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中國南車股份有限公司
CSR CORPORATION LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code:1766)

2010 THIRD QUARTERLY REPORT

This announcement is made pursuant to disclosure obligations under Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company's unaudited results for the three quarters ended 30 September 2010 are summarised as follows:

- This report was prepared in accordance with the relevant requirements in relation to information disclosure of quarterly reports of listed companies issued by China Securities Regulatory Commission.
- Information set out in this report was prepared in accordance with the Generally Accepted Accounting Principles in the PRC.
- Unless otherwise indicated, Renminbi is the recording currency in this report.
- For the three quarters ended 30 September 2010, the Company recorded revenue from operations of RMB43,098,753,000, with net profits attributable to shareholders of the Company amounting to RMB1,806,726,000.

The contents of this announcement are consistent with the announcement published on the Shanghai Stock Exchange. This announcement is published simultaneously domestically and overseas.

2 BASIC INFORMATION OF THE COMPANY

2.1 Major accounting data and financial indicators

			<i>Currency: RMB</i>
	As at the end of the reporting period	As at the end of last year	Change as of the end of the reporting period as compared to the end of last year (%)
Total assets (<i>RMB'000</i>)	69,686,878.00	54,989,357.00	26.73
Owners' equity (or shareholders' equity) (<i>RMB'000</i>)	18,560,542.00	17,365,109.00	6.88
Net assets per share attributable to shareholders of the Company (<i>RMB/share</i>)	1.57	1.47	6.88
		From the beginning of the year to the end of the reporting period (January to September)	Change as compared to the corresponding period of last year (%)
Net cash flow from operating activities (<i>RMB'000</i>)		732,155.00	Increased by RMB2,218,733,000
Net cash flow per share from operating activities (<i>RMB/share</i>)		0.06	Increased by RMB0.19 per share

	The reporting period (July to September)	From the beginning of the year to the end of the reporting period (January to September)	Change as compared to the corresponding period of last year (%)
Net profits attributable to shareholders of the Company (<i>RMB'000</i>)	702,662.00	1,806,726.00	69.93
Earnings per share (basic) (<i>RMB/share</i>)	0.06	0.15	69.93
Basic earnings per share after non-recurring gains or losses (<i>RMB/share</i>)	0.05	0.14	70.46
Diluted earnings per share (<i>RMB/share</i>)	0.06	0.15	69.93
Return on net assets (weighted average) (%)	3.91	10.06	Increased by 1.39 percentage points
Return on net assets after non-recurring gains or losses (weighted average) (%)	3.6	9.43	Increased by 1.29 percentage points

Deducting non-recurring gains or losses and amounts:

Unit: RMB'000 Currency: RMB

Item	Amount from the beginning of the year to the end of the reporting period (January to September)
Profit or loss on disposal of non-current assets	-2,725
Government subsidies recorded in the current profit and loss (excluding continuously available government subsidies closely related to the Company's normal operations and of fixed amount or fixed quantity in accordance with the State's unified standards)	97,968
Gains or losses from fair value changes of financial assets held for trading and financial liabilities held for trading, and investment income from disposal of financial assets held for trading, financial liabilities held for trading and available-for-sale financial assets, except for the effective hedging activities related to the Company's normal operations	-2,226
Non-operating income/expenses other than above items	9,467
Gains or losses from disposal of subsidiaries and other long-term equity investment	28,900
Effect on income tax	-18,604
Total	<u><u>112,780</u></u>

2.2 Total number of shareholders and particulars of the 10 shareholders with largest number of shares not subject to trading moratorium as at the end of the reporting period

Unit: Share

Number of shareholders at the end of the reporting period	157,151 (including 154,106 holders of A shares and 3,045 holders of H shares)
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Particulars of the 10 shareholders with largest number of tradable shares not subject to trading moratorium

Name of shareholders (full name)	Number of tradable shares not subject to trading moratorium held as at the end of the reporting period	Type of share
HKSCC NOMINEES LIMITED	2,017,903,750	Overseas listed foreign invested shares
Industrial and Commercial Bank of China — South Longyuan Industrial Subject Stock Investment Fund (中國工商銀行—南方隆元產業主題股票型證券投資基金)	88,040,013	Ordinary shares denominated in RMB
Industrial and Commercial Bank of China — Lion Value Increase Stock Investment Fund (中國工商銀行—諾安價值增長股票證券投資基金)	80,000,603	Ordinary shares denominated in RMB
China Resources Shenzhen International Investment Trust Co., Ltd. — Chongyang Phase III Stock Investment Collective Fund Trust Program (華潤深國投信託有限公司—重陽3期證券投資集合資金信託計劃)	66,397,762	Ordinary shares denominated in RMB

