

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

2017 THIRD QUARTERLY REPORT

I. IMPORTANT NOTICE

- 1.1. The board of directors (the “**Board**”) and board of supervisors of First Tractor Company Limited* (the “**Company**”), and its directors (the “**Directors**”), supervisors and senior management confirm that there are no false information, misleading statements or material omissions contained in this quarterly report, and severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the contents herein.
- 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 and the Accounting Manager) have confirmed the truthfulness, accuracy and completeness of the financial statements in this quarterly report.
- 1.4. This third quarterly report of the Company is unaudited.

II. DEFINITIONS

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

“A Share(s)”	means	ordinary share(s) as approved by the CSRC which are issued to the PRC domestic investors and qualified foreign investors, traded on the PRC domestic stock exchange, denominated, subscribed for and traded in RMB
“Company”	means	First Tractor Company Limited* (第一拖拉機股份有限公司)
“controlled subsidiary”	means	a company held as to more than 50% shares or equity interest by the Company, and a company actually controlled by the Company through agreement and arrangement
“CSRC”	means	China Securities Regulatory Commission
“H Share(s)”	means	ordinary share(s) 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
“PRC”	means	The People’s Republic of China which, for the purpose of this third quarterly report, excludes Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC and Taiwan
“Reporting Period”	means	nine months ended 30 September 2017
“Shanghai Stock Exchange”	means	The Shanghai Stock Exchange
“Stock Exchange”	means	The Stock Exchange of Hong Kong Limited
“YTO”	means	YTO Group Corporation (中國一拖集團有限公司), the controlling shareholder of the Company
“YTO Finance”	means	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. BASIC INFORMATION OF THE COMPANY

3.1. Major financial data

Unit: Yuan Currency: RMB

	As at the end of the Reporting Period (30 September 2017)	As at the end of the previous year (31 December 2016)	Increase/Decrease as at the end of the Reporting Period as compared to the end of the previous year (%)
Total assets	14,283,252,219.04	13,210,513,281.43	8.12
Net assets attributable to shareholders of the Company	4,820,641,569.52	4,829,340,535.85	-0.18
	From the beginning of the year to the end of the Reporting Period (January to September 2017)	From the beginning of the previous year to the end of the reporting period of the previous year (January to September 2016)	Year-on-year increase/decrease (%)
Net cash flows from operating activities	-642,333,823.12	1,263,832,404.47	-150.82
Operating revenue	6,035,953,166.83	7,330,098,773.07	-17.66
Net profit attributable to shareholders of the Company	73,406,184.76	251,825,837.71	-70.85
Net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss	-71,349,089.96	230,186,673.68	-131.00
Weighted average return on net assets (%)	1.51	5.27	Decreased by 3.76 percentage points
Basic earnings per share (RMB/share)	0.0743	0.2530	-70.63
Diluted earnings per share (RMB/share)	0.0743	0.2530	-70.63

Non-recurring profit or loss items and amounts

Unit: Yuan Currency: RMB

Item	Amount for the period (July to September 2017)	Amount from the beginning of the year to the end of the Reporting Period (January to September 2017)
Profit or loss from disposal of non-current assets	-90,542.86	-482,502.34
Government grants credited to current profit or loss (except for those which are closely related to the Company's ordinary business, in accordance with the PRC national policies and continuously received in certain standard amounts and quantities)	11,192,266.78	38,937,498.36
Gain or loss from debt restructuring	-1,042,852.83	-1,156,464.11
Profit or loss from changes in fair value arising from holding held-for-trading financial assets and held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets (except for effective hedging business related to the Company's ordinary business)	12,090,252.40	3,970,641.54
Non-operating income and expenses other than those stated above	1,123,143.14	21,201,234.19
Profit or loss from transfer of long-term equity investment	94,994,451.25	94,994,451.25
Impact on minority shareholders equity interests (after tax)	-1,272,073.12	-4,216,673.91
Effects on income tax	-3,513,971.44	-8,492,910.26
Total	113,480,673.32	144,755,274.72

3.2. Table of total number of shareholders, shareholdings of the top ten shareholders and the top ten shareholders of circulating shares (or shareholders without selling restriction) as at the end of the Reporting Period

Unit: Share

Total number of shareholders 34,693 (Including 34,324
(*shareholder*) shareholders of A Shares and
369 shareholders of H Shares)

Shareholdings of the top ten shareholders

Name of shareholders (full name)	Number of shares held as at the end of period	Percentage (%)	Number of shares held with selling restriction	Pledged or frozen		Nature of shareholders
				Status of shares	Number	
YTO Group Corporation (<i>Note 1</i>)	410,690,578	41.66	0	Frozen	3,000,000	State-owned legal person
HKSCC NOMINEES LIMITED (<i>Note 2</i>)	388,109,399	39.37	0	Unknown	/	Overseas legal person
China Huarong Asset Management Co., Ltd.	14,069,296	1.43	0	Unknown	/	State-owned legal person
China Construction Bank Corporation Henan Province Branch	9,444,950	0.96	0	Unknown	/	Other
Tibet Dongfang Kaishuo Investment Company Limited	4,090,935	0.41	0	Unknown	/	Other
Hong Kong Securities Clearing Company Limited (<i>Note 3</i>)	1,529,995	0.16	0	Unknown	/	Overseas legal person
Jiao Yanfeng	1,000,000	0.1	0	Unknown	/	Domestic natural person
LIU HON NAM	726,000	0.07	0	Unknown	/	Overseas natural person
Wang Ze	664,800	0.07	0	Unknown	/	Domestic natural person
CITIC Securities Company Limited	649,982	0.07	0	Unknown	/	State-owned legal person

