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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)

## **2015 THIRD QUARTERLY REPORT**

### **I. 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 shall guarantee that the quarterly report is true, accurate and complete and does not contain any false information, misleading statements or material omissions, and severally and jointly accept the responsibilities.
- 1.2 All directors of the Company attended the Board meeting to consider this 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 guaranteed the truthfulness, accuracy and completeness of the financial statements in the quarterly report.
- 1.4 This third quarterly report of the Company is unaudited.

## II. DEFINITIONS

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

“A Share”	ordinary shares as approved by the CSRC which are issued to domestic investors and qualified foreign investors, traded on domestic stock exchange, denominated, subscribed for and traded in RMB
“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
“CSRC”	China Securities Regulatory Commission
“H Share”	ordinary shares as approved by the CSRC which are issued to foreign investors, and listed with the approval of the Stock Exchange, denominated in RMB, subscribed for and traded in Hong Kong dollars
“Listing Rules of the Stock Exchange”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this third quarterly report, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the same meaning as ascribed to it under the Listing Rules of the Stock Exchange
“YTO”	YTO Group Corporation (中國一拖集團有限公司), the controlling shareholder of the Company
“YTO Finance”	China YTO Group Finance Company Limited (中國一拖集團財務有限責任公司), a controlled subsidiary of the Company

### III. MAJOR FINANCIAL DATA AND CHANGES IN SHAREHOLDERS OF THE COMPANY

#### 3.1 Major financial data

*Unit: Yuan Currency: RMB*

	At the end of the reporting period (30 September 2015)	At the end of the previous year (31 December 2014)	Increase/ decrease at the end of the reporting period as compared to the end of the previous year (%)
Total assets	13,467,880,145.41	12,355,694,645.67	9.00%
Net assets attributable to shareholders of the Company	4,748,645,565.72	4,593,468,033.54	3.38%
	From the beginning of the year to the end of the reporting period (1 January 2015 – 30 September 2015)	From the beginning of the previous year to the end of the reporting period of the previous year (1 January 2014 – 30 September 2014)	Year-on-year increase/decrease (%)
Net cash flows from operating activities	451,109,119.19	-444,827,756.61	N/A

	From the beginning of the year to the end of the reporting period (1 January 2015 – 30 September 2015)	From the beginning of the previous year to the end of the reporting period of the previous year (1 January 2014 – 30 September 2014)	Year-on-year increase/decrease (%)
Operating revenue	8,114,949,985.35	7,825,689,033.01	3.70%
Net profits attributable to shareholders of the Company	213,513,143.91	132,258,025.01	61.44%
Net profits after deduction of extraordinary profit and loss attributable to shareholders of the Company	196,630,506.60	117,630,517.11	67.16%
Weighted average return on net assets (%)	4.57	2.92	Increased by 1.65 percentage points
Basic earnings per share ( <i>RMB/share</i> )	0.2144	0.1328	61.45%
Diluted earnings per share ( <i>RMB/share</i> )	0.2144	0.1328	61.45%

**Non-recurring profit and loss items and the amount**

Applicable       Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the period (1 July 2015 - 30 September 2015)	Amount from the beginning of the year to the end of the reporting period (1 January 2015- 30 September 2015)
Profit or loss from disposal of non-current assets	-1,436,410.59	-2,346,303.76
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)	7,161,644.07	15,966,684.47
Profit or loss on debt restructuring	-279,693.31	-74,493.31
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	-2,239,993.29	9,515,471.82
Other non-operating income and expenses other than the aforesaid items	636,432.24	1,958,493.43
Effect of income tax	-836,712.99	-3,450,325.20
Effect of minority interests (after tax)	-1,519,918.19	-4,686,890.14
<b>Total</b>	<b>1,485,347.94</b>	<b>16,882,637.31</b>

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

Unit: share

**Total number of shareholders** 39,280 (Including: 38,904  
(shareholders) shareholders of A Shares;  
376 shareholders of H Shares)

Name of shareholders (full name)	Shareholdings of top ten shareholders		Number of shares held with selling restriction	Subject to pledge or moratorium		Nature of shareholders
	Number of shares held at the end of the reporting period	Percentage (%)		Status of shares	Number	
YTO Group Corporation	443,910,000	44.57	0	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED (Note 1)	398,249,398	39.99	0	Unknown	–	Overseas legal person
Industrial and Commercial Bank of China Limited – Southern Data 100 Index Securities Investment Fund	5,581,000	0.56	0	Unknown	–	Others
Hong Kong Securities Clearing Company Limited (Note 2)	1,068,000	0.11	0	Unknown	–	Overseas legal person
Liu Yanhong (劉豔紅)	960,000	0.10	0	Unknown	–	Domestic natural person
Jiao Yanfeng (焦延峰)	920,000	0.09	0	Unknown	–	Domestic natural person
Lin Shuangyu (林霜雨)	907,000	0.09	0	Unknown	–	Domestic natural person
Huang Qiansheng (黃乾生)	769,100	0.08	0	Unknown	–	Domestic natural person
Lian Yongyang (連永楊)	753,300	0.08	0	Unknown	–	Domestic natural person
LIU HON NAM	726,000	0.07	0	Unknown	–	Overseas natural person

**Shareholdings of top ten shareholders without selling restriction**

Name of shareholders	Number of non-restricted circulating shares held	Class & number of shares	
		Class	Number
YTO Group Corporation	443,910,000	Ordinary shares denominated in Renminbi	443,910,000
HKSCC NOMINEES LIMITED	398,249,398	Overseas listed foreign shares	398,249,398
Industrial and Commercial Bank of China Limited – Southern Data 100 Index Securities Investment Fund	5,581,000	Ordinary shares denominated in Renminbi	5,581,000
Hong Kong Securities Clearing Company Limited	1,068,000	Ordinary shares denominated in Renminbi	1,068,000
Liu Yanhong (劉豔紅)	960,000	Ordinary shares denominated in Renminbi	960,000
Jiao Yanfeng (焦延峰)	920,000	Ordinary shares denominated in Renminbi	920,000
Lin Shuangyu (林霜雨)	907,000	Ordinary shares denominated in Renminbi	907,000
Huang Qiansheng (黃乾生)	769,100	Ordinary shares denominated in Renminbi	769,100
Lian Yongyang (連永楊)	753,300	Ordinary shares denominated in Renminbi	753,300
LIU HON NAM	726,000	Overseas listed foreign shares	726,000

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.
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Explanation about preferred shareholders with restored voting rights and the number of shares they held	Not applicable
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*Note 1:* The overseas listed foreign shares held by HKSCC Nominees Limited are held on behalf of various customers.

