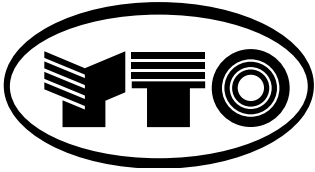


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第一拖拉机股份有限公司*

FIRST TRACTOR COMPANY LIMITED

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

(Stock Code: 0038)

2013 THIRD QUARTERLY REPORT

1 IMPORTANT NOTICE

1.1 The board of directors (the “**Board**”) and supervisory committee of First Tractor Company Limited (the “**Company**”), and its directors (the “**Directors**”), supervisors and senior management confirm that this quarterly report is true, accurate and complete and does not contain any false information, misleading statements or material omissions, and severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the contents therein.

1.2 All Directors of the Company attended the Board meeting.

1.3 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) have confirmed the truthfulness, accuracy and completeness of the financial statements in this third quarterly report.

1.4 The Company’s financial statements for the third quarter were unaudited.

2 DEFINITIONS

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

Subsidiary	means	the meaning as defined in the Listing Rules of 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
Sinomach	means	China National Machinery Industry Corporation (中國機械工業集團有限公司), the ultimate controlling shareholder of the Company
YTO Finance	means	YTO Finance Company Limited (中國一拖集團財務有限責任公司), a subsidiary of the Company
YTO Diesel	means	YTO (Luoyang) Diesel Engine Co., Ltd (一拖(洛陽)柴油機有限公司), a subsidiary of the Company
YTO Power Machinery	means	YTO (Luoyang) Power Machinery Co., Ltd (一拖(洛陽)動力機械有限公司), a wholly owned subsidiary of YTO Diesel and an indirect subsidiary of the Company in the reporting period, formerly a direct subsidiary of the Company
YTO Injection Pump	means	YTO (Luoyang) Fuel Injection Pump Co., Ltd (一拖(洛陽)燃油噴射有限公司), a subsidiary of the Company

YTO (Xinjiang) Machinery	means	YTO (Xinjiang) Machinery Co., Ltd (一拖 (新疆) 東方紅裝備機械有限公司), a wholly owned subsidiary of the Company
Shanghai Stock Exchange	means	the Shanghai Stock Exchange
Hong Kong Stock Exchange	means	the Stock Exchange of Hong Kong Limited
A Share(s)	means	ordinary shares as approved by the CSRC which are issued to domestic investors and qualified foreign investors, traded on domestic stock exchanges, denominated, subscribed for and traded in RMB
H Share(s)	means	ordinary shares as approved by the CSRC which are issued to foreign investors, and listed with the approval of the Hong Kong Stock Exchange, denominated in RMB, subscribed for and traded in Hong Kong dollars

3 MAJOR FINANCIAL DATA AND CHANGES IN SHAREHOLDERS OF THE COMPANY

3.1 Major accounting data

Unit: 0'000
Currency: RMB

Item	At the end of the reporting period (30 September 2013)	At the end of the previous year (31 December 2012)		Increase/decrease at the end of the reporting period as compared to the end of the previous year (%)
		After adjustment	Before adjustment	
Total assets	1,197,842.30	1,098,837.29	1,073,186.72	9.01
Net assets attributable to shareholders of the Company	446,981.28	443,048.76	436,639.72	0.89

Item	From the beginning of the year to the end of the reporting period (1 January to 30 September 2013)	From the beginning of the previous year to the end of the reporting period of the previous year (1 January to 30 September 2012)		Year-on-year increase/decrease (%)
		After adjustment	Before adjustment	
Net cash flows from operating activities	-40,964.96	-51,260.45	-49,791.81	N/A

Item	From the beginning of the year to the end of the reporting period (1 January to 30 September 2013)	From the beginning of the previous year to the end of the reporting period of the previous year (1 January to 30 September 2012)		Year-on-year increase/decrease (%)
		After adjustment	Before adjustment	
Operating revenue	919,580.31	950,195.98	903,246.90	-3.22
Net profits attributable to shareholders of the Company	26,180.13	32,060.28	32,616.66	-18.34
Net profits after deduction of extraordinary profit and loss attributable to shareholders of the Company	23,546.92	28,286.54	30,117.28	-16.76
Weighted average return on net assets (%)	5.90	8.02	8.44	Decreased by 2.12 percentage points
Basic earnings per share (RMB/share)	0.2629	0.3646	0.3781	-27.89
Diluted earnings per share (RMB/share)	0.2629	0.3646	0.3781	-27.89

Deduction of extraordinary profit and loss and the amount

Unit: 0'000

Currency: RMB

Item	The reporting period (1 July to 30 September 2013)	From the beginning of the year to the end of the reporting period (1 January to 30 September 2013)
Profit/loss from disposal of non-current assets	-21.80	-81.89
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)	662.72	1,147.60
Net profit from the beginning of the reporting period to the acquisition date attributable to the subsidiaries acquired through business combination under common control	0	29.46
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	1,022.74	2,159.29
Other non-operating income and expenses other than the aforesaid items	-27.37	342.17
Effect of income tax	-349.72	-788.02
Effect of minority interests (after tax)	-60.41	-175.41
Total	1,226.16	2,633.20

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

Total number of shareholdings of shareholders as at the end of the reporting period 28,357 (including 27,955 holders of A shares and 402 holders of H shares)

