



**2017 First Quarter Report**

**Of**

**Chongqing Changan Automobile Company Limited**

**April, 2017**

## **Chapter 1 Important Notes**

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”) hereby guarantee that no false or misleading statement or major omission was made to the materials in this report and that they will assume all the responsibilities, individually and jointly, for the trueness, accuracy and completeness of the contents of this report.

All directors attended the board meeting for reviewing the first quarter report.

The Chairman of the Board Xu Liuping, the Chief Financial Officer Wang Kun and the responsible person of the accounting institution (Accountant in charge) Mr. Chen Tianyong guarantee the truthfulness and completeness of the financial statements of the quarter report.

## Chapter 2 Basic Information

### 1. Main accounting data and financial indicators

Does the company conduct the retrospective adjustment or restatement of previous years accounting data due to changes in accounting policies or accounting errors?

Yes  No

RMB Yuan

	The reporting period	The same period of last year	Variance (%)
Operating income	17,667,498,708.59	19,337,756,565.65	-8.64%
Net profit attributable to shareholders of the Company	2,401,344,788.39	2,673,017,139.39	-10.16%
Net profit excluding non-recurring gains and losses attributable to shareholders of listed company	2,271,469,057.47	2,529,388,182.32	-10.20%
cash flow from operating activities	4,326,402,675.44	1,615,418,932.11	167.82%
Basic earnings per share	0.5	0.57	-12.28%
Diluted earnings per share	-	-	-
Weighted average return on net assets	5.36%	7.49%	Down 2.13%
	The reporting period	End of 2016	Variance (%)
Total assets	111,693,930,084.11	106,510,473,733.93	4.87%
Net assets attributable to shareholders of listed company	45,971,402,564.93	43,573,812,403.87	5.50%

Accidental gain/loss item and amount

Applicable  Not applicable

In RMB Yuan

Item	Amount of the period from the beginning of year to the end of report term	Explanation
Gain/loss of non-current assets	-1,042,072.84	
Government subsidies accounted into current gain/loss account, other than those closely related to the Company's common business, comply with the national policy and continues to enjoy at certain fixed rate or amount.	145,814,963.04	
Other non-business income and expenditures other than the above	12,223,879.55	
Less: Influenced amount of income tax	26,560,087.66	
Influenced amount of minority shareholders' equity	560,951.17	
Total	129,875,730.92	

According to "Public offering of securities information disclosure of the company's information disclosure announcement No. 1 – non-recurring gains and losses" "Public offering of securities information disclosure of the company's information disclosure announcement No. 1 – non-recurring gains and losses" defined non-recurring items, and Public offering of securities information disclosure of the company's information disclosure announcement No. 1 - non-recurring gains and losses "The items listed in the non-recurring items defined as recurring items shall be explained .

Applicable  Not applicable

The company in the reporting period does not base on the definition and listing of "Public offering of securities information disclosure of the company's information disclosure announcement No. 1 – non-recurring gains and losses" about non-recurring gains and losses to define a case of recurring profit or loss.

### 2. Total number of shareholders at the end of the reporting period and statement on shares held by the top ten tradable shareholders

2.1 Total number of shareholders at the end of the reporting period and statement on shares held by the top ten shareholders

