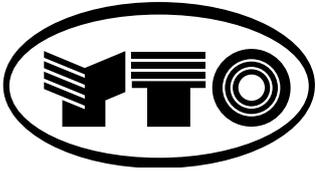


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第一拖拉机股份有限公司*

FIRST TRACTOR COMPANY LIMITED*

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

(Stock Code: 0038)

2014 THIRD QUARTERLY REPORT

1. IMPORTANT NOTICE

- 1.1 The board of directors (the “**Board**”) and supervisory committee of First Tractor Company Limited* (the “**Company**”), and its directors (the “**Directors**”), supervisors and senior management confirm that this third quarterly report is true, accurate and complete and does not contain any false information, misleading statements or material omissions, and severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the contents therein.
- 1.2 All Directors of the Company attended the Board meeting to consider this third quarterly report.
- 1.3 Zhao Yanshui (Person in charge of the Company), Yao Weidong (Person in charge of the accounting function) and Zhou Juan (Person in charge of the Accounting Department, Chief Accountant) have confirmed the truthfulness, accuracy and completeness of the financial statements in this third quarterly report.
- 1.4 The Company’s financial statements for this third quarterly report were unaudited.
- 1.5 The relevant financial statements and financial data in this third quarterly report were prepared in accordance with the PRC accounting standards.

2 DEFINITIONS

Unless the context otherwise requires, the following terms should have the following meanings in this report:

Company	First Tractor Company Limited* (第一拖拉機股份有限公司)
controlled subsidiary	a company held as to more than 50% by the Company; a company actually controlled by the Company through agreement and arrangement
subsidiary	has the same meaning as ascribed to it under the Listing Rules
YTO	YTO Group Corporation* (中國一拖集團有限公司), the controlling shareholder of the Company
Sinomach	China National Machinery Industry Corporation* (中國機械工業集團有限公司), the ultimate controlling shareholder of the Company
YTO Finance	YTO Finance Company Limited* (中國一拖集團財務有限責任公司), a subsidiary of the Company
CSRC	China Securities Regulatory Commission
Shanghai Stock Exchange	the Shanghai Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited

A Share	ordinary shares as approved by the CSRC which are issued to domestic investors and qualified foreign investors, listed on domestic stock exchanges, denominated, subscribed for and traded in RMB
H Share	ordinary shares as approved by the CSRC which are issued to foreign investors, and listed with the approval of the Hong Kong Stock Exchange, denominated in RMB, subscribed for and traded in Hong Kong dollars
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
PRC	The People's Republic of China which, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
ZF (China)	ZF (China) Investment Co., Ltd.* (采埃孚(中國)投資有限公司), a wholly-owned subsidiary of German ZF Friedrichshafen AG

3. MAJOR FINANCIAL DATA AND CHANGES IN SHAREHOLDERS OF THE COMPANY

3.1 Major accounting data

Unit: 0'000: Currency: RMB

	At the end of the reporting period (30 September 2014)	At the end of the previous year (31 December 2013)		Increase/decrease at the end of the reporting period as compared to the end of the previous year (%)
		After adjustment	Before adjustment	
Total assets	1,275,273.68	1,171,021.64	1,166,834.20	8.90
Net assets attributable to shareholders of the Company	453,395.62	450,311.32	447,389.59	0.68
	From the beginning of the year to the end of the reporting period (1 January 2014 to 30 September 2014)	From the beginning of the previous year to the end of the reporting period of the previous year (1 January 2013 to 30 September 2013)		Year-on-year increase/decrease (%)
		After adjustment	Before adjustment	
Net cash flows from operating activities	-44,482.78	-30,380.25	-40,964.96	46.42

	From the beginning of the year to the end of the reporting period (1 January 2014 to 30 September 2014)	From the beginning of the previous year to the end of the reporting period of the previous year (1 January 2013 to 30 September 2013)		Year-on-year increase/decrease (%)
		After adjustment	Before adjustment	
Operating revenue	782,568.90	920,048.19	919,580.31	-14.94
Net profits attributable to shareholders of the Company	13,225.80	25,354.58	26,180.13	-47.84
Net profits after deduction of extraordinary profit and loss attributable to shareholders of the Company	11,763.05	22,653.82	23,546.92	-48.07
Weighted average return on net assets (%)	2.92	5.63	5.90	Decreased by 2.71 percentage points
Basic earnings per share (RMB/share)	0.1328	0.2546	0.2629	-47.84
Diluted earnings per share (RMB/share)	0.1328	0.2546	0.2629	-47.84

Deduction of extraordinary profit and loss and the amount:*Unit: 0'000 Currency: RMB*

Item	The reporting period (1 July 2014 to 30 September 2014)	From the beginning of the year to the end of the reporting period (1 January 2014 to 30 September 2014)
Profit/loss from disposal of non-current assets	-23.15	-22.59
Government grants credited to current profit or loss (except for those which are closely related to the Company's ordinary business, in accordance with national policies and continuously received in certain standard amounts and quantities)	342.62	1,513.74
Net profit/loss from the beginning of the reporting period to the combination date attributable to the subsidiaries established through business combination under common control	—	-126.67
Gains or losses from changes in fair values of trading financial assets and trading financial liabilities held by the Company, and investment gains from disposal of trading financial assets, trading financial liabilities and available-for-sale financial assets, other than effective hedging activities associated with normal business operations of the Company	245.63	325.47
Other non-operating income and expenses other than the aforesaid items	108.67	324.34
Effect of income tax	-12.31	-272.53
Effect of minority interests (after tax)	-65.60	-279.01
Total	595.86	1,462.75