China Construction Bank — Great Wall Brand Selective Stock Investment Fund (中國建設銀行—長城品牌優選股票型 證券投資基金)	64,371,102	Ordinary shares denominated in RMB
Huaxi Securities Co., Ltd. (華西證券有限責任公司)	52,844,257	Ordinary shares denominated in RMB
Shanghai International Trust Co., Ltd. — T-0204 (上海國際信託有限公司—T-0204)	51,666,629	Ordinary shares denominated in RMB
Industrial and Commercial Bank of China — Shanghai 50 ETF Index Securities Investment Fund (中國工商銀行—上證50交易型開放式 指數證券投資基金)	40,334,808	Ordinary shares denominated in RMB
Donghai Securities — Bank of Communications — Dongfeng No.5 Collective Asset Management Plan (東海證券—交行—東風5號集合 資產管理計劃)	38,184,992	Ordinary shares denominated in RMB
Bank of Communications — E Fund 50 Index Securities Investment Fund (交通銀行—易方達50 指數證券投資基金)	34,717,069	Ordinary shares denominated in RMB

Note: H shares held by HKSCC NOMINEES LIMITED are held on behalf of its various clients.

3 SIGNIFICANT EVENTS

3.1 Particulars of and reasons for material changes in major accounting items and financial indicators of the Company

Applicable Not applicable

- The balance of accounts receivable as at the end of the reporting period was RMB14,112,994,000, representing an increase of 112.60% as compared with RMB6,638,161,000 at the beginning of the year and an increase of 55.07% as compared with RMB9,100,989,000 for the same period last year. The increase was attributable to the increased sales revenue and the fact that some major customers prefer to settle at the end of the year, normally resulting in higher accounts receivable balance than that at the beginning of the year.

2. The balance of prepayments as at the end of the reporting period was RMB5,685,951,000, representing an increase of 56.00% as compared with RMB3,644,759,000 at the beginning of the year. The increase was mainly attributable to the increased procurement volume as a result of the technical renovation projects and contractual projects during the period.
3. The balance of inventories as at the end of the reporting period was RMB16,822,628,000, representing an increase of 47.37% as compared with RMB11,415,070,000 at the beginning of the year and an increase of 35.2% as compared with RMB12,442,675,000 for the same period last year. The increase was mainly attributable to the increased inventories due to a higher business volume following an expansion of the Company's operation.
4. The balance of construction in progress as at the end of the reporting period was RMB3,872,892,000, representing an increase of 45.46% as compared with RMB2,662,462,000 at the beginning of the year. The increase was mainly attributable to the increase in investment due to the Company's endeavour to cater for its growing business by expanding production capacity and upgrading products and technologies.
5. The balance of bills payable as at the end of the reporting period was RMB7,455,787,000, representing an increase of 49.85% as compared with RMB4,975,387,000 at the beginning of the year. The increase was mainly attributable to the increased procurement amount as a result of a higher business volume following an expansion of the Company's operation.
6. The balance of accounts payable as at the end of the reporting period was RMB18,592,543,000, representing an increase of 35.95% as compared with RMB13,676,189,000 at the beginning of the year. The increase was mainly attributable to the increased procurement amount as a result of a higher business volume following an expansion of the Company's operation.
7. The balance of advances from customers as at the end of the reporting period was RMB7,105,179,000, representing an increase of 37.31% as compared with RMB5,174,616,000 at the beginning of the year. The increase was mainly attributable to the increased advances from customers under sales contracts.

8. The balance of bonds payable as at the end of the reporting period was RMB4,000,000,000, representing an increase of 100.00% as compared with RMB2,000,000,000 at the beginning of the year. The increase was attributable to the issuance of medium-term notes of RMB2,000,000,000 in the first half of 2010.
9. The current aggregate operating revenue of the year was RMB43,098,753,000, representing an increase of 46.78% as compared with RMB29,363,139,000 for the corresponding period last year. The admirable increase in operating revenue during the reporting period was mainly attributable to the Company's proactive effort in seizing development opportunities arising from the rapid development in China's rolling stock manufacturing industry and making full use of its technological improvement advantage, which has resulted in an expansion of the business scale of the Company. Particulars by business segment are set out below:

Unit: RMB '0,000

Business segment	January to September 2010		January to September 2009		Growth	Growth rate %
	Amount	Percentage %	Amount	Percentage %		
Locomotives	1,085,303	25.18%	750,553	25.56%	334,750	44.60%
Passenger carriages	395,599	9.18%	310,544	10.58%	85,055	27.39%
Freight wagons	495,532	11.50%	404,402	13.77%	91,130	22.53%
MUs	795,652	18.46%	634,176	21.60%	161,476	25.46%
Rapid transit vehicles	527,709	12.24%	200,228	6.82%	327,481	163.55%
New businesses	658,540	15.28%	336,200	11.45%	322,340	95.88%
Others	351,540	8.16%	300,211	10.22%	51,329	17.10%
Total	<u>4,309,875</u>	<u>100.00%</u>	<u>2,936,314</u>	<u>100.00%</u>	<u>1,373,561</u>	<u>46.78%</u>