*Note 2:* The ordinary shares dominated in Renminbi held by Hong Kong Securities Clearing Company Limited are held on behalf of overseas investors who held these shares via Northbound Trading in the Shanghai-Hong Kong Stock Connect.

### **3.3 Total number of preferred shareholders, shareholdings of top 10 preferred shareholders and top 10 shareholders of non-restricted preferred shares as at the end of the reporting period**

Applicable       Not applicable



## IV. SIGNIFICANT EVENTS

### 4.1 Particulars of material changes in major accounting items and financial indicators of the Company and the reasons therefor

Applicable       Not applicable

#### *4.1.1 Notes to key financial indicators of the Company*

Basic earnings per share and diluted earnings per share increased by 61.45% compared to the same period last year, mainly due to the increase in net profit attributable to shareholders of the Company during the period.

#### *4.1.2 Items of consolidated balance sheet*

Loans to banks and other financial institutions increased by RMB350 million compared to the beginning of the year, mainly due to the increase in short-term loans with banks and other financial institutions by YTO Finance during the period.

Financial assets at fair value through profit or loss increased by 39.48% compared with the beginning of the year, mainly due to the increase in purchase of trust products by YTO Finance during the period.

Notes receivable decreased by 36.50% compared to the beginning of the year, mainly due to more cash received from sale of products by the Company during this year and lower ratio of acceptance notes.

Accounts receivable increased by 44.83% compared to the beginning of the year, mainly due to the fact that accounts receivables has not yet been due for products sold by the Company.

Prepayments decreased by 56.80% compared to the beginning of the year, mainly due to the arrival and settlement of procurements by the Company at the end of last year.

Interests receivable increased by 1,313.42% compared to the beginning of the year, mainly due to the increase in interest receivable by YTO Finance during the period.

Other receivables decreased by 62.41% compared to the beginning of the year, mainly due to the fact that the consideration for the disposal of intangible assets of axle business of the Company in the last year were received during this year according to the agreement.

Financial assets purchased with agreement to re-sale increased by RMB229.89 million compared to the beginning of the year, mainly due to the purchase of financial assets with agreement to re-sale by YTO Finance by using short-term idle funds.

Other current assets increased by 851.91% compared to the beginning of the year, mainly due to the wealth management products purchased by the Company by using short-term idle funds.

Loans and advances granted increased by 41.55% compared to the beginning of the year, mainly due to the increase in the purchase of transfer discount business by YTO Finance during the period.

Long-term equity investment increased by 129.30% compared to the beginning of the year, mainly due to the full payment of investment by the Company in ZF YTO (Luoyang) Axle Co., Ltd., an associated company.

Receipts of deposits and deposits from other banks and other financial institutions decreased by 35.93% compared to the beginning of the year, mainly due to the decrease of receipts of deposits and deposits from other banks and other financial institutions by YTO Finance.

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

Notes payable increased by 44.03% compared to the beginning of the year, mainly due to the substantial increase in the use of acceptance bills as payment method to external parties by the Company.

Accounts payable increased by 67.78% compared to the beginning of the year, mainly due to the increase in procurement of the Company and the settlement thereof not yet due.

Receipts in advance decreased by 49.35% compared to the beginning of the year, mainly due to the materialization of sales proceeds from customers of the Company advanced at the end of last year.

Tax payable increased by RMB114 million compared to the beginning of the year, mainly due to the value-added tax offset by the decreased and adjusted product structure.

Other current liabilities increased by 169.37% compared to the beginning of the year, mainly due to the increase in provision of sales services and warranty services, etc. of the Company during the period.

Other comprehensive income decreased by 46.30% compared to the beginning of the year, mainly due to the decrease in the fair value of available-for-sale financial assets held by the Company.

#### ***4.1.3 Items in the consolidated income statement***

Interest income and interest expenses increased by 323.71% and 700.20% over the same period last year respectively, mainly due to active expansion of business category by YTO Finance, especially the significant year-on-year increase in transfer discount business. In addition, it transferred bills at appropriate time pursuant to the liquidity needs of the Company, which led to a significant increase in both interest income and interest expense at the same time and an increase of 75.93% in net income.

Selling expenses increased by 10.51% over the same period last year, mainly due to the additional cost incurred by improved quality of after-sales services of the Company during the period.

Administration expenses decreased by 5.00% over the same period last year, mainly due to strengthened control over expenses of the Company during the period.

Finance expenses increased by 62.10% over the same period last year, mainly due to the adjustment to the mechanism of Renminbi to foreign currency by the PRC government, resulting in the substantial depreciation in the exchange rate of Renminbi and the increase in the loss on foreign exchange of the Company.

Impairment loss on assets increased by 41.93% over the same period last year, mainly due to an increase in provision for bad debt as a result of the increase in aging accounts receivable of the Company during the period as compared to the beginning of the year.

Gains from changes in fair value decreased by 75.40% over the same period last year, mainly due to the decrease in fair value of the financial assets at fair value through profit or loss held by the Company.

Investment income increased by 30.74% over the same period last year, mainly due to the increase in revenue from the holding or disposal of financial assets of the Company during the period.

Income tax increased by 110.32% over the same period last year, mainly due to the increase in total profits of the Company during the period.

#### ***4.1.4 Items in the consolidated cash flow statement***

Net cash inflow from operating activities was RMB451.11 million, representing an increase of RMB895.94 million over the same period last year, which was mainly due to the adjustment to the sales policy, improvement of cash recovering incentive measures and increase in amount recovered from dealers during the period while effectively monitoring inventory by maintaining it at a reasonable level.

Net cash outflow from investment activities was RMB776.44 million, representing a decrease of RMB24.88 million over the same period last year, which was mainly due to the considerable investment scale the Company has maintained in recent years in order to improve production capacity and quality of the Company.

Net cash inflow from financing activities was RMB51.13 million, representing a decrease of RMB720.22 million over the same period last year, which was mainly due to the increase in the repayment of borrowings.

#### **4.2 The analysis and explanation of progress and impact of major events and solutions**

Applicable       Not applicable

4.2.1 On 10 July 2015, in order to safeguard the continuous, stable and healthy development of the capital market and prevent irrational fall of the Company's share price, YTO, the controlling shareholder of the Company, undertook that it would continue to perform its duty as a shareholder of the Company and support the operation and development of the Company as always, and would not reduce its shareholding in the Company for a period of six months commencing from 10 July 2015 for stabilizing the Company's share price. (Please refer to the "Announcement on Maintaining the Stability of the Share Price of First Tractor Company Limited\*" published on the website of Shanghai Stock Exchange, China Securities Journal and Shanghai Securities News on 11 July 2015 by the Company and the "Announcement on the Undertakings of the Company and its Controlling Shareholder" published on the website of the Stock Exchange on 10 July 2015 by the Company for details.)

