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中國南車股份有限公司

CHINA SOUTH LOCOMOTIVE & ROLLING STOCK CORPORATION LIMITED

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

(Stock Code: 1766)

2009 FIRST QUARTERLY REPORT

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

The Company's unaudited results for the first quarter ended 31 March 2009 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 2009, the Company recorded revenue from operations of RMB7,374,971,187.77, with net profits attributable to shareholders of the Company amounting to RMB192,840,929.35.

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 board of supervisors, the directors, supervisors and senior management of the Company warrant that this report contains no false representation, misleading statements 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 first quarterly financial report of the Company is unaudited.
- 1.4 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</i>)	47,097,290,063.41	45,488,674,174.00	3.54
Equity attributable to shareholders of the Company (<i>RMB</i>)	16,256,661,509.91	16,056,069,518.00	1.25
Net assets per share attributable to shareholders of the Company (<i>RMB</i>)	1.37	1.36	0.74

	From the beginning of the year to the end of the reporting period	Change as compared to the corresponding period of last year (%)	
Net cash flow from operating activities (<i>RMB</i>)	-1,272,120,193.30	56.42	
Net cash flow per share from operating activities (<i>RMB</i>)	-0.11	74.24	
	The reporting period	From the beginning of the year to the end of the reporting period	Change from the corresponding period of last year (%)
Net profit attributable to shareholders of the Company (<i>RMB</i>)	192,840,929.35	192,840,929.35	-47.53
Earnings per share (basic) (<i>RMB</i>)	0.02	0.02	-60.00
Basic earnings per share after non-recurring gains or losses (<i>RMB</i>)	0.02	0.02	-60.00
Return on net assets (fully diluted) (%)	1.19	1.19	-84.74
Return on net assets after non-recurring gains or losses (fully diluted) (%)	1.09	1.09	-85.47

Items after non-recurring gains or losses and amounts:

	Amount from the beginning of the year to the end of the reporting period (RMB)
Items of non-recurring gains or losses	
Profit or loss on disposal of non-current assets	1,094,461.82
Government subsidies recorded in the current profit and loss (excluding continuously available government subsidies closely related to the Company's normal operations and of fixed amount or fixed quantity in accordance with the State's unified standards)	-13,761,891.68
Non-operating income/expenses other than above items	-3,989,217.50
Other non-recurring gains or losses	-1,458,367.21
Effect on minority interests	9,921.56
Effect on income tax	2,737,263.76
	<hr/>
Total	<u><u>-15,367,829.25</u></u>

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

Unit: Share

Total number of shareholders as at the end of the reporting period	340,061 (including 4,045 holders of H shares)
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Particulars of the ten shareholders with largest number 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 share
Industrial and Commercial Bank of China — Invesco-Great Wall New Growth Stock Investment Fund (中國工商銀行 — 景順長城新興成長股票型證券投資基金)	40,083,860	Ordinary shares denominated in RMB
Bank of China — Fortune SGAM Advanced Growth Fund (中國銀行 — 華寶興業先進成長股票型證券投資基金)	33,000,000	Ordinary shares denominated in RMB
Appollo (China) Co., Ltd	31,170,000	Ordinary shares denominated in RMB
Bank of China — China AMC Prime Securities Investment Fund (LOF) (中國銀行 — 華夏行業精選股票型證券投資基金)	28,673,000	Ordinary shares denominated in RMB