Unit: share

As of the reporting period, the total number of shareholders	Totalled 176,468, of which 147,180 were A share shareholders and 29,288 were B share shareholders.					
Top 10 Shareholders						
Name of the shareholder	Properties of shareholder	Shareholding (%)	Number of shares	Conditional shares	Pledging or freezing	
					Share status	Amount
China Changan Automobile Co., Ltd.	State-owned legal person shares	40.88	1,963,357,619	139,762,403	No pledge or frozen	0
China securities finance Co, Ltd	domestic general legal person shares	2.90	139,422,927		No pledge or frozen	0
GIC PRIVATE LIMITED	foreign legal person shares	1.82	87,470,365		No pledge or frozen	0
Central Huijin Investment Ltd.	domestic general legal person shares	1.15	55,393,100		No pledge or frozen	0
United Prosperity Investment Co., Limited	foreign legal person shares	0.94	45,195,100		No pledge or frozen	0
National Social Security Fund-Portfolio 102	fund, finance products, etc.	0.89	42,607,294		No pledge or frozen	0
National Social Security Fund-Portfolio 103	fund, finance products, etc.	0.83	40,004,899		No pledge or frozen	0
VALUE PARTNERS HIGH-DIVIDEND STOCKS FUNDS	foreign legal person shares	0.81	38,911,038		No pledge or frozen	0
National Social Security Fund-Portfolio 113	fund, finance products, etc.	0.73	35,111,160		No pledge or frozen	0
Anbang AM-China Merchants Bank-Anbang Asset -Win - win No. 3 AM Product	fund, finance products, etc.	0.67	32,070,942		No pledge or frozen	0
Top 10 holders of unconditional shares						
Name of the shareholder	Amount of shares without sales restriction	Category of shares				
		Category of shares	Amount			
China Changan Automobile Co., Ltd.	1,823,595,216	RMB Ordinary share	1,823,595,216			
China securities finance Co, Ltd	139,422,927	RMB Ordinary share	139,422,927			
GIC PRIVATE LIMITED	87,470,365	Domestic listed foreign shares	87,470,365			
Central Huijin Investment Ltd.	55,393,100	RMB Ordinary share	55,393,100			
United Prosperity Investment Co., Limited	45,195,100	Domestic listed foreign shares	45,195,100			
National Social Security Fund- Portfolio 102	42,607,294	RMB Ordinary share	42,607,294			
National Social Security Fund- Portfolio 103	40,004,899	RMB Ordinary share	40,004,899			
VALUE PARTNERS HIGH-DIVIDEND STOCKS FUNDS	38,911,038	Domestic listed foreign shares	38,911,038			
National Social Security Fund- Portfolio 113	35,111,160	RMB Ordinary share	35,111,160			
Anbang AM-China Merchants Bank- Anbang Asset -Win - win No. 3 AM Product	32,070,942	RMB Ordinary share	32,070,942			
Explanation on the relationship and the action alike of above shareholders	Among the top 10 shareholders, China Changan Automobile Group Co., Ltd., the controlling shareholder, and its wholly owned subsidiary United Prosperity (Hong Kong) Investment Co., Limited. belong to the concerted actor regulated by “Disclosure Administration of Shares Change Information of The Listed Company”.					

Whether the company top 10 shareholders of ordinary shares, and the top 10 circulated shareholders agreed on the repurchase transactions during the report period

Applicable  Not Applicable

The top 10 shareholders of ordinary shares, and the top 10 circulated shareholders have not agreed on the repurchase transactions during the report period

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

Applicable  Not Applicable

## Chapter 3 Important Matters

### 3.1 Significant changes & reasons in major accounting data, financial indicators

In RMB Yuan				
	Balance Sheet Items	Mar. 31 <sup>st</sup> ,2017	Jan. 1 <sup>st</sup> , 2017	Changes (%)
1	Accounts receivable	2,427,419,115.68	1,498,837,041.54	61.95%
2	Inventories	9,970,957,160.80	7,304,106,822.61	36.51%
3	Other current-asset	1,344,096,729.87	926,060,330.87	45.14%
4	Payroll payable	818,195,148.01	1,839,947,475.23	-55.53%
	Income Statement Items	Jan-Mar 2017	Jan-Mar 2016	Changes (%)
1	Financial expenses	-116,396,575.66	-43,658,323.21	-166.61%
2	Income tax	57,720,351.87	4,952,715.30	1065.43%
	Cash Flow Statement Items	Jan-Mar 2017	Jan-Mar 2016	Changes (%)
1	Net Cash flow generated by business operation	4,326,402,675.44	1,615,418,932.11	167.82%
2	Net cash flow generated by financing	460,306,863.08	123,093,161.14	273.95%
3	Net increase of cash and cash equivalents	3,982,739,412.19	692,249,507.90	475.33%

As at the end of reporting period, the Company's total asset was 111.694 billion Yuan, with 4.87% growth compared with the beginning of the year; the total liability was 65.954 Billion Yuan, with 4.43% growth compared with the beginning of the year; the debt asset ratio was 59.05%, which was 0.25% lower than that at the beginning of the year. Compared with beginning of the year, the increase of accounts receivable is mainly due to the growth of external credit sales; the balance of inventories increased compared with the beginning of the year, mainly due to the increase in commodity stocks; the balance of other current assets increased compared with the beginning of the year, mainly due to the reclassification of the prepayment value-added tax; the balance of the remuneration of the employees was significantly lower than that at the beginning of the year, which was mainly due to the reduction of accrued remuneration payable by the company.

