

The 51st Annual Report

(2012. 1. 1 ~ 2012. 12. 31)

Ssangyong Motor Company

History of Ssangyong Motors

1954 Jan	Ha Dong-Hwan Motor Workshop was established
1975 May	Initial Public Offering
1976 Sep	Started to produce a variety of special purpose vehicles
1977 Feb	The company name changed to Donga Motor Co., Ltd.
1979 Dec	Completed construction of the Pyungtaek Plant
1984 Dec	Acquired Geohwa Co., Ltd., and participate Jeep production
1985 Aug	Geohwa's Pusan Plant moved to the Pyungtaek site
1986 Nov	Ssangyong Group took over Donga Motor Co., Ltd.
1988 Mar	The company name changed to Ssangyong Motor. Co., Ltd.
1988 Jul	Acquired English automaker Panther Car Co.
1988 Dec	Launched a station wagon type Vehicle "Korando Family"
1991 Feb	Entered into the technical partnership with Mercedes Benz AG for developing light commercial vehicles and diesel engine.
1992 Jun	Established "Central R&D Center"
1992 Oct	Entered into technical partnership with Mercedes Benz AG for developing gasoline engine
1993 Jan	Signed joint capital investment (5%) with Mercedes Benz AG.
1993 Feb	Entered into technical partnership with Mercedes Benz AG for luxury passenger vehicle.
1993 Jul	Launched a wagon type 4WD vehicle "MUSSO"
1993 Nov	Entered into the technical partnership with Mercedes Benz AG for developing large size diesel engines.
1994 Apr	Opened "the After-Sales Service Technical Center" in Daejeon"
1994 Jun	Established "Changwon Engine Plant"
1994 Aug	Started to produce "Korando New Family" vehicle
1995 Jun	Established "Parts Logistics Center" in Choenan, Korea
1995 Jul	Launched a Light Commercial Vehicle "Istana"
1996 Jul	Launched Box style 4WD, "Korando"
1997 Oct	Launched luxury sedan "The Chairman"
1998 Jan	Merged into Daewoo Group
1998 Jun	Launched "New Musso"
1998 Nov	Launched 1999 model year of "Chairman"
1999 Jun	Launched 7-seater model "New Musso"
1999 Dec	Underwent corporate restructuring program

2000 Jan	Established independent sales network
2000 Mar	Released "Chairman [CM500] and [CM400] series"
2000 Apr	Separated from Daewoo Group Released 2000 model year of "Korando"
2000 Jun	Launched 2001 model year of "Musso"
2001 Feb	Launched "Musso", "Korando", "Istana" New lineup
2001 Dec	Signed a contract for Normalization of Management
2002 Sep	Launched first SUT in Korea "Musso Sports"
2003 Jan	Sign contract for CKD Business with Shanghai Huizhong Automobile Manufacturing Company (SHAC), China
2003 Sep	Launched "New Chairman"
2003 Dec	Launched "New Rexton"
2004 May	Launched "Rodius"
2004 Sep	Completed construction of Changwon 2nd Plant
2004 Oct	SAIC Motor Corporation Ltd. signed a contract for transfer of creditors' security holdings.
2005 Jan	Became a subsidiary company of SAIC Motor Corporation Ltd.
2005 Feb	Started to provide Telematics service "Everway"
2005 Jun	Launched "Kyron"
2005 Oct	Launched "Actyon"
2006 Mar	Launched "Rexton II"
2006 Apr	Launched "Actyon Sports"
2006 Dec	Major shareholder has been changed from SAIC Motor Corporation Ltd. to Shanghai Automotive Company Ltd.
2007 Apr	Launched "New Kyron"
2007 Jul	Launched "New Rodius"
2007 Oct	Launched "Rexton II Euro"
2007 Dec	Launched 2008 Year Model of "New Kyron", "Actyon" and "Actyon Sport"
2008 Jan	Launched "Chairman H"
2008 Feb	Launched "Chairman W"
2008 Jul	Established EU Representative office in Spain Launched 2009 model year of Rexton II, New Kyron, Actyon, Actyon Sports Completed the extension work of the "After-Sales Service Technical Center" in Daejeon Actyon won "Energy Winner Award"
2008 Sep	Launched 2009 model year of "Chairman W 3.2"

2008 Nov	Awarded "Safest Warehouse of the Netherlands 2008" in the Netherland
2009 Jan	Launched "Chairman H VIP" Applied for Company Rehabilitation Procedure
2009 Feb	Started Company Rehabilitation Procedure
2009 Dec	Company Rehabilitation plan was approved
2010 Jan	Launched 2010 model year of "Rexton", "Kyron" and "Actyon Sports"
2010 Aug	Launched "Rexton RX4"
2010 Nov	Ssangyong and Mahindra signed definitive agreement on investment – takeover price KRW522.5 billion (Subscription of new stocks – KRW427.1 billion, takeover of corporate bond – KRW95.4 billion)
2011 Feb	Mahindra & Mahindra took over Ssangyong Motor Company Launched "Korando C"
2011 Mar	Completed Company Rehabilitation Procedure
2011 May	Launched "Rexton Out-Door Edition Model"
2011 May	Launched "Chairman H New Classic"
2011 Jul	Launched "New Chairman W"
2012 Jan	Launched "Korando Sports"
2012 Mar	Launched "Rexton Euro V" Launched "Korando C CHIC M/T"
2012 Apr	Launched 2013 Model year of "Chairman H" and "Chairman W"
2012 May	Launched "Rexton W (3 rd generation)"
2012 Jul	Launched "Rodius Euro"
2012 Aug	Launched "Korando Sports Mania (4WD 6 speed M/T)"
2013 Feb	Launched "Korando Turismo"

Greetings

Honorable Shareholders, Good Morning?

I would like to express my deepest appreciation to all of you for attending the 51st General Shareholders' Meeting despite your business schedule.

Last 2012 was important year for Ssangyong Motor. We have increased the sales continuously while decreasing operating deficit and have been consolidating the foundation for normalization.

Thanks to the increased sales of Korando C and facelift models such as and Korando Sports, Ssangyong Motor sold 120,717 vehicles and recorded sales of KRW 2,863.8 billion that is the best sales performance since 2007.

Last year, global economic downturn caused by the European sovereign debt crisis deteriorated. However, we were able to achieve more than 120,000 vehicle sales and it is our result of continuous efforts to increase sales.

Due to the economic depression and increased sales of imported vehicles, the domestic sales of Korean automakers decreased compare to the same period last year. However, we were able to record 23.4% sales increase year on year which is a significant achievement.