China Construction Bank — First State Cinda Leaders Growth Equity Fund (中國建設銀行 — 信達澳銀領先增長股票型證券投資基金)	20,000,000	Ordinary shares denominated in RMB
Industrial and Commercial Bank of China — China International Domestic Demand Motor Stock Investment Fund (中國工商銀行 — 上投摩根內需動力股票型證券投資基金)	20,000,000	Ordinary shares denominated in RMB
China Construction Bank — China AMC Prime Growth Stock Investment Fund (中國建設銀行 — 華夏優勢增長股票 型證券投資基金)	19,999,914	Ordinary shares denominated in RMB
Tai Kang Life Insurance Co., Ltd.- Bonus — Personal Bonus- 019L - FH002 Hu (泰康人壽保險股份有限公司 — 分紅 — 個人分紅 — 019L — FH002滬)	19,449,850	Ordinary shares denominated in RMB
Bosera Value Growth Stock Investment Fund (博時價值增長證券投資基金)	17,999,917	Ordinary shares denominated in RMB
Agricultural Bank of China — China AMC Stable Growth Mixed Stock Investment Fund (中國農業銀行 — 華夏平穩增長混合型證券投資基金)	17,000,000	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. Financial assets held-for-trading decreased by RMB100 million as compared with the beginning of the year, due to the full recovery during the reporting period of the financial assets held-for-trading and invested by CSR Times Electric, a subsidiary of the Company last year;
2. Bills receivable increased by RMB150 million (37.94%) as compared with the beginning of the year, due to the increase in bill settlement as a result of the increase in the business volume and the decrease in the bill discount rate;
3. Advances to suppliers increased by RMB1,783 million (50.16%) as compared with the beginning of the year, due to the increase in the advances as a result of the increase in the business volume and the fixed asset investment;
4. Other non-current assets decreased by RMB300 million as compared with the beginning of the year, due to the full recovery during the reporting period of finance products by CSR Times Electric, a subsidiary of the Company;
5. Bills payable increased by RMB1,345 million (43.01%) as compared with the beginning of the year, due to the increase in bill settlement as a result of the increase in the business volume and the decrease in the bill discount rate;
6. Tax payable decreased by RMB210 million (-359.66%) as compared with the beginning of the year, due to the large tax offset remaining as a result of the input tax on the fixed assets of the subsidiaries and the value added tax on the materials purchased during the reporting period;
7. Long-term loan decreased by RMB300 million (-46.15%), due to the repayment of bank borrowings;

8. Finance cost decreased by RMB113 million (-84.02%) as compared to the same period of last year, due to the increase in the interest income on fixed deposit of the proceeds from the issue of H Shares;
9. Net profit decreased by RMB124 million (-30.4%) as compared to the same period of last year, as a result of a decrease in gross profit margin arising from the slump in sales of freight wagon in the first quarter and the structural change in locomotive products. Also, as at the same time, the mass production of the new model of locomotives was still in its initial stage and the bulk delivery was yet to be made;
10. Cash flow generated from operating activities increased by RMB1,647 million or (56.42%) as compared to the same period of last year, due to the increase in the cash received from the sales of products and the provision of services and the better sales payment collection;
11. Cash flow generated from financing activities decreased by RMB215 million or (-43.44%) as compared to the same period of last year, due to the increase in the cash outflow from financing activities as a result of the repayment of bank borrowings in the first quarter.

3.2 Analysis and explanations of the progress of significant events and their impact and solution

Applicable Not Applicable

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

Applicable Not Applicable

1. China South Locomotive & Rolling Stock Industry (Group) Corporation (“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 on 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 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 negotiations based on the results of assets valuation. Necessary approval procedures for such assets transfer will be complied with as required by domestic and overseas regulatory bodies.

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

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

2. Beijing Railway Industry Trade Company ("BRIT"), a shareholder of the Company, made the following lock-up undertakings in the Prospectus in respect of the shares of the Company held by it:

Within 36 months from the date of the listing of the Company's A Shares on the Shanghai Stock Exchange, BRIT should not transfer or authorize others to manage its shareholdings in the Company, and the Company should not acquire such Shares.

During the reporting period, BRIT, a shareholder of the Company, fully fulfilled its undertakings as stated above.

3. As disclosed in the Prospectus, the Company has not yet obtained property ownership certificates for 326 buildings with a total gross floor area of 282,019.03 square meters (representing 7.85% of the total gross floor area of the buildings occupied by the Company). Of those 326 buildings, 125 buildings have not been granted property ownership certificates by the local governing authorities due to the implementation of the policy of “Leaving the City and Entering the Suburb” in Shijiazhuang and the changes in urban planning in Chengdu area. In respect of those buildings in Shijiazhuang which are subject to such urban planning, 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 not, due to urban planning, accept any applications for the planning permits in respect of the properties without property ownership certificates. In respect of those buildings 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. The remaining 201 buildings with a gross floor area of 195,396.80 square meters (representing 5.44% of the total gross floor area of the properties included in the listing scope) have not yet obtained property ownership certificates due to the fact that the relevant planning procedures or construction procedures have not yet been completed. As the land use rights of those 201 properties are owned by CSRG, there would be no disputes in their relevant use and operation. For the buildings without property ownership certificates, CSRG has undertaken in the Restructuring Agreement that, in respect of the assets injected by CSRG into the Company, including properties without proper ownership certificates due to incomplete planning or construction procedures, such properties should meet the requirements for the Company’s production and operational use and that it should assume all the responsibilities to compensate and indemnify the Company for all financial losses incurred in relation to such properties.

