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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)

## **2012 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 2012 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 2012, the Company recorded revenue from operations of RMB19,203,301,000, with net profits attributable to shareholders of the Company amounting to RMB1,071,459,000.

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 severally and jointly 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 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	Change as of the end of the reporting period as compared to the end of last year (%)
Total assets ( <i>RMB'000</i> )	98,475,146	92,786,391	6.13
Owners' equity (or shareholders' equity) ( <i>RMB'000</i> )	32,358,023	22,561,630	43.42
Net assets per share attributable to shareholders of the Company ( <i>RMB/share</i> )	2.34	1.91	22.51
		From the beginning of the year to the end of the reporting period	Change as compared to the same period last year (%)
Net cash flow from operating activities ( <i>RMB'000</i> )		-5,766,110	N/A
Net cash flow per share from operating activities ( <i>RMB/share</i> )		-0.42	N/A

	The reporting period	From the beginning of the year to the end of the reporting period	Change as compared to the same period last year (%)
Net profits attributable to shareholders of the Company (RMB'000)	1,071,459	1,071,459	13.31
Basic earnings per share (RMB/share)	0.09	0.09	12.5
Basic earnings per share after non-recurring gains or losses (RMB/share)	0.08	0.08	0
Diluted earnings per share (RMB/share)	0.09	0.09	12.5
Return on net assets (weighted average) (%)	3.9	3.9	Decreased by 0.9 percentage point
Return on net assets after non-recurring gains or losses (weighted average) (%)	3.71	3.71	Decreased by 0.91 percentage point

### **Deducting non-recurring gain or loss items and amounts:**

*Unit: RMB'000    Currency: RMB*

<b>Item</b>	<b>Amount</b>
Profit or loss on disposal of non-current assets	-141
Government subsidies recognized in current profit and loss, (excluding those closely related to the Company's normal operations and granted on an ongoing basis under the State's policies according to certain standard amount or quantity)	71,885
Non-operating income and expenses except items above	-108
Effect on income tax	-11,186
Effect on minority interests (after tax)	-7,236
Total	<u><u>53,214</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	310,614 (including 307,944 holders of A shares and 2,670 holders of H shares)
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## 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	Class of shares
CSR Group(中國南車集團公司)	6,425,714,285	Ordinary shares denominated in RMB
HKSCC NOMINEES LIMITED	2,017,157,839	Overseas listed foreign invested shares
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)	168,114,207	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)	109,020,749	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 — 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)	78,000,000	Ordinary shares denominated in RMB
CITIC Securities Company Limited (中信證券股份有限公司)	69,999,627	Ordinary shares denominated in RMB
Agricultural Bank of China — China Post Core Selective Stock Investment Fund (中國農業銀行 — 中郵核心優選股票型證券投資基金)	46,360,000	Ordinary shares denominated in RMB
Industrial and Commercial Bank of China — SSE 50 Trading Index Stock Investment Open-ended Fund (中國工商銀行 — 上證50交易型開放式指數證券投資基金)	39,949,450	Ordinary shares denominated in RMB
New China Life Insurance Company Limited — Dividend — Group Dividend — 018L — FH001Shanghai (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

*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. Financial assets held-for-trading decreased by RMB26,185,000 or 54.97% as compared with those at the beginning of the year, mainly due to the Company's settlement of foreign exchange contracts that expired;