Despite the limited financial and human resource, we have made continuous efforts to increase product attractiveness of facelift models by incorporating market trend. Also, we carried out unique customer experience-oriented marketing activities and opened the classy flagship store to reinforce the competitiveness of our sales network. Those activities have resulted in sales increase.

Thanks to this upward trend in sales, SYMC's operating loss decreased by 30% year on year to KRW 99 billion.

Ssangyong Motor was able to consolidate the foundation for normalization of management thanks to the cooperative and positive labor and management relations and continuous support and interest from the Shareholders.

Dear Shareholders,

The Ssangyong Motor shows apparent upward trend in growth for two years since the company established a strategic alliance with Mahindra Group.

However, there will be new challenges in 2013 and we need to changes ourselves against the challenges. Ssangyong Motor set an aggressive sales target of 149,300 which is 23% increase from the last years sales performance. We will launch new concept SUV in domestic market to increase market share. By doing so, we will achieve sales target of 2013.

We will increase global sales further to achieve the sale target by aggressively tapping into new market and by successfully launching facelift models such as “Korando Turismo”.

“Korando Turismo” was well received in the domestic market since its launching. The vehicle was officially introduced in the European market through Geneva Motor Show 2013. It is repeating the success of Korando Series including Korando C and Korando Sports.

Furthermore, we will increase export volume to Russia Market and increase Rexton W sales in India Market and create new markets in Central and South America, Africa and Asia regions to increase global sales volume.

For this, we plan to increase production capacity of major volume models of which current production volume is not able to meet sales orders on time.

A decision to reinstate workers on unpaid leave is an example of the efforts to increase production volume. In addition, we will actively promote development of new engines, new vehicle models and eco-friendly technologies such as technologies for high fuel efficiency and low CO2 emission to timely respond to fast changing market environment and to secure new growth engine for the future.

Last February, the Board of directors of Ssangyong Motor Company approved the paid in capital increase of KRW 80 billion with Mahindra Group as designated party for stock allotment. With this capital increase, the company will accelerate development of small CUV and other new vehicle models.

With the Mahindra Group’s decision for direct investment, we are able to secure finances for investment and able to strengthen financial soundness. The decision has a significant meaning that Mahindra group as a major shareholder displayed the willingness to support Ssangyong Motor and Ssangyong Motor demonstrated the strong intention for early normalization of management.

Honorable Shareholders!

Year 2013 will be crucial for the future of Ssangyong Motor.

For the last couple of years, we have laid foundation for normalization of management and from this year, the company will start full scale preparation to make a second leap forward.

Ssangyong Motor has overcome challenging business environment wisely with strong passion and has been preparing thoroughly for the future.

Furthermore, we are reinforcing the growth engine for the future and competitiveness of the company by creating tangible synergic effects with Mahindra group in various ways.

Now, Ssangyong Motor will live up to Shareholders' expectation by putting upmost efforts to recover the status and reputation as 'the most innovative and respected Korean Automotive Company' and 'global SUV Maker'.

Finally, I would like to ask you for continuous support and encouragement for the company and I wish you and your family health and happiness.

Thank you very much.

March 27, 2013
Ssangyong Motor Company C.E.O Yoo-II, Lee

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I . Annual Report

1. Corporate Overview

1) The objective of the company

- | | |
|---|--|
| (1) Manufacture and sale of various automobiles and parts thereof | (12) Sale and lease of real estate, equipment and facilities |
| (2) Manufacture and sale of various heavy equipment and parts thereof | (13) Management of automobiles (used car sale; car scrapping agency; automobile lease) |
| (3) Repair of various automobiles and heavy equipment | (14) Manufacture and sale of various molds |
| (4) Agency of automobile inspection | (15) E-commerce and internet-related business |
| (5) Manufacture of fire-fighting equipment | (16) Various types of valued-added telecommunication business and specially-designated telecommunication business including an automobile information business, and sale and lease business of related equipment |
| (6) Export and import and agency thereof | (17) Other businesses incidental to any of the foregoing |
| (7) Wholesale of automobile parts | |
| (8) Issue of offer sheets for sale of goods | |
| (9) Manufacture and production of various engines and related parts | |
| (10) Agency of automobile registration | |
| (11) Sales and consignment sale of good imported or exported | |

2) Core business

- Manufacturing and sales of various automobiles and parts.

3) Plant and sales office

Name	Substance of Business	Location
Pyeongtaek Plant (Main Office)	Manufacture Vehicles	150-3 Chilgoe-dong, Pyeongtae-si
Changwon Plant	Manufacture Engine	79 Seongsan-dong, Changwon-si
11 offices excluding Guro A/S	A/S, sell parts	584-12 Guro-dong, Guro-gu, Seoul

4) Employee data

(as of Dec 31, 2012)

Classification	Officer worker	Factory workers	Other	Total	Remarks
Male	1,519	3,182	5	4,741	-
Female	78	5	30	113	-
Total	1,597	3,187	35	4,854	-

5) Stock data

1. Sort and number of issued stock

(Unit: Share, KRW thousand)

(as of Dec 31, 2012)

Sort of stock	The number of stocks	Amount	The component ratio	Remarks
Common Stock	122, 674, 641	613,373,205	100%	

2. Changes in capital

(Unit: Share, KRW thousand)

Date	Sort of stock	Number of stocks	Increase or decrease of amount	Capital stock after capital increase or reduction	Sub stand of capital increase or reduction
2009.12.28	Common Stock	31,978,988	(-)444,128,160	159,894,940	Reduction of capital
2009.12.29	Common Stock	108,410,431	382,157,215	542,052,155	Deb-Equity Swap
2010.01.18	Common Stock	36,120,556	(-)72,289,875	180,602,780	Debt-Equity Swap
2010.07.21	Common Stock	36,537,601	2,085,225	182,688,005	Deb-Equity Swap
2011.01.04	Common Stock	36,542,794	25,965	182,713,970	Deb-Equity Swap
2011.02.09	Common Stock	121,961,841	427,095,235	609,809,205	Paid in capital increase (3 rd party allotment)
2012.05.19	Common Stock	122,606,391	3,222,750	613,031,955	Paid in capital increase or reduction (3 rd party allotment)
2012.08.15	Common Stock	122,674,641	341,250	613,373,205	Paid in capital increase or reduction (3 rd party allotment)

3. General affairs on shares

A settling day	Dec 31		
Period of closing shareholders' registry	From Jan 1 till Jan 10	Base date	Dec 31
Means of public announcement	SYMC's internet homepage (http://www.smotor.com) or Kukmin IlBo		
Type of share certificates	Eight denominations of One (1), Five (5), Ten (10), Fifty (50), One Hundred (100), Five Hundred (500), One Thousand (1,000), and Ten Thousand (10,000)		
Stock transfer agent	Name of the agent	Korea Securities Depository	
	Location	34-6 Yeouido dong, Yeongdeungpo gu, Seoul, Korea	

6) Corporate bond

(Unit: KRW thousand)

Bond Type	Date of issue	Amount	Interest rate	Amount outstanding	Repayment Date	Payment guaranteed by
The 118 th Non-guarantee Private bond	2011.02.09	95,404,765	7.0%	95,404,765	2014.02.09	-

2. Sales Performance

1) Overall outlook

① Domestic sales

- The domestic auto sales volume in 2012 decreased by 4.3% year on year to 1,410,857 due to the customer sentiment contraction, increasing household debt, high oil prices, decreased production volume caused by strike of auto OEMs.