3.2 Total number of shareholders, shareholdings of the top ten shareholders and the top ten shareholders of non-restricted circulating shares as at the end of the reporting period

Total number of shareholders as at the end of the reporting period 26,569 (including 26,170 holders of A Share and 399 holders of H Share)

Name of shareholders	Nature of shareholders	Percentage of shareholding (%)	Shareholdings of the top ten shareholders		
			Total number of shareholding	Number of shares held with selling restrictions	Number of shares subject to pledge or moratorium
YTO	State-owned legal person	44.57	443,910,000	443,910,000	None
HKSCC Nominees Limited	Foreign legal person	39.98	398,181,398	0	Unknown
Agricultural Bank of China — China Post Core Merit-chosen Equity Fund (中國農業銀行—中郵核心優選股票型證券投資基金)	Other	0.39	3,931,818	0	Unknown
Huang Hui (黃慧)	Domestic natural person	0.20	1,987,073	0	Unknown
Guo Yuling (郭玉玲)	Domestic natural person	0.14	1,412,500	0	Unknown
Luo Xiuzhen (羅秀珍)	Domestic natural person	0.12	1,182,383	0	Unknown
Guangzhou Guangya Internet Technology Corporation Limited (廣州光亞網絡科技有限公司)	Unknown	0.08	791,700	0	Unknown
LIU HON NAM	Foreign natural person	0.07	726,000	0	Unknown
Zhao Haibo (趙海波)	Domestic natural person	0.06	621,179	0	Unknown
Feng Yuzhen (馮宇珍)	Domestic natural person	0.06	609,600	0	Unknown

Shareholdings of the top ten shareholders of non-restricted circulating shares

Name of shareholders (full name)	Number of non-restricted circulating shares held as at the end of the reporting period	Class of share
HKSCC Nominees Limited	398,181,398	H Share
Agricultural Bank of China — China Post Core Merit-choosed Equity Fund (中國農業銀行— 中郵核心優選股票型證券投資基金)	3,931,818	A Share
Huang Hui (黃慧)	1,987,073	A Share
Guo Yuling (郭玉玲)	1,412,500	A Share
Luo Xiuzhen (羅秀珍)	1,182,383	A Share
Guangzhou Guangya Internet Technology Corporation Limited (廣州光亞網絡科技有限 公司)	791,700	A Share
LIU HON NAM	726,000	H Share
Zhao Haibo (趙海波)	621,179	A Share
Feng Yuzhen (馮宇珍)	609,600	A Share
Union Life Insurance Co., Ltd — Dividend distribution — Personal insurance dividend (合 眾人壽保險股份有限公司—分紅—個險分紅)	600,000	A Share

Explanation on connected
relationship or parties
acting in concert among
the aforesaid shareholders

Of the top 10 shareholders and top 10 shareholders of non-restricted circulating shares, YTO, the controlling shareholder of the Company, has no connected relationship with, nor is it a party acting in concert (as defined in the Administrative Measures on Acquisitions by Listed Companies) with, any of other shareholders. The Company is not aware of any connected relationship among other shareholders, nor aware of any parties acting in concert among them as defined in the Administrative Measures on Acquisitions by Listed Companies.

Note: Pursuant to the register of shareholders provided by HKSCC Nominees Limited, its H Shares are held on behalf of several customers.

4. SIGNIFICANT EVENTS

4.1 Material changes in major accounting items and financial indicators of the Company and the reasons therefor

4.1.1 *Explanation on major accounting figures and financial indicators of the Company*

Basic earnings per share and diluted earnings per share decreased by 47.8% compared to the reporting period of the previous year, mainly due to the decrease in net profit attributable to shareholders of the Company during the period.

4.1.2 *Items in the consolidated balance sheet*

Bills receivable decreased by 37.5% compared to the beginning of this year, mainly due to an increase in collection of sales revenue in cash this year and a decrease in the percentage of acceptance bills.

Accounts receivable increased by 88.1% compared to the beginning of this year, mainly due to the delay in settlement of the national agricultural machinery subsidies and the payback period for the sales of products in the first half of the year has not reached.

Prepayments increased by 43.5% compared to the beginning of this year, mainly due to an increase of prepayment of goods.

Held-to-maturity investments increased by 192% compared to the beginning of this year, mainly due to an increase in purchase of bond by YTO Finance.

Short-term loans increased by 405.5% compared to the beginning of this year, mainly due to the newly-added short-term bank loans.

Placements from banks and other financial institutions decreased by 100% compared to the beginning of this year, mainly due to the decrease in placements from banks and other financial institutions by YTO Finance.

Bills payable increased by 99.2% compared to the beginning of this year, mainly due to the increase in percentage of acceptance bills used in foreign payment by the Company.

