

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)

**2011 FIRST QUARTERLY REPORT**

This announcement is made pursuant to the 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 first quarter ended 31 March 2011 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 first quarter of 2011, the Company recorded revenue from operations of RMB20,115,865,000, with net profits attributable to shareholders of the Company amounting to RMB945,519,000.

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

## 1 IMPORTANT NOTICE

1.1 The board of directors (the “Board”), the supervisory committee, the directors, supervisors and senior management of the Company warrant that this report contains no false representation, misleading statement or material omission, and shall be severally and jointly liable for the truthfulness, accuracy and completeness of the contents in this report.

1.2 For reason of business trip, Mr. Tang Kelin, a director of the Company, had appointed Mr. Liu Hualong, a director of the Company, to attend and vote on the Board meeting on his behalf.

1.3 The first quarterly financial report of the Company is unaudited.

1.4 Chairman of the Company	Zhao Xiaogang
Person-in-charge of accounting affairs	Zhan Yanjing
Person responsible for the accounting department (Head of the Accounting Department)	Xu Weifeng

Zhao Xiaogang, Chairman of the Company, Zhan Yanjing, the person-in-charge of accounting affairs, and Xu Weifeng, the person responsible for the accounting department (Head of the Accounting Department), warrant the truthfulness and completeness of the financial statements in this quarterly report.

## 2 BASIC INFORMATION OF THE COMPANY

### 2.1 Major accounting data and financial indicators

*Currency: RMB*

	As at the end of the reporting period	As at the end of last year	Changes as of the end of the reporting period as compared to the end of last year (%)
Total assets ( <i>RMB'000</i> )	83,618,682.00	73,565,670.00	13.67
Owners' equity (or shareholders' equity) ( <i>RMB'000</i> )	20,189,980.00	19,244,184.00	4.91
Net assets per share attributable to shareholders of the Company ( <i>RMB/share</i> )	1.71	1.63	4.91
		From the beginning of the year to the end of the reporting period	Changes as compared to the corresponding period last year (%)
Net cash flow from operating activities ( <i>RMB'000</i> )		-7,064,215.00	-71.12
Net cash flow per share from operating activities ( <i>RMB/share</i> )		-0.60	-71.12

	The reporting period	From the beginning of the year to the end of the reporting period	Change as compared to the corresponding period last year (%)
Net profits attributable to shareholders of the Company (RMB'000)	945,519.00	945,519.00	165.69
Basic earnings per share (RMB/share)	0.08	0.08	166.67
Basic earnings per share after non-recurring gains or losses (RMB/share)	0.08	0.08	166.67
Diluted earnings per share (RMB/share)	0.08	0.08	166.67
			Increased by 2.77 percentage points
Return on net assets (weighted average) (%)	4.80	4.80	Increased by 2.69 percentage points
Return on net assets after non-recurring gains or losses (weighted average) (%)	4.62	4.62	

Deducting non-recurring gain or loss items and amounts:

*Unit: RMB'000    Currency: RMB*

Item	Amount
Profit or loss on disposal of non-current assets	2,994
Government subsidies recorded in the current profit and loss (excluding 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)	46,942
Non-operating income/expenses other than above items	-896
Effect on income tax	-2,762
Effect on minority interests (after tax)	-12,032
Total	<u><u>34,246</u></u>

## 2.2 Total number of shareholders and particulars of the 10 shareholders with the 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	384,468 (including 381,678 holders of A shares and 2,790 holders of H shares)
---	---

### Particulars of the 10 shareholders with the 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 shares
HKSCC NOMINEES LIMITED	2,018,048,839	Overseas listed foreign invested shares
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
Bank of China – Dacheng Blue Chip Steady Securities Investment Fund (中國銀行 — 大成藍籌穩健證券投資基金)	50,087,853	Ordinary shares denominated in RMB
Haitong Securities Co., Ltd.	31,251,527	Ordinary shares denominated in RMB
UBS AG	30,598,184	Ordinary shares denominated in RMB