Name of shareholders	Nature of shareholders	Percentage of shareholding (%)	Shareholdings of the top ten shareholders		
			Total number of shareholding	Number of shares held with selling restrictions	Number of shares subject to pledge or moratorium
YTO	State-owned legal person	44.57	443,910,000	443,910,000	None
HKSCC Nominees Limited	Foreign legal person	39.98	398,189,398	0	Unknown
Pan Dutong	Domestic natural person	0.17	1,735,619	0	Unknown
Wang Rongfang	Domestic natural person	0.13	1,268,000	0	Unknown
Liu Lingmei	Domestic natural person	0.10	1,000,000	0	Unknown
Industrial and Commercial Bank of China Limited - Zhaoshang An'ying Capital Guaranteed Combined Securities Investment Fund (中國工商銀行股份有限公司—招商安盈保本混合型證券投資基金)	Other	0.10	999,940	0	Unknown
Wang Baohua	Domestic natural person	0.09	891,000	0	Unknown
Wu Yanping (吳燕萍)	Domestic natural person	0.09	884,577	0	Unknown
Wu Xiaoxian	Domestic natural person	0.07	736,483	0	Unknown
LIU HON HAM	Foreign natural person	0.07	726,000	0	Unknown

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

Name of shareholders (full name)	Number of non-restricted circulating shares held as at the end of the reporting period	Class and number of shares	
		Class	Number
HKSCC Nominees Limited	398,189,398	H shares	398,189,398
Pan Dutong	1,735,619	A shares	1,735,619
Wang Rongfang	1,268,000	A shares	1,268,000
Liu Lingmei	1,000,000	A shares	1,000,000
Industrial and Commercial Bank of China Limited — Zhaoshang An'ying Capital Guaranteed Combined Securities Investment Fund (中國工商銀行股份有限公司—招商安盈保本混合型證券投資基金)	999,940	A shares	999,940
Wang Baohua	891,000	A shares	891,000
Wu Yanping	884,577	A shares	884,577
Wu Xiaoxian	736,483	A shares	736,483
LIU HON HAM	726,000	H shares	726,000
Wang Xuezhu	720,000	A shares	720,000

Connections 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 the aforesaid shareholders, nor aware of any parties acting in concert among them as defined in the Administrative Measures on Acquisitions by Listed Companies.

4 SIGNIFICANT EVENTS

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

Unit: 0'000
Currency: RMB

Items in the consolidated balance sheet	Amount at the end of the reporting period (30 September 2013)	Amount at the end of the previous year (31 December 2012)	Increase/ decrease (%)	Reasons
Accounts receivable	238,268	101,964	133.7%	Due to the deferred payment of subsidies for products
Held-to-maturity investments	0	5,209	-100.0%	Due to the disposal of due financial products
Other non-current assets	0	1,472	-100.0%	Due to the settlement of finance lease receivables in the previous period
Deposits taking and deposit in inter-bank market	63,766	104,664	-39.1%	Due to the decrease in deposits taking by the YTO Finance
Placements from banks and other financial institutions	10,000	36,000	-72.2%	Due to the repayment of placements from external banks by YTO Finance
Bills payable	77,804	57,687	34.9%	Due to the increase in bank acceptance
Payments received in advance	14,711	22,434	-34.4%	Due to the transfer of advance payments for goods in the previous period into sales revenue in the period
Interest payable	3,741	581	544.1%	Due to provision for interest payable for issue of corporate bonds by the Company

Dividends payable	1,296	16,170	-92.0%	Due to payment of dividends by YTO (Luoyang) Flag Auto-Body Company Limited to YTO in the reporting period
Non-current liabilities due within one year	102	7,952	-98.7%	Due to repayment of long-term loans due within one year
Other current assets	16,725	6,112	173.6%	Due to the increase in accrued expenses
Long-term loans	38,239	61,750	-38.1%	Due to repayment of some long-term loans
Bonds payable	148,924	0	N/A	Due to the issue of corporate bonds by the Company

Items in the consolidated income statement	From the beginning of the year to the end of the reporting period	From the beginning of the previous year to the end of the reporting period	Increase/decrease (%)	Reasons
Handling charges and commission income	151	448	-66.3%	Due to the decrease in handling charges income from financial business
Handling charges and commissions expenses	17	28	-40.9%	Due to the decrease in handling charges paid for financial business
Finance expenses	8,328	4,987	67.0%	Due to the increase in finance expenses as a result of the adoption of forfaiting business for the products exported to Ethiopia
Impairment loss on assets	8,761	3,500	150.3%	Due to the increase in business units and the aging of trade receivables

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

4.2.1 Restructuring of the Power Machinery Business

At the fifth meeting of the sixth session of the Board meeting held on 10 July 2013, the following matters were considered and approved: (i) the Company will make unilateral injection into YTO Diesel with the constructed assets in the hi-powered agricultural diesel engine project which was funded by the raised proceeds; (ii) upon the completion of the hi-powered agricultural diesel engine project, the Company intends to continue to inject into YTO Diesel relevant assets of the project by way of capital increase, and authorize the Board to approve the subsequent capital increase in YTO Diesel; and (iii) the Company is approved to make capital contribution to YTO Diesel with its 42% equity interest in YTO Power Machinery.