During the reporting period, the significant decrease of financial expenses was mainly caused by the increase of interests from financial institutions; the income tax costs substantially increased mainly due to the decrease of deferred income tax assets.

During the reporting period, the cash and cash equivalent increased by 3.983 billion Yuan, up by 475.33% on a year-on-year basis, mainly resulting from the significant increase in net cash flow from operating activities and substantial increase in net cash flow from financing activities. The net cash flow generated from operating activities was 4.326 billion Yuan, up by 167.82%, the main reason was the growth rate of the cash recovery and the cash from other business activities growth rate was greater than the purchase of goods and the payment of taxes and fees. The net cash flows from financing activities was 0.46 billion yuan, a year-on-year increase of 273.95%, mainly due to the increase in cash received from other cash-related activities and more debt repayments.

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

Applicable  Not Applicable

### 3.3 Commitments made within the reporting period by the controlling shareholders, shareholders, related party, acquirer and the company overdue and not fulfilled

Applicable  Not Applicable

### 3.4 Forecast of operation performance from Jan. – June of 2017

The warning or a reason for a loss or a significant change of cumulative net profit from the beginning of the year to the end of the next reporting period compared with the same period of last year

Applicable  Not Applicable

### 3.5 Securities Investment

Applicable Non-applicable

Security variety	Stock code	Stock name	Initial investment cost (RMB Yuan)	Opening equity Holdings (share)	Opening equity holding ratio (%)	Closing equity holdings (share)	Closing equity Holdings (%)	Closing book value (RMB Yuan)	Gain/loss in the reporting period (RMB Yuan)	Accounting title	Equity source

Stock	600369	Southwest Securities	50,000,000	35,500,000	0.76%	35,500,000	0.76%	220,455,000	/	Tradable financial assets	Initial investment
Total			50,000,000	35,500,000	--	35,500,000	--	220,455,000	/	--	--

### 3.6 Derivative Investment

Applicable  Not Applicable

### 3.7 Interviews and visits in the reporting period

Applicable  Not Applicable

Date	Manner	Object	Content discussed and material offered
2017.1.11	On-Site Survey	Institution	For details, see the January 13, 2017 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: January 11, 2017 investor relations activities record sheet
2017.1.24	On-Site Survey	Institution	For details, see the January 25, 2017 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: January 24, 2017 investor relations activities record sheet
2017.1.25	On-Site Survey	Institution	For details, see the January 25, 2017 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: January 25, 2017 investor relations activities record sheet
2017.2.9	On-Site Survey	Institution	For details, see the February 10, 2017 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan automobile: February 9, 2017 investor relations activities record sheet
2017.2.15	On-Site Survey	Institution	For details, see the February 16, 2017 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: February 15, 2017 investor relations activities record sheet
2017.2.21	On-Site Survey	Institution	For details, see the February 23, 2017 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: February 21, 2017 investor relations activities record sheet
2017.2.22	On-Site Survey	Institution	For details, see the February 23, 2017 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: February 22, 2017 investor relations activities record sheet
2017.3.3	On-Site Survey	Institution	For details, see the March 13, 2017 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: March 3, 2017 investor relations activities record sheet
2017.3.7	On-Site Survey	Institution	For details, see the March 13, 2017 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: March 7, 2017 investor relations activities record sheet
2017.3.10	On-Site Survey	Institution	For details, see the March 13, 2017 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: March 10, 2017 investor relations activities record sheet
2017.3.16	On-Site Survey	Institution	For details, see the March 20, 2017 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: March 16, 2017 investor relations activities record sheet

### 3.8 Illegal external guarantee

Applicable  Not Applicable

### 3.9 Controlling shareholder and its related parties to the listing Corporation's non-operating funds

Applicable  Not Applicable

## Chapter 4 Financial Statements

### 4.1 Financial Statements

#### 4.1.1 Consolidated Balance Sheet

Prepared by: CHONGQING CHANGAN AUTOMOBILE CO., LTD.