From January to September 2010, revenue from our locomotive segment saw a substantial increase as compared with the same period last year, primarily attributable to the more earnest market demand arising from the high speed and heavy load railway development in the PRC. From January to September 2010, revenue generated from our passenger carriage business increased as compared with the same period last year, mainly due to increased demand as a result of railway development in the PRC. From January to September 2010, revenue from our freight wagon business increased as compared with the same period last year, principally due to the resumed demand for freight wagons as a result of economic recovery in 2010, while market demand for freight wagon was sluggish in 2009 due to the impact of the financial crisis. From January to September 2010, revenue from our MUs business recorded an increase as compared with the same period last year, primarily attributable to the more earnest market demand arising from the high speed railway development in the PRC. From January to September 2010, revenue from our rapid transit vehicle business saw material increase as compared with the same period last year, mainly due to the rising market demand arising from the fast growth of rapid transit vehicle industry, which led to significant increase in our sales and production volume of rapid transit vehicles. Our new businesses include those that are closely related to proprietary rolling stock technologies. From January to September 2010, our new businesses grew significantly as compared with the same period last year, primarily attributable to the Company's proactive development of proprietary rolling stock technologies related products such as wind power equipments in line with national industry policy by virtue of its technological competence and edges, which drove the market size. Other revenue includes income from sales of materials and businesses not related to rolling stock. From January to September 2010, our other revenue increased as compared with the same period last year, primarily due to the market expansion and business growth.

10. The aggregate operating cost of the year was RMB35,672,787,000, representing an increase of 45.87% as compared with RMB24,454,692,000 for the corresponding period last year. The increase was mainly attributable to the increased operating revenue. From January to September 2010, the gross profit margin of the Company was 16.90%, representing an increase of 0.57 percentage points as compared with 16.33% for the corresponding period last year.

11. The aggregate selling expenses of the year was RMB1,087,179,000, representing an increase of 59.10% as compared with RMB683,315,000 for the corresponding period last year. The increase was mainly attributable to the growth in sales revenue.
12. The aggregate administrative expenses of the year was RMB3,418,227,000, representing an increase of 32.76% as compared with RMB2,574,719,000 for the corresponding period last year. The increase was mainly attributable to more R&D expenditure and the increase in relevant administrative expenses resulting from the growth in business volume.
13. The aggregate finance costs of the year was RMB258,017,000, representing an increase of 98.11% as compared with RMB130,244,000 for the corresponding period last year. The increase was mainly attributable to more finance costs as a result of enlarged financing scale.
14. The aggregate asset impairment loss of the year was RMB153,757,000, representing an increase of 72.22% as compared with RMB89,282,000 for the corresponding period last year. The increase was mainly attributable to the increase in provision for bad debts of accounts receivables and provision for inventory impairment.
15. The aggregate investment income of the year was RMB307,101,000, representing an increase of 177.70% as compared with RMB110,586,000 for the corresponding period last year. The increase was mainly attributable to the increase in investment income from long term equity investment accounted for using the equity method.
16. The aggregate non-operating income of the year was RMB162,264,000, representing a decrease of 32.73% as compared with RMB241,210,000 for the corresponding period last year. The decrease was mainly attributable to the decreased government subsidies.
17. The aggregate income tax of the year was RMB431,349,000, representing an increase of 69.25% as compared with RMB254,859,000 for the corresponding period last year. The increase was mainly attributable to the increased operating profits.

18. Net cash flow from operating activities was RMB732,155,000, representing an increase of RMB2,218,733,000 as compared with RMB-1,486,578,000 for the corresponding period last year. The increase was mainly attributable to the cash received from sales of goods exceeding the cash paid for procurement of goods.
19. Net cash flow from financing activities was RMB864,497,000, representing an increase of 29.23% as compared with RMB668,958,000 for the corresponding period last year. The increase was mainly attributable to the issuance of medium-term notes of RMB2,000,000,000 in the first half of 2010 and less bank borrowings.

3.2 Analysis and explanations of the progress of significant events and their impacts and solutions

Applicable Not applicable

1. Increase of shareholding by the controlling shareholder

On 1 July 2010, CSR Group (中國南車集團公司) (“**CSRG**”), the controlling shareholder of the Company, for the first time increased its shareholding in the Company by 2,000,000 shares. CSRG proposed to continue to increase its shareholding in the Company, either in its own name or through parties acting in concert with it, via the trading system of the Shanghai Stock Exchange within 12 months by up to an aggregated number of shares not exceeding 2% of the total issued share capital of the Company (including those shares purchased in the increase of shareholding). The aggregate amount to be utilized in such increase of shareholding in the Company will not exceed RMB1,000,000,000 (including the capital invested in the increase of shareholding). CSRG undertook that it will not dispose any share it holds in the Company during the period of the implementation of the further increase plan and within the statutory period.