Taikang Life Insurance Co., Ltd.– Investment Link – Personal Insurance Investment Link (泰康人壽保險股份有限公司 — 投連 — 個險投連)	22,730,289	Ordinary shares denominated in RMB
Huaxi Securities Co., Ltd. (華西證券有限責任公司)	22,019,102	Ordinary shares denominated in RMB
Bank of China – Harvest CSI 300 Index Securities Investment Fund (中國銀行 — 嘉實滬深300指數證券投資基金)	21,183,609	Ordinary shares denominated in RMB
CITIC Securities Co., Ltd. – Client Account of Collateral Securities for Margin Trading (中信證券股份有限公司客戶信用交易擔保證券賬戶)	20,761,610	Ordinary shares denominated in RMB
China Construction Bank – Guotai Jinding Blending Stock – type Securities Investment Fund (中國建設銀行—國泰金鼎價值精選混合型證券投資基金)	18,000,000	Ordinary shares denominated in RMB

### 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

1. Cash and bank balances decreased by RMB4,995,950,000 or 34.39% as compared with the beginning of the year, mainly due to the enlarged operation scale and increased accounts receivable;
2. Accounts receivable increased by RMB11,745,611,000 or 105.58% as compared with the beginning of the year due to (1) delayed payment for goods by major customers; and (2) the natural growth of accounts receivable as a result of the increase in sales revenue;
3. Funds paid in advance increased by RMB3,226,651,000 or 105.93% as compared with the beginning of the year, mainly due to the increase in procurement resulting from enlarged production and operation scale;

4. Construction in progress increased by RMB763,298,000 or 32.23% as compared with the beginning of the year, mainly due to the increase in construction in progress with acquisition of assets by the Company with a view to expanding production capacity and upgrading products and technologies;
5. Short-term borrowings increased by RMB3,278,162,000 or 62.31% as compared with the beginning of the year, mainly due to the replenishment of working capital as a result of the delayed repayment in accounts receivable in the first quarter;
6. Accounts payable increased by RMB5,747,254,000 or 31.98% as compared with the beginning of the year, mainly due to the corresponding increase in accounts payable as a result of the expansion of operating scale, higher business volume and increased procurement amount of the Company;
7. Revenue from operations increased by RMB7,668,916,000 or 61.61% as compared with the corresponding period last year, mainly due to factors such as the continuous expansion of the Company's market scale as a result of the sustained and rapid development in the national rolling stock manufacturing industry;
8. Operating cost increased by RMB6,216,896,000 or 60.22% as compared with the corresponding period last year, mainly due to the synchronous increase in revenue from operations;
9. Selling expenses increased by RMB220,746,000 or 75.78% as compared with the corresponding period last year, due to the corresponding growth in expenses such as the proportional provision for product performance surety, transportation fees and sales agency fees as a result of the enlarged operation scale;
10. Administrative expenses increased by RMB274,762,000 or 24.44% as compared with the corresponding period last year, mainly due to the growth in relevant expenses as a result of the enlarged operation scale of the Company. However, the increase in administrative expenses is less significant than the increase in revenue;

11. Finance costs increased by 42,974,000 or 55.12% as compared with the corresponding period last year, mainly due to the enlarged financing scale of the Company;
12. Investment income increased by 61,113,000 or 177.51% as compared with the corresponding period last year, mainly due to the increase in its share of the investment income in associates and joint ventures;
13. Net cash flow from operating activities decreased by RMB2,936,013,000 or 71.12% as compared with the corresponding period last year, mainly due to the impact of the increased accounts receivable of the Company on cash flow from operating activities;
14. Net cash flow from financing activities increased by RMB2,720,651,000 or 304.05% as compared with the corresponding period last year, mainly due to the increase in short-term borrowings in the first quarter.