In the initial public offering of A Shares of the Company, YTO, the controlling shareholder of the Company, undertook that within 36 months after the date of initial public offering, listing and trading of A Shares of the Company, it would not transfer or engage others to manage the issued shares of the Company directly and indirectly held by YTO before the initial public offering of shares of the Company, nor allow the Company to repurchase such shares. On 10 August 2015, the lock-up period during which YTO held 443,910,000 shares of the Company subject to trading moratorium has expired, and such shares can be circulated on the market. (Please refer to the "Announcement on Circulation of Shares of First Tractor Company Limited\* Subject to Trading Moratorium at the Initial Public Offering" published on the Shanghai Stock Exchange, China Securities Journal and Shanghai Securities News on 5 August 2015 by the Company and the overseas regulatory announcement on such matter published on the website of the Stock Exchange on 4 August 2015 by the Company for details.)

4.2.2 On 25 August 2015, the Company considered and agreed to terminate the implementation of upgrading and capacity-expanding project in fuel injection system which was funded by proceeds raised from the initial public offering of A Shares at the 22nd meeting of the sixth session of the Board of the Company, and the remaining proceeds for the project will be used to supplement working capital. The matter was approved at the 2015 first extraordinary general meeting held by the Company on 29 October 2015. (Please refer to the “Announcement on Termination of Implementing the Outstanding Part of the Project Funded by Proceeds Raised from A Shares of First Tractor Company Limited\* and Permanent Replenishment of Working Capital with Remaining Proceeds” published on the Shanghai Stock Exchange, China Securities Journal and Shanghai Securities News on 26 August 2015 by the Company and the overseas regulatory announcement on such matter published on the website of the Stock Exchange on 25 August 2015 by the Company for details.)

#### 4.3 Fulfilment of undertaking made by the Company and shareholders holding 5% or more of the shares of the Company

Applicable       Not applicable

Background	Type	Party making the commitment	Commitment	Explanation on performance
Undertaking related to the initial public offering	Solutions to peer competition	The Company	Commencing from 11 January 2012, YTO (Luoyang) Farming Implements Company Limited 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 of its controlled subsidiaries shall not engage in the processing, production or assembly of farming implements, except the supporting sale and relevant procurement.	Honoring commitments and normal performance

<b>Background</b>	<b>Type</b>	<b>Party making the commitment</b>	<b>Commitment</b>	<b>Explanation on performance</b>
Undertaking related to the initial public offering	Solutions to peer 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 produce 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 peer competition against the Company.	Honoring commitments and normal performance
Undertaking related to the initial public offering	Solutions to peer competition	China National Machinery Industry Corporation	China National Machinery Industry Corporation 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 China National Machinery Industry Corporation or other enterprises controlled by it may produce unfair impact on the Company in respect of market share, business opportunity and resources allocation, China National Machinery Industry Corporation will voluntarily give up and procure other enterprises controlled by it to give up competition against the Company.	Honoring commitments and normal performance
Undertaking related to the initial public offering	Restriction on trading of shares	China National Machinery Industry Corporation	Within 36 months after the date of initial public offering, and the listing and trading of A Shares of the Company, China National Machinery Industry Corporation will not transfer or entrust others to manage the shares of the Company issued before the initial public offering of shares of the Company directly and indirectly held by China National Machinery Industry Corporation, nor allow the Company to repurchase such shares.	Trading restriction has expired on 10 August 2015 Honoring commitments and normal performance during the Reporting Period
Undertaking related to the initial public offering	Restriction on trading of shares	YTO	Within 36 months after the date of initial public offering, and the listing and trading of A Shares of the Company, YTO will not transfer or entrust 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.	Trading restriction has expired on 10 August 2015 Honoring commitments and normal performance during the Reporting Period

<b>Background</b>	<b>Type</b>	<b>Party making the commitment</b>	<b>Commitment</b>	<b>Explanation on performance</b>
Undertaking 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 the size of the loan obtained by YTO and its subsidiaries (except the Company) from YTO Finance. YTO further undertook that on the basis of the aforesaid Deposit Agreement and Loan Agreement and the cap amount of connected transactions, the loan of YTO and its subsidiaries (except the Company) obtained from YTO Finance would be less than their deposits placed with YTO Finance, and ensured the safety of its subsidiaries' loans through various measures.	Honoring commitments and normal performance
Undertaking related to the initial public offering	Improvement on 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 which are developed after issuance of the "undertaking letter", and patents in respect of such technologies will be applied directly in the name of the Company.	Honoring commitments and normal performance
Undertaking related to stabilization of share price of the Company	No reduction in shareholding	YTO	YTO will continue to perform its duties as a shareholder and support the operation and development of the Company as always. It will not reduce its shareholding in the Company for a period of 6 months commencing from 10 July 2015.	Honoring commitments and normal performance



**4.4 Warnings and explanations of the reasons for the forecast on the potential loss recorded in the accumulated net profit from the beginning of the year to the end of the next reporting period or significant changes as compared with that of the same period of the previous year**

Applicable       Not applicable

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

Luoyang, the PRC  
23 October 2015

*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*

## V. APPENDICES

### 5.1 Financial statements

#### Consolidated Balance Sheet

30 September 2015

Prepared by: First Tractor Company Limited\*

*Unit: Yuan Currency: RMB Audit type: Unaudited*

<b>Item</b>	<b>Balance as at the end of the period</b>	<b>Balance as at the beginning of the year</b>
<b>Current assets:</b>		
Cash and bank balance	<b>1,668,129,318.26</b>	1,998,159,516.29
Settlement deposits	–	–
Loans to banks and other financial institutions	<b>350,000,000.00</b>	–
Financial assets at fair value through profit or loss	<b>494,277,636.12</b>	354,360,150.44
Derivative financial assets	–	–
Notes receivable	<b>597,402,371.30</b>	940,748,139.33
Accounts receivable	<b>1,273,529,579.00</b>	879,355,043.69
Prepayments	<b>126,182,796.40</b>	292,088,912.74
Premiums receivable	–	–
Reinsurance accounts receivable	–	–
Reinsurance contract reserves receivable	–	–
Interests receivable	<b>1,886,527.78</b>	133,472.22
Dividends receivable	–	–
Other receivables	<b>85,884,657.29</b>	228,490,379.91
Financial assets purchased with agreement to re-sale	<b>229,893,995.40</b>	–
Inventories	<b>1,206,785,342.97</b>	1,447,426,253.97
Assets classified as held-for-sale	–	–
Non-current assets due within one year	–	–
Other current assets	<b>536,719,896.84</b>	56,383,561.23
<b>Total current assets</b>	<b><u>6,570,692,121.36</u></b>	<b><u>6,197,145,429.82</u></b>