Shareholdings of the top ten shareholders without selling restrictions

Name of shareholder	Number of circulating shares without selling restrictions held	Number and class of share	
		Class	Number
YTO Group Corporation <i>(Note 1)</i>	410,690,578	Ordinary shares denominated in RMB	410,690,578
HKSCC NOMINEES LIMITED <i>(Note 2)</i>	388,109,399	Overseas listed foreign shares	388,109,399
China Huarong Asset Management Co., Ltd.	14,069,296	Ordinary shares denominated in RMB	14,069,296
China Construction Bank Corporation Henan Province Branch	9,444,950	Ordinary shares denominated in RMB	9,444,950
Tibet Dongfang Kaishuo Investment Company Limited	4,090,935	Ordinary shares denominated in RMB	4,090,935
Hong Kong Securities Clearing Company Limited <i>(Note 3)</i>	1,529,995	Ordinary shares denominated in RMB	1,529,995
Jiao Yanfeng	1,000,000	Ordinary shares denominated in RMB	1,000,000
LIU HON NAM	726,000	Overseas listed foreign shares	726,000
Wang Ze	664,800	Ordinary shares denominated in RMB	664,800
CITIC Securities Company Limited	649,982	Ordinary shares denominated in RMB	649,982

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

Among the top ten shareholders and top ten shareholders without selling restrictions, 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 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.

Explanations on preference shareholders with voting rights restored and number of shares held thereby

N/A

Note 1: During the Reporting Period, since YTO was listed as an additional person subject to enforcement in the financial loan contract dispute of the equity participating subsidiary of YTO, 3 million shares of the Company held by YTO was frozen. As at the date of this report, the Supreme People's Court had revoked the original enforcement judgement and the aforesaid frozen shares were released.

Note 2: The overseas listed foreign shares held by HKSCC NOMINEES LIMITED are held on behalf of various customers.

Note 3: The ordinary shares denominated in RMB held by Hong Kong Securities Clearing Company Limited are held on behalf of foreign investors who purchased ordinary shares denominated in RMB of the Company through Northbound Trading under Shanghai-Hong Kong Stock Connect.

3.3. Table of total number of preference shareholders, shareholdings of the top ten preference shareholders and the top ten preference shareholders without selling restriction as at the end of the Reporting Period

The Company had no preference shares during the Reporting Period.

IV. SIGNIFICANT EVENTS

4.1 Particulars of and reasons for material changes in major accounting statement items and financial indicators of the Company

Unit: 0'000 Yuan Currency: RMB

Consolidated balance sheet items	As at the end of the period	As at the beginning of the period	Percentage Changes (%)	Reasons
Loans to banks and other financial institutions	10,000	0	N/A	YTO Finance provided loans to banks and other financial institutions during the period
Derivative financial assets	0	1,483	-100.00	Foreign exchange swap settlement contracts were due during the period
Accounts receivable	135,180	67,431	100.47	Settlement period for sales of products during the first half of the year had not yet due and settlement for subsidies was prolonged, leading to an increase as at the end of the period as compared with the beginning of the period
Other current assets	187,731	141,293	32.87	Purchase of wealth management products using short-term idle funds increased during the period
Construction in progress	53,102	37,682	40.92	Investment in projects of the Company including construction of intelligent cockpit factory increased during the period
Receipts of deposits and deposits from other banks	91,561	58,829	55.64	Receipts of deposits and deposits from other banks by YTO Finance increased during the period
Loans from other banks and other financial institutes	0	25,000	-100.00	YTO Finance repaid loans from other banks and other financial institutes during the period
Advance from customers	12,767	19,966	-36.06	Sales for advances from customers as at the end of last year materialized during the period

Consolidated balance sheet items	As at the end of the period	As at the beginning of the period	Percentage Changes (%)	Reasons
Taxes payable	1,651	2,543	-35.08	Taxes payable decreased due to the drop in sales of products during the period
Interests payable	3,698	5,515	-32.95	Provision for corporate bonds interest decreased during the period
Non-current liabilities due within one year	153,114	3,442	4,348.40	Corporate bonds due within one year were transferred during the period
Long-term loans	65,000	913	7,019.39	Long-term loans of the Company increased during the period
Bonds payable	0	149,669	-100.00	Corporate bonds due within one year were transferred to non-current liabilities due within one year during the period
Contingent liabilities	1,370	0	N/A	Contingent liabilities increased during the period
Treasury shares	0	1,914	-100.00	Cancellation of repurchased H shares of the Company was completed during the period
Other comprehensive income	-1,164	-269	N/A	Due to the corresponding change in fair value resulting from sales and transfer of available-for-sale financial assets during the period

