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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)

2011 THIRD 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 third quarter ended 30 September 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 third quarter of 2011, the Company recorded revenue from operations of RMB18,537,412,000, with net profits attributable to shareholders of the Company amounting to RMB772,610,000,

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

1 IMPORTANT NOTICE

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

1.2 All directors of the Company attended the Board meeting.

1.3 The third 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	Change as of the end of the reporting period as compared to the end of last year (%)
Total assets (<i>RMB'000</i>)	102,035,859.00	73,760,542.00	38.33
Owners' equity (or shareholders' equity) (<i>RMB'000</i>)	21,474,814.00	19,267,672.00	11.46
Net assets per share attributable to shareholders of the Company (<i>RMB/share</i>)	1.81	1.63	11.04
		From the beginning of the year to the end of the reporting period (January to September)	Change as compared to the corresponding period last year
Net cash flow from operating activities (<i>RMB'000</i>)		-12,987,186.00	Decreased by 13,699,650,000
Net cash flow per share from operating activities (<i>RMB/share</i>)		-1.10	Decreased by RMB1.16 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 last year (%)
Net profits attributable to shareholders of the Company (<i>RMB'000</i>)	772,610.00	2,817,156.00	9.66
Basic earnings per share (<i>RMB/share</i>)	0.065	0.238	9.66
Basic earnings per share after non-recurring gains or losses (<i>RMB/share</i>)	0.064	0.229	16.36
Diluted earnings per share (<i>RMB/share</i>)	0.065	0.238	9.66
Return on net assets (weighted average) (%)	3.79	13.83	Decreased by 0.12 percentage point
Return on net assets after non-recurring gains or losses (weighted average) (%)	3.72	13.31	Increased by 0.12 percentage point

Deducting non-recurring gain or loss items 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	1,621
Government subsidies recorded in the current profit and loss (excluding government subsidies closely related to the Company's business operations and of fixed amount or fixed quantity in accordance with the unified national standards)	113,462
Net profit or loss from subsidiaries established by way of business combination under common control for the period from the beginning of the period to the date of consolidation	695
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	1,279
Other non-recurring gain or loss items	5,381
Effect on income tax	-17,438
Effect on minority interests (after tax)	-225
	<hr/>
Total	<u><u>104,775</u></u>

2.2 Total number of shareholders and particulars of the top ten shareholders not subject to trading moratorium as at the end of the reporting period

Unit: Share

Total number of shareholders at the end of the reporting period 359,502 (including 356,788 holders of A shares and 2,714 holders of H shares)

Particulars of the top ten shareholders of tradable shares not subject to trading moratorium

Name of shareholder (full name)	Number of tradable shares not subject to trading moratorium held as at the end of the reporting period	Type of shares
CSR Group (中國南車集團公司)	6,425,714,285	Ordinary shares denominated in RMB
HKSCC NOMINEES LIMITED	2,017,028,839	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)	98,644,851	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)	94,511,782	Ordinary shares denominated in RMB
CSR Capital Company (中國南車集團投資管理公司)	93,085,715	Ordinary shares denominated in RMB
Industrial and Commercial Bank of China - Shanghai 50 ETF Index Securities Investment Fund (中國工商銀行－上証50交易型開放式指數證券投資基金)	36,769,715	Ordinary shares denominated in RMB

Agricultural Bank of China - China Post Core Growth Stock Investment Fund (中國農業銀行 – 中郵核心成長股票型證券投資基金)	34,471,406	Ordinary shares denominated in RMB
New China Life Insurance Co., Ltd. - Dividend - Group Dividend - 018L - FH001 Shanghai (新華人壽保險股份有限公司 – 分紅 – 團體分紅 – 018L – FH001滬)	32,999,812	Ordinary shares denominated in RMB
China Resources Shenzhen International Investment Trust Co., Ltd. - Fulin No.1 Trust Program (華潤深國投信託有限公司 – 福麟1號信託計劃)	31,999,970	Ordinary shares denominated in RMB
Industrial and Commercial Bank of China Limited-Harvest Subject New Power Stock Investment Fund (中國工商銀行股份有限公司 – 嘉實主題新動力股票型證券投資基金)	26,025,153	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

