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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)

2016 FIRST 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 shall guarantee that there are no false information, misleading statements or material omissions contained in this first quarterly report, and severally and jointly accept legal responsibility for the truthfulness, accuracy and completeness of the contents therein.
- 1.2 All Directors of the Company attended the Board meeting to consider this first quarterly report.
- 1.3 ZhaoYanshui (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 warranted the truthfulness, accuracy and completeness of the financial statements in this first quarterly report.
- 1.4 This first quarterly report of the Company is unaudited.

II. DEFINITIONS

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

“A Share”	ordinary shares as approved by the CSRC which are issued to domestic investors and qualified foreign investors, traded on domestic stock exchange, denominated, subscribed for and traded in RMB
“Company”	First Tractor Company Limited* (第一拖拉機股份有限公司)
“controlled subsidiary”	a company held as to more than 50% shares or equity interests by the Company, and a company actually controlled by the Company through agreement and arrangement
“CSRC”	China Securities Regulatory Commission
“Group”	the Company and its controlled subsidiaries
“H Share”	ordinary shares as approved by the CSRC which are issued to foreign investors, and listed with the approval of the Stock Exchange, denominated in RMB, subscribed for and traded in Hong Kong dollars
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“PRC”	The People’s Republic of China, for the purpose of this first quarterly report, which excludes Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC and Taiwan
“Shanghai Stock Exchange”	the Shanghai Stock Exchange
“Sinomach”	China National Machinery Industry Corporation (中國機械工業集團有限公司), the ultimate controlling shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed thereto under the Listing Rules of the Stock Exchange
“YTO”	YTO Group Corporation (中國一拖集團有限公司), the controlling shareholder of the Company
“YTO Finance”	China YTO Group Finance Company Limited (中國一拖集團財務有限責任公司), a controlled subsidiary of the Company

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

3.1 Major financial data

		<i>Unit: Yuan</i>	<i>Currency: RMB</i>
	As at the end of the reporting period (31 March 2016)	As at the end of the previous year (31 December 2015)	Increase/Decrease as at the end of the reporting period as compared to the end of the previous year (%)
Total assets	13,787,529,271.41	13,272,449,559.98	3.88
Net assets attributable to shareholders of the Company	4,758,723,139.51	4,673,879,851.60	1.82
	From the beginning of the year to the end of the reporting period (1 January 2016 to 31 March 2016)	From the beginning of the previous year to the end of the reporting period of the previous year (1 January 2015 to 31 March 2015)	Year-on-year increase/decrease (%)
Net cash flow from operating activities	252,971,498.09	-399,957,110.23	N/A
Total operating revenue	3,075,083,039.58	3,067,134,061.92	0.26
Operating revenue	3,015,738,131.30	2,987,316,063.13	0.95
Net profit attributable to shareholders of the Company	92,485,373.84	90,710,627.94	1.96
Net profit attributable to shareholders of the Company after deduction of non-recurring profit and loss	87,685,334.38	74,684,541.00	17.41
Weighted average return on net assets (%)	1.96%	1.96%	/
Basic earnings per share (RMB/share)	0.0929	0.0911	1.98
Diluted earnings per share (RMB/share)	0.0929	0.0911	1.98

Non-recurring profit and loss items and amount

Unit: Yuan Currency: RMB

Item	Amount for the period (1 January 2016 to 31 March 2016)
Profit or loss from disposal of non-current assets	-51,395.72
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	3,250,181.40
Profit or loss from debt restructuring	316,201.55
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 normal business)	2,046,930.19
Non-operating income and expenses other than those stated above	1,580,583.86
Impact on minority shareholders equity interests (after tax)	-628,043.01
Effect of income tax	-1,714,418.81
Total	4,800,039.46

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

Total number of shareholders 38,650 shareholders (Including 38,272 shareholders of A Shares and 378 shareholders of H Shares)