2. Bills receivable decreased by RMB1,761,387,000 or 41.92% as compared with those at the beginning of the year, mainly due to the Company's endorsement of bills receivable and settlement of these bills receivable due at the beginning of the year;
3. Accounts receivable increased by RMB7,194,910,000 or 52.56% as compared with those at the beginning of the year, mainly due to the decrease in payment from the Company's customers in the first quarter;
4. Other current assets increased by RMB355,607,000 or 55.09% as compared with those at the beginning of the year, mainly due to increase in the Company's wealth management products with banks in the first quarter;
5. Receipts in advance decreased by RMB3,361,776,000 or 45.38% as compared with those at the beginning of the year, mainly due to the delivery of relevant products which offset the receipts in advance of the Company in the first quarter;
6. Taxes payable decreased by RMB446,149,000 or 31.27% as compared with those at the beginning of the year, mainly due to the payment of value added tax and enterprise income tax by the Company in the first quarter;
7. Non-current liabilities due within one year increased by RMB1,671,247,000 or 59.23% as compared with those at the beginning of the year, mainly due to the fact that the RMB2 billion mid-term notes due within one year were categorized as current liabilities instead of non-current liabilities by the Company;
8. Capital reserve increased by RMB6,761,533,000 or 255.44% as compared with that at the beginning of the year, mainly due to the completion of refinancing by the Company which led to the increase in premium on share capital in the first quarter;
9. Revenue decreased by RMB989,655,000 or 4.90% as compared with that for the same period last year, mainly due to the delay of tender by major customers, which led to the decrease in revenue from the locomotive segment and passenger carriage segment as compared with that for the same period last year;
10. Administrative expenses increased by RMB247,366,000 or 17.64% as compared with those for the same period last year, mainly due to 1) the increase in expenses of research and development of the Company; 2) corresponding growth in expenses such as the increase in management's remuneration as well as depreciation and amortization expenses of management bodies resulting from enlarged operation scale and increased business volume of the Company;
11. Asset impairment loss decreased by RMB25,034,000 or 44.79% as compared with that for the same period last year, mainly due to the decrease in provisions for bad debts made by the Company in the first quarter;

12. Losses from changes in fair value decreased by RMB865,000 or 89.92% as compared with those for the same period last year, mainly due to a less significant decrease in the drop of the fair value of financial assets held-for-trading as compared with that for the same period last year;
13. Investment income decreased by RMB51,720,000 or 54.13% as compared with that for the same period last year, mainly due to the decrease in the share of profits of joint ventures and associates of the Company on basis of the equity method in the first quarter;
14. Non-operating income increased by RMB38,532,000 or 68.44% as compared with that for the same period last year, mainly due to the increase in government subsidies being transferred to non-operating income following the completion of projects subsidized by the government;
15. Minority interests decreased by RMB147,649,000 or 43.64% as compared with those for the same period last year, mainly due to the decrease in net profit of non-wholly owned subsidiaries in the first quarter as compared with that for the same period last year;
16. The deficit of net cash flow from operating activities decreased by RMB1,303,686,000 or 18.44% as compared with that for the same period last year, mainly due to the increase in cash received from sales of goods and provision of labor by the Company;
17. The deficit of net cash flow from investment activities increased by RMB401,013,000 or 29.03% as compared with that for the same period last year, mainly due to the increase in long-term equity investment and wealth management products of the Company;
18. Net cash flow from financing activities increased by RMB3,615,900,000 or 99.90% as compared with that for the same period last year, mainly due to the obtaining of funds of RMB8.7 billion through refinancing by the Company in the first quarter.

### **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 annual report of the Company. During the reporting period, there was no other progress pertaining to this matter.

## 2. Non-public issue of A shares

The 8th meeting of the second session of Board was held on 16 September 2011, at which proposals including, among others, the Proposal in Relation to the Non-public Issue of A Shares of the Company was considered and approved. The aforesaid non-public issue was considered and approved by Shareholders at the 2011 second extraordinary general meeting of the Company and approved by SASAC. On 11 January 2012, the above-mentioned non-public issue of the Company was approved by the Public Offering Review Committee of CSRC. On 23 February 2012, the Company received from CSRC the Reply Letter in Relation to the Approval on the Non-public Issue of Shares by CSR Corporation Limited (Zheng Jian Xu Ke [2012] No.210), which granted the approval on the non-public issue of not more than 1,963 million A shares by the Company to not more than ten target subscribers. On 15 March 2012, the Company completed share registration in relation to the non-public issue with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司上海分公司). Details of the non-public issue were set out in the relevant announcements of the Company dated 17 March 2012 and published in the China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily and on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

### 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 undertaking with regard to the restructuring of South Huiton is as follows: there will be a proposed restructuring in CSRG's equity interest and relevant assets in South Huiton. This includes but 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 in relation to the freight wagon businesses 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 negotiation based on the result of assets valuation. Necessary approval procedures for such assets transfer will be complied with as required by both domestic and overseas regulatory bodies.
  - (2) 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 pre-emptive 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 arising from the failure in fulfilling undertakings 1) to 3) as described above.