Interests payable decreased by 31.5% compared to the beginning of this year, mainly due to the payment of interests of the Company bond by the Company.

Non-current liabilities due within one year decreased by 92.7% compared to the beginning of this year, mainly due to the repayment of bank loans due within one year by the Company.

4.1.3 Items in the consolidated income statement

Selling expenses increased by 22.6% compared to the reporting period of the previous year, mainly due to the change in selling strategy of the Company that the Company is now responsible for transportation and transportation charges, resulting in a significant increase in selling expenses.

Administration expenses increased by 3% compared to the reporting period of the previous year, mainly due to the newly-incorporated units and the increase in employees' remuneration.

Income tax expenses decreased by 43.3% compared to the reporting period of the previous year, mainly due to the decrease in operating profit of the Company.

4.1.4 Items in the consolidated cash flow statement

Net cash outflow from operating activities was RMB444.83 million, representing an increase of RMB141.03 million year on year. Excluding the impact from YTO Finance, net cash inflow from operating activities of the Company was RMB765.81 million, representing an increase of RMB725.24 million year on year, mainly due to the adjustment of selling strategy of the Company with increased efforts to promote sales in cash, resulting in a faster collection of cash. Net cash outflow from operating activities of YTO Finance by the end of the third quarter of this year was 1210.64 million, representing an increase of RMB866.27 million year on year, mainly due to the purchase of financial assets.

Net cash outflow from investment activities increased by RMB257.11 million compared to the reporting period of previous year, mainly due to the increase of RMB199.31 million in investment on infrastructure construction compared to the reporting period of the previous year by the Company for optimization of product cost and improvement of quality; meanwhile, some idle funds were managed and invested to enhance the use efficiency of funds.

Net cash inflow from financing activities increased by RMB41.32 million compared to the reporting period of the previous year, mainly due to the increase in the Company's loans.

4.2 Progress of significant events and their impacts, and analysis of solutions

4.2.1 The fourteenth meeting of the sixth session of the Board of the Company held on 18 July 2014 considered and approved that the Company and ZF (China) would jointly establish ZF YTO (Luoyang) Axle Co., Ltd.* (采埃孚一拖(洛陽)車橋有限公司). On 21 July 2014, the Company formally entered into the joint venture agreement with ZF (China). Currently, it is in the process of preparing the relevant application and approval works in respect of establishing a joint venture. (For details, please refer to the announcements of Lin. 2014-034 and Lin. 2014-035 published on the website of the Shanghai Stock Exchange, China Securities Journal and Shanghai Securities Journal on 19 July 2014 and 22 July 2014 respectively.)

4.2.2 The fifteenth meeting of the sixth session of the Board of the Company held on 26 August 2014 considered and approved the resolution on the transfer of 93.83% of the equity interest of Shanghai Qiangnong (Group) Co., Ltd.* (上海強農(集團)股份有限公司) by public listing. 100% equity interest in Shanghai Qiangnong (Group) Co., Ltd.* (上海強農(集團)股份有限公司) was publically listed on Shanghai United Assets and Equity Exchange to solicit transferee with the listing price of RMB96 million on 11 October 2014, the corresponding value of the equity interest held by the Company was 90.0768 million. (For details, please refer to the announcement of Lin. 2014-041 published on the website of the Shanghai Stock Exchange, China Securities Journal and Shanghai Securities Journal on 27 August 2014.)

4.3 Implementation of commitments made by the Company, shareholders holding 5% or more of the Company's shares

Background	Type of commitment	Party making the commitment	Commitment	Performance
Commitment related to the initial public offering	Solutions to business competition	the Company	Commencing from 11 January 2012, YTO (Luoyang) Farming Implements Company Limited (renamed as YTO (Luoyang) Zhongcheng Machinery Company Ltd.) no longer engages in the purchase, assembly and sales of farming implements products other than the supporting sale of the farming implements products which have been purchased or ordered. The Company and all its controlled subsidiaries shall not engage in the processing, production or assembly of farming implements, except the supporting sales and relevant procurement.	The commitment is fulfilled and normally performed.
Commitment related to the initial public offering	Solutions to business competition	YTO	YTO will not engage in and procure other enterprises controlled by it not to engage in the same or similar business of the Company to avoid direct or indirect competition with the Company's business operations. In addition, where YTO or other enterprises controlled by it may bring unfair impact on the Company in respect of market share, business opportunity and resources allocation, YTO will voluntarily give up and procure other enterprises controlled by it to give up business competition with the Company.	The commitment is fulfilled and normally performed.
Commitment related to the initial public offering	Solutions to business competition	Sinomach	Sinomach will not engage in and procure other enterprises controlled by it not to engage in the same or similar business of the Company to avoid direct or indirect competition with the Company's business operations. In addition, where Sinomach or other enterprises controlled by it may bring unfair impact on the Company in respect of market share, business opportunity and resources allocation, Sinomach will voluntarily give up and procure other enterprises controlled by it to give up business competition with the Company.	The commitment is fulfilled and normally performed.