1. Cash and bank balances decreased by RMB6,045,769,000 or 41.58% as compared with the beginning of the year, mainly due to the increase in the occupation of production capital arising from enlarged sales scale and increased accounts receivable for the period of the Company;
2. Accounts receivable increased by RMB23,914,042,000 or 213.91% as compared with the beginning of the year, mainly due to the corresponding growth of accounts receivable following the increase in sales revenue and delayed payment for goods by major customers for the period of the Company;
3. Funds paid in advance increased by RMB3,083,931,000 or 101.20% as compared with the beginning of the year, mainly due to increase in funds paid in advance for raw materials procurement for the period of the Company;

4. Available-for-sale financial assets increased by RMB232,123,000 or 9,053.16% as compared with the beginning of the year, mainly due to increase in investment in available-for-sale financial assets for the period of the Company;
5. Construction in progress increased by RMB1,585,186,000 or 66.93% as compared with the beginning of the year, mainly due to the increase in construction in progress for which assets were acquired by the Company with a view to upgrading products and technologies for the period;
6. Short-term borrowings increased by RMB8,536,147,000 or 161.17% as compared with the beginning of the year, mainly due to the increase in the use of short-term borrowings to ensure normal production operation, given that capital of the Company was put under stress under the tightened national monetary policy;
7. Accounts payable increased by RMB11,428,347,000 or 63.34% as compared with the beginning of the year, mainly due to the corresponding increase in accounts payable as a result of the enlarged operating scale, increased business volume and procurement amount of the Company;
8. Other current liabilities increased by RMB3,500,000,000 or 700.00% as compared with the beginning of the year, mainly due to the issuance of short-term debentures of RMB4 billion by the Company for the period as a means to alleviate shortage stress on production capital;

9. Revenue increased by RMB15,393,044,000 or 35.57% as compared with the corresponding period last year, mainly due to continuous expansion of the Company's market scale as a result of the sustained and rapid development of the national rolling stock manufacturing industry, which led to sustained growth in revenue. Particulars by business segment are set out below:

Amount unit: '000

Business segment	January to September 2011		January to September 2010		Growth rate%
	Amount	Percentage %	Amount	Percentage %	
Locomotives	13,930,360	23.75%	10,853,029	25.08%	28.35%
Passenger carriages	4,198,860	7.16%	3,955,986	9.14%	6.14%
Freight wagons	7,647,214	13.04%	4,955,317	11.45%	54.32%
MUs	15,241,793	25.98%	7,956,516	18.39%	91.56%
Rapid transit vehicles	4,743,717	8.09%	5,277,095	12.20%	-10.11%
New businesses	8,342,243	14.22%	6,585,402	15.22%	26.68%
Others	4,560,549	7.76%	3,688,348	8.52%	23.65%
Total	58,664,737	100.00%	43,271,693	100.00%	35.57%

From January to September 2011, revenue generated from locomotives, freight wagons, MUs and new businesses segments all saw a substantial increase as compared with the corresponding period last year, mainly due to the increase in market demand as compared with the corresponding period last year in line with development of national railways, whereas revenue generated from rapid transit vehicles segment saw a decrease as compared with the corresponding period last year, mainly due to the uneven delivery cycle of contract orders;

10. Operating cost increased by RMB12,042,080,000 or 33.61% as compared with the corresponding period last year, mainly due to its synchronous increase with revenue from operations;

11. Selling expenses increased by RMB601,548,000 or 55.05% as compared with the corresponding period last year, mainly due to 1) the increase in the proportional provision for estimated product warranty expenses as a result of the increase in sales revenue and 2) the rapid growth in expenses such as sales service expenses, sales commissions and agency fees in line with the Company's expansion in its market scale and business arena as well as its exploration of overseas market;
12. Administrative expenses increased by RMB994,135,000 or 29.00% as compared with the corresponding period last year, mainly due to 1) corresponding growth of expenses from administrative departments such as labor costs, repair expenses and depreciation expenses resulting from enlarged operation scale and increased business volume of the Company ; 2) the increase in research expenses and cost of technology development of the Company;
13. Finance costs increased by RMB345,892,000 or 133.56% as compared with the corresponding period last year, mainly due to increase in interest expenses as a result of increase in interest-bearing liabilities as well as interest rate hike.
14. Investment income increased by RMB112,639,000 or 36.68% 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;
15. Net cash flow from operating activities decreased by RMB13,699,650,000 or 1,922.86% as compared with the corresponding period last year, mainly due to the decrease in return from operations of the Company under the tightened national monetary policy;
16. Net cash flow from investment activities decreased by RMB1,138,645,000 or 40.42% as compared with the corresponding period last year, mainly due to increase in cash payment for investment;
17. Net cash flow from financing activities increased by RMB9,893,920,000 or 1,130.57% as compared with the corresponding period last year, mainly due to the increase in bank loans and issuance of short-term debentures by the Company in order to cope with the stress on capital;