Unit: Share

Shareholdings of the top ten shareholders

Name of shareholders (full name)	Number of shares held as at the end of the period (31 March 2016)	Percentage (%)	Number of shares with selling restriction	Status of pledge or moratorium of shares	Nature of shareholders
YTO Group Corporation	443,910,000	44.57	0	Nil	State-owned legal person
HKSCC NOMINEES LIMITED (Note 1)	398,093,399	39.97	0	Unknown	Overseas legal person
Hong Kong Securities Clearing Company Limited (Note 2)	1,126,004	0.11	0	Unknown	Overseas legal person
Jiao Yanfeng	1,040,000	0.10	0	Unknown	Domestic natural person
Ma Lina	949,600	0.10	0	Unknown	Domestic natural person
Lin Shuangyu	907,000	0.09	0	Unknown	Domestic natural person
LIU HON NAM	726,000	0.07	0	Unknown	Overseas natural person
Zhou Canwei	546,000	0.05	0	Unknown	Domestic natural person
Qiu Lei	511,900	0.05	0	Unknown	Domestic natural person
Xizang Dongfang Kaishuo Investment Company Limited	510,078	0.05	0	Unknown	Other

Shareholdings of the top ten shareholders without selling restriction

Name of shareholders	Number of circulating shares held without selling restriction	Class and number of shares	
		Class	Number
YTO Group Corporation	443,910,000	Ordinary shares denominated in RMB	443,910,000
HKSCC NOMINEES LIMITED (Note 1)	398,093,399	Overseas listed foreign shares	398,093,399
Hong Kong Securities Clearing Company Limited (Note 2)	1,126,004	Ordinary shares denominated in RMB	1,126,004
Jiao Yanfeng	1,040,000	Ordinary shares denominated in RMB	1,040,000
Ma Lina	949,600	Ordinary shares denominated in RMB	949,600
Lin Shuangyu	907,000	Ordinary shares denominated in RMB	907,000
LIU HON NAM	726,000	Overseas listed foreign shares	726,000
Zhou Canwei	546,000	Ordinary shares denominated in RMB	546,000
Qiu Lei	511,900	Ordinary shares denominated in RMB	511,900
Xizang Dongfang Kaishuo Investment Company Limited	510,078	Ordinary shares denominated in RMB	510,078

Explanation on connected relationship or parties acting in concert among the aforesaid shareholders	Among the top ten shareholders and top ten shareholders without selling restriction, YTO Group Corporation, 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”.
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Note 1: The overseas listed foreign shares held by HKSCC NOMINEES LIMITED are held on behalf of various customers.

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

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 Currency: RMB

Consolidated balance sheet item	Amount as at the end of the period (31 March 2016)	Amount as at the beginning of the period (1 January 2016)	Percentage of change (%)	Reasons
Loans to banks and other financial institutions	25,000	0	N/A	Due to lending by YTO Finance during the period
Financial assets measured at fair value and its movement recorded through profit and loss	24,523	41,487	-40.89	Due to the sale of certain entrust products by YTO Finance during the period
Advances to suppliers	12,735	6,093	109.01	Due to the increase in prepayment for procurement during the period
Financial assets purchased with agreement to re-sale	15,830	89,954	-82.40	Due to the sale of financial assets acquired for sales by YTO Finance during the period
Held-to-maturity investments	9,312	0	N/A	Due to the new purchase of long-term bonds by YTO Finance during the period
Receipts of deposits and deposits from other banks	26,224	52,721	-50.26	Due to the decrease in receipt of deposit and deposit from other financial institutions in YTO Finance
Loans from other banks	0	35,000	-100.00	Due to the repayment of loans by YTO Finance during the period

Consolidated balance sheet item	Amount as at the end of the period (31 March 2016)	Amount as at the beginning of the period (1 January 2016)	Percentage of change (%)	Reasons
Accounts payable	264,809	152,675	73.45	Due to the relatively higher sales and production volume in peak season with yet-to-mature contract settlement payment
Taxes payable	-23,379	-34,709	N/A	Due to the decrease in retained value-added tax during the period
Interests payable	3,484	5,372	-35.15	Due to payment of interests for corporate bonds during the period
Other comprehensive income	101	973	-89.62	Due to the decrease in fair value of available-for-sale financial assets during the period

Consolidated income statement item	Amount for the period (1 January 2016 to 31 March 2016)	Amount for the corresponding period of the previous year (1 January 2015 to 31 March 2015)	Percentage of change (%)	Reasons
Interest expenses	3,005	6,844	-56.09	Due to the decrease in interest expense in transfer discounting business of YTO Finance during the period
Gain arising from changes in fair value	-155	28	-653.57	Due to the decrease in fair value of shares held
Income tax expenses	2,502	1,616	54.83	Due to the increase in taxable income during the period

