

2010 Third Quarter Report of

Chongqing Changan Automobile Company Limited

§1 Important Notes

1.1 The Board of Directors, the Supervisory Committee and directors, supervisors and senior management of Chongqing Changan Automobile Company Limited (hereinafter referred to as “the Company”) warrant that this report does not contain any false or misleading statements or omit any material facts and all information set forth herein are true, accurate and complete.

1.2 None of the directors, supervisors, senior management demonstrated uncertainty or disagreement about the truthfulness, accuracy, and completeness of this quarterly report.

1.3 Directors absent from the meeting

Name of the Director	Reasons for the absence	Name of the consignee
Lian Gang	On Business	

1.4 The financial statements of this quarter have not been audited.

1.5 Chairman Mr. xv Liuping, General Manager Mr. Zhang Baolin, Chief Accountants Mr. Cui Yunjiang and Mr. Hua ZhanBiao guarantee the truthfulness and completeness of the financial statements of the quarter report.

1.6 The report shall be presented in both Chinese and English, and should there be any conflicting understanding of the text, the Chinese version shall prevail.

§ 2 Company Profile

2.1 Main accounting data and financial indicators

In RMB Yuan

	2010.9.30	2009.12.31	Increase/decrease (%)	
Gross Assets	27,703,372,370.38	25,241,314,645.21	9.75%	
Owners' equity attributable to shareholders of listed company	10,306,656,939.29	8,895,667,191.69	15.86%	
Share capital	2,325,657,615.00	2,334,022,848.00	-0.36%	
Net asset per share attributable to shareholders of listed company	4.43	3.81	16.27%	
	Jul-Sep. 2010	Changes of Reporting Period on the same Period last year (%)	Jan.-Sep. 2010	Changes of Reporting Period on the same Period last year (%)
operation total income	6,227,268,727.00	-0.01%	22,854,723,660.07	28.91%
Net profit attributable to shareholders of listed company	352,591,435.41	15.78%	1,719,156,787.02	107.75%
Net cash flow from operating activities	-	-	4,152,627,442.06	31.34%
Net cash flow from operating activities per share	-	-	1.79	31.82%
Basic earnings per share	0.15	15.38%	0.74	105.56%
Diluted earning per share	0.15	15.38%	0.74	105.56%
Return rate on net assets	3.50%	Increase 0.13 percentage points	17.62%	Increase 7.25 percentage points
Return on equity after deducting non-recurring gains and losses	3.47%	Increase 0.16 percentage points	17.58%	Increase 7.30 percentage points

Items and amounts of extraordinary gains and losses

Non-recurring gain and loss items	Amount

Profit and loss arising from the disposal of non-current assets	-1,881,356.64
Government grants	2,547,361.37
Donation expenditure on public welfare	4,563,744.00
The other	-333,924.88
Non-recurring profit and loss effect on income tax	-1,350,912.29
Net effect on the non-recurring profit and loss attributable to minority shareholders	251,411.84
Total	3,796,323.40

Reconciliation description under the PRC accounting standards and International Financial Reporting Standards

Accountant difference adjustment list	Sep30,2010	2010 Third Quarter
	Net assets	Net profits
Workout accountant according to the enterprise accounting rule and system under the PRC	10,306,656,939.29	1,719,156,787.02
Adjustment of according to international accounting rules		
Payment to currency shareholders of A share cash opposite price	-71,284,065	
Workout accountant according to the international finance report rules	10,164,088,809.29	1,719,156,787.02

2.2 Total number of shareholders at the end of the report period and statement on shares held by the top ten tradable shareholders