In respect of the 4 properties of a total gross floor area of 21,223.04 square meters rented by the Company, its subsidiaries and joint ventures in the PRC, the lessors have not yet been granted relevant property ownership certificates. For the properties of which the lessors have not yet been granted properties ownership certificates, CSRG undertook, at the Company's establishment, to compensate the Company for all losses (if any) arising from the failure to obtain the property ownership certificates of those buildings rented from CSRG. For the properties rented by the Company from any third parties other than CSRG, CSRG undertook to settle all disputes related to the leases of such properties, to bear all expenses related to the settlements of such disputes and to compensate the Company for all losses (if any) incurred therefrom.

During the reporting period, the Company and the lessors of the properties leased by the Company had been actively applying for property ownership certificates for those properties without ownership certificates.

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

Applicable Not Applicable

By order of the Board
China South Locomotive & Rolling Stock Corporation Limited
Zhao Xiaogang
Chairman

Beijing, the PRC
22 April 2009

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 2009

Prepared by: China South Locomotive & Rolling Stock Corporation Limited

Currency: RMB Type of Audit: Unaudited

Item	Closing balance	Opening balance
Current assets:		
Cash and Bank Balances	9,129,794,634.81	11,722,771,634.00
Balances with clearing companies		
Placements with banks and other financial institutions		
Financial assets held-for-trading		100,000,000.00
Bills Receivable	551,269,869.09	399,649,863.00
Accounts Receivable	6,957,638,966.37	5,995,582,717.00
Funds paid in advance	5,339,229,522.70	3,555,792,937.00
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance treaty		
Interests receivable		
Dividends receivable	22,888,194.77	2,296,375.00
Other receivables	557,505,594.34	559,629,668.00
Purchases of resold financial assets		
Inventories	9,796,033,772.44	8,389,453,135.00
Non-current assets due within one year		
Other current assets		300,000,000.00
Total current assets	32,354,360,554.52	31,025,176,329

Non-current assets:

Loans and advances granted		
Available-for-sale financial assets	8,970,149.82	7,746,147.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	661,623,917.98	594,009,485.00
Investment property		
Fixed assets	7,726,562,722.49	7,694,159,659.00
Construction in progress	2,705,820,758.43	2,547,942,659.00
Construction materials	4,715,502.16	607,066.00
Disposal of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	3,435,684,864.35	3,432,401,019.00
Development expenditure	55,946,964.07	42,919,160.00
Goodwill	56,742,277.00	56,742,277.00
Long-term deferred expenses	25,278,856.78	26,463,690.00
Deferred income tax assets	61,583,495.81	60,506,683.00
Other non-current assets		
Total non-current assets	14,742,929,508.89	14,463,497,845.00
Total assets	47,097,290,063.41	45,488,674,174.00

Current liabilities:

Short-term borrowings	3,310,058,005.17	3,713,581,259.00
Borrowings from central bank		
Deposits taking and deposit in inter-bank market		
Placements funds		
Financial liabilities held-for-trading		
Bills Payable	4,472,165,743.30	3,127,129,503.00
Accounts Payable	8,848,775,315.44	8,415,044,195.00
Funds received in advance	6,205,725,108.48	6,252,075,294.00
Funds from disposal of repurchased financial assets		
Handling charges and commissions payable		
Staff remuneration payable	443,853,880.58	462,306,487.00
Taxes payable	-268,396,774.44	-58,390,364.00
Interests payable		
Dividends payable	71,751,675.74	59,469,614.00
Other payables	1,791,022,064.29	1,420,911,816.00
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	162,293,441.14	197,511,231.00
Other current liabilities		
Total current liabilities	25,037,248,459.70	23,589,639,035.00

