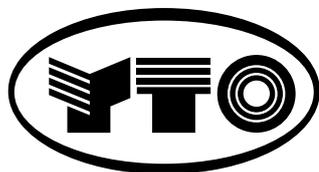


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第一拖拉机股份有限公司*

FIRST TRACTOR COMPANY LIMITED

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

(Stock Code: 0038)

2012 THIRD QUARTERLY REPORT

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1 IMPORTANT NOTICE

1.1 The board of directors (the “**Board**”) and supervisory committee of First Tractor Company Limited (the “**Company**”), and its directors (the “**Directors**”), supervisors and senior management confirm that there are no false information, misleading statements or material omissions contained in this report, and severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the contents therein.

1.2 Names of Directors not attending the Board meeting	Position of Directors not attending the Board meeting	Reason for not attending the Board meeting	Names of proxies
Su Weike	Vice chairman	Due to health reason	Zhao Yanshui
Dong Jianhong	Executive Director	Due to other business engagement	Yan Linjiao
Luo Xiwen	Independent non-executive Director	Due to other business engagement	Hong Xianguo
Chan Sau Shan, Gary	Independent non-executive Director	Due to personal reason	—

1.3 The Company's financial statements for the third quarter were unaudited.

1.4 Person in charge of the Company	Zhao Yanshui
Person in charge of the accounting function	Yao Weidong
Person in charge of the Accounting Department (Chief Accountant)	Zhou Juan

Zhao Yanshui (Person in charge of the Company), Yao Weidong (Person in charge of the accounting function) and Zhou Juan (Person in charge of the Accounting Department (Chief Accountant)) have confirmed the truthfulness and completeness of the financial statements in this third quarterly report.

2 COMPANY PROFILE

2.1 Major accounting data and financial indicators

			<i>Unit: Yuan</i>
			<i>Currency: RMB</i>
			Increase/decrease at the end of the reporting period as compared to the end of the previous year (%)
Item	At the end of the reporting period (30 September 2012)	At the end of the previous year (31 December 2011)	
Total assets	10,397,240,845.44	9,167,788,290.51	13.41
Owner's equity attributable to the Company	4,404,244,471.59	3,323,499,940.67	32.52
Net assets per share attributable to the Company	4.4224	3.9290	12.56

Item	From the beginning of the year to the end of the reporting period (1 January to 30 September 2012)	Year-on-year increase/decrease (%)
Net cash flows from operating activities	-497,918,134.10	N/A
Net cash flows per share from operating activities	-0.5000	N/A

Item	Reporting Period (July to September)	From the beginning of the year to the end of the reporting period (January to September)	Year-on-year increase/ decrease (%) (year-on-year change in the third quarter)
Net profit	39,745,863.84	326,166,582.37	-13.12
Basic earnings per share	0.0444	0.3781	N/A
Basic earnings per share after deduction of extraordinary profit and loss	0.0328	0.3492	N/A
Diluted earnings per share	0.0444	0.3781	N/A
Return on net assets (%)	1.03	9.16	Decreased by 0.38 percentage point
Return on net assets after deduction of extraordinary profit and loss (%)	0.76	8.45	Decreased by 0.96 percentage point

Deduction of extraordinary profit and loss and the amount

Unit: Yuan
Currency: RMB

	From the beginning of the year to the end of the reporting period (January to September 2012)
Extraordinary profit and loss	
Profit/loss from disposal of non-current assets	10,500,281.79
Government grants credited to current profit or loss	9,508,541.51
Profit or loss 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	7,889,193.12
Other non-operating income and expenses other than the aforesaid items, net	2,854,339.23
Effect of income tax	-5,107,411.30
Effect of minority interests (<i>after tax</i>)	-651,149.34
Total	<u><u>24,993,795.01</u></u>

2.2 Total number of shareholders of the Company and top ten shareholders of non-restricted circulating shares as at the end of the reporting period

Total number of shareholders as at the end of the reporting period 30,381 holders of A shares and 400 holders of H shares

Name of shareholders (full name)	Number of non-restricted circulating shares held as at the end of the reporting period (shares)	Class of shares
HKSCC Nominees Limited	398,341,398	H shares
Wang Baohua	2,425,515	A shares
Wang Xuezhu	1,500,900	A shares
Zhang Yalan	1,189,703	A shares
Zheng Yuecun	918,900	A shares
Wang Rongfang	905,000	A shares
Liu Lingmei	880,000	A shares
Liu Hon Nam	726,000	H shares
Zhang Yonghui	646,033	A shares
Li Wei	635,200	A shares

