did not derecognize related financial assets but accounted financing as bonds payable. At the end of current year, the above bonds carried an amount of RMB 8,436,887,544.75, including RMB 7,357,785,297.25 due within one year.

Note 3: The Company was approved to issue corporate bonds with par value no more than RMB 20,000,000,000.00 in a public way to qualified investors in the current year by Document "Zheng Jian Xu Ke [2019] No. 1594" issued by China Securities Regulatory Commission. In September 2019, the Company issued the first installment of 3-year fixed-rate bonds with a coupon rate of 3.42% and an offering price of RMB100.00 each to qualified investors, amounting to RMB 3,000,000,000.00; in November 2019, the Company issued the second installment of 3-year fixed-rate bonds with a coupon rate of 3.60% and an offering price of RMB100.00 each to qualified investors, amounting to RMB 2,000,000,000.00. As at the end of current year, the book balance of above bonds was RMB 4,986,117,808.21.

(2) Changes in bonds payable (Excluding other financial instruments (preference shares, perpetual bonds and others) classified as financial liabilities)

☐Applicable √N/A

(3) Converting terms and period of convertible corporate bonds

☐Applicable √N/A

(4) Other financial instruments classified as financial liabilities

Basic information for outstanding preference shares, perpetual bonds and other financial instruments at the end of the period

☐Applicable √N/A

Changes in financial instruments including outstanding preference shares and perpetual bonds at the end of the period

☐Applicable √N/A

Basis for classifying other financial instruments to financial liabilities

☐Applicable √N/A

Other explanations:

☐Applicable √N/A

48. Lease liabilities

☐Applicable √N/A

49. Long-term payables

Presentation by items

√ Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Long-term payables	988,358,166.02	435,905,203.11
Special payables	702,265,794.35	770,852,669.35
Less: Long-term payables due within one year	-123,690,293.29	-9,216,084.18
Total	**1,566,933,667.08**	**1,197,541,788.28**

Other explanations:

☐Applicable √ N/A

Long-term payables

(1) Presentation of long-term payables by nature

☐Applicable √ N/A

Special payables

(2) Presentation of special payables by nature

√ Applicable ☐N/A

Unit: RMB

Item	1 January 2019	Increase	Decrease	31 December 2019
Special reward fund	769,707,669.35		67,441,875.00	702,265,794.35
Others	1,145,000.00		1,145,000.00	
Total	**770,852,669.35**		**68,586,875.00**	**702,265,794.35**

50. Long-term employee benefits payable

√ Applicable ☐N/A

(1) Statement of long-term employee benefits payable

√ Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
I. Post-employment benefits - net liabilities of defined benefit plans	3,265,370,719.30	3,396,309,239.30
II. Termination benefits	1,823,373,431.88	1,925,826,731.92
III. Other long-term benefits	515,564,002.03	531,098,064.41
Total	**5,604,308,153.21**	**5,853,234,035.63**

(2) Movements of defined benefit plans

Present value of defined benefit plan obligations:

√ Applicable ☐N/A

Unit: RMB

Item	2019	2018
I. 1 January	3,396,309,239.30	3,131,316,283.36
II. Cost of defined benefit plans recognized in profit or loss	63,733,193.46	97,400,778.40

1. Current service cost	36,222,683.17	2,782,218.24
2. Past service cost		
3. Gains on curtailments and settlements (Loss is indicated by "-")	-87,168,592.93	-28,955,224.04
4. Net value of interests	114,679,103.22	123,573,784.20
III. Cost of defined benefit plans recognized in other comprehensive income	-118,102,878.00	253,238,216.07
1. Actuarial gains (Loss is indicated by "-")	-118,102,878.00	253,238,216.07
IV. Other movements	-76,568,835.46	-85,646,038.53
1. Consideration paid at the time of settlement		
2. Benefits paid	-76,568,835.46	-85,646,038.53
V. 31 December	3,265,370,719.30	3,396,309,239.30

Planned asset:
☐Applicable √N/A

Net liabilities (assets) of defined benefit plan
☐Applicable √N/A

Explanation on the defined benefit plan, corresponding risks, and effects on the Company's future cash flows, timing and uncertainty:
√Applicable ☐N/A

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 on 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 in profit or loss when the defined benefit plan is revised. The current service cost will be included in the profit or loss for the period when the present value of obligations of defined benefit plans increases due to the service rendered by the employee during the current period. Gains and losses on curtailments and settlements are included in the profit or loss for the period at the balance between the present value of obligations of defined benefit plans and the settlement price as determined on the settlement date. Net interest is determined by multiplying the net liabilities of the defined benefit plans by the discount rate.

Defined benefit plans of supplementary post-employment benefits expose the Group to actuarial risks such as: interest rate risk, longevity risk, demographic risk, risk of policies change and inflation risk. The decrease in yields of government bonds will lead to increase in present value of defined benefit plans obligations which is calculated based on the best estimates of participating employees' mortality rate. 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 31 December 2019 by professional institution. The present value of the defined benefit obligation and the related service cost were measured using the projected unit credit method.

Explanations on significant actuarial assumptions and sensitivity analysis of the defined benefit plan
√ Applicable ☐N/A

Significant actuarial assumptions for the purposes of the actuarial valuations are discount rate, benefit increase rate and death rate. The discount rates used are 3% - 4%. The assumption of death rate was based on "China Life Insurance Mortality Table (2010-2013)".

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 129 million (increase by RMB 141 million)

If the benefit increase rate increases (decreases) by 1%, the present value of defined benefit plan liabilities would increase by RMB 593 million (decrease by RMB 436 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.

Other explanations:
☐Applicable √ N/A

51. Provisions

√ Applicable ☐N/A

Unit: RMB

Item	1 January 2019	31 December 2019	Reason
Obligation of guarantees provided to outsiders			
Pending litigations			
Products quality warranty	17,009,056,005.50	13,872,433,318.22	
Expected compensation expenditure	711,821,194.26	734,314,227.56	
Liability due to continuous involvement	1,055,985,144.66	2,910,167,439.68	
Restructuring obligation			
Onerous contracts to be performed			
Others	2,450,571,105.70	2,203,927,425.61	
Less: Provisions due within one year	-5,961,745,793.71	-5,723,815,352.17	
Total	**15,265,687,656.41**	**13,997,027,058.90**	/

52. Deferred income

Details of deferred income

√ Applicable ☐N/A

Unit: RMB

Item	1 January 2019	Increase	Decrease	31 December 2019	Reason
Government grants	14,027,129,065.72	2,379,729,557.49	2,825,673,023.96	13,581,185,599.25	

Interest received in advance by SFC and SAIC-GMAC	10,297,266,815.37	7,068,538,385.38	8,522,544,484.50	8,843,260,716.25	
Others	2,286,225,107.66	1,542,936,164.69	142,018,141.30	3,687,143,131.05	
Total	**26,610,620,988.75**	**10,991,204,107.56**	**11,490,235,649.76**	**26,111,589,446.55**	/

Items relating to government grants:

√ Applicable ☐N/A

Unit: RMB

Item	1 January 2019	Increase	Amount recognized in non-operating income	Amount recognized in other income	Other changes	31 December 2019	Related to assets/income
Relocation compensation	6,601,945,879.41	417,938,604.59	160,591,326.02	1,605,976,376.21		5,253,316,781.77	Related to assets/income
Subsidies for purchase of long-term assets	5,564,717,038.85	1,064,659,682.80		363,776,610.70		6,265,600,110.95	Assets/ Income
Technical improvement	372,624,633.40	377,246,603.41	143,360,213.57	448,827,603.97		157,683,419.27	Assets
Subsidies for project development	1,487,841,514.06	519,884,666.69		103,140,893.49		1,904,585,287.26	Assets
Total	**14,027,129,065.72**	**2,379,729,557.49**	**303,951,539.59**	**2,521,721,484.37**		**13,581,185,599.25**	

Other explanations:

☐Applicable √N/A

53. Other non-current liabilities

☐Applicable √N/A

54. Share capital

√ Applicable ☐N/A

At the end of current year, the Company had registered capital and paid-in capital of RMB 11,683,461,365.00, with a par value of RMB1.00 per share. Categories and composition of the shares are as follows:

Unit: RMB

	1 January 2019	Changes (+, -)					31 December 2019
		New shares	Allotment	Capitalization of surplus reserve	Others	Sub-total	
Total shares	11,683,461,365						11,683,461,365

Other explanations:

Note: Refer to Note (III)

55. Other equity instruments

(1) Basic information of other financial instruments including outstanding preference shares and perpetual bonds at the end of the period

☐Applicable √N/A

(2) Changes in financial instruments including outstanding preference shares and perpetual bonds at the end of the period

☐Applicable √N/A

Explanation for changes in other equity instrument, corresponding reasons and basis of relevant accounting treatment in the current period:
☐Applicable √N/A

Other explanations:
☐Applicable √N/A

56. Capital reserve

√Applicable ☐N/A

Unit: RMB

Item	1 January 2019	Increase	Decrease	31 December 2019
Capital premium (share premium)	53,877,460,925.10	29,975,447.66		53,907,436,372.76
Other capital reserve	1,445,484,605.34	213,737,018.77		1,659,221,624.11
Total	**55,322,945,530.44**	**243,712,466.43**		**55,566,657,996.87**

Other explanations, including increase or decrease in the period and related reasons:
Note 1: In the other capital reserve, RMB 203,041,058.96 was resulted from the increase in capital reserve due to premium contribution made by other shareholders of a subsidiary of Shanghai Saiwei Investment Center (Limited Partnership), a joint venture of the Group.

57. Treasury shares

☐Applicable √N/A

58. Other comprehensive income

√Applicable ☐N/A

Unit: RMB

Item	1 January 2019	2019						31 December 2019
		Incurred amount before income tax	Less: Amount included in other comprehensive income in the prior period but transferred to profit or loss of the current period	Less: Amount included in other comprehensive income in the prior period but transferred to retained earnings	Less: Income tax expenses	Attributable to the Company after income tax	Attributable to minority shareholders after income tax	
I. Other comprehensive income that will not be reclassified to profit or loss	7,376,237,231.38	5,553,507,866.38		1,170,071.23	964,925,599.90	4,135,962,074.99	451,450,120.26	11,512,199,306.37
Including: Changes due to re-measurement of defined benefit plans	767,198,667.66	118,102,878.00				119,175,784.78	-1,072,906.78	886,374,452.44
Other comprehensive income that will not be reclassified to profit or loss under equity method	-841,131.69	-25,520,854.54				-14,904,422.81	-10,616,431.73	-15,745,554.50
Changes in fair value of other equity instrument investments	6,609,879,695.41	5,460,925,842.92		1,170,071.23	964,925,599.90	4,031,690,713.02	463,139,458.77	10,641,570,408.43
Changes in fair value of the								

Company's own credit risk								
II. Other comprehensive income that may be reclassified to profit or loss	748,159,216.44	267,134,076.93			11,288,384.44	244,376,316.51	11,469,375.98	992,535,532.95
Including: Other comprehensive income that may be reclassified subsequently to profit or loss under equity method	-7,459,348.46	14,703,858.93				13,241,598.11	1,462,260.82	5,782,249.65
Changes in fair value of other debt investments	2,727,765.10	2,383,175.68			595,793.93	1,766,325.28	21,056.47	4,494,090.38
The amount of financial assets reclassified into other comprehensive income								
Provision for credit impairment of other debt investments		182,676.36			45,669.09	137,007.27		137,007.27
Effective portion of profit or loss from cash flow hedges		5,169,847.74			1,292,461.94	3,877,385.80		3,877,385.80
Translation difference of financial statements denominated in foreign currencies	753,251,446.65	211,751,762.27				201,613,087.36	10,138,674.91	954,864,534.01
Changes in fair value of receivables financing	-1,246,339.17	-4,475,081.97				-4,041,831.97	-433,250.00	-5,288,171.14
Other current assets – changes in fair value of interbank depository receipts	885,692.32	37,417,837.92			9,354,459.48	27,782,744.66	280,633.78	28,668,436.98
Total	**8,124,396,447.82**	**5,820,641,943.31**		**1,170,071.23**	**976,213,984.34**	**4,380,338,391.50**	**462,919,496.24**	**12,504,734,839.32**

59. Special reserve

√ Applicable ☐N/A

Unit: RMB

Item	1 January 2019	Increase	Decrease	31 December 2019
Safety production costs	509,046,814.71	141,815,943.76	30,566,801.94	620,295,956.53
Total	**509,046,814.71**	**141,815,943.76**	**30,566,801.94**	**620,295,956.53**

60. Surplus reserve

√ Applicable ☐N/A

Unit: RMB

Item	1 January 2019	Increase	Decrease	31 December 2019
Statutory surplus reserve	22,779,030,101.35			22,779,030,101.35
Discretionary surplus reserve	18,064,141,547.16			18,064,141,547.16
Reserve fund				

Enterprise development fund				
Others				
Total	**40,843,171,648.51**			**40,843,171,648.51**

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

61. Retained earnings

√ Applicable ☐N/A

Unit: RMB

Item	2019	2018
Balance at the end of prior period before adjustment	115,097,364,967.32	104,694,637,497.79
Adjustment of opening balance of retained earnings (add: +; less: -)	-181,598,428.51	
Balance at the beginning of current period (adjusted)	114,915,766,538.81	104,694,637,497.79
Add: Net profit attributable to the owners of the Company	25,603,384,202.16	36,009,210,583.83
Retained earnings carried forward from other comprehensive income	1,170,071.23	
Less: Appropriation to statutory surplus reserve		3,096,686,047.65
Appropriation to discretionary surplus reserve		
Appropriation to general risk reserve		
Dividends distribution on ordinary shares	14,721,161,319.90	21,380,734,297.95
Conversion of ordinary shares' dividends into share capital		
Appropriation to general risk reserve of SFC and SAIC-GMAC	304,381,263.28	818,399,772.80
Appropriation to foreign capital reserve of SFC	4,298,659.31	4,023,972.65
Appropriation to staff incentive and welfare fund of subsidiaries	202,013,899.89	172,382,751.40
Increase/decrease due to changes in shareholding ratio of the Company in subsidiaries	7,685,130.74	134,256,271.85
Balance at the end of period	125,280,780,539.08	115,097,364,967.32

Details of adjustment of retained earnings at the beginning of the current period:

1. Retained earnings at the beginning of the current period amounting to RMB -181,598,428.51 was affected due to retrospective adjustment based on ASBE and relevant new regulations.
2. Retained earnings at the beginning of the current period amounting to RMB 0 was affected due to changes in accounting policies.
3. Retained earnings at the beginning of the current period amounting to RMB 0 was affected due to corrections of significant accounting errors.
4. Retained earnings at the beginning of the current period amounting to RMB 0 was affected due to changes in consolidation scope of business combination involving enterprises under common control.
5. Retained earnings at the beginning of the current period amounting to RMB 0 was affected due to other adjustments.