Unit: share

Total shareholders number		225,989
Top ten shareholders of stock without limited sale		
Name of shareholders	Total number of shares without condition of limited sale	Share type
CHINA CHANGAN AUTOMOBILE COMPANY LIMITED	1,063,087,489	Renminbi ordinary share
DREYFUS PREMIER INVESTMENT FDS INC.-DREYFUS GREATER CHINA FD	26,292,615	Foreign capital stock listed within China
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	17,139,211	Foreign capital stock listed within China
BONJOUR CHINA FUND 2	16,568,176	Foreign capital stock listed within China
Bank Of China—E Fund Shenzhen Stock Exchange 100 Exchange-Traded Fund	12,478,394	Renminbi ordinary share
China Construction Bank- FullGoal Tianbo the theme of innovative Securities Investment Fund	12,159,488	Renminbi ordinary share
JPMBSA RE FTIF TEMPLETON CHINA FUND GTI 5497	9,239,280	Foreign capital stock listed within China
Tokai Securities - Bank of Communications - Dongfeng 5 Asset Management Plan sets	8,810,049	Renminbi ordinary share
Rongtong Shenzhen Stock Exchange 100 Index Securities Investment Fund	7,770,546	Renminbi ordinary share
TEMPLETON CHINA WORLD FUND INC	7,507,924	Foreign capital stock listed within China

§ 3 Important Matters

3.1 Significant changes in major accounting data, financial highlight and reason of these changes.

√ Applicable Not Applicable

NO	Balance Sheet Items	Sep. 30 2010	Jan. 1th 2010	Changes
1	Monetary fund	6,592,375,424.26	3,658,380,928.50	80.20%

2	Notes receivable	4,630,788,469.83	7,022,333,591.84	-34.06%
3	Account receivable	540,191,888.67	182,991,180.86	195.20%
4	Construction in process	1,842,427,364.08	1,316,169,651.80	39.98%
5	Intangible assets	868,138,434.09	378,030,601.16	129.65%
6	Notes payable	5,631,947,535.77	2,797,030,532.62	101.35%
7	Prepayment received	1,224,548,267.61	3,031,972,501.29	-59.61%
8	Other current liability	1,995,282,518.28	842,516,160.16	136.82%
9	Expected liabilities	592,604,951.74	416,077,626.26	42.43%
	Income Statement Items	Jan-Sep 2010	Jan-Sep 2009	Changes
10	Business income	22,854,723,660.07	17,728,850,449.62	28.91%
11	Business cost	18,601,887,186.00	14,156,146,307.52	31.41%
12	Business tax and surcharge	471,360,783.11	358,338,301.39	31.54%
13	Sales expense	2,443,426,050.52	1,766,710,651.71	38.30%
14	Asset impairment loss	-9,564,005.91	367,399,118.16	-102.60%
15	Investment gain	1,438,547,642.61	602,727,242.00	138.67%
16	Operational profit	1,700,988,014.73	766,971,234.33	121.78%
17	Gross profit	1,700,682,312.79	771,710,361.17	120.38%
18	Net profit attributable to the owners of parent company	1,719,156,787.02	827,527,441.41	107.75%
	Cash Flow Statement Items	Jan-Sep 2010	Jan-Sep 2009	Changes
19	Cash flow generated by business operation, net	4,152,627,442.06	3,161,639,427.19	31.34%
20	Net cash flow generated by investment	-588,375,720.22	-364,946,303.79	-61.22%
21	Net cash flow generated by financing	-629,846,291.68	-263,822,866.05	-138.74%
22	Net increase of cash and cash equivalents	2,933,994,495.76	2,532,643,673.83	15.85%

During reporting period the Company continued to take "Course Leading Plan" as command, tightly centers on target of the whole year and takes charge of sale management; the Company also continued to intensify cost-control and product line-up optimization. The Company's production & sale volume had new record, and its scale & profit still kept growth. From January to September, 2010, car sale volume reached 1,337,658 units with year-on-year increase of 33.24%. Among them mini passenger car & truck sold 625,814 with increase of 22.18% and Changan Brand sedan sold 132,017 units with increase of 82.29%.

Due to production expansion and sale growth Company's total assets reached 27.703 billion yuan with increase 9.75% comparing with beginning year until the end of the reporting period. Its total debt was 17.319 billion yuan with increase 6.89% in comparison with beginning year. Assets debt ratio was 62.51%, 1.68% lower than beginning year. Among them the receivables, the notes payable, other current liabilities and expected debt averagely increased by over 30% than beginning year. Because of new C and H Series engine project investment, Company's on-going construction increased by 39.98% than beginning year. Because land-use right and sedan project capitalization were switched into intangible assets, intangible assets increase were 129.65% higher than beginning year. During reporting period because car credit sale increased, the notes payable & advance collections balance relatively decreased, and amount payable balance ratio grew.

