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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)

2017 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 herein.
- 1.2 All Directors of the Company attended the Board meeting to consider this first quarterly report.
- 1.3 Zhao Yanshui (person in charge of the Company), Yao Weidong (person in charge of the accounting function) and Zhou Juan (person in charge of the Accounting Department and the Accounting Manager) have 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(s)”	means	ordinary shares as approved by the CSRC which are issued to the PRC domestic investors and qualified foreign investors, traded on the PRC domestic stock exchange, denominated, subscribed for and traded in RMB
“Company”	means	First Tractor Company Limited* (第一拖拉機股份有限公司)
“controlled subsidiary”	means	a company held as to more than 50% shares or equity interests by the Company, and a company actually controlled by the Company through agreement and arrangement
“CSRC”	means	China Securities Regulatory Commission
“Group”	means	the Company and its controlled subsidiaries
“H Share(s)”	means	ordinary share(s) as approved by the CSRC which are issued to foreign investors, and listed with the approval of the Stock Exchange, denominated in RMB, subscribed for and traded in Hong Kong dollars
“Listing Rules of the Stock Exchange”	means	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“PRC”	means	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”	means	the Shanghai Stock Exchange
“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
“Stock Exchange”	means	The Stock Exchange of Hong Kong Limited
“subsidiary”	means	has the meaning ascribed thereto under the Listing Rules of the Stock Exchange
“YTO”	means	YTO Group Corporation (中國一拖集團有限公司), the controlling shareholder of the Company
“YTO Finance”	means	China YTO Group Finance Company Limited (中國一拖集團財務有限責任公司), a controlled subsidiary of the Company

III. BASIC INFORMATION OF THE COMPANY

3.1 Major financial data

		<i>Unit: Yuan</i>	<i>Currency: RMB</i>
	As at the end of the reporting period (31 March 2017)	As at the end of the previous year (31 December 2016)	Increase/Decrease as at the end of the reporting period as compared to the end of the previous year (%)
Total assets	13,845,173,938.20	13,210,513,281.43	4.80
Net assets attributable to shareholders of the Company	4,893,371,509.19	4,829,340,535.85	1.33
	From the beginning of the year to the end of the reporting period (1 January 2017 to 31 March 2017)	From the beginning of the previous year to the end of the reporting period of the previous year (1 January 2016 to 31 March 2016)	Year-on-year increase/decrease (%)
Net cash flow from operating activities	-315,066,590.44	252,971,498.09	-224.55
Total operating revenue	2,689,735,654.09	3,075,083,039.58	-12.53
Operating revenue	2,661,668,231.55	3,015,738,131.30	-11.74
Net profit attributable to shareholders of the Company	64,037,860.01	92,485,373.84	-30.76
Net profit attributable to shareholders of the Company after deduction of non- recurring profit and loss	52,318,365.25	87,685,334.38	-40.33
Weighted average return on net assets (%)	1.32	1.96	Decreased by 0.64 percentage point
Basic earnings per share (RMB/share)	0.0647	0.0929	-30.36
Diluted earnings per share (RMB/share)	0.0647	0.0929	-30.36

Non-recurring profit and loss items and amount

Unit: Yuan Currency: RMB

Item	Amount for the period (1 January 2017 to 31 March 2017)
Profit or loss on disposal of non-current assets	-400,771.70
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	6,215,075.85
Gain or loss on debt restructuring	164,063.42
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	6,693,811.91
Other non-operating income and expenses except for mentioned above	1,529,536.54
Effect of minority shareholders' interests (after tax)	-785,601.08
Effect of income tax	-1,696,620.18
Total	11,719,494.76

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

Unit: Share

Total number of shareholders 36,851 (Including 36,479 shareholders of A Shares and 372 shareholders of H Shares)