(1) Passenger Vehicles: Due to the economic depression and high oil price, the sales of semi-mid size or higher segment passenger vehicle were sluggish. With this reason, the total sales decreased by 6.5% year on year.

(2) RV: The sales of RV increased compared to the same period last year thanks to the positive sales trend of SUV.

1) SUV- The sales increased by 15.4% year on year thanks to the increased sales of SUVs of Ssangyong and Santafe Face Lift Model.

2) CDV – The application of Euro 5 Engine in 2012 increased the sales price of the CDV which brought negative influence on the sales. The sales decreased by 12.1% year on year.

(3) SYMC: Thanks to the increased sales of Korando C which was launched in 2011 and facelift models such as Korando Sports, the sales of SYMC increased by 23.4% compare to the same period last year which was the highest sales growth in auto industry.

(Domestic Sales, CBU basis, Units)

Classification	2012	2011	2010
Rexton	5,226	8,357	5,835
Korando C	16,685	10,615	-
Actyon	-	25	1,410
Actyon Sports	-	10,910	14,054
Korando Sports	20,370	-	-
Kyron	1	122	1,514
Chairman H	2,013	2,985	3,589
Chairman W	2,434	4,045	4,664
Rodius	971	1,592	1,393
Total	47,700	38,651	32,459

② Export sales

- Each country showed different growth trend in global auto market in 2012. The sales in Japanese and American Markets showed upward trend however European market was consistently depressed as financial crisis continued. Among emerging market countries, India and Russia led the growth trend however the growth speed in China and Brazil slowed down.
- Especially, emerging countries are reinforcing the protectionism policies. At the same time, advanced auto makers are increasing the volume of local production in emerging countries. Price competitiveness initiated by overproduction gets intensified.
- Despite the increased sales from Russia and Middle East Region, SYMC's export decreased by 2% year on year to 73,017 vehicles (including CKD) due to the economic depression in Europe and decreased exports to the emerging countries such as China and Brazil.

(Export Sales, CBU basis, Units)

Classification	2012	2011	2010
Rexton	5,703	6,163	5,014
Korando C	32,975	29,997	4,582
Korando Sports	15,428	-	-
Actyon	2,030	5,223	6,158
Actyon Sports	30	11,775	11,089
Kyron	14,109	17,932	17,795
Chairman W	139	87	53
Rodius	1,139	2,453	3,065
Total	71,553	73,630	47,756

※ Excluding CKD (1,464)

2) Production status of major area or products

(units: Vehicle)

Production By model	Production performance		Remarks
	The 51 st Term	The 50 th Term	
Passenger car	4,577	7,319	Chairman W, Chairman H
RV	114,565	105,930	Korando C, Korando Sports, Rodius, Rexton W, Kyron, Actyon
Total	119,142	113,249	

3) Product sales performance

(unit: KRW Million, Vehicle)

Sales By model	Sales performance				Remarks
	The 51 st Term		The 50 th Term		
	Volume	Amount	Volume	Amount	
Passenger car	4,586	197,804	7,117	309,025	Chairman W, Chairman H
RV	114,667	2,286,894	105,164	2,092,380	Korando C, Korando Sports, Rodius, Rexton W, Kyron, Actyon
Others (Parts)	-	379,108	-	371,715	
Total	119,253	2,863,806	112,281	2,773,120	

4) New construction/expansion of major equipment and financing details.

(Unit: KRW Million)

Investment areas	Amount	Financing details
Land	-	Self-financed
Building, Structures	13,559	
Vehicle Transport Equipment	251	
Machines	16,158	
Tools	71,437	
Equipment etc.	9,696	
Total	111,101	

3. Parent Company, Subsidiary Company and Company Combinations

1) Parent company status

Parent company name	Mahindra & Mahindra Ltd.		
Parent company address	Gateway Building, Apollo Bunder, Mumbai 400 001, India		
Capital stock	INR2,951,100,000	Major business areas	Vehicle manufacturing and related business
The number of shares in SYMC	85,419,047 shares	% shareholding	69.63%
Major business with parent company	Profit (part sales etc.) KRW 1,878 million Expenses (debenture interests etc.) KRW 3,986 million		

※ The above capital stock is as of Dec 31, 2012.

2) Subsidiary company status

(Unit: Share)

Subsidiary company				Relationship with SYMC		
Company name	Location	Capital	Core business areas	Number of shares owned	% of shares owned	Business relations with SYMC
Ssangyong (Yizheng) Auto Parts Manufacturing Co. Ltd.	China	11,587,406 (RMB)	Vehicle & parts manufacturing	Stocks unissued	100%	Export including CKD
Ssangyong (Shanghai) Automotive Co. Ltd.	China	7,447,193 (RMB)	Vehicle and vehicle parts sale	Stocks unissued	100%	Distributor for SYMC to buy back A/S parts and for sales in China
Ssangyong European Parts Center BV	The Netherlands	700,000 (EUR)	Vehicle parts sale	7,000	100%	A/S parts export from SYMC

3) Parent company and subsidiary company director's concurrent posts

Directors		Concurrent office			
Name	Position in SYMC	Company	Position in concurrent office	Responsible area	Remarks
o Parent company					
Pawan Kumar Goenka	Chairman of the Board	Mahindra & Mahindra Limited	President of Automotive & Farm Equipment Sectors	-	-
Bharat Doshi	Director	Mahindra & Mahindra Limited	Executive Director / Group CFO	-	-
o Subsidiary company					
Lim, Suk Ho	Senior Executive	Ssangyong (Yizheng) Auto Parts Manufacturing Co., Ltd.	Representative Director	-	-
		Ssangyong (Shanghai) Automotive Co., Ltd.			
		Ssangyong European Parts Center BV	Director		
Chung, Yong Won	Executive	Ssangyong (Yizheng) Auto Parts Manufacturing Co., Ltd.	Director	-	-
		Ssangyong (Shanghai) Automotive Co., Ltd.			