During the reporting period, CSRG further increased its shareholding in the Company by 800,000 shares. As at 30 September 2010, CSRG held a total of 6,425,714,285 shares of the Company, representing approximately 54.27% of the total issued share capital of the Company.

2. *Share Option Incentive Scheme*

On 27 September 2010, the Company held the 20th meeting of the first session of the Board, at which the proposal on revocation of Stock Appreciation Rights Plans of CSR Corporation Limited and proposal on Share Option Scheme (Draft) of the Company were considered and approved. The Share Option Scheme of the Company is subject to review by relevant regulatory authorities and approval at the general meeting of the Company. For details, please refer to the relevant announcements published by the Company on China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily, and the websites of Shanghai Stock Exchange and Hong Kong Stock Exchange on 28 September 2010.

3. *Winning of material projects bid and material contracts*

During the reporting period, CSR Zhuzhou Electric Locomotive Co., Ltd., a wholly owned subsidiary of the Company, won the bid for 590 units of high-powered AC six-axles 7,200KW electric locomotives. For details, please refer to the relevant announcements published on China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily, and the websites of Shanghai Stock Exchange and Hong Kong Stock Exchange on 17 July 2010.

During the reporting period, CSR Zhuzhou Electric Locomotive Co., Ltd., a wholly owned subsidiary of the Company, Bombardier Sifang (Qingdao) Transportation Ltd, a jointly venture of the Company, CSR Qingdao Sifang Locomotive and Rolling Stock Co., Ltd., a subsidiary of the Company, entered into material contracts with customers, respectively. For details, please refer to the relevant announcements published on China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily, and the websites of Shanghai Stock Exchange and Hong Kong Stock Exchange on 24 July, 3 August and 15 September 2010 respectively.

3.3 Performances of the undertakings given by the Company, its shareholders and its ultimate controllers

Applicable Not applicable

1. *CSRG, the controlling shareholder of the Company, made the following undertakings in the Prospectus:*

- (1) The lock-up undertakings in respect of the shares of the Company held by it are as follows: Within 36 months from the date of the listing of the Company's A Shares on the Shanghai Stock Exchange, CSRG will not transfer or authorize others to manage its shareholdings in the Company, nor will the Company acquire such shares.

- (2) The undertakings with regard to South Huiton's restructuring are as follows: There will be a proposed restructuring in CSRG's shareholdings and relevant assets in South Huiton. This includes but is not limited to CSRG's proposed acquisition of South Huiton's assets in relation to the freight wagon businesses. CSRG will transfer the above-mentioned assets acquired from South Huiton to the Company within three months from the date of CSRG's acquisition of such assets. The transfer price will be determined through negotiations based on the results of assets valuation. Necessary approval procedures for such assets transfer will be complied with as required by domestic and overseas regulatory bodies.

- (3) The non-competition undertakings are as follows: 1) CSRG undertakes that CSRG will not and will, through legal procedures, procure its wholly-owned and holding subsidiaries not to engage in any businesses which might directly compete with the Company's current operating businesses; 2) Subject to the aforesaid undertaking 1), should CSRG (including its wholly-owned and holding subsidiaries or other associates) operate any products or provide any services that might be in competition with the principal products or services of the Company in the future, CSRG has agreed to grant the Company pre-emptive rights to acquire the assets or the entire equity interests in such subsidiaries related to such products or services from CSRG; 3) Subject to the aforesaid undertaking 1), CSRG may develop advanced and lucrative projects in the future which fall within the Company's business scope, but it should preferentially transfer any achievements on such projects to the Company for its own operation under the same terms of transfer; 4) CSRG should indemnify the Company for its actual losses due to the losses arising from the failure in fulfilling undertakings 1) to 3).

During the reporting period, CSRG, the Company's controlling shareholder, fully fulfilled its undertakings as stated above.