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

Applicable       Not applicable

#### **1. The Issuance of Short-term Debentures**

On 7 March 2011, the Proposal to Issue Short-term Debentures of No More Than RMB5,000,000,000 by the Company (《關於公司發行不超過50億元人民幣短期融資券的議案》) was approved at the 23rd meeting of the first session of the Board of the Company. Such proposal is subject to the approval at the general meeting.

For details, please refer to the Company's relevant announcements published on China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily and the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange.



## 2. Share Option Incentive Scheme

The 23rd meeting of the first session of the Board was held on 7 March 2011, at which the proposals in relation to, among others, the Share Option Scheme of the Company (Revised Draft) were approved. The Share Option Scheme of the Company has been approved by relevant authorities but is still subject to the consideration and approval by the shareholders at the general meeting of the Company.

For details, please refer to the Company's relevant announcements published on China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily and the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

## 3. Increase of Shareholding by the Controlling Shareholder

During the reporting period, CSRG, the controlling shareholder of the Company, did not increase its shareholding in the Company. As for the increase in shareholding in the previous periods, please refer to the Company's 2010 annual report.

### **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 relating 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. On 29 January 2011, the Company published the Announcement on CSRG's Undertaking Regarding South Huiton, stating that it received from CSRG, its controlling shareholder, the Letter on the Undertaking Regarding the Reorganization of South Huiton. Relevant details are as follows: 1) CSRG designates the Company as its sole platform for its ultimate integration of businesses including research and development, manufacturing, sale, refurbishment and leasing of locomotives,

passenger carriages, freight wagons, MUs, rapid transit vehicles and key components as well as other businesses that utilise proprietary rolling stock technologies; and 2) CSRG plans to, in five years or so, dispose of its equity interest in South Huiton by way of merger and acquisition of assets and/or reorganization and/or other means, and CSRG may transfer the acquired assets which relate to the freight wagons business to the Company after acquiring the relevant assets of South Huiton.

## 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 m<sup>2</sup>, 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 any potential loss in accumulated net profit 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 corresponding period last year**

Applicable       Not applicable

### **3.5 Implementation of cash dividend policy during the reporting period**

According to the Company Law, the Securities Law, the relevant fiscal policies and the Articles of Association, in consideration of the financial position of the Company, the Board proposes a profit distribution to shareholders of RMB0.4 (tax inclusive) for every 10 shares in accordance with the proposed distribution plan. The proposed distribution plan is subject to consideration and approval at the general meeting of the Company.

By order of the Board  
**CSR Corporation Limited**  
**Zhao Xiaogang**  
*Chairman*

Beijing, the PRC  
23 April 2011

*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

31 March 2011

Prepared by: CSR Corporation Limited

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

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>Current assets:</b>		
Cash and bank balances	<b>9,530,101</b>	14,526,051
Balances with clearing companies		
Placements with banks and other financial institutions		
Financial assets held-for-trading	<b>16,373</b>	17,512
Bills receivable	<b>1,412,012</b>	1,709,935
Accounts receivable	<b>22,869,962</b>	11,124,351
Funds paid in advance	<b>6,272,577</b>	3,045,926
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance treaty		
Interest receivable	<b>226</b>	
Dividends receivable	<b>274,167</b>	274,167
Other receivables	<b>1,272,926</b>	1,016,048
Purchases of resold financial assets		
Inventories	<b>17,663,539</b>	17,733,284
Non-current assets due within one year	<b>11,653</b>	10,866
Other current assets	<b>202,127</b>	666,061
Total current assets	<b><u>59,525,663</u></b>	<b><u>50,124,201</u></b>