4. Business Performance and Financial Condition for the Past 3 Years

1) Business Performance – The 51st term, 50th term and 49th term

(unit: KRW Million)

Account	The 51 st term	The 50 th term	The 49 th term
	(2012.01.01 ~ 2012.12.31)	(2011.01.01 ~ 2011.12.31)	(2010.01.01 ~ 2010.12.31)
I . Sales	2,863,806	2,773,120	2,101,432
II . Cost of sales	2,526,440	2,456,695	1,803,106
III . Gross profit	337,366	316,425	298,327
IV . Selling and administrative expenses	436,438	457,664	354,621
V . Operating income (loss)	-99,072	-141,240	-56,294
VI . Non-operating income	44,266	48,910	184,215
VII . Non-operating expenses	62,808	60,996	110,440
VIII . Financial revenue	26,245	56,308	17,583
IX . Financial expenses	14,700	15,421	61,292
X . Income (Loss) before income tax	-106,069	-112,439	-26,228
XI . Income tax expense	0	0	0
XII . Net Income (Loss)	-106,069	-112,439	-26,228

※ The 51st, 50th and 49th term financial statements are drawn up based on K-IFRS(Separate) and the 49th term financial statement is not audited.

※ Above operation profit was reclassified and drawn up based on revised K-IFRS #1001.

2) Financial Condition – The 51st term, 50th term and 49th term

(unit: KRW million)

Accounts	The 51 st term	The 50 th term	The 49 th term
	(as of 2012. 12.31)	(as of 2011.12.31)	(as of 2010.12.31)
I . Current assets	713,917	653,681	566,517
II . Non-current assets	1,143,701	1,146,008	1,162,270
Total assets	1,857,617	1,799,690	1,728,787
I . Current liabilities	688,899	517,701	906,082
II . Non-current liabilities	361,006	368,771	203,815
Total liabilities	1,049,905	886,472	1,109,897
I . Capital stock	613,373	609,809	182,688
II . Other capital surplus	122,585	125,497	840,232
III. Other capital adjustments	19,000	193	-
IV. Retained earnings (deficit)	52,754	177,718	-404,029
Total equity	807,712	913,218	618,890
Total liabilities and equity	1,857,617	1,799,690	1,728,787

※ The 51st, 50th and 49th term financial statements are drawn up based on K-IFRS(Separate) and the 49th term financial statement is not audited.

5. Issues to be Addressed

Nothing noteworthy

6. Board & Audit Committee Composition

Full time / Part time director	Name	Position	Responsible area / Major role	Transaction with company	Remarks
Full time	Lee, Yoo Il	Director	President and CEO	None	
Part time	Pawan Kumar Goenka	Director	Chairman of Board	"	
Part time	Bharat Doshi	Director	-	"	
Part time	Suh, Yoon Suk	Outside Director	Chairman of Audit Committee	"	
Part time	Kim, Ki Hwan	Outside Director	Member of Audit Committee	"	
Part time	Dominic DiMarco	Outside Director	Member of Audit Committee	"	

Part time	Mouloguest Thierry	Outside Director	Member of Audit Committee	"	Resigned on Jul 3, 2012
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7. Major Shareholder status

(Unit: Share)

Name of Shareholders	Number of shares owned	Percentage of shares (%)	Business relations with SYMC	Remarks
Mahindra & Mahindra Ltd.	85,419,047	69.63%	Not significant	Largest shareholder
ESOA (Employee Stock Ownership Association)	714,266	0.58%	-	-
National Pension Service	502,790	0.41%	-	-
Mando Corp.	469,663	0.38%	Parts supplier	-
H.W. Yoo	403,264	0.33%	-	-

8. Investment in SYMC, SYMC and Subsidiary Companies or SYMC' Subsidiary Companies

(Unit: Share)

Name of other company	Investment company	Investment in other companies		Other companies' investment in SYMC	
		Number of shares owned	Percentage of shares owned (%)	Number of shares owned	Percentage of shares (%)
Ssangyong (Yizheng) Auto Parts Manufacturing Co., Ltd.	SYMC	-	100%	-	-
Ssangyong (Shanghai) Automotive Co., Ltd.	SYMC	-	100%	-	-
Ssangyong European Parts Center BV	SYMC	7,000	100%	-	-

※ The companies which SYMC has more than 10% of total shares are listed here.

9. Major Creditors

(Unit: Million, Share)

Creditor	Credit amount	Number of shares owned	Percentage of shares owned (%)	Remarks
The Korea Development Bank	30,000	0	0.00%	-
Mahindra & Mahindra Ltd	95,405	85,419,047	69.63%	-
Total	125,405	85,419,047	69.63%	-

10. Important Issues Occurred after Settlement of Accounts

SYMC resolved paid in capital increase on Feb 14, 2013 at BOD.

Details of paid in capital increase (The 3rd party allotment) are as follows:

- Type and number of new stock: common stock 14,545,455 shares
- Issues price (estimated) of New stock: KRW 5,500
- Total amount of issued stock: KRW 80,000,002,500
- Designated Party for Thirty Allotment: Mahindra & Mahindra Ltd. (14,545,455 shares)
- The date of subscription payment: May 22, 2013
- Date of listing: June 7, 2013

11. Important Sales Issues

1) Business Performance – Consolidated Income Statement

(Unit: Million KRW)

Income statement	The 51 st (2012.01.01~ 2012.12.31)	The 50 th (2011.01.01~ 2011.12.31)	The 49 th (2010.01.01~ 2010.12.31)
I . Sales	2,874,146	2,787,680	2,117,488
II . Cost of sales	2,529,547	2,463,752	1,814,308
III . Gross profit	344,599	323,929	303,180
IV . Selling and administrative expenses	442,719	464,955	360,207
V . Operating income (loss)	- 98,121	- 141,026	- 57,027
VI . Non-operating income	43,779	47,992	184,222
VII . Non-operating expenses	63,091	60,329	110,450
VIII . Financial income	26,268	56,326	17,599
IX . Financial cost	14,715	15,459	61,292
X . Income (Loss) before income tax	- 105,880	- 112,497	- 26,948
XI . Income tax expense	47	306	81
XII . Net income (Loss)	- 105,927	- 112,802	- 27,029