3 SIGNIFICANT EVENTS

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

Applicable

Not Applicable

Unit: 0'000
Currency: RMB

<u>Changes in balance sheet and explanations thereof</u>					
Items in consolidated balance sheet	Amount at the end of the reporting period	Amount at the beginning of the year	Increase/decrease	Increase/decrease rate (%)	Reasons
Trading financial assets	20,440	7,740	12,701	164.10	Due to the increase in its investment in trust products
Bills receivable	95,551	153,851	-58,300	-37.89	Due to collection of the bills receivable incurred at the beginning of the period in this period and lower percentage of bills for settlement used by customers
Trade receivables	229,701	85,271	144,430	169.38	Due to the deferred payment of the State's subsidies for purchase of agricultural machinery
Prepayments	16,180	10,778	5,402	50.11	Due to the increase in prepayments for goods
Provision of entrusted loans and advances	92,818	61,067	31,752	52.00	Due to the increase in buyer's credit given
Held-to-maturity investments	12,727	0	12,727	—	Due to the increase in the purchase of corporate bonds
Long-term equity investment	8,134	11,672	-3,537	-30.31	Due to the disposal of certain equity investment

Deferred income tax assets	6,357	4,667	1,691	36.23	Due to the increase in the recoverable loss of YTO France SAS
Other non-current assets	2,666	9,506	-6,840.25	-71.96	Due to the settlement of finance lease receivables
Deposits taking and inter-bank placements	72,280	108,938	-36,658	-33.65	Due to the decrease in deposits taken from other members
Placements from banks and non-bank financial institutions	10,000	20,000	-10,000	-50.00	Due to the repayment of placements taken from banks and non-bank financial institutions obtained in previous period
Advance receipts	13,941	24,298	-10,357	-42.62	Due to the transfer of advance payments for goods at the beginning of the period into sales revenue in the period
Other payables	27,710	45,500	-17,790	-39.10	Due to the payment of the outstanding balance of consideration for lands and trademarks to YTO Group Corporation (“YTO”)
Non-current liabilities due within one year	8,352	502	7,850	1,564.37	Due to reclassification of the long-term borrowings due within one year into this account
Long-term borrowings	31,750	18,600	13,150	70.70	Due to the increase in long-term loans for technical innovation projects and reclassification of part of the loan due within one year
Capital reserve	205,211	144,494	60,717	42.02	Due to the share capital premium in relation to the issue of A shares and change in the fair value of available-for-sale financial assets

Items in consolidated income statement	Amount for the reporting period	Amount for the corresponding period of the previous year	Increase/ decrease	Increase/ decrease rate (%)	Reasons
Interest income	6,719	3,883	2,836	73.02	Due to the increase in loans and discounted bills granted to third parties
Interest expenses	2,612	1,186	1,425	120.14	The increase in assessed deposits received results in the increase in interest expenses
Handling charges and commissions	28	16	12	77.87	Due to the increase in handling charges paid for financial business
Finance costs	4,965	3,740	1,226	32.78	Due to the enlarged average financing size
Assets impairment losses	2,165	396	1,769	447.19	Due to the provision for bad debts as a result of the increased trade receivables
Gains from changes in fair values	203	-1,258	1,461	N/A	Due to the increase in the market value of the trading financial assets