Consolidated income statement items	Amount for the period	For the corresponding period of the previous year	Percentage Changes (%)	Reasons
Interest income	9,594	15,074	-36.35	There was a year-on-year decrease in the inter-bank bills discounting business due to adjustment of business lines of YTO Finance during the period
Interest expenses	993	5,853	-83.03	
Fees and commission expense	17	27	-37.04	Handling fees and commission income of YTO Finance decreased during the period
Taxes and surcharges	3,532	1,728	104.40	Due to reclassification of property tax, land use tax, stamp duty and vehicle and vessel use tax, etc. from administrative expenses to taxes and surcharges by the Company since 1 May 2016 according to the “Accounting Rules for Value-added Tax (增值稅會計處理規定)” (Caikuai [2016] No. 22)
Loss on impairment of assets	2,790	6,904	-59.59	Due to the significant year-on-year decline in newly added assets impairment risks resulting from year-on-year improvement in assets quality during the period
Gain arising from the changes in fair value	-1,328	-239	N/A	Due to expiration of foreign exchange swap settlement contract during the period
Investment income	14,757	5,773	155.62	Due to income from disposal of equity interest in subsidiaries during the period
Non-operating income	7,138	2,914	144.96	Receipt and inclusion of government subsidies, etc. increased during the period
Income tax expenses	4,069	6,501	-37.41	Due to the decrease in provision for income tax expenses resulting from the decline in total profit during the period

Consolidated cash flow statement items	Amount for the period	For the corresponding period of the previous year	Percentage Changes (%)	Reasons
Net cash flows from operating activities	-64,233	126,383	-150.82	There was a year-on-year increase in outflow of cash flow from operating activities of the Company due to the decrease in sales of products, the decline in sales income and the increase in accounts receivable during the period
Net cash flows from investing activities	-35,781	-60,123	N/A	Collection of structured deposit increased during the period as compared with the corresponding period of last year
Net cash flows from financing activities	72,934	-15,447	N/A	Cash from loans during the period increased as compared with the corresponding period of last year

4.2 Analysis and explanation of progress and impact of significant events and solutions

1. On 24 August 2017, the “Resolution on Acquisition of 100% Equity Interest in YTO Belarus Technology Company Limited* and Capital Contribution of 7 Million US dollars by the Company” was considered and approved at the fourteenth meeting of the seventh session of the Board of the Company. For details, please refer to the “Announcement on Resolutions Passed at the Fourteenth Meeting of the Seventh Session of the Board of Directors of First Tractor Company Limited*” disclosed by the Company on the website of the Shanghai Stock Exchange on 25 August 2017 and the overseas regulatory announcement disclosed by the Company on the website of the Stock Exchange on 24 August 2017. The Company entered into an equity transfer agreement with YTO on 17 October 2017. For details, please refer to the “H Share Announcement of First Tractor” published by the Company on the website of the Shanghai Stock Exchange on 18 October 2017 and the announcement disclosed by the Company on the website of the Stock Exchange on 17 October 2017.
2. The Company completed procedures for change of business registration on 27 September 2017 in relation to the sales of equity interest in YTO (Luoyang) Forklift Truck Company Limited (一拖(洛陽)叉車有限公司), thus the Company ceased to own any equity interest in YTO (Luoyang) Forklift Truck Company Limited (一拖(洛陽)叉車有限公司).
3. On 29 September 2017, the “Resolution on Change of Financial Report Auditor and Internal Control Auditor of the Company for the Year 2017” was approved at the fifteenth meeting of the seventh session of the Board of the Company. For details, please refer to the “Announcement on Change of Financial Report Auditor and Internal Control Auditor of the Company for the Year 2017 by First Tractor Company Limited*” disclosed by the Company on the website of Shanghai Stock Exchange on 30 September 2017 and the announcement disclosed by the Company on the website of the Stock Exchange on 24 September 2017. This resolution is subject to approval at the 2017 second extraordinary general meeting of the Company.

4. During the Reporting Period, in relation to the litigation brought by YTO Finance against Wuhan Guoyu Logistics Group Co., Ltd regarding breach of bond contract, Hubei Higher People's Court took the relevant security measures against Wuhan Guoyu Logistics Group Co., Ltd. Both parties entered into the "mediation agreement" under the arrangement of Hubei Higher People's Court on 19 October 2017.

By Order of the Board
First Tractor Company Limited*
Zhao Yanshui
Chairman

Luoyang, the PRC
26 October 2017

As at the date of this announcement, the Board comprises Mr. Zhao Yanshui (Chairman), Mr. Wang Erlong (vice Chairman) and Mr. Wu Yong as executive Directors; Mr. Li Hepeng, Mr. Xie Donggang, Mr. Li Kai and Mr. Yin Dongfang as non-executive Directors; and Ms. Yang Minli, Mr. Xing Min, Mr. Wu Tak Lung and Mr. Yu Zengbiao as independent non-executive Directors.