On 29 January 2011, the Company published the Announcement on CSRG's Undertaking Regarding South Huiton, stating that it received from CSRG, its substantial 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 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.

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

## 2. Undertaking on building ownership problems

The Company has not yet obtained proper property ownership certificates for 114 properties with a total gross floor area of approximately 73,585.58 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 the urban planning in those cities, 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 in the future. 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 were unable to obtain the property ownership certificates due to objective reasons, all the remaining properties have obtained property



ownership certificates. For details about relocation of Shijiangzhuang Company, please refer to relevant announcements of the Company dated 6 August 2011 and 17 March 2012 and 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. Other undertakings

CSRG undertook to voluntarily subject 6,422,914,285 tradable shares subject to trading moratorium it holds in the Company, which have been relieved from such trading moratorium on 18 August 2011, to another three-year lock-up period (i.e. from 18 August 2011 to 17 August 2014) commencing from 18 August 2011. During the lock-up period, such shares held by CSRG shall not be sold or transferred through the Shanghai Stock Exchange.

The non-public issue of A shares by the Company to not more than ten target subscribers, including CSRG, its controlling shareholder, had completed in March 2012. The Company completed share registration in relation to the non-public issue with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司上海分公司) on 15 March 2012. CSRG, the controlling shareholder of the Company, undertook that the shares it subscribed for under the non-public issue shall not be transferred within 36 months from the date of completion of the non-public issue.

During the reporting period, CSRG, the controlling shareholder of the Company, complied with all the foregoing undertakings.

### **3.4 Warning and explanations as to accumulated net loss (if any) expected to be recorded from the beginning of the year to the end of the next reporting period or material changes as compared with the same 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, relevant fiscal policies and the Articles of Association, taking into consideration the financial position of the Company, the Board proposed a distribution plan for 2011 as follows: a profit distribution to shareholders of RMB1.8 (tax inclusive) per 10 shares. The distribution plan is subject to consideration and approval at the general meeting of the Company.

## 4 APPENDIX

### 4.1 Consolidated Balance Sheet

31 March 2012

Prepared by: CSR Corporation Limited

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

Item	Closing balance	Opening balance
<b>Current assets:</b>		
Cash and bank balances	22,962,270	23,730,328
Balances with clearing companies		
Placements with banks and other financial institutions	21,450	47,635
Financial assets held-for-trading	2,440,064	4,201,451
Bills receivable	20,884,326	13,689,416
Accounts receivable	2,981,125	2,419,029
Funds paid in advance		
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance treaty		
Interests receivable		
Dividends receivable	13,361	11,249
Other receivables	1,244,437	989,574
Purchases of resold financial assets		
Inventories	17,223,092	17,841,991
Non-current assets due within one year	23,639	31,153
Other current assets	1,001,125	645,518
Total current assets	<u>68,794,889</u>	<u>63,607,344</u>
<b>Non-current assets:</b>		
Loans and advances granted		
Available-for-sale financial assets	239,468	244,204
Held-to-maturity investments		
Long-term receivables	10,410	10,410
Long-term equity investment	2,333,098	2,095,777
Investment property		
Fixed assets	17,748,584	17,820,180
Construction in progress	3,835,954	3,554,151
Construction materials	463	463
Disposals of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	4,850,894	4,814,041
Development expenditure	49,708	41,027