3.2 Progress of significant events and their impact, and analysis of solutions

Applicable Not Applicable

- (1) On 8 August 2012, the Company issued 150,000,000 A shares, which were listed on the main board of the Shanghai Stock Exchange. The net funds raised amounted to approximately RMB774,000,000. The share capital of the Company increased from 845,900,000 shares (before issue and listing of A shares) to 995,900,000 shares as at the date hereof. As at the date of this announcement, the Company has completed the registration on changes in industry and commerce.
- (2) At the 32nd meeting of the fifth Board held on 21 September 2012, it was considered and approved that the Company would replace its self-financed funds of RMB358,396,069.75 previously invested in the projects with the funds raised from the A share issue. As at the date hereof, the said replacement has been completed.
- (3) At the 32nd meeting of the fifth Board held on 21 September 2012, it was considered and approved that the Company would use the idle raised funds of RMB77 million to replenish its working capital. As at the date hereof, the idle raised funds of RMB77 million has been used to replenish working capital.
- (4) At the 31st and 32nd meetings of the fifth Board, it was considered and approved that the Company would provide external guarantee and issue corporate bonds respectively. On 24 October 2012, information for the general meeting in relation to the provision of external guarantee and issue of corporate bonds was dispatched. On 9 November 2012, the 2012 third extraordinary general meeting of the Company will be held for considering the said issues.
- (5) The Company and YTO entered into the capital increase agreement on 21 September 2012 and the first installment of the capital contribution in the amount of RMB156,000,000 was paid by both parties on 29 September 2012.

3.3 Implementation of commitments made by the Company, shareholders and ultimate controller

Type of commitment	Party making the commitment	Commitment	Any time limit for implementation?	Implemented timely and strictly?	Progress made during the reporting period
Solutions to connected transactions	YTO	According to relevant statutory procedures, YTO will use its endeavour to procure the Company to complete the acquisition of all equity interest or relevant assets and business of YTO (Luoyang) Kintra Equipment Science & Technology Company Limited and YTO (Luoyang) Flag Auto-Body Company Limited held by YTO no later than 31 December 2012. According to relevant statutory procedures, YTO will use its endeavour to procure YTO (Luoyang) Foundry Company Limited to complete improvement of cupola furnaces the soonest possible to fully solve the environmental protection issue, and procure the Company to complete the acquisition of all the equity interest or relevant assets and business of YTO (Luoyang) Foundry Company Limited held by YTO by 31 December 2012. If the Company cannot complete the acquisition of all the equity interest or relevant assets and business of the above three companies by 31 December 2012, YTO Group undertook to sell the equity interest or relevant assets and business of the aforesaid companies not acquired yet to independent third parties.	Yes	Yes	Auditing work and assets valuation in relation to the shares and assets transfer of the said three subsidiaries were carrying out.
Solutions to business 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 its subsidiaries shall not engage in the processing, production or assembly of farming implements, except the supporting sales and relevant procurement.	No	Yes	The Company did not breach its undertakings.
Solutions to business competition	YTO	YTO will not engage in and procure other enterprises controlled by it not to engage in the same or similar business of the Company to avoid direct or indirect competition with the Company's business operations. In addition, where YTO or other enterprises controlled by it may bring unfair impact on the Company in respect of market share, business opportunity and resources allocation, YTO will voluntarily give up and procure other enterprises controlled by it to give up business competition with the Company.	No	Yes	YTO did not have any business competition with the Company.

Solutions to business competition	China National Machinery Industry Corporation (“CNMIC”)	CNMIC 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 CNMIC or other enterprises controlled by it may bring unfair impact on the Company in respect of market share, business opportunity and resources allocation, CNMIC will voluntarily give up and procure other enterprises controlled by it to give up business competition with the Company.	No	Yes	CNMIC did not have any business competition with the Company.
Restriction on trading of shares	CNMIC	Within 36 months after the date of initial public offering, listing and trading of A shares of the Company, CNMIC will not transfer or engage others to manage the shares of the Company issued before the initial public offering of shares of the Company directly and indirectly held by CNMIC, nor allow the Company to repurchase such shares.	Yes	Yes	CNMIC did not breach its undertakings.
Restriction on trading of shares	YTO	Within 36 months after the date of initial public offering, listing and trading of A shares of the Company, YTO will not transfer or engage others to manage the shares of the Company issued before the initial public offering of shares of the Company directly and indirectly held by YTO, nor allow the Company to repurchase such shares.	Yes	Yes	YTO did not breach its undertakings.
Size of deposit and loan	YTO	On 16 August 2010, YTO and China First Tractor Group Finance Company Limited (“ First Tractor Finance ”) entered into the Deposit Agreement and Loan Agreement, which stipulated the annual cap of loan obtained by YTO and its subsidiaries (excluding the Company) from First Tractor Finance. YTO further undertook that, on the basis of the aforesaid Deposit Agreement and Loan Agreement and cap amount of connected transactions, the loan of YTO and its subsidiaries (excluding the Company) obtained from First Tractor Finance will be less than their deposits placed with First Tractor Finance, and ensured the safety of its subsidiaries’ loans through various measures.	No	Yes	As at the date hereof, the loan of YTO and its subsidiaries (excluding the Company) obtained from First Tractor Finance is less than their deposits placed with First Tractor Finance.
Improvement of asset integrity	YTO	As to the patents related to the products of the Company and its subsidiaries which are in the process of application, YTO undertook to transfer the relevant 50 patents to the Company at nil consideration upon completion of the applications. Except for the aforesaid patents which are in the process of application, YTO will no longer apply for patents related to the products of the Company and its subsidiaries in its own name. YTO will transfer to the Company at nil consideration any such new technologies related to the products of the Company and its subsidiaries that may be developed by YTO after issue of the undertaking letter, and patents in respect of such technologies will be applied for directly in the name of the Company.	Yes	Yes	As at the date hereof, 27 out of the 50 patents to be transferred have been transferred to the Company; registration of changes in patent owner in respect of 17 patents is currently in progress; 3 patents were rejected to be registered in the process of application by YTO; and there are still 3 patents in the process of application, which do not satisfy the transfer conditions due to absence of patent certificates.