Shareholdings of the top ten shareholders

Name of shareholders (full name)	Number of shares held as at the end of the period (31 March 2017)		Number of shares held with selling restriction	Subject to pledge or moratorium		Nature of shareholders
	Percentage (%)	Status of shares		Number		
YTO Group Corporation	410,690,578	41.24	0	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED (Note 1)	398,065,399	39.97	0	Unknown	/	Overseas legal person
China Huarong Asset Management Co., Ltd.	14,069,296	1.41	0	Unknown	/	State-owned legal person
China Construction Bank Corporation Henan Province Branch	9,444,950	0.95	0	Unknown	/	Other
Hong Kong Securities Clearing Company Limited (Note 2)	1,885,329	0.19	0	Unknown	/	Overseas legal person
CFM – Guotai Junan Securities – CFM Hongfan Investment No. 7 Asset Management Plan	1,480,800	0.15	0	Unknown	/	Other
Jiao Yanfeng	1,000,000	0.1	0	Unknown	/	Domestic natural person
Zhang Chenghong	800,000	0.08	0	Unknown	/	Domestic natural person
LIU HON NAM	726,000	0.07	0	Unknown	/	Overseas natural person
Wang Ze	664,800	0.07	0	Unknown	/	Domestic natural person

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	410,690,578	Ordinary shares denominated in RMB	410,690,578
HKSCC NOMINEES LIMITED	398,065,399	Overseas listed foreign shares	398,065,399
China Huarong Asset Management Co., Ltd.	14,069,296	Ordinary shares denominated in RMB	14,069,296
China Construction Bank Corporation Henan Province Branch	9,444,950	Ordinary shares denominated in RMB	9,444,950
Hong Kong Securities Clearing Company Limited	1,885,329	Ordinary shares denominated in RMB	1,885,329
CFM – Guotai Junan Securities – CFM Hongfan Investment No. 7 Asset Management Plan	1,480,800	Ordinary shares denominated in RMB	1,480,800
Jiao Yanfeng	1,000,000	Ordinary shares denominated in RMB	1,000,000
Zhang Chenghong	800,000	Ordinary shares denominated in RMB	800,000
LIU HON NAM	726,000	Overseas listed foreign shares	726,000
Wang Ze	664,800	Ordinary shares denominated in RMB	664,800

Explanation on connected relation or parties acting in concert of the aforesaid shareholders

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

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 Yuan Currency: RMB

Consolidated balance sheet items	As at the end of the period (31 March 2017)	As at the beginning of the period (1 January 2017)	Percentage changes (%)	Reasons
Accounts receivable	127,333	67,431	88.83	Corresponding increase in accounts receivable in peak season during the period
Interests receivable	1,821	1,203	51.37	Increase in interests receivable of YTO Finance during the period
Financial assets purchased with agreement to re-sale	10,545	35,485	-70.28	Sale of financial assets purchased with agreement to re-sale by YTO Finance during the period
Inventories	154,074	101,471	51.84	Increase in constructive reserves in peak season during the period
Loans from banks and other financial institutions	0	25,000	-100.00	Repayment of loans from banks and other financial institutions by YTO Finance during the period
Accounts payable	234,164	138,417	69.17	Increase in production in peak season and procurement settlement thereof not yet due during the period
Interests payable	3,232	5,515	-41.40	Payment of interests on the corporate bonds during the period
Other non-current liabilities due within one year	83,348	3,442	2,321.50	Transfer of corporate bonds due within one year during the period
Bonds payable	69,841	149,669	-53.34	Transfer of corporate bonds due within one year to current liabilities during the period
Other comprehensive income	54	-269	N/A	Increase in fair value of available-for-sale financial assets during the period

Consolidated income statement items	Amount for the Reporting Period (1 January 2017 to 31 March 2017)	For the corresponding period of the previous year (1 January 2016 to 31 March 2016)	Percentage changes (%)	Reasons
Interest income	2,790	5,930	-52.95	Decrease in the interbank bills discounting businesses of YTO Finance during the period
Interest expenses	205	3,005	-93.18	Decrease in the interbank bills discounting businesses of YTO Finance during the period
Taxes and surcharges	1,189	502	136.85	Property tax, land use tax, stamp duty and vehicle and vessel use tax, etc. credited to taxes and surcharges after the comprehensive implementation of transformation from business tax to VAT and no retrospective adjustment required during the same period last year
Loss on impairment of assets	2,537	5,566	-54.42	Decrease in year-on-year provision made for loss on impairment of assets due to strengthened management and control over long-term outstanding accounts receivable by the Company during the period
Gains from changes in fair value	726	-155	N/A	Increase in market value of foreign exchange swap settlement contract and increase in market price of shares held during the period
Gain from investment	960	1,914	-49.84	Decrease in year-on-year gain from investment in financial assets by YTO Finance
Non-operating income	852	546	56.04	Increase in year-on-year government grants