For details of the above matters, please refer to the “Announcement on the Resolutions of the Fifth Meeting of the Sixth Session of the Board of First Tractor Company Limited” and the “Announcement on Connected Transaction regarding the Capital Increase in a Controlled Subsidiary of First Tractor Company Limited” published by the Company on the website of Shanghai Stock Exchange, China Securities Journal and Shanghai Securities Journal on 11 July 2013, as well as the “Supplementary Announcement to the Announcement on Connected Transaction regarding the Capital Increase in a Controlled Subsidiary of First Tractor Company Limited” published on the website of Shanghai Stock Exchange, China Securities Journal and Shanghai Securities Journal on 15 July 2013.

On 19 August 2013, the proposal on capital increase in YTO Diesel with constructed assets in the hi-powered agricultural diesel engine project of the Company and authorization was considered and approved at the 2013 Second Extraordinary General Meeting of the Company (for details, please refer to the “Announcement on the Resolutions of the 2013 Second Extraordinary General Meeting of First Tractor Company Limited” published by the Company on the website of Shanghai Stock Exchange, China Securities Journal and Shanghai Securities Journal on 20 August 2013).

As of 5 September 2013, YTO Power Machinery and YTO Diesel completed the industrial and commercial registration of changes procedures respectively and obtained new Business License for Enterprise as Legal Person. YTO Power Machinery became a wholly-owned subsidiary of YTO Diesel (for details, please refer to the “Announcement on Progress of Connected Transaction regarding the Capital Increase in a Controlled Subsidiary of First Tractor Company Limited” published by the Company on the website of Shanghai Stock Exchange, China Securities Journal and Shanghai Securities Journal on 6 September 2013).

4.2.2 *Capital Increase in Subsidiaries and Entering into of the Four-party Custody Agreement for the Raised Proceeds (《募集資金四方監管協議》)*

To ensure the smooth implementation of the project of upgrading, expansion and renovation of fuel injection systematic products and the project on establishment of tractors assembly station(s) in Xinjiang, projects funded by the raised proceeds from the initial public offering of A shares by the Company, the Company made capital contribution of RMB103,733,129 and RMB30,000,000 to YTO Injection Pump and YTO (Xinjiang) Machinery respectively, and entered into the Four-party Custody Agreement for the Raised Proceeds according to the requirements of Administrative Measures on Raised Fund of Listed Companies.

For details of the progress of the aforesaid capital increase and the contents of the Four-party Custody Agreement for the Raised Proceeds, please refer to the “Announcement on Progress of the Capital Increase in Subsidiaries and Entering into the Four-party Custody Agreement for the Raised Proceeds of First Tractor Company Limited” published by the Company on the website of Shanghai Stock Exchange, China Securities Journal and Shanghai Securities Journal on 19 July 2013.

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

Background	Type of commitment	Party making the commitment	Commitment	Performance
Commitment related to the initial public offering	Solutions to business competition	the Company	Commencing from 11 January 2012, YTO (Luoyang) Farming Implements Company Limited 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.	The commitment is performed well
Commitment related to the initial public offering	Solutions to business competition	YTO	YTO will not engage in and procure other enterprises controlled by it not to engage in the same or similar business of the Company to avoid direct or indirect competition with the Company's business operations. In addition, where YTO or other enterprises controlled by it may bring unfair impact on the Company in respect of market share, business opportunity and resources allocation, YTO will voluntarily give up and procure other enterprises controlled by it to give up business competition with the Company.	The commitment is performed well
Commitment related to the initial public offering	Solutions to business competition	Sinomach	Sinomach will not engage in and procure other enterprises controlled by it not to engage in the same or similar business of the Company to avoid direct or indirect competition with the Company's business operations. In addition, where Sinomach or other enterprises controlled by it may bring unfair impact on the Company in respect of market share, business opportunity and resources allocation, Sinomach will voluntarily give up and procure other enterprises controlled by it to give up business competition with the Company.	The commitment is performed well

Commitment related to the initial public offering	Restriction on trading of shares	Sinomach	Within 36 months after the date of initial public offering, listing and trading of A shares of the Company, Sinomach will not transfer or engage others to manage the shares of the Company issued before the initial public offering of shares of the Company directly and indirectly held by Sinomach, nor allow the Company to repurchase such shares.	The commitment is performed well
Commitment related to the initial public offering	Restriction on trading of shares	YTO	Within 36 months after the date of initial public offering, listing and trading of A shares of the Company, YTO will not transfer or engage others to manage the shares of the Company issued before the initial public offering of shares of the Company directly and indirectly held by YTO, nor allow the Company to repurchase such shares.	The commitment is performed well
Commitment related to the initial public offering	Size of deposit and loan	YTO	On 16 August 2010, YTO and YTO Finance entered into the Deposit Agreement and Loan Agreement, which stipulated the annual cap of loan obtained by YTO and its subsidiaries (excluding the Company) from YTO Finance. YTO further undertook that, on the basis of the aforesaid Deposit Agreement and Loan Agreement and cap amount of connected transactions, the loan of YTO and its subsidiaries (excluding the Company) obtained from YTO Finance will be less than their deposits placed with YTO Finance, and ensured the safety of its subsidiaries' loans through various measures.	In October 2012, YTO and YTO Finance entered into the 2013-2015 Loan Service Agreement, which was approved at the 2012 fourth extraordinary general meeting of the Company. The Loan Agreement stipulated the annual cap of loan obtained by YTO and its subsidiaries (excluding the Company) from YTO Finance for the year 2013, 2014 and 2015. As at the end of the reporting period, the commitment has been performed well and there was no violation of commitment.