**Non-current assets:**

Loans and advances granted		
Available-for-sale financial assets	2,564	2,564
Held-to-maturity investments		
Long-term receivables	8,243	8,569
Long-term equity investment	1,401,704	1,132,115
Investment property		
Fixed assets	14,461,226	14,697,316
Construction in progress	3,131,709	2,368,411
Construction materials	463	463
Disposals of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	4,373,224	4,374,371
Development expenditure	28,323	7,124
Goodwill	54,265	48,879
Long-term deferred expenses	20,516	21,247
Deferred income tax assets	234,065	287,119
Other non-current assets	376,717	493,291
Total non-current assets	<u>24,093,019</u>	<u>23,441,469</u>
Total assets	<u><u>83,618,682</u></u>	<u><u>73,565,670</u></u>

**Current liabilities:**

Short-term borrowings	8,539,577	5,261,415
Borrowings from central bank		
Deposit taking and deposit in inter-bank market		
Placements funds		
Financial liabilities held-for-trading		
Bills payable	6,702,911	6,912,763
Accounts payable	23,718,775	17,971,521
Funds received in advance	6,643,051	8,163,697
Funds from disposal of repurchased financial assets		
Handling charges and commissions payable		

Staff remuneration payable	<b>573,408</b>	435,055
Taxes payable	<b>1,217,394</b>	979,531
Interest payable	<b>38,385</b>	86,227
Dividends payable	<b>50,629</b>	68,363
Other payables	<b>2,104,986</b>	1,836,259
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	<b>478,870</b>	447,524
Other current liabilities	<b>512,891</b>	500,000
	<hr/>	<hr/>
Total current liabilities	<b><u>50,580,877</u></b>	<b><u>42,662,355</u></b>
<b>Non-current liabilities:</b>		
Long-term borrowings	<b>205,039</b>	203,724
Bonds payable	<b>4,000,000</b>	4,000,000
Long-term payables	<b>1,556</b>	1,556
Specific payables	<b>42,561</b>	42,742
Projected liabilities	<b>409,928</b>	411,696
Deferred income tax liabilities	<b>14,232</b>	12,899
Other non-current liabilities	<b>2,798,998</b>	2,389,949
Total non-current liabilities	<b>7,472,314</b>	7,062,566
	<hr/>	<hr/>
Total liabilities	<b><u>58,053,191</u></b>	<b><u>49,724,921</u></b>

**Owners' interest****(or shareholders' equity):**

Paid-up capital (or share capital)	<b>11,840,000</b>	11,840,000
Capital reserve	<b>2,686,968</b>	2,685,546
Less: Treasury shares		
Special reserve		
Surplus reserve	<b>288,658</b>	288,658
General risk provision		
Retained earnings	<b>5,398,211</b>	4,452,692
Foreign currency translation differences	<b>-23,857</b>	-22,712
Total equity attributable to the owners		
of the parent company	<b>20,189,980</b>	19,244,184
Minority interests	<b>5,375,511</b>	4,596,565
Total owners' equity	<b>25,565,491</b>	23,840,749
	<hr/>	<hr/>
Total liabilities and owners' equity	<b>83,618,682</b>	73,565,670
	<hr/> <hr/>	<hr/> <hr/>

*Legal representative  
of the Company:*  
**Zhao Xiaogang**

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

*Head of the  
accounting department:*  
**Xu Weifeng**



## Balance Sheet of the Parent Company

31 March 2011

Prepared by: CSR Corporation Limited

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

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>Current assets:</b>		
Cash and bank balances	<b>1,988,758</b>	4,594,774
Financial assets held-for-trading		
Bills receivable		
Accounts receivable		
Funds paid in advance		
Interest receivable	<b>110,208</b>	38,215
Dividends receivable		880,488
Other receivables	<b>7,484,547</b>	5,740,154
Inventories		
Non-current assets due within one year		
Other current assets		
	<hr/>	<hr/>
Total current assets	<b><u>9,583,513</u></b>	<b><u>11,253,631</u></b>
<b>Non-current assets:</b>		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables	<b>279,000</b>	259,000
Long-term equity investment	<b>23,084,343</b>	22,884,343
Investment property		
Fixed assets	<b>12,025</b>	13,094
Construction in progress	<b>2,342</b>	1,783
Construction materials		
Disposals of fixed assets		
Biological assets for production		
Fuel assets		