<b>Item</b>	<b>Balance as at the end of the period</b>	Balance as at the beginning of the year
<b>Non-current assets:</b>		
Loans and advances granted	<b>1,928,366,359.26</b>	1,362,361,447.55
Available-for-sale financial assets	<b>271,819,741.41</b>	285,935,741.41
Held-to-maturity investments	–	–
Long-term receivables	–	–
Long-term equity investments	<b>150,993,230.32</b>	65,849,170.84
Investment properties	–	–
Fixed assets	<b>2,759,586,358.31</b>	2,738,916,218.10
Construction in progress	<b>733,190,029.66</b>	642,813,215.87
Construction materials	–	–
Disposal of fixed assets	–	–
Productive biological assets	–	–
Oil and gas assets	–	–
Intangible assets	<b>924,803,838.42</b>	947,153,734.35
Development expenses	–	–
Goodwill	–	–
Long-term deferred expenditures	<b>27,894,466.28</b>	23,378,553.87
Deferred income tax assets	<b>100,534,000.39</b>	92,141,133.86
Other non-current assets	–	–
<b>Total non-current assets</b>	<b><u>6,897,188,024.05</u></b>	<b><u>6,158,549,215.85</u></b>
<b>Total assets</b>	<b><u>13,467,880,145.41</u></b>	<b><u>12,355,694,645.67</u></b>

Item	Balance as at the end of the period	Balance as at the beginning of the year
<b>Current Liabilities:</b>		
Short-term borrowings	1,775,319,519.49	1,644,532,646.15
Borrowings from central bank	–	–
Deposit taking and due to loans to banks and other financial institutions	369,207,775.09	576,246,341.28
Loans from banks and other financial institutions	–	350,000,000.00
Financial liabilities at fair value through current profit or loss	–	–
Derivative financial liabilities	–	–
Bills payable	1,319,848,093.07	916,374,670.17
Accounts payable	2,266,017,081.89	1,350,582,485.03
Receipts in advance	135,188,885.53	266,897,178.83
Financial assets sold under agreements to repurchase	–	–
Fee and commission payable	–	–
Staff remuneration payable	102,674,306.17	100,709,706.51
Taxes payable	-212,703,586.90	-326,702,397.31
Interest payable	54,113,716.96	57,516,420.08
Dividends payable	–	–
Other payables	260,184,691.39	256,876,518.96
Reinsurance accounts payable	–	–
Insurance contract reserves	–	–
Client money received for acting as securities trading agent	–	–
Client money received for acting as securities underwriter	–	–
Liabilities classified as held-for-sale	–	–
Non-current liabilities due within one year	32,835,859.69	30,055,745.54
Other current liabilities	143,420,684.00	53,243,515.75
<b>Total current liabilities</b>	<b>6,246,107,026.38</b>	<b>5,276,332,830.99</b>

Item	Balance as at the end of the period	Balance as at the beginning of the year
<b>Non-current Liabilities:</b>		
Long-term borrowings	35,804,000.00	46,597,500.00
Debtures payable	1,493,688,459.76	1,491,971,739.19
Including: Preferred shares	-	-
Perpetual bonds	-	-
Long-term payables	-	-
Long-term staff remuneration payable	-	-
Special payables	-	-
Accrued liabilities	-	-
Deferred income	173,729,967.41	174,628,692.16
Deferred income tax liabilities	40,638,613.42	45,336,983.15
Other non-current liabilities	-	-
<b>Total non-current liabilities</b>	<b>1,743,861,040.59</b>	<b>1,758,534,914.50</b>
<b>Total liabilities</b>	<b>7,989,968,066.97</b>	<b>7,034,867,745.49</b>
<b>Owners' Equity:</b>		
Share capital	995,900,000.00	995,900,000.00
Other equity instruments	-	-
Including: Preferred shares	-	-
Perpetual bonds	-	-
Capital reserves	2,124,246,289.70	2,124,246,289.70
Less: Treasury stock	-	-
Other comprehensive income	8,751,029.47	16,295,741.20
Special reserves	-	-
Surplus reserves	368,972,848.56	368,972,848.56
General risk provisions	7,683,706.66	7,683,706.66
Unallocated profit	1,243,091,691.33	1,080,369,447.42
Total shareholders' equity attributable to the parent company	4,748,645,565.72	4,593,468,033.54
Minority interests	729,266,512.72	727,358,866.64
<b>Total shareholders' equity</b>	<b>5,477,912,078.44</b>	<b>5,320,826,900.18</b>
<b>Total liabilities and shareholders' equity</b>	<b>13,467,880,145.41</b>	<b>12,355,694,645.67</b>

<i>Legal representative:</i> <b>Zhao Yanshui</b>	<i>Person in charge of the accounting function:</i> <b>Yao Weidong</b>	<i>Person in charge of the accounting department:</i> <b>Zhou Juan</b>
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## Balance Sheet of the Parent Company

30 September 2015

Prepared by: First Tractor Company Limited\*

*Unit: Yuan Currency: RMB Audit type: Unaudited*

<b>Item</b>	<b>Balance as at the end of the period</b>	<b>Balance as at the beginning of the year</b>
<b>Current assets:</b>		
Cash and bank balance	<b>2,238,299,828.34</b>	1,545,998,376.10
Financial assets at fair value through current profit or loss	–	–
Derivative financial assets	–	–
Notes receivable	<b>237,088,238.01</b>	320,864,230.37
Accounts receivable	<b>1,551,192,791.12</b>	864,908,505.18
Prepayments	<b>87,152,161.65</b>	287,933,932.64
Interests receivable	<b>2,909,179.64</b>	5,279,014.53
Dividends receivable	<b>5,694,898.90</b>	20,694,898.90
Other receivables	<b>37,212,176.79</b>	201,047,271.43
Inventories	<b>616,298,418.57</b>	581,750,569.91
Assets classified as held-for-sale	–	–
Non-current assets due within one year	–	–
Other current assets	<b>684,377,661.11</b>	182,037,351.92
<b>Total current assets</b>	<b><u>5,460,225,354.13</u></b>	<b><u>4,010,514,150.98</u></b>