2) Financial Condition – Consolidated Balance Sheet

(Unit: Million KRW)

Statement of financial position	The 51 st (As of Dec 31, 2012)	The 50 th (As of Dec 31, 2011)	The 49 th (As of Dec 31, 2010)
Assets			
I . Current assets	711,273	651,243	565,501
II . Non-current assets	1,139,218	1,142,324	1,159,238
Total assets	1,850,490	1,793,567	1,724,739
Liabilities			
I . Current liabilities	688,821	518,733	909,175
II . Non-current liabilities	361,006	368,771	203,815
Total liabilities	1,049,828	887,504	1,112,990
Shareholders' Equity			
I . Capital stock	613,373	609,809	182,688
II . Other capital surplus	122,585	125,497	840,232
III . Other capital adjustments	19,862	1,093	549
IV . Retained earnings	44,842	169,663	-411,720
Total Shareholders' Equity	800,663	906,063	611,749
Total Liabilities and Shareholders' Equity	1,850,490	1,793,567	1,724,739

Audit Report from Audit Committee

As members of audit committee of Ssangyong Motor Company, we conducted the audit of accounting and business of the 51th business year starting from January 1, 2012 to December 31, 2012. Hereby we report the result of the audit as follows.

1. Outline of the Audit Methods

(1) Financial Audits

For financial audits, we looked through finance-related books and documents, reviewed financial statements, consolidated financial statements and attached specifications. If necessary, we conducted an investigation using comparison, inspection, observation and inquiry and other proper auditing procedures.

(2) Audits on Business

For audits on business, we attended the BOD meetings and other important meetings. We were briefed on sales by BOD when it is required. We looked into documents regarding important business matters and closely examined the contents of documents. We conducted audits using proper auditing method.

2. Issues Related to Filling in separate Statement of Financial Position, consolidated Statement of Financial Position, separate Statement of Comprehensive Income, consolidated Statement of Comprehensive Income

In the separate Statement of Financial Position, consolidated Statement of Financial Position, separate Statement of Comprehensive Income, consolidated Statement of Comprehensive Income, the company's asset and status of profits and losses are being filled in properly, according to the law and articles of incorporation.

3. Issues Related to Statement of appropriation of retained earning

The Statement of appropriation of retained earning is being filled in properly given the company's property status and other situations, according to the law and articles of incorporation.

4. Issues related to Annual Report

Annual report demonstrates company's situations accurately according to the law and the articles of incorporation.

Feb 25, 2013

Ssangyong Motor Company

Chairman of Audit Committee	Suh, Yoon Suk
Member of Audit Committee	Kim, Ki Hwan
Member of Audit Committee	Dominic DiMarco

Independent Auditors' Report (Consolidated)

English Translation of a Report Originally Issued in Korean

To the Shareholders and Board of Directors of Ssangyong Motor Company:

We have audited the accompanying consolidated financial statements of Ssangyong Motor Company and subsidiaries (the "Company"). The financial statements consist of the consolidated statement of financial position as of December 31, 2012 and the related consolidated statement of comprehensive income, consolidated statement of changes in stockholders' equity and consolidated statement of cash flows, all expressed in Korean won, for the year ended December 31, 2012. The Company's management is responsible for the preparation and fair presentation of the consolidated financial statements and our responsibility is to express an opinion on these consolidated financial statements based on our audit. The accompanying consolidated financial statements for the year ended December 31, 2011, which are presented for comparative purposes, were not audited.

We conducted our audit in accordance with auditing standards generally accepted in the Republic of Korea. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2012, and the results of its operations and its cash flows for the year ended December 31, 2012, in conformity with Korean International Financial Reporting Standards ("K-IFRS").

March 11, 2013
Jae-Sul Lee
Deloitte Anjin LLC
23, Yoido-dong, Youngdeungpo-gu, Seoul

Independent Auditors' Report (Separate)

English Translation of a Report Originally Issued in Korean

To the Shareholders and Board of Directors of Ssangyong Motor Company:

We have audited the accompanying separate financial statements of Ssangyong Motor Company (the "Company"). The financial statements consist of the separate statement of financial position as of December 31, 2012 and the related separate statement of comprehensive income, separate statement of changes in stockholders' equity and separate statement of cash flows, all expressed in Korean won, for the years ended December 31, 2012. The Company's management is responsible for the preparation and fair presentation of the separate financial statements and our responsibility is to express an opinion on these separate financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the Republic of Korea. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2012 and the results of its operations and its cash flows for the year ended December 31, 2012, in conformity with K-IFRS.

March 11, 2013

Jae-Sul Lee

Deloitte Anjin LLC

23, Yoido-dong, Youngdeungpo-gu, Seoul

1) Consolidated Financial Statements

< Consolidated statements of financial position >

The 51st term (as of 2012.12.31)

The 50th term (as of 2011.12.31)

(Unit : KRW)

Title of Account	The 51 st	The 50 th
Assets		
I. Current assets	711,272,836,388	651,243,420,690
1. Cash and cash equivalents	203,666,542,057	208,521,613,156
2. Trade receivables	187,456,978,460	135,575,399,803
3. Non-trade receivables	19,768,348,704	25,158,694,979
4. Other current receivables	3,070,153,593	2,676,877,588
5. Derivatives assets	21,503,503,411	193,310,337
6. Inventories	269,034,084,688	262,698,975,091
7. Other current assets	6,773,225,475	16,418,549,736
II. Non-current assets	1,139,217,532,448	1,142,323,566,070
1. Non-current financial instruments	6,000,000	6,000,000
2. Other non-current receivables	30,178,703,028	37,607,389,403
3. Non-current available for sale financial assets	560,000,000	560,000,000
4. Property, plant and equipment	1,051,401,750,992	1,038,957,045,497
5. Intangible assets	56,615,011,597	64,491,330,804
6. Deferred income tax assets	95,524,556	132,558,046
7. Other non-current assets	360,542,275	569,242,320
Total assets	1,850,490,368,836	1,793,566,986,760
Liabilities		
I. Current Liabilities	688,821,326,617	518,733,121,571
1. Trade payables	380,259,502,972	264,418,716,453
2. Non-trade payables	183,630,533,451	121,134,933,521
3. Short-term borrowings	30,000,000,000	40,567,688,849
4. Other current payables	16,409,143,834	16,599,582,963
5. Provision for product warranties	46,214,860,515	47,093,611,178
6. Other long-term employees benefit obligation	1,174,370,477	1,052,109,020