Consolidated cash flow statement item	Amount for the period (1 January 2016 to 31 March 2016)	Amount for the corresponding period of the previous year (1 January 2015 to 31 March 2015)	Percentage of change (%)	Reasons
Net cash flows from operating activities	25,297	-39,996	N/A	Due to the sale of financial assets acquired for sales held at the beginning of the period by YTO Finance during the period
Net cash flows from investing activities	-15,624	-5,328	N/A	Due to the relatively higher amount of cash recovered from disposal of fixed assets, intangible assets and other long-term assets in the corresponding period of the previous year

4.2 Analysis and explanation on progress of material events and its impact and solutions

4.2.1 On 18 January 2016, the second meeting of the seventh session of the Board of the Company considered and approved acquisition of 6% of the equity interest in YTO Finance held by SINOMACH-HI (Luoyang) Building Machinery Co., Ltd by the Company in the listed public sale by way of tendering through equity exchange institution. On 12 April 2016, both parties entered into the Equity Transfer Agreement in respect of the transfer of equity interest. (For details, please refer to the “Announcement on Resolutions of the second meeting of the seventh session of the Board of First Tractor Company Limited” and H Share announcement of the Company published on the website of Shanghai Stock Exchange, “China Securities Journal” and “Shanghai Securities News” on 19 January 2016 and 13 April 2016 respectively, and the announcements of the Company published on the website of the Stock Exchange on 18 January 2016 and 12 April 2016.)

- 4.2.2 On 11 January 2016, YTO, the controlling shareholder of the Company, convened a board meeting which considered and approved YTO to reduce its registered capital and repurchase its shares held by the financial shareholders. YTO proposed to reduce its registered capital to repurchase all the equity interest of YTO held by the financial shareholders, China Huarong Asset Management Co., Ltd., China Construction Bank Henan Province Branch and China Orient Asset Management Corporation, and consideration for reduction in registered capital would be paid by A Shares of the Company held by YTO. (For details, please refer to the “Indicative Announcement on the Equity Restructuring of the Controlling Shareholder of First Tractor Company Limited” of the Company published on the website of Shanghai Stock Exchange, “China Securities Journal” and “Shanghai Securities News” on 13 January 2016 and the announcement of the Company published on the website of the Stock Exchange on 12 January 2016.)
- 4.2.3 Pursuant to the interest adjustment and sell back terms of corporate bonds stipulated under the “Prospectus for Publicly Issued Corporate Bonds of First Tractor Company Limited in 2012 (Tranche I)”, the Company was entitled to decide whether to increase the coupon rate for the following two years at the end of the third year of the duration of “12 First Tractor 01”, and the bond investors of “12 First Tractor 01” were entitled to choose to sell back all or part of “12 First Tractor 01” held by them at nominal value to the issuer at the value date of annual interest for the third year during the duration for the three plus two year type of bond during the period. In January 2016, the Company published an announcement in relation to the relevant non-adjustment of the bond coupon rate and implementation measure for sell back during the period, and the coupon rate of “12 First Tractor 01” for the following two years in the duration remains at 4.80%. (For details, please refer to the “Announcement of First Tractor Company Limited in respect of Non-adjustment of Corporate Bond Coupon Rate of ‘12 First Tractor 01’ and Implementation Measure for Investors to Sell Back” of the Company published on the website of Shanghai Stock Exchange, “China Securities Journal” and “Shanghai Securities News” on 29 January 2016 and the overseas regulatory announcement of the Company published on the website of the Stock Exchange on 28 January 2016.)

In February 2016, according to the statistics of China Securities Depository and Clearing Corporation Limited Shanghai Branch on sell back report of “12 First Tractor 01” corporate bond, relevant sell back report of “12 First Tractor 01” corporate bond was 0 lot with sell back amount of RMB0. (For details, please refer to the “Announcement of First Tractor Company Limited in respect of Sell Back Result of ‘12 First Tractor 01’ Corporate Bond” of the Company published on the website of Shanghai Stock Exchange, “China Securities Journal” and “Shanghai Securities News” on 25 February 2016 and the overseas regulatory announcement of the Company published on the website of the Stock Exchange on 25 February 2016.)