From January to September, 2010 due to car sale growth Company's income, operation cost, business tax & VAT, and sale cost increased comparing with the same period of last year. During reporting period invest profit reached 1.439 billion yuan with year-on-year growth of 138.67%, and its Joint venture business grew to contribute in large scale to Company's profit. Its total Profit and net profit attributed to its parent company respectively grew by 120.38% and 107.75% more than last year. Company achieved a better business income.

From January to September, 2010 Company achieved net cash and cash equivalent growth up into 2.934 billion yuan with year-on-year increase 15.85%. Among them net cash flow from business was 4.153 billion yuan with year-on-year growth of 31.34%, which indicated net cash and cash equivalent acquired during business operation. At the end of reporting period monetary fund was 6.592 billion yuan and 80.20% higher than beginning year. Net cash flow accrued from Company's investment was 0.223 billion yuan more than last year, which reflected expenditure increase for equity-type investment such as Company's fixed assets purchase and investment payment. Net cash flow accrued from financing was 0.366 billion yuan more than last year mainly because banking loans decreased and dividend paying increased.

3.2 The progress and influence of significant events and the analysis and explanation on resolving proposal

Applicable Not Applicable

3.2.1 Qualified opinion

Applicable Non-applicable

3.2.2 Particular about fund offers to controlling shareholders and associated parties, and external guarantee that against the regulation.

Applicable Non-applicable

3.2.3 Particular about signing and implementation on significant contracts of ordinary management

Applicable Non-applicable

3.2.4 Others

Applicable Non-applicable

According to the related proposal to issue additional A shares to raise funds, which was examined and approved on the first time temporary General Shareholders' Meeting on March 8, 2010 meeting, the Company will issue share less than 20% of total capital stock before the issuance, to raise not more than RMB 4 billion yuan (including issuance costs) which will be used for Changan car production line expansion, technological transformation projects, small-displacement engine upgrading projects, and its own brand R&D capacity-building projects. The current application materials have been submitted to the China Securities Regulatory Commission.

3.3 The fulfillment of the commitment made by the Company, shareholders and the actual controller

Applicable Not Applicable

Commitments	Promisee	Content of commitments	Implementation
Commitments made when share merger reform	CHINA CHANGAN AUTOMOBILE COMPANY LIMITED	<p>(1) To comply with laws, rules and regulations, and perform legal duty of commitment.</p> <p>(2) Since the non-circulated shares are entitled to be circulated, at least they can't be dealt with or transferred within 24 months. At the expiration of 24 months, the shareholders of non-circulated shares can sell the shares in stock exchange in amount of no more than 5% of total within 12 months, and no more than 10% of total within 24 months.</p> <p>(3) After the reform of non-tradable shares, the Company performs the scheme of incentive share awards for the managements according to relative government regulation.</p>	The controlling shareholder of the Company, CHINA CHANGAN AUTOMOBILE COMPANY LIMITED, since the reform program being implementation, strictly compliance with the share-trading reform commitments made by it. The Company management has yet launch an equity incentive plan. According to the "Statement on Changan Automobile Co., Ltd. share structure reform of the relevant commitments and the implementation of that" issued by the Company's controlling shareholder, China South Industry Automobile Co., Ltd., incentive plan will be studied and implement timely according to SASAC's provisions."
Other Commitment	CHINA CHANGAN AUTOMOBILE COMPANY LIMITED	In order to better protect investors' interest, and prevent or finally settle possible & potential trade competition, the Company's controlling shareholders-China Changan Automobile Company made commitment: 1. Jiangxi Changhe Automobile Liability Co. and HARBIN Hafei Automobile Liability Co. will be merged into Chongqing Changan as these two companies in two consecutive years annually make profits, occupy sustainable development capacity and have improved management level. 2. As Changan-PSA J.V is established and put into production, China Changan proposes to transfer its total shares of J.V. to Chongqing Changan.	Still waiting to fulfill some conditions

3.4 Warnings of possible loss or large-margin change of the accumulated net profit made during the period from the beginning of the year to the end of the next report period compared with the same period of the last year according to prediction, as well as explanations on the reasons