Consolidated cash flow statement items	Amount for the Reporting Period (1 January 2017 to 31 March 2017)	For the corresponding period of the previous year (1 January 2016 to 31 March 2016)	Percentage changes (%)	Reasons
Net cash flow from operating activities	-31,507	25,297	-224.55	Decrease in cash receipt from sale of commodities due to decrease in products revenue during the period
Net cash flow from financing activities	-3,574	-8,717	N/A	Decrease in year-on-year repayment of bank borrowings during the period

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

4.2.1 Since 6 March 2017, the Company entrusted the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to make interest payment for the period between 4 March 2016 and 3 March 2017 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 2017 for Corporate Bond (Tranche I) Publicly Issued in 2012” of the Company published on the website of the Shanghai Stock Exchange, “China Securities Journal” and “Shanghai Securities News” on 24 February 2017, and the overseas regulatory announcement of the Company dated 23 February 2017 published on the website of the Stock Exchange.)

4.3 Undertakings not fulfilled when due during the Reporting Period

Background of undertaking	Type of undertaking	Party making the undertaking	Content of undertaking	Undertaking time and term	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 agricultural machinery and equipment, except the 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 of undertaking	Type of undertaking	Party making the undertaking	Content of undertaking	Undertaking time and term	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 YTO will ensure the safety of its subsidiaries' loan through various measures.	Long-term	No	Yes

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

Luoyang, the PRC
26 April 2017

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

* *For identification purposes only*

V. APPENDICES

5.1 Financial statements

Consolidated Balance Sheet

31 March 2017

Prepared by: First Tractor Company Limited

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	2,529,379,407.29	3,261,735,812.98
Financial assets measured at fair value and its movement recorded through profit and loss	76,395,423.52	62,657,466.94
Derivative financial assets	19,030,000.00	14,833,000.00
Notes receivable	664,425,820.21	554,932,731.17
Accounts receivable	1,273,326,911.44	674,313,323.03
Advances to suppliers	156,132,579.46	143,734,037.70
Interests receivable	18,209,043.38	12,027,545.45
Other receivables	84,683,653.68	104,926,297.50
Financial assets purchased with agreement to re-sale	105,447,792.17	354,848,615.72
Inventories	1,540,739,320.03	1,014,713,967.01
Other current assets	1,676,194,221.03	1,412,930,377.64
Total current assets	<u>8,143,964,172.21</u>	<u>7,611,653,175.14</u>
Non-current assets:		
Loans and advances to customers	886,343,258.96	748,364,409.66
Available-for-sale financial assets	238,647,153.50	235,733,900.15
Held-to-maturity investments	58,722,601.69	58,352,738.68
Long-term equity investments	153,409,567.33	149,098,999.76
Fixed assets	2,944,710,820.03	2,970,855,427.52
Construction in progress	367,920,320.21	376,823,261.61
Intangible assets	889,596,431.73	896,641,004.79
Long-term prepayments	39,359,164.31	40,223,194.44
Deferred tax assets	122,500,448.23	122,767,169.68
Total non-current assets	<u>5,701,209,765.99</u>	<u>5,598,860,106.29</u>
Total assets	<u>13,845,173,938.20</u>	<u>13,210,513,281.43</u>