Retained earnings carried forward from other comprehensive income:

The Group's subsidiaries disposed of a portion of their investments in other equity instruments during the year and the cumulative change in fair value included in other comprehensive income was carried forward to retained earnings.

Dividends payable on ordinary shares:
Prior year's cash dividends approved at general meeting of shareholders
Pursuant to resolution made at 2018 annual general meeting of shareholders on 23 May 2019, the Company distributed cash dividends of RMB 12.60 (tax included) per 10 shares, amounting to RMB 14,721,161,319.90 based on total 11,683,461,365 shares.

Increase/decrease due to changes in shareholding ratio in subsidiaries during the current year:
Nanjing Automobile Group, a subsidiary of the Group, acquired minority interests in its subsidiary, Nanjing NAC Special Purpose Vehicle Co., Ltd., at a premium during the year. The retained earnings were adjusted as the capital premium of such company was insufficient to offset. For the details, see Note (IX) 2.

62. Operating income/costs

(1) Details of operating income/costs

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019		Year ended 31 December 2018	
	Income	Costs	Income	Costs
Primary operations	804,616,025,690.03	708,363,121,402.18	867,381,236,766.40	752,776,464,661.54
Other operations	21,913,977,277.84	17,737,091,986.15	20,244,970,522.01	17,209,357,838.12
Total	**826,530,002,967.87**	**726,100,213,388.33**	**887,626,207,288.41**	**769,985,822,499.66**

(1) Primary operations

Unit: RMB

Item	Year ended 31 December 2019		Year ended 31 December 2018	
	Operating income	Operating costs	Operating income	Operating costs
Sales of vehicles	613,341,075,419.72	556,458,246,294.66	667,308,457,248.59	590,918,548,655.90
Sales of parts	164,853,324,589.96	128,184,047,685.11	175,459,626,179.39	140,043,700,616.08
Trading	10,575,491,931.44	9,826,704,207.43	9,521,282,310.93	8,861,249,145.62
Service and others	15,846,133,748.91	13,894,123,214.98	15,091,871,027.49	12,952,966,243.94
Total	**804,616,025,690.03**	**708,363,121,402.18**	**867,381,236,766.40**	**752,776,464,661.54**

(2) Other operations

Unit: RMB

Item	Year ended 31 December 2019		Year ended 31 December 2018	
	Operating income	Operating costs	Operating income	Operating costs
Sales of raw materials and waste	13,517,710,909.93	12,911,841,136.38	16,008,498,097.66	14,740,384,733.02
Rendering of services	3,825,102,417.92	2,790,544,058.01	1,715,986,886.11	1,199,206,877.11
Rental	780,784,165.26	560,319,726.12	771,232,687.32	531,658,005.13
Others	3,790,379,784.73	1,474,387,065.64	1,749,252,850.92	738,108,222.86
Total	**21,913,977,277.84**	**17,737,091,986.15**	**20,244,970,522.01**	**17,209,357,838.12**

(3) Operating income from the top five customers is as follows:

Unit: RMB

Name	Operating income	Proportion to total operating income (%)
Company 1	42,497,801,417.34	5.14
Company 2	22,639,481,565.21	2.74
Company 3	5,547,206,228.75	0.67

Company 4	3,599,089,535.36	0.44
Company 5	3,319,614,889.81	0.40
Total	**77,603,193,636.47**	**9.39**

63. Taxes and levies

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018
Consumption tax	3,871,844,575.10	4,467,164,421.17
City construction and maintenance tax	900,723,723.68	947,728,637.98
Education surcharges	765,015,954.09	881,842,582.54
Property tax	325,510,937.85	321,549,782.61
Land use tax	140,563,010.44	155,721,770.77
Stamp tax	489,093,715.09	531,385,948.12
Others	117,142,413.28	157,938,341.31
Total	**6,609,894,329.53**	**7,463,331,484.50**

64. Selling expenses

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018
Transportation expenses	14,473,696,203.46	17,318,949,741.30
Advertising expenses	13,441,494,239.10	13,523,103,088.99
Others	29,535,395,774.28	32,580,974,311.12
Total	**57,450,586,216.84**	**63,423,027,141.41**

65. Administrative expenses

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018
Wages and salaries	10,148,141,736.63	9,989,167,805.11
Depreciation and amortization	2,238,023,966.77	1,811,460,305.87
Technology transfer fee	124,012,496.70	184,778,980.61
Others	9,797,908,460.66	9,350,608,033.84
Total	**22,308,086,660.76**	**21,336,015,125.43**

66. Research and development expenses

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018
Research expenditure	3,350,509,845.20	3,410,659,084.74
Development expenditure	10,043,640,432.03	11,974,353,556.44
Total	**13,394,150,277.23**	**15,385,012,641.18**

67. Financial expenses

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018
Interest expenses	2,100,748,445.15	1,954,685,452.84
Less: Capitalized interest expenses	-74,820,238.72	-91,588,722.92
Less: Interest income	-2,014,804,147.44	-1,618,779,749.28
Exchange gain or loss	-276,209,044.77	-133,136,328.30
Others	289,451,615.97	84,256,642.33
Total	**24,366,630.19**	**195,437,294.67**

68. Other income

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018
Government grants	4,378,558,797.16	3,126,294,342.09
Total	**4,378,558,797.16**	**3,126,294,342.09**

69. Investment income

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018
Income from long-term equity investments under equity method	22,837,901,872.45	25,920,863,141.08
Investment income on disposal of long-term equity investments	344,678,998.49	76,039,502.69
Investment income of financial assets at fair value through profit or loss during the holding period		110,671,861.69
Investment income acquired from disposal of financial assets at fair value through profit or loss		
Investment income from held-to-maturity investments during the holding period		
Investment income from disposal of held-to-maturity financial assets		
Investment income from available-for-sale financial assets		5,770,083,011.53
Investment income from disposal of available-for-sale financial assets		
Investment income from held-for-trading financial assets in holding period	843,196,594.09	
Dividend income from other equity instruments investments in holding period	486,800,779.51	
Interest income from debt investments in holding period		
Interest income from other debt investments in holding period	5,365,772.55	
Investment income from disposal of held-for-trading financial assets		
Investment income from disposal of other equity instruments investments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		

Gain from business combinations not involving enterprises under common control achieved in stages involving multiple transactions	146,659,331.55	925,813,801.85
Gain from financial assets purchased under resale agreements	174,831,728.01	120,586,763.17
Others	61,382,863.12	201,804,546.58
Total	**24,900,817,939.77**	**33,125,862,628.59**

Other explanations:

Note 1: RMB 178,666,385.17 was investment income from disposal of joint ventures and associates. Refer to Note (VII) 18.

Note2: It was mainly resulted from the business combination not involving enterprises under common control of the Group's subsidiaries Industry Sales and HASCO Motor in 2019. Refer to Note (VIII) 1.

70. Net exposure hedging income

☐Applicable √N/A

71. Gains from changes in fair values

√Applicable ☐N/A

Unit: RMB

Source	Year ended 31 December 2019	Year ended 31 December 2018
Financial assets at fair value through profit or loss		-128,038,689.29
Held-for-trading financial assets	1,514,882,730.29	
Including: Gains from changes in fair values arising from derivatives		
Other non-current financial assets	-40,693,859.11	
Financial liabilities at fair value through profit or loss		15,224,021.65
Held-for-trading financial liabilities	22,321,220.42	
Investment properties measured at fair value		
Total	**1,496,510,091.60**	**-112,814,667.64**

72. Impairment losses of credit

√Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018
Bad debt provision of other receivables	-122,837,019.85	
Impairment provision of debt investments	-729,213.51	
Impairment provision of other debt investments	-182,676.36	
Bad debt provision of long-term receivables	-363,576,094.40	
Impairment losses of credit of notes receivable	-6,757,269.10	
Impairment losses of credit of accounts receivable	-461,976,868.07	
Impairment loss of loans and advances	-1,242,999,222.58	
Impairment losses of credit of other non-current assets	333,619,150.15	
Total	**-1,865,439,213.72**	

73. Impairment losses of assets

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018
1. Bad debt loss		-596,890,982.27
2. Loss from decline in value of inventories	-1,259,505,875.01	-1,102,603,047.40
3. Impairment on available-for-sale financial assets		-165,864,304.50
4. Impairment on held-to-maturity investments		-4,259,590.46
5. Impairment on long-term equity investments		
6. Impairment on investment properties		
7. Impairment on fixed assets	-191,332,457.02	-268,508,038.19
8. Impairment on materials for construction of fixed assets		
9. Impairment on construction in progress	-41,077,052.46	-447,640.03
10. Impairment on bearer biological assets		
11. Impairment on oil and gas assets		
12. Impairment on intangible assets	-4,834,573.10	
13. Impairment on goodwill	-145,214,746.53	-14,232,067.36
14. Others		-1,337,694,118.10
Total	**-1,641,964,704.12**	**-3,490,499,788.31**

74. Gains from disposal of assets

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018
Gains from disposal of fixed assets	94,345,837.44	226,201,879.70
Gains (losses) from disposal of construction in progress	1,109,441.28	-448,947.62
Gains (losses) from disposal of intangible assets	2,035,814.01	257,712,663.89
Total	**97,491,092.73**	**483,465,595.97**

75. Non-operating income

Details of non-operating income

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018	Amount included in non-recurring profit or loss for the period
Total gains on disposal of non-current assets			
Including: Gains from disposal of fixed assets			
Gains from disposal of intangible assets			
Gains on debt restructuring	108,250.00	55,000.00	108,250.00
Gains on exchange of non-monetary assets			

Donations received			
Government grants	339,546,354.56	457,342,766.15	339,546,354.56
Discount of equity transactions	214,426,978.94	523,565,099.74	214,426,978.94
Payables waived by creditors	43,047,932.99	30,469,038.71	43,047,932.99
Others	169,822,631.32	113,679,393.09	169,822,631.32
Total	**766,952,147.81**	**1,125,111,297.69**	**766,952,147.81**

Government grants recognized in profit or loss

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018	Related to asset/income
Relocation compensation	160,591,326.02	438,734,604.10	Asset/income
Technical improvement	143,360,213.57		Asset
Others	35,594,814.97	18,608,162.05	Income
Total	**339,546,354.56**	**457,342,766.15**	

Other explanations:

☐Applicable √ N/A

76. Non-operating expenses

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018	Amount included in non-recurring profit or loss for the period
Losses on debt restructuring	1,383,933.38	359,726.30	1,383,933.38
Donations	21,986,387.24	60,409,453.70	21,986,387.24
Relocation	147,421,427.31	183,293,769.61	147,421,427.31
Indemnity loss to suppliers	72,145,651.58	76,773,079.79	72,145,651.58
Others	-88,674,330.92	134,243,238.70	-88,674,330.92
Total	**154,263,068.59**	**455,079,268.10**	**154,263,068.59**

77. Income tax expenses

(1) Statement of income tax expenses

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018
Current income tax expenses	8,019,821,388.07	9,142,246,265.22
Effect of prior year's income tax annual filing	-497,054,673.50	-547,013,558.69
Deferred tax expenses	-1,853,881,418.51	-2,656,046,277.46
Total	**5,668,885,296.06**	**5,939,186,429.07**

(2) Adjustment on accounting profit and income tax expenses

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019
Total profit	40,957,792,203.69
Income tax expense calculated based on statutory/applicable tax rate	6,143,668,830.55
Effect of different tax rates of subsidiaries operating in other jurisdictions	2,398,341,676.67
Effect of adjustment on income tax for the periods	-497,054,673.50
Effect of non-taxable income	-3,460,599,256.84
Effect of non-deductible cost, expense and loss	249,860,265.84
Effect of utilizing deductible loss not recognized for deferred tax assets for prior period	-497,388,529.69
Effect of deductible temporary difference or deductible loss not recognized for deferred tax assets for the current period	2,103,871,701.33
Changes in opening balances of deferred tax assets/liabilities resulted from tax rate adjustment	-1,127,278.52
Effect of super tax deduction for research and development expenditures	-770,687,439.78
Income tax expenses	5,668,885,296.06

Other explanations:

☐Applicable √ N/A

78. Other comprehensive income

√ Applicable ☐N/A

Please refer to Note (VII) 58.