Title of Account	The 51st	The 50th
7. Other current liabilities	31,132,915,368	27,866,479,587
II. Non-current liabilities	361,006,325,975	368,771,228,700
1. Debentures	95,404,765,000	95,404,765,000
2. Other non-current payables	37,977,621,905	2,142,277,225
3. Other non-current liabilities	8,270,000	8,270,000
4. Retirement benefit obligation	143,298,213,339	184,985,910,627
5. Other long-term employees benefit obligation	11,933,387,517	11,315,780,748
6. Provision for long-term product warranties	72,384,068,214	74,914,225,100
Total liabilities	1,049,827,652,592	887,504,350,271
Shareholders' equity		
Owners of the company	800,662,716,244	906,062,636,489
I. Capital stock	613,373,205,000	609,809,205,000
II. Other capital surplus	122,584,975,712	125,496,966,524
III. Other capital adjustments	19,862,240,078	1,093,151,752
IV. Retained earnings (accumulated deficit)	44,842,295,454	169,663,313,213
Non-controlling interests	-	-
Total shareholders' equity	800,662,716,244	906,062,636,489
Total liabilities and shareholders' equity	1,850,490,368,836	1,793,566,986,760

< Consolidated statements of comprehensive loss >

The 51st term (2012.01.01 ~ 2012.12.31)

The 50th term (2011.01.01 ~ 2011.12.31)

(Unit : KRW)

Title of Account	The 51 st	The 50 th
I. Sales	2,874,145,561,493	2,787,680,195,473
1. Goods	2,484,697,431,298	2,401,405,524,526
2. Merchandise	363,780,415,585	364,789,296,513
3. Other sales	26,305,193,226	22,220,166,876
4. Sales discounts	(637,478,616)	(734,792,442)
II. Cost of sales	2,529,546,750,665	2,463,751,592,154
1. Goods	2,298,113,768,978	2,237,212,028,349
2. Merchandise	216,060,698,678	215,925,443,204
3. Other costs of sales	15,372,283,009	10,614,120,601
III. Gross profit	344,598,810,828	323,928,603,319
IV. Selling and administrative expenses	442,719,397,443	464,954,560,080
1. Selling expenses	303,765,702,649	332,926,852,256
2. Administrative expenses	138,953,694,794	132,027,707,824
V. Operating income(loss)	(98,120,586,615)	(141,025,956,761)
VI. non-operating income	43,779,057,963	47,992,189,434
VII. non-operating expense	63,090,680,708	60,329,233,892
VIII. Financial income	26,267,626,790	56,325,537,764
IX. Financial cost	14,715,414,687	15,459,369,173
X. Loss before income tax	(105,879,997,257)	(112,496,832,628)
XI. Income tax expense	46,822,687	305,596,443
XII. Net loss	(105,926,819,944)	(112,802,429,071)
Owners of the company	(105,926,819,944)	(112,802,429,071)
Non-controlling interests	-	-
XIII. Other comprehensive income(loss)	(125,109,489)	(19,970,009,974)
1. Actuarial losses	(18,894,197,815)	(20,513,864,298)
2. Gain on valuation of derivatives	18,806,439,663	193,310,337
3. Gain on overseas operations translation credit	(37,351,337)	350,543,987
XIV. Total comprehensive loss	(106,051,929,433)	(132,772,439,045)

Title of Account	The 51 st	The 50 th
Owners of the company	(106,051,929,433)	(132,772,439,045)
Non-controlling interests	-	-
XV. Loss per share		
1. Basic and diluted loss per share	(866)	(1,003)

< Consolidated statements of changes in shareholders' equity >

The 51st term (2012.01.01 ~ 2012.12.31)

The 50th term (2011.01.01 ~ 2011.12.31)

(Unit : KRW)

Title of Account	Capital stock	Other Capital Surplus					Other Capital adjustments	Retained earnings	Non-controlling interests	Total
		Paid-in capital in excess of par	Gain on capital reduction	Consideration for conversion rights	Debt to be swapped for equity	other capital surplus				
Balance at Jan 1, 2011	182,688,005,000	4,170,771,174	805,577,535,000	29,474,042,818	1,009,430,318	-	549,297,428	(411,720,390,960)	-	611,748,690,778
Net loss	-	-	-	-	-	-	-	(112,802,429,071)	-	(112,802,429,071)
Actuarial losses	-	-	-	-	-	-	-	(20,513,864,298)	-	(20,513,864,298)
Capital increase with consideration	427,095,235,000	-	-	-	-	-	-	-	-	427,095,235,000
Conversion of debt to equity	25,965,000	51,956,909	-	-	(77,921,909)	-	-	-	-	-
Deficit recovery	-	-	(685,225,954,724)	(29,474,042,818)	-	-	-	714,699,997,542	-	-
Stock issuance costs	-	(8,850,244)	-	-	-	-	-	-	-	(8,850,244)
Gain on valuation of derivatives	-	-	-	-	-	-	193,310,337	-	-	193,310,337
Overseas operations translation credit	-	-	-	-	-	-	350,543,987	-	-	350,543,987
Balance at Dec 31, 2011	609,809,205,000	4,213,877,839	120,351,580,276	-	931,508,409	-	1,093,151,752	169,663,313,213	-	906,062,636,489
Balance at Jan 1, 2012	609,809,205,000	4,213,877,839	120,351,580,276	-	931,508,409	-	1,093,151,752	169,663,313,213	-	906,062,636,489
Net loss	-	-	-	-	-	-	-	(105,926,819,944)	-	(105,926,819,944)
Actuarial losses	-	-	-	-	-	-	-	(18,894,197,815)	-	(18,894,197,815)
Capital increase with consideration	3,564,000,000	353,517,000	-	-	-	-	-	-	-	3,917,517,000
Stock issuance costs	-	(21,638,600)	-	-	-	-	-	-	-	(21,638,600)
Others	-	-	-	-	-	(3,243,869,212)	-	-	-	(3,243,869,212)
Gain on valuation of derivatives	-	-	-	-	-	-	18,806,439,663	-	-	18,806,439,663
Overseas operations translation credit	-	-	-	-	-	-	(37,351,337)	-	-	(37,351,337)
Balance at Dec 31, 2012	613,373,205,000	4,545,756,239	120,351,580,276	-	931,508,409	(3,243,869,212)	19,862,240,078	44,842,295,454	-	800,662,716,244

< Consolidated statements of cash flows >

The 51st term (2012.01.01 ~ 2012.12.31)

The 50th term (2011.01.01 ~ 2011.12.31)

(Unit : KRW)