- 4.2.4 Since 4 March 2016, the Company entrusted China Securities Depository and Clearing Corporation Limited Shanghai Branch to make interest payment for the period between 4 March 2015 and 3 March 2016 to the bondholders of corporate bond (tranche I) of the Company publicly issued in 2012. (For details, please refer to the “Announcement of First Tractor Company Limited for Interest Payment in 2016 for Corporate Bond (Tranche I) Publicly Issued in 2012” of the Company published on the website of Shanghai Stock Exchange, “China Securities Journal” and “Shanghai Securities News” on 25 February 2016 and the overseas regulatory announcement of the Company published on the website of the Stock Exchange on 25 February 2016.)

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

Background	Type of undertaking	Party making the undertaking	Content of undertaking	Undertaking time and period	Whether there is a performance deadline	Whether it is timely and strictly performed
Undertaking related to the initial public offering	Solution to business competition	The Company	The Company and all its controlled subsidiaries shall not engage in the processing, production or assembly of farming machinery and equipment, except supporting sale and relevant procurement since 11 January 2012.	Long-term	No	Yes
Undertaking related to the initial public offering	Solution to business competition	YTO	YTO will not engage in and will 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 areas including 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.	Long-term	No	Yes
Undertaking related to the initial public offering	Solution to business competition	Sinomach	Sinomach will not engage in and will 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 areas including 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.	Long-term	No	Yes

Background	Type of undertaking	Party making the undertaking	Content of undertaking	Undertaking time and period	Whether there is a performance deadline	Whether it is timely and strictly performed
Undertaking related to the initial public offering	Other	YTO	YTO and YTO Finance entered into the Deposit Agreement and Loan Agreement, which stipulated the annual caps 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 amounts 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' loan through various measures.	Long-term	No	Yes
Undertaking related to the initial public offering (Note 1)	Other	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. Save 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 issuance date of the undertaking letter, and patents in respect of such technologies will be applied directly in the name of the Company.	Until all patents are transferred	No	Yes
Other undertaking (Note 2)	Other	YTO	YTO continues to perform its duty as a controlling shareholder and support the operation and development of the Company as always, and would not reduce its shareholding in the Company for 6 months since 10 July 2015.	2015.7.10 – 2016.1.09	Yes	Yes

Note 1: As at the end of the reporting period, one out of fifty patents was outstanding for publication while transfer of other patents had completed.

Note 2: The undertaking period for YTO to undertake not to reduce shareholding in the Company was expired on 9 January 2016.

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

Luoyang, the PRC
28 April 2016

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*

V. APPENDIX

Financial statements (Prepared in accordance with the PRC Accounting Standards for Business Enterprises)

CONSOLIDATED BALANCE SHEET

As at 31 March 2016

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Balance as at the end of the period	Balance as at the beginning of the year
Current assets:		
Cash and cash equivalents	1,806,196,194.57	1,897,794,077.61
Loans to banks and other financial institutions	250,000,000.00	0.00
Financial assets measured at fair value and its movement recorded through profit and loss	245,234,688.05	414,865,981.64
Notes receivable	776,643,867.30	629,595,676.71
Accounts receivable	1,040,514,424.62	846,592,058.32
Advances to suppliers	127,350,296.02	60,933,298.85
Interests receivable	1,357,132.43	1,878,611.11
Other receivables	78,398,433.87	67,644,192.90
Financial assets purchased with agreement to re-sale	158,304,799.41	899,544,776.20
Inventories	1,420,486,176.03	1,168,906,538.26
Other current assets	482,933,990.80	468,428,422.33
Total current assets	6,387,420,003.10	6,456,183,633.93
Non-current assets:		
Loans and advances to customers	2,411,031,108.82	1,859,617,637.45
Available-for-sale financial assets	250,445,841.41	259,434,541.41
Held-to-maturity investments	93,123,683.54	0.00
Long-term equity investments	156,926,376.01	150,640,194.51
Fixed assets	2,823,149,894.10	2,866,761,443.98
Construction in progress	605,733,020.50	613,389,411.85
Intangible assets	914,654,066.56	922,350,120.29
Long-term prepayments	35,342,224.37	34,047,868.91
Deferred tax assets	109,703,053.00	110,024,707.65
Total non-current assets	7,400,109,268.31	6,816,265,926.05
Total assets	13,787,529,271.41	13,272,449,559.98