Non-current liabilities:

Long term borrowings	358,110,865.73	664,996,132.00
Bonds payable		
Long term payables	4,818,393.00	4,818,393.00
Specific payables		
Projected liabilities	101,583,423.21	82,570,988.00
Deferred income tax liabilities	10,380,703.44	10,065,633.00
Other non-current liabilities	2,597,994,406.47	2,459,065,427.00
Total non-current liabilities	3,072,887,791.85	3,221,516,573.00
Total liabilities	28,110,136,251.55	26,811,155,608.00

Shareholders' equity

Share capital	11,840,000,000.00	11,840,000,000.00
Capital reserve	2,845,510,454.76	2,839,638,619.00
Less: Treasury shares		
Surplus reserve	59,046,709.60	59,046,710.00
General risk provision		
Retained earnings	1,518,034,521.35	1,325,193,592.00
Currency translation differences	-5,930,175.80	-7,809,403.00
Total shareholders' equity attributable to the equity holder of the parent company	16,256,661,509.91	16,056,069,518.00
Minority interests	2,730,492,301.95	2,621,449,048.00
Total shareholders' equity	18,987,153,811.86	18,677,518,566.00
Total liabilities and shareholders' equity	47,097,290,063.41	45,488,674,174.00

Balance Sheet of the Parent Company

31 March 2009

Prepared by: China South Locomotive & Rolling Stock Corporation Limited

Currency: RMB Type of Audit: Unaudited

Item	Closing balance	Opening balance
Current assets:		
Cash and Bank Balance	3,580,305,904.52	5,991,989,245.91
Financial assets held-for-trading		
Bills receivable		
Accounts receivable	30,000,000.00	30,000,000.00
Funds paid in advance	78,960.00	78,960.00
Interests receivable	18,920,113.51	8,539,257.51
Dividends receivable	452,022,219.22	633,200,105.63
Other receivables	1,749,463,018.60	1,450,649,741.77
Inventories		
Non-current assets due within one year		
Other current assets		
Total current assets	5,830,790,215.85	8,114,457,310.82

Non-current assets:

Available-for-sale financial assets

Held-to-maturity investments

Long-term receivables **504,000,000.00** 294,000,000.00Long-term equity investment **15,650,522,262.42** 15,297,628,563.42

Investment property

Fixed assets **8,336,073.31** 8,959,983.11Construction in progress **502,890.00** 502,890.00

Construction materials

Disposal of fixed assets **0**

Biological assets for production

Fuel assets

Intangible assets **1,073,530.27** 721,848.15

Development expenditure

Goodwill

Long-term deferred expenses

Deferred income tax assets

Other non-current assets

Total non-current assets **16,164,434,756.00** 15,601,813,284.68Total assets **21,995,224,971.85** 23,716,270,595.50**Current liabilities:**Short-term borrowings **1,130,000,000.00** 1,630,000,000.00

Financial liabilities held-for-trading

Bills payable

Accounts payable

Funds received in advance

Staff remuneration payable **11,684,526.50** 10,364,992.78Taxes payable **1,202,717.50** 5,138,336.84

Interests payable

Dividends payable

Other payables **853,815,038.49** 1,797,835,354.90

Non-current liabilities

due within one year

Other current liabilities **500,000.00** 500,000.00Total current liabilities **1,997,202,282.49** 3,443,838,684.52

Non-current liabilities:

Long term borrowings	300,000,000.00	600,000,000.00
Bonds payable		
Long-term payables		
Specific payables		
Projected liabilities		
Deferred income tax liabilities		
Other non-current liabilities	18,455,140.19	19,322,369.23
Total non-current liabilities	318,455,140.19	619,322,369.23
Total liabilities	2,315,657,422.68	4,063,161,053.75

Shareholders' equity

Share capital	11,840,000,000.00	11,840,000,000.00
Capital reserve	7,222,642,445.79	7,222,642,445.79
Less: Treasury shares		
Surplus reserve	59,046,709.60	59,046,709.60
Retained earnings	557,878,393.78	531,420,386.36
Currency translation differences		
Total shareholders' equity	19,679,567,549.17	19,653,109,541.75
Total liabilities and shareholders' equity	21,995,224,971.85	23,716,270,595.50