Commitment related to the initial public offering	Improvement of asset integrity	YTO	As to the patents related to the products of the Company and its subsidiaries which are in the process of application, YTO undertook to transfer the relevant 50 patents to the Company at nil consideration upon completion of the applications. Except for the aforesaid patents which are in the process of application, YTO will no longer apply for patents related to the products of the Company and its subsidiaries in its own name. YTO will transfer to the Company at nil consideration any such new technologies related to the products of the Company and its subsidiaries that may be developed by YTO after issue of the undertaking letter, and patents in respect of such technologies will be applied for directly in the name of the Company.	As at the end of the reporting period, 44 out of the 50 patents (2 of which had been rejected) to be transferred had been transferred to the Company; and the transfer of 4 patents is currently in progress.
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By Order of the Board
FIRST TRACTOR COMPANY LIMITED
Yu Lina
Company Secretary

Luoyang, the PRC
29 October 2013

As at the date of this announcement, Mr. Zhao Yanshui is the Chairman of the Company and Mr. Su Weike is the Vice Chairman of the Company. Other members of the Board are six Directors, namely, Mr. Yan Linjiao, Mr. Guo Zhiqiang, Ms. Dong Jianhong, Mr. Qu Dawei, Mr. Liu Jiguo and Mr. Wu Yong; and four independent non-executive Directors, namely, Mr. Hong Xianguo, Mr. Zhang Qiusheng, Mr. Xing Min and Mr. Wu Tak Lung.

* *For identification purposes only*

5 APPENDICES

5.1 Consolidated Balance Sheet

30 September 2013

Unit: Yuan

Currency: RMB

Type of audit: Unaudited

Item	Balance as at the end of the period	Balance as at the beginning of the year
Current assets:		
Bank balance and cash	1,724,877,073.39	1,968,496,720.86
Balances with clearing companies	—	—
Placements with banks and other financial institutions	—	—
Held-for-trading financial assets	371,534,281.47	306,801,244.30
Bills receivable	1,146,794,567.28	1,315,486,622.28
Accounts receivable	2,382,676,650.96	1,019,639,419.46
Prepayments	210,867,140.32	177,220,793.30
Premiums receivable	—	—
Reinsurance accounts receivable	—	—
Reinsurance contract reserves receivable	—	—
Interest receivable	—	—
Dividends receivable	—	251,357.15
Other receivables	236,308,430.53	194,936,320.93
Financial assets purchased under resale agreements	—	—
Inventory	1,229,961,846.13	1,469,865,564.89
Non-current assets due within one year	—	—
Other current assets	—	—
Total current assets	7,303,019,990.08	6,452,698,043.17

Item	Balance as at the end of the period	Balance as at the beginning of the year
Non-current assets:		
Entrusted loans and advances granted	704,955,006.83	779,013,966.63
Available-for-sale financial assets	65,213,576.00	78,426,012.65
Held-to-maturity investments	—	52,090,083.97
Long-term receivables	—	—
Long-term equity investments	89,816,780.16	88,833,783.81
Investment properties	31,497,674.12	32,510,571.92
Fixed assets	2,212,694,344.45	1,974,488,262.10
Construction in progress	591,445,059.86	584,079,757.68
Construction materials	—	—
Disposal of fixed assets	—	—
Biological assets for production	—	—
Fuel assets	—	—
Intangible assets	881,405,697.01	848,729,588.46
Development expenses	—	—
Goodwill	—	—
Long-term deferred expenses	19,095,812.68	18,200,137.50
Deferred income tax assets	79,279,068.50	64,585,189.18
Other non-current assets	—	14,717,480.21
	<hr/>	<hr/>
Total non-current assets	<u>4,675,403,019.61</u>	<u>4,535,674,834.11</u>
	<hr/>	<hr/>
Total assets	<u>11,978,423,009.69</u>	<u>10,988,372,877.28</u>

Item	Balance as at the end of the period	Balance as at the beginning of the year
Current liabilities:		
Short-term loans	351,500,112.16	372,741,432.98
Loans from central bank	—	—
Deposit taking and deposit in inter-bank market	637,663,506.04	1,046,640,671.84
Placements from banks and other financial institutions	100,000,000.00	360,000,000.00
Held-for-trading financial liabilities	—	—
Bills payable	778,042,886.19	576,874,713.96
Accounts payable	2,285,698,721.34	2,126,604,823.65
Payments received in advance	147,105,819.56	224,335,662.86
Disposal of repurchased financial assets	—	—
Handling charges and commissions payable	—	—
Staff remuneration payables	132,054,083.88	122,382,223.14
Taxes payable	-273,493,459.98	-303,996,496.34
Interests payable	37,409,885.19	5,808,211.60
Dividends payable	12,960,000.00	161,702,910.68
Other payables	324,495,412.93	401,752,163.56
Reinsurance accounts payable	—	—
Reserve for insurance contracts	—	—
Customer deposits for trading in securities	—	—
Customer deposits for underwriting	—	—
Non-current liabilities due within one year	1,018,000.00	79,518,000.00
Other current liabilities	167,247,760.62	61,117,452.64
Total current liabilities	<u>4,701,702,727.93</u>	<u>5,235,481,770.57</u>