Item	Balance as at the end of the period	Balance as at the beginning of the year
Current liabilities:		
Short-term loans	1,598,882,413.43	1,579,448,510.67
Receipts of deposits and deposits from other banks	604,897,367.93	588,286,840.09
Loans from other banks	0.00	250,000,000.00
Notes payable	1,310,717,664.01	1,417,113,769.49
Accounts payable	2,341,637,957.92	1,384,168,457.64
Advance from customers	140,524,275.96	199,663,201.54
Employee benefits payable	109,265,872.72	105,911,905.79
Taxes payable	26,599,547.87	25,426,038.74
Interests payable	32,317,896.88	55,151,085.52
Other payables	255,072,244.89	257,257,848.82
Non-current liabilities due within one year	833,475,457.97	34,422,532.04
Other current liabilities	94,567,821.56	93,369,345.75
Total current liabilities	<u>7,347,958,521.14</u>	<u>5,990,219,536.09</u>
Non-current liabilities:		
Long-term loans	9,215,125.00	9,133,500.00
Bonds payable	698,413,793.13	1,496,694,996.06
Deferred income	184,230,518.93	176,628,594.78
Deferred tax liabilities	34,407,153.20	34,198,365.33
Total non-current liabilities	<u>926,266,590.26</u>	<u>1,716,655,456.17</u>
Total liabilities	<u>8,274,225,111.40</u>	<u>7,706,874,992.26</u>

Item	Balance as at the end of the period	Balance as at the beginning of the year
Shareholder's equity		
Share capital	995,900,000.00	995,900,000.00
Capital reserve	2,126,685,588.57	2,126,685,588.57
Less: Treasury shares	22,719,096.74	19,140,912.00
Other comprehensive income	539,592.85	-2,685,750.24
Special reserve	4,831,820.98	4,485,866.00
Surplus reserve	423,908,219.34	423,908,219.34
General risk reserves	10,774,059.81	10,774,059.81
Retained earnings	1,353,451,324.38	1,289,413,464.37
Total equity attributable to shareholder's equity of the parent company	4,893,371,509.19	4,829,340,535.85
Minority interests	677,577,317.61	674,297,753.32
Total shareholder's equity	<u>5,570,948,826.80</u>	<u>5,503,638,289.17</u>
Total liabilities and shareholder's equity	<u>13,845,173,938.20</u>	<u>13,210,513,281.43</u>

Legal Representative: **Zhao Yanshui**
Chief Financial Officer: **Yao Weidong**
Accounting Manager: **Zhou Juan**

Balance Sheet of the Company

31 March 2017

Prepared by: First Tractor Company Limited

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	1,576,571,420.63	2,332,459,180.15
Derivative financial assets	19,030,000.00	14,833,000.00
Notes receivable	208,222,557.96	143,070,848.93
Accounts receivable	1,679,970,572.25	647,872,610.08
Advances to suppliers	279,245,732.99	265,250,773.93
Interests receivable	5,756,904.79	5,782,316.41
Other receivables	8,804,366.96	9,714,113.36
Inventories	499,369,811.86	471,316,763.14
Other current assets	1,401,303,581.74	1,129,216,874.12
Total current assets	5,678,274,949.18	5,019,516,480.12
Non-current assets:		
Available-for-sale financial assets	128,378,500.00	127,021,500.00
Long-term equity investments	2,883,737,260.62	2,807,650,845.03
Fixed assets	1,617,816,374.99	1,617,355,502.09
Construction in progress	215,954,521.06	249,165,495.36
Intangible assets	550,885,023.03	554,742,502.20
Long-term deferred expenditures	35,902,986.38	36,748,015.17
Deferred tax assets	20,275,197.03	20,276,789.40
Total non-current assets	5,452,949,863.11	5,412,960,649.25
Total assets	11,131,224,812.29	10,432,477,129.37

Item	Balance as at the end of the period	Balance as at the beginning of the year
Current liabilities:		
Short-term loans	1,389,930,000.00	1,393,700,000.00
Notes payable	1,023,675,044.08	1,160,974,722.95
Accounts payable	1,617,087,616.70	850,915,338.66
Advance from customers	118,838,388.75	118,528,607.00
Employee benefits payable	42,435,746.34	41,532,696.11
Taxes payable	3,672,595.60	6,726,459.77
Interests payable	29,169,917.61	54,564,051.15
Other payables	176,241,663.52	152,170,170.20
Non-current liabilities due within one year	829,820,289.57	30,767,363.64
Other current liabilities	48,300,904.35	13,304,237.40
Total current liabilities	5,279,172,166.52	3,823,183,646.88
Non-current liabilities:		
Long-term loans	9,215,125.00	9,133,500.00
Bonds payable	698,413,793.13	1,496,694,996.06
Deferred income	122,014,766.04	113,239,856.95
Deferred tax liabilities	1,968,320.45	1,764,770.45
Total non-current liabilities	831,612,004.62	1,620,833,123.46
Total liabilities	6,110,784,171.14	5,444,016,770.34