April 30, 2017

in RMB yuan

Account	Ending Balance	Opening Balance
Current assets:		
Cash	28,328,334,474.11	24,782,504,552.44
Notes receivable	23,452,083,912.84	29,002,539,261.26
Accounts receivable	2,427,419,115.68	1,498,837,041.54
Prepayments	1,322,691,199.85	1,060,809,892.75
Interest receivable	37,065,861.11	19,318,138.89
Dividend receivable		-
Other receivables	1,834,911,570.82	1,403,399,178.49
Buying back the sale of financial assets		
Inventories	9,970,957,160.80	7,304,106,822.61
Divided into assets held for sale		
Non-current assets within one year		
Other current assets	1,344,096,729.87	926,060,330.87
<b>Total current assets</b>	<b>68,717,560,025.08</b>	<b>65,997,575,218.85</b>
Non-current assets:		
Loans and advances		
Available-for-sale financial assets	399,816,274.00	432,476,274.00
Held-to-maturity investments	-	-
Long-term receivables	-	-
Long-term equity investments	16,966,512,560.07	14,743,367,010.03
Investment properties	49,746,953.01	7,782,984.40
Fixed assets	15,340,212,961.81	15,480,484,513.99
Construction in progress	3,848,604,315.34	3,821,703,830.78
Construction materials	-	96,690.75
Liquidation of fixed assets	178,422.93	-
Intangible assets	3,776,460,646.36	3,444,950,675.03
Development expenditure	903,962,120.84	1,111,176,453.49
Goodwill	9,804,394.00	9,804,394.00
Long-term deferred expenses	13,529,069.50	13,448,409.63
Deferred tax assets	1,566,699,264.16	1,447,607,278.98
Other non-current assets	100,843,077.01	-
<b>Total non-current assets</b>	<b>42,976,370,059.03</b>	<b>40,512,898,515.08</b>
<b>TOTAL ASSETS</b>	<b>111,693,930,084.11</b>	<b>106,510,473,733.93</b>
Current liabilities:		
Short-term loans	201,478,814.66	175,000,000.00
Notes payable	22,739,872,715.43	20,952,104,805.58



Accounts payable	19,272,184,945.47	19,880,580,102.39
Advances from customers	9,064,143,124.80	6,854,337,365.01
Payroll payable	818,195,148.01	1,839,947,475.23
Taxes payable	460,693,175.51	555,681,489.16
Interest payables	99,693,000.00	73,458,000.00
Dividend payables	79,742.80	79,742.80
Other payables	1,482,410,726.17	1,449,028,595.97
Non-current liabilities within one year	1,986,461,808.00	1,992,341,127.81
Other current liabilities	4,265,460,720.23	4,211,570,198.88
Total current liabilities	60,390,673,921.08	57,984,128,902.83
Non-current liabilities:		
Long-term loans	19,980,912.00	19,980,912.00
long-term payable	3,290,925.63	-
Long-term employee benefit payables	101,384,110.09	105,132,000.00
Special payables	272,720,324.96	217,497,540.80
Provisions	2,401,461,083.18	2,010,153,951.87
Deferred Revenue	2,755,392,370.04	2,785,885,626.37
Deferred tax liabilities	8,742,594.48	34,535,250.00
Other non-current liabilities	-	-
Total non-current liabilities	5,562,972,320.38	5,173,185,281.04
Total liabilities	65,953,646,241.46	63,157,314,183.87
Owners' equity (or Shareholders' equity):		
Paid up capital (or Share capital)	4,802,648,511.00	4,802,648,511.00
Capital reserves	5,085,301,532.55	5,085,301,532.55
Less: Treasury shares		
Other consolidated income	131,422,918.12	141,480,908.23
Special reserves	22,652,848.43	16,349,485.65
Surplus reserves	2,401,324,255.50	2,401,324,255.50
General reserve		
Retained earnings	33,528,052,499.33	31,126,707,710.94
Equity attributable to owners	45,971,402,564.93	43,573,812,403.87
Minority interests	-231,118,722.28	-220,652,853.81
Total Owners' equity (or Shareholders' equity)	45,740,283,842.65	43,353,159,550.06
Liabilities and owners' equity (or shareholders' equity) in total	111,693,930,084.11	106,510,473,733.93