Item	Balance as at the end of the period	Balance as at the beginning of the year
Non-current liabilities:		
Long-term loans	382,390,000.00	617,500,000.00
Bonds payable	1,489,236,491.66	—
Long-term payables	—	—
Specific payables	—	—
Accrued liabilities	—	—
Deferred income tax liabilities	13,773,808.61	15,208,584.43
Other non-current liabilities	178,963,652.98	164,207,717.39
Total non-current liabilities	2,064,363,953.25	796,916,301.82
Total liabilities	6,766,066,681.18	6,032,398,072.39
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	995,900,000.00	995,900,000.00
Capital reserve	2,124,688,148.04	2,240,319,063.08
Less: Treasury stock	—	—
Special reserve	—	—
Surplus reserve	302,877,966.71	302,877,966.71
General risk provision	6,570,097.24	6,570,097.24
Retained earnings	1,074,476,870.84	912,265,546.41
Currency translation differences	-34,700,242.43	-27,445,073.14
Total equity attributable to the owners of the Company	4,469,812,840.40	4,430,487,600.30
Minority interests	742,543,488.11	525,487,204.59
Total owners' equity	5,212,356,328.51	4,955,974,804.89
Total liabilities and owners' equities	11,978,423,009.69	10,988,372,877.28

Balance Sheet of the Company

30 September 2013

Unit: Yuan

Currency: RMB

Type of audit: Unaudited

Item	Balance as at the end of the period	Balance as at the beginning of the year
Current assets:		
Bank balance and cash	810,791,108.24	1,047,554,402.16
Held-for-trading financial assets	—	—
Bills receivable	335,805,330.25	615,028,221.81
Accounts receivable	1,963,761,331.45	1,097,734,067.88
Prepayments	72,048,431.32	105,559,031.85
Interests receivable	—	—
Dividends receivable	63,578,372.81	96,228,372.81
Other receivables	44,205,136.51	18,580,184.72
Inventory	320,888,342.24	343,289,403.14
Non-current assets due within one year	—	—
Other current assets	108,107,788.00	107,000,000.00
Total current assets	3,719,185,840.82	3,430,973,684.37

Item	Balance as at the end of the period	Balance as at the beginning of the year
Non-current assets:		
Available-for-sale financial assets	37,840,000.00	43,472,000.00
Held-to-maturity investments	—	—
Long-term receivables	—	—
Long-term equity investments	2,912,301,263.76	2,007,236,208.99
Investment properties	—	—
Fixed assets	985,663,547.89	1,095,173,591.81
Construction in progress	237,424,310.08	280,563,469.19
Construction materials	—	—
Disposal of fixed assets	—	—
Biological assets for production	—	—
Fuel assets	—	—
Intangible assets	481,992,367.77	509,778,440.79
Development expenses	—	—
Goodwill	—	—
Long-term deferred expenses	—	—
Deferred income tax assets	6,790,308.73	6,790,308.73
Other non-current assets	—	—
	<hr/>	<hr/>
Total non-current assets	4,662,011,798.23	3,943,014,019.51
	<hr/> <hr/>	<hr/> <hr/>
Total assets	8,381,197,639.05	7,373,987,703.88
	<hr/> <hr/>	<hr/> <hr/>

Item	Balance as at the end of the period	Balance as at the beginning of the year
Current liabilities:		
Short-term loans	222,166,907.94	807,541,100.00
Held-for-trading financial liabilities	—	—
Bills payable	460,343,106.88	296,303,516.32
Accounts payable	1,447,883,472.17	1,351,246,119.12
Payments received in advance	25,105,182.77	40,178,528.16
Staff remuneration payables	56,757,263.49	45,580,745.13
Taxes payable	-261,636,168.17	-265,966,030.53
Interests payable	32,708,219.21	—
Dividends payable	—	—
Other payables	118,553,915.96	134,836,118.35
Non-current liabilities due within one year	—	78,500,000.00
Other current liabilities	32,124,346.18	12,103,897.18
	<hr/>	<hr/>
Total current liabilities	2,134,006,246.43	2,500,323,993.73
	<hr/>	<hr/>
Non-current liabilities:		
Long-term loans	382,390,000.00	617,500,000.00
Bonds payable	1,489,236,491.66	—
Long-term payables	—	—
Specific payables	—	—
Accrued liabilities	—	—
Deferred income tax liabilities	3,324,000.00	4,168,800.00
Other non-current liabilities	138,544,902.41	143,700,402.41
	<hr/>	<hr/>
Total non-current liabilities	2,013,495,394.07	765,369,202.41
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities	4,147,501,640.50	3,265,693,196.14
	<hr/> <hr/>	<hr/> <hr/>

Item	Balance as at the end of the period	Balance as at the beginning of the year
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	995,900,000.00	995,900,000.00
Capital reserve	2,069,983,277.41	2,106,468,832.16
Less: Treasury stock	—	—
Special reserve	—	—
Surplus reserve	228,384,682.88	228,384,682.88
General risk provision	—	—
Retained earnings	939,428,038.26	777,540,992.70
	<hr/>	<hr/>
Total owners' equity (or shareholders' equity)	4,233,695,998.55	4,108,294,507.74
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Total liabilities and owners' equity (or shareholders' equity)	8,381,197,639.05	7,373,987,703.88
	<hr/> <hr/>	<hr/> <hr/>