Commitment related to the initial public offering	Restriction on trading of shares	Sinomach	Within 36 months after the date of initial public offering, listing and trading of A shares of the Company, Sinomach will not transfer or engage others to manage the shares of the Company issued before the initial public offering of shares of the Company directly and indirectly held by Sinomach, nor allow the Company to repurchase such shares.	The commitment is fulfilled and normally performed.
Commitment related to the initial public offering	Restriction on trading of shares	YTO	Within 36 months after the date of initial public offering, listing and trading of A shares of the Company, YTO will not transfer or engage others to manage the shares of the Company issued before the initial public offering of shares of the Company directly and indirectly held by YTO, nor allow the Company to repurchase such shares.	The commitment is fulfilled and normally performed.
Commitment related to the initial public offering	Size of deposit and loan	YTO	On 16 August 2010, YTO and YTO Finance entered into the Deposit Agreement and Loan Agreement, which stipulated the annual cap of loan obtained by YTO and its subsidiaries (excluding the Company) from YTO Finance. YTO further undertook that, on the basis of the aforesaid Deposit Agreement and Loan Agreement and cap amount of connected transactions, the loan of YTO and its subsidiaries (excluding the Company) obtained from YTO Finance will be less than their deposits placed with YTO Finance, and ensured the safety of its subsidiaries' loans through various measures.	The commitment is fulfilled and normally performed.
Commitment related to the initial public offering	Improvement of asset integrity	YTO	As to the patents related to the products of the Company and its subsidiaries which are in the process of application, YTO undertook to transfer the relevant 50 patents to the Company at nil consideration upon completion of the applications. Except for the aforesaid patents which are in the process of application, YTO will no longer apply for patents related to the products of the Company and its subsidiaries in its own name. YTO will transfer to the Company at nil consideration any such new technologies related to the products of the Company and its subsidiaries that may be developed by YTO after issue of the undertaking letter, and patents in respect of such technologies will be applied for directly in the name of the Company.	The commitment is fulfilled and normally performed.

4.4 Impact of implementation of the PRC new accounting standards on the consolidated financial statements

The impact of changes in standards of long-term equity investments on the consolidated financial statements:

Pursuant to the “Accounting Standards for Business Enterprises No.2 — Long-term Equity Investments”, an equity investment held by the Company for which the Company has no control, joint control or material impact and its fair value cannot be reliably measured, shall be measured as a financial asset available for sale measured at costs rather than a long-term equity investment, and relevant adjustment will be applied retrospectively.

Unit: 0'000 Currency: RMB

	31 December 2013	
	Long-term equity investments	Available-for-sale financial assets
Invested Companies	(+/-)	(+/-)
Bank of LuoYang Co., Ltd.	-7,813	7,813
Nanyang Xiangrui Agricultural Machinery Co., Ltd.	-140	140
Yituo (Luoyang) Dongfanghong Tyre Company Limited	-80	80
Shenyin & Wanguo Securities Co., Ltd.	-50	50
Baoding Investment Co., Ltd.* (寶鼎投資股份有限公司)	-1	1
Marine Biotechnology Co., Ltd.* (海洋生物科技有限公司)	0	0
Beijing Zhongnongwang Technology Co., Ltd.* (北京中農網科技有限公司)	0	0
Luoyang Bofeng Bearing Co., Ltd.* (洛陽博豐軸承有限公司)	0	0
	<hr/>	<hr/>
Total	<u>-8,084</u>	<u>8,084</u>

*Note:*The investment costs of Marine Biotechnology Co., Ltd.* (海洋生物科技有限公司), Beijing Zhongnongwang Technology Co., Ltd.* (北京中農網科技有限公司) and Luoyang Bofeng Bearing Co., Ltd.* (洛陽博豐軸承有限公司) were RMB2.13 million, RMB2.12 million and RMB4.8 million respectively. The Company has made provision for impairment on the full investment amounts of the above-mentioned three companies based on their operating conditions.

By Order of the Board
FIRST TRACTOR COMPANY LIMITED*
ZHAO Yanshui
Chairman

Luoyang, the PRC
28 October 2014

As at the date of this announcement, Mr. Zhao Yanshui is the Chairman of the Company and Mr. Wang Erlong is the Vice Chairman of the Company. Other members of the Board are six Directors, namely, Mr. Yan Linjiao, Mr. Wu Zongyan, Mr. Wang Kejun, Mr. Guo Zhiqiang, Mr. Liu Jiguo and Mr. Wu Yong; and four independent non-executive Directors, namely, Mr. Hong Xianguo, Mr. Xing Min, Mr. Wu Tak Lung and Mr. Yu Zengbiao.