#### 4.1.2 Balance Sheet

Prepared by: CHONGQING CHANGAN AUTOMOBILE CO., LTD.

in RMB yuan

Account	Ending Balance	Opening Balance
Current assets:		
Cash	27,360,229,460.77	23,767,111,763.75
Financial assets at fair value through profit or loss		
Derivative financial assets		

Notes receivable	23,169,669,403.95	28,699,756,422.50
Accounts receivable	6,612,672,243.35	4,328,886,769.78
Prepayments	1,131,529,507.54	905,659,820.16
Interest receivable	37,065,861.11	19,318,138.89
Dividend receivable	-	5,900,371.55
Other receivables	1,339,255,893.02	1,456,016,984.91
Inventories	9,189,277,512.81	6,292,770,310.90
Divided into assets held for sale		
Non-current assets within one year		
Other current assets	1,234,548,952.06	592,803,108.38
Total current assets	70,074,248,834.61	66,068,223,690.82
Non-current assets:		
Available-for-sale financial assets	399,816,274.00	432,476,274.00
Held-to-maturity investments	-	-
Long-term receivables	-	-
Long-term equity investments	18,656,084,909.15	16,425,513,619.11
Investment properties	-	-
Fixed assets	12,146,504,308.54	12,142,942,955.13
Construction in progress	3,661,709,300.56	3,613,887,112.73
Construction materials	-	96,690.75
Intangible assets	3,072,976,329.02	2,799,021,341.24
Development expenditure	786,284,398.42	986,790,085.03
Goodwill	-	-
Long-term deferred expenses	12,729,576.00	12,729,576.00
Deferred tax assets	1,487,270,317.14	1,331,906,388.11
Other non-current assets	100,840,000.00	-
Total non-current assets	40,324,215,412.83	37,745,364,042.10
TOTAL ASSETS	110,398,464,247.44	103,813,587,732.92
Current liabilities:		
Short-term loans		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable	21,999,570,916.58	20,344,635,258.93
Accounts payable	17,699,924,871.85	16,912,556,809.95
Advances from customers	8,917,824,722.29	6,563,904,714.60
Payroll payable	697,197,238.97	1,567,187,782.78
Taxes payable	640,177,278.32	470,185,940.53
Interest payable	99,693,000.00	73,458,000.00
Dividend payable	-	-
Other payables	1,917,691,268.49	1,922,286,938.56
Divided into liabilities held for sale	-	-
Non-current liabilities within one year	1,980,000,000.00	1,979,020,519.81
Other current liabilities	3,883,541,866.23	3,992,241,040.51
Total current liabilities	57,835,621,162.73	53,825,477,005.67
Non-current liabilities:		
Long-term loans		
Long-term payables		
Long-term employee benefit payables	84,141,351.26	87,480,000.00

Special payables	217,369,615.56	162,146,831.40
Provisions	2,204,587,652.56	1,947,415,048.79
Deferred Revenue	2,147,697,821.24	2,164,751,690.28
Deferred tax liabilities	6,774,250.00	34,535,250.00
Other non-current liabilities	-	-
Total non-current liabilities	4,660,570,690.62	4,396,328,820.47
Total liabilities	62,496,191,853.35	58,221,805,826.14
Owners' equity (or Shareholders' equity):		
Paid up capital (or Share capital)	4,802,648,511.00	4,802,648,511.00
Other equity instruments		
Among them: Preferred Stock		
Permanent debt		
Capital reserves	4,689,475,046.88	4,689,475,046.88
Less: Treasury shares		
Other consolidated income	197,395,552.68	202,294,552.68
Special reserves	11,135,633.46	7,555,003.10
Surplus reserves	2,401,324,255.50	2,401,324,255.50
Retained earnings	35,800,293,394.57	33,488,484,537.62
Total Owners' equity (or Shareholders' equity)	47,902,272,394.09	45,591,781,906.78
TOTAL LIABILITIES AND OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY)	110,398,464,247.44	103,813,587,732.92