3.4 Warning of the prediction that the accumulated net profits from the beginning of the year to the end of the next reporting period may record a loss or substantial changes may have occurred as compared with the same period of the previous year and the reasons

Applicable

Not Applicable

By Order of the Board
FIRST TRACTOR COMPANY LIMITED
Yu Lina
Company Secretary

Luoyang, the PRC
29 October 2012

As at the date of this announcement, Mr. Zhao Yanshui is the Chairman and executive Director of the Company and Mr. Su Weike is the vice Chairman and non-executive Director of the Company. Other members of the Board are, three executive Directors, namely, Ms. Dong Jianhong, Mr. Qu Dawei and Mr. Liu Jiguo; two non-executive Directors, namely, Mr. Yan Linjiao and Mr. Liu Yongle; and four independent non-executive Directors, namely, Mr. Luo Xiwen, Mr. Chan Sau Shan, Gary, Mr. Hong Xianguo and Mr. Zhang Qiusheng.

* *For identification purposes only*

4 APPENDICES

4.1 Consolidated Balance Sheet

	<i>Unit: Yuan</i>	
	<i>Currency: RMB</i>	
Item	30 September 2012 <i>(Unaudit)</i>	31 December 2011 <i>(Audited)</i>
Current assets		
Cash and bank balance	1,470,672,826.23	1,512,424,774.06
Trading financial assets	204,404,494.03	77,397,474.86
Bills receivable	955,509,591.82	1,538,507,433.54
Accounts receivable	2,297,008,496.16	852,711,878.94
Prepayments	161,800,244.77	107,784,782.47
Other receivables	139,902,132.92	132,611,175.07
Inventories	953,043,320.46	1,110,557,406.63
Total current assets	6,182,341,106.39	5,331,994,925.57
Non-current assets		
Entrusted loans and advances granted	928,183,186.92	610,665,058.56
Available-for-sale financial assets	81,565,048.72	99,305,984.88
Held-to-maturity investments	127,268,846.97	—
Long-term equity investments	81,344,359.66	116,717,621.86
Investment properties	32,620,577.54	33,861,102.32
Fixed assets	1,513,695,855.37	1,367,283,950.61
Construction in progress	597,141,126.23	696,311,444.69
Intangible assets	759,819,817.44	766,887,698.48
Long-term deferred expenditures	3,030,722.81	3,033,444.79
Deferred income tax asset	63,572,840.56	46,667,200.37
Other non-current assets	26,657,356.83	95,059,858.38
Total non-current assets	4,214,899,739.05	3,835,793,364.94
Total assets	<u>10,397,240,845.44</u>	<u>9,167,788,290.51</u>