Item	Balance as at the end of the period	Balance as at the beginning of the year
<b>Non-current Assets:</b>		
Financial assets available for sale	163,504,000.00	169,840,000.00
Held-to-maturity investments	-	-
Long-term receivables	-	-
Long-term equity investments	3,096,032,748.77	2,971,115,370.22
Investment properties	-	-
Fixed assets	1,386,784,225.60	1,445,442,696.02
Construction in progress	574,933,874.27	446,998,550.61
Construction materials	-	-
Disposal of fixed assets	-	-
Productive biological assets	-	-
Oil and gas assets	-	-
Intangible assets	570,838,826.42	584,435,134.44
Development expenses	-	-
Goodwill	-	-
Long-term deferred expenditures	25,452,812.97	18,915,585.93
Deferred income tax assets	16,959,098.09	7,100,975.68
Other non-current assets	-	-
	<hr/>	<hr/>
<b>Total non-current assets</b>	<b>5,834,505,586.12</b>	<b>5,643,848,312.90</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Total assets</b>	<b>11,294,730,940.25</b>	<b>9,654,362,463.88</b>
	<hr/> <hr/>	<hr/> <hr/>

<b>Item</b>	<b>Balance as at the end of the period</b>	Balance as at the beginning of the year
<b>Current Liabilities:</b>		
Short-term borrowings	<b>1,711,381,840.00</b>	1,528,219,200.00
Financial liabilities at fair value through current profit or loss	–	–
Derivative financial liabilities	–	–
Notes payable	<b>1,150,393,244.66</b>	824,335,790.27
Accounts payable	<b>1,710,273,966.76</b>	907,428,178.52
Receipts in advance	<b>110,673,068.36</b>	138,590,676.64
Staff remuneration payable	<b>31,846,313.43</b>	30,822,241.98
Taxes payable	<b>-250,192,536.83</b>	-289,463,168.86
Interests payable	<b>33,793,670.93</b>	56,724,301.01
Dividends payable	–	–
Other payables	<b>171,788,775.08</b>	175,113,885.41
Liabilities classified as held-for-sale	–	–
Non-current liabilities due within one year	<b>24,776,000.00</b>	25,513,000.00
Other current liabilities	<b>83,194,754.62</b>	8,280,760.00
	<hr/>	<hr/>
<b>Total current liabilities</b>	<b><u>4,777,929,097.01</u></b>	<b><u>3,405,564,864.97</u></b>



Item	Balance as at the end of the period	Balance as at the beginning of the year
<b>Non-current Liabilities:</b>		
Long-term borrowings	35,804,000.00	46,597,500.00
Debentures payable	1,493,688,459.76	1,491,971,739.19
Including: Preferred shares	–	–
Perpetual bonds	–	–
Long-term payables	–	–
Long-term staff remuneration payable	–	–
Special payables	–	–
Accrued liabilities	–	–
Deferred income	121,042,862.41	126,198,362.41
Deferred income tax liabilities	5,673,600.00	6,624,000.00
Other non-current liabilities	–	–
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b>1,656,208,922.17</b>	<b>1,671,391,601.60</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Total liabilities</b>	<b>6,434,138,019.18</b>	<b>5,076,956,466.57</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Owners' Equity:</b>		
Share capital	995,900,000.00	995,900,000.00
Other equity instruments	–	–
Including: Preferred shares	–	–
Perpetual bonds	–	–
Capital reserves	2,018,025,662.91	2,018,025,662.91
Less: Treasury stock	–	–
Other comprehensive income	32,150,400.00	37,536,000.00
Special reserves	–	–
Surplus reserves	294,479,564.73	294,479,564.73
Unallocated profit	1,520,037,293.43	1,231,464,769.67
	<hr/>	<hr/>
<b>Total shareholders' equity</b>	<b>4,860,592,921.07</b>	<b>4,577,405,997.31</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Total liabilities and shareholders' equity</b>	<b>11,294,730,940.25</b>	<b>9,654,362,463.88</b>
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<i>Legal representative:</i>	<i>Person in charge of the accounting function:</i>	<i>Person in charge of the accounting department:</i>
<b>Zhao Yanshui</b>	<b>Yao Weidong</b>	<b>Zhou Juan</b>

## Consolidated Income Statement

January – September 2015

Prepared by: First Tractor Company Limited\*

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount for the period (July – September)	Amount for the corresponding period of the previous year (July – September)	Amount from the beginning of the year to the end of the reporting period (January – September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January – September)
<b>I. Total revenue from operations</b>	<b>2,654,523,512.53</b>	2,411,576,979.90	<b>8,362,715,027.04</b>	7,885,153,112.33
Including: Operating revenue	<b>2,561,165,465.18</b>	2,389,388,277.15	<b>8,114,949,985.35</b>	7,825,689,033.01
Interest income	<b>93,297,991.27</b>	21,740,456.25	<b>247,459,041.94</b>	58,402,568.54
Earned premium	-	-	-	-
Income from handling charges and commissions	<b>60,056.08</b>	448,246.50	<b>305,999.75</b>	1,061,510.78
<b>II. Total operating costs</b>	<b>2,577,818,102.75</b>	2,398,694,547.85	<b>8,147,366,390.10</b>	7,792,451,453.20
Including: Operating costs	<b>2,075,173,557.44</b>	1,986,965,224.35	<b>6,606,703,795.15</b>	6,506,595,563.74
Interest expenses	<b>61,374,726.97</b>	6,244,379.26	<b>185,495,624.27</b>	23,181,080.66
Handling charges and commissions expenses	<b>97,612.88</b>	88,246.42	<b>353,057.97</b>	322,491.05
Surrenders	-	-	-	-
Net claims paid	-	-	-	-
Net change in insurance contract reserves	-	-	-	-
Policyholder dividend expenses	-	-	-	-
Expenses for reinsurance accepted	-	-	-	-
Business taxes and surcharges	<b>12,993,783.53</b>	7,528,737.15	<b>27,632,045.42</b>	22,680,775.28
Selling expenses	<b>93,118,072.95</b>	100,289,133.31	<b>381,930,547.47</b>	345,621,036.46
Administration expenses	<b>260,962,284.53</b>	244,048,506.63	<b>688,400,266.04</b>	724,624,865.11
Finance expenses	<b>89,469,183.46</b>	31,866,731.77	<b>131,676,821.07</b>	81,233,987.06
Impairment loss on assets	<b>-15,371,119.01</b>	21,663,588.96	<b>125,174,232.71</b>	88,191,653.84