Item	Balance as at the end of the period	Balance as at the beginning of the year
Shareholder's equity:		
Share capital	995,900,000.00	995,900,000.00
Capital reserve	2,018,025,662.91	2,018,025,662.91
Less: Treasury shares	22,719,096.74	19,140,912.00
Other comprehensive income	11,153,815.91	10,000,365.91
Surplus reserve	349,414,935.51	349,414,935.51
Retained earnings	<u>1,668,665,323.56</u>	<u>1,634,260,306.70</u>
Total shareholder's equity	<u>5,020,440,641.15</u>	<u>4,988,460,359.03</u>
Total liabilities and shareholder's equity	<u>11,131,224,812.29</u>	<u>10,432,477,129.37</u>

Legal Representative: **Zhao Yanshui**
 Chief Financial Officer: **Yao Weidong**
 Accounting Manager: **Zhou Juan**

Consolidated Income Statement

January to March 2017

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount for the Period	Amount for the corresponding period of the previous year
I. Total operating revenue	2,689,735,654.09	3,075,083,039.58
Including: Operating revenue	2,661,668,231.55	3,015,738,131.30
Interest income	27,904,284.95	59,301,052.78
Fees and commission income	163,137.59	43,855.50
II. Total operating cost	2,623,387,562.52	2,979,985,229.22
Including: Operating costs	2,226,956,041.45	2,498,036,228.22
Interest expenses	2,047,654.88	30,050,100.41
Fees and commission expenses	37,795.04	111,431.86
Business taxes and surcharges	11,887,087.55	5,017,514.65
Selling and distribution expenses	131,150,379.88	146,767,035.44
Administrative expenses	202,731,730.56	215,957,201.91
Financial expenses	23,202,744.79	28,380,770.86
Loss on impairment of assets	25,374,128.37	55,664,945.87
Add: Gain arising from changes in fair value (Loss listed with “-”)	7,257,798.90	-1,545,270.29
Investment income (Loss listed with “-”)	9,598,838.45	19,137,220.75
Including: Income from investment in associates and joint ventures	3,146,440.61	5,314,334.74
III. Operating profit (Loss listed with “-”)	83,204,728.92	112,689,760.82
Add: Non-operating income	8,521,959.96	5,460,131.49
Including: Gains from disposal of non-current assets	154,681.33	129,092.43
Less: Non-operating expenses	1,014,055.85	364,560.40
Including: Loss on disposal of non-current assets	555,453.03	180,488.15

Item	Amount for the Period	Amount for the corresponding period of the previous year
IV. Total profit (Total loss listed with “-”)	90,712,633.03	117,785,331.91
Less: Income tax expenses	23,460,026.29	25,015,031.27
V. Net profit (Net loss listed with “-”)	67,252,606.74	92,770,300.64
Net profit attributable to owners of the parent company	64,037,860.01	92,485,373.84
Profit or loss attributable to minority shareholders	3,214,746.73	284,926.80
VI. Net amount of other comprehensive income after tax	3,290,160.67	-8,881,681.79
Net amount of other comprehensive income after tax attributable to owners of the parent company	3,225,343.09	-8,723,032.28
(I) Other comprehensive income that will be subsequently reclassified to profit and loss	3,225,343.09	-8,723,032.28
1. Gain and loss from change in fair value of available-for-sale financial assets	2,306,513.43	-7,053,021.06
2. Exchange differences from retranslation of financial statements	918,829.66	-1,670,011.22
Net amount of other comprehensive income after tax attributable to minority shareholders	64,817.58	-158,649.51