2. *Commitment on building ownership problems*

As disclosed in the Prospectus, the Company has not yet obtained proper property ownership certificates for 326 properties with a total gross floor area of 282,019.03 m², mainly because they have not been granted property ownership certificates by the local government authorities due to the implementation of the “Leaving the City and Entering the Suburb” policy in Shijiazhuang and the changes in urban planning in Chengdu area. In respect of those properties in Shijiazhuang, Shijiazhuang Administration of Urban and Rural Planning (石家莊市城鄉規劃局) has issued the Explanation on the Area Planning of CSR Shijiazhuang Rolling Stock Works and pointed out that it would, due to urban planning, not accept any applications for the planning permit in respect of any properties without property ownership certificates. In respect of those properties in Chengdu, Chengdu Administration of Urban Planning (成都市規劃管理局) has issued the Explanation on the Road Planning in the Area of CSR Chengdu Locomotive & Rolling Stock Works and pointed out that two municipal roads planned would run through the land of the area of the works based on the need of urban development. Application of property ownership certificates for the properties was temporarily on hold according to the request of the local governments. Apart from the above two subsidiaries which failed to obtain the property ownership certificates due to objective reasons, all the remaining properties have obtained property ownership certificates.

3.4 Warnings and explanations as to the reasons for accumulated net loss expected to be recorded from the beginning of the year to the end of the next reporting period (if any) or material changes of it as compared to the same period of last year

Applicable Not applicable

3.5 Implementation of cash dividend policy during the reporting period

In accordance with the provisions of the Articles of Association, the Company's profit distribution policy shall remain consistent and stable. The Company may distribute dividends in any of the following manners (or both): (1) cash; (2) stocks. The Company may distribute cash dividends as appropriate provided that sufficient capital is maintained for its ordinary operation and development needs.

As approved by the 2009 annual general meeting of the Company held on 17 June 2010, the Company distributed cash dividend to all shareholders of the Company for 2009, of RMB0.40 (tax inclusive) for every 10 shares. Such dividend distribution was completed on 14 July 2010.

By order of the Board
CSR Corporation Limited
Zhao Xiaogang
Chairman

Beijing, the PRC
29 October 2010

As at the date of this announcement, the executive Directors are Mr. Zhao Xiaogang, Mr. Zheng Changhong, Mr. Tang Kelin and Mr. Liu Hualong; and the independent non-executive Directors are Mr. Zhao Jibin, Mr. Yang Yuzhong, Mr. Chen Yongkuan, Mr. Dai Deming and Mr. Tsoi, David.

4 APPENDIX

4.1 Consolidated Balance Sheet

30 September 2010

Prepared by: CSR Corporation Limited

Unit: RMB'000 Currency: RMB Type of Audit: Unaudited

Item	Closing balance	Opening balance
Current assets:		
Cash and Bank Balances	9,923,307	12,891,514
Balances with clearing companies		
Placements with banks and other financial institutions		
Financial assets held-for-trading	20,931	24,248
Bills receivable	664,830	999,097
Accounts receivable	14,112,994	6,638,161
Funds paid in advance	5,685,951	3,644,759
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance treaty		
Interests receivable		
Dividends receivable	28,283	22,498
Other receivables	776,477	674,178
Purchases of resold financial assets		
Inventories	16,822,628	11,415,070
Non-current assets due within one year		
Other current assets	192,304	93,391
Total current assets	48,227,705	36,402,916

Non-current assets:

Loans and advances granted		
Available-for-sale financial assets	2,720	8,084
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	1,048,947	888,750
Investment property		
Fixed assets	12,148,704	10,846,745
Construction in progress	3,872,892	2,662,462
Construction materials	774	2,699
Disposals of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	4,099,518	3,893,715
Development expenditure	6,206	15,876
Goodwill	57,875	61,172
Long-term deferred expenses	21,904	23,498
Deferred income tax assets	199,633	183,440
Other non-current assets		
Total non-current assets	21,459,173	18,586,441
Total assets	69,686,878	54,989,357

Current liabilities:

Short term borrowings	1,915,344	3,190,403
Borrowings from central bank		
Deposit taking and deposit in inter-bank market		
Placements funds		
Financial liabilities held-for-trading		
Bills payable	7,455,787	4,975,387
Accounts payable	18,592,543	13,676,189
Funds received in advance	7,105,179	5,174,616
Funds from disposal of repurchased financial assets		
Handling charges and commissions payable		
Staff remuneration payable	879,701	463,309
Taxes payable	479,231	297,677
Interest Payable	122,220	4,877
Dividend payable	18,835	47,780
Other payables	1,988,004	1,662,207
Reinsurance accounts payable		
Deposits for insurance contracts		
Customer deposits for trading in securities		
Customer deposits for securities underwriting		
Non-current liabilities due within one year	913,537	290,258
Other current liabilities		
Total current liabilities	39,470,381	29,782,703

Non-current liabilities:

Long term borrowings	241,707	171,866
Bonds payable	4,000,000	2,000,000
Long term payables	1,688	3,209
Specific payables	26,111	26,115
Projected liabilities	642,347	144,724
Deferred income tax liabilities	7,003	11,903
Other non-current liabilities	2,389,123	2,492,744
Total non-current liabilities	7,307,979	4,850,561
Total liabilities	46,778,360	34,633,264