Item	Amount for the period (July – September)	Amount for the corresponding period of the previous year (July – September)	Amount from the beginning of the year to the end of the reporting period (January – September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January – September)
Add: Gains from changes in fair value (losses are represented by “-”)	-3,676,042.06	2,439,821.11	1,315,951.87	5,350,068.46
Investment income (losses are represented by “-”)	16,753,954.60	14,138,330.64	68,738,503.13	52,577,805.69
Including: Gains from investment in associates and joint ventures	1,433,461.37	-318,994.73	3,466,762.80	-107,819.84
Exchange gains (losses are represented by “-”)	-	-	-	-
<b>III. Operating profit (loss is represented by “-”)</b>	<b>89,783,322.32</b>	<b>29,460,583.80</b>	<b>285,403,091.94</b>	<b>150,629,533.28</b>
Add: Non-operating income	8,704,857.93	5,565,779.62	20,450,397.29	20,940,495.03
Including: Gains from disposal of non-current assets	188,575.76	1,871,821.54	787,632.15	2,958,481.32
Less: Non-operating expenses	2,622,885.52	1,284,340.89	4,946,016.46	2,785,595.18
Including: Loss from disposal of non-current assets	1,624,986.35	2,103,282.74	3,133,935.91	3,184,389.74
<b>IV. Total profit (total loss is represented by “-”)</b>	<b>95,865,294.73</b>	<b>33,742,022.53</b>	<b>300,907,472.77</b>	<b>168,784,433.13</b>
Less: Income tax expenses	26,384,214.15	12,591,937.56	76,675,335.46	36,456,902.16

Item	Amount for the period (July – September)	Amount for the corresponding period of the previous year (July – September)	Amount from the beginning of the year to the end of the reporting period (January – September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January – September)
<b>V. Net profit (net loss is represented by “-”)</b>	<b>69,481,080.58</b>	21,150,084.97	<b>224,232,137.31</b>	132,327,530.97
Net profit attributable to the owners of the parent company	<b>64,869,133.87</b>	19,830,229.98	<b>213,513,143.91</b>	132,258,025.01
Profit or loss attributable to minority shareholders	<b>4,611,946.71</b>	1,319,854.99	<b>10,718,993.40</b>	69,505.96
<b>VI. Other comprehensive income after tax, net</b>	<b>-24,073,032.06</b>	-6,548,629.78	<b>-10,197,218.41</b>	-4,559,333.49
Other comprehensive income after tax, net attributable to the owners of the parent company	<b>-21,325,335.69</b>	-6,200,598.60	<b>-7,544,711.73</b>	-4,026,914.76
(I) Other comprehensive income that cannot be reclassified subsequently into profit or loss	-	-	-	-
1. Changes in net liabilities or net assets arising from re-measurement of defined benefit plans	-	-	-	-
2. Share of other comprehensive income of investees that cannot be reclassified to profit or loss under equity method	-	-	-	-

Item	Amount for the period (July – September)	Amount for the corresponding period of the previous year (July – September)	Amount from the beginning of the year to the end of the reporting period (January – September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January – September)
(II) Other comprehensive income to be reclassified subsequently into profit or loss	<b>-21,325,335.69</b>	-6,200,598.60	<b>-7,544,711.73</b>	-4,026,914.76
1. Share of other comprehensive income of investees that will be reclassified subsequently to profit or loss under equity method	-	-	-	-
2. Profit or loss from change in fair value of available-for-sale financial assets	<b>-24,169,932.32</b>	4,310,997.05	<b>-10,799,879.49</b>	3,960,481.47
3. Profit or loss arising from reclassification from held-to-maturity investments to available-for-sale financial assets	-	-	-	-
4. Effective portion of profit or loss arising from cash flow hedging instruments	-	-	-	-
5. Currency translation differences in financial statements	<b>2,844,596.63</b>	-10,511,595.65	<b>3,255,167.76</b>	-7,987,396.23
6. Others				
Other comprehensive income after tax, net attributable to the minority shareholders	<b>-2,747,696.37</b>	-348,031.18	<b>-2,652,506.68</b>	-532,418.73

Item	Amount for the period (July – September)	Amount for the corresponding period of the previous year (July – September)	Amount from the beginning of the year to the end of the reporting period (January – September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January – September)
<b>VII. Total comprehensive income</b>	<b>45,408,048.52</b>	14,601,455.19	<b>214,034,918.90</b>	127,768,197.48
Total comprehensive income attributable to owners of the parent company	<b>43,543,798.18</b>	13,629,631.38	<b>205,968,432.18</b>	128,231,110.25
Total comprehensive income attributable to minority shareholders	<b>1,864,250.34</b>	971,823.81	<b>8,066,486.72</b>	-462,912.77
<b>VIII. Earnings per share:</b>				
(I) Basic earnings per share (RMB/share)	<b>0.0651</b>	0.0199	<b>0.2144</b>	0.1328
(II) Diluted earnings per share (RMB/share)	<b>0.0651</b>	0.0199	<b>0.2144</b>	0.1328
<b>Legal representative:</b> <b>Zhao Yanshui</b>	<i>Person in charge of the accounting function:</i> <b>Yao Weidong</b>	<i>Person in charge of the accounting department:</i> <b>Zhou Juan</b>		

## Income Statement of the Parent Company

January – September 2015

Prepared by: First Tractor Company Limited\*

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount for the period (July – September)	Amount for the corresponding period of the previous year (July – September)	Amount from the beginning of the reporting period (January – September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January – September)
<b>I. Operating revenue</b>	<b>1,862,963,629.21</b>	1,668,937,931.69	<b>5,999,060,635.27</b>	5,755,273,773.83
Less: Operating costs	<b>1,558,559,869.55</b>	1,449,140,611.40	<b>5,104,808,884.12</b>	5,046,590,284.26
Business taxes and surcharges	<b>369,051.24</b>	42,621.32	<b>1,236,449.64</b>	781,612.04
Selling expenses	<b>19,110,567.55</b>	8,335,356.07	<b>64,867,968.36</b>	31,801,587.57
Administration expenses	<b>142,768,457.57</b>	158,322,428.25	<b>420,372,843.25</b>	445,285,955.71
Finance expenses	<b>68,692,581.50</b>	28,798,292.50	<b>92,345,073.47</b>	70,664,220.21
Impairment loss on assets	<b>762,171.27</b>	18,087,809.02	<b>26,358,340.30</b>	14,440,457.45
Add: Gains from changes in fair value (losses are represented by “-”)	-	-	-	-
Investment income (losses are represented by “-”)	<b>23,197,734.76</b>	46,539,908.72	<b>72,635,634.63</b>	111,850,909.60
Including: Gains from investment in associates and joint ventures	<b>1,508,934.76</b>	-42,727.24	<b>3,402,491.63</b>	-114,162.46
<b>II. Operating profits (losses are represented by “-”)</b>	<b>95,898,665.29</b>	52,750,721.85	<b>361,706,710.76</b>	257,560,566.19
Add: Non-operating income	<b>2,690,578.26</b>	2,957,856.12	<b>7,287,791.54</b>	9,572,190.02
Including: Profit from disposal of non-current assets	<b>156,615.49</b>	252,143.10	<b>644,154.15</b>	1,221,086.93