* *For identification purposes only*

APPENDIX

Financial Statements

Consolidated Balance Sheet

As at 30 September 2017

Prepared by: First Tractor Company Limited*

Unit: Yuan Currency: RMB Audit type: unaudited

Item	Ending balance	Beginning balance
Current assets:		
Cash and cash equivalents	2,782,101,130.76	3,261,735,812.98
Settlement reserves for balance	–	–
Loans to banks and other financial institutions	100,000,000.00	0.00
Financial assets measured at fair value and its movement recorded through profit and loss	69,187,852.75	62,657,466.94
Derivative financial assets	0.00	14,833,000.00
Notes receivable	528,903,359.69	554,932,731.17
Accounts receivable	1,351,804,228.59	674,313,323.03
Advances to suppliers	163,185,099.67	143,734,037.70
Premium receivables	–	–
Reinsurance receivables	–	–
Reinsurance contract reserves receivable	–	–
Interest receivable	12,034,435.51	12,027,545.45
Dividend receivable	–	–
Other receivables	96,294,925.69	104,926,297.50
Financial assets purchased with agreement to re-sale	394,249,691.65	354,848,615.72
Inventories	1,236,765,770.81	1,014,713,967.01
Assets classified as held for sale	–	–
Non-current assets due within one year	–	–
Other current assets	1,877,307,192.20	1,412,930,377.64
Total current assets	<u>8,611,833,687.32</u>	<u>7,611,653,175.14</u>

Item	Ending balance	Beginning balance
Non-current assets:		
Loans and advances to customers	882,724,490.96	748,364,409.66
Available-for-sale financial assets	199,837,667.97	235,733,900.15
Held-to-maturity investments	57,966,437.29	58,352,738.68
Long-term receivables	–	–
Long-term equity investments	142,362,755.67	149,098,999.76
Investment properties	–	–
Fixed assets	2,831,549,164.57	2,970,855,427.52
Construction in progress	531,020,791.98	376,823,261.61
Construction materials	–	–
Disposal of fixed assets	–	–
Productive biological assets	–	–
Oil and gas assets	–	–
Intangible assets	861,859,086.99	896,641,004.79
Research and development expenses	–	–
Goodwill	–	–
Long-term prepayments	39,505,888.32	40,223,194.44
Deferred tax assets	124,592,247.97	122,767,169.68
Other non-current assets	–	–
	<hr/>	<hr/>
Total non-current assets	<u>5,671,418,531.72</u>	<u>5,598,860,106.29</u>
Total assets	<u>14,283,252,219.04</u>	<u>13,210,513,281.43</u>

Item	Ending balance	Beginning balance
Current liabilities:		
Short-term loans	1,844,228,862.64	1,579,448,510.67
Borrowings from central bank	–	–
Receipts of deposits and deposits from other banks	915,607,190.46	588,286,840.09
Loans from other banks and other financial institutes	0.00	250,000,000.00
Financial liabilities at fair value through profit or loss	–	–
Derivative financial liabilities	–	–
Notes payable	1,244,710,746.15	1,417,113,769.49
Accounts payable	1,728,768,342.56	1,384,168,457.64
Advance from customers	127,673,095.60	199,663,201.54
Funds from selling out and repurchasing financial assets	–	–
Fee and commission payable	–	–
Employee benefits payable	117,451,988.83	105,911,905.79
Taxes payables	16,506,618.97	25,426,038.74
Interests payable	36,976,568.91	55,151,085.52
Dividends payable	–	–
Other payables	247,031,268.05	257,257,848.82
Reinsurance accounts payables	–	–
Reserves for insurance contracts	–	–
Brokerage for trading securities	–	–
Brokerage for consigning securities	–	–
Liabilities classified as held for sale	–	–
Non-current liabilities due within one year	1,531,138,982.01	34,422,532.04
Other current liabilities	87,248,964.69	93,369,345.75
Total current liabilities	<u>7,897,342,628.87</u>	<u>5,990,219,536.09</u>

Item	Ending balance	Beginning balance
Non-current liabilities:		
Long-term loans	650,000,000.00	9,133,500.00
Bonds payable	0.00	1,496,694,996.06
Including: Preference shares	–	–
Perpetual bond	–	–
Long-term payables	–	–
Long-term employee salary payable	–	–
Special payables	–	–
Contingent liabilities	13,699,471.42	0.00
Deferred income	198,834,954.81	176,628,594.78
Deferred tax liabilities	30,465,869.66	34,198,365.33
Other non-current liabilities	–	–
	<hr/>	<hr/>
Total non-current liabilities	<u>893,000,295.89</u>	<u>1,716,655,456.17</u>
	<hr/>	<hr/>
Total liabilities	<u>8,790,342,924.76</u>	<u>7,706,874,992.26</u>
	<hr/>	<hr/>
Shareholders' equity:		
Share capital	985,850,000.00	995,900,000.00
Other equity instruments	–	–
Including: Preferred shares	–	–
Perpetual bond	–	–
Capital reserves	2,099,684,537.23	2,126,685,588.57
Less: Treasury shares	0.00	19,140,912.00
Other comprehensive income	-11,642,156.84	-2,685,750.24
Special reserves	5,440,710.85	4,485,866.00
Surplus reserves	423,908,219.34	423,908,219.34
General risk reserves	10,774,059.81	10,774,059.81
Retained earnings	1,306,626,199.13	1,289,413,464.37
Total equity attributable to shareholders of the Company	4,820,641,569.52	4,829,340,535.85
Minority interests	672,267,724.76	674,297,753.32
	<hr/>	<hr/>
Total shareholders' equity	<u>5,492,909,294.28</u>	<u>5,503,638,289.17</u>
	<hr/>	<hr/>
Total liabilities and shareholders' equity	<u>14,283,252,219.04</u>	<u>13,210,513,281.43</u>