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

Applicable Not applicable

1. *Implementation of the share option scheme*

For details in relation to the implementation of the share option scheme and the impact thereof, please refer to the 2011 interim report of the Company. During the reporting period, there was no other progress pertaining to the matter.

2. *Non-public issue of A shares*

On 16 September 2011, the Company convened the eighth meeting of the second session of the Board, at which the Proposal in Relation to the Termination of Implementation of the Original Plan on Non-public Issue of A Shares (《關於終止實施原非公開發行A股股票方案的議案》) was considered and passed, pursuant to which the Company agreed to terminate the implementation of the original plan on non-public issue of A shares, to revoke the relevant resolutions in respect of non-public issue of A shares approved at the fifth meeting of the second session of the Board and to cancel the 2011 second extraordinary general meeting originally scheduled on 29 September 2011.

The new plan in relation to non-public issue of A share was considered and passed at the eighth meeting of the second session of the Board. 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 the Shanghai Stock Exchange and the Hong Kong Stock Exchange dated 17 September 2011. The issue plan is still subject to consideration and approval at the general meeting of the Company as well as approvals by the State-owned Asset Supervision and Administration Commission of the State Council and China Securities Regulatory Commission.

3. Issue of short-term debentures

On 7 July 2011, the Company successfully issued the 2011 first tranche of short-term debentures in an amount of RMB3 billion in the inter-bank bond market in the PRC. For details, please refer to the relevant announcements published by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily and the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange dated 12 July 2011.

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

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 authorise others to manage its shareholdings in the Company, nor will the Company acquire such shares. During the reporting period, CSRG performed the above undertaking. On 18 August 2011, the trading moratorium imposed on shares of the Company held by CSRG during listing was released, and such shares became tradable in the market.
- (2) The undertakings with regard to South Huiton's restructuring are as follows: there will be a proposed restructuring in CSRG's equity interest 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 non-wholly-owned 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 non-wholly-owned 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 preemptive rights to acquire the assets or the entire equity interest 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 performed 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 Reorganisation 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 reorganisation 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 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 as compared with the corresponding period last year

Applicable Not applicable

3.5 Implementation of cash dividend policy during the reporting period

In accordance with the provisions of its 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.

As approved at the 2010 annual general meeting of the Company held on 30 May 2011, the Company distributed cash dividend to all shareholders of the Company for 2010, of RMB0.40 (tax inclusive) for every 10 shares. The total dividend distributed amounted to RMB473,600,000. Such dividend distribution was completed on 29 June 2011.

4 APPENDIX

4.1 Consolidated Balance Sheet

30 September 2011

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	8,494,834	14,540,603
Balances with clearing companies		
Placements with banks and other financial institutions		
Financial assets held-for-trading	7,387	17,512
Bills receivable	1,575,779	1,720,935
Accounts receivable	35,093,282	11,179,240
Funds paid in advance	6,131,271	3,047,340
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance treaty		
Interests receivable		
Dividends receivable	22,498	274,167
Other receivables	1,643,784	1,027,405
Purchases of resold financial assets		
Inventories	21,481,765	17,793,573
Non-current assets due within one year		10,866
Other current assets	216,284	666,108
Total current assets	74,666,884	50,277,749
Non-current assets:		
Loans and advances granted		
Available-for-sale financial assets	234,687	2,564
Held-to-maturity investments		
Long-term receivables	51,255	8,569
Long-term equity investment	1,883,940	1,132,115
Investment property		
Fixed assets	15,680,638	14,732,108
Construction in progress	3,953,597	2,368,411
Construction materials	463	463
Disposals of fixed assets		