Applicable Not Applicable

3.5. Other significant events need to be explained

3.5.1 Particular about security investment

Applicable Non-applicable

3.5.2 Interviews and visits in the reporting period

Applicable Not Applicable

Time/date	Place	Way	Visitors	Main content involved and material provided
2010.7.9	Meeting Room, Changan Headquarters	On-Site Survey	UG Investment	Automotive Industry Development, Company's Business
2010.7.21	Meeting Room, Changan Headquarters	On-Site Survey	J.P.Morgan Chase Investment	Automotive Industry Development, Company's Business
2010.7.22	Meeting Room, Changan Headquarters	On-Site Survey	GSI Management LLC	Automotive Industry Development, Company's Business
2010.8.23	Meeting Room, Changan Headquarters	On-Site Survey	Korea Investment Securities	Automotive Industry Development, Company's Business
2010.9.2	Meeting Room, Changan Headquarters	On-Site Survey	Artisan Management LLC	Automotive Industry Development, Company's Business
2010.9.8	Meeting Room, Changan Headquarters	On-Site Survey	Tiger Asia Fund	Automotive Industry Development, Company's Business
2010.9.10	Meeting Room, Changan Headquarters	On-Site Survey	INVESCO Funds(Hong Kong)	Automotive Industry Development, Company's Business
2010.9.15	Meeting Room, Changan Headquarters	On-Site Survey	Kingdon Capital	Automotive Industry Development, Company's Business
2010.9.17	Meeting Room, Changan Headquarters	On-Site Survey	People's Insurance Asset Management	Automotive Industry Development, Company's Business
2010.9.17	Meeting Room, Changan Headquarters	On-Site Survey	Soros Fund Management LLC	Automotive Industry Development, Company's Business

3.6 Derivative products investment

Applicable Not Applicable

3.6.1 Positions of derivatives held by the Company at period-end

Applicable Not Applicable

§4. Attachment

4.1 Balance Sheet

Prepared by: CHONGQING CHANGAN AUTOMOBILE CO., LTD.

Sep.30 2010

in RMB yuan

Items	At the end of term		Beginning of term	
	Consolidated	Parent company	Consolidated	Parent company
Current asset:				
Monetary fund	6,592,375,424.26	4,764,821,175.79	3,658,380,928.50	1,973,263,003.71
Settlement provision				
Outgoing call loan				
Trading financial assets				
Notes receivable	4,630,788,469.83	3,944,561,330.88	7,022,333,591.84	5,372,680,455.66