#### 4.1.3 Consolidated Income Statement of the report term

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

in RMB yuan

Account	Current Period	Prior Period
I. Total operating revenue	17,667,498,708.59	19,337,756,565.65
II. Total operating cost	17,599,041,756.59	19,268,801,804.42
Including: Operating cost	14,990,645,640.09	16,274,941,124.73
Tax and surcharges	821,999,049.49	878,762,709.46
Operating expenses	1,261,065,351.21	1,245,628,687.54
General and administrative expenses	642,428,393.22	906,143,346.43
Financial expenses	-116,396,575.66	-43,658,323.21
Impairment loss on assets	-700,101.76	6,984,259.47
Add: Profit and loss from fair value changes ('-' represent loss)		
Investment income ('-' represent loss)	2,223,145,550.04	2,417,713,930.50
Including: Investment income from associates and from joint venture	2,223,145,550.04	2,417,713,930.50
III. Operating profit ('-' represent loss)	2,291,602,502.04	2,486,668,691.73
Add: Non-operating income	159,701,322.14	203,122,013.22
Including: Profit on disposal of non-current assets		
Less: Non-operating expenses	2,704,552.39	24,603,975.77
Including: loss on disposal of non-current assets	1,044,406.97	5,969,162.67
IV. Total profit ('-' represent loss)	2,448,599,271.79	2,665,186,729.18
Less: Income tax expense	57,720,351.87	4,952,715.30

V. Net profit ('-' represent net loss)	2,390,878,919.92	2,660,234,013.88
Net profit attributable to owners	2,401,344,788.39	2,673,017,139.39
Minority interests	-10,465,868.47	-12,783,125.51
VI. Earnings per share:		
I) Basic earnings per share	0.50	0.57
II) Diluted earnings per share		

#### 4.1.4 Income Statement of the report term

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

in RMB yuan

Account	Current Period	Prior Period
I. Operating revenue	17,259,709,545.44	18,708,427,128.79
Less: Operating cost	15,084,595,268.80	15,913,768,734.07
Tax and surcharges	646,712,905.45	807,178,522.27
Operating expenses	1,154,460,309.36	1,154,216,546.29
General and administrative expenses	485,366,088.42	752,849,402.16
Financial expenses	-104,592,074.84	-37,401,767.97
Impairment loss on assets	195,913.03	2,278,397.46
Add: Profit and loss from fair value Changes ('-' represent loss)		
Investment income ('-' represent loss)	2,222,264,079.92	2,419,554,705.50
Including: Investment income from associates and from joint venture	2,223,145,550.04	2,417,713,930.50
II. Operating profit ('-' represent loss)	2,215,235,215.14	2,535,092,000.01
Add: Non-operating income	134,921,737.64	190,290,365.04
Including: profit on disposal of non-current assets		
Less: Non-operating expenses	2,315,192.69	20,997,835.55
Including: loss on disposal of non-current assets	654,751.74	2,574,926.45
III. Total profit ('-' represent loss)	2,347,841,760.09	2,704,384,529.50
Less: Income tax expense	36,032,903.14	-16,943,606.93
IV. Net profit ('-' represent net loss)	2,311,808,856.95	2,721,328,136.43

#### 4.1.5 Consolidated Cash Flow Statement from the beginning of year to the end of report term.

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

in RMB yuan

Account	Current Period	Prior Period
I. CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from sale of goods or rendering of services	26,591,192,519.62	20,795,370,881.16
Refunds of taxes	29,727,148.91	97,491,096.85
Cash received relating to other operating activities	616,874,915.76	555,567,965.52
Sub-total of cash inflows	27,237,794,584.29	21,448,429,943.53
Cash paid for goods and services	16,962,116,204.28	14,340,956,800.90