* *For identification purposes only*

5. APPENDICES

5.1 Consolidated Balance Sheet

30 September 2014

Item	<i>Unit: Yuan Currency: RMB</i>	
	Balance as at the end of the period	Balance as at the beginning of the year
Current assets:		
Bank balance and cash	1,421,870,847.11	1,883,479,523.60
Held-for-trading financial assets	353,036,886.78	359,095,259.97
Bills receivable	793,247,045.94	1,269,899,186.51
Accounts receivable	2,007,518,956.80	1,067,488,278.19
Prepayments	279,137,569.35	194,539,070.95
Other receivables	91,937,046.28	78,606,099.64
Inventory	1,343,641,884.59	1,766,268,480.42
Other current assets	1,199,309,834.44	—
Total current assets	<u>7,489,700,071.29</u>	<u>6,619,375,899.28</u>

Item	Balance as at the end of the period	Balance as at the beginning of the year
Non-current assets:		
Entrusted loans and advances granted	594,136,139.63	725,322,825.23
Available-for-sale financial assets	140,146,318.41	137,580,990.01
Held-to-maturity investments	74,767,392.18	25,601,874.77
Long-term equity investments	8,659,096.50	9,184,641.20
Investment properties	30,147,143.72	31,160,041.52
Fixed assets	2,600,175,912.01	2,685,745,048.61
Construction in progress	780,897,705.57	424,579,666.44
Intangible assets	937,046,907.22	958,395,440.46
Long-term deferred expenses	17,248,272.98	16,919,867.57
Deferred income tax assets	79,811,845.62	76,350,097.44
	<hr/>	<hr/>
Total non-current assets	5,263,036,733.84	5,090,840,493.25
	<hr/> <hr/>	<hr/> <hr/>
Total assets	12,752,736,805.13	11,710,216,392.53
	<hr/> <hr/>	<hr/> <hr/>
Current liabilities:		
Short-term loans	1,478,317,157.03	292,437,410.89
Deposit taking and deposit in inter-bank market	570,359,199.51	565,022,287.05
Placements from banks and other financial institutions	—	350,000,000.00
Bills payable	1,304,351,810.55	654,769,401.01
Accounts payable	1,915,653,667.89	2,095,124,850.72
Payments received in advance	185,441,838.17	260,683,445.11
Staff remuneration payables	108,649,868.14	111,379,298.46
Taxes payable	-322,783,698.14	-351,328,558.11
Interests payable	37,719,736.84	55,028,515.34
Dividends payable	190,254.60	—
Other payables	293,162,928.32	224,315,326.11
Non-current liabilities due within one year	22,065,250.00	301,018,000.00
Other current liabilities	115,865,543.12	87,951,003.54
	<hr/>	<hr/>
Total current liabilities	5,708,993,556.03	4,646,400,980.12
	<hr/> <hr/>	<hr/> <hr/>

Item	Balance as at the end of the period	Balance as at the beginning of the year
Non-current liabilities:		
Long-term loans	63,141,750.00	84,189,000.00
Bonds payable	1,491,409,550.49	1,489,772,818.57
Deferred income tax liabilities	48,716,262.82	49,917,073.21
Other non-current liabilities	173,330,493.20	182,418,508.05
	<hr/>	<hr/>
Total non-current liabilities	1,776,598,056.51	1,806,297,399.83
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities	7,485,591,612.54	6,452,698,379.95
	<hr/> <hr/>	<hr/> <hr/>
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	995,900,000.00	995,900,000.00
Capital reserve	2,141,041,053.36	2,174,134,946.04
Surplus reserve	326,747,339.47	326,747,339.47
General risk provision	7,097,463.55	7,097,463.55
Retained earnings	1,087,740,977.28	1,015,236,952.27
Currency translation differences	-24,570,678.52	-16,003,495.03
	<hr/>	<hr/>
Total equity attributable to the owners of the Company	4,533,956,155.14	4,503,113,206.30
	<hr/> <hr/>	<hr/> <hr/>
Minority interests	733,189,037.45	754,404,806.28
	<hr/> <hr/>	<hr/> <hr/>
Total owners' equity	5,267,145,192.59	5,257,518,012.58
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and owners' equities	12,752,736,805.13	11,710,216,392.53
	<hr/> <hr/>	<hr/> <hr/>

Balance Sheet of the Company

30 September 2014

Unit: Yuan Currency: RMB

Item	Balance as at the end of the period	Balance as at the end of the period
Current assets:		
Bank balance and cash	1,554,943,058.85	1,091,180,747.25
Bills receivable	319,579,448.64	417,754,765.39
Accounts receivable	1,553,115,822.51	1,108,271,652.69
Prepayments	218,246,047.57	122,883,981.86
Dividends receivable	27,118,863.00	—
Other receivables	104,038,958.15	43,372,760.70
Inventory	538,991,121.64	627,996,230.25
Other current assets	335,992,779.81	107,017,010.00
Total current assets	4,652,026,100.17	3,518,477,148.14
Non-current assets:		
Available-for-sale financial assets	39,952,000.00	35,992,000.00
Long-term equity investments	2,935,112,273.67	2,902,526,436.13
Fixed assets	1,362,796,825.97	1,102,175,206.12
Construction in progress	576,662,872.86	224,241,167.99
Intangible assets	544,959,337.94	479,416,911.19
Long-term deferred expenses	12,584,973.42	—
Deferred income tax assets	5,018,967.61	5,032,911.39
Total non-current assets	5,477,087,251.47	4,749,384,632.82
Total assets	10,129,113,351.64	8,267,861,780.96