Owners' interest (Shareholders' equity):

Paid-up capital (share capital)	11,840,000	11,840,000
Capital reserve	2,717,011	2,844,936
Less: Treasury shares		
Special reserve		
Surplus reserve	149,754	149,754
General risk provision		
Retained earnings	3,866,887	2,533,759
Currency translation differences	-13,110	-3,340
Total shareholders' equity attributable to the equity holder of the parent company	18,560,542	17,365,109
Minority interests	4,347,976	2,990,984
Total owners' equity	22,908,518	20,356,093
Total liabilities and owners' interest	69,686,878	54,989,357

Legal representative:

Zhao Xiaogang

Person-in-charge of

accounting affairs:

Zhan Yanjing

Head of the

accounting department:

Xu Weifeng

Balance Sheet of the Parent Company

30 September 2010

Prepared by: CSR Corporation Limited

Unit: RMB'000 Currency: RMB Type of Audit: Unaudited

Item	Closing balance	Opening balance
Current assets:		
Cash and Bank Balances	4,247,087	4,342,201
Financial assets held-for-trading		
Bills receivable		
Accounts receivable		
Funds paid in advance		
Interests receivable	57,483	18,234
Dividends receivable		850,479
Other receivables	5,159,309	2,862,166
Inventories		
Non-current assets due within one year		
Other current assets	8,060	
Total current assets	9,471,939	8,073,080

Non-current assets:

Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables	279,000	244,000
Long-term equity investment	21,923,493	19,537,293
Investment property		
Fixed assets	8,272	6,825
Construction in progress	5,124	503
Construction materials		
Disposals of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	12,347	7,687
Development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		
Total non-current assets	22,228,236	19,796,308
Total assets	31,700,175	27,869,388

Current liabilities:

Short term borrowings	160,000	600,000
Financial liabilities held-for-trading		
Bills payable		
Accounts payable	1,334	
Funds received in advance		
Staff remuneration payable	7,038	7,676
Taxes payable	3,240	1,799
Interest payable	122,220	4,876
Dividend payable		
Other payables	7,672,965	4,957,802
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	7,966,797	5,572,153

Non-current liabilities:

Long-term borrowings	100,000	100,000
Bonds payable	4,000,000	2,000,000
Long term payables		
Specific payables		
Projected liabilities		
Deferred income tax liabilities		
Other non-current liabilities	14,686	15,932
Total non-current liabilities	4,114,686	2,115,932
Total liabilities	12,081,483	7,688,085

Owners' interest (Shareholders' equity):

Paid-up capital (share capital)	11,840,000	11,840,000
Capital reserve	7,222,642	7,222,642
Less: Treasury shares		
Special reserve		
Surplus reserve	149,754	149,754
General risk provision		
Retained earnings	406,296	968,907
Total owners' (shareholders') equity	19,618,692	20,181,303
Total liabilities and owners' equity (shareholders' equity)	31,700,175	27,869,388

Legal representative:
Zhao Xiaogang

*Person-in-charge of
accounting affairs:*
Zhan Yanjing

*Head of the
accounting department:*
Xu Weifeng

4.2 Consolidated Income Statement

Prepared by: CSR Corporation Limited

Unit: RMB'000 Currency: RMB Type of Audit: Unaudited

Item	Amount for the reporting period (From July to September)	Amount for last corresponding reporting period (From July to September)	Amount for the beginning of year to the end of the reporting period (From January to September)	Amount for
				the beginning of last year to the end of last corresponding reporting period (From January to September)
I. Total operating revenue	15,005,010	10,782,823	43,098,753	29,363,139
Including: Revenue from operations	15,005,010	10,782,823	43,098,753	29,363,139
Interest income				
Premiums earned				
Handling charges and commission income				
II. Total cost of sales	14,103,375	10,269,958	40,730,604	28,045,791
Including: Operating cost	12,301,156	8,944,893	35,672,787	24,454,692
Interest expenses				
Handling charges and commission expenses				
Surrender payment				
Net expenditure for compensation payments				
Net provision for insurance deposits				
Policyholder dividend expenses				
Reinsurance costs				