Item	Amount for the period (July – September)	Amount for the corresponding period of the previous year (July – September)	Amount from the beginning of the year to the end of the reporting period (January – September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January – September)
Less: Non-operating expenses	986,362.03	812,128.13	1,925,715.42	1,862,839.38
Including: Loss from disposal of non-current assets	821,522.74	226,278.79	1,485,167.35	611,226.58
<b>III. Total profits (total loss is represented by “-”)</b>	<b>97,602,881.52</b>	54,896,449.84	<b>367,068,786.88</b>	265,269,916.83
Less: Income tax expenses	6,061,416.46	4,199,455.52	27,705,363.12	11,759,031.45
<b>IV. Net profit (net loss is represented by “-”)</b>	<b>91,541,465.06</b>	50,696,994.32	<b>339,363,423.76</b>	253,510,885.38
<b>V. Other net comprehensive income after tax</b>	<b>-16,156,800.00</b>	3,066,800.00	<b>-5,385,600.00</b>	3,366,000.00
(I) Other comprehensive income that cannot be reclassified subsequently into profit or loss	-	-	-	-
1. Changes in net liabilities or net assets arising from re-measurement of defined benefit plans	-	-	-	-
2. Share of other comprehensive income of investees that cannot be reclassified to profit or loss under equity method	-	-	-	-



Item	Amount for the period (July – September)	Amount for the corresponding period of the previous year (July – September)	Amount from the beginning of the year to the end of the reporting period (January – September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January – September)
(II) Other comprehensive income to be reclassified subsequently to profit or loss	-16,156,800.00	3,066,800.00	-5,385,600.00	3,366,000.00
1. Share of other comprehensive income of investees that will be reclassified subsequently to profit or loss under equity method	-	-	-	-
2. Profit or loss from change in fair value of available-for-sale financial assets	-16,156,800.00	3,066,800.00	-5,385,600.00	3,366,000.00
3. Profit or loss arising from reclassification from held-to-maturity investments to available- for-sale financial assets	-	-	-	-
4. Effective portion of profit or loss arising from cash flow hedging instruments	-	-	-	-
5. Currency translation differences in financial statements	-	-	-	-
6. Others	-	-	-	-
<b>VI. Total comprehensive income</b>	<b>75,384,665.06</b>	<b>53,763,794.32</b>	<b>333,977,823.76</b>	<b>256,876,885.38</b>
<b>VII. Earnings per share:</b>				
(I) Basic earnings per share (RMB/share)	-	-	-	-
(II) Diluted earnings per share (RMB/share)	-	-	-	-

<i>Legal representative:</i>	<i>Person in charge of the accounting function:</i>	<i>Person in charge of the accounting department:</i>
<b>Zhao Yanshui</b>	<b>Yao Weidong</b>	<b>Zhou Juan</b>

## Consolidated Cash Flow Statement

January – September 2015

Prepared by: First Tractor Company Limited\*

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount from the beginning of the year to the end of the reporting period (January – September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January – September)
<b>I. Cash flow from operating activities:</b>		
Cash received from sale of goods and rendering of services	8,427,089,966.68	7,760,860,509.04
Net increase in customer deposits and deposits from banks and other financial institutions	-207,038,566.19	5,336,912.46
Net increase in borrowings from central bank	–	–
Net increase in placements from other financial institutions	-700,000,000.00	-350,000,000.00
Cash premiums received from original insurance contracts	–	–
Net cash received from reinsurance business	–	–
Net increase in deposits from policyholders and investment amount	–	–
Net increase from disposal of financial assets at fair value through current profit or loss	–	–
Cash receipts from interests, handling charges and commissions	246,362,693.27	59,015,832.82
Net increase in loans from banks and other financial institutions	–	–
Net increase in repurchase business capital	-229,242,357.72	-978,394,677.95
Refunds of taxes	31,734,362.57	36,602,254.57
Cash generated from other relevant operating activities	91,094,185.13	108,749,495.24
<b>Sub-total of cash inflow from operating activities</b>	<b>7,660,000,283.74</b>	<b>6,642,170,326.18</b>

<b>Item</b>	<b>Amount from the beginning of the year to the end of the reporting period (January – September)</b>	<b>Amount from the beginning of the previous year to the end of the reporting period of the previous year (January – September)</b>
Cash paid for goods purchased and services received	<b>4,649,670,112.86</b>	5,438,800,534.05
Net increase in customer loans and advances	<b>679,076,942.69</b>	-64,988,159.66
Net increase in deposit in central bank and inter-bank deposits	<b>-54,019,097.48</b>	800,536.87
Cash paid for original insurance contract claims	–	–
Cash paid for interests, handling charges and commissions	<b>167,837,402.61</b>	10,788,308.90
Cash paid for policyholder dividend	–	–
Cash paid to and on behalf of employees	<b>903,625,230.31</b>	859,859,122.46
All types of taxes paid	<b>207,718,591.89</b>	211,288,564.34
Cash paid for other operating activities	<b>654,981,981.67</b>	630,449,175.83
<b>Sub-total of cash outflow from operating activities</b>	<b>7,208,891,164.55</b>	7,086,998,082.79
<b>Net cash flow from operating activities</b>	<b>451,109,119.19</b>	-444,827,756.61
<b>II. Cash flow from investment activities:</b>		
Cash received from investments	<b>52,877,506.20</b>	583,471,603.16
Cash received from returns on investments	<b>73,642,127.69</b>	26,612,711.56
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<b>168,109,478.92</b>	8,582,540.00

<b>Item</b>	<b>Amount from the beginning of the year to the end of the reporting period (January – September)</b>	<b>Amount from the beginning of the previous year to the end of the reporting period of the previous year (January – September)</b>
Net cash received from disposal of subsidiaries and other operating entities	–	7,192,725.54
Cash generated from other investment activities	<u>2,000,000.00</u>	<u>900,000.00</u>
<b>Sub-total of cash inflow from investment activities</b>	<u><b>296,629,112.81</b></u>	<u>626,759,580.26</u>
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	<b>321,381,569.20</b>	495,703,038.42
Cash paid for investments	<b>751,686,075.42</b>	842,229,595.33
Net increase in pledged loans	–	–
Net cash paid for acquisition of subsidiaries and other operating entities	–	40,391,854.48
Cash paid for other investment activities	–	–
<b>Sub-total of cash outflow from investment activities</b>	<u><b>1,073,067,644.62</b></u>	<u>1,378,324,488.23</u>
<b>Net cash flow from investment activities</b>	<u><b>-776,438,531.81</b></u>	<u><b>-751,564,907.97</b></u>
<b>III. Cash flow from financing activities:</b>		
Cash received from borrowings	–	–
Including: Cash received by subsidiaries from capital contributions of minority shareholders	–	–
Cash received from borrowings	<b>1,419,231,400.00</b>	1,690,007,740.00
Cash received from bond issue	–	–
Cash generated from other financing activities	–	–