Title of Account	The 51 st	The 50 th
I. Net cash provided by operating activities	145,630,586,943	197,966,682,789
1. Cash flows from operating activities	148,235,320,906	201,277,416,546
(1) Net loss	(105,926,819,944)	(112,802,429,071)
(2) Adjustments	198,354,556,682	126,443,410,685
(3) Changes in net working capital	55,807,584,168	187,636,434,932
2. Interests received	6,144,629,203	4,122,822,107
3. Interests paid	(8,898,450,761)	(7,002,203,097)
4. Dividend income received	165,103,389	11,000,000
5. Corporate income tax	(16,015,794)	(442,352,767)
II. Net cash provided by investing activities	(143,392,169,098)	(104,730,465,974)
1. Cash inflows from investing activities	4,206,102,551	11,028,781,063
(1) Decrease in other receivables	3,796,290,529	2,615,425,652
(2) Disposal of property, plant and equipment	395,841,935	7,189,689,776
(3) Decrease in other assets	13,970,087	1,223,665,635
2. Cash outflows from investing activities	(147,598,271,649)	(115,759,247,037)
(1) Increase in other receivables	2,445,000,000	870,000,000
(2) Acquisition of property, plant and equipment	117,365,124,009	103,341,497,220
(3) Acquisition of intangible assets	27,788,147,640	8,327,999,817
(4) Increase in other assets	-	3,219,750,000
III. Net cash provided by financing activities	(6,671,810,449)	29,862,941,337
1. Cash inflows from financing activities	3,917,517,000	511,100,505,797
(1) Increase in borrowings	-	40,932,185,210
(2) Issuance of debentures	-	95,404,765,000
(3) Capital increase with consideration	3,917,517,000	374,763,555,587
2. Cash outflows from financing activities	(10,589,327,449)	(481,237,564,460)
(1) Redemption of borrowings	10,567,688,849	310,934,561,733
(2) Redemption of troubled debts	-	170,294,152,483
(3) Stock issuance cost	21,638,600	8,850,244
IV. Effect of exchange rate changes on cash and cash equivalents	(421,678,495)	264,733,027
V. Net increase in cash and cash equivalents	(4,855,071,099)	123,363,891,179
VI. Cash and cash equivalents at the beginning of the period	208,521,613,156	85,157,721,977
VII. Cash and cash equivalents at the end of the period	203,666,542,057	208,521,613,156

1) Separate Financial Statements

< Statements of financial position >

The 51st term (as of 2012.12.31)

The 50th term (as of 2011.12.31)

(Unit : KRW)

Title of Account	The 51 st	The 50 th
Assets		
I. Current assets	713,916,513,226	653,681,356,344
1. Cash and cash equivalents	197,769,855,089	202,509,809,533
2. Trade receivables	196,102,125,784	143,466,529,010
3. Non-trade receivables	24,386,730,597	29,837,362,360
4. Other current receivables	3,041,555,511	2,639,862,005
5. Derivatives assets	21,503,503,411	193,310,337
6. Inventories	264,373,355,124	258,859,471,111
7. Other current assets	6,739,387,710	16,175,011,988
II. Non-current assets	1,143,700,809,585	1,146,008,439,431
1. Non-current financial instruments	6,000,000	6,000,000
2. Other non-current receivables	30,171,904,980	37,593,793,093
3. Non-current available for sale financial assets	560,000,000	560,000,000
4. Property, plant and equipment	1,051,358,996,391	1,038,426,146,143
5. Intangible assets	56,523,357,411	64,396,704,147
6. Investments in subsidiaries	4,720,008,528	4,456,553,728
7. Other non-current assets	360,542,275	569,242,320
Total assets	1,857,617,322,811	1,799,689,795,775
Liabilities		
I. Current Liabilities	688,898,694,721	517,701,065,204
1. Trade payables	380,244,209,538	264,594,195,664
2. Non-trade payables	183,758,014,081	119,927,397,943

Title of Account	The 51st	The 50th
3. Short-term borrowings	30,000,000,000	40,567,688,849
4. Other current payables	16,409,143,834	16,599,582,963
5. Provision for product warranties	46,214,860,515	47,093,611,178
6. Current other long-term employees benefit obligation	1,174,370,477	1,052,109,020
7. Other current liabilities	31,098,096,276	27,866,479,587
II. Non-current liabilities	361,006,325,975	368,771,228,700
1. Debentures	95,404,765,000	95,404,765,000
2. Other non-current payables	37,977,621,905	2,142,277,225
3. Other non-current liabilities	8,270,000	8,270,000
4. Retirement benefit obligation	143,298,213,339	184,985,910,627
5. Other long-term employees benefit obligation	11,933,387,517	11,315,780,748
6. Provision for long-term product warranties	72,384,068,214	74,914,225,100
Total liabilities	1,049,905,020,696	886,472,293,904
Shareholders' equity		
I. Capital stock	613,373,205,000	609,809,205,000
II. Other capital surplus	122,584,975,712	125,496,966,524
III. Other capital adjustments	18,999,750,000	193,310,337
IV. Retained earnings (accumulated deficit)	52,754,371,403	177,718,020,010
Total shareholders' equity	807,712,302,115	913,217,501,871
Total liabilities and shareholders' equity	1,857,617,322,811	1,799,689,795,775

< Statements of comprehensive loss >

The 51st term (2012.01.01 ~ 2012.12.31)

The 50th term (2011.01.01 ~ 2011.12.31)

(Unit : KRW)

Title of Account	The 51 st	The 50 th
I. Sales	2,863,805,546,545	2,773,120,072,588
1. Goods	2,484,697,431,298	2,401,405,524,526
2. Merchandise	355,914,321,505	355,535,159,906
3. Other sales	23,831,272,358	16,914,180,598
4. Sales discounts	(637,478,616)	(734,792,442)
II. Cost of sales	2,526,439,712,805	2,456,694,947,045
1. Goods	2,298,113,768,978	2,237,212,028,349
2. Merchandise	212,984,897,916	210,487,030,742
3. Other costs of sales	15,341,045,911	8,995,887,954
III. Gross profit	337,365,833,740	316,425,125,543
IV. Selling and administrative expenses	436,438,125,514	457,663,965,234
1. Selling expenses	301,793,585,402	331,624,294,904
2. Administrative expenses	134,644,540,112	126,039,670,330
V. Operating income(loss)	(99,072,291,774)	(141,238,839,691)
VI. Non-operating income	44,266,370,760	48,909,661,583
VII. Non-operating expense	62,808,136,368	60,996,380,514
VIII. Financial income	26,244,582,287	56,307,533,716
IX. Financial cost	14,699,975,697	15,420,789,142
X. Loss before income tax	(106,069,450,792)	(112,438,814,048)
XI. Income tax expense	-	-
XII. Net loss	(106,069,450,792)	(112,438,814,048)
XIII. Other comprehensive income(loss)	(87,758,152)	(20,320,553,961)
1. Actuarial losses	(18,894,197,815)	(20,513,864,298)