Item	Balance as at the end of the period	Balance as at the end of the period
Current liabilities:		
Short-term loans	1,515,991,620.00	451,145,119.87
Bills payable	953,893,538.65	385,179,704.45
Accounts payable	1,337,030,509.30	1,351,037,684.61
Payments received in advance	210,594,560.46	15,085,814.01
Staff remuneration payables	34,930,579.35	33,645,648.89
Taxes payable	-290,138,075.31	-317,474,985.81
Interests payable	32,715,670.86	50,326,849.36
Other payables	366,585,867.22	30,694,393.07
Non-current liabilities due within one year	21,047,250.00	300,000,000.00
Other current liabilities	50,988,364.40	20,846,726.00
Total current liabilities	4,233,639,884.93	2,320,486,954.45
Non-current liabilities:		
Long-term loans	63,141,750.00	84,189,000.00
Bonds payable	1,491,409,550.49	1,489,772,818.57
Deferred income tax liabilities	3,310,800.00	2,716,800.00
Other non-current liabilities	136,000,862.41	141,056,362.41
Total non-current liabilities	1,693,862,962.90	1,717,734,980.98
Total liabilities	5,927,502,847.83	4,038,221,935.43
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	995,900,000.00	995,900,000.00
Capital reserve	2,036,510,374.91	2,070,296,602.01
Surplus reserve	252,254,055.64	252,254,055.64
Retained earnings	916,946,073.26	911,189,187.88
Total owners' equity (or shareholders' equity)	4,201,610,503.81	4,229,639,845.53
Total liabilities and owners' equity (or shareholders' equity)	10,129,113,351.64	8,267,861,780.96

5.2 Consolidated Income Statement

From 1 January to 30 September 2014

Unit: Yuan Currency: RMB

Item	The reporting period (July to September)	The corresponding period of the previous year (July to September)	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the previous year to the end of the reporting period of the previous year (January to September)
I. Total operating revenue	2,411,576,979.90	2,621,187,639.01	7,885,153,112.33	9,255,594,779.42
Including: Operating revenue	2,389,388,277.15	2,599,549,403.78	7,825,689,033.01	9,200,481,901.87
Interest income	21,740,456.25	20,974,957.00	58,402,568.54	53,604,173.51
Handling charges and commission income	448,246.50	663,278.23	1,061,510.78	1,508,704.04
II. Total operating costs	2,398,694,547.85	2,569,503,043.03	7,792,451,453.20	8,984,887,053.05
Including: Operating costs	1,986,965,224.35	2,143,786,581.39	6,506,595,563.74	7,784,933,248.28
Interest expenses	6,244,379.26	2,648,936.80	23,181,080.66	19,380,922.53
Handling charges and commission expenses	88,246.42	46,747.38	322,491.05	166,503.40
Business taxes and surcharges	7,528,737.15	6,585,080.83	22,680,775.28	24,270,315.47
Selling expenses	100,289,133.31	71,033,120.50	345,621,036.46	281,961,029.39
Administration expenses	244,048,506.63	250,399,393.14	724,624,865.11	703,337,183.82
Finance expenses	31,866,731.77	48,899,480.63	81,233,987.06	83,278,818.46
Impairment loss on assets	21,663,588.96	46,103,702.36	88,191,653.84	87,559,031.70
Add: Gains from changes in fair value (losses are represented by “-”)	2,439,821.11	789,111.07	5,350,068.46	440,253.62
Investment income (losses are represented by “-”)	14,138,330.64	11,535,341.66	52,577,805.69	40,622,469.61
Including: Gains from investment in associates and joint ventures	-318,994.73	-641,549.29	-107,819.84	-114,649.35
III. Operating profit (loss is represented by “-”)	29,460,583.80	64,009,048.71	150,629,533.28	311,770,449.60
Add: Non-operating income	5,565,779.62	7,425,243.93	20,940,495.03	17,746,009.51
Less: Non-operating expenses	1,284,340.89	565,447.74	2,785,595.18	2,766,575.62
Including: Loss from disposal of non-current assets	2,103,282.74	404,742.68	3,184,389.74	1,462,326.23

Item	The reporting period (July to September)	The corresponding period of the previous year (July to September)	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the previous year to the end of the reporting period of the previous year (January to September)
IV. Total profit (total loss is represented by “-”)	33,742,022.53	70,868,844.90	168,784,433.13	326,749,883.49
Less: Income tax expenses	<u>12,591,937.56</u>	<u>11,750,555.27</u>	<u>36,456,902.16</u>	<u>64,267,890.00</u>
V. Net profit (net loss is represented by “-”)	<u><u>21,150,084.97</u></u>	<u><u>59,118,289.63</u></u>	<u><u>132,327,530.97</u></u>	<u><u>262,481,993.49</u></u>
Net profit attributable to the owners of the Company	19,830,229.98	67,311,825.19	132,258,025.01	253,545,765.84
Minority interests	1,319,854.99	-8,193,535.56	69,505.96	8,936,227.65
VI. Earnings per share:				
(I) Basic earnings per share	0.0199	0.0676	0.1328	0.2546
(II) Diluted earnings per share	0.0199	0.0676	0.1328	0.2546
VII. Other comprehensive income	-6,682,532.91	5,833,372.32	-4,559,333.49	-10,953,165.73
VIII. Total comprehensive income	<u><u>14,467,552.06</u></u>	<u><u>64,951,661.95</u></u>	<u><u>127,768,197.48</u></u>	<u><u>251,528,827.76</u></u>
Total comprehensive income attributable to owners of the Company	13,495,728.25	72,812,501.88	128,231,110.25	243,896,745.93
Total comprehensive income attributable to minority interests	971,823.81	-7,860,839.93	-462,912.77	7,632,081.83