Legal representative:
Zhao Yanshui

Chief financial officer:
Yao Weidong

Accounting manager:
Zhou Juan

Balance Sheet of the Parent Company
As at 30 September 2017

Prepared by: First Tractor Company Limited*

Unit: Yuan Currency: RMB Audit type: unaudited

Item	Ending balance	Beginning balance
Current assets:		
Cash and cash equivalents	2,498,716,498.32	2,332,459,180.15
Financial assets measured at fair value and its movement recorded through profit and loss	0.00	14,833,000.00
Derivative financial assets		
Notes receivable	214,806,864.87	143,070,848.93
Accounts receivable	1,366,316,669.37	647,872,610.08
Advances to suppliers	250,780,309.45	265,250,773.93
Interests receivable	11,581,899.31	5,782,316.41
Dividends receivable	11,180,000.00	0.00
Other receivables	9,050,748.53	9,714,113.36
Inventories	563,552,392.67	471,316,763.14
Assets classified as held for sale	–	–
Non-current assets due within one year	–	–
Other current assets	1,627,022,771.57	1,129,216,874.12
Total current assets	<u>6,553,008,154.09</u>	<u>5,019,516,480.12</u>

Item	Ending balance	Beginning balance
Non-current assets:		
Available-for-sale financial assets	113,792,000.00	127,021,500.00
Held-to-maturity investments	–	–
Long-term receivables	–	–
Long-term equity investments	2,982,465,140.55	2,807,650,845.03
Investment properties	–	–
Fixed assets	1,539,106,029.27	1,617,355,502.09
Construction in progress	326,201,772.23	249,165,495.36
Construction materials	–	–
Disposal of fixed assets	–	–
Productive biological assets	–	–
Oil and gas assets	–	–
Intangible assets	542,424,866.95	554,742,502.20
Research and development expenses	–	–
Goodwill	–	–
Long-term deferred expenditures	36,390,259.91	36,748,015.17
Deferred tax assets	26,809,048.95	20,276,789.40
Other non-current assets	–	–
	<hr/>	<hr/>
Total non-current assets	5,567,189,117.86	5,412,960,649.25
	<hr/> <hr/>	<hr/> <hr/>
Total assets	12,120,197,271.95	10,432,477,129.37
	<hr/> <hr/>	<hr/> <hr/>

Item	Ending balance	Beginning balance
Current liabilities:		
Short-term loans	2,263,690,000.00	1,393,700,000.00
Financial liabilities at fair value through profit or loss	–	–
Derivative financial liabilities	–	–
Notes payable	924,261,889.77	1,160,974,722.95
Accounts payable	1,232,483,471.45	850,915,338.66
Advance from customers	157,961,078.17	118,528,607.00
Employee benefits payable	43,884,934.78	41,532,696.11
Taxes payable	2,607,660.89	6,726,459.77
Interests payable	32,715,671.07	54,564,051.15
Dividends payables	–	–
Other payables	156,910,040.27	152,170,170.20
Liabilities classified as held for sale	–	–
Non-current liabilities due within one year	1,527,405,428.61	30,767,363.64
Other current liabilities	35,736,690.28	13,304,237.40
	<hr/>	<hr/>
Total current liabilities	<u>6,377,656,865.29</u>	<u>3,823,183,646.88</u>

Item	Ending balance	Beginning balance
Non-current liabilities:		
Long-term loans	650,000,000.00	9,133,500.00
Bonds payable	0.00	1,496,694,996.06
Including: Preferred shares	-	-
Perpetual bond	-	-
Long-term payables	-	-
Long-term employee salary payable	-	-
Special payables	-	-
Contingent liabilities	13,699,471.42	0.00
Deferred income	126,921,817.68	113,239,856.95
Deferred tax liabilities	408,436.36	1,764,770.45
Other non-current liabilities	-	-
	<hr/>	<hr/>
Total non-current liabilities	791,029,725.46	1,620,833,123.46
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities	7,168,686,590.75	5,444,016,770.34
	<hr/> <hr/>	<hr/> <hr/>
Shareholders' equity:		
Share capital	985,850,000.00	995,900,000.00
Other equity instruments	-	-
Including: Preference shares	-	-
Perpetual bond	-	-
Capital reserves	2,005,944,214.16	2,018,025,662.91
Less: Treasury shares	0.00	19,140,912.00
Other comprehensive income	2,314,472.73	10,000,365.91
Special reserves	-	-
Surplus reserves	349,414,935.51	349,414,935.51
Retained earnings	1,607,987,058.80	1,634,260,306.70
	<hr/>	<hr/>
Total shareholders' equity	4,951,510,681.20	4,988,460,359.03
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and shareholders' equity	12,120,197,271.95	10,432,477,129.37
	<hr/> <hr/>	<hr/> <hr/>