Goodwill	52,339	53,972
Long-term deferred expenses	26,519	26,130
Deferred income tax assets	374,797	362,558
Other non-current assets	158,023	156,134
Total non-current assets	<u>29,680,257</u>	<u>29,179,047</u>
Total assets	<u><u>98,475,146</u></u>	<u><u>92,786,391</u></u>
<b>Current liabilities:</b>		
Short term borrowings	8,589,073	9,889,169
Borrowings from central bank Deposit taking and deposit in inter-bank market		
Placements funds		
Financial liabilities held-for-trading		
Bills payable	6,333,197	6,616,548
Accounts payable	22,763,092	21,238,995
Funds received in advance	4,046,881	7,408,657
Funds from disposal of repurchased financial assets		
Handling charges and commissions payable		
Staff remuneration payable	563,542	471,842
Taxes payable	980,403	1,426,552
Interest payable	215,436	216,794
Dividend payable	76,123	78,326
Other payables	2,355,209	3,016,538
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	4,492,758	2,821,511
Other current liabilities	<u>6,000,000</u>	<u>6,000,000</u>
Total current liabilities	<u><u>56,415,714</u></u>	<u><u>59,184,932</u></u>
<b>Non-current liabilities:</b>		
Long term borrowings	386,171	325,097
Bonds payable	2,000,000	
Long term payables		
Specific payables		
Projected liabilities	954,195	832,116
Deferred income tax liabilities	22,586	26,788
Other non-current liabilities	2,590,292	2,329,541
Total non-current liabilities	<u>3,953,244</u>	<u>5,513,542</u>
Total liabilities	<u><u>60,368,958</u></u>	<u><u>64,698,474</u></u>

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

Paid-up capital (or share capital)	<b>13,803,000</b>	11,840,000
Capital reserve	<b>9,408,505</b>	2,646,972
Less: treasury shares		
Special reserve		
Surplus reserve	<b>496,596</b>	496,596
General risk provision		
Retained earnings	<b>8,681,619</b>	7,610,160
Foreign currency translation differences	<b>-31,697</b>	-32,098
Total equity attributable to the equity holder of the parent company	<b>32,358,023</b>	22,561,630
Minority interests	<b>5,748,165</b>	5,526,287
Total owners' equity	<b>38,106,188</b>	28,087,917
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Total liabilities and owners' equity	<b>98,475,146</b>	92,786,391
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<i>Legal representative:</i>	<i>Person-in-charge of accounting affairs:</i>	<i>Head of the accounting department:</i>
<b>Zhao Xiaogang</b>	<b>Zhan Yanjing</b>	<b>Xu Weifeng</b>

**Balance Sheet of the Parent Company***31 March 2012*

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>13,907,063</b>	11,715,979
Financial assets held-for-trading		
Bills receivable		
Accounts receivable		
Funds paid in advance		
Interests receivable	<b>101,585</b>	21,131
Dividends receivable	<b>349,230</b>	934,291
Other receivables	<b>7,891,452</b>	6,503,154
Inventories		
Non-current assets due within one year		
Other current assets	<b>87</b>	33
	<hr/>	<hr/>
Total current assets	<b>22,249,417</b>	19,174,588
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**Non-current assets:**

Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables	279,000	279,000
Long-term equity investment	23,603,595	23,403,595
Investment property		
Fixed assets	10,492	11,103
Construction in progress	4,531	5,067
Construction materials		
Disposals of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	21,830	22,185
Development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets	22,552	22,430
Total non-current assets	23,942,000	23,743,380
Total assets	46,191,417	42,917,968

**Current liabilities:**

Short term borrowings	3,350,000	4,910,000
Financial liabilities held-for-trading		
Bills payable		
Accounts payable		
Funds received in advance		
Staff remuneration payable	11,249	20,425
Taxes payable	142	299
Interest payable	209,724	177,470
Dividend payable		
Other payables	2,110,659	5,963,178
Non-current liabilities due within one year	4,100,000	2,100,000
Other current liabilities	5,000,000	5,000,000
Total current liabilities	14,781,774	18,171,372

**Non-current liabilities:**

Long-term borrowings		
Bonds payable		2,000,000
Long term payables		
Specific payables		
Projected liabilities		
Deferred income tax liabilities		
Other non-current liabilities	10,828	11,960
Total non-current liabilities	10,828	2,011,960
Total liabilities	14,792,602	20,183,332

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

Paid-up capital (or share capital)	<b>13,803,000</b>	11,840,000
Capital reserve	<b>13,995,114</b>	7,258,709
Less: Treasury shares		
Special reserve		
Surplus reserve	<b>496,200</b>	496,200
General risk provision		
Retained earnings	<b>3,104,501</b>	3,139,727
Total owners' equity (or shareholders' equity)	<b>31,398,815</b>	22,734,636
Total liabilities and owners' equity (or shareholders' equity)	<b>46,191,417</b>	42,917,968