5.2 Consolidated Income Statement

Unit: Yuan

Currency: RMB

Type of audit: Unaudited

Item	Amount for the reporting period (July - September 2013)	Amount for the corresponding period of the previous year (July - September 2012)	Amount for the period from the beginning of the year to the end of the reporting period (January - September 2013)	Amount for the corresponding period of the previous year (January - September 2012)
I. Total operating revenue	2,618,697,464.33	2,877,721,712.35	9,250,916,013.75	9,568,434,990.25
Including: Operating revenue	2,597,059,229.10	2,856,605,373.91	9,195,803,136.20	9,501,959,768.06
Interest income	20,974,957.00	20,605,467.58	53,604,173.51	61,998,471.59
Premiums earned	—	—	—	—
Handling charges and commission income	663,278.23	510,870.86	1,508,704.04	4,476,750.60
II. Total operating costs	2,565,388,490.62	2,829,019,739.70	8,971,052,151.44	9,214,437,350.82
Including: Operating costs	2,159,407,516.75	2,476,786,919.15	7,827,867,812.58	8,225,405,487.13
Interest expenses	2,653,265.86	9,101,672.06	19,398,674.41	24,943,448.61
Handling charges and commission expenses	46,747.38	69,307.93	166,503.40	281,615.01
Surrender payment	—	—	—	—
Net expenditure for compensation payments	—	—	—	—
Net provision for insurance contracts	—	—	—	—
Policyholder dividend expenses	—	—	—	—
Reinsurance costs	—	—	—	—
Business taxes and surcharges	6,502,919.57	7,363,515.96	24,118,071.14	23,323,031.85
Selling expenses	71,033,120.50	87,184,697.90	281,961,029.39	265,313,714.59
Administration expenses	230,702,566.06	209,944,708.39	646,650,970.33	590,306,323.77
Finance expenses	48,906,567.54	18,703,666.24	83,279,939.92	49,868,720.71
Impairment loss on assets	46,135,786.96	19,865,252.07	87,609,150.27	34,995,009.15
Add: Gains from changes in fair value (losses are represented by "-")	789,111.07	-704,577.70	440,253.62	2,031,314.57
Investment income (losses are represented by "-")	11,535,341.66	8,652,240.42	40,622,469.61	53,514,885.27
Including: Gains from investment in associates and joint ventures	-641,549.29	—	-114,649.35	-14,866.36
Gains from currency exchange (losses are represented by "-")	—	—	—	—

Item	Amount for the reporting period (July - September 2013)	Amount for the corresponding period of the previous year (July - September 2012)	Amount for the beginning of the year to the end of the reporting period (January - September 2013)	Amount for the corresponding period of the previous year (January - September 2012)
III. Operating profit (loss is represented by “-”)	65,633,426.44	56,649,635.37	320,926,585.54	409,543,839.27
Add: Non-operating income	7,424,666.58	8,230,038.35	16,845,432.16	15,347,265.62
Less: Non-operating expenses	565,447.74	1,052,719.34	2,766,575.62	2,604,892.37
Including: Loss from disposal of non-current assets	404,742.68	561,175.67	1,462,326.23	1,483,387.33
IV. Total profit (total loss is represented by “-”)	72,492,645.28	63,826,954.38	335,005,442.08	422,286,212.52
Less: Income tax expenses	11,750,555.27	18,352,767.50	64,267,890.00	74,007,160.87
V. Net profit (net loss is represented by “-”)	<u>60,742,090.01</u>	<u>45,474,186.88</u>	<u>270,737,552.08</u>	<u>348,279,051.65</u>
Net profit attributable to the owners of the Company	68,935,625.57	59,150,914.93	261,801,324.43	320,602,762.49
Minority interests	-8,193,535.56	-13,676,728.05	8,936,227.65	27,676,289.16
VI. Earnings per share:				
(I) Basic earnings per share	0.0692	0.0625	0.2629	0.3646
(II) Diluted earnings per share	0.0692	0.0625	0.2629	0.3646
VII. Other comprehensive income	5,833,372.32	-4,711,351.84	-10,953,165.73	-11,588,886.19
VIII. Total comprehensive income	<u>66,575,462.33</u>	<u>40,762,835.04</u>	<u>259,784,386.35</u>	<u>336,690,165.46</u>
Total comprehensive income attributable to owners of the Company	74,436,302.26	54,895,312.44	252,152,304.52	309,631,935.59
Total comprehensive income attributable to minority interests	-7,860,839.93	-14,132,477.40	7,632,081.83	27,058,229.87

Income Statement of the Company

Unit: Yuan

Currency: RMB

Type of audit: Unaudited

Item	Amount for the reporting period (July — September 2013)	Amount for the corresponding period of the previous year (July — September 2012)	Amount for the	Amount for the
			beginning of the year to the end of the reporting period (January — September 2013)	corresponding period of the previous year (January — September 2012)
I. Operating revenue	1,665,705,686.84	1,954,363,363.22	6,167,526,099.03	6,263,294,997.33
Less: Operating costs	1,462,251,752.88	1,697,429,413.67	5,468,265,258.05	5,512,065,589.74
Business taxes and surcharges	413,031.65	243,426.99	1,097,179.54	1,035,619.52
Selling expenses	7,931,192.66	14,132,956.86	41,458,380.98	33,674,395.68
Administration expenses	124,449,427.38	122,136,035.67	373,551,650.80	352,378,832.64
Finance expenses	13,083,258.57	17,260,010.10	42,001,740.18	49,199,103.01
Impairment loss on assets	3,228,443.91	31,676,628.44	10,840,164.54	43,829,368.65
Add: Gains from changes in fair value (losses are represented by “-”)	—	—	—	—
Investment income (losses are represented by “-”)	30,338,342.34	8,308,898.02	31,705,913.45	85,564,531.07
Including: Gains from investment in associates and joint ventures	—	—	—	-16,466.95
III. Operating profit (loss is represented by “-”)	84,686,922.13	79,793,789.51	262,017,638.39	356,676,619.16
Add: Non-operating income	12,246,880.22	1,918,141.36	17,526,649.50	5,954,665.77
Less: Non-operating expenses	17,667.04	315,760.72	978,443.69	1,435,510.71
Including: Loss from disposal of non-current assets	17,667.04	82,344.82	913,037.29	942,494.81