Current liabilities

Short-term borrowings	974,817,359.80	965,467,831.10
Deposit taking and deposit in inter-bank market	722,804,946.97	1,089,384,387.34
Placements from banks and other financial institutions	100,000,000.00	200,000,000.00
Bills payable	676,451,761.76	585,042,122.04
Accounts payable	2,028,758,519.00	1,608,178,690.02
Advances from customers	139,413,956.81	242,982,035.58
Staff remuneration payable	107,415,921.83	108,444,217.14
Interest payable	4,322,865.98	4,096,865.98
Taxes payable	(222,634,920.35)	(251,827,019.82)
Other payables	277,098,186.17	455,002,054.86
Non-current liabilities due within one year	83,518,000.00	5,018,000.00
Other current liabilities	82,028,059.35	64,784,797.96
Total current liabilities	4,973,994,657.32	5,076,573,982.20
Non-current liabilities		
Long-term borrowings	317,500,000.00	186,000,000.00
Deferred income tax liability	14,839,552.78	15,129,952.78
Other non-current liabilities	128,992,402.41	114,496,180.37
Total non-current liabilities	461,331,955.19	315,626,133.15
Total liabilities	5,435,326,612.51	5,392,200,115.35

Shareholders' equity

Share capital	995,900,000.00	845,900,000.00
Capital reserve	2,052,107,107.85	1,444,940,423.29
Surplus reserve	251,726,492.73	251,726,492.73
General risk provision	6,291,271.44	6,291,271.44
Undistributed profit	1,126,242,849.26	800,076,266.89
Translation differences of statements denominated in foreign currency	(28,023,249.69)	(25,434,513.68)
Total equity attributable to the shareholders of the Company	4,404,244,471.59	3,323,499,940.67
Minority interests	557,669,761.34	452,088,234.49
Total shareholders' equity	4,961,914,232.93	3,775,588,175.16
Total liabilities and shareholders' equity	10,397,240,845.44	9,167,788,290.51

Balance Sheet of the Company

Unit: Yuan Currency: RMB

Item	30 September 2012 (Unaudit)	31 December 2011 (Audited)
Current assets		
Cash and bank balance	941,294,913.03	722,425,579.30
Bills receivable	425,148,766.73	904,972,875.20
Accounts receivable	2,025,905,975.76	768,767,009.14
Prepayments	58,883,049.39	61,123,575.58
Dividend receivable	8,381,701.94	—
Other receivables	35,384,134.34	20,603,980.06
Inventories	286,453,806.88	441,013,128.57
Other current assets	97,000,000.00	100,000,000.00
Total current assets	3,878,452,348.07	3,018,906,147.85
Non-current assets		
Available-for-sale financial assets	37,488,000.00	39,424,000.00
Long-term equity investments	1,685,482,053.99	1,475,402,523.46
Fixed assets	988,486,895.57	837,594,225.12
Construction in progress	330,883,709.44	474,574,922.65
Intangible assets	512,744,793.46	519,388,581.41
Deferred income tax asset	8,535,392.68	9,033,181.83
Total non-current assets	3,563,620,845.14	3,355,417,434.47
Total assets	<u>7,442,073,193.21</u>	<u>6,374,323,582.32</u>

Current liabilities

Short-term borrowings	963,667,380.40	1,274,467,380.40
Bills payable	393,199,758.73	651,220,535.03
Accounts payable	1,500,827,429.18	1,029,289,820.85
Advances from customers	37,698,921.60	56,086,715.96
Staff remuneration payable	58,042,639.30	61,801,135.86
Taxes payable	(219,665,771.19)	(243,525,317.68)
Other payables	62,912,330.40	286,811,992.90
Non-current liabilities due within one year	82,500,000.00	4,000,000.00
Other current liabilities	31,621,986.59	9,008,897.19

Total current liabilities **2,910,804,675.01** 3,129,161,160.51

Non-current liabilities

Long-term borrowings	317,500,000.00	186,000,000.00
Deferred income tax liability	3,271,200.00	3,561,600.00
Other non-current liabilities	148,309,402.41	93,784,402.41

Total non-current liabilities **469,080,602.41** 283,346,002.41

Total liabilities **3,379,885,277.42** 3,412,507,162.92

Shareholders' equity

Share capital	995,900,000.00	845,900,000.00
Capital reserve	2,163,035,026.93	1,540,947,497.93
Surplus reserve	185,289,007.47	185,289,007.47
Undistributed profit	717,963,881.39	389,679,914.00