Intangible assets	<b>20,671</b>	20,581
Development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets	<b>162,185</b>	362,185
Total non-current assets	<b>23,560,566</b>	23,540,986
	<hr/>	<hr/>
Total assets	<b>33,144,079</b>	34,794,617
	<hr/> <hr/>	<hr/> <hr/>
<b>Current liabilities:</b>		
Short-term borrowings	<b>3,710,000</b>	2,380,000
Financial liabilities held-for-trading		
Bills payable		
Accounts payable		
Funds received in advance		
Staff remuneration payable	<b>8,145</b>	7,348
Taxes payable	<b>86</b>	1,169
Interest payable	<b>38,385</b>	79,381
Dividends payable		
Other payables	<b>4,176,406</b>	7,115,352
Non-current liabilities due within one year		
Other current liabilities		
	<hr/>	<hr/>
Total current liabilities	<b>7,933,022</b>	9,583,250
	<hr/> <hr/>	<hr/> <hr/>

**Non-current liabilities:**

Long-term borrowings	<b>100,000</b>	100,000
Bonds payable	<b>4,000,000</b>	4,000,000
Long-term payables		
Specific payables		
Projected liabilities		
Deferred income tax liabilities		
Other non-current liabilities	<b>13,520</b>	14,629
Total non-current liabilities	<b>4,113,520</b>	4,114,629

Total liabilities	<b>12,046,542</b>	13,697,879
-------------------	-------------------	------------

**Owners' interest****(or shareholders' equity):**

Paid-up capital (or share capital)	<b>11,840,000</b>	11,840,000
Capital reserve	<b>7,222,642</b>	7,222,642
Less: Treasury shares		
Special reserve		
Surplus reserve	<b>288,658</b>	288,658
General risk provision		
Retained earnings	<b>1,746,237</b>	1,745,438
Total owners' equity (or shareholders' equity)	<b>21,097,537</b>	21,096,738

Total liabilities and owners' equity (or shareholders' equity)	<b>33,144,079</b>	34,794,617
---	-------------------	------------

*Legal representative  
of the Company:*  
**Zhao Xiaogang**

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

*Head of the  
accounting department:*  
**Xu Weifeng**

## 4.2 Consolidated Income Statement

January to March 2011

Prepared by: CSR Corporation Limited

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

<b>Item</b>	<b>Amount for the reporting period</b>	<b>Amount for the corresponding period last year</b>
<b>I. Total operating revenue</b>	<b>20,115,865</b>	12,446,949
Including: Revenue from operations	<b>20,115,865</b>	12,446,949
Interest income		
Premiums earned		
Handling charges and commission income		
<b>II. Total cost of sales</b>	<b>18,740,397</b>	11,896,297
Including: Operating cost	<b>16,539,836</b>	10,322,940
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	<b>112,744</b>	60,900
Selling expenses	<b>512,028</b>	291,282
Administrative expenses	<b>1,398,966</b>	1,124,204
Finance costs	<b>120,934</b>	77,960
Asset impairment loss	<b>55,889</b>	19,011