Item	Balance as at the end of the period	Balance as at the beginning of the year
Current liabilities:		
Short-term loans	1,946,705,193.58	1,938,954,945.26
Receipts of deposits and deposits from other banks	262,240,903.06	527,213,699.13
Loans from other banks	0.00	350,000,000.00
Notes payable	1,090,710,707.33	1,299,804,364.19
Accounts payable	2,648,086,036.66	1,526,746,992.98
Advance from customers	262,454,166.80	303,082,198.22
Employee benefits payable	104,926,632.14	102,912,994.81
Taxes payable	-233,790,072.28	-347,088,631.55
Interests payable	34,841,216.37	53,716,956.57
Other payables	295,251,046.98	242,762,492.73
Non-current liabilities due within one year	33,838,599.10	32,395,168.40
Other current liabilities	117,720,877.51	98,038,848.99
Total current liabilities	6,562,985,307.25	6,128,540,029.73
Non-current liabilities:		
Long-term loans	27,492,000.00	26,607,000.00
Bonds payable	1,494,858,233.41	1,494,277,758.19
Deferred income	181,530,193.30	184,932,985.40
Deferred tax liabilities	37,109,424.93	39,507,239.32
Total non-current liabilities	1,740,989,851.64	1,745,324,982.91
Total liabilities	8,303,975,158.89	7,873,865,012.64

Item	Balance as at the end of the period	Balance as at the beginning of the year
Owners' equity:		
Share capital	995,900,000.00	995,900,000.00
Capital reserve	2,124,246,289.70	2,124,246,289.70
Other comprehensive income	1,011,230.16	9,734,262.44
Special reserve	3,522,331.64	2,441,385.29
Surplus reserve	389,744,226.05	389,744,226.05
General risk reserves	8,819,548.63	8,819,548.63
Retained earnings	1,235,479,513.33	1,142,994,139.49
Total equity attributable to owners of the Company	4,758,723,139.51	4,673,879,851.60
Minority interests	724,830,973.01	724,704,695.74
Total owners' equity	5,483,554,112.52	5,398,584,547.34
Total liabilities and owners' equity	13,787,529,271.41	13,272,449,559.98

Legal Representative:
Zhao Yanshui

Chief Financial Officer:
Yao Weidong

Accounting Manager:
Zhou Juan

BALANCE SHEET OF THE COMPANY

As at 31 March 2016

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Balance as at the end of the period	Balance as at the beginning of the year
Current assets:		
Cash and bank balance	2,812,887,168.62	2,641,377,805.70
Notes receivable	152,931,667.48	160,330,666.21
Accounts receivable	1,382,757,658.63	786,820,250.06
Advances to suppliers	149,084,509.28	125,952,346.17
Interests receivable	3,489,610.21	5,026,297.48
Dividends receivable	4,910,000.00	4,910,000.00
Other receivables	31,686,303.82	21,157,333.66
Inventories	572,612,796.63	635,262,051.21
Other current assets	563,113,755.53	545,688,872.91
Total current assets	5,673,473,470.20	4,926,525,623.40
Non-current assets:		
Available-for-sale financial assets	143,141,500.00	148,318,000.00
Long-term equity investments	2,765,999,310.07	3,110,401,363.95
Fixed assets	1,425,358,394.69	1,452,487,773.35
Construction in progress	490,764,972.28	494,736,372.32
Intangible assets	566,432,259.79	570,647,987.35
Long-term deferred expenditures	33,257,107.08	31,799,571.67
Deferred tax assets	16,485,139.56	16,464,738.92
Total non-current assets	5,441,438,683.47	5,824,855,807.56
Total assets	11,114,912,153.67	10,751,381,430.96