Account receivable	540,191,888.67	875,833,361.43	182,991,180.86	581,698,017.44
Prepayment	399,361,434.29	289,935,552.76	503,479,133.38	329,644,151.89
Insurance receivable				
Reinsurance receivable				
Provisions of Reinsurance contracts receivable				
Interest receivable				
Dividend receivable	450,030.00	450,030.00	450,030.00	450,030.00
Other account receivable	166,514,746.67	193,833,274.86	63,636,373.59	129,910,087.06
Repurchasing of financial assets				
Inventories	2,630,284,246.47	1,668,582,178.73	2,701,131,615.71	1,438,979,289.27
Non-current asset due in 1 year				
Other current asset	13,124.00		20,508.87	
Total of current asset	14,959,979,364.19	11,738,016,904.45	14,132,423,362.75	9,826,625,035.03
Non-current assets				
Loans and payment on other's behalf disbursed				
Disposable financial asset	176,612,500.00	176,612,500.00	238,205,000.00	238,205,000.00
Expired investment in possess				
Long-term receivable				
Long-term share equity investment	5,470,789,198.88	6,502,382,130.85	4,787,860,441.63	5,856,668,740.78
Property investment	63,404,600.65		65,563,825.59	
Fixed assets	3,540,861,198.86	3,040,602,240.75	3,347,742,796.93	2,572,674,562.93
Construction in process	1,842,427,364.08	1,439,016,717.09	1,316,169,651.80	1,226,791,383.39
Engineering material	1,570,278.35	795,898.75	838,718.75	838,718.75
Fixed asset disposal			869,564.07	
Production physical assets				
Gas & petrol				
Intangible assets	868,138,434.09	664,277,881.44	378,030,601.16	250,935,419.01
R&D expense	239,402,724.23	239,222,831.51	200,849,901.80	199,526,282.03
Goodwill	9,804,394.00		9,804,394.00	
Long-term prepaid expenses	32,959,445.22	1,125,500.00	33,495,141.27	1,260,560.00
Differed income tax asset	367,422,867.83	272,862,357.91	322,381,245.46	204,563,633.47
Other non-current asset	130,000,000.00	130,000,000.00	407,080,000.00	407,080,000.00
Total of non-current assets	12,743,393,006.19	12,466,898,058.30	11,108,891,282.46	10,958,544,300.36
Total of assets	27,703,372,370.38	24,204,914,962.75	25,241,314,645.21	20,785,169,335.39
Current liabilities				
Short-term loans	155,000,000.00		350,270,268.00	50,000,000.00
Loan from Central Bank				
Deposit received and hold for others				
Call loan received				
Trade off financial liabilities			4,563,744.00	
Notes payable	5,631,947,535.77	5,249,118,177.77	2,797,030,532.62	2,716,438,173.31
Account payable	5,797,779,121.07	3,865,697,512.80	6,559,948,368.16	3,988,443,774.45
Prepayment received	1,224,548,267.61	1,071,244,897.70	3,031,972,501.29	1,718,105,586.42
Selling of repurchased financial assets				
Fees and commissions receivable				
Employees' wage payable	167,244,114.83	141,696,386.27	177,703,190.75	145,719,031.19

Tax payable	207,873,414.27	243,633,762.82	246,689,891.89	289,396,852.43
Interest payable	60,000.00	60,000.00	420,000.00	420,000.00
Dividend payable	79,742.80		79,742.80	
Other account payable	757,805,059.64	283,904,648.40	683,865,744.49	416,328,996.78
Reinsurance fee payable				
Insurance contract provision				
Entrusted trading of securities				
Entrusted selling of securities				
Non-current liability due in 1 year	50,000,000.00	50,000,000.00	15,000,000.00	
Other current liability	1,995,282,518.28	943,119,509.97	842,516,160.16	465,475,119.91
Total of current liability	15,987,619,774.27	11,848,474,895.73	14,710,060,144.16	9,790,327,534.49
Non-current liabilities				
Long-term borrowings	148,000,000.00		499,000,000.00	300,000,000.00
Bond payable				
Long-term payable	20,409,725.66	20,409,725.66	30,081,000.00	22,216,000.00
Special payable	546,895,595.98	532,455,283.98	515,089,405.79	515,089,405.79
Expected liabilities	592,604,951.74	347,067,842.26	416,077,626.26	222,800,775.48
Differed income tax liability	23,059,875.00	23,059,875.00	32,298,750.00	32,298,750.00
Other non-recurring liabilities				
Total of non-current liabilities	1,330,970,148.38	922,992,726.90	1,492,546,782.05	1,092,404,931.27
Total of liability	17,318,589,922.65	12,771,467,622.63	16,202,606,926.21	10,882,732,465.76
Owners' equity (or shareholders' equity)				
Practical capital collected (or share capital)	2,325,657,615.00	2,325,657,615.00	2,334,022,848.00	2,334,022,848.00
Capital reserves	1,621,938,539.76	1,712,971,582.86	1,797,604,215.47	1,859,502,088.33
Less: Shares in stock			26,925,731.38	26,925,731.38
Special reserves				
Surplus reserves	1,167,011,424.00	1,167,011,424.00	1,167,011,424.00	1,167,011,424.00
Common risk provision				
Attributable profit	5,192,049,360.53	6,227,806,718.26	3,623,954,435.60	4,568,826,240.68
Different of foreign currency translation				
Total of owner's equity belong to the parent company	10,306,656,939.29	11,433,447,340.12	8,895,667,191.69	9,902,436,869.63
Minor shareholders' equity	78,125,508.44		143,040,527.31	
Total of owners' equity	10,384,782,447.73	11,433,447,340.12	9,038,707,719.00	9,902,436,869.63
Total of liabilities and owners' equity	27,703,372,370.38	24,204,914,962.75	25,241,314,645.21	20,785,169,335.39

4.2 Income Statement of the report term

Prepared by: CHONGQING CHANGAN AUTOMOBILE CO., LTD..