Income Statement of the Company

From 1 January to 30 September 2014

Unit: Yuan Currency: RMB

Item	The reporting period (July to September)	The corresponding period of the previous year (July to September)	From the beginning of the previous year to the end of the reporting period of the previous year (January to September)	
			From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the previous year to the end of the reporting period of the previous year (January to September)
I. Operating revenue	1,668,937,931.69	1,669,508,619.07	5,755,273,773.83	6,175,361,984.03
Less: Operating costs	1,449,140,611.40	1,453,257,646.28	5,046,590,284.26	5,459,253,425.02
Business taxes and surcharges	42,621.32	495,192.91	781,612.04	1,249,423.87
Selling expenses	8,335,356.07	7,931,192.66	31,801,587.57	41,458,380.98
Administration expenses	158,322,428.25	138,832,183.25	445,285,955.71	399,472,252.35
Finance expenses	28,798,292.50	13,071,842.60	70,664,220.21	41,982,866.84
Impairment loss on assets	18,087,809.02	3,196,359.31	14,440,457.45	10,790,045.97
Investment income (losses are represented by “-”)	46,539,908.72	30,338,342.34	111,850,909.60	31,705,913.45
Including: Gains from investment in associates and joint ventures	-42,727.24	—	-114,162.46	—
II. Operating profit (loss is represented by “-”)	52,750,721.85	83,062,544.40	257,560,566.19	252,861,502.45
Add: Non-operating income	2,957,856.12	12,247,457.57	9,572,190.02	18,427,226.85
Less: Non-operating expenses	812,128.13	17,667.04	1,862,839.38	978,443.69
Including: Loss from disposal of non-current assets	226,278.79	17,667.04	611,226.58	913,037.29
III. Total profit (total loss is represented by “-”)	54,896,449.84	95,292,334.93	265,269,916.83	270,310,285.61
Less: Income tax expenses	4,199,455.52	—	11,759,031.45	17,088,798.64
IV. Net profit (net loss is represented by “-”)	50,696,994.32	95,292,334.93	253,510,885.38	253,221,486.97
V. Other comprehensive income	3,066,800.00	-4,787,200.00	3,366,000.00	-4,787,200.00
VI. Total comprehensive income	53,763,794.32	90,505,134.93	256,876,885.38	248,434,286.97

5.3 Consolidated Cash Flow Statement

From 1 January to 30 September 2014

Unit: Yuan Currency: RMB

Item	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the previous year to the end of the reporting period of the previous year (January to September)
I. Cash flow from operating activities:		
Cash received from sale of goods and rendering of services	7,760,860,509.04	8,508,037,766.34
Net increase in customer deposits and deposits from banks and other financial institutions	5,336,912.46	-407,068,814.05
Net increase in placements from banks and other financial institutions	-350,000,000.00	-260,000,000.00
Cash receipts from interests, fees and commissions	59,015,832.82	47,746,452.34
Net increase in financial assets sold under repurchase arrangements	-978,394,677.95	—
Refunds of taxes	36,602,254.57	27,515,855.20
Other cash received relating to operating activities	108,749,495.24	112,495,662.42
Sub-total of cash inflow from operating activities	6,642,170,326.18	8,028,726,922.25

Item	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the previous year to the end of the reporting period of the previous year (January to September)
Cash paid for goods purchased and services received	5,438,800,534.05	7,098,344,314.21
Net increase in customer loans and advances	-64,988,159.66	-224,415,916.02
Net increase in deposit in PBOC and interbank deposits	800,536.87	-61,060,322.11
Cash paid for interests, fees and commissions	10,788,308.90	10,523,654.04
Cash paid to and on behalf of employees	859,859,122.46	826,674,024.24
Cash paid for all types of taxes	211,288,564.34	250,687,272.74
Other cash paid relating to operating activities	630,449,175.83	431,776,410.52
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Sub-total of cash outflow from operating activities	7,086,998,082.79	8,332,529,437.62
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Net cash flow from operating activities	-444,827,756.61	-303,802,515.37
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II. Cash flow from investment activities:		
Cash received from withdrawal of investments	583,471,603.16	149,218,105.67
Cash received from return on investments	26,612,711.56	18,965,927.83
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	8,582,540.00	8,336,489.00
Net cash received from disposal of subsidiaries and other operating entities	7,192,725.54	—
Other cash received relating to investment activities	900,000.00	22,716,908.06
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Sub-total of cash inflow from investment activities	626,759,580.26	199,237,430.56
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Item	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the previous year to the end of the reporting period of the previous year (January to September)
Cash paid for acquisition and construction of fixed assets, intangible assets and other long- term assets	495,703,038.42	296,392,940.14
Cash paid for investments	842,229,595.33	270,021,589.05
Net cash paid for acquiring subsidiaries and other operating entities	40,391,854.48	127,279,210.14
Sub-total of cash outflow from investment activities	1,378,324,488.23	693,693,739.33
Net cash flow from investment activities	-751,564,907.97	-494,456,308.77
III. Cash flow from financing activities:		
Cash received from investments	—	50,960,000.00
Including: Proceeds received by subsidiaries from minority shareholders' investment	—	50,960,000.00
Cash received from borrowings	1,690,007,740.00	278,155,167.94
Cash received from issuing bonds	—	1,490,300,000.00
Other cash received relating to financing activities	—	21,033.21
Sub-total of cash inflow from financing activities	1,690,007,740.00	1,819,436,201.15