Add:	Gains from changes in fair value (loss is represented by “-”)	-962	-1,793
	Investment income (loss is represented by “-”)	95,541	34,428
	Including: Gains from investment in associates and joint ventures	94,618	34,428
	Gains from foreign currency exchange (loss is represented by “-”)		
<b>III. Profit from operations (loss is represented by “-”)</b>		<b>1,470,047</b>	<b>583,287</b>
Add:	Non-operating income	56,302	26,846
Less:	Non-operating expense	5,770	3,650
	Including: Loss from disposal of non-current assets		
<b>IV. Total profit (total loss is represented by “-”)</b>		<b>1,520,579</b>	<b>606,483</b>
Less:	Income tax expenses	236,699	105,090
<b>V. Net profit (net loss is represented by “-”)</b>		<b>1,283,880</b>	<b>501,393</b>
	Net profit attributable to the equity holders of the parent company	945,519	355,879
	Minority interests	338,361	145,514
<b>VI. Earnings per share:</b>			
	(I) Basic earnings per share	0.08	0.03
	(II) Diluted earnings per share	0.08	0.03
<b>VII. Other comprehensive income</b>		<b>879</b>	<b>-3,431</b>
<b>VIII. Total comprehensive income</b>		<b>1,284,759</b>	<b>497,962</b>
	Total comprehensive income attributable to the equity holders of the parent company	944,511	352,448
	Total comprehensive income attributable to minority shareholders	340,248	145,514

*Legal representative  
of the Company:*  
**Zhao Xiaogang**

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

*Head of the  
accounting department:*  
**Xu Weifeng**

# Income Statement of the Parent Company

January to March 2011

Prepared by: CSR Corporation Limited

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

Item	Amount for the reporting period	Amount for the corresponding period last year
<b>I. Revenue from operations</b>	<b>20,532</b>	
Less: Operating cost	<b>2,541</b>	
Business tax and surcharges		
Selling expenses	<b>1,666</b>	20,936
Administrative expenses	<b>27,725</b>	24,273
Finance costs	<b>-12,221</b>	8,708
Asset impairment 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		
<b>II. Profit from operations (loss is     represented by “-”)</b>	<b>821</b>	-53,917
Add: Non-operating income		
Less: Non-operating expense	<b>21</b>	
Including: Loss from disposal of non-current assets		

<b>III. Total profit (total loss is represented by “-”)</b>	<b>800</b>	<b>-53,917</b>
Less: Income tax expenses		
<b>IV. Net profit (net loss is represented by “-”)</b>	<b>800</b>	<b>-53,917</b>
<b>V. Earnings per share:</b>		
(I) Basic earnings per share		
(II) Diluted earnings per share		
<b>VI. Other comprehensive income</b>		
<b>VII. Total comprehensive income</b>		

*Legal representative  
of the Company:*  
**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 March 2011

Prepared by: CSR Corporation Limited

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

<b>Item</b>	<b>Amount for the reporting period</b>	<b>Amount for the corresponding period last year</b>
<b>I. Cash flow from operating activities</b>		
Cash received from sales of goods and provision of services	<b>11,984,030</b>	8,752,181
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 repurchase business fund		
Tax rebates	<b>22,530</b>	33,194



Other cash received from		
activities relating to operations	<b>378,546</b>	105,377
Sub-total of cash inflows		
from operating activities	<b>12,385,106</b>	8,890,752
Cash paid for goods purchased		
and service rendered	<b>14,936,629</b>	10,165,745
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	<b>1,784,309</b>	1,221,658
Taxes paid	<b>1,045,666</b>	710,608
Other cash paid for activities		
relating to operations	<b>1,682,717</b>	920,943
Sub-total of cash outflow		
from operating activities	<b>19,449,321</b>	13,018,954
Net cash flows from		
operating activities	<b>-7,064,215</b>	-4,128,202

## II. Cash flow from investment activities:

Cash received from disposal of investments		47,148
Cash received from gains in investments	<b>923</b>	6,891
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<b>3,938</b>	1,764
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received relating to investment activities		888
Sub-total of cash inflows from investment activities	<b>4,861</b>	56,691
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	<b>1,116,263</b>	972,833
Cash paid for investments	<b>269,589</b>	1,000,000
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other operating entities		
Other cash paid relating to other investment activities		441
Sub-total of cash outflow from investment activities	<b>1,385,852</b>	1,973,274
Net cash flow from investment activities	<b>-1,380,991</b>	-1,916,583