Cash paid to and on behalf of employees	2,072,824,939.33	2,012,301,025.20
Cash paid for all types of taxes	2,206,703,031.58	1,774,832,778.46
Cash paid relating to other operating activities	1,669,747,733.66	1,704,920,406.86
Sub-total of cash outflows	22,911,391,908.85	19,833,011,011.42
Net cash flows from operating activities	4,326,402,675.44	1,615,418,932.11
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Cash received from disposal of investments		
Cash received from return on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	217,308.66	57,227.53
Sub-total of cash inflows	217,308.66	57,227.53
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	703,911,563.76	1,046,411,208.22
Cash paid for acquisition of investments	100,840,000.00	
Net increase in pledged loans		
Acquisition of net cash from subsidiaries and other business units		
Cash paid relating to other investing activities	13,279.00	
Sub-total of cash outflows	804,764,842.76	1,046,411,208.22
Net cash flows from investing activities	-804,547,534.10	-1,046,353,980.69
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Cash received from absorbing investment		
Including: Cash received from absorbing investment of the minority by subsidiaries		
Cash received from borrowings	186,305,492.56	115,000,000.00
Cash received from the issue of bonds		
Cash received relating to other financing activities	439,474,284.28	31,766,793.24
Sub-total of cash inflows	625,779,776.84	146,766,793.24
Cash repayments of borrowings	160,000,000.00	
Cash paid for distribution of dividends or profits and interest expenses	3,110,483.09	1,938,558.42
Including: Cash paid for distribution of dividends or profits by subsidiaries		
Cash paid relating to other financing activities	2,362,430.67	21,735,073.68
Sub-total of cash outflows	165,472,913.76	23,673,632.10
Net cash flows from financing activities	460,306,863.08	123,093,161.14
<b>IV. EFFECT OF CHANGES IN EXCHANGE RATE ON CASH</b>	577,407.77	91,395.34
<b>V. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	3,982,739,412.19	692,249,507.90

Add: Opening balance of cash and cash equivalents	22,993,432,067.05	17,725,921,341.22
VI. CLOSING BALANCE OF CASH AND CASH EQUIVLANT	26,976,171,479.24	18,418,170,849.12

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

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

in RMB yuan

Account	Current Period	Prior Period
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from sale of goods or rendering of services	25,055,900,799.22	19,763,794,780.34
Refunds of taxes		50,000,000.00
Cash received relating to other operating activities	406,946,568.95	294,545,645.18
Sub-total of cash inflows	25,462,847,368.17	20,108,340,425.52
Cash paid for goods and services	16,272,671,362.91	13,855,112,175.44
Cash paid to and on behalf of employees	1,672,255,248.98	1,656,501,846.98
Cash paid for all types of taxes	1,876,545,799.33	1,653,469,804.23
Cash paid relating to other operating activities	1,494,007,438.26	1,638,939,812.20
Sub-total of cash outflows	21,315,479,849.48	18,804,023,638.85
Net cash flows from operating activities	4,147,367,518.69	1,304,316,786.67
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Cash received from disposal of investments		
Cash received from return on investments	6,556,013.22	1,840,775.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	209,743.59	25,227.53
Cash received from disposal of subsidiary and other business units		
Cash received relating to other investing activities	166,000,000.00	50,000,000.00
Sub-total of cash inflows	172,765,756.81	51,866,002.53
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	626,578,188.98	980,946,612.40
Cash paid for acquisition of investments	100,437,389.50	
Cash paid for acquisition of subsidiary and other business units		
Cash paid relating to other investing activities		50,000,000.00
Sub-total of cash outflows	727,015,578.48	1,030,946,612.40
Net cash flows from investing activities	-554,249,821.67	-979,080,609.87
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		

Cash received from absorbing investment		
Cash received from borrowings		
Cash received from issuing bond		
Cash received relating to other financing activities	410,604,947.92	
Sub-total of cash inflows	410,604,947.92	
Cash repayments of borrowings		
Cash paid for distribution of dividends or profits and interest expenses		
Cash paid relating to other financing activities		
Sub-total of cash outflows		
Net cash flows from financing activities	410,604,947.92	
IV. EFFECT OF CHANGES IN EXCHANGE RATE ON CASH		
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	4,003,722,644.94	325,236,176.80
Add: Opening balance of cash and cash equivalents	22,326,566,084.67	17,223,403,333.90
VI. CLOSING BALANCE OF CASH AND CASH EQUIVLANT	26,330,288,729.61	17,548,639,510.70

#### 4.2 Auditors' Report

Whether the first quarter report has been audited

Yes  No

The first quarter report has not been audited.