Item	Amount for the reporting period (July — September 2013)	Amount for the corresponding period of the previous year (July — September 2012)	Amount for the period from the beginning of the year to the end of the reporting period (January — September 2013)	Amount for the corresponding period of the previous year (January — September 2012)
IV. Total profit (total loss is represented by “-”)	96,916,135.31	81,396,170.15	278,565,844.20	361,195,774.22
Less: Income tax expenses	<u>0.00</u>	<u>8,481,459.56</u>	<u>17,088,798.64</u>	<u>32,911,806.83</u>
V. Net profit (net loss is represented by “-”)	<u>96,916,135.31</u>	<u>72,914,710.59</u>	<u>261,477,045.56</u>	<u>328,283,967.39</u>
VI. Earnings per share:				
(I) Basic earnings per share	—	—	—	—
(II) Diluted earnings per share	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
VII. Other comprehensive income	<u>1,720,400.00</u>	<u>-2,094,400.00</u>	<u>-4,787,200.00</u>	<u>-1,645,600.00</u>
VIII. Total comprehensive income	<u><u>98,636,535.31</u></u>	<u><u>70,820,310.59</u></u>	<u><u>256,689,845.56</u></u>	<u><u>326,638,367.39</u></u>

5.3 Consolidated Cash Flow Statement

January - September 2013

Unit: Yuan

Currency: RMB

Type of audit: Unaudited

Item	Amount for the period from the beginning of the year to the end of the reporting period (January - September 2013)	Amount for the corresponding period of the previous year (January - September 2012)
I. Cash flow from operating activities:		
Cash received from sale of goods and rendering of services	8,501,013,586.88	9,346,213,728.74
Net increase in customer deposits and deposits from banks and other financial institutions	-408,977,165.80	-440,155,693.33
Net increase in loans from the central bank	—	—
Net increase in placements from banks and other financial institutions	-260,000,000.00	-100,000,000.00
Cash receipts from premiums under direct insurance contracts	—	—
Net cash receipts from reinsurance business	—	—
Net increase in policyholders' deposits and investment funds	—	—
Net increase in disposal of held-for-trading financial assets	—	—
Cash receipts from interests, fees and commissions	47,746,452.34	66,475,222.19

Item	Amount for the period from the beginning of the year to the end of the reporting period (January - September 2013)	Amount for the corresponding period of the previous year (January - September 2012)
Net increase in placements from banks and other financial institutions	—	—
Net increase in financial assets sold under repurchase arrangements	—	—
Refunds of taxes	27,515,855.20	32,709,803.90
Other cash received relating to operating activities	109,854,670.05	110,957,194.22
Sub-total of cash inflow from operating activities	8,017,153,398.67	9,016,200,255.72
Cash paid for goods purchased and services received	7,093,452,019.16	7,842,740,393.43
Net increase in customer loans and advances	-224,415,916.02	257,609,784.56
Net increase in deposit in PBOC and interbank deposits	-61,346,574.87	-76,260,168.46
Cash paid for claims and policyholders' benefits under direct insurance contracts	—	—
Cash paid for interests, fees and commissions	10,541,405.92	25,225,063.62
Cash paid for insurance policyholder dividends	—	—
Cash paid to and on behalf of employees	819,123,471.45	713,416,856.25
Cash paid for all types of taxes	249,415,657.52	236,937,577.89
Other cash paid relating to operating activities	540,032,894.65	529,135,285.28
Sub-total of cash outflow from operating activities	8,426,802,957.81	9,528,804,792.57
Net cash flow from operating activities	-409,649,559.14	-512,604,536.85

Item	Amount for the period from the beginning of the year to the end of the reporting period (January - September 2013)	Amount for the corresponding period of the previous year (January - September 2012)
II. Cash flow from investment activities:		
Cash received from withdrawal of investments	149,218,105.67	42,507,357.13
Cash received from return on investments	18,965,927.83	31,474,933.50
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	8,336,489.00	3,026,190.50
Net cash received from disposal of subsidiaries and other operating entities	—	—
Other cash received relating to investment activities	21,100,000.00	56,780,000.00
Sub-total of cash inflow from investment activities	197,620,522.50	133,788,481.13
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	296,336,940.14	526,718,273.26
Cash paid for investments	270,021,589.05	129,137,669.62
Net increase in secured loans	—	—
Net cash paid for acquiring subsidiaries and other operating entities	127,279,210.14	15,522,798.51
Other cash paid relating to investment activities	—	—
Sub-total of cash outflow from investment activities	693,637,739.33	671,378,741.39
Net cash flow from investment activities	-496,017,216.83	-537,590,260.26