Biological assets for production		
Fuel assets		
Intangible assets	4,988,430	4,380,690
Development expenditure	42,852	7,124
Goodwill	49,979	48,879
Long-term deferred expenses	23,099	21,247
Deferred income tax assets	227,392	287,332
Other non-current assets	232,643	493,291
Total non-current assets	<u>27,368,975</u>	<u>23,482,793</u>
Total assets	<u>102,035,859</u>	<u>73,760,542</u>
Current liabilities:		
Short term borrowings	13,832,369	5,296,222
Borrowings from central bank		
Deposit taking and deposit in inter-bank market		
Placements funds		
Financial liabilities held-for-trading		
Bills payable	8,497,136	6,925,713
Accounts payable	29,472,489	18,044,142
Funds received in advance	5,735,717	8,163,821
Funds from disposal of repurchased financial assets		
Handling charges and commissions payable		
Staff remuneration payable	1,071,741	444,749
Taxes payable	892,174	986,076
Interest payable	131,684	86,227
Dividend payable	42,715	68,363
Other payables	2,774,212	1,852,255
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	398,982	447,524
Other current liabilities	4,000,000	500,000
Total current liabilities	<u>66,849,219</u>	<u>42,815,092</u>

Non-current liabilities:

Long term borrowings	230,535	203,724
Bonds payable	4,000,000	4,000,000
Long term payables	1,557	1,557
Specific payables	40,356	42,742
Projected liabilities	975,354	411,696
Deferred income tax liabilities	9,311	12,899
Other non-current liabilities	2,469,213	2,404,248

Total non-current liabilities	<u>7,726,326</u>	<u>7,076,866</u>
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Total liabilities	<u>74,575,545</u>	<u>49,891,958</u>
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Owners' equity (or shareholders' equity):

Paid-up capital (or share capital)	11,840,000	11,840,000
Capital reserve	2,605,934	2,734,180
Less: treasury shares	0	
Special reserve	0	
Surplus reserve	288,658	288,658
General risk provision	0	
Retained earnings	6,771,102	4,427,545
Foreign currency translation differences	-30,880	-22,711
Total equity attributable to the equity holder of the parent company	21,474,814	19,267,672
Minority interests	5,985,500	4,600,912
Total owners' equity	<u>27,460,314</u>	<u>23,868,584</u>

Total liabilities and owners' equity	<u>102,035,859</u>	<u>73,760,542</u>
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<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

Balance Sheet of the Parent Company

30 September 2011

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	1,416,208.00	4,594,774
Financial assets held-for-trading		
Bills receivable		
Accounts receivable		
Funds paid in advance		
Interests receivable	112,226.00	38,215
Dividends receivable		880,488
Other receivables	9,768,101.00	5,740,154
Inventories		
Non-current assets due within one year		
Other current assets		
Total current assets	<u>11,296,535.00</u>	<u>11,253,631</u>
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables	279,000.00	259,000
Long-term equity investment	23,299,926.00	22,884,343
Investment property		
Fixed assets	10,159.00	13,094
Construction in progress	5,003.00	1,783
Construction materials		
Disposals of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	21,929.00	20,581
Development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets	93,000.00	362,185
Total non-current assets	<u>23,709,017.00</u>	<u>23,540,986</u>
Total assets	<u>35,005,552.00</u>	<u>34,794,617</u>

Current liabilities:

Short term borrowings	5,445,000	2,380,000
Financial liabilities held-for-trading		
Bills payable		
Accounts payable		
Funds received in advance		
Staff remuneration payable	7,693	7,348
Taxes payable	1,992	1,169
Interest payable	121,211	79,381
Dividend payable		
Other payables	1,718,702	7,115,352
Non-current liabilities due within one year	100,000	
Other current liabilities	3,000,000	
Total current liabilities	<u>10,394,598</u>	<u>9,583,250</u>

Non-current liabilities:

Long-term borrowings		100,000
Bonds payable	4,000,000	4,000,000
Long term payables		
Specific payables		
Projected liabilities		
Deferred income tax liabilities		
Other non-current liabilities	12,510	14,629
Total non-current liabilities	4,012,510	4,114,629
Total liabilities	<u>14,407,108</u>	<u>13,697,879</u>

