
Sinotrust Contributes to the First Release of the *Report on the Development of China Automobile Circulation Industry (2009-2010)*

Marking for the Absence of the Blue Book of China Auto Circulation Industry

Beijing, June 25, 2010----On June 25, the *2009-2010 Report on the Development of China Automobile Circulation Industry*, jointly compiled by the China Automobile Dealers Association (CADA) and Sinotrust International Information & Consulting (Beijing) Co., Ltd., was first released in Beijing. The launch of the *Report* (Blue Book of China Automobile Circulation Industry) makes up for the years of absence of the blue book that reflects the annual development of the automobile circulation industry.

The *Report* consists of eight parts including research report, market analysis, topic on policy, topic on business modes, topic on tangible market, international automobile circulation industry, market research and 2009 China top 50 dealers.

The *Report* summarizes the current status and characteristics of the development of China's automobile circulation industry in 2009, sorts the content and roles of a set of policies that stimulate and promote the growth of the automobile circulation industry, systematically analyzes the supply and demand relation in the automobile market in China, studies the characteristics of the markets of new cars, used cars, imported cars, auto products, etc., discusses the financial services, aftermarket development mode and other hot topics in the automobile circulation industry, sums up the latest changes in the status of China's automobile circulation industry, and expatiates on the future trends of the automobile circulation industry. The release of the appraisal results of the top 50 automobile dealers and the auto dealer satisfaction research results are the key content and highlights of the *Report*.

According to the *Report*, despite of the financial crisis in 2009, the multiple consumption policies issued by the government boosted the significant growth of auto sales in China. As of the end of 2009, 13,688,000 units of new cars were sold in China, up 50.3% from 2008. For the domestically-made new cars, the sales volumes of new passenger cars and commercial cars reached 10,331,000 units and 3,314,000 units, accounting for 75.7% and 24.3% respectively. The sales volume of new imported cars amounted to 421,000 units, in which, the sales volume of imported passenger cars was 409,000 units and the sales volume of imported commercial cars was 12,000 units. The sales volume of used cars reached 3,334,000 units, up 20.4% from 2008.

At present, there are 37,711 authorized auto dealers in the automobile circulation industry. The number of authorized dealers of narrow sense passenger cars is 13,531. The majority of them are distributed in the eastern coastal areas, featuring "Dense in East and Sparse in West." In 2009, the total sales revenue of the authorized dealers of narrow sense passenger cars was some RMB 1,005.5 billion, with the average single-dealer business revenue being some RMB 76,880,000 and the average single-dealer sales volume being 619 units, in which, Beijing recorded the highest the average single-dealer sales volume, reaching 1,037 units, followed by Tianjin and Sichuan, reaching 898 units

and 781 units respectively. According to the results of the “2009 Auto Dealer Satisfaction Research” jointly conducted by the China Automobile Dealers Association and Sinotrust, the operational conditions of dealers are good.

Through years of development, the automobile circulation industry in China has expanded vigorously and shows the following characteristics:

Firstly, in the new car market, a brand authorization-dominated and tangible market-supported circulation structure has shaped up. With the issue of the *Administration of Automobile Brand Sales Implementing Procedures*, the auto sales service chain consisting of auto brand suppliers, auto brand dealers and consumers become more and more visible. In the meantime, the vast majority of the tangible markets have become the comprehensive markets with multiple functions of new car sales, used car transaction, used car trade-in, spare parts supply, auto product operation, vehicle inspection, repair and detailing, information release, etc.

Secondly, the trend of enterprise groups in the auto circulation industry becomes more and more visible. Some auto dealer groups have begun to expand and have become a non-neglectable power in the auto circulation field. Pangda Auto Trade, Zhejiang Yuantong and Dalian Zhongsheng are the representatives of these large dealer groups.

Thirdly, the comprehensive auto trade service parks have become a new development pattern of the tangible auto market. The large auto trade service parks are primarily distributed in tier two and three cities to meet the increasing demands for auto trade, service, culture and entertainment.

Fourthly, the used car market has entered the rapid development phase. According to statistics, the used car transaction volume surged from 252,000 units in 2000 to 3,334,000 units in 2009 with an average growth rate of 33.3%. A competition structure of the used car market with the used car transaction market as the core, used car dealers (including new car franchised shops) as the main participants and used car auction and brokerage enterprises as the backbone force is being shaped up. In the meantime, the used car operation mode that integrates sales, auction, brokerage and direct transaction is emerging.

Finally, the auto aftermarket and new service will become the new growth points of the auto market. Expanding the auto aftermarket is an inevitable part for the development of the auto market, the common demand of automakers, dealers and consumers and the main profit source of automakers and dealers in the future.

As the exclusive technical support institution of the *Report on the Development of China Automobile Circulation Industry*, Sinotrust provides a large quantity of related materials and data analysis and research results for the compiling of this *Report*.

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About Sinotrust

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Over 80% of the Fortune 500 companies operating in China are using different products and services of ours. We employ over 700 people in our offices in Beijing, Shanghai and Guangzhou, supporting organization clients from automotive, financial services, insurance, retail, telecommunications, IT, manufacturing, consumer products and trade sectors.

At the beginning of 2007, Experian, the leading global information services company, made a strategic investment in Sinotrust with both capital and know-how. The investment keeps on improving our service capabilities.