4.2 Consolidated Income Statement

January to March 2009

Prepared by: China South Locomotive & Rolling Stock Corporation Limited

Currency: RMB Type of Audit: Unaudited

Item	Amount for the reporting period	Amount for last reporting period
I. Total operating revenue	7,374,971,187.77	6,725,251,170.00
Including: Revenue from operations	7,374,971,187.77	6,725,251,170.00
Interest income		
Premiums earned		
Handling charges and commission income		
II. Total cost of sales	7,048,068,928.93	6,393,810,088.00
Including: Operating cost	6,135,536,731.19	5,462,685,004.00
Interest expense		
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	34,030,745.26	43,319,253.00
Selling expenses	163,159,348.68	147,788,279.00
Administrative expenses	686,903,357.74	581,733,620.00
Finance cost	21,548,659.55	134,822,554.00
Asset Impairments Loss	6,890,086.51	23,461,378.00
Add: Gains from changes in fair value		
(loss is represented by “-”)		83,884,997.00
Investment income		
(loss is represented by “-”)	12,490,308.06	66,970,306.00

Including: Gains from investment in associates and joint ventures	-690,070.77	32,712,370.00
Gains from foreign currencies exchange (loss is represented by “-”)		
III. Profit from operations (loss is represented by “-”)	339,392,566.90	482,296,385.00
Add: Non-operating income	24,549,003.07	77,476,331.00
Less: Non-operating expense	6,445,412.60	9,882,084.00
Including: Loss from disposal of non-current assets	71,631.26	7,079,603.00
IV. Total profit (total loss is represented by “-”)	357,496,157.37	549,890,632.00
Less: Income tax expenses	74,044,480.66	142,614,315.00
V. Net profit (net loss is represented by “-”)	283,451,676.71	407,276,317.00
Net profit attributable to the equity holder of the parent company	192,840,929.35	367,549,772.00
Minority interests	90,610,747.36	39,726,545.00
VI. Earnings per share		
(1) Basic earnings per share	0.02	0.05
(2) Diluted earnings per share		

Income Statement of the Parent Company

January to March 2009

Prepared by: China South Locomotive & Rolling Stock Corporation Limited

Currency: RMB Type of Audit: Unaudited

Item	Amount for the reporting period	Amount for last reporting period
I. Revenue from operations		
Less: Operating cost		
Business tax and surcharges		
Selling expenses	287,421.59	1,208,745.00
Administrative expenses	18,557,722.74	11,909,365.00
Finance cost	-45,303,151.75	52,252,158.00
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 “-”)	26,458,007.42	-65,370,268.00
Add: Non-operating income		
Less: Non-operating expense		
Including: Loss from disposal of non-current assets		
III. Total profit (total loss is represented by “-”)	26,458,007.42	-65,370,268.00
Less: Income tax expenses		
IV. Net profit (net loss is represented by “-”)	26,458,007.42	-65,370,268.00

4.3 Consolidated cash flow statements

January to March 2009

Prepared by: China South Locomotive & Rolling Stock Corporation Limited

Currency: RMB Type of Audit: Unaudited

Item	Amount for the reporting period	Amount for last reporting period
I. Cash flow from operating activities		
Cash received from sales of goods and provision of services	7,542,820,538.35	4,926,529,549.00
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	8,255,353.00	18,900,854.00
Other cash received from activities related to operation	28,813,317.71	84,513,889.00
Sub-total of cash inflow from operating activities	7,579,889,209.06	5,029,944,292.00
Cash paid for goods purchased and service rendered	7,300,809,699.20	6,274,110,865.00
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	880,226,362.51	836,065,926.00
Taxes paid	429,489,333.66	371,414,409.00
Other cash paid for activities related to operation	241,484,006.99	467,725,390.00
Sub-total of cash outflow from operating activities	8,852,009,402.36	7,949,316,590.00
Net cash flow from operating activities	-1,272,120,193.30	-2,919,372,298.00