Jul-Sep 2010

in RMB yuan

Items	Current term		Same period last year	
	Consolidated	Parent company	Consolidated	Parent company
I. Total business income	6,227,268,727.00	4,489,063,069.00	6,228,199,734.00	4,132,262,348.00
Incl. Business income	6,227,268,727.00	4,489,063,069.00	6,228,199,734.00	4,132,262,348.00
Interest income				
Insurance fee earned				
Fee and commission received				
II. Total business cost	6,336,075,018.00	4,519,905,432.00	6,213,164,441.00	4,060,352,038.00
Incl. Business cost	5,214,035,160.88	3,797,517,771.26	4,958,210,718.99	3,250,557,390.22
Interest expense				
Fee and commission paid				
Insurance discharge payment				
Net claim amount paid				
Net insurance policy reserves provided				
Insurance policy dividend paid				
Reinsurance expenses				
Business tax and surcharge	113,383,487.14	78,732,294.10	126,380,381.27	89,828,932.49
Sales expense	632,447,388.70	337,025,230.78	620,992,998.99	305,465,108.42
Administrative expense	387,694,728.01	320,687,766.31	350,782,146.43	274,064,404.51
Financial expenses	-19,007,328.47	-21,699,400.00	7,589,588.98	-8,772,453.29
Asset impairment loss	7,521,581.90	7,641,769.41	149,208,606.14	149,208,655.85
Plus: Gains from change of fair value ("-" for loss)	0.00	0.00	857,879.34	0.00
Investment gain ("-" for loss)	435,051,903.36	429,722,921.88	265,058,101.59	267,981,370.44
Incl. Investment gains from affiliates	435,051,903.23	429,722,921.88	265,058,101.67	267,981,370.86
Gains from currency exchange ("-" for loss)	0.00	0.00	0.00	0.00
III. Operational profit ("-" for loss)	326,245,612.36	398,880,558.88	280,951,273.93	339,891,680.44
Plus: Non business income	4,160,044.91	1,868,431.23	8,826,318.48	2,222,607.19
Less: Non-business expenses	1,351,818.80	1,023,799.00	2,807,582.21	953,237.25
Incl. Loss from disposal of non-current assets	206,994.62	0.00	593,237.26	358,897.26
IV. Gross profit ("-" for loss)	329,053,838.47	399,725,191.11	286,970,010.20	341,161,050.38
Less: Income tax expenses	-45,201,145.32	-50,865,312.77	-24,505,028.42	-28,989,213.57
V. Net profit ("-" for net loss)	374,254,983.79	450,590,503.88	311,475,038.62	370,150,263.95
Net profit attributable to the owners of parent company	352,591,435.41	450,590,503.88	304,533,448.01	370,150,263.95
Minor shareholders' equity	21,663,548.38	0.00	6,941,590.61	0.00
VI. Earnings per share:				
(I) Basic earnings per share	0.15	0.19	0.13	0.16
(II) Diluted earnings per share	0.15	0.19	0.13	0.16
VII. Other misc. incomes	23,509,715.95	23,509,715.95	-81,890.00	-81,890.34
VIII. Total of misc. incomes	397,764,699.74	474,100,219.83	311,393,148.62	370,068,373.61
Total of misc. incomes attributable to the owners of the parent company	376,101,151.36	474,100,219.83	304,451,558.01	370,068,373.61
Total misc gains attributable to the minor shareholders	21,663,548.38	0.00	6,941,590.61	0.00

4.3 Income Statement From Beginning of year to end of Reporting Period

Prepared by: CHONGQING CHANGAN AUTOMOBILE CO., LTD..