79. Items in the cash flow statement

(1) Other cash receipts relating to operating activities

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018
Cash receipts from financial leases and government grants	8,959,680,772.78	12,080,260,746.15
Total	**8,959,680,772.78**	**12,080,260,746.15**

(2) Other cash payments relating to operating activities

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018
Cash payments for operating activities and others	35,003,843,457.35	51,747,553,031.95
Total	**35,003,843,457.35**	**51,747,553,031.95**

(3) Other cash receipts relating to investing activities

☐Applicable √ N/A

(4) Other cash payments relating to investing activities

☐Applicable √ N/A

(5) Other cash receipts relating to financing activities

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018
Cash receipts from recovery of bank draft deposits	350,475,738.36	
Total	**350,475,738.36**	

(6) Other cash payments relating to financing activities

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018
Cash payments for bank draft deposits		4,265,420,025.62
Total		**4,265,420,025.62**

80. Supplementary information to the cash flow statements

(1) Supplementary information to the cash flow statements

√ Applicable ☐N/A

Unit: RMB

Supplementary information	Year ended 31 December 2019	Year ended 31 December 2018
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	35,288,906,907.63	48,404,663,401.86
Add: Provision for impairment loss of assets	1,641,964,704.12	3,490,499,788.31
Impairment losses of credit	1,865,439,213.72	
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of bearer biological assets	11,456,536,577.21	9,795,048,420.31
Depreciation and amortization of investment properties	164,335,072.73	139,777,718.82
Amortization of intangible assets	1,159,706,116.18	973,219,795.08
Amortization of long-term deferred expenses	693,892,143.51	575,675,951.63
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are indicated by "-")	-89,101,686.01	-300,171,826.36
Losses on retirement of fixed assets (gains are indicated by "-")		
Losses on changes in fair values (gains are indicated by "-")	-1,496,510,091.60	112,814,667.64
Financial expenses (gains are indicated by "-")	2,025,928,206.43	1,863,096,729.92
Investment losses (income is indicated by "-")	-24,900,817,939.77	-33,125,862,628.59
Decrease in deferred tax assets (increase is indicated by "-")	-1,788,821,945.54	-2,736,056,441.11
Increase in deferred tax liabilities (decrease is indicated by "-")	-65,059,472.97	80,010,163.65
Decrease in inventories (increase is indicated by "-")	5,783,804,946.39	-11,659,383,317.01
Net decrease in repurchase arrangements (increase is indicated by "-")	-12,666,507,248.51	117,789,478.50
Decrease in operating receivables (increase is indicated by "-")	4,831,394,760.08	-32,048,652,268.89
Increase in operating payables (decrease is indicated by "-")	22,366,762,663.15	23,293,185,157.90
Others		
Net cash flow from operating activities	46,271,852,926.75	8,975,654,791.66

2. Significant investing and financing activities that do not involve cash receipts and payments:		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	109,822,737,946.69	106,217,412,808.88
Less: Opening balance of cash	106,217,412,808.88	106,944,175,426.61
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	3,605,325,137.81	-726,762,617.73

(2) Net cash payments for the acquisition of subsidiaries during the period

☐Applicable √N/A

(3) Net cash receipts from the disposal of subsidiaries during the period

☐Applicable √N/A

(4) Composition of cash and cash equivalents

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
I. Cash	109,822,737,946.69	106,217,412,808.88
Including: Cash at hand	3,524,842.95	4,377,293.17
Bank deposits	108,870,929,132.73	105,245,892,310.32
Other monetary funds	948,283,971.01	967,143,205.39
Deposits with the central bank		
Deposits made with other banks		
Placements with banks		
II. Cash equivalents		
Including: Debt security investment due within three months		
III. Closing balance of cash and cash equivalents	109,822,737,946.69	106,217,412,808.88
Including: Restricted cash and cash equivalents of the Company or subsidiaries within the Group		

Other explanations:

☐Applicable √N/A

81.Notes to items in the statement of changes in owner's equity

Explanation on matters such as the names and the adjustment amounts of the items included in "others" in respect of adjustments to the closing balances of the prior year:

☐Applicable √N/A

82. Assets with restricted ownership or use right

√ Applicable ☐N/A

Unit: RMB

Item	Carrying amount at 31 December 2019	Reason for restriction
Cash and bank balances	18,004,098,735.56	Refer to Note (VII)1
Notes receivable	453,721,649.00	Refer to Note (VII)4
Accounts receivable	363,761,124.97	Refer to Note (VII)5
Long-term receivables	53,100,000.00	Refer to Note (VII)17
Fixed assets	3,294,358,500.51	Refer to Note (VII)22
Intangible assets	5,132,359,301.45	Refer to Note (VII)27
Long-term equity investments	606,866,009.62	Refer to Note (VII)18
Construction in progress	304,182,270.76	Refer to Note (VII)23
Total	**28,212,447,591.87**	/

83. Foreign currency monetary items

(1) Foreign currency monetary items

√ Applicable ☐N/A

Unit: RMB

Item	Closing balance of foreign currency	Exchange rate	Closing balance of RMB equivalent
Cash and bank balances			
-USD	1,168,808,478.52	6.9762	8,153,841,707.85
-THB	4,626,511,438.93	0.2328	1,077,051,862.98
-EUR	117,491,116.25	7.8155	918,251,819.05
-AED	275,022,195.00	1.8992	522,322,152.74
-GBP	66,022,324.71	9.1501	604,110,873.33
-INR	3,970,382,526.00	0.0978	388,303,411.04
-HKD	311,659,254.70	0.8958	279,184,360.36
-AUD	50,347,187.30	4.8843	245,910,766.93
-CZK	791,763,665.91	0.3077	243,625,680.00
-IDR	422,293,440,400.00	0.0005	211,146,720.20
-CLP	19,788,794,553.00	0.0092	182,056,909.89
-MYR	64,550,649.00	1.6986	109,645,732.39
-ZAR	145,826,818.09	0.4943	72,082,196.18
-JPY	80,910,549.00	0.0641	5,186,366.19
-Others	2,126,311,904.18		72,188,301.60
Long-term borrowings			
-EUR	100,000,000.00	7.8155	781,550,000.00
-THB	8,957,935,067.39	0.2328	2,085,407,283.69
Short-term borrowings			
-USD	330,000,000.00	6.9762	2,302,146,000.00
-EUR	210,596,300.00	7.8155	1,645,915,382.65
-THB	2,101,800,000.00	0.2328	489,299,040.00

Other explanations:

Note: Most of the transactions of the Group are incurred domestically, and majority of the assets and liabilities are denominated in RMB. Therefore, there were no other significant foreign currency monetary items except for cash and bank balances and borrowings.

(2) Explanation on overseas operating entities, including significant overseas operating entities, of which the major operation place, functional currency and selection basis as well as changes in functional currency should be disclosed

☐Applicable √N/A

84. Hedging

☐Applicable √N/A

85. Government grants

(1) Basic information of government grants

☐Applicable √N/A

(2) Return of government grants

☐Applicable √N/A

Other explanations:

(1) Government grants related to assets

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018
Relocation compensation	417,938,604.59	276,235,766.79
Subsidies for purchase of long-term assets	1,064,659,682.80	2,210,440,184.92
Technical improvement	377,246,603.41	147,600.00
Total	**1,859,844,890.80**	**2,486,823,551.71**

(2) Government grants related to income

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018
Project development grants	549,157,766.39	793,601,764.09
Financial subsidies	1,732,093,851.33	1,976,957,145.32
Others	131,065,176.73	26,762,424.85
Total	**2,412,316,794.45**	**2,797,321,334.26**

(3) Government grants recognized in profit or loss and deferred income

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018
Government grants recognized in deferred income	2,379,729,557.49	3,002,190,776.33
Deferred income amortized in the current year	2,825,673,023.96	1,301,682,998.60
Government grants immediately recognized in profit or loss for the period	1,892,432,127.76	2,281,954,109.64

(4) Government grants recognized in non-operating income

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018	Related to assets/income
Relocation compensation	160,591,326.02	438,734,604.10	Asset/income
Others	178,955,028.54	18,608,162.05	Income
Total	**339,546,354.56**	**457,342,766.15**	

(5) Government grants recognized in other income

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018	Related to assets/income
Relocation compensation	1,605,976,376.21	211,131,045.15	Asset/income
Subsidies for purchase of long-term assets	363,776,610.70	342,722,137.19	Asset
Technical improvement	448,827,603.97	68,696,958.06	Asset
Financial subsidies	1,732,093,851.33	1,976,957,145.32	Income
Subsidies for project development	164,250,982.51	518,632,793.57	Income
Others	63,633,372.44	8,154,262.80	Income
Total	**4,378,558,797.16**	**3,126,294,342.09**	

86. Others

☐Applicable √N/A

VIII. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combinations not involving enterprises under common control

√Applicable ☐N/A

(1) Business combinations not involving enterprises under common control incurred in the current period

√Applicable ☐N/A

Unit: RMB

Acquiree's name	Acquisition cost	Proportion acquired (%)	Acquisition date	Income received by the acquiree from the acquisition date to the end of period	Net profit received by the acquiree from the acquisition date to the end of period
HASCO Powertrain Components	65,160,850.25	50%	July 3, 2019	164,632,198.43	-36,532,114.60
Seeyao Electronics	156,277,556.58	80%	January 8, 2019	2,879,354,749.83	177,449,155.88

Other explanations:

Note 1: The Group's subsidiary HASCO, and ZF (China) Investment Co., Ltd. ("ZF China") had held 50% equity of HASCO Powertrain Components respectively which had been a joint venture of HASCO. On 18 December 2018, HASCO and ZF China concluded an equity transfer agreement by which HASCO acquired the other 50% equity in HASCO Powertrain Components held by ZF China at a price of RMB 65,160,850.25.

On 3 July 2019, both parties signed closing memorandum to confirm the completion of equity transfer and HASCO included HASCO Powertrain Components into the scope of consolidation of the consolidated financial statements since then.

Note 2: Shanghai Seeyao Electronics Co., Ltd. ("Seeyao Electronics") had been a company established by Shanghai Changhui Industry Development Co., Ltd. ("Changhui") and Yang Xiaofeng jointly. On 16 March 2018, a subsidiary of HASCO, HASCO Systems (Shanghai) Co., Ltd. ("HASCO Shanghai") and Changhui concluded an equity transfer agreement by which HASCO Shanghai acquired 80% equity held by Changhui in Seeyao Electronics at a price of RMB 156,277,556.58. On 8 January 2019, HASCO Shanghai paid for the transfer of equity fully so that Seeyao Electronics and its subsidiary Shanghai Xinyu Electronic Technology Co., Ltd. became subsidiaries of HASCO Shanghai. HASCO Shanghai included Seeyao Electronics into the scope of consolidation of consolidated financial statements since then.

Note 3: The Group's subsidiary Industry Sales, and Avis Europe Group Holdings BV ("Avis") had held 50% equity of Anji Car Rental & Leasing respectively which had been a joint venture of Industry Sales. In the current year, Industry Sales and Avis concluded an equity transfer agreement by which Industry Sales acquired the other 50% equity in Anji Car Rental & Leasing held by Avis in cash at an appraisal price of 459,854,489.03, and actually paid RMB 459,854,489.03 in cash to complete the acquisition in January 2019. After the completion of this acquisition, Industry Sales held 100.00% equity of Anji Car Rental & Leasing and included Anji Car Rental & Leasing into the scope of consolidation of the consolidated financial statements since the completion date of transaction. In August 2019, Industry Sales and Shanghai Saike Mobility Technical Service Co., Ltd. ("Saike Mobility") concluded a capital increase agreement by which Saike Mobility increased capital to Anji Car Rental & Leasing with RMB 100,000,000.00 in cash and accordingly held 10.0% equity of Anji Car Rental & Leasing. The industrial and commercial registration of changes for the above capital increase has been completed on 22 November 2019. So far, shareholding ratio of Industry Sales to Anji Car Rental & Leasing has been reduced to 90.00%.

Note 4: Changzhou Qide Equity Investment Fund Center (L.P) ("Changzhou Qide") was a joint venture invested and managed by a subsidiary of the Group which held 44.90% equity in Changzhou Qide. In December 2019, the Company purchased usufruct of 54.99% equity of Changzhou Qide and the above transaction has been completed on 31 December 2019 actually. So far, the Company included Changzhou Qide into the scope of consolidation of the consolidated financial statements since the completion date of transaction.

Note 5: In the current year, a business combination not involving enterprises under common control happened to the Group's subsidiary Industry Sales, i.e. Industry Sales acquired 100.00% equity of Shanghai Yirui Automobile Technology Co., Ltd., and accordingly included such company into the scope of consolidation of the consolidated financial statements since the acquisition date.

(2) Combination cost and goodwill

√ Applicable ☐N/A

Unit: RMB

Cost of combination	HASCO Powertrain Components	Seeyao Electronics
--Cash	65,160,850.25	156,277,556.58
-- Fair value of non-cash assets		
-- Fair value of debt issued or assumed		
-- Fair value of issued equity securities		
-- Fair value of contingent consideration		
-- Fair value of equity (held prior to the acquisition date) at the acquisition date	66,500,000.00	

-- Others		
Total cost of combination	131,660,850.25	156,277,556.58
Less: Share of fair value of identifiable net assets acquired	131,908,446.20	361,882,244.26
Amount of goodwill/combination cost less than share of fair value of identifiable net assets	-247,595.95	-205,604,687.68

(3) Identifiable assets and liabilities of acquiree at the acquisition date

√ Applicable ☐N/A

Unit: RMB

	HASCO Powertrain Components		Seeyao Electronics	
	Fair value at the acquisition date	Carrying amount at the acquisition date	Fair value at the acquisition date	Carrying amount at the acquisition date
Assets:	304,979,035.02	304,979,035.02	2,238,009,953.43	2,238,009,953.43
Liabilities:	173,070,588.81	173,070,588.81	1,783,232,244.97	1,783,232,244.97
Net assets	131,908,446.21	131,908,446.21	454,777,708.46	454,777,708.46
Less: Minority interests			2,424,903.13	2,424,903.13
Net assets acquired	131,908,446.21	131,908,446.21	452,352,805.33	452,352,805.33

Other explanations:

Net assets acquired: The fair value of above identifiable assets and liabilities are determined on a basis of the appraisal report.