Item	Balance as at the end of the period	Balance as at the beginning of the year
Current liabilities:		
Short-term loans	1,545,774,320.00	1,953,532,480.00
Notes payable	967,931,178.31	1,271,660,254.35
Accounts payable	1,923,374,256.60	1,053,676,797.99
Advance from customers	101,248,883.77	131,835,905.09
Employee benefits	34,905,930.16	36,318,471.38
Taxes payable	-204,671,756.88	-306,489,816.89
Interests payable	30,059,917.54	52,990,678.02
Other payables	227,829,807.45	160,626,647.15
Non-current liabilities due within one year	25,472,000.00	24,882,000.00
Other current liabilities	53,621,909.79	7,922,339.20
Total current liabilities	4,705,546,446.74	4,386,955,756.29
Non-current liabilities:		
Long-term loans	27,492,000.00	26,607,000.00
Bonds payable	1,494,858,233.41	1,494,277,758.19
Deferred income	117,245,862.41	119,031,862.41
Deferred tax liabilities	3,380,952.27	4,157,427.27
Total non-current liabilities	1,642,977,048.09	1,644,074,047.87
Total liabilities	6,348,523,494.83	6,031,029,804.16
Owners' equity:		
Share capital	995,900,000.00	995,900,000.00
Capital reserve	2,018,025,662.91	2,018,025,662.91
Other comprehensive income	19,158,729.55	23,558,754.55
Surplus reserve	315,250,942.22	315,250,942.22
Retained earnings	1,418,053,324.16	1,367,616,267.12
Total owners' equity	4,766,388,658.84	4,720,351,626.80
Total liabilities and owners' equity	11,114,912,153.67	10,751,381,430.96

Legal Representative:
Zhao Yanshui

Chief Financial Officer:
Yao Weidong

Accounting Manager:
Zhou Juan

CONSOLIDATED INCOME STATEMENT

January – March 2016

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount for the reporting period	Amount for the corresponding period of the previous year
I. Total operating revenue	3,075,083,039.58	3,067,134,061.92
Including: Operating revenue	3,015,738,131.30	2,987,316,063.13
Interest income	59,301,052.78	79,724,452.03
Fees and commission income	43,855.50	93,546.76
II. Total operating cost	2,979,985,229.22	2,984,213,506.66
Including: Operating cost	2,498,036,228.22	2,478,718,952.18
Interest expenses	30,050,100.41	68,439,320.93
Fees and commission expenses	111,431.86	81,036.85
Business taxes and surcharges	5,017,514.65	6,390,328.58
Selling and distribution expenses	146,767,035.44	149,253,129.50
Administrative expenses	215,957,201.91	213,358,594.50
Financial expenses	28,380,770.86	23,847,550.23
Loss on impairment of assets	55,664,945.87	44,124,593.89
Add: Gain arising from changes in fair value (Loss listed with “-”)	-1,545,270.29	283,115.57
Investment income (Loss listed with “-”)	19,137,220.75	18,494,259.45
Including: Income from investment in associates and joint ventures	5,314,334.74	-1,571,450.71
III. Operating profit (Loss listed with “-”)	112,689,760.82	101,697,930.28
Add: Non-operating income	5,460,131.49	6,571,869.27
Including: Gain from disposal of non-current assets	129,092.43	247,043.37
Less: Non-operating expenses	364,560.40	456,134.30
Including: Loss on disposal of non-current assets	180,488.15	18,312.12
IV. Total profit (Total loss listed with “-”)	117,785,331.91	107,813,665.25
Less: Income tax expenses	25,015,031.27	16,159,317.51

Item	Amount for the reporting period	Amount for the corresponding period of the previous year
V. Net profit (Net loss listed with “-”)	92,770,300.64	91,654,347.74
Net profit attributable to owners of the Company	92,485,373.84	90,710,627.94
Profit or loss attributable to minority shareholders	284,926.80	943,719.80
VI. Net amount of other comprehensive income after tax	-8,881,681.79	-6,840,368.04
Net amount of other comprehensive income after tax attributable to owners of the Company	-8,723,032.28	-6,630,122.69
(I) Other comprehensive income that will be subsequently reclassified to profit and loss	-8,723,032.28	-6,630,122.69
1. Gain and loss from change in fair value of available-for-sale financial assets	-7,053,021.06	-3,878,942.69
2. Exchange differences from retranslation of financial statements	-1,670,011.22	-2,751,180.00
Net amount of other comprehensive income after tax attributable to minority shareholders	-158,649.51	-210,245.35
VII. Total comprehensive income	83,888,618.85	84,813,979.70
Total comprehensive income attributable to owners of the Company	83,762,341.56	84,080,505.25
Total comprehensive income attributable to minority shareholders	126,277.29	733,474.45
VIII. Earnings per share:		
(I) Basic earnings per share (<i>RMB/share</i>)	0.0929	0.0911
(II) Diluted earnings per share (<i>RMB/share</i>)	0.0929	0.0911

