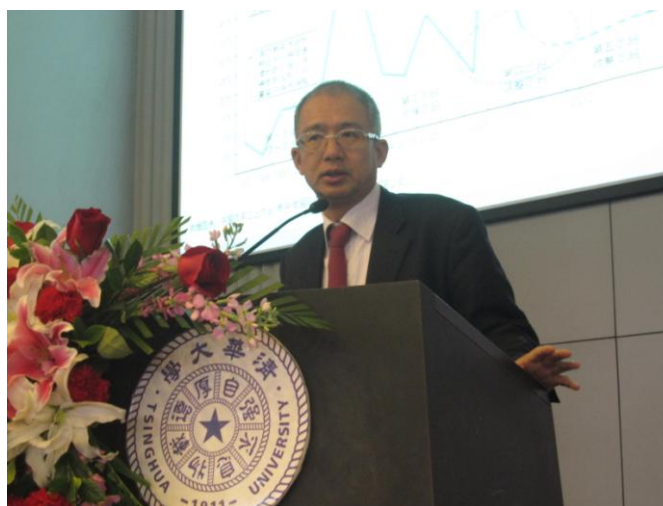


Sinotrust Attended the “Second China Automotive Market Research Summit Forum”

Lin Lei Pointed out that There is a Visible Sign of Consumption Upgrade in China and Automotive Marketing will Experience a Dramatic Conversion

Beijing, January 8, 2012----“The Second China Automotive Market Research Summit Forum” that was jointly sponsored by *Automotive Observer*, State Key Laboratory of Automotive Safety and Energy of Tsinghua University and US-China Automotive Exchange was held in Tsinghua University on January 8. Mr. Lin Lei, Co-President & Joint CEO of Sinotrust was invited to the forum and gave a speech on the theme of “The Development Characteristics and Future Trends of China’s Automotive Market” to analyze the operation rules of China’s auto market in 2011 and forecast the market trends in 2012.



Lin Lei was delivering the speech

China’s Auto Industry Begin to Step into a Stable Growth Period After Two Rounds of Blow-out Growth

Lin Lei forecasted that China’s auto market will growth at similar pace to GDP in the next 5 years and the growth rate of the passenger vehicle market will maintain at between 7% and 10%.

The production capacity that was invested between 2009 and 2011 will gradually be converted into a reality and the layout in recent years has covered more promising regional markets. The tier one and two auto markets will experience production capacity update; the tier three and four markets will become the fastest-growing new markets; the coastal markets will experience vehicle updates; and the West Central is still the market of first-time buyers.

The Fast Growth of Car Population Brings Extensive New Room for the Development of the Auto

Aftermarket

According to Sinotrusted research, the car population in China was 1,609,000 and 780,200 units respectively in 2000 and 2010, with a growth rate of 17.1% during the 10 years. In 2010, the number of cars per 1,000 people was around 60 units in China, around 890 units in America, around 650 units in UN and around 600 units in Japan. Lin Lei forecasted that the car population in China will reach 0.3 billion units and the number of cars per 1,000 people will reach around 200 units in the future.

There is a Visible Trend of Car Upgrading among Chinese Consumers

In the next 5 years, the first- and second-time car buyers will co-exist in the market and the proportion of the second-time buyers will increase significantly. Consumers' demands will show a diversified, individualized and regional trend. Meanwhile, the "post 80s" will begin to become the mainstream car consumers, which will be a big challenge for the conventional marketing methods. "Being stylish and safe" will become the key purchasing considerations of consumers. SUV, MPV and CROSS models will become popular among consumers. The luxury car market will expand and the number of young luxury car buyers will increase greatly. Imported cars meet the upgrading demands of Chinese consumers and reflect the individualized consumption trend. They are also beneficial supplements to locally-made products.

Dealers Show Greater Creativeness and Initiative

Lin Lei pointed out that dealer groups will increase in number and become stronger and the listing of dealers will become much more common. Dealers in tier three and four cities will play bigger initiative and creativeness in sales, after-sales and aftermarket services. Dealer groups in some regions may create a monopoly in the regional market and enter the separate repair service market. At the same time, dealer management will reach its limit (The turnover, number of networks, etc. reach the limit level).

Domestic Brands are Facing Even Huger Challenges

According to Lin Lei, the emergence of self-developed brands of joint venture enterprises squeezes the room for survival for domestic brands. Developing high-end brands is the only way for domestic brands to make themselves survive and develop, but there are also risks accordingly. Meanwhile, the Chinese market's entry into a new phase of consumption also brings enormous pressure to the development of domestic brands.

Auto Marketing will Undergo a Huge Transformation

E-marketing: The "post 80s" who are getting into using network language are growing into the main consumers of the Chinese auto market. The new generation consumers are looking for changes, diversification, innovation and uniqueness, so E-marketing may become the key marketing method.

Customer retention: The marketing to retain own brand customers will become a crucial marketing work. The real one-on-one marketing means will be widely adopted.

Single-view integration: Precision management on auto dealers is bound to need an integrated technical platform. "Digitized management platform with single view of dealers" will provide effective solutions.

About Sinotrust Automotive Marketing Solutions

Sinotrust is a leading supplier of marketing solutions to the Chinese automotive market. With offices in Beijing, Shanghai and Guangzhou, we have a team of over 260 skilled professionals devoted to our automotive marketing solutions. Our Automotive Marketing Solutions integrate information, services and technology to provide marketing research services, marketing consulting & business strategy services and database marketing services, helping automotive companies position their products correctly, identify target markets accurately and conduct effective marketing so as to develop sustainable and profitable customer relationship.

About Sinotrust

Sinotrust is a leading supplier of marketing solutions and credit solutions in China. We collect, analyze and manage information about markets, consumers and businesses to provide marketing research, business information, consulting and database marketing services through integration of information, services and technology. Our products and services help you make better marketing and credit decisions and develop profitable customer relationships.

We employ about 600 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. Over 80% of the Fortune 500 companies operating in China are using different products and services of ours.

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.

Website: www.sinotrust.cn