Legal representative:
Zhao Yanshui

Chief financial officer:
Yao Weidong

Accounting manager:
Zhou Juan

Consolidated Income Statement
January–September 2017

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)
I. Total operating revenue	1,867,531,371.37	2,322,381,411.20	6,132,273,022.71	7,481,161,424.23
Including: Operating revenue	1,832,632,941.77	2,288,838,590.94	6,035,953,166.83	7,330,098,773.07
Interest income	34,761,063.67	33,442,733.87	95,936,783.76	150,742,984.74
Earned insurance premiums	–	–	–	–
Fees and commission income	137,365.93	100,086.39	383,072.12	319,666.42
II. Total operating cost	1,943,089,909.48	2,251,992,504.37	6,213,014,918.27	7,227,932,406.71
Including: Operating cost	1,566,235,208.64	1,888,723,570.86	5,139,921,770.74	5,997,857,945.10
Interest expenses	3,898,722.16	5,971,926.49	9,932,789.42	58,531,858.70
Fees and commission expense	81,807.00	69,811.07	173,993.59	272,698.47
Refunded premiums	–	–	–	–
Net amount of compensation payout	–	–	–	–
Net amount of reserves for reinsurance contract	–	–	–	–
Policy dividend payment	–	–	–	–
Reinsurance expenses	–	–	–	–
Taxes and surcharges	9,704,697.80	5,175,499.31	35,320,537.09	17,280,931.33
Selling expenses	110,492,970.60	101,904,127.14	317,080,560.63	368,233,081.84
Administrative expenses	219,014,485.82	241,268,723.41	638,883,671.70	664,161,113.66
Financial expenses	25,273,262.45	12,101,597.22	43,801,135.53	52,554,389.78
Loss on impairment of assets	8,388,755.01	-3,222,751.13	27,900,459.57	69,040,387.83

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: Gain arising from the changes in fair value (Loss listed with “-”)	-5,670,326.13	-1,949,106.68	-13,284,186.92	-2,391,984.94
Investment income (Loss listed with “-”)	117,045,699.39	29,114,853.22	147,568,432.26	57,727,569.21
Including: Income from investments in associates and joint ventures	-1,484,783.83	1,811,391.36	377,554.31	10,171,808.41
Exchange gain (Loss listed with “-”)	-	-	-	-
Other gains	-	-	-	-
III. Operating profit (Loss listed with “-”)	35,816,835.15	97,554,653.37	53,542,349.78	308,564,601.79
Add: Non-operating income	22,231,058.53	14,934,964.75	71,376,448.16	29,135,784.74
Including: Gain from disposal of non-current assets	300,539.64	152,534.99	825,208.35	481,702.52
Less: Non-operating expenses	11,049,044.30	9,473,683.47	12,876,682.06	10,229,278.20
Including: Loss on disposal of non-current assets	391,082.50	9,401,098.77	1,307,710.69	9,928,828.91
IV. Total profit (Total loss listed with “-”)	46,998,849.38	103,015,934.65	112,042,115.88	327,471,108.33
Less: Income tax expenses	10,363,205.03	6,248,266.39	40,688,587.15	65,005,528.76
V. Net profit (Net loss listed with “-”)	36,635,644.35	96,767,668.26	71,353,528.73	262,465,579.57
Net profit attributable to owners of the parent company	41,140,539.90	93,476,253.85	73,406,184.76	251,825,837.71
Profit or loss attributable to minority shareholders	-4,504,895.55	3,291,414.41	-2,052,656.03	10,639,741.86

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)
VI. Net other comprehensive income after tax	-13,289,794.41	-1,345,287.37	-8,933,037.35	-6,137,995.77
Net other comprehensive income after tax attributable to owners of the parent company	-12,813,045.39	-1,539,388.48	-8,956,406.60	-6,370,329.30
(I) Other comprehensive income that can not be reclassified to profit or loss in subsequent periods	-	-	-	-
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans	-	-	-	-
2. Share of other comprehensive income of investee that will not be subsequently reclassified to profit or loss under equity method	-	-	-	-
(II) Other comprehensive income that will be subsequently reclassified to profit or loss	-12,813,045.39	-1,539,388.48	-8,956,406.60	-6,370,329.30
1. Share of other comprehensive income of investee that will be subsequently reclassified to profit or loss under equity method	-	-	-	-
2. Gains and losses from changes in fair value of available-for-sale financial assets	-12,792,363.25	-29,368.00	-10,974,650.60	-6,493,730.91
3. Gains and losses from held-to- maturity investment reclassified as available-for-sale financial assets	-	-	-	-
4. Effective part of hedging gains and losses from cash flows	-	-	-	-
5. Exchange differences from retranslation of financial statements	-20,682.14	-1,510,020.48	2,018,244.00	123,401.61
6. Others	-	-	-	-
Net other comprehensive income after tax attributable to minority interests	-476,749.02	194,101.11	23,369.25	232,333.53

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)
VII. Total comprehensive income	23,345,849.94	95,422,380.89	62,420,491.38	256,327,583.80
Total comprehensive income attributable to shareholders of the parent company	28,327,494.51	91,936,865.37	64,449,778.16	245,455,508.41
Total comprehensive income attributable to minority interests	-4,981,644.57	3,485,515.52	-2,029,286.78	10,872,075.39
VIII. Earnings per share:	-	-	-	-
(I) Basic earnings per share (<i>Yuan/share</i>)	0.0417	0.0940	0.0743	0.2530
(II) Diluted earnings per share (<i>Yuan/share</i>)	0.0417	0.0940	0.0743	0.2530