II. Cash flow from investment activities

Cash received from disposal of investments	400,000,000.00	773,562,349.00
Cash received from gains in investments	8,119,542.30	34,362,870.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	15,027,828.82	10,341,292.00
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received relating to investment activities	651,086.68	
Sub-total of cash inflow from investment activities	423,798,457.80	818,266,511.00
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	615,346,505.04	501,826,093.00
Cash paid for investment	87,980,380.65	526,500,000.00
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other operating entities		10,298,310.00
Other cash paid relating to investment activities	502,080.00	
Sub-total of cash outflow from investment activities	703,828,965.69	1,038,624,403.00
Net cash flow from investment activities	-280,030,507.89	-220,357,892.00

III. Cash flow from financing activities

Proceeds received from investments	138,585,269.39	43,153,424.00
Including: Proceeds received by subsidiaries from minority shareholder's investment		18,682,719.00
Cash received from borrowings	310,888,059.62	2,598,349,994.00
Cash received from issue of bonds		
Other cash received relating to financing activities		
Sub-total of cash inflow from financing activities	449,473,329.01	2,641,503,418.00
Repayments of borrowing	1,093,656,364.25	2,992,087,088.00
Cash payments for dividend, profit distribution or interest expenses	48,812,187.44	131,677,991.00
Including: Dividend and profit paid by subsidiary to minority shareholders	10,950,000.00	7,137,004.00
Other cash paid relating to financing activities	17,413,297.42	12,996,698.00
Sub-total of cash outflow from financing activities	1,159,881,849.11	3,136,761,777.00
Net cash flow from financing activities	-710,408,520.10	-495,258,359.00

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

	3,080,140.53	784,267.00
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V. Net increase in cash and cash equivalents

	-2,259,479,080.76	-3,634,204,282.00
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Add: Balance of cash and
cash equivalents at
the beginning of
the reporting period

	11,032,907,022.00	6,899,459,591.00
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VI. Balance of cash and cash equivalents at the end of the reporting period

	8,773,427,941.24	3,265,255,309.00
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Cash Flow Statement of the Parent Company

January to March 2009

Prepared by: China South Locomotive & Rolling Stock Corporation Limited

Currency: RMB Type of Audit: Unaudited

Item	Amount for the reporting period	Amount for last reporting period
I. Cash flow from operating activities:		
Cash received from sales of goods and provision of services	15,576,628.05	25,077,372.00
Tax rebates		
Other cash received from activities related to operation	1,506,057,172.32	
Sub-total of cash inflow from operating activities	1,521,633,800.37	25,077,372.00
Cash paid for goods purchased and service rendered		
Cash paid to and on behalf of employees	9,842,777.53	19,223,896.00
Taxes paid	2,918,981.82	
Other cash paid for activities related to operation	2,286,320,068.04	1,420,610,559.00
Sub-total of cash outflow from operating activities	2,299,081,827.39	1,439,834,455.00
Net cash flow from operating activities	-777,448,027.02	-1,414,757,083.00

II. Cash flow from investment activities

Cash received from investments	621,000,000.00	
Cash received from gains in investments	188,958,932.41	
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	809,958,932.41	
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	400,000.00	125,608.00
Cash paid for investments	1,413,905,692.64	
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	1,414,305,692.64	125,608.00
Net cash flow from investment activities	-604,346,760.23	-125,608.00

III. Cash flow from financing activities		
Proceeds received from investments		24,470,705.00
Cash received from borrowings	300,000,000.00	1,650,000,000.00
Other cash received relating to financing activities		
Sub-total of cash inflow from financing activities	300,000,000.00	1,674,470,705.00
Repayment of borrowings	1,100,000,000.00	2,100,000,000.00
Cash payments for dividend, profit distribution or interest expenses	17,956,800.00	67,340,823.00
Other cash paid relating to financing activities		
Sub-total of cash outflow from financing activities	1,117,956,800.00	2,167,340,823.00
Net cash flow from financing activities	-817,956,800.00	-492,870,118.00
IV. Effect on cash and cash equivalents due to changes in foreign exchange rate		
	7,926,682.27	
V. Net increase in cash and cash equivalents		
	-2,191,824,904.98	-1,907,752,809.00
Add: Balance of cash and cash equivalents at the beginning of the reporting period	5,984,588,643.01	2,100,000,000.00
VI. Balance of cash and cash equivalents at the end of the reporting period		
	3,792,763,738.03	192,247,191.00