Item	Amount for the Period	Amount for the corresponding period of the previous year
VII. Total comprehensive income	70,542,767.41	83,888,618.85
Total comprehensive income attributable to owners of the parent company	67,263,203.10	83,762,341.56
Total comprehensive income attributable to minority shareholders	3,279,564.31	126,277.29
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.0647	0.0929
(II) Diluted earnings per share (RMB/share)	0.0647	0.0929
<i>Legal Representative:</i> Zhao Yanshui	<i>Chief Financial Officer:</i> Yao Weidong	<i>Accounting Manager:</i> Zhou Juan

Income Statement of the Company

January to March 2017

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount for the Period	Amount for the corresponding period of the previous year
I. Operating revenue	2,226,097,890.12	2,352,791,827.83
Less: Cost of operation	2,023,610,086.81	2,100,083,223.58
Business taxes and surcharges	4,263,058.80	600,436.23
Selling and distribution expenses	30,161,618.60	42,337,880.74
Administrative expenses	117,933,543.59	110,531,769.13
Financial expenses	9,577,626.96	6,988,635.20
Loss on impairment of assets	9,878,485.93	40,099,457.89
Add: Gain arising from changes in fair value (Loss listed with “-”)	4,197,000.00	0.00
Investment income (Loss listed with “-”)	2,431,365.85	5,418,734.36
Including: Gains from investments in associates and joint ventures	3,110,415.59	5,418,734.36
II. Operating profits (Loss listed with “-”)	37,301,835.28	57,569,159.42
Add: Non-operating income	3,548,119.18	1,834,263.74
Including: Gains from disposal of non-current assets	97,587.67	5,538.74
Less: Non-operating expenses	302,452.78	89,709.75
Including: Loss from disposal of non-current assets	48,974.55	86,996.25
III. Total profit (Loss listed with “-”)	40,547,501.68	59,313,713.41
Less: Income tax expenses	6,142,484.82	8,876,656.37
IV. Net profit (Net loss listed with “-”)	34,405,016.86	50,437,057.04

Item	Amount for the Period	Amount for the corresponding period of the previous year
V. Net amount of other comprehensive income after tax	1,153,450.00	-4,400,025.00
(I) Other comprehensive income that will be subsequently re-classified to profit and loss	1,153,450.00	-4,400,025.00
Gains and losses from change in fair value of available-for-sale financial assets	1,153,450.00	-4,400,025.00
VI. Total comprehensive income	35,558,466.86	46,037,032.04

Legal Representative: *Chief Financial Officer:* *Accounting Manager:*
Zhao Yanshui **Yao Weidong** **Zhou Juan**

Consolidated Cash Flow Statement

January to March 2017

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount for the 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	2,068,824,107.97	2,738,708,966.72
Net increase in deposits from customers and deposits from banks	16,610,527.84	-264,972,796.07
Net increase in loans from other financial institutions	-250,000,000.00	-600,000,000.00
Cash receipts of interest, fees and commission	28,932,638.96	61,859,884.23
Net increase in sales and repurchase operations	248,593,093.37	739,282,479.52
Cash received from taxes refund	13,257,063.85	17,412,364.91
Cash received relating to other operating activities	46,267,425.51	56,421,328.77
Sub-total of cash inflows from operating activities	2,172,484,857.50	2,748,712,228.08
Cash paid for goods and services	1,809,924,118.55	1,468,169,108.41
Net increase in loans and disbursement to customers	143,241,674.66	509,783,137.42
Net increase in deposit with central bank and inter-banks	1,162,736.95	-21,184,164.22
Cash paid for interest, fee and commission	2,781,641.12	27,335,606.20
Cash paid to and on behalf of employees	323,237,438.41	315,030,710.91
Payments of taxes and surcharges	53,497,415.36	47,660,805.94
Cash paid relating to other operating activities	153,706,422.89	148,945,525.33
Sub-total of cash outflows from operating activities	2,487,551,447.94	2,495,740,729.99
Net cash flows from operating activities	-315,066,590.44	252,971,498.09