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

Paid-up capital (or share capital)	11,840,000	11,840,000
Capital reserve	7,242,739	7,222,642
Less: Treasury shares		0
Special reserve		0
Surplus reserve	288,658	288,658
General risk provision		0
Retained earnings	1,227,047	1,745,438
Total owners' equity (or shareholders' equity)	<u>20,598,444</u>	<u>21,096,738</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>35,005,552</u>	<u>34,794,617</u>

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 the 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	18,537,412	15,091,108	58,664,737	43,271,693
Including: Revenue from operations	18,537,412	15,091,108	58,664,737	43,271,693
Interest income				
Premiums earned				
Handling charges and commission income				
II. Total cost of sales	17,507,556	14,187,761	55,004,975	40,900,783
Including: Operating cost	15,116,348	12,379,662	47,867,961	35,825,881
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	91,721	35,490	288,786	141,014
Selling expenses	480,684	396,311	1,694,260	1,092,712
Administrative expenses	1,564,057	1,261,074	4,422,568	3,428,433
Finance costs	229,183	76,213	604,878	258,986
Asset impairments loss	25,563	39,011	126,522	153,757
Add: Gains from changes in fair value (loss is represented by “-”)	-7,650	3,536	-9,613	-2,850
Investment income (loss is represented by “-”)	101,824	109,622	419,740	307,101

	Including: Gains from investment in associates and joint ventures	100,943	95,722	415,993	263,650
	Gains from foreign currency exchange (loss is represented by “-”)				
III.	Profit from operations (loss is represented by “-”)	1,124,030	1,016,505	4,069,889	2,675,161
Add:	Non-operating income	102,977	32,900	257,194	162,328
Less:	Non-operating expense	19,397	14,021	36,118	28,739
	Including: Loss from disposal of non-current assets	4,355	3,964	8,771	7,927
IV.	Total profit (total loss is represented by “-”)	1,207,610	1,035,384	4,290,965	2,808,750
Less:	Income tax expenses	154,528	149,697	618,625	431,666
V.	Net profit (net loss is represented by “-”)	1,053,082	885,687	3,672,340	2,377,084
	Net profit attributable to the equity holder of the parent company	772,610	704,522	2,817,156	1,809,195
	Minority interests	280,472	181,165	855,184	567,889
VI.	Earnings per share:				
(I)	Basic earnings per share	0.07	0.06	0.24	0.15
(II)	Diluted earnings per share	0.07	0.06	0.24	0.15
VII.	Other comprehensive income	-84,911	0	-85,058	-21,436
VIII.	Total comprehensive income	968,171	885,687	3,587,282	2,355,648
	Total comprehensive income attributable to the equity holder of the parent company	715,904	704,520	2,759,464	1,796,342
	Total comprehensive income attributable to minority interests	252,267	181,167	827,818	559,306

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 the 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. Revenue from operations	65,700	30,968	121,232	51,500
Less: Operating cost	3,703		5,635	20,532
Business tax and surcharges	3,613	2,833	6,668	2,871
Selling expenses	637	511	3,300	1,309
Administrative expenses	21,002	37,799	81,261	86,523
Finance costs	32,484	-7,527	69,137	29,276
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 “-”)	4,261	-2,648	-44,769	-89,011
Add: Non-operating income				
Less: Non-operating expense		-32	21	
Including: Loss from disposal of non-current assets		-32	21	
III. Total profit (total loss is represented by “-”)	4,261	-2,616	-44,790	-89,011
Less: Income tax expenses				
IV. Net profit (net loss is represented by “-”)	4,261	-2,616	-44,790	-89,011
V. Earnings per share:				
(I) Basic earnings per share				
(II) Diluted earnings per share				
VI. Other comprehensive income				
VII. Total comprehensive income				