Total shareholders' equity **4,062,187,915.79** 2,961,816,419.40

Total liabilities and shareholders' equity **7,442,073,193.21** 6,374,323,582.32

4.2 Consolidated Income Statement

Unit: Yuan

Currency: RMB

Type of audit: Unaudited

Item	July - September	July - September	January - September	January - September
	2012	2011	2012	2011
I. Total revenue from operations	2,799,827,253.78	2,370,546,110.26	9,104,132,606.46	9,535,346,264.31
Including: Operating revenue	2,776,679,832.02	2,352,988,185.58	9,032,468,974.39	9,491,677,995.25
Interest income	22,636,550.90	15,928,696.22	67,186,881.47	38,831,603.34
Income from handling charges and commission	510,870.86	1,629,228.46	4,476,750.60	4,836,665.72
II. Total operating costs	2,752,156,523.54	2,300,863,791.67	8,749,678,634.73	9,159,939,664.97
Including: Operating cost	2,417,295,032.22	2,006,840,460.66	7,821,649,814.14	8,260,376,245.34
Interest expenses	9,633,038.82	3,686,024.58	26,118,983.91	11,864,717.53
Handling charges and commission expenses	69,307.93	51,530.59	281,615.01	158,326.34
Business taxes and surcharges	6,289,224.68	5,307,647.32	19,295,862.24	16,925,776.92
Selling expenses	86,676,332.59	75,300,259.53	263,323,423.58	290,961,801.76
Administrative expenses	197,104,283.72	195,102,273.22	547,705,330.99	538,299,940.23
Finance expenses	18,874,867.12	12,349,867.47	49,654,977.44	37,396,554.69
Asset impairment loss	16,214,436.46	2,225,728.30	21,648,627.42	3,956,302.16
Add: Gain from change in fair value	(704,577.70)	(11,583,948.28)	2,031,314.57	(12,580,669.17)
Gains from investment	8,652,240.42	9,127,021.34	53,514,885.27	51,653,040.60
Including: Gains from investment in associates and joint ventures	—	—	(14,866.36)	60,632.41

III. Operating profit	55,618,392.96	67,225,391.65	410,000,171.57	414,478,970.77
Add: Non-operating income	8,098,923.10	3,639,668.30	14,552,157.31	15,182,312.61
Less: Non-operating expenses	851,080.74	1,034,412.49	2,287,194.78	2,598,178.66
Including: Loss from disposal of non-current assets	527,275.67	225,136.64	1,449,487.33	559,425.58
IV. Total profit	62,866,235.32	69,830,647.46	422,265,134.10	427,063,104.72
Less: Income tax expense	17,407,090.01	16,608,540.78	68,422,262.51	76,718,609.43
V. Net profit	<u>45,459,145.31</u>	<u>53,222,106.68</u>	<u>353,842,871.59</u>	<u>350,344,495.29</u>
Net profit attributable to the owners of the Company	39,745,863.84	45,750,107.84	326,166,582.37	316,986,447.60
Profit or loss attributable to minority shareholders	5,713,281.47	7,471,998.84	27,676,289.22	33,358,047.69
VI. Earnings per share:				
Basic earnings per share	0.0444	0.0541	0.3781	0.3747
Diluted earnings per share	0.0444	0.0541	0.3781	0.3747
VII. Other comprehensive income	(12,185,199.67)	8,034,911.76	(19,062,734.02)	(43,108,661.89)
VIII. Total comprehensive income	<u>33,273,945.64</u>	<u>61,257,018.45</u>	<u>334,780,137.57</u>	<u>307,235,833.40</u>
Total comprehensive income attributable to the owners of the Company	30,287,537.28	51,081,701.29	309,993,031.40	273,532,838.62
Total comprehensive income attributable to minority shareholders	2,986,408.36	10,175,317.16	24,787,106.17	33,702,994.78