(4) Gains or losses arising from equity held prior to the acquisition date re-measured at fair value

Whether there are any transactions where the business combination is achieved in steps and control is obtained in the reporting period

√ Applicable ☐N/A

Unit: RMB

Name of acquiree	Carrying amount of equity at the acquisition date held prior to the acquisition date	Fair value of equity at the acquisition date held prior to the acquisition date	Gains or losses from re-measurement at fair value of equity held prior to the acquisition date
HASCO Powertrain Components	63,811,492.5.52 TD 0 Tc.08304 T un7j8.4 -11.28 TD 0.08304 Tcc.3s		

4. Disposal of subsidiaries

Whether the entity lost control over subsidiaries through a single disposal of the investment in them

√ Applicable ☐N/A

Unit: RMB

Name of subsidiary	Equity disposal method
Nanjing DongWei Metal Products Co., Ltd.	Transfer of control
Shanghai Yinkong Drive System Co., Ltd.	Transfer of control
Jining Anji Hengyuan Automotive Sales Co., Ltd.	Transfer of control
Yankang Automotive Components Rugao Co., Ltd.	Transfer of control

Other explanations:

√ Applicable ☐N/A

(1) Nanjing DongWei Metal Products Co., Ltd. ("Nanjing DongWei") was subsidiary of the Group's subsidiary Donghua which held 100.00% equity in such company. In the current year, Donghua disposed 100.00% equity of Nanjing DongWei.

(2) In the current year, Ningbo Meishan Bonded Port Area Jiechuang Equity Investment Partnership (LP) disposed the equity of Shanghai Yinkong Drive System Co., Ltd., and accordingly its shareholding ratio was reduced from 70.00% to 30.00%.

(3) The Group's subsidiary Industry Sales lost control over Jining Anji Hengyuan Automotive Sales Co., Ltd.

(4) In the current year, the Group's subsidiary Yanfeng Automotive Trim Systems Co., Ltd. ("Yanfeng") transferred 100.00% equity of its wholly-owned subsidiary Yankang Automotive Components Rugao Co., Ltd. to Yanfeng Plastic Omnium Automotive Exterior Systems Co., Ltd.

In the current year, the above events decreased total goodwill amounting to RMB 8,406,717.40, and brought about total cash inflows from disposal of subsidiaries amounting to RMB 148,789,000.58.

Whether there is any disposal of investments through multiple transactions and the loss of control in current period

☐Applicable √ N/A

5. Other reasons for changes in scope of consolidation

Explanation on the changes in consolidation scope incurred by other reasons (such as incorporation of new subsidiaries, liquidation of subsidiaries and others) and other related circumstances:

√ Applicable ☐N/A

In the current year, the Group incorporated subsidiaries Saike Intelligent Technology (Shanghai) Co., Ltd., SAIC New Energy Vehicle Sales Service (Xiamen) Co., Ltd., SAIC Anji Logistics (Zhengzhou) Co., Ltd., Shanghai Diesel Haian Co., Ltd., Dalian Shanghai Diesel Engine Co., Ltd., and SAIC Lianchuang Intelligent NetsUnion Technology (Jiangsu) Co., Ltd., and included these subsidiaries into the scope of consolidation of consolidated financial statements since their incorporation dates.

In the current year, the Group's subsidiary Shanghai Sunwin consolidated Shanghai Green Bus Drive System Co., Ltd. which had been a subsidiary of the Group by merger. The Group's subsidiary Shanghai Diesel consolidated Shanghai Diesel Engine Sales Co., Ltd. which had been a subsidiary of the Group by merger.

Other than the transactions above, there were no material changes to the scope of consolidation of consolidated financial statements during the year.

6. Others

☐Applicable √N/A

IX. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group

√Applicable ☐N/A

Name of subsidiaries	Place of incorporation	Registered capital	Registered capital	Scope of business	Equity interest held (%)		Ways of acquisition
		Currency	000		Directly	Indirectly	
SAIC Motor UK Co., Ltd.	Birmingham, UK	GBP	3,000.00	R&D of automobiles	100		Establishment or investment
SAIC Motor Transmission Co., Ltd.	Shanghai, China	RMB	5,359,590.00	Manufacturing and sales of automobile transmission and spare parts	100		Establishment or investment
SAIC HK Investment Co., Ltd.	Hong Kong, China	USD	296,900.00	International trade of auto and critical spare parts, investment, technical and service trade, training and consulting	100		Establishment or investment
SAIC Maxus Vehicle Co., Ltd	Shanghai, China	RMB	8,937,230.00	Manufacturing of automobiles and components	100		Establishment or investment
SAIC Motor Equity Investment Co., Ltd	Shanghai, China	RMB	4,031,024.00	Equity investment, venture capital investment, industrial consulting, property management	100		Establishment or investment
SAIC General Motors Sales Co., Ltd.	Shanghai, China	USD	49,000.00	Sales of automobiles	51		Establishment or investment
SAIC Motor - CP Co., Ltd.	Bangkok, Thailand	THB	7,350,000.00	Developing, manufacturing and sales of automobiles and spare parts; Manufacturing and processing of machinery		70	Establishment or investment
Shanghai Shanghong Real Estate Co., Ltd.	Shanghai, China	RMB	2,071,886.00	Developing and operating real estate, property management	100		Establishment or investment
SAIC International Indonesia PT.	Indonesia	USD	118,000.00	Developing and operating real estate, property management		100	Establishment or investment
SAIC Investment Management Co., Ltd.	Shanghai, China	RMB	10,000,000.00	Industrial investment, asset management, investment management, storage service (except hazardous goods)	100		Establishment or investment
SAIC Group Financial Holding Management Co., Ltd.	Shanghai, China	RMB	10,050,000.00	Industrial investment, asset management, investment management, consulting services, and network technology etc.	100		Establishment or investment
SAIC Insurance Sales Co., Ltd.	Shanghai, China	RMB	200,000.00	Insurance agent service		88.92	Establishment or investment

SAIC Volkswagen Sales Co., Ltd.	Shanghai, China	USD	29,980.00	Sales of automobiles and spare parts	50	10	Acquired through business combinations involving enterprises under common control
SAIC GM Wuling Co., Ltd.	Guangxi, China	RMB	1,668,077.00	Sales and manufacturing of automobiles and spare parts	50.1		Acquired through business combinations involving enterprises under common control
China United Automotive System Co., Ltd.	Shanghai, China	RM ahd57c (e) Tj-0.12 Tc (d) Tj0.1(e) Tj-4 00Q q BT506.8860663.84 TD ( ) Tj,c (h) Tj0.19862 Tc (a) Tj-0.2c (h) Tj g tr g 0.48 re f12 Tc (L) Tj0.19824 Tc (t(.,) Tj0.18 Tc ( )Tc ( ) Tj-0.1( ) Tj122.4 9.c (d) Tj0f648 Tc (c) Tj0.12 Tc (o) e dmoc re , . c T 2 LTj0.12 Tc ng 0 . 1 2 rm r ng48 700g12 Tc ng -0.15n tng7.28 695.76 0.4 Tc ng48 700 Tj0.08D -0.15gTj0. TD ( ) Tj Tj0.08.12 Tc (d) 12 Tc (g) Tj0 -9.84 TD -0.15d648 Tc (cTj0.1982 cog48 700 Tj0.08352 Tc (e)odir LTj0.12 Tc r e m 6 0 4 5ETQ0.04176 2 Tc (d)S Tj0Tc (y) Tj12 Tc (n8088 Tg) Tj12 Tc (ng48 700 Tj0.083 -0.15g63.84 TD(y) Tj12					

SAIC Motor North America Co., Ltd.	USA	USD	980.00	Import and export of spare parts	100		Acquired through business combinations involving enterprises under common control
SAIC Motor (Beijing) Co., Ltd.	Beijing, China	RMB	200,000.00	Marketing, warehouse and logistics of automobiles	100		Acquired through business combinations involving enterprises under common control
Shanghai Automobile Asset Management Co., Ltd.	Shanghai, China	RMB	915,900.00	Property management and innovation services, etc.	100		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		Acquired through business combinations involving enterprises under common control
SAIC Activity Centre Co., Ltd.	Shanghai, China	RMB	160,000	Hospitality, beverage and catering services	100		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		Acquired through business combinations involving enterprises under common control
DIAS Automotive Electronic Systems Co., Ltd.	Shanghai, China	RMB	595,465	Research and development production and sales of automobile electronic systems and components		100	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 spare parts	48.05		Acquired through business combinations not involving enterprises under common control
Nanjing Automobile (Group) Corporation	Jiangsu, China	RMB	7,600,000	Development, manufacturing and sales of automobiles, engines and spare parts	100		Acquired through business combinations not involving enterprises under common control
Shanghai Sunwin Bus Co., Ltd.	Shanghai, China	RMB	1,371,160	Development, assembly, manufacture and sales of passenger bus and spare parts	100		Acquired through business combinations not involving enterprises under common control
SAIC-IVECO Hongyan Commercial Vehicle Co., Ltd.	Chongqing, China	RMB	3,100,000	Development, manufacture and sales of vehicle and spare parts	56.96		Acquired through business combinations

							not involving enterprises under common control
SAIC- GMAC Automotive Finance Co., Ltd.	Shanghai, China	RMB	6,500,000	Automotive finance		55	Acquired through business combinations not involving enterprises under common control
SAIC GMF Financial Leasing Co., Ltd.	Shanghai, China	RMB	1,000,000	Finance lease		55	Establishment or investment
Shanghai E-propulsion Auto Technology Co., Ltd.	Shanghai, China	RMB	1,450,000	R&D of automobiles		100	Acquired through business combinations involving enterprises under common control
Wuhan Zhonghaiting Data Technology Co., Ltd.	Wuhan, China	RMB	52,910	Electronic map production engineering, map database and application engineering		51	Acquired through business combinations not involving enterprises under common control
Global Car Sharing and Rental Co., Ltd.	Shanghai, China	RMB	1,650,000	Electric vehicle rental (not allowed to engage in financial leasing), technology development in the automotive and parts technology area		55.14	Establishment or investment
SAIC International Trade Co., Ltd.	Shanghai, China	RMB	2,712,080	Import and export of automobiles and spare parts		100	Establishment or investment
Shanghai Automobile Import & Export Co., Ltd.	Shanghai, China	RMB	1,308,080	Import and export of automobiles and spare parts		100	Acquired through business combinations involving enterprises under common control
SAIC Hong Kong Limited	Hong Kong, China	USD	17,250	Entrepot trade of automobiles and spare parts		100	Acquired through business combinations involving enterprises under common control
SAIC Europe GmbH	Luxembourg	EUR	2,000	Import and export of automobiles and spare parts		100	Establishment or investment
MG MOTOR INDIA PROVATE., LTD	India	INR	32,750,000	Developing, manufacturing and sales of automobiles and spare parts		100	Establishment or investment
SAIC Overseas Mobility Technology Co., Ltd.	Shanghai, China	RMB	80,000	Computer network science and technology, network technology and communication technology		100	Establishment or investment
Changzhou Qide Equity Investment Fund Center (Limited Partnership)(Note 3)	Jiangsu, China	RMB	3,000,000	Trusteeship of private equity fund, investment management, industrial investment and venture capital investment	54.99	44.9	Acquired through business combinations not involving enterprises under common control

Other explanations:

Note 1: The paid-in capital of this company has been increased to RMB 354,600,000.00, while the registered capital was still RMB 120,000,000.00. The industrial and commercial change has not been completed yet.

Note 2: The shareholding ratio of the Group in Shanghai Diesel is less than 50%. However, given the fact that other shareholders hold relatively small and dispersed amount of shares, the Group has substantial control over Shanghai Diesel.

Note 3: It was included into the scope of consolidation of consolidated financial statements due to business combination not involving enterprises under common control in the current year. Refer to Note (VIII) 1.

(2) Significant non-wholly owned subsidiaries

√ Applicable ☐N/A

Unit: RMB'000

Name of the subsidiary	Equity interest held by minority shareholders	Profit or loss attributable to minority shareholders during the period	Dividend declared to minority shareholders during the period	Minority interests at 31 December2019
HASCO	41.68%	4,578,128.62	3,103,839.81	29,208,563.59
SGMW	49.90%	847,613.23	1,847,916.77	3,752,844.67

Explanation on situation that the shareholding proportion of minority shareholders of subsidiaries is different from the proportion of voting rights:

☐Applicable √ N/A

Other explanations:

☐Applicable √ N/A

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

√ Applicable ☐N/A

Unit: RMB'000

Name of the subsidiary	31 December 2019						1 January 2019					
	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	83,516,602.26	55,610,829.87	139,127,432.13	69,868,622.61	10,557,275.10	80,425,897.71	80,901,225.80	52,785,630.73	133,686,856.53	68,078,251.88	10,980,835.00	79,059,086.88
SGMW	28,585,773.23	21,176,940.23	49,762,713.46	37,754,628.58	4,388,923.67	42,143,552.25	26,688,443.90	21,172,680.54	47,861,124.44	33,229,256.09	4,636,703.20	37,865,959.29

Name of the subsidiary	Year ended 31 December2019				Year ended 31 December2018			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
HASCO	144,023,626.07	6,463,163.30	9,564,965.25	9,656,347.35	157,170,235.00	8,027,176.95	9,841,501.91	9,376,138.44
SGMW	85,726,549.64	1,698,555.62	1,631,006.92	7,846,261.63	101,391,550.00	4,187,244.38	4,030,204.67	10,214,538.66

(4) Significant restrictions for the utilization of the Group's assets and the liquidation of the Group's liabilities

☐Applicable √ N/A

(5) Financial or other supports provided to structured entities included in scope of consolidated financial statements

☐Applicable √ N/A

Other explanations:

☐Applicable √ N/A

2. Transactions that cause changes in the Group's equity interest in subsidiaries but do not result in loss of control

√ Applicable ☐N/A

(1) Explanations on changes in shares of owners' equity interest in subsidiaries

√ Applicable ☐N/A

1) In the current year, Nanjing Automobile Group acquired minority interests of its subsidiary Nanjing NAC Special Purpose Vehicle Co., Ltd. (“NAC Special Purpose Vehicle”) with RMB 28,720,792.60 in cash and accordingly its shareholding ratio in NAC Special Purpose Vehicle was increased from 75.00% to 100.00%.

2) As disclosed in Note (VIII) 1 (1), Saike Mobility made capital increase to Anji Car Rental & Leasing with RMB 100,000,000.00 in cash and accordingly held 10.00% equity of Anji Car Rental & Leasing. Therefore, the shareholding ratio of Industry Sales in Anji Car Rental & Leasing was reduced to 90.00%.