Legal Representative:
Zhao Yanshui

Chief Financial Officer:
Yao Weidong

Accounting Manager:
Zhou Juan

INCOME STATEMENT OF THE COMPANY

January – March 2016

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount for the reporting period	Amount for the corresponding period of the previous year
I. Operating revenue	2,352,791,827.83	2,310,781,763.18
Less: Cost of operation	2,100,083,223.58	2,041,585,710.48
Business taxes and surcharges	600,436.23	439,734.86
Selling and distribution expenses	42,337,880.74	46,267,452.03
Administrative expenses	110,531,769.13	134,942,822.64
Financial expenses	6,988,635.20	12,165,856.04
Loss on impairment of assets	40,099,457.89	35,508,374.19
Add: Investment income (Loss listed with “-”)	5,418,734.36	-746,552.92
Including: Gain from investments in associates and joint ventures	5,418,734.36	-842,552.92
II. Operating profit (Loss listed with “-”)	57,569,159.42	39,125,260.02
Add: Non-operating income	1,834,263.74	2,495,105.92
Including: Gain from disposal of non- current assets	5,538.74	218,384.45
Less: Non-operating expenses	89,709.75	2,500.00
Including: Loss from disposal of non- current assets	86,996.25	/
III. Total profit (Total loss listed with “-”)	59,313,713.41	41,617,865.94
Less: Income tax expenses	8,876,656.37	6,242,679.90
IV. Net profit (Net loss listed with “-”)	50,437,057.04	35,375,186.04
V. Net amount of other comprehensive income after tax	-4,400,025.00	-3,066,800.00
Other comprehensive income that will be subsequently re-classified to profit and loss	-4,400,025.00	-3,066,800.00
Gains and losses from change in fair value of available-for-sale financial assets	-4,400,025.00	-3,066,800.00
VI. Total comprehensive income	46,037,032.04	32,308,386.04

Legal Representative:
Zhao Yanshui

Chief Financial Officer:
Yao Weidong

Accounting Manager:
Zhou Juan

CONSOLIDATED CASH FLOW STATEMENT

January – March 2016

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount for the reporting period	Amount for the corresponding period of the previous year
I. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	2,738,708,966.72	2,465,805,538.70
Net increase in deposits from customers and deposits from banks	-264,972,796.07	-13,827,330.79
Net increase in loans from other financial institutions	-600,000,000.00	-600,000,000.00
Cash receipts of interest, fees and commission	61,859,884.23	79,221,111.66
Net increase in sales and repurchase operations	739,282,479.52	0.00
Cash received from taxes refund	17,412,364.91	7,874,710.92
Cash received relating to other operating activities	56,421,328.77	6,446,557.69
Sub-total of cash inflows from operating activities	2,748,712,228.08	1,945,520,588.18
Cash paid for goods and services	1,468,169,108.41	1,683,558,248.06
Net increase in loans and disbursement to customers	509,783,137.42	-11,088,036.72
Net increase in deposit with central bank and inter-banks	-21,184,164.22	-4,817,058.02
Cash paid for interest, fee and commission	27,335,606.20	55,813,067.88
Cash paid to and on behalf of employees	315,030,710.91	291,225,705.22
Payments of taxes and surcharges	47,660,805.94	48,289,093.17
Cash paid relating to other operating activities	148,945,525.33	282,496,678.82
Sub-total of cash outflows from operating activities	2,495,740,729.99	2,345,477,698.41
Net cash flows from operating activities	252,971,498.09	-399,957,110.23

Item	Amount for the reporting period	Amount for the corresponding period of the previous year
II. Cash flows from investing activities:		
Cash received from return of investments	0.00	3,762,752.05
Cash received from investments income	3,844,005.48	0.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<u>143,999.24</u>	<u>165,300,352.00</u>
Sub-total of cash inflows from investing activities	<u>3,988,004.72</u>	<u>169,063,104.05</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	37,732,144.96	140,828,665.87
Cash paid for investments	<u>122,492,069.69</u>	<u>81,514,886.92</u>
Sub-total of cash outflow from investing activities	<u>160,224,214.65</u>	<u>222,343,552.79</u>
Net cash flows from investing activities	<u>-156,236,209.93</u>	<u>-53,280,448.74</u>
III. Cash flows from financing activities:		
Cash received from loans granted	<u>23,609,830.00</u>	0.00
Sub-total of cash inflows from financing activities	<u>23,609,830.00</u>	<u>0.00</u>
Cash paid for settlement of borrowings	61,286,460.00	0.00
Cash paid for dividends, profits appropriation or payments of interest	<u>49,490,199.84</u>	<u>49,329,275.61</u>
Sub-total of cash outflows from financing activities	<u>110,776,659.84</u>	<u>49,329,275.61</u>
Net cash flows from financing activities	<u>-87,166,829.84</u>	<u>-49,329,275.61</u>