Business tax and surcharges	35,348	28,566	140,637	113,539
Selling expenses	393,968	261,173	1,087,179	683,315
Administrative expenses	1,257,831	960,854	3,418,227	2,574,719
Finance costs	75,767	64,835	258,017	130,244
Asset impairments loss	39,305	9,637	153,757	89,282
Add: Gains from changes in fair value (loss is represented by “-”)	3,536	-6,101	-2,850	-6,101
Investment income (loss is represented by “-”)	109,622	47,462	307,101	110,586
Including: Gains from investment in associates and joint ventures	95,722	44,469	263,650	100,613
Gains from foreign currency exchange (loss is represented by “-”)				
III. Profit from operations (loss is represented by “-”)	1,014,793	554,226	2,672,400	1,421,833
Add: Non-operating income	32,837	68,392	162,264	241,210
Less: Non-operating expense	14,017	7,210	28,699	39,996
Including: Loss from disposal of non-current assets	3,964	-1,911	7,927	4,041
IV. Total profit (total loss is represented by “-”)	1,033,613	615,408	2,805,965	1,623,047
Less: Income tax expenses	149,674	68,479	431,349	254,859

V. Net profit				
(net loss is represented by “-”)	883,939	546,929	2,374,616	1,368,188
Net profit attributable to the equity holder of the parent company	702,662	413,509	1,806,726	1,039,846
Minority interests	181,277	133,420	567,890	328,342
VI. Earnings per share:				
(I) Basic earnings per share	0.06	0.03	0.15	0.09
(II) Diluted earnings per share	0.06	0.03	0.15	0.09
VII. Other comprehensive income			-21,436	20,743
VIII. Total comprehensive income	883,939	546,929	2,353,180	1,388,931
Total comprehensive income attributable to the equity holder of the parent company	702,662	413,509	1,793,875	1,052,065
Total comprehensive income attributable to minority interests	181,277	133,420	559,305	336,866

Legal representative:
Zhao Xiaogang

Person-in-charge of accounting affairs:
Zhan Yanjing

Head of the accounting department:
Xu Weifeng

Income Statement of the Parent Company

Prepared by: CSR Corporation Limited

Unit: RMB'000 Currency: RMB Type of Audit: Unaudited

Item	Amount for the reporting period (From July to September)	Amount for last corresponding reporting period (From July to September)	Amount for the beginning of the reporting period (From January to September)	Amount for
				the beginning of last year to the end of last corresponding reporting period (From January to September)
I. Revenue from operations	30,968	24,114	51,500	24,114
Less: Operating cost			20,532	
Business tax and surcharges	2,833	1,326	2,871	1,326
Selling expenses	511	1,794	1,309	3,203
Administrative expenses	37,799	13,452	86,523	48,443
Finance costs	-7,527	12,057	29,276	-24,339
Asset impairments loss				
Add: Gains from changes in fair value (loss is represented by “-”)				
Investment income (loss is represented by “-”)				
Including: Gains from investment in associates and joint ventures				

II. Profit from operations				
(loss is represented by “-”)	-2,648	-4,515	-89,011	-4,519
Add: Non-operating income				
Less: Non-operating expense	-32			61
Including: Loss from disposal of non-current assets	-32			61
III. Total profit (total loss is represented by “-”)	-2,616	-4,515	-89,011	-4,580
Less: Income tax expenses				
IV. Net profit				
(net loss is represented by “-”)	-2,616	-4,515	-89,011	-4,580
V. Earnings per share:				
(I) Basic earnings per share				
(II) Diluted earnings per share				
VI. Other comprehensive income				
VII. Total comprehensive income	-2,616	-4,515	-89,011	-4,580

Legal representative:
Zhao Xiaogang

*Person-in-charge of
accounting affairs:*
Zhan Yanjing

*Head of the
accounting department:*
Xu Weifeng

4.3 Consolidated Cash Flow Statement

January to September 2010

Prepared by: CSR Corporation Limited

Unit: RMB'000 Currency: RMB Type of Audit: Unaudited

Item	Amount for the beginning of year to the end of the reporting period (From January to September)	Amount for the beginning of last year to the end of last corresponding reporting period (From January to September)
I. Cash flow from operating activities		
Cash received from sales of goods and provision of services	45,247,567	32,599,791
Net increase in deposits from customers and placements from banks and other financial institutions		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Cash received from premiums of original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits from policyholders and investments		
Net increase in disposal of held-for-trading financial assets		
Cash received from interest, handling charges and commissions		
Net increase in capital due to banks and other financial institutions		
Net increase in repurchases business fund		
Tax rebates	81,634	208,169

Other cash received from activities related to operation	490,736	561,257
Sub-total of cash inflows from operating activities	45,819,937	33,369,217
Cash paid for goods purchased and service rendered	36,063,804	29,133,154
Net increase in loans and advances to customers		
Net increase in placements with central bank and other financial institutions		
Cash paid for claims on original insurance contracts		
Cash payment for interest, handling charges and commissions		
Cash payment for policyholder dividend		
Cash paid to and on behalf of employees	3,612,770	2,844,158
Taxes paid	1,975,348	1,469,250
Other cash paid for activities relating to operation	3,435,860	1,409,233
Sub-total of cash outflow from operating activities	45,087,782	34,855,795
Net cash flows from operating activities	732,155	-1,486,578