3) SAIC Hydrogen Power Technology Co., Ltd. (“Hydrogen Power Technology”) had been a subsidiary of Investment Management’s subsidiary SAIC (Changzhou) Innovation and Development Investment Fund Co., Ltd. (“Changzhou Innovation”). In the current year, Changzhou Innovation and Shanghai JieJia Technology Advisory Partnership (Limited) which was a minority shareholder of Hydrogen Power Technology increased capital to Hydrogen Power Technology with RMB 60,000,000.00 and RMB 19,700,000.00 respectively and accordingly the shareholding ratnB 19cBP o I

Tc (b) Tj0.18432 Tc 48 Tc (b) Tj0.94801 Tc 48 Tc (b) Tj0.51286 Tc 24 Tc (b) Tj0.48 Tc 24 Tc (b) Tj0.48 Tc 24 Tc (b)

SAIC Volkswagen Automotive Co., Ltd. ("SAIC Volkswagen")		Shanghai, China	Manufacturing and sales of automobiles and components	50		Equity method
SAIC General Motors Co., Ltd. ("SAIC GM")		Shanghai, China	Manufacturing and sales of automobiles and components	50		Equity method

(2) Major financial information of significant joint ventures

√ Applicable ☐N/A

Unit: RMB'000

	Year ended 31 December 2019		Year ended 31 December 2018	
	SAIC Volkswagen	**SAIC GM**	**SAIC Volkswagen**	**SAIC GM**
Current assets	64,314,619.87	32,358,247.37	52,530,113.08	45,343,185.35
Non-current assets	74,630,085.90	70,381,348.18	70,875,292.03	63,844,459.86
Total assets	138,944,705.77	102,739,595.55	123,405,405.11	109,187,645.21
Current liabilities	91,103,315.58	68,476,463.28	66,885,189.79	70,188,766.22
Non-current liabilities	10,580,210.20	2,306,354.00	11,587,633.25	2,788,660.51
Total liabilities	101,683,525.78	70,782,817.28	78,472,823.04	72,977,426.73
Minority interests		5,650,942.85		5,703,867.17
Shareholders' equity attributable to equity holders of the Company	37,261,179.99	26,305,835.42	44,932,582.07	30,506,351.31
Share of net assets calculated based on shareholding ratio	18,630,590.00	13,152,917.71	22,466,291.04	15,253,175.65
Adjusting events		227,973.19		227,973.19
-Goodwill		227,973.19		227,973.19
Carrying amount of equity investment in joint ventures	18,630,590.00	13,380,890.90	22,466,291.04	15,481,148.84
Operating income	235,950,053.58	187,821,416.83	259,300,816.13	224,444,268.37
Net profit attributable to owners of the Company	20,024,551.90	10,958,324.11	28,016,061.68	15,621,269.98
Minority interests		2,001,872.67		2,918,038.46
Other comprehensive income	21,446.02		7,796.32	
Total comprehensive income	20,045,997.92	12,960,196.78	28,023,858.00	18,539,308.44

(3) Major financial information of significant associates

☐Applicable √N/A

(4) Summarized financial information of insignificant joint ventures and associates

√ Applicable ☐N/A

Unit: RMB'000

	Year ended 31 December 2019	Year ended 31 December 2018
Joint ventures:		
Total carrying amount of investments		
Total amounts calculated based on shareholding ratio		
- Net profit	4,746,268.64	6,089,788.90
- Other comprehensive income	-30,625.54	641.17
- Total comprehensive income	4,715,643.10	6,090,430.07
Associates:		
Total carrying amount of investments		
Total amounts calculated based on shareholding ratio		
- Net profit	1,792,721.28	2,032,375.77
- Other comprehensive income	-79,596.13	-2,962.57
- Total comprehensive income	1,713,125.15	2,029,413.20

(5) Explanations on significant restrictions on the capability of joint ventures or associates to transfer funds to the Company

☐Applicable √N/A

(6) Excess loss of joint ventures or associates

☐Applicable √N/A

(7) Unrecognized commitment relating to investments in joint ventures

☐Applicable √N/A

(8) Contingent liabilities relating to investments in joint ventures or associates

☐Applicable √N/A

4. Significant joint operations

☐Applicable √N/A

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

Explanations on structured entities that are not included in the scope of the consolidated financial statements:

√Applicable ☐N/A

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 fund investment 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 2019, the Group did not provide any liquidity support to any of these structured entities.

Apart from unconsolidated structured entities that were accounted for in long-term equity investments, the table below illustrates the carrying amount and risk exposure of the interests in structured entities that are not included in the scope of the consolidated financial statements at 31 December 2019.

Unit: RMB'000

	31 December 2019		
Item	**Investment amount**	**Maximum risk exposure**	**Account**
Funds	26,210,160	26,210,160	Held-for-trading financial assets / Other non-current financial assets
Asset management and trust plan	1,694,285	1,694,285	Held-for-trading financial assets
Assets backed securities	1,139,508	1,139,508	Held-for-trading financial assets
Wealth management products	564,970	564,970	Held-for-trading financial assets

6. Others

☐Applicable √N/A

X. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

√Applicable ☐N/A

The Group's major financial instruments include cash and bank balances, held-for-trading financial assets, notes receivable, accounts receivable, receivables financing, other receivables, financial assets purchased under resale agreements, short-term loans issued in other current assets, interbank depository receipts, short-term entrusted loans, discount, assets backed securities in other non-current assets, long-term entrusted loans, loans and advances, debt investments, other debt investments, investments in other equity instruments, other non-current financial assets, long-term receivables, borrowings, held-for-trading financial liabilities, notes payable, accounts payable, other payables, and bonds payable, etc. Details of these financial instruments are disclosed in Note (VII). 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. The following are based on the assumption that the change in each risk variable is on a stand-alone basis, but it is unlikely that risk variables will change in an isolated manner, and the interdependence among risk variables will have significant effect on the amount ultimately influenced by the changes in a single risk variable.

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 analyze 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. For the detailed items of currency risk, see Note (VII) 83. The Group is closely monitoring the effects that might have on currency risk due to change in exchange rate.

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 11,538,609,050.00. For floating rate borrowings, provided that none of the outstanding liabilities at the balance sheet date is repaid throughout the year, if the interest rates had been 25 base points higher/lower and other variables were held constant, the pre-tax profit would decrease/increase by RMB 28,846,520.00.

1.1.3. Other price risk

The stocks held by the Group that included in held-for-trading financial assets/other non-current financial assets and investments in other equity instruments are measured at fair value at the balance sheet date, exposing the Group to price risk. If the fair value of the stocks held by the Group at the end of the year had increased or decreased by 10% while all other variables remained constant, the shareholders' equity of the Group at the end of the year would have increased or decreased by RMB2,374,461,340.00 (irrespective of deferred income tax effects).

1.2 Credit risk

As at the end of current year, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Group is arising from the carrying amounts of financial assets recognized in the consolidated balance sheet and finance lease receivables, and the amounts of the financial guarantee contracts disclosed in note (XIV). The carrying amount of the Group's financial assets at the balance sheet date represents its maximum credit risk exposure.

In order to minimize the credit risk, the Company and its subsidiaries have specially-assigned persons to take charge of determining credit limits, conducting credit approvals, and implementing other monitoring procedures to ensure that necessary measures are taken to recover past due claims In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because they are deposited with banks with high credit ratings.

Except for the amount of accounts receivable due from certain joint ventures and associates of the Group (refer to Note (VII) 5) and part of other receivables (refer to Note (VII) 8) that is significant, the Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

1.3 Liquidity risk

As at the end of current year and prior year, the Group entered into bonds sale and repurchase transaction with its counterparties. The consideration received from the transfer of such financial assets was recognized as "funds of financial assets sold under repurchase agreement".

In the sale and repurchase transaction, the transferred financial assets that were not derecognized by the Group were all bonds of which the liabilities carried an amount as follows:

Unit: RMB

Item	31 December 2019	31 December 2018
Carrying amount of related liabilities	506,133,790.80	470,099,390.00

3. Capital management

The Group manages its capital by optimizing its structure of liabilities and shareholders' equity to ensure that the entities within the Group could continue as a going concern and to maximize returns for shareholders.

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

XI. DISCLOSURE OF FAIR VALUE

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

√ Applicable ☐N/A

Unit: RMB

Item	Fair value at 31 December 2019			
	Level 1	Level 2	Level 3	Total
I. Measured at fair value on a recurring basis				
1. Held-for-trading financial assets	16,726,744,255.47	23,299,389,555.28	9,770,465,213.72	49,796,599,024.47
(I) Financial assets at fair value through profit or loss	16,726,744,255.47	23,299,389,555.28	9,770,465,213.72	49,796,599,024.47
(1) Debt instruments investment	148,235,580.96	5,542,940,916.99	31,904,961.60	5,723,081,459.55
(2) Equity instruments investment	16,578,508,674.51	12,692,250,807.62	5,498,665,354.72	34,769,424,836.85
(3) Bank acceptance		5,044,138,236.98	4,239,894,897.40	9,284,033,134.38
(4) Derivative financial assets		20,059,593.69		20,059,593.69
2. Designated as financial assets at fair value through profit or loss				
(1) Debt instruments investment				

(2) Equity instruments investment				
(II) Other debt investments		610,824,643.23		610,824,643.23
(III) Investments in other equity instruments	17,025,040,583.21		1,256,835,550.11	18,281,876,133.32
(IV) Investment properties				
1. Leasehold land use right				
2. Leasehold buildings				
3. Land use right held for transfer upon appreciation				
(V) Biological assets				
1.Consumable biological assets				
2.Bearer biological assets				
(VI) Receivables financing		5,323,743,094.30	6,078,094,418.35	11,401,837,512.65
(VII) Other current assets – Interbank depository receipts		35,220,926,210.05		35,220,926,210.05
(VIII) Other non-current financial assets			2,094,472,035.47	2,094,472,035.47
Total assets measured at fair value on a recurring basis	33,751,784,838.68	64,454,883,502.86	19,199,867,217.65	117,406,535,559.19
(IX) Held-for-trading financial liabilities		1,635,193.37	1,209,650,460.42	1,211,285,653.79
1. Financial liabilities at fair value through profit or loss		1,635,193.37		1,635,193.37
Including: Issued held-for-trading bonds				
Derivative financial liabilities		1,635,193.37		1,635,193.37
Others				
2. Designated as financial liabilities at fair value through profit or loss			1,209,650,460.42	1,209,650,460.42
Total liabilities measured at fair value on a recurring basis		1,635,193.37	1,209,650,460.42	1,211,285,653.79
II. Measured at fair value on a non-recurring basis				
(I) Held-for-sale assets				
Total assets measured at fair value on a non-recurring basis				
Total liabilities measured at fair value on a non-recurring basis				

2. Determination basis of the market value for fair value measurements in Level 1 on recurring and non-recurring basis

√ Applicable ☐N/A

Financial assets categorized as Level 1 are mainly stocks, funds and bonds publicly listed at Shanghai Stock Exchange, Shenzhen Stock Exchange and the Stock Exchange of Hong Kong. The fair value of these assets is determined according to unadjusted quotes in active markets.

3. Valuation techniques and qualitative and quantitative information of key parameters adopted for Level 2 fair value measurements on recurring and non-recurring basis

√ Applicable ☐N/A

Financial assets categorized as Level 2 include bonds, interbank depository receipts, currency swap contracts, assets backed securities, bank acceptances and currency funds traded in the interbank bond market. The fair value of bonds and interbank depository receipts traded in the interbank bond market is determined using valuation prices published by the bond registry custodian at the balance sheet date; the fair value of currency swap contracts is determined from counterparty quotations; the fair value of assets backed securities is determined using discounted cash flow prices based on bond yields; and the fair value of bank acceptances is determined using discounted cash flow prices based on discount rates. The fair value of the currency funds is determined based on the net product value approach, based on the valuation results of the underlying portfolio. Financial liabilities categorized as Level 2 consist primarily of currency swap contracts.

4. Valuation techniques and qualitative and quantitative information of key parameters adopted for Level 3 fair value measurements on recurring and non-recurring basis

√ Applicable ☐N/A

Financial assets categorized as Level 3 mainly include unlisted equity (private equity), stock investment under restricted conditions, financial management plan and trust plan. The Group adopts a series of valuation techniques to assess the fair values of Level 3 financial instruments, using valuation models that include unobservable parameters such as discount rates that lack market liquidity. If one or more unobservable parameters are changed based on a reasonable alternative hypothesis, the fair value of these financial instruments will change accordingly. The fair value of stocks under restricted conditions held by the Group is determined under market price discount method according to unadjusted quotes in active market and liquidity discount; the fair value of unlisted equity (private equity) is determined under comparison method according to the price of similar securities and liquidity discount; the fair value of asset management plans, financial management plans and trust plans of investment object with restricted characteristics is determined under net worth method according to valuation result of relevant investment portfolios. The fair value of financial liabilities categorized as Level 3 is determined according to the fair value of financial assets invested by corresponding structured entity and based on the relevant contract terms of such structured entity.

5. Reconciliation between opening and closing carrying amount and sensitivity analysis of unobservable parameters for Level 3 fair value measurements on recurring basis

☐Applicable √ N/A

6. Reasons for the transfers and policies to determine the transfer timing if there are transfers between different fair value levels in respect of fair value measurements on recurring basis

☐Applicable √ N/A

7. Changes in valuation techniques in the current period and the corresponding reasons

☐Applicable √ N/A

8. Fair value of financial assets and liabilities not measured at fair value

☐Applicable √N/A

9. Others

☐Applicable √N/A

XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Details of the parent of the Company

√Applicable ☐N/A

Unit: RMB

Name of the parent company	Place of incorporation	Nature of operations	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 (%)
SAIC	Shanghai, China	Manufacturing, sales, domestic trading (except for those under special regulations) and advisory service of moto vehicles such as automobiles, motorcycles and tractors, and machinery equipment, powertrains and components and parts.	21,599,175,737.24	71.24	71.24

The ultimate controller of the Company is the Shanghai Municipal State-owned Assets Supervision and Administration Commission.