Jan-Sep 2010

in RMB yuan

Items	Current term		Same period last year	
	Consolidated	Parent company	Consolidated	Parent company
I. Total business income	22,854,723,660.07	15,731,567,689.61	17,728,850,449.62	11,591,452,815.70
Incl. Business income	22,854,723,660.07	15,731,567,689.61	17,728,850,449.62	11,591,452,815.70
Interest income				
Insurance fee earned				
Fee and commission received				
II. Total business cost	22,596,847,031.95	15,383,629,128.34	17,566,323,639.83	11,336,920,211.28
Incl. Business cost	18,601,887,186.00	12,837,874,168.89	14,156,146,307.52	9,136,747,686.53
Interest expense				
Fee and commission paid				
Insurance discharge payment				
Net claim amount paid				
Net insurance policy reserves provided				
Insurance policy dividend paid				
Reinsurance expenses				
Business tax and surcharge	471,360,783.11	338,000,397.14	358,338,301.39	251,630,711.23
Sales expense	2,443,426,050.52	1,420,746,271.49	1,766,710,651.71	910,713,557.42
Administrative expense	1,109,310,077.37	864,081,104.23	902,804,533.88	699,817,103.63
Financial expenses	-19,573,059.14	-57,610,895.01	14,924,727.17	-30,343,083.51
Asset impairment loss	-9,564,005.91	-19,461,918.40	367,399,118.16	368,354,235.98
Plus: Gains from change of fair value ("-" for loss)	4,563,744.00		1,717,182.54	
Investment gain ("-" for loss)	1,438,547,642.61	1,421,995,954.79	602,727,242.00	612,974,640.97
Incl. Investment gains from affiliates	595,872,684.70	1,371,034,966.50	595,773,468.05	1,365,459,985.83
Gains from currency exchange ("-" for loss)				
III. Operational profit ("-" for loss)	1,700,988,014.73	1,769,934,516.06	766,971,234.33	867,507,245.39
Plus: Non business income	11,744,017.94	5,893,767.97	14,850,754.77	4,807,105.16
Less: Non-business expenses	12,049,719.88	7,533,538.05	10,111,627.93	7,033,429.79
Incl. Loss from disposal of non-current assets	3,268,771.70		1,649,462.41	1,289,897.26
IV. Gross profit ("-" for loss)	1,700,682,312.79	1,768,294,745.98	771,710,361.17	865,280,920.76
Less: Income tax expenses	-22,550,229.29	-41,747,593.69	-63,766,248.62	-77,566,874.47
V. Net profit ("-" for net loss)	1,723,232,542.08	1,810,042,339.67	835,476,609.79	942,847,795.23
Net profit attributable to the owners of parent company	1,719,156,787.02	1,810,042,339.67	827,527,441.41	942,847,795.23
Minor shareholders' equity	4,075,755.06		7,949,168.38	
VI. Earnings per share:				
(I) Basic earnings per share	0.74	0.78	0.36	0.41
(II) Diluted earnings per share	0.74	0.78	0.36	0.41
VII. Other misc. incomes	-52,353,625.00	-52,353,625.00	995,738.00	995,738.00
VIII. Total of misc. incomes	1,670,878,917.08	1,757,688,714.67	836,472,347.79	943,843,533.23
Total of misc. incomes attributable to the owners of the parent company	1,666,803,162.02	1,757,688,714.67	828,523,179.41	943,843,533.23
Total misc gains attributable to the minor shareholders	4,075,755.06		7,949,168.38	

4.4 Cash Flow Statement from the beginning of year to the end of report term.

Prepared by: CHONGQING CHANGAN AUTOMOBILE CO., LTD..