Item	Amount for the reporting period	Amount for the corresponding period of the previous year
IV. Effect of changes in foreign exchange rate on cash and cash equivalents	<u>230,129.27</u>	<u>-2,111,536.88</u>
V. Net increase in cash and cash equivalents	9,798,587.59	-504,678,371.46
Add: Cash and cash equivalents at the beginning of the reporting period	<u>1,690,285,427.32</u>	<u>1,749,902,168.21</u>
VI. Cash and cash equivalents at the end of the reporting period	<u>1,700,084,014.91</u>	<u>1,245,223,796.75</u>

Legal Representative:
Zhao Yanshui

Chief Financial Officer:
Yao Weidong

Accounting Manager:
Zhou Juan

CASH FLOW STATEMENT OF THE COMPANY

January – March 2016

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount for the reporting period	Amount for the corresponding period of the previous year
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	2,040,471,680.28	1,471,007,526.82
Cash received from taxes refund	745,929.44	1,887,840.08
Cash received relating to other operating activities	4,360,487.93	13,818,822.82
Sub-total of cash inflows from operating activities	<u>2,045,578,097.65</u>	<u>1,486,714,189.72</u>
Cash paid for goods and services	1,346,037,062.74	1,384,247,528.88
Cash paid to and on behalf of employees	164,573,667.52	149,037,008.20
Payments of taxes and surcharges	15,030,100.35	19,795,105.71
Cash paid relating to other operating activities	91,375,251.53	92,594,394.81
Sub-total of cash outflows from operating activities	<u>1,617,016,082.14</u>	<u>1,645,674,037.60</u>
Net cash flows from operating activities	<u>428,562,015.51</u>	<u>-158,959,847.88</u>

Item	Amount for the reporting period	Amount for the corresponding period of the previous year
II. Cash flows from investing activities:		
Cash received from return of investments	413,820,788.24	64,000,000.00
Cash received from investments income	20,466,255.33	2,464,311.97
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<u>102,967.94</u>	<u>165,275,352.00</u>
Sub-total of cash inflows from investing activities	<u>434,390,011.51</u>	<u>231,739,663.97</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	19,864,738.86	111,644,373.39
Cash paid for investments	<u>85,821,400.00</u>	<u>145,514,886.92</u>
Sub-total of cash outflows from investing activities	<u>105,686,138.86</u>	<u>257,159,260.31</u>
Net cash flows from investing activities	<u>328,703,872.65</u>	<u>-25,419,596.34</u>
III. Cash flow from financing activities:		
Cash received from loans granted	200,000,000.00	0.00
Sub-total of cash inflows from financing activities	<u>200,000,000.00</u>	<u>0.00</u>
Cash paid for settlement of borrowings	608,073,260.00	0.00
Cash paid for dividends, profits appropriation or payments of interest	<u>51,318,605.44</u>	<u>56,287,029.06</u>
Sub-total of cash outflows from financing activities	<u>659,391,865.44</u>	<u>56,287,029.06</u>
Net cash flows from financing activities	<u>-459,391,865.44</u>	<u>-56,287,029.06</u>

Item	Amount for the reporting period	Amount for the corresponding period of the previous year
IV. Effect of changes in foreign exchange rate on cash and cash equivalents	<u>-0.04</u>	<u>34,860.54</u>
V. Net increase in cash and cash equivalents	297,874,022.68	-240,631,612.74
Add: Cash and cash equivalents at the beginning of the reporting period	<u>2,246,586,151.42</u>	<u>1,398,841,155.04</u>
VI. Cash and cash equivalents at the end of the reporting period	<u>2,544,460,174.10</u>	<u>1,158,209,542.30</u>

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