2. Details of the subsidiaries of the Company

For the details of subsidiaries of the Company, refer to the notes.

√Applicable ☐N/A

For the details, refer to Note (IX) 1.

3. Details of joint ventures and associates of the Company

For the details of significant joint ventures and associates of the Company, refer to the notes.

√Applicable ☐N/A

For the details, refer to Note (VII) 18 and Note (IX) 3.

Details of other joint ventures or associates having related party transactions and balances with the Company in the period or in prior periods:

☐Applicable √N/A

Other explanations

☐Applicable √N/A

4. Details of other related parties

√Applicable ☐N/A

Name of other 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 Qiyuan Human Resources Consulting Co., Ltd.	Subsidiary of SAIC
Shanghai Automotive Industry Real Estate Development Co., Ltd.	Subsidiary of SAIC
SAIC Housing Exchange Co., Ltd.	Subsidiary of SAIC
Shanghai Engineering Industry Internal Combustion Engine Detection Bureau	Subsidiary of SAIC
Shanghai Saike Mobility Technology Service Co., Ltd.	Subsidiary of SAIC
Huayu Logistics Technology (Shanghai) Co., Ltd.	Subsidiary of SAIC
Suzhou Wanlong Huayu Logistics Co., Ltd.	Subsidiary of SAIC
Shenzhen SAIC South Industrial Co., Ltd.	Subsidiary of SAIC
Shenzhen SAIC South Automobile Sales Service Co., Ltd.	Subsidiary of SAIC
Shanghai Huazhen Logistics Co., Ltd.	Subsidiary of SAIC
Guangzhou Wanlong Huajiang Logistics Co., Ltd.	Subsidiary of SAIC
Jiangsu Tiandihuayu IOT Technology Co., Ltd.	Subsidiary of SAIC
Shanghai Huazhen Transportation Co., Ltd.	Subsidiary of SAIC
Wuhan Sanjiang Huayu Logistics Co., Ltd.	Subsidiary of SAIC
Zhejiang Huayu Logistics Co., Ltd.	Subsidiary of SAIC
Shanghai International Automobile City Development Co., Ltd.	Subsidiary of SAIC
Shanghai Yike Green Engineering Co., Ltd.	Subsidiary of SAIC
Shanghai Volkswagen Automotive Gift Co., Ltd.	Subsidiary of SAIC
Shanghai ADT Facilities Management Co., Ltd.	Subsidiary of SAIC
Executive directors and other senior management of the Company	Key management personnel

5. Related party transactions

(1) Sales and purchase of goods/rendering and receipts of services

Purchase of goods/receipts of services

√ Applicable ☐N/A

Unit: RMB

Related party	Details of related party transaction	Year ended 31 December 2019	Year ended 31 December 2018
Joint ventures	Purchase of goods and materials	418,120,771,958.81	478,526,771,528.65
Associates	Purchase of goods and materials	9,254,922,642.71	4,752,864,997.97
SAIC	Purchase of goods and materials	10,214,085.42	6,212,952.27

Subsidiaries of SAIC	Purchase of goods and materials	11,612,382.21	9,827,798.90
Associates of SAIC	Purchase of goods and materials	125,165,079.87	100,176,246.84
Joint ventures	Purchase of long-term assets	276,669,760.46	286,081,476.76
Associates	Purchase of long-term assets	279,076.70	10,082,274.26
Subsidiaries of SAIC	Purchase of long-term assets	262,241.38	
Associates of SAIC	Purchase of long-term assets	9,712,070.83	7,912,965.66
Joint ventures	Receipts of services-R&D expenditure	736,632,170.67	942,448,090.13
Associates	Receipts of services-R&D expenditure	11,594,200.81	51,908,474.81
Subsidiaries of SAIC	Receipts of services-R&D expenditure	714,832.38	490,800.00
Associates of SAIC	Receipts of services-R&D expenditure	2,481,014.80	24,825,422.21
Joint ventures	Payment of logistics service expenses, royalties and others	49,153,209.87	45,782,975.42
Associates	Payment of logistics service expenses, royalties and others	11,751,547.92	656,464.45
SAIC	Payment of logistics service expenses, royalties and others	308,571.42	308,571.42
Subsidiaries of SAIC	Payment of logistics service expenses, royalties and others	185,434,364.69	1,601,062.02
Associates of SAIC	Payment of logistics service expenses, royalties and others		2,665,044.77
Joint ventures	Payment of lease expenses	69,553,695.01	77,798,383.47
SAIC	Payment of lease expenses	5,389,285.60	8,792,199.65
Subsidiaries of SAIC	Payment of lease expenses	9,535,540.36	12,064,345.65
Associates of SAIC	Payment of lease expenses	835,122.96	

Statement of sales of goods/rendering of services

√ Applicable ☐N/A

Unit: RMB

Related party	Details of related party transaction	Year ended 31 December 2019	Year ended 31 December 2018
Joint ventures	Sales of goods	69,306,340,314.37	78,594,455,158.91
Associates	Sales of goods	7,717,825,817.01	4,826,447,476.02
Subsidiaries of SAIC	Sales of goods	100,939,554.28	250,000.00
Joint ventures	Sales of materials	311,362,353.48	53,126,900.90
Associates	Sales of materials	232,545,787.54	126,240,398.87
Joint ventures	Trade income	2,839,437,842.26	3,546,432,977.01
Associates	Trade income		37,273.30
Subsidiaries of SAIC	Trade income	2,188,109.59	898,897.01

Associates of SAIC	Trade income		222,469.50
Joint ventures	Rendering of services	5,171,277,759.27	5,356,349,057.51
Associates	Rendering of services	235,828,405.73	153,562,811.92
SAIC	Rendering of services	3,993,477,228.96	959,837,156.15
Subsidiaries of SAIC	Rendering of services	50,809,288.11	4,067,231.41
Associates of SAIC	Rendering of services	225,887.63	111,532.25
Joint ventures	Rental income	270,293,272.54	281,894,450.93
Associates	Rental income	26,043,593.99	28,604,633.86
Subsidiaries of SAIC	Rental income	434,466.35	1,439,051.25
Joint ventures	Royalties for technology and transfer fee	1,515,225,011.82	302,768,885.20

Explanations on purchase and sales of goods, rendering and receipt of services:
☐Applicable √N/A

(2) Details of trust with related parties/subcontracting and trust management/ contract-issuing

Details of trust / contracting where the Company is the trustee / subcontractor
☐Applicable √N/A

Explanations on trust/subcontracting with related parties
☐Applicable √N/A

Details of trust / contracting where the Company is the trustor / contractor
☐Applicable √N/A

Explanations on trust/contracting with related parties
☐Applicable √N/A

(3) Leases with related parties

The Company as a lessor:
☐Applicable √N/A

The Company as a lessee:
☐Applicable √N/A

Explanations on leases with related parties
☐Applicable √N/A

(4) Guarantees with related parties

The Company as a guarantor
☐Applicable √N/A

The Company as a guarantee

☐Applicable √N/A

Explanations on guarantees with related parties

☐Applicable √N/A

(5) Borrowings/loans with related parties

☐Applicable √N/A

(6) Assets transfer/debt restructuring with related parties

☐Applicable √N/A

(7) Remuneration of key management personnel

√Applicable ☐N/A

Unit: RMB 0'000

Item	Year ended 31 December 2019	Year ended 31 December 2018
Remuneration of key management personnel	2,866.30	3,123.31

(8) Other related parties

√Applicable ☐N/A

Financing

The financing between the Group and its related parties is as follows:

(a) Loans offered by SFC and SAIC-GMAC to related parties

① Movements of loans offered by SFC and SAIC-GMAC to related parties are as follows:

Unit: RMB

	Joint ventures	Associates	Total
31 December 2018	930,000,000.00	62,064,850.35	992,064,850.35
Decrease due to changes in scope of consolidation	-130,000,000.00		-130,000,000.00
Loans offered	904,000,000.00	220,920,294.07	1,124,920,294.07
Loans recovered	-800,000,000.00	-194,564,850.35	-994,564,850.35
31 December 2019	904,000,000.00	88,420,294.07	992,420,294.07

② Balances of loans offered by SFC and SAIC-GMAC to related parties are as follows:

Unit: RMB

	31 December 2019	31 December 2018
Joint ventures- Short-term loans and discounts	904,000,000.00	930,000,000.00

Associates-Short-term loans and discounts	88,420,294.07	62,064,850.35
Total	**992,420,294.07**	**992,064,850.35**

③ Interest income received by SFC and SAIC-GMAC from related parties is as follows:

Unit: RMB

Related party	Year ended 31 December 2019	Year ended 31 December 2018
Joint ventures	31,729,753.23	33,918,505.18
Associates	2,409,776.61	3,275,903.55
Total	**34,139,529.84**	**37,194,408.73**

Interest rates for loans offered by SFC and SAIC-GMAC to related parties are calculated according to interest rates of financial institutions as specified by the People's Bank of China.

(b) Related parties' deposits at SFC and SAIC-GMAC

① Movements of related parties' deposits at SFC and SAIC-GMAC are as follows:

Unit: RMB

	Joint ventures	Associates	SAIC	Subsidiaries of SAIC	Associates of SAIC	Total
31 December 2018	24,715,074,618.52	2,117,770,824.38	30,839,990,113.34	697,041,141.64	509,473.17	58,370,386,171.05
Decrease due to changes in scope of consolidation	-158,571,428.04					-158,571,428.04
Deposit taking (repayment)	6,849,709,173.80	24,619,157.98	-2,400,630,902.91	250,666,046.39	2,273.60	4,724,365,748.86
31 December 2019	31,406,212,364.28	2,142,389,982.36	28,439,359,210.43	947,707,188.03	511,746.77	62,936,180,491.87

② Interest paid by SFC and SAIC-GMAC to related parties are as follows:

Unit: RMB

Related party	Year ended 31 December 2019	Year ended 31 December 2018
Joint ventures	457,390,961.48	490,030,876.83
Associates	51,448,612.52	43,836,123.67
SAIC	414,932,239.46	386,542,533.15
Subsidiaries of SAIC	5,128,978.35	4,536,060.04
Associates of SAIC	2,274.56	2,239.53
Total	**928,903,066.37**	**924,947,833.22**

Interest rates for deposits from related parties at SFC and SAIC-GMAC are calculated according to interest rates of financial institutions as specified by the People's Bank of China.

(c) Loans offered by the Group (except SFC and SAIC-GMAC) to related parties

① Movements of entrusted loans offered by the Group to related parties are as follows:

Unit: RMB

	Joint ventures	Associates	Total
31 December 2018	1,326,313,868.71	243,018,000.00	1,569,331,868.71
Loans offered	701,244,875.00	246,880,097.00	948,124,972.00
Loans recovered	-938,050,751.00	-112,000,000.00	-1,050,050,751.00
31 December 2019	1,089,507,992.71	377,898,097.00	1,467,406,089.71

② Balance of entrusted loans offered by the Group to related parties is as follows:

Unit: RMB

	31 December 2019	31 December 2018
Joint ventures - short-term loans	627,858,838.71	945,313,868.71
Associates - short-term loans	371,898,097.00	237,018,000.00
Joint ventures - long-term loans	461,649,154.00	381,000,000.00
Associates - long-term loans	6,000,000.00	6,000,000.00
Total	**1,467,406,089.71**	**1,569,331,868.71**

③ Interests received by the Group from related parties are as follows:

Unit: RMB

Related party	Year ended 31 December 2019	Year ended 31 December 2018
Joint ventures	46,911,416.61	38,964,541.98
Associates	13,943,252.39	13,823,032.98
Subsidiaries of SAIC		377,777.79
Total	**60,854,669.00**	**53,165,352.75**

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

(d) Entrusted business of SFC

① Entrusted business between SFC and related parties 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

Related party	Year ended 31 December 2019	Year ended 31 December 2018
Joint ventures	1,039,795.30	1,159,713.70
Associates	990,741.66	849,932.54
Subsidiaries of SAIC	13,760.00	
Total	**2,044,296.96**	**2,009,646.24**

② At the end of current year and prior year, entrusted business between SFC and related parties is as follows:

Unit: RMB

Entrusting parties	Entrusted deposit at 31 December 2019	Targets	Entrusted loans at 31 December 2019
Joint ventures	1,325,000,000.00	Joint ventures	541,000,000.00
Associates	457,000,000.00	Associates	1,257,000,000.00

SAIC	20,000,000.00	Non-RPT	20,000,000.00
Subsidiaries of SAIC	12,000,000.00	Subsidiaries of SAIC	12,000,000.00
Non-RPT	16,000,000.00		
Total	**1,830,000,000.00**	Total	**1,830,000,000.00**

Unit: RMB

Entrusting parties	Entrusted deposit at 31 December 2018	Targets	Entrusted loans at 31 December 2018
Joint ventures	1,655,000,000.00	Joint ventures	715,000,000.00
Associates	108,000,000.00	Associates	1,048,000,000.00
SAIC	20,000,000.00	Non-RPT	20,000,000.00
Total	**1,783,000,000.00**	Total	**1,783,000,000.00**

6. Amounts due from/to related parties

(1) Receivables

√ Applicable ☐N/A

Unit: RMB

Items	Related party	31 December 2019		1 January 2019	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Notes receivable	Joint ventures	30,383,739.63		48,980,803.84	
Notes receivable	Associates	4,101,801.00			
Accounts receivable	Joint ventures	10,936,855,342.89		14,362,573,488.84	
Accounts receivable	Associates	2,124,671,852.01		1,563,275,111.95	
Accounts receivable	SAIC	143,463,845.66		105,948,763.07	
Accounts receivable	Subsidiaries of SAIC	10,354,794.90		1,729,109.44	
Accounts receivable	Associates of SAIC	1,740.00		31,012.65	
Prepayments	Joint ventures	21,957,987,470.11		12,301,127,107.12	
Prepayments	Associates	42,475,542.54		29,249,482.79	
Prepayments	Subsidiaries of SAIC			22,500.00	
Dividends receivable	Joint ventures	824,196,255.34		1,439,206,472.20	
Dividends receivable	Associates	194,840,471.09		212,272,837.39	
Other receivables	Joint ventures	434,330,930.24		264,466,910.98	
Other receivables	Associates	109,392,458.77		9,581,854.64	
Other receivables	Subsidiaries of SAIC	326,350.00		334,683.00	