Item	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the previous year to the end of the reporting period of the previous year (January to September)
Cash paid for repayments of debts	735,250,539.87	817,959,360.00
Cash paid for distribution of dividends and profits or for interest expenses	183,410,523.47	270,582,800.54
Including: Dividend and profit paid by subsidiaries to minority shareholders	17,666,651.00	11,340,000.00
Other cash paid relating to financing activities	—	870,000.00
Sub-total of cash outflow from financing activities	918,661,063.34	1,089,412,160.54
Net cash flow from financing activities	771,346,676.66	730,024,040.61
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-3,036,286.42	-6,609,304.03
V. Net increase in cash and cash equivalents	-428,082,274.34	-74,844,087.56
Add: Balance of cash and cash equivalents at the beginning of the reporting period	1,618,450,134.70	1,628,111,526.08
VI. Balance of cash and cash equivalents at the end of the reporting period	1,190,367,860.36	1,553,267,438.52

Cash Flow Statement of the Company

From 1 January to 30 September 2014

Unit: Yuan Currency: RMB

Item	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the previous year to the end of the reporting period of the previous year (January to September)
I. Cash flow from operating activities:		
Cash received from sale of goods and rendering of services	5,560,234,679.05	6,295,319,126.76
Refunds of taxes	3,483,992.65	3,362,286.48
Other cash received relating to operating activities	46,353,798.43	66,496,802.35
Sub-total of cash inflow from operating activities	5,610,072,470.13	6,365,178,215.59
Cash paid for goods purchased and services received	4,167,027,633.59	5,632,751,790.27
Cash paid to and on behalf of employees	387,161,277.29	288,820,450.56
Cash paid for all types of taxes	31,810,519.20	51,969,454.08
Other cash paid relating to operating activities	562,445,455.30	294,057,987.90
Sub-total of cash outflow from operating activities	5,148,444,885.38	6,267,599,682.81
Net cash flow from operating activities	461,627,584.75	97,578,532.78

Item	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the previous year to the end of the reporting period of the previous year (January to September)
II. Cash flows from investment activities:		
Cash received from withdrawal of investments	647,000,000.00	295,210,000.00
Cash received from return on investments	90,632,249.87	60,099,379.66
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	7,652,288.73	1,244,863.67
Net cash received from disposal of subsidiaries and other operating entities	7,192,725.54	—
Other cash received relating to investment activities	<u>38,547,954.93</u>	<u>—</u>
Sub-total of cash inflow from investment activities	<u>791,025,219.07</u>	<u>356,554,243.33</u>
Cash paid for acquisition and construction of fixed assets, intangible assets and other long- term assets	361,279,434.08	143,883,313.70
Cash paid for investments	912,000,000.00	996,185,309.77
Net cash paid for acquiring subsidiaries and other operating entities	<u>40,391,854.48</u>	<u>—</u>
Sub-total of cash outflow from investment activities	<u>1,313,671,288.56</u>	<u>1,140,068,623.47</u>
Net cash flow from investment activities	<u>-522,646,069.49</u>	<u>-783,514,380.14</u>

Item	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the previous year to the end of the reporting period of the previous year (January to September)
III. Cash flow from financing activities:		
Cash received from borrowings	3,011,997,040.00	659,015,807.94
Cash received from issuing bonds	—	1,490,300,000.00
Sub-total of cash inflow from financing activities	<u>3,011,997,040.00</u>	<u>2,149,315,807.94</u>
Cash paid for repayments of debts	2,351,150,539.87	1,558,000,000.00
Cash paid for distribution of dividends and profits or for interest expenses	160,396,249.59	122,725,490.67
Other cash paid relating to financing activities	—	870,000.00
Sub-total of cash outflow from financing activities	<u>2,511,546,789.46</u>	<u>1,681,595,490.67</u>
Net cash flow from financing activities	<u>500,450,250.54</u>	<u>467,720,317.27</u>
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	<u>2,016.81</u>	<u>-170,186.65</u>
V. Net increase in cash and cash equivalents	<u>439,433,782.61</u>	<u>-218,385,716.74</u>
Add: Balance of cash and cash equivalents at the beginning of the reporting period	958,278,308.01	976,518,640.09
VI. Balance of cash and cash equivalents at the end of the reporting period	<u><u>1,397,712,090.62</u></u>	<u><u>758,132,923.35</u></u>