<b>III. Cash flow from financing activities</b>		
Proceeds received from investments	<b>431,980</b>	57,383
Including: Proceeds received by subsidiaries from minority shareholder's investment	<b>411,520</b>	57,383
Cash received from borrowings	<b>4,953,983</b>	3,476,237
Cash received from issue of bonds		
Cash received relating to other financing activities		
Sub-total of cash inflow from financing activities	<b>5,385,963</b>	3,533,620
Cash repayments of borrowings	<b>1,674,507</b>	2,262,269
Cash payments for dividend, profit distribution or interest repayment	<b>96,007</b>	376,553
Including: Dividend or profit paid by subsidiaries to minority shareholders	<b>17,734</b>	4,800
Other cash paid relating to financing activities		
Sub-total of cash outflow from financing activities	<b>1,770,514</b>	2,638,822
Net cash flow from financing activities	<b>3,615,449</b>	894,798
<b>IV. Effect on cash and cash equivalents due to changes in foreign exchange rates</b>	<b>-5,179</b>	-5,054
<b>V. Net increase in cash and cash equivalents</b>	<b>-4,834,936</b>	-5,155,041
Add: Balance of cash and cash equivalents at the beginning of the reporting period	<b>13,708,200</b>	10,998,084
<b>VI. Balance of cash and cash equivalents at the end of the reporting period</b>	<b>8,873,264</b>	5,843,043

*Legal representative  
of the Company:*  
**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 March 2011

Prepared by: CSR Corporation Limited

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

<b>Item</b>	<b>Amount for the reporting period</b>	<b>Amount for the corresponding period last year</b>
<b>I. Cash flow from operating activities</b>		
Cash received from sales of goods and provision of services		
Tax rebates		
Other cash received from activities relating to operations	<b>21,900</b>	126,114
Sub-total of cash inflow from operating activities	<b>21,900</b>	126,114
Cash paid for goods purchased and services rendered		
Cash paid to and on behalf of employees	<b>15,188</b>	13,173
Taxes paid	<b>3,628</b>	1,800
Other cash paid for activities relating to operations	<b>3,963,179</b>	1,630,899
Sub-total of cash outflow from operating activities	<b>3,981,995</b>	1,645,872
Net cash flow from operating activities	<b>-3,960,095</b>	-1,519,758

## II. Cash flow from investment

### activities:

Cash received from investments		
Cash received from gains in investments	<b>147,828</b>	111,442
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	<b>147,828</b>	111,442
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	<b>688</b>	2,719
Cash paid for investments		2,622,000
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	<b>688</b>	2,624,719
Net cash flow from investing activities	<b>147,140</b>	-2,513,277

<b>III. Cash flow from financing activities</b>		
Cash received from investments		
Cash received from borrowings	<b>1,930,000</b>	3,200,000
Cash received from issuance of bonds		
Other cash received relating to financing activities		
Sub-total of cash inflow from financing activities	<b>1,930,000</b>	3,200,000
Cash repayments of borrowings	<b>600,000</b>	1,650,000
Cash payments for dividend, profit distribution or interest repayment	<b>112,240</b>	2,641
Other cash paid relating to financing activities		
Sub-total of cash outflow from financing activities	<b>712,240</b>	1,652,641
Net cash flow from financing activities	<b>1,217,760</b>	1,547,359
<b>IV. Effect on cash and cash equivalents due to changes in foreign exchange rates</b>		
	<b>-6,477</b>	-703
<b>V. Net increase in cash and cash equivalents</b>		
	<b>-2,601,672</b>	-2,486,379
Add: Balance of cash and cash equivalents at the beginning of the reporting period	<b>4,590,430</b>	4,333,843
<b>VI. Balance of cash and cash equivalents at the end of the reporting period</b>		
	<b>1,988,758</b>	1,847,464

*Legal representative  
of the Company:*  
**Zhao Xiaogang**

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

*Head of the  
accounting department:*  
**Xu Weifeng**