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

**4.2 Consolidated Income Statement***January to March 2012*

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 same period last year</b>
<b>I. Total operating revenue</b>	<b>19,203,301</b>	20,192,956
Including: Revenue from operations	<b>19,203,301</b>	20,192,956
Interest income		
Premiums earned		
Handling charges and commission income		
<b>II. Total cost of sales</b>	<b>17,853,619</b>	18,817,130
Including: Operating cost	<b>15,479,927</b>	16,610,452
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>84,020</b>	112,897
	Selling expenses	<b>498,803</b>	514,087
	Administrative expenses	<b>1,649,599</b>	1,402,233
	Finance costs	<b>110,415</b>	121,572
	Asset impairments loss	<b>30,855</b>	55,889
Add:	Gains from changes in fair value (loss is represented by “—”)	<b>-97</b>	-962
	Investment income (loss is represented by “—”)	<b>43,821</b>	95,541
	Including: Gains from investment in associates and joint ventures	<b>39,495</b>	94,618
	Gains from foreign currency exchange (loss is represented by “—”)		
<b>III. Profit from operations</b>	<b>(loss is represented by “—”)</b>	<b>1,393,406</b>	1,470,405
Add:	Non-operating income	<b>94,835</b>	56,303
Less:	Non-operating expense	<b>7,531</b>	5,930
	Including: Loss from disposal of non-current assets	<b>911</b>	301
<b>IV. Total profit (total loss is represented by “—”)</b>		<b>1,480,710</b>	1,520,778
Less:	Income tax expenses	<b>218,538</b>	236,838
<b>V. Net profit (net loss is represented by “—”)</b>		<b>1,262,172</b>	1,283,940
	Net profit attributable to the equity holder of the parent company	<b>1,071,459</b>	945,578
	Minority interests	<b>190,713</b>	338,362
<b>VI. Earnings per share:</b>			
(I)	Basic earnings per share	<b>0.09</b>	0.08
(II)	Diluted earnings per share	<b>0.09</b>	0.08
<b>VII. Other comprehensive income</b>		<b>-4,308</b>	879
<b>VIII. Total comprehensive income</b>		<b>1,257,864</b>	1,284,819
	Total comprehensive income attributable to the equity holder of the parent company	<b>1,067,151</b>	944,570
	Total comprehensive income attributable to minority interests	<b>190,713</b>	340,249
<i>Legal representative:</i>	<i>Person-in-charge of accounting affairs:</i>		<i>Head of the accounting department:</i>
<b>Zhao Xiaogang</b>	<b>Zhan Yanjing</b>		<b>Xu Weifeng</b>

## Income Statement of the Parent Company

January to March 2012

Prepared by: CSR Corporation Limited

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

Item	Amount for the reporting period	Amount for the same period last year
<b>I. Revenue from operations</b>		20,532
Less: Operating cost		2,541
Business tax and surcharges		
Selling expenses	2,070	1,666
Administrative expenses	21,188	27,725
Finance costs	11,967	-12,221
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		
<b>II. Profit from operations     (loss is represented by “—”)</b>	<b>-35,225</b>	821
Add: Non-operating income		
Less: Non-operating expense		21
Including: Loss from disposal of non-current assets		
<b>III. Total profit (total loss is represented by “—”)</b>	<b>-35,225</b>	800
Less: Income tax expenses		
<b>IV. Net profit     (net loss is represented by “—”)</b>	<b>-35,225</b>	800
<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:  
**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 2012

Prepared by: CSR Corporation Limited

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

<b>Item</b>	<b>Amount for reporting period</b>	<b>Amount for the same period last year</b>
<b>I. Cash flow from operating activities</b>		
Cash received from sales of goods and provision of services	<b>13,654,315</b>	12,052,888
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	<b>133,455</b>	22,530
Other cash received from activities related to operation	<b>442,668</b>	395,681
Sub-total of cash inflows from operating activities	<b>14,230,438</b>	12,471,099
Cash paid for goods purchased and service rendered	<b>15,167,260</b>	15,011,054
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>1,821,805</b>	1,789,573
Taxes paid	<b>1,450,757</b>	1,047,417
Other cash paid for activities relating to operation	<b>1,556,726</b>	1,692,851
Sub-total of cash outflow from operating activities	<b>19,996,548</b>	19,540,895
Net cash flows from operating activities	<b>-5,766,110</b>	-7,069,796