Jan-Sep 2010

in RMB yuan

Items	Current term		Same period last year	
	Consolidated	Parent company	Consolidated	Parent company
I. Net cash flow from business operation				
Cash received from sales of products and providing of services	18,349,010,085.11	16,227,943,375.95	11,835,888,394.61	8,507,483,865.88
Net increase of customer deposits and capital kept for brother company				
Net increase of loans from central bank				
Net increase of inter-bank loans from other financial bodies				
Cash received against original insurance contract				
Net cash received from reinsurance business				
Net increase of client deposit and investment				
Net increase of trade financial asset disposal				
Cash received as interest, processing fee, and commission				
Net increase of inter-bank fund received				
Net increase of repurchasing business				
Tax returned	37,167,169.09		60,772,180.64	
Other cash received from business operation	261,197,369.24	126,563,363.61	185,086,904.82	100,453,602.05
Sub-total of cash inflow from business activities	18,647,374,623.44	16,354,506,739.56	12,081,747,480.07	8,607,937,467.93
Cash paid for purchasing of merchandise and services	9,925,862,272.93	9,066,309,136.38	5,953,985,540.69	4,522,870,198.18
Net increase of client trade and advance				
Net increase of savings in central bank and brother company				
Cash paid for original contract claim				
Cash paid for interest, processing fee and commission				
Cash paid for policy dividend				
Cash paid to staffs or paid for staffs	1,007,038,022.06	781,161,178.31	627,752,154.37	472,732,922.79
Taxes paid	1,441,686,650.24	993,348,543.90	1,141,018,591.97	763,699,839.25
Other cash paid for business activities	2,120,160,236.15	1,870,206,682.83	1,197,351,765.85	968,596,721.61
Sub-total of cash outflow from business activities	14,494,747,181.38	12,711,025,541.42	8,920,108,052.88	6,727,899,681.83
Cash flow generated by business operation, net	4,152,627,442.06	3,643,481,198.14	3,161,639,427.19	1,880,037,786.10
II. Cash flow generated by investing				
Cash received from investment retrieving	68,954,825.00	61,994,825.00	3,250,000.00	3,250,000.00
Cash received as investment gains	832,868,390.91	832,155,290.91	555,520,167.70	567,201,172.92
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	15,996,432.11	10,839,935.84	5,461,633.79	467,681.39
Net cash received from disposal of subsidiaries or other operational units				
Other investment-related cash received			190,000.00	
Sub-total of cash inflow due to investment activities	917,819,648.02	904,990,051.75	564,421,801.49	570,918,854.31
Cash paid for construction of fixed assets, intangible assets and other long-term assets	1,172,605,208.24	972,371,332.33	926,471,735.13	787,853,043.18
Cash paid as investment	333,590,160.00	282,990,160.00	2,896,370.15	2,896,370.15
Net increase of loan against pledge				
Net cash received from subsidiaries and other operational units				
Other cash paid for investment activities				
Sub-total of cash outflow due to investment activities	1,506,195,368.24	1,255,361,492.33	929,368,105.28	790,749,413.33

Net cash flow generated by investment	-588,375,720.22	-350,371,440.58	-364,946,303.79	-219,830,559.02
III. Cash flow generated by financing				
Cash received as investment				
Incl. Cash received as investment from minor shareholders				
Cash received as loans	616,774,858.73		1,303,581,154.00	450,000,000.00
Cash received from bond placing			10,499,048.41	
Other financing-related cash received	2,355,897.72	44,155.76	2,929,865.87	626,297.00
Subtotal of cash inflow from financing activities	619,130,756.45	44,155.76	1,317,010,068.28	450,626,297.00
Cash to repay debts	1,065,375,951.00	339,000,000.00	1,454,892,280.61	525,026,516.42
Cash paid as dividend, profit, or interests	177,499,955.28	162,517,456.59	83,000,870.16	71,111,563.67
Incl. Dividend and profit paid by subsidiaries to minor shareholders				
Other cash paid for financing activities	6,101,141.85	78,284.65	42,939,783.56	27,165,158.68
Subtotal of cash outflow due to financing activities	1,248,977,048.13	501,595,741.24	1,580,832,934.33	623,303,238.77
Net cash flow generated by financing	-629,846,291.68	-501,551,585.48	-263,822,866.05	-172,676,941.77
IV. Influence of exchange rate alternation on cash and cash equivalents	-410,934.40		-226,583.52	
V. Net increase of cash and cash equivalents	2,933,994,495.76	2,791,558,172.08	2,532,643,673.83	1,487,530,285.31
Plus: Balance of cash and cash equivalents at the beginning of term	3,658,380,928.50	1,973,263,003.71	1,661,738,524.68	1,166,965,437.50
VI. Balance of cash and cash equivalents at the end of term	6,592,375,424.26	4,764,821,175.79	4,194,382,198.51	2,654,495,722.81

4.4 Auditors' Report Auditing Opinion: Unaudited