Item	Amount from the beginning of the year to the end of the reporting period (January – September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January – September)
<b>Sub-total of cash inflow from financing activities</b>	<b>1,419,231,400.00</b>	1,690,007,740.00
Cash paid for repayment of borrowings	1,213,246,690.00	735,250,539.87
Cash paid for distribution of dividends and profits or for interest expenses	<b>154,850,019.86</b>	183,410,523.47
Including: Dividends and profits paid by subsidiaries to minority shareholders	<b>6,075,589.00</b>	17,666,651.00
Cash paid for other financing activities	–	–
<b>Sub-total of cash outflow from financing activities</b>	<b>1,368,096,709.86</b>	918,661,063.34
<b>Net cash flow from financing activities</b>	<b>51,134,690.14</b>	771,346,676.66
<b>IV. Effect of fluctuations in exchange rates on cash and cash equivalents</b>	<b>-18,449,024.48</b>	-3,036,286.42
<b>V. Net increase in cash and cash equivalents</b>	<b>-292,643,746.96</b>	-428,082,274.34
Add: Balance of cash and cash equivalents at the beginning of the period	<b>1,749,902,168.21</b>	1,618,450,134.70
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b>1,457,258,421.25</b>	1,190,367,860.36

<i>Legal representative:</i> <b>Zhao Yanshui</b>	<i>Person in charge of the accounting function:</i> <b>Yao Weidong</b>	<i>Person in charge of the accounting department:</i> <b>Zhou Juan</b>
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## Cash Flow Statement of the Parent Company

January – September 2015

Prepared by: First Tractor Company Limited\*

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount from the beginning of the year to the end of the reporting period (January – September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January – September)
<b>I. Cash flow from operating activities:</b>		
Cash received from sale of goods and rendering of services	<b>6,149,656,792.33</b>	5,560,234,679.05
Refunds of taxes	<b>4,599,758.42</b>	3,483,992.65
Cash generated from other operating activities	<b>42,432,694.31</b>	46,353,798.43
<b>Sub-total of cash inflow from operating activities</b>	<b>6,196,689,245.06</b>	5,610,072,470.13
Cash paid for goods purchased and services received	<b>4,174,134,677.68</b>	4,167,027,633.59
Cash paid to and on behalf of employees	<b>457,173,217.95</b>	387,161,277.29
Cash paid for all types of taxes	<b>48,135,148.36</b>	31,810,519.20
Cash paid for other operating activities	<b>338,312,815.28</b>	562,445,455.30
<b>Sub-total of cash outflow from operating activities</b>	<b>5,017,755,859.27</b>	5,148,444,885.38
<b>Net cash flow from operating activities</b>	<b>1,178,933,385.79</b>	461,627,584.75

<b>Item</b>	<b>Amount from the beginning of the year to the end of the reporting period (January – September)</b>	<b>Amount from the beginning of the previous year to the end of the reporting period of the previous year (January – September)</b>
<b>II. Cash flow from investment activities:</b>		
Cash received from investments	<b>122,000,000.00</b>	647,000,000.00
Cash received from return on investments	<b>98,344,188.64</b>	90,632,249.87
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<b>167,991,994.56</b>	7,652,288.73
Net cash received from disposals of subsidiaries and other operating entities	–	7,192,725.54
Cash generated from other investment activities	–	38,547,954.93
<b>Sub-total of cash inflow from investment activities</b>	<b><u>388,336,183.20</u></b>	<u>791,025,219.07</u>
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	<b>236,026,684.21</b>	361,279,434.08
Cash paid for investments	<b>732,014,886.92</b>	912,000,000.00
Net cash paid for acquisition of subsidiaries and other operating entities	–	40,391,854.48
Cash paid for other investment activities	–	–
<b>Sub-total of cash outflow from investment activities</b>	<b><u>968,041,571.13</u></b>	<u>1,313,671,288.56</u>
<b>Net cash flow from investment activities</b>	<b><u><u>-579,705,387.93</u></u></b>	<u><u>-522,646,069.49</u></u>

<b>Item</b>	<b>Amount from the beginning of the year to the end of the reporting period (January – September)</b>	<b>Amount from the beginning of the previous year to the end of the reporting period of the previous year (January – September)</b>
<b>III. Cash flow from financing activities:</b>		
Cash received from capital contributions	–	–
Cash received from borrowings	<b>1,640,116,900.00</b>	3,011,997,040.00
Cash generated from other financing activities	–	–
	<hr/>	<hr/>
<b>Sub-total of cash inflow from financing activities</b>	<b><u>1,640,116,900.00</u></b>	<b><u>3,011,997,040.00</u></b>
Cash paid for repayments of debts	<b>1,498,409,210.00</b>	2,351,150,539.87
Cash paid for distribution of dividends and profits or for interest expenses	<b>169,033,305.97</b>	160,396,249.59
Cash paid for other financing activities	–	–
	<hr/>	<hr/>
<b>Sub-total of cash outflow from financing activities</b>	<b><u>1,667,442,515.97</u></b>	<b><u>2,511,546,789.46</u></b>
<b>Net cash flow from financing activities</b>	<b><u><u>-27,325,615.97</u></u></b>	<b><u><u>500,450,250.54</u></u></b>



Item	Amount from the beginning of the year to the end of the reporting period (January – September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January – September)
<b>IV. Effect of fluctuations in exchange rates on cash and cash equivalents</b>	<b>-18,926,819.19</b>	<u>2,016.81</u>
<b>V. Net increase in cash and cash equivalents</b>	<b>552,975,562.70</b>	439,433,782.61
Add: Balance of cash and cash equivalents at the beginning of the period	<u>1,398,841,155.04</u>	<u>958,278,308.01</u>
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b><u>1,951,816,717.74</u></b>	<b><u>1,397,712,090.62</u></b>

<i>Legal representative:</i> <b>Zhao Yanshui</b>	<i>Person in charge of the accounting function:</i> <b>Yao Weidong</b>	<i>Person in charge of the accounting department:</i> <b>Zhou Juan</b>
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## 5.2 Auditor's report

Applicable       Not applicable