Legal representative:
Zhao Yanshui

Chief financial officer:
Yao Weidong

Accounting manager:
Zhou Juan

Income Statement of the Parent Company
January–September 2017

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)
I. Operating revenue	1,474,213,372.05	1,680,009,084.57	4,512,863,194.81	5,518,753,989.99
Less: Operating cost	1,288,894,390.15	1,524,279,050.71	4,022,942,364.46	4,847,428,052.71
Taxes and surcharges	2,490,528.05	1,020.09	12,598,304.50	1,195,064.31
Selling expenses	23,159,890.02	10,892,304.42	48,119,216.22	58,246,366.75
Administrative expenses	145,941,461.28	147,513,115.32	399,622,179.92	388,155,159.21
Financial expenses	4,758,058.93	-1,703,537.15	1,266,072.57	15,678,809.41
Loss on impairment of assets	5,606,713.65	87,923.14	18,229,976.39	7,604,436.76
Add: Gain arising from the changes in fair value (Loss listed with “-”)	-4,951,285.18	0.00	-14,833,000.00	0.00
Investment income (Loss listed with “-”)	12,767,710.71	49,058,056.88	14,757,730.24	87,530,146.61
Including: Income from investments in associates and joint ventures	-1,511,320.36	1,809,261.18	356,823.91	10,287,350.91
Other gains				
II. Operating profit (Loss listed with “-”)	11,178,755.50	47,997,264.92	10,009,810.99	287,976,247.45
Add: Non-operating income	9,356,401.50	6,055,405.82	25,542,818.05	11,330,666.91
Including: Gain from disposal of non-current assets	43,117.55	105,232.65	350,977.67	143,642.66
Less: Non-operating expenses	9,374,016.85	9,379,326.16	9,819,838.00	9,793,701.72
Including: Loss from disposal of non-current assets	14,343.40	9,376,112.66	206,686.32	9,790,488.22
III. Total profit (Total loss listed with “-”)	11,161,140.15	44,673,344.58	25,732,791.04	289,513,212.64
Less: Income tax expenses	111,606.58	-187,934.74	-4,187,411.06	21,750,346.46
IV. Net profit (Net loss listed with “-”)	11,049,533.57	44,861,279.32	29,920,202.10	267,762,866.18

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)
V. Net other comprehensive income after tax	-8,663,818.18	-202,300.00	-7,685,893.18	-4,298,875.00
(I) Other comprehensive income that can not be reclassified to profit or loss in subsequent periods	-	-	-	-
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans	-	-	-	-
2. Share of other comprehensive income of investee that will not be subsequently reclassified to profit or loss under equity method	-	-	-	-
(II) Other comprehensive income that will be subsequently reclassified to profit or loss	-8,663,818.18	-202,300.00	-7,685,893.18	-4,298,875.00
1. Share of other comprehensive income of investee that will be subsequently reclassified to profit or loss under equity method	-	-	-	-
2. Gains and losses from changes in fair value of available-for-sale financial assets	-8,663,818.18	-202,300.00	-7,685,893.18	-4,298,875.00
3. Gains and losses from held-to-maturity investment reclassified as available-for-sale financial assets	-	-	-	-
4. Effective part of hedging gains and losses from cash flows	-	-	-	-
5. Exchange differences from retranslation of financial statements	-	-	-	-
6. Others	-	-	-	-
VI. Total comprehensive income	2,385,715.39	44,658,979.32	22,234,308.92	263,463,991.18

Legal representative:
Zhao Yanshui

Chief financial officer:
Yao Weidong

Accounting manager:
Zhou Juan

Consolidated Cash Flow Statement

January–September 2017

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)
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	5,679,739,479.50	7,675,682,035.39
Net increase in deposits from customers and deposits from other banks	327,320,350.37	-170,903,269.74
Net increase in loans from central bank		
Net increase in loans from other financial institutions	-350,000,000.00	-850,000,000.00
Cash receipts of premium of direct insurance contracts	–	–
Net cash received from reinsurance contracts	–	–
Net increase in deposits from insurance policy holders and investment	–	–
Net increase in disposal of financial assets at fair value through profit or loss	–	–
Cash receipts of interest, fees and commission	108,451,850.76	147,588,946.54
Net increase in placement from banks and other financial institution	–	–
Net increase in sales and repurchase operations	-39,316,584.98	444,876,364.02
Cash received from taxes refund	23,459,112.93	26,989,641.12
Cash received relating to other operating activities	75,759,333.87	21,141,344.12
Sub-total of cash inflows from operating activities	5,825,413,542.45	7,295,375,061.45

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)
Cash paid for goods and services	4,903,583,022.37	4,888,449,393.08
Net increase in loans and disbursement to customers	127,041,111.55	-533,247,398.82
Net increase in deposit with central bank and inter-banks	22,912,424.52	-14,599,297.38
Cash paid for claims of direct insurance contracts	–	–
Cash paid for interest, fee and commission	11,644,578.41	52,941,540.67
Cash paid for dividends of insurance policies	–	–
Cash paid to and on behalf of employees	906,631,637.43	924,129,494.15
Payments of taxes and surcharges	157,472,600.53	196,524,492.31
Cash paid relating to other operating activities	338,461,990.76	517,344,432.97
Sub-total of cash outflows from operating activities	6,467,747,365.57	6,031,542,656.98
Net cash flows from operating activities	-642,333,823.12	1,263,832,404.47
II. Cash flows from investment activities:		
Cash received from return of investments	151,677,454.97	27,500,000.00
Cash received from investments income	66,924,628.57	44,733,141.70
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,724,443.84	1,398,922.47
Net cash received from disposal of subsidiaries and other business units	31,000,000.00	0.00
Cash received relating to other investing activities	18,900,000.00	2,700,000.00
Sub-total of cash inflows from investing activities	271,226,527.38	76,332,064.17