Income Statement of the Company

Unit: Yuan

Currency: RMB

Type of audit: Unaudited

Item	July – September 2012	July - September 2011	January - September 2012	January – September 2011
I. Total revenue from operations	1,954,363,363.22	1,658,896,277.05	6,263,294,997.33	6,869,403,234.40
Including: operating revenue	<u>1,954,363,363.22</u>	<u>1,658,896,277.05</u>	<u>6,263,294,997.33</u>	<u>6,869,403,234.40</u>
II. Total operating costs	1,882,878,471.73	1,614,627,066.73	5,992,182,909.24	6,660,160,791.61
Including: Operating cost	1,697,429,413.67	1,485,524,818.53	5,512,065,589.74	6,237,942,390.43
Business taxes and surcharges	243,426.99	619,434.26	1,035,619.52	2,410,772.67
Selling expenses	14,132,956.86	(3,925,513.40)	33,674,395.68	20,063,759.76
Administrative expenses	122,136,035.67	115,404,345.97	352,378,832.64	343,117,346.64
Finance expenses	17,260,010.10	17,319,519.98	49,199,103.01	44,793,946.45
Asset impairment loss	31,676,628.44	(315,538.61)	43,829,368.65	11,832,575.66
Add: Gains from investment	8,308,898.02	321,245.35	85,564,531.07	68,588,213.62
Including: Gains from investment in associates and joint ventures	<u>—</u>	<u>—</u>	<u>(16,466.95)</u>	<u>60,632.41</u>
III. Operating profit	79,793,789.51	44,590,455.67	356,676,619.16	277,830,656.41
Add: Non-operating income	1,918,141.36	1,173,813.45	5,954,665.77	3,970,244.98
Less: Non-operating expenses	315,760.72	425,448.08	1,435,510.71	942,298.06
Including: Loss from disposal of non-current assets	<u>82,344.82</u>	<u>350,778.08</u>	<u>942,494.81</u>	<u>444,779.72</u>
IV. Total profit	81,396,170.15	45,338,821.04	361,195,774.22	280,858,603.33
Less: Income tax expense	<u>8,481,459.56</u>	<u>6,800,823.16</u>	<u>32,911,806.83</u>	<u>32,523,770.79</u>
V. Net profit	<u><u>72,914,710.59</u></u>	<u><u>38,537,997.88</u></u>	<u><u>328,283,967.39</u></u>	<u><u>248,334,832.54</u></u>
VI. Other comprehensive income	(2,094,400.00)	—	(1,645,600.00)	(26,299,680.00)
VII. Total comprehensive income	<u><u>70,820,310.59</u></u>	<u><u>38,537,997.88</u></u>	<u><u>326,638,367.39</u></u>	<u><u>222,035,152.54</u></u>

4.3 Consolidated Cash flow statement

Unit: Yuan

Currency: RMB

Type of audit: Unaudited

Item	January - September 2012	January – September 2011
I. Cash flow from operating activities		
Cash received from sale of goods and rendering of services	8,652,362,287.88	8,410,618,196.20
Net increase in customer and interbank deposits	(366,579,440.37)	219,778,545.66
Net increase in borrowings from other financial institutions	(100,000,000.00)	350,500,000.00
Cash received from interest, handling charges and commissions	71,663,632.07	43,668,269.06
Net increase in capital from repurchase business	—	—
Refunds of taxes	32,709,803.90	46,380,251.66
Other cash received relating to operating activities	85,538,949.41	62,001,992.23
Sub-total of cash inflow from operating activities	8,375,695,232.89	9,132,947,254.81
Cash paid for goods purchased and service received	7,418,403,433.07	7,515,962,170.66
Net increase in customer loans and advances	243,209,784.56	353,208,809.95
Net increase in deposit in PBOC and interbank deposits	(65,880,760.29)	(27,874,435.42)
Cash paid for interest, handling charges and commission	26,400,598.92	12,023,043.87
Cash paid to and on behalf of employees	577,104,764.54	510,046,493.52
Cash paid for all types of taxes	204,181,117.51	186,342,479.51
Other cash paid relating to operating activities	470,194,428.68	505,957,676.96
Sub-total of cash outflow from operating activities	8,873,613,366.99	9,055,666,239.05
Net cash flow from operating activities	(497,918,134.10)	77,281,015.76

II. Cash flows from investment activities		
Cash received from disposal of investments	42,507,357.13	122,836,203.14
Cash received from return on investments	31,474,933.50	11,676,043.18
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,021,823.63	9,781,009.19
Net cash received from disposal of subsidiaries and other operating entities	—	—
Other cash received relating to investing activities	56,780,000.00	14,439,412.12
Sub-total of cash inflow from investing activities	133,784,114.26	158,732,667.63
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	472,027,083.40	463,354,745.05
Cash paid for investments	129,137,669.62	191,562,735.60
Net cash paid for acquiring subsidiaries and other operating entities	15,522,798.51	63,130,777.23
Other cash paid relating to investing activities	—	—
Sub-total of cash outflow from investing activities	616,687,551.53	718,048,257.88
Net cash flow from investment activities	(482,903,437.27)	(559,315,590.25)
III. Cash flow from financing activities		
Cash received from investments	876,350,000.00	—
Including: Proceeds received by subsidiaries from minority shareholders' investment	91,840,000.00	—
Cash received from borrowings	1,196,998,972.13	1,578,928,701.50
Other cash received relating to financing activities	—	—
Sub-total of cash inflow from financing activities	2,073,348,972.13	1,578,928,701.50