Other receivables	Associates of SAIC	247,802.74			
Interest receivable	Joint ventures			9,329,160.32	
Interest receivable	Associates			2,468,488.00	

(2) Payables

√ Applicable ☐N/A

Unit: RMB

Item	Related party	Book balance at 31 December 2019	Book balance at 1 January 2019
Notes payable	Joint ventures	9,528,096,735.12	8,854,107,472.00
Notes payable	Associates	60,889,195.87	98,245,696.00
Accounts payable	Joint ventures	8,198,341,691.63	10,395,351,482.09
Accounts payable	Associates	1,996,075,717.20	1,795,506,974.32
Accounts payable	SAIC	744,000.00	
Accounts payable	Subsidiaries of SAIC	57,012,004.24	19,960,199.17
Accounts payable	Associates of SAIC	13,004,490.99	5,518,565.04
Receipts in advance	Joint ventures	427,493,695.70	1,014,980,950.53
Receipts in advance	Associates	2,371,179.01	3,211,935.93
Receipts in advance	SAIC	961,738,836.72	1,816,383,259.96
Receipts in advance	Subsidiaries of SAIC	5,210,240.64	
Other payables	Joint ventures	55,648,510.49	108,298,694.63
Other payables	Associates	728,371.07	144,731.34
Other payables	SAIC		68,492,249.99
Other payables	Subsidiaries of SAIC	45,299.36	1,500,000.00
Other payables	Associates of SAIC	520,350.00	430,350.00

7. Commitments of related parties

☐Applicable √N/A

8. Others

☐Applicable √N/A

XIII. SHARE-BASED PAYMENTS

1. Summary of share-based payments

☐Applicable √N/A

2. Equity-settled share-based payments

☐Applicable √N/A

3. Cash-settled share-based payments

☐Applicable √N/A

4. Amendment and termination of share-based payments

☐Applicable √N/A

5. Others

☐Applicable √N/A

XIV. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

√Applicable ☐N/A

Significant external commitments and their nature and amounts as at the balance sheet date

(1) Capital commitments

Unit: RMB'000

	Consolidated	
	31 December 2019	**31 December 2018**
Capital commitments that have been signed but have not been recognized in the financial statements:		
- Commitment for acquisition of long-term assets	6,762,138	8,060,498
- External investment commitment	2,940	673,799
Total	6,765,078	8,734,297

(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	
	31 December 2019	**31 December 2018**
Minimum lease payments under non-cancellable operating lease:		
1st year subsequent to the balance sheet date	4,449,403	4,102,944
2nd year subsequent to the balance sheet date	1,474,055	2,109,074
3rd year subsequent to the balance sheet date	1,228,597	1,620,405
Subsequent years	6,019,794	6,616,463
Total	13,171,849	14,448,886

2. Contingencies

(1) Significant contingencies at the balance sheet date

√ Applicable ☐N/A

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

Guarantor	Guarantee	Relationship between Guarantee and the Group	Category	Currency	Ceiling amount	Debt amount
HASCO	KS HUAYU AluTech GmbH	Joint venture	Letter of guarantee	EUR	20,000,000.00	3,269,000.00
Anji Logistics	Guangzhou Harbour Haijia Vehicle Dock Co., Ltd.	Joint venture	Liability guarantee	RMB	60,000,000.00	60,000,000.00

(2) Explanations on contingencies should be presented even if no significant contingency needs to be disclosed in the Company:

☐Applicable √ N/A

3. Others

☐Applicable √ N/A

XV. EVENTS AFTER THE BALANCE SHEET DATE

1. Significant non-adjusting events

☐Applicable √ N/A

2. Profits appropriation

√ Applicable ☐N/A

Unit: RMB

Proposed distributions of profits or dividends	10,281,446,001.20
Distributions of profits or dividends authorized and declared	

3. Sales return

☐Applicable √ N/A

4. Other events after the balance sheet date

√ Applicable ☐N/A

With the outbreak of the COVID-19 nationwide in early 2020, related prevention and control efforts proceeded continuously throughout China. As at the date of the financial statements, the situation of the prevention and control of the COVID-19 (the "epidemic") in China tended to a good prospect continuously, and positive results had been achieved in promoting the epidemic prevention and control and economic and social development in an integrated manner, but the international epidemic was spreading rapidly. The Group will continue paying a close attention to the epidemic development, and assess and respond to the impacts that may bring to the Group.

XVI. OTHER SIGNIFICANT EVENTS

1. Corrections of prior period errors

(1) Retrospective restatement

☐Applicable √N/A

(2) Prospective application

☐Applicable √N/A

2. Debt restructuring

☐Applicable √N/A

3. Exchange of assets

(1) Exchange of non-monetary assets

☐Applicable √N/A

(2) Other exchange of assets

☐Applicable √N/A

4. Annuity plan

☐Applicable √N/A

5. Discontinued operations

☐Applicable √N/A

6. Segment information

(1) Determining basis and accounting policies of reporting segments

√Applicable ☐N/A

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. The Group carried out internal management on SFC, Equity Investment, SAIC Insurance, SAIC Financial Holding Changzhou Qide, and Multi-finance Indonesia other investees managed by the Financial Business Division of the Group as financial transactions.

Segment information is disclosed in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to management.

(1) Segmental reporting information

Unit: RMB

	Vehicles and parts		Finance		Elimination		Total	
	Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2019	Year ended 31 December 2018
Total operating income								
External revenue	825,033,352,058.42	886,432,362,912.75	18,291,020,518.84	15,761,701,819.49			843,324,372,577.26	902,194,064,732.24
Inter-segment revenue			2,163,267,250.13	1,952,522,982.34	-2,163,267,250.13	-1,952,522,982.34		
Total segment operating income	825,033,352,058.42	886,432,362,912.75	20,454,287,768.97	17,714,224,801.83	-2,163,267,250.13	-1,952,522,982.34	843,324,372,577.26	902,194,064,732.24
Total operating costs	820,614,678,302.23	873,289,233,785.58	11,826,002,396.35	10,333,322,389.51	-2,065,849,493.33	-1,941,307,135.29	830,374,831,205.25	881,681,249,039.80
Add: Other income	4,125,989,482.62	2,902,229,958.09	252,569,314.54	224,064,384.00			4,378,558,797.16	3,126,294,342.09
Gain (loss) on changes in fair value	933,133,236.10	803,159.79	563,376,855.50	-113,617,827.43			1,496,510,091.60	-112,814,667.64
Investment income	23,352,439,757.90	25,458,065,883.25	1,863,539,964.36	7,667,796,745.34	-315,161,782.49		24,900,817,939.77	33,125,862,628.59
Exchange gain (loss)			29,587,749.04	28,693,998.20			29,587,749.04	28,693,998.20
Impairment gain (loss) of credit	-595,193,123.78		-1,213,597,624.41		-56,648,465.53		-1,865,439,213.72	
Impairment gain (loss) of assets	-1,641,964,704.12	-1,718,213,062.19		-1,844,724,381.58		72,437,655.46	-1,641,964,704.12	-3,490,499,788.31
Gain on disposal of assets	21,645,620.83	496,967,946.33	75,845,471.90	-13,502,350.36			97,491,092.73	483,465,595.97
Operating profit	30,614,724,025.74	40,282,983,012.44	10,199,607,103.55	13,329,612,980.49	-469,228,004.82	61,221,808.41	40,345,103,124.47	53,673,817,801.34
Add: Non-operating income	759,892,448.17	1,111,406,576.93	7,059,699.64	13,704,720.76			766,952,147.81	1,125,111,297.69
Less: Non-operating expenses	153,140,538.83	454,324,504.08	1,122,529.76	754,764.02			154,263,068.59	455,079,268.10
Total profit	31,221,475,935.08	40,940,065,085.29	10,205,544,273.43	13,342,562,937.23	-469,228,004.82	61,221,808.41	40,957,792,203.69	54,343,849,830.93
Less: Income tax expenses	3,675,956,181.20	4,161,750,209.22	1,992,929,114.86	1,777,436,219.85			5,668,885,296.06	5,939,186,429.07
Net profit	27,545,519,753.88	36,778,314,876.07	8,212,615,158.57	11,565,126,717.38	-469,228,004.82	61,221,808.41	35,288,906,907.63	48,404,663,401.86

Unit: RMB

	Vehicles and parts		Finance		Elimination		Total	
	Year ended 31 December 2019	**Year ended 31 December 2018**	**Year ended 31 December 2019**	**Year ended 31 December 2018**	**Year ended 31 December 2019**	**Year ended 31 December 2018**	**Year ended 31 December 2019**	**Year ended 31 December 2018**
Total assets of segments	595,199,574,873.50	549,330,584,188.36	373,504,549,382.59	341,694,154,974.98	-119,370,844,656.90	-108,254,889,322.33	849,333,279,599.19	782,769,849,841.01
Total liabilities of segments	379,507,069,437.93	334,252,110,422.30	290,418,137,355.78	272,352,575,559.87	-121,431,551,536.23	-108,555,061,619.13	548,493,655,257.48	498,049,624,363.04
Supplementary information								
Depreciation and amortization expenses	13,380,711,977.03	11,408,383,408.48	93,757,932.60	75,338,477.36			13,474,469,909.63	11,483,721,885.84
Impairment loss recognized in the current period	2,237,157,827.90	1,718,213,062.19	1,213,597,624.41	1,844,724,381.58	56,648,465.53	-72,437,655.46	3,507,403,917.84	3,490,499,788.31
Capital expenditure	26,883,205,236.59	31,928,029,018.88	51,578,417.26	47,115,843.25			26,934,783,653.85	31,975,144,862.13
Including: Construction in progress and prepayments for equipment	23,548,978,460.55	28,827,432,395.52					23,548,978,460.55	28,827,432,395.52
Expenditure used for purchase of fixed assets	1,032,131,439.08	689,568,984.33	19,349,115.11	24,703,659.24			1,051,480,554.19	714,272,643.57
Expenditure used for purchase of intangible assets	745,110,936.32	1,430,654,853.85	32,229,302.15	22,412,184.01			777,340,238.47	1,453,067,037.86
Expenditure in long-term defered expenses	448,931,869.17	437,021,106.82					448,931,869.17	437,021,106.82
Development expenditure	1,108,052,531.47	536,924,473.37					1,108,052,531.47	536,924,473.37
Expenditure in investment properties		6,427,204.99						6,427,204.99

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

(2) Financial information of reporting segments

☐Applicable √N/A

(3) If the Company has no reporting segments, or cannot disclose the total assets and liabilities of reporting segments, specify the reasons.

☐Applicable √N/A

(4) Other explanations

☐Applicable √N/A

7. Other significant transactions and matters having an impact on the decisions of investors

☐Applicable √N/A

8. Others

☐Applicable √N/A

XVII. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

(1) Disclosure of accounts receivable by aging

√Applicable ☐N/A

Unit: RMB

Aging	31 December 2019
Sub-total of accounts receivable within 1 year	2,740,863,677.97
1-2 years	132,379,874.75
2-3 years	979,949.16
Over 3 years	
Total	**2,874,223,501.88**

(2) Disclosure by categories under bad debt provision methods

√Applicable ☐N/A

Unit: RMB

Category	31 December 2019					1 January 2019				
	Book balance		Bad debt provision		Carrying amount	Book balance		Bad debt provision		Carrying amount
	Amount	%	Amount	%		Amount	%	Amount	%	
Bad debt provision on an individual basis										
Bad debt provision on a portfolio basis	2,893,479,162.41	100.00	19,255,660.53	0.67	2,874,223,501.88	2,420,857,752.11	100.00	15,383,348.22	0.64	2,405,474,403.89
Total	2,893,479,162.41	100.00	19,255,660.53	0.67	2,874,223,501.88	2,420,857,752.11	100.00	15,383,348.22	0.64	2,405,474,403.89

Bad debt provision on an individual basis

☐Applicable √N/A

Bad debt provision on a portfolio basis

√Applicable ☐N/A

Unit: RMB

Aging	31 December 2019

	Other receivables	Bad debt provision	Proportion (%)
Within 1 year	2,756,071,941.42	15,208,263.45	0.55
1-2 years	136,381,809.80	4,001,935.05	2.93
2-3 years	1,025,411.19	45,462.03	4.43
Over 3 years			
Total	**2,893,479,162.41**	**19,255,660.53**	0.67

Recognition standards of bad debt provision on a portfolio basis and the explanations thereon

☐Applicable √N/A

If bad debt provision is made by using general model of expected credit loss, please refer to disclosure of other receivables:

☐Applicable √N/A

(3) Details of bad debt provision

√Applicable ☐N/A

Unit: RMB

Type	1 January 2019	Changes for the period				31 December 2019
		Provision	Recovery or reversal	Write-off or charge-off	Others	
Bad debt provision	15,383,348.22	15,208,263.45	-11,335,951.14			19,255,660.53
Total	**15,383,348.22**	**15,208,263.45**	**-11,335,951.14**			19,255,660.53

Recovery or reversal of bad debt provision that is significant:

☐Applicable √N/A

(4) Accounts receivable actually written off in the current period

☐Applicable √N/A

Write-off of significant accounts receivable

☐Applicable √N/A

(5) Top five accounts receivable categorized by debtors

☐Applicable √N/A

(6) Accounts receivable derecognized due to transfer of financial assets

☐Applicable √N/A

(7) Assets and liabilities arising from transfer of accounts receivable and continuous involvement:

☐Applicable √N/A

Other explanations:

☐Applicable √N/A

2. Other receivables

Presentation by items

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Interest receivable	1,145,422,370.63	1,068,804,496.43
Dividends receivable	1,110,646,255.34	1,401,149,536.35
Other receivables	5,188,208,823.00	5,861,976,786.16
Total	**7,444,277,448.97**	**8,331,930,818.94**