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 2011

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	41,849,735	45,415,781
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	150,463	81,634
Other cash received from activities related to operation	460,710	500,643
Sub-total of cash inflows from operating activities	42,460,908	45,998,058
Cash paid for goods purchased and service rendered	44,734,310	36,229,534
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	4,830,543	3,628,720
Taxes paid	3,290,651	1,979,893
Other cash paid for activities relating to operation	2,592,590	3,447,447
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Sub-total of cash outflow from operating activities	55,448,094	45,285,594
	<hr/> <hr/>	<hr/> <hr/>
Net cash flows from operating activities	-12,987,186	712,464
	<hr/> <hr/>	<hr/> <hr/>
II. Cash flow from investment activities:		
Cash received from disposal of investments	5,484	175,234
Cash received from gains in investments	285,911	268,522
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	74,013	79,696
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received relating to investment activities	23,130	
Sub-total of cash inflows from investment activities	388,538	523,452
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	2,723,658	3,187,237
Cash paid for investment	1,620,785	153,475
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other operating entities		
Other cash paid related to investment activities		
Sub-total of cash outflow from investment activities	4,344,443	3,340,712
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Net cash flow from investment activities	-3,955,905	-2,817,260
	<hr/> <hr/>	<hr/> <hr/>

III. Cash flow from financing activities		
Proceeds received from investments	118,860	821,290
Including: Proceeds received by		
subsidiaries from minority		
shareholder's investment	118,860	821,290
Cash received from borrowings	16,596,686	6,574,947
Cash received from issue of bonds		
Cash received relating to		
other financing activities		127
Sub-total of cash inflow		
from financing activities	16,715,546	7,396,364
Repayments of borrowing	5,033,729	5,769,502
Cash payments for dividend and		
profit distribution or interest repayment	892,521	745,309
Including: Dividend and profit paid by		
subsidiary to minority		
shareholders	47,035	228,299
Other cash paid relating		
to financing activities	20,250	6,427
Sub-total of cash outflow		
from financing activities	5,946,500	6,521,238
	10,769,046	875,126
IV. Effect on cash and cash equivalents due to changes in foreign exchange rates	-5,179	-18,187
V. Net increase in cash and cash equivalents	-6,179,224	-1,247,857
Add: Balance of cash and cash		
equivalents at the beginning		
of the reporting period	13,708,200	11,029,569
VI. Balance of cash and cash equivalents at the end of the reporting period	7,528,976	9,781,712
<i>Legal representative:</i>	<i>Person-in-charge of</i>	<i>Head of the</i>
Zhao Xiaogang	<i>accounting affairs:</i>	<i>accounting department:</i>
	Zhan Yanjing	Xu Weifeng

Cash Flow Statement of the Parent Company

January to September 2011

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	121,232	51,500
Tax rebates		
Other cash received from activities related to operation	427,946	1,163,997
Sub-total of cash inflow from operating activities	549,178	1,215,497
Cash paid for goods purchased and service rendered	5,635	20,532
Cash paid to and on behalf of employees	39,725	30,785
Taxes paid	13,580	18,560
Other cash paid for activities related to operation	9,113,636	169,769
Sub-total of cash outflow from operating activities	9,172,576	239,646
Net cash flow from operating activities	<u><u>-8,623,398</u></u>	<u><u>975,851</u></u>

II. Cash flow from investment activities:

Cash received from disposal of investments	1,000,080	
Cash received from gains in investments	131,558	246,967
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	1,131,638	246,967
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	8,643	12,611
Cash paid for investment	1,000,080	2,386,200
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	1,008,723	2,398,811
Net cash flow from investment activities	122,915	-2,151,844

III. Cash flow from financing activities

Proceeds received from investments		
Cash received from borrowings	8,950,000	4,060,000
Cash received from issue of bonds		
Cash received relating to other financing activities	3,000,000	
Sub-total of cash inflow from financing activities	11,950,000	4,060,000
Repayments of borrowing	5,885,000	2,500,000
Cash payments for dividend and profit distribution or interest repayment	713,447	465,191
Other cash paid relating to financing activities	15,750	
Sub-total of cash outflow from financing activities	6,614,197	2,965,191
Net cash flow from financing activities	5,335,803	1,094,809

IV. Effect on cash and cash equivalents		
due to changes in foreign exchange rates	-9,544	-13,929
V. Net increase in cash and cash equivalents	-3,174,224	-95,113
Add: Balance of cash and cash		
equivalents at the beginning		
of the reporting period	4,590,430	4,342,201
VI. Balance of cash and cash equivalents		
at the end of the reporting period	1,416,206	4,247,088

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

By order of the Board
CSR Corporation Limited
Zhao Xiaogang
Chairman

Beijing, the PRC
28 October 2011

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