Cash paid for repayments of debts	986,423,076.75	976,954,660.38
Cash paid for distribution of dividends and profits or for interest expenses	72,825,815.18	118,083,893.94
Including: Dividend and profit paid by subsidiaries to minority shareholders	9,094,200.00	6,579,500.85
Other cash paid relating to financing activities	8,825,471.00	—
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Sub-total of cash outflow from financing activities	1,068,074,362.93	1,095,038,554.32
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Net cash flow from financing activities	1,005,274,609.20	483,890,147.18
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IV. Effect of fluctuations in exchange rates on cash and cash equivalents	(324,225.37)	(3,309,627.98)
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V. Net increase in cash and cash equivalents	24,128,812.46	(1,454,055.29)
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Add: Balance of cash and cash equivalents at the beginning of the period	1,338,123,271.72	1,209,255,669.66
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VI. Balance of cash and cash equivalents at the end of the period	1,362,252,084.18	1,207,801,614.37
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Cash Flow Statement of Company

Unit: Yuan

Currency: RMB

Type of audit: Unaudited

Item	January - September 2012	January – September 2011
I. Cash flow from operating activities		
Cash received from sale of goods and rendering of services	6,296,505,793.32	6,622,228,193.32
Refunds of taxes	3,245,005.11	1,931,621.92
Other cash received relating to operating activities	66,375,020.52	21,609,945.35
Sub-total of cash inflow from operating activities	6,366,125,818.95	6,645,769,760.59
Cash paid for goods purchased and service received	5,686,093,728.99	5,724,743,446.61
Cash paid to and on behalf of employees	256,024,113.17	270,940,530.76
Cash paid for all types of taxes	45,926,654.82	39,203,836.67
Other cash paid relating to operating activities	365,010,331.27	436,527,161.47
Sub-total of cash outflow from operating activities	6,353,054,828.25	6,471,414,975.51
Net cash flow from operating activities	13,070,990.70	174,354,785.08

II. Cash flows from investment activities

Cash received from disposal of investments	163,958,200.00	117,891,936.00
Cash received from return on investments	67,439,743.32	32,087,230.26
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,533,918.09	2,111,453.07
Other cash received relating to investing activities	56,780,000.00	14,100,000.00
Sub-total of cash inflow from investing activities	290,711,861.41	166,190,619.33
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	328,953,777.28	462,154,745.05
Cash paid for investments	361,434,393.32	347,985,794.90
Other cash paid relating to investing activities	—	—
Sub-total of cash outflow from investing activities	690,388,170.60	810,140,539.95
Net cash flow from investment activities	(399,676,309.19)	643,949,920.62

III. Cash flow from financing activities

Cash received from investments	784,510,000.00	—
Cash received from borrowings	1,832,000,000.00	2,216,700,000.00
Other cash received relating to financing activities	—	—
Sub-total of cash inflow from financing activities	2,616,510,000.00	2,216,700,000.00
Cash paid for repayments of debts	1,932,800,000.00	1,594,000,000.00
Cash paid for distribution of dividends and profits or for interest expenses	69,406,029.43	100,047,588.17
Other cash paid relating to financing activities	8,825,471.00	—
Sub-total of cash outflow from financing activities	2,011,031,500.43	1,694,047,588.17
Net cash flow from financing activities	605,478,499.57	522,652,411.83

IV. Effect of fluctuations in exchange rates on cash and cash equivalents	<u>(3,847.35)</u>	<u>(377,679.96)</u>
V. Net increase in cash and cash equivalents	<u>218,869,333.73</u>	<u>52,679,596.33</u>
Add: Balance of cash and cash equivalents at the beginning of the period	722,425,579.30	720,819,551.75
VI. Balance of cash and cash equivalents at the end of the period	<u>941,294,913.03</u>	<u>773,499,148.08</u>