Item	Amount for the period from the beginning of the year to the end of the reporting period (January - September 2013)	Amount for the corresponding period of the previous year (January - September 2012)
III. Cash flow from financing activities:		
Cash received from investments	50,960,000.00	941,350,000.00
Including: Proceeds received by subsidiaries from minority shareholders' investment	50,960,000.00	91,840,000.00
Cash received from borrowings	278,155,167.94	1,196,998,972.13
Cash received from issuing bonds	1,490,300,000.00	—
Other cash received relating to financing activities	—	—
Sub-total of cash inflow from financing activities	<u>1,819,415,167.94</u>	<u>2,138,348,972.13</u>
Cash paid for repayments of debts	817,959,360.00	986,423,076.75
Cash paid for distribution of dividends and profits or for interest expenses	270,582,800.54	115,138,760.96
Including: Dividend and profit paid by subsidiaries to minority shareholders	11,340,000.00	26,534,623.00
Other cash paid relating to financing activities	870,000.00	8,825,471.00
Sub-total of cash outflow from financing activities	<u>1,089,412,160.54</u>	<u>1,110,387,308.71</u>
Net cash flow from financing activities	<u>730,003,007.40</u>	<u>1,027,961,663.42</u>

Item	Amount for the period from the beginning of the year to the end of the reporting period (January - September 2013)	Amount for the corresponding period of the previous year (January - September 2012)
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	<u>-6,609,304.03</u>	<u>-324,225.37</u>
V. Net increase in cash and cash equivalents	<u>-182,273,072.60</u>	<u>-22,557,359.06</u>
Add: Balance of cash and cash equivalents at the beginning of the reporting period	<u>1,811,500,620.08</u>	<u>1,456,708,459.20</u>
VI. Balance of cash and cash equivalents at the end of the reporting period	<u>1,629,227,547.48</u>	<u>1,434,151,100.14</u>

Cash Flow Statement of Company

January - September 2013

Unit: Yuan

Currency: RMB

Type of audit: Unaudited

Item	Amount for the period from the beginning of the year to the end of the reporting period (January - September 2013)	Amount for the corresponding period of the previous year (January - September 2012)
I. Cash flow from operating activities:		
Cash received from sale of goods and rendering of services	6,287,035,204.60	6,296,505,793.32
Refunds of taxes	2,604,474.11	3,245,005.11
Other cash received relating to operating activities	62,964,025.59	66,375,020.52
Sub-total of cash inflow from operating activities	6,352,603,704.30	6,366,125,818.95
Cash paid for goods purchased and services received	5,626,601,912.39	5,686,093,728.99
Cash paid to and on behalf of employees	281,269,897.77	256,024,113.17
Cash paid for all types of taxes	50,697,838.86	45,926,654.82
Other cash paid relating to operating activities	314,889,099.68	365,010,331.27
Sub-total of cash outflow from operating activities	6,273,458,748.70	6,353,054,828.25
Net cash flow from operating activities	79,144,955.60	13,070,990.70

Item	Amount for the period from the beginning of the year to the end of the reporting period (January - September 2013)	Amount for the corresponding period of the previous year (January - September 2012)
II. Cash flows from investment activities:		
Cash received from withdrawal of investments	295,210,000.00	163,958,200.00
Cash received from return on investments	60,099,379.66	67,439,743.32
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,244,863.67	2,533,918.09
Net cash received from disposal of subsidiaries and other operating entities	—	—
Other cash received relating to investment activities	—	56,780,000.00
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Sub-total of cash inflow from investment activities	356,554,243.33	290,711,861.41
	<hr/>	<hr/>
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	143,827,313.70	328,953,777.28
Cash paid for investments	996,185,309.77	361,434,393.32
Net cash paid for acquiring subsidiaries and other operating entities	—	—
Other cash paid relating to investment activities	—	—
	<hr/>	<hr/>
Sub-total of cash outflow from investment activities	1,140,012,623.47	690,388,170.60
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Net cash flow from investment activities	-783,458,380.14	-399,676,309.19
	<hr/>	<hr/>

Item	Amount for the period from the beginning of the year to the end of the reporting period (January - September 2013)	Amount for the corresponding period of the previous year (January - September 2012)
III. Cash flow from financing activities:		
Cash received from investments	—	784,510,000.00
Cash received from borrowings	659,015,807.94	1,832,000,000.00
Cash received from issuing bonds	1,490,300,000.00	—
Other cash received relating to financing activities	—	—
Sub-total of cash inflow from financing activities	<u>2,149,315,807.94</u>	<u>2,616,510,000.00</u>
Cash paid for repayments of debts	1,558,000,000.00	1,932,800,000.00
Cash paid for distribution of dividends and profits or for interest expenses	122,725,490.67	69,406,029.43
Other cash paid relating to financing activities	870,000.00	8,825,471.00
Sub-total of cash outflow from financing activities	<u>1,681,595,490.67</u>	<u>2,011,031,500.43</u>
Net cash flow from financing activities	<u>467,720,317.27</u>	<u>605,478,499.57</u>
IV. Effect of fluctuations in exchange rates on cash and cash equivalents		
	<u>-170,186.65</u>	<u>-3,847.35</u>
V. Net increase in cash and cash equivalents	<u>-236,763,293.92</u>	<u>218,869,333.73</u>
Add: Balance of cash and cash equivalents at the beginning of the reporting period	1,047,554,402.16	722,425,579.30
VI. Balance of cash and cash equivalents at the end of the reporting period	<u>810,791,108.24</u>	<u>941,294,913.03</u>