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)
Cash paid to acquire fixed assets, intangible assets and other long-term assets	277,037,389.31	141,242,513.17
Cash paid for investments	352,000,000.00	536,322,936.80
Net increase in pledged deposits	–	–
Net cash paid to acquire subsidiaries and other business units	–	–
Cash paid relating to other investing activities	–	–
Sub-total of cash outflow from investing activities	629,037,389.31	677,565,449.97
Net cash flows from investing activities	-357,810,861.93	-601,233,385.80
III. Cash flows from financing activities:		
Cash received from investment absorption	–	–
Including: Cash received by subsidiaries from investment absorption of minority interest	–	–
Cash received from loans granted	1,753,202,850.00	777,803,230.00
Cash received from issue of bonds	–	–
Cash received relating to other financing activities	–	–
Sub-total of cash inflows from financing activities	1,753,202,850.00	777,803,230.00
Cash paid for settlement of borrowings	834,039,641.52	771,603,960.00
Cash paid for dividends, profits appropriation or payments of interest	171,913,729.43	151,498,527.23
Including: Dividends and profits paid to minority interests	0.00	10,436,310.10
Cash paid relating to other financing activities	17,910,139.34	9,166,758.48
Sub-total of cash outflows from financing activities	1,023,863,510.29	932,269,245.71
Net cash flows from financing activities	729,339,339.71	-154,466,015.71

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)
IV. Effect of changes in foreign exchange rate on cash and cash equivalents	627,669.64	4,283,595.72
V. Net increase in cash and cash equivalents	-270,177,675.70	512,416,598.68
Add: Cash and cash equivalents at the beginning of the reporting period	2,894,305,807.48	1,690,285,427.32
VI. Cash and cash equivalents at the end of the reporting period	2,624,128,131.78	2,202,702,026.00

Legal representative:
Zhao Yanshui

Chief financial officer:
Yao Weidong

Accounting manager:
Zhou Juan

Cash Flow Statement of the Parent Company
January–September 2017

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)
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	4,374,752,364.61	6,312,555,574.47
Cash received from taxes refund	2,118,224.71	1,367,743.49
Cash received relating to other operating activities	25,798,529.76	22,301,221.56
	<hr/>	<hr/>
Sub-total of cash inflows from operating activities	4,402,669,119.08	6,336,224,539.52
	<hr/>	<hr/>
Cash paid for goods and services	4,104,786,197.95	4,517,369,178.85
Cash paid to and on behalf of employees	462,968,478.55	477,713,900.28
Payments of taxes and surcharges	31,944,437.02	53,716,733.34
Cash paid relating to other operating activities	200,816,451.41	167,680,870.44
	<hr/>	<hr/>
Sub-total of cash outflows from operating activities	4,800,515,564.93	5,216,480,682.91
	<hr/>	<hr/>
Net cash flows from operating activities	-397,846,445.85	1,119,743,856.61
	<hr/> <hr/>	<hr/> <hr/>

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)
II. Cash flows from investing activities:		
Cash received from return of investments	806,573,098.30	643,820,788.24
Cash received from investments income	57,359,708.98	145,689,509.78
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,174,552.56	1,250,910.62
Net cash received from disposal of subsidiaries and other business units	–	–
Cash received relating to other investing activities	18,900,000.00	2,700,000.00
Sub-total of cash inflows from investing activities	885,007,359.84	793,461,208.64
Cash paid to acquire fixed assets, intangible assets and other long-term assets	173,850,040.75	78,455,436.03
Cash paid for investments	1,295,636,428.97	776,738,012.00
Net cash paid to acquire subsidiaries and other business units	–	–
Cash paid relating to other investing activities	–	–
Sub-total of cash outflows from investing activities	1,469,486,469.72	855,193,448.03
Net cash flows from investing activities	-584,479,109.88	-61,732,239.39

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)
III. Cash flows from financing activities:		
Cash received from investment absorption	–	–
Cash received from loans granted	3,516,480,600.00	1,567,030,000.00
Cash received from issuing bonds	–	–
Cash received relating to other financing activities	–	–
Sub-total of cash inflows from financing activities	3,516,480,600.00	1,567,030,000.00
Cash paid for settlement of borrowings	1,985,136,441.52	2,167,534,660.00
Cash paid for dividends, profits appropriation or payments of interest	171,909,941.96	143,392,787.19
Cash paid relating to other financing activities	18,317,682.81	9,166,758.48
Sub-total of cash outflows from financing activities	2,175,364,066.29	2,320,094,205.67
Net cash flows from financing activities	1,341,116,533.71	-753,064,205.67
IV. Effect of changes in foreign exchange rate on cash and cash equivalents		
	868,201.27	-309,200.85
V. Net increase in cash and cash equivalents		
Add: Cash and cash equivalents at the beginning of the reporting period	359,659,179.25	304,638,210.70
	1,878,879,800.16	2,246,586,151.42
VI. Cash and cash equivalents at the end of the reporting period		
	2,238,538,979.41	2,551,224,362.12
<i>Legal representative:</i> Zhao Yanshui	<i>Chief financial officer:</i> Yao Weidong	<i>Accounting manager:</i> Zhou Juan