<b>II. Cash flow from investment activities:</b>		
Cash received from disposal of investments	<b>300,000</b>	
Cash received from gains in investments	<b>12,018</b>	923
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<b>3,320</b>	3,938
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received relating to investment activities		
Sub-total of cash inflows from investment activities	<b>315,338</b>	4,861
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	<b>941,041</b>	1,116,709
Cash paid for investment	<b>1,156,747</b>	269,589
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	<b>2,097,788</b>	1,386,298
Net cash flow from investment activities	<b>-1,782,450</b>	-1,381,437
<b>III. Cash flow from financing activities</b>		
Proceeds received from investments	<b>8,720,831</b>	431,980
Including: Proceeds received by subsidiaries from minority shareholder's investment	<b>24,000</b>	411,520
Cash received from borrowings	<b>1,851,640</b>	4,960,673
Cash received from issue of bonds		
Cash received relating to other financing activities	<b>2,575</b>	
Sub-total of cash inflow from financing activities	<b>10,575,046</b>	5,392,653
Cash paid for repayment of debts	<b>3,090,662</b>	1,675,642
Cash payments for dividend and profit distribution or interest repayment	<b>248,320</b>	97,600
Including: Dividend and profit paid by subsidiary to minority shareholders	<b>17,734</b>	
Other cash paid relating to financing activities	<b>753</b>	
Sub-total of cash outflow from financing activities	<b>3,339,735</b>	1,773,242
Net cash flow from financing activities	<b>7,235,311</b>	3,619,411
<b>IV. Effect on cash and cash equivalents due to changes in foreign exchange rates</b>	<b>1,656</b>	-5,179
<b>V. Net increase in cash and cash equivalents</b>	<b>-311,593</b>	-4,837,001
Add: Balance of cash and cash equivalents at the beginning of the period	<b>21,975,876</b>	13,722,752
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b>21,664,283</b>	8,885,751

*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 March 2012

Prepared by: CSR Corporation Limited

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

Item	Amount for reporting period	Amount for the same period last year
<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 related to operation	20,676	21,900
Sub-total of cash inflow from operating activities	20,676	21,900
Cash paid for goods purchased and service rendered	51	
Cash paid to and on behalf of employees	17,256	15,188
Taxes paid	3,543	3,628
Other cash paid for activities related to operation	4,861,402	3,963,179
Sub-total of cash outflow from operating activities	4,882,252	3,981,995
Net cash flow from operating activities	-4,861,576	-3,960,095
<b>II. Cash flow from investment activities:</b>		
Cash received from disposal of investments		
Cash received from gains in investments	89,405	147,828
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	89,405	147,828
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	379	688
Cash paid for investment	200,000	
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	200,379	688
Net cash flow from investment activities	-110,974	147,140

<b>III. Cash flow from financing activities</b>		
Proceeds received from investments	<b>8,699,405</b>	
Cash received from borrowings	<b>1,930,000</b>	
Cash received from issue of bonds		
Cash received relating to other financing activities	<b>2,575</b>	
Sub-total of cash inflow from financing activities	<b>8,701,980</b>	1,930,000
Cash paid for repayment of debts	<b>1,560,000</b>	600,000
Cash payments for dividend and profit distribution or interest repayment	<b>97,392</b>	112,240
Other cash paid relating to financing activities	<b>753</b>	
Sub-total of cash outflow from financing activities	<b>1,658,145</b>	712,240
Net cash flow from financing activities	<b>7,043,835</b>	1,217,760
<b>IV. Effect on cash and cash equivalents due to changes in foreign exchange rates</b>	<b>-207</b>	-6,477
<b>V. Net increase in cash and cash equivalents</b>	<b>2,071,078</b>	-2,601,672
Add: Balance of cash and cash equivalents at the beginning of the reporting period	<b>10,711,632</b>	4,590,430
<b>VI. Balance of cash and cash equivalents at the end of the reporting period</b>	<b>12,782,710</b>	1,988,758

*Legal representative:*  
**Zhao Xiaogang**

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

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

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

Beijing, the PRC  
25 April 2012

*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.*