II. Cash flow from investment activities:

Cash received from		
disposal of investments	175,234	461,321
Cash received from gains in investments	268,522	83,636
Net cash received from disposal of		
fixed assets, intangible assets and		
other long-term assets	79,696	28,000
Net cash received from disposal of		
subsidiaries and other operating entities		
Other cash received relating		
to investing activities		
Sub-total of cash inflows		
from investment activities	523,452	572,957
Cash paid for purchase of fixed assets,		
intangible assets and		
other long-term assets	3,174,410	2,714,151
Cash paid for investment	153,475	447,147
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries		
and other operating entities		
Other cash paid related to		
other investment activities		
Sub-total of cash outflow		
from investment activities	3,327,885	3,161,298
Net cash flow from investment activities	-2,804,433	-2,588,341

III. Cash flow from financing activities

Proceeds received from investments	821,290	8,000
Including: Proceeds received by subsidiaries from minority shareholder's investment	821,290	8,000
Cash received from borrowings	4,562,812	9,957,454
Cash received from issue of bonds	2,000,000	
Cash received relating to other financing activities		
Sub-total of cash inflow from financing activities	7,384,102	9,965,454
Repayments of borrowing	5,768,032	8,623,744
Cash payments for dividend, profit distribution or interest repayment	745,195	665,483
Including: Dividend or profit paid by subsidiary to minority shareholders	228,299	113,700
Other cash paid relating to financing activities	6,378	7,269
Sub-total of cash outflow from financing activities	6,519,605	9,296,496
Net cash flow from financing activities	864,497	668,958

IV. Effect on cash and cash equivalents due to changes in foreign exchange rates

	-18,187	13,455
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V. Net increase in cash and cash equivalents

	-1,225,968	-3,392,506
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Add: Balance of cash and cash

equivalents at the beginning of

the reporting period

	10,998,084	11,032,907
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VI Balance of cash and cash equivalents at the end of the reporting period

	9,772,116	7,640,401
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Legal representative:
Zhao Xiaogang

*Person-in-charge of
accounting affairs:*
Zhan Yanjing

*Head of the
accounting department:*
Xu Weifeng

Cash Flow Statement of the Parent Company

January to September 2010

Prepared by: CSR Corporation Limited

Unit: RMB'000 Currency: RMB Type of Audit: Unaudited

Item	Amount for the beginning of year to the end of the reporting period (From January to September)	Amount for the beginning of last year to the end of last corresponding reporting period (From January to September)
I. Cash flow from operating activities		
Cash received from sales of goods and provision of services	51,500	24,114
Tax rebates		
Other cash received from activities related to operation	1,163,997	130,244
Sub-total of cash inflow from operating activities	1,215,497	154,358
Cash paid for goods purchased and service rendered	20,532	
Cash paid to and on behalf of employees	30,785	27,231
Taxes paid	18,560	11,726
Other cash paid for activities related to operation	169,769	2,490,671
Sub-total of cash outflow from operating activities	239,646	2,529,628
Net cash flow from operating activities	975,851	-2,375,270

II. Cash flow from investment activities:

Cash received from investments		
Cash received from gains in investments	246,967	633,200
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received relating to investment activities		
Sub-total of cash inflow from investment activities	246,967	633,200
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	12,611	3,177
Cash paid for investment	2,386,200	1,243,992
Net cash paid for acquiring subsidiaries and other operating entities		
Other cash paid relating to investment activities		
Sub-total of cash outflow from investment activities	2,398,811	1,247,169
Net cash flow from investing activities	-2,151,844	-613,969

III. Cash flow from financing activities

Proceeds received from investments		
Cash received from borrowings	4,060,000	6,730,000
Other cash received relating to financing activities		
Sub-total of cash inflow from financing activities	4,060,000	6,730,000
Repayment of borrowings	2,500,000	5,530,000
Cash payments for dividend, profit distribution or interest repayment	465,191	427,470
Other cash paid relating to financing activities		
Sub-total of cash outflow from financing activities	2,965,191	5,957,470
Net cash flow from financing activities	1,094,809	772,530

IV. Effect on cash and cash equivalents due to changes in foreign exchange rate	-13,929	5,845
V. Net increase in cash and cash equivalents	-95,113	-2,210,864
Add: Balance of cash and cash equivalents at the beginning of the reporting period	4,342,201	5,984,589
VI. Balance of cash and cash equivalents at the end of the reporting period	4,247,088	3,773,725

<i>Legal representative:</i>	<i>Person-in-charge of accounting affairs:</i>	<i>Head of the accounting department:</i>
Zhao Xiaogang	Zhan Yanjing	Xu Weifeng