Title of Account	The 51 st	The 50 th
2. Gain on valuation of derivatives	18,806,439,663	193,310,337
XIV. Total comprehensive loss	(106,157,208,944)	(132,759,368,009)
XV. Loss per share	-	-
1. Basic and diluted loss per share	(867)	(1,000)

< Statements of changes in shareholders' equity >

The 51st term (2012.01.01 ~ 2012.12.31)

The 50th term (2011.01.01 ~ 2011.12.31)

(Unit : KRW)

Title of Account	Capital stock	Other Capital Surplus					Other Capital adjustments	Retained earnings	Total
		Paid-in capital in excess of par	Gain on capital reduction	Consideration for conversion rights	Debt to be swapped for equity	other capital surplus			
Balance at Jan 1, 2011	182,688,005,000	4,170,771,174	805,577,535,000	29,474,042,818	1,009,430,318	-	-	(404,029,299,186)	618,890,485,124
Net loss	-	-	-	-	-	-	-	(112,438,814,048)	(112,438,814,048)
Actuarial losses	-	-	-	-	-	-	-	(20,513,864,298)	(20,513,864,298)
Capital increase with consideration	427,095,235,000	-	-	-	-	-	-	-	427,095,235,000
Conversion of debt to equity	25,965,000	51,956,909	-	-	(77,921,909)	-	-	-	-
Deficit recovery	-	-	(685,225,954,724)	(29,474,042,818)	-	-	-	714,699,997,542	-
Stock issuance costs	-	(8,850,244)	-	-	-	-	-	-	(8,850,244)
Gain on valuation of derivatives	-	-	-	-	-	-	193,310,337	-	193,310,337
Balance at Dec 31, 2011	609,809,205,000	4,213,877,839	120,351,580,276	-	931,508,409	-	193,310,337	177,718,020,010	913,217,501,871
Balance at Jan 1, 2012	609,809,205,000	4,213,877,839	120,351,580,276	-	931,508,409	-	193,310,337	177,718,020,010	913,217,501,871
Net loss	-	-	-	-	-	-	-	(106,069,450,792)	(106,069,450,792)
Actuarial losses	-	-	-	-	-	-	-	(18,894,197,815)	(18,894,197,815)
Capital increase with consideration	3,564,000,000	353,517,000	-	-	-	-	-	-	3,917,517,000
Stock issuance costs	-	(21,638,600)	-	-	-	-	-	-	(21,638,600)
Others	-	-	-	-	-	(3,243,869,212)	-	-	(3,243,869,212)
Gain on valuation of derivatives	-	-	-	-	-	-	18,806,439,663	-	18,806,439,663
Balance at Dec 31, 2012	613,373,205,000	4,545,756,239	120,351,580,276	-	931,508,409	(3,243,869,212)	18,999,750,000	52,754,371,403	807,712,302,115

< Statement of appropriation of retained earning >

The 51st term (2012.01.01 ~ 2012.12.31)

The 50th term (2011.01.01 ~ 2011.12.31)

(Unit : KRW)

Title of Account	The 51 st	The 50 th
I. Unappropriated earned surplus (Unappropriated deficit)	52,754,371,403	177,718,020,010
1. Unappropriated earned surplus carried forward from the prior year (Unappropriated deficit)	177,718,020,010	310,670,698,356
2. Net loss	(106,069,450,792)	(112,438,814,048)
3. Actuarial losses	(18,894,197,815)	(20,513,864,298)
II. Disposition	-	-
III. Unappropriated earned surplus to be carried forward to the next year	52,754,371,403	177,718,020,010

< Statements of cash flows >

The 51st term (2012.01.01 ~ 2012.12.31)

The 50th term (2011.01.01 ~ 2011.12.31)

(Unit : KRW)

Title of Account	The 51 st	The 50 th
I. Net cash provided by operating activities	145,728,653,624	197,485,277,317
1. Cash flows from operating activities	148,324,543,273	200,354,940,245
(1) Net loss	(106,069,450,792)	(112,438,814,048)
(2) Adjustments	197,913,326,174	125,991,126,629
(3) Changes in net working capital	56,480,667,891	186,802,627,664
2. Interests received	6,125,722,104	4,104,818,059
3. Interests paid	(8,886,715,142)	(6,985,480,987)
4. Dividend income received	165,103,389	11,000,000
II. Net cash provided by investing activities	(143,726,911,343)	(105,394,962,417)
1. Cash inflows from investing activities	4,061,071,972	11,028,781,063

Title of Account	The 51 st	The 50 th
(1) Decrease in other receivables	3,796,290,529	2,615,425,652
(2) Disposal of property, plant and equipment	250,811,356	7,189,689,776
(3) Decrease in other assets	13,970,087	1,223,665,635
2. Cash outflows from investing activities	(147,787,983,315)	(116,423,743,480)
(1) Increase in other receivables	2,445,000,000	870,000,000
(2) Acquisition of property, plant and equipment	117,338,547,998	103,310,357,875
(3) Acquisition of intangible assets	27,740,980,517	8,233,373,160
(4) Acquisition of investments on subsidiary	263,454,800	-
(5) Increase in other assets	-	4,010,012,445
III. Net cash provided by financing activities	(6,671,810,449)	29,862,941,337
1. Cash inflows from financing activities	3,917,517,000	511,100,505,797
(1) Increase in borrowings	-	40,932,185,210
(2) Issuance of debentures	-	95,404,765,000
(3) Capital increase with consideration	3,917,517,000	374,763,555,587
2. Cash outflows from financing activities	(10,589,327,449)	(481,237,564,460)
(1) Redemption of borrowings	10,567,688,849	310,934,561,733
(2) Redemption of troubled debts	-	170,294,152,483
(3) Stock issuance cost	21,638,600	8,850,244
IV. Effect of exchange rate changes on cash and cash equivalents	(69,886,276)	(9,611,695)
V. Net increase in cash and cash equivalents	(4,739,954,444)	121,943,644,542
VI. Cash and cash equivalents at the beginning of the period	202,509,809,533	80,566,164,991
VII. Cash and cash equivalents at the end of the period	197,769,855,089	202,509,809,533