Other explanations:

☐Applicable √N/A

Interest receivable

(1) Classification of interest receivable

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019	1 January 2019
Time deposit	1,107,526,590.07	994,405,630.06
Entrusted loans	37,895,780.56	74,398,866.37
Total	**1,145,422,370.63**	**1,068,804,496.43**

(2) Significant overdue interest

☐Applicable √N/A

(3) Details of bad debt provision accrued

☐Applicable √N/A

Other explanations:

☐Applicable √N/A

Dividends receivable

(4) Dividends receivable

☐Applicable √N/A

(5) Significant dividends receivable aged more than one year

☐Applicable √N/A

(6) Details of bad debt provision accrued

☐Applicable √N/A

Other explanations:

☐Applicable √N/A

Other receivables

(1) Disclosure of other receivables by aging

√Applicable ☐N/A

Unit: RMB

Aging	31 December 2019
Sub-total of other receivables within 1 year	2,792,131,362.01
1-2 years	2,137,401,368.82
2-3 years	257,880,175.74
Over 3 years	795,916.43
Total	**5,188,208,823.00**

(2) Classification of other receivables by nature

☐Applicable √N/A

(3) Details of bad debt provision accrued

☐Applicable √N/A

Bad debt provision in the current period and the basis to assess whether credit risk of financial instruments is increased significantly:

☐Applicable √N/A

(4) Details of bad debt provision

√Applicable ☐N/A

Unit: RMB

Type	1 January 2019	Changes for the period				31 December 2019
		Provision	Recovery or reversal	Write-off or charge-off	Others	
Bad debt provision	120,395,902.18	45,889,042.12	-30,032,545.35			136,252,398.95
Total	**120,395,902.18**	**45,889,042.12**	**-30,032,545.35**			**136,252,398.95**

Significant reversal or recovery of bad debt provision for the period:

☐Applicable √N/A

(5) Other receivables actually written off in the current period

☐Applicable √N/A

(6) Top five other receivables categorized by debtors

☐Applicable √N/A

(7) Other receivables related to government grants

☐Applicable √N/A

(8) Other receivables derecognized due to transfer of financial assets

☐Applicable √N/A

(9) Assets and liabilities arising from transfer of other receivables and continuous involvement:

☐Applicable √N/A

Other explanations:
☐Applicable √N/A

3. Long-term equity investments

√Applicable ☐N/A

Unit: RMB

Item	31 December 2019			1 January 2019		
	Book balance	Impairment provision	Carrying amount	Book balance	Impairment provision	Carrying amount
Investments in subsidiaries	86,641,011,417.04		86,641,011,417.04	83,139,462,672.16		83,139,462,672.16
Investments in joint ventures and associates	37,342,193,164.01		37,342,193,164.01	43,477,670,675.41		43,477,670,675.41
Total	**123,983,204,581.05**		**123,983,204,581.05**	**126,617,133,347.57**		**126,617,133,347.57**

(1) Investments in subsidiaries

√Applicable ☐N/A Unit: RMB

Investee	1 January 2019	Increase	Decrease	31 December 2019	Impairment provision for the period	Impairment provision as at 31 December 2019
SAIC GM Wuling Co., Ltd.	1,126,669,400.01			1,126,669,400.01		
SAIC Maxus Vehicle Co., Ltd. (Note 1)	8,287,230,000.00	650,000,000.00		8,937,230,000.00		
SAIC Finance Co., Ltd.	11,534,123,733.09			11,534,123,733.09		
SAIC Volkswagen Sales Co., Ltd.	225,339,303.84			225,339,303.84		
Shanghai Pengpu Machine Building Plant Co., Ltd.	925,582,955.01			925,582,955.01		
SAIC Motor Transmission Co., Ltd.	5,359,590,000.00			5,359,590,000.00		
Nanjing Automobile (Group) Corporation	3,423,861,978.39			3,423,861,978.39		
Shanghai Diesel Engine Co., Ltd.	1,173,419,996.46			1,173,419,996.46		
SAIC HK Investment Co., Ltd.	2,046,066,390.00			2,046,066,390.00		
SAIC Motor UK Co., Ltd.	46,468,800.00			46,468,800.00		
SAIC Motor Equity Investment Co., Ltd. (Note 2)	4,000,000,000.00	31,024,000.00		4,031,024,000.00		
SAIC General Motors Sales Co., Ltd.	158,319,147.00			158,319,147.00		
HUAYU Automotive Systems Co., Ltd.	12,878,718,472.88			12,878,718,472.88		

SAIC Motor (Beijing) Co., Ltd.	316,317,252.11			316,317,252.11		
Shanghai Automobile Asset Management Co., Ltd (Note 3)	872,425,316.32	97,900,000.00		970,325,316.32		
Shanghai Automotive Industry Sales Co., Ltd	4,825,048,435.94			4,825,048,435.94		
SAIC Motor North America Co., Ltd.	172,336,204.50			172,336,204.50		
Anji Automotive Logistics Co., Ltd.	2,118,090,251.55			2,118,090,251.55		
Donghua Automobile Industrial Co., Ltd.	654,940,453.36			654,940,453.36		
Shanghai Shangyuan Investment Management Co., Ltd. (Note 4)	345,167,221.39	4,600,000.00		349,767,221.39		
China Automotive Industrial Development Co., Ltd.	274,872,910.12			274,872,910.12		
SAIC Activity Centre 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. (Note 5)	99,908,080.00		99,908,080.00			
SAIC Investment Management Co., Ltd. (Note 6)	9,589,438,900.03	139,300,000.00		9,728,738,900.03		
Shanghai Shanghong Real Estate Co., Ltd. (Note 7)	1,900,000,000.00	171,880,000.00		2,071,880,000.00		
Shanghai Sunwin Bus Co., Ltd. (Note 5)	822,301,294.40	99,908,080.00		922,209,374.40		
SAIC Group Financial Holding Management Co., Ltd. (Note 8)	9,000,000,000.00	1,050,000,000.00		10,050,000,000.00		
SAIC-IVECO Hongyan Commercial Vehicle Co., Ltd. (Note 9)	790,020,393.30			790,020,393.30		
Changzhou Qide Equity Investment Fund Center (Limited Partnership) (Note 9)		1,356,844,744.88		1,356,844,744.88		
Total	83,139,462,672.16	3,601,456,824.88	99,908,080.00	86,641,011,417.04		

Note 1: In the current year, the Company made additional capital contributions of RMB 650,000,000.00 by cash and bank balances to SAIC Maxus.

Note 2: In the current year, the Company made additional capital contributions of RMB 31,024,000.00 by cash and bank balances to Equity Investment.

Note 3: In the current year, the Company made additional capital contributions of RMB 97,900,000.00 by cash and bank balances to Asset Management.

Note 4: In the current year, the Company made additional capital contributions of RMB 4,600,000.00 by cash and bank balances to Shangyuan Investment.

Note 5: In the current year, Shanghai Sunwin consolidated Shanghai Green Bus Drive System Co., Ltd. (“Shanghai Green”) by merger. After the merger, Shanghai Green was cancelled, and the Company made additional capital contributions to Shanghai Sunwin with the 100% equity originally held in Shanghai Green.

Note 6: In the current year, the Company made additional capital contributions of RMB 139,300,000.00 by cash and bank balances to Investment Management.

Note 7: In the current year, the Company made additional capital contributions of RMB 171,880,000.00 by cash and bank balances to Shanghong Real Estate.

Note 8: In the current year, the Company made additional capital contributions of RMB 1,050,000,000.00 by cash and bank balances to SAIC Financial Holding.

Note 9: In the current year, the Company made additional capital contributions of RMB 1,356,844,744.88 by cash and bank balances to usufruct on 54.99% of equity of Changzhou Qide.

(2) Investments in joint ventures and associates

√ Applicable ☐N/A

Unit: RMB

Investee	1 January 2019	Increase (decrease) during the year	31 December 2019	Impairment provision as at 31 December 2019
		Others		
I Joint ventures				
SAIC Volkswagen Automotive Co., Ltd.	22,466,291,035.26	-3,835,701,038.23	18,630,589,997.03	
SAIC General Motors Co., Ltd.	15,253,175,654.61	-2,100,257,946.91	13,152,917,707.70	
Shanghai GM Dong Yue Motors Co., Ltd.	614,075,055.18	-34,103,124.46	579,971,930.72	
Shanghai GM Dong Yue Automotive Powertrain Co., Ltd.	1,548,274,878.79	-8,695,847.51	1,539,579,031.28	
Shanghai GM (Shenyang) Norsom Motors Co., Ltd.	696,276,366.45	10,043,406.55	706,319,773.00	
Pan-Asia Technical Automotive Centre	420,827,055.77	-13,328,205.99	407,498,849.78	
SAIC Iveco Commercial Vehicle Investment Co., Ltd.	435,653,029.41	126,820,483.99	562,473,513.40	
Sub-total	41,434,573,075.47	-5,855,222,272.56	35,579,350,802.91	
II Associates				
Volkswagen Automotive Powertrain Co., Ltd.	1,843,386,261.71	-282,631,809.06	1,560,754,452.65	
Volkswagen Transmission (Shanghai) Co., Ltd.	199,711,338.23	2,376,570.22	202,087,908.45	
Sub-total	2,043,097,599.94	-280,255,238.84	1,762,842,361.10	
Total	43,477,670,675.41	-6,135,477,511.40	37,342,193,164.01	

4. Operating income/costs

(1) Details of operating income/costs

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019		Year ended 31 December 2018	
	Income	Costs	Income	Costs
Primary operations	56,195,554,113.18	52,645,135,725.62	71,919,985,102.41	61,109,268,954.94
Other operations	7,645,437,302.81	5,266,669,080.95	4,575,533,415.44	2,894,416,535.39
Total	**63,840,991,415.99**	**57,911,804,806.57**	**76,495,518,517.85**	**64,003,685,490.33**

(2) Primary operations

Unit: RMB

	Year ended 31 December 2019		Year ended 31 December 2018	
	Operating income	**Operating costs**	**Operating income**	**Operating costs**
Sales of vehicles	53,322,268,299.29	50,414,317,960.48	67,922,637,972.77	57,649,883,808.57
Sales of parts	2,873,285,813.89	2,230,817,765.14	3,997,347,129.64	3,459,385,146.37
Total	**56,195,554,113.18**	**52,645,135,725.62**	**71,919,985,102.41**	**61,109,268,954.94**

(3) Other operations

Unit: RMB

	Year ended 31 December 2019		Year ended 31 December 2018	
	Operating income	**Operating costs**	**Operating income**	**Operating costs**
Rendering of services	3,602,561,279.81	3,580,378,322.82	1,274,701,372.72	1,233,964,096.35
Sales of raw materials and waste	1,462,423,624.84	1,451,353,105.29	1,525,974,820.94	1,357,420,980.19
Commission and royalties of technology	2,438,624,811.82	161,701,472.02	1,564,246,685.20	144,216,048.31
Rental	51,806,066.69	17,091,176.69	47,453,787.77	17,840,455.31
Others	90,021,519.65	56,145,004.13	163,156,748.81	140,974,955.23
Total	**7,645,437,302.81**	**5,266,669,080.95**	**4,575,533,415.44**	**2,894,416,535.39**

5. Investment income

√ Applicable ☐N/A

Unit: RMB

Item	Year ended 31 December 2019	Year ended 31 December 2018
Dividends declared by subsidiaries	9,101,775,968.06	8,676,611,796.02
Income from long-term equity investments under equity method	16,820,236,026.59	23,655,101,701.59
Investment income from other equity instruments investments in holding period	291,518,272.68	
Investment income from disposal of available-for-sale financial assets		1,768,064,710.28
Investment income from available-for-sale financial assets during the hold period		363,008,867.02
Investment income from entrusted loans	121,377,470.32	145,175,808.32
Gains on disposal of long-term equity investments		6,839,733.48
Total	**26,334,907,737.65**	**34,614,802,616.71**

6. Others

☐Applicable √ N/A

XVIII. SUPPLEMENTARY INFORMATION

1. Statement of non-recurring profit or loss

√ Applicable ☐N/A

Unit: RMB

Item	Amount	Explanation
Profit or loss on disposal of non-current assets	442,170,091.22	
Government grants recognized in profit or loss for the current year, except those which are closely related with normal business courses, and granted on quota basis continuously based on the state policy	4,718,105,151.72	
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	214,426,978.94	
Profit or loss on debt restructuring	-1,275,683.38	
Profit or loss on changes in fair value of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, and investment income from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments, except for effective hedging business related to normal operations of the Company	8,120,839.43	
Profit or loss on offering entrusted loans	61,038,194.43	
Other non-operating income and expenses other than the above	59,991,429.10	
Gain from business combinations not involving enterprises under common control achieved in stages involving multiple transactions	146,659,331.55	
Tax effects of income tax	-870,917,630.91	
Effects of minority interests	-756,049,659.84	
Total	**4,022,269,042.26**	

The Company shall explain about the non-recurring profit or loss defined in accordance with *Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 – Non-recurring Profit and Loss* and the recurring profit or loss that was defined from non-recurring profit or loss listed in *Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 – Non-recurring Profit and Loss*.

☐Applicable √ N/A

2. Return on net assets and earnings per share

√ Applicable ☐N/A

Profit for the reporting period	Weighted average return on net assets (%)	EPS (RMB)	
		Basic EPS	Diluted EPS
Net profit attributable to common stock holders of the Company	10.53	2.191	N/A
Net profit attributable to common stock holders of the Company after deducting non-recurring profit or loss	8.87	1.847	N/A

3. Differences between amounts prepared under foreign accounting standards and China Accounting Standards

☐Applicable √N/A

4. Others

☐Applicable √N/A

Section XII List of Documents Available For Inspection

List of Documents Available For Inspection	Financial statements with signatures of legal representative, chief financial officer and head of accounting department
List of Documents Available For Inspection	Auditors' 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

President: Mr. Chen Hong

Date of Approval by the Board: 14 April 2020

Revised information

☐Applicable √N/A