Item	Amount for the Period	Amount for the corresponding period of the previous year
II. Cash flows from investing activities:		
Cash received from return of investments	251,250.00	3,844,005.48
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,044,960.83	143,999.24
Cash received relating to other investing activities	11,900,000.00	0.00
Sub-total of cash inflows from investing activities	13,196,210.83	3,988,004.72
Cash paid to acquire fixed assets, intangible assets and other long-term assets	56,333,414.79	37,732,144.96
Cash paid for investments	118,000,895.64	122,492,069.69
Sub-total of cash outflow from investing activities	174,334,310.43	160,224,214.65
Net cash flows from investing activities	-161,138,099.60	-156,236,209.93
III. Cash flows from financing activities:		
Cash received from loans granted	36,722,250.00	23,609,830.00
Sub-total of cash inflows from financing activities	36,722,250.00	23,609,830.00
Cash paid for settlement of borrowings	14,688,900.00	61,286,460.00
Cash paid for dividends, profits appropriation or payments of interest	54,199,997.25	49,490,199.84
Cash paid relating to other financing activities	3,578,184.74	0.00
Sub-total of cash outflows from financing activities	72,467,081.99	110,776,659.84
Net cash flows from financing activities	-35,744,831.99	-87,166,829.84

Item	Amount for the Period	Amount for the corresponding period of the previous year
IV. Effect of changes in foreign exchange rate on cash and cash equivalents	556,929.28	230,129.27
V. Net increase in cash and cash equivalents	-511,392,592.75	9,798,587.59
Add: Cash and cash equivalents at the beginning of the reporting period	2,894,305,807.48	1,690,285,427.32
VI. Cash and cash equivalents at the end of the reporting period	2,382,913,214.73	1,700,084,014.91

Legal Representative: **Zhao Yanshui**
 Chief Financial Officer: **Yao Weidong**
 Accounting Manager: **Zhou Juan**

Cash Flow Statement of the Company

January to March 2017

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Amount for the 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	1,448,686,086.02	2,040,471,680.28
Cash received from taxes refund	1,981,812.58	745,929.44
Cash received relating to other operating activities	118,278,260.41	4,360,487.93
Sub-total of cash inflows from operating activities	1,568,946,159.01	2,045,578,097.65
Cash paid for goods and services	1,517,083,657.18	1,346,037,062.74
Cash paid to and on behalf of employees	169,827,696.76	164,573,667.52
Payments of taxes and surcharges	19,843,372.77	15,030,100.35
Cash paid relating to other operating activities	62,557,309.95	91,375,251.53
Sub-total of cash outflows from operating activities	1,769,312,036.66	1,617,016,082.14
Net cash flows from operating activities	-200,365,877.65	428,562,015.51

Item	Amount for the Period	Amount for the corresponding period of the previous year
II. Cash flows from investing activities:		
Cash received from return of investments	10,000,000.00	413,820,788.24
Cash received from investments income	6,616,525.02	20,466,255.33
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,072,212.24	102,967.94
Cash received relating to other investing activities	11,900,000.00	0.00
Sub-total of cash inflows from investing activities	29,588,737.26	434,390,011.51
Cash paid to acquire fixed assets, intangible assets and other long-term assets	24,267,695.07	19,864,738.86
Cash paid for investments	193,976,000.00	85,821,400.00
Sub-total of cash outflows from investing activities	218,243,695.07	105,686,138.86
Net cash flows from investing activities	-188,654,957.81	328,703,872.65
III. Cash flow from financing activities:		
Cash received from loans granted	0.00	200,000,000.00
Sub-total of cash inflows from financing activities	0.00	200,000,000.00
Cash paid for settlement of borrowings	0.00	608,073,260.00
Cash paid for dividends, profits appropriation or payments of interest	52,399,176.91	51,318,605.44
Cash paid relating to other financing activities	3,578,184.74	0.00
Sub-total of cash outflows from financing activities	55,977,361.65	659,391,865.44
Net cash flows from financing activities	-55,977,361.65	-459,391,865.44

Item	Amount for the Period	Amount for the corresponding period of the previous year
IV. Effect of changes in foreign exchange rate on cash and cash equivalents	0.00	-0.04
V. Net increase in cash and cash equivalents	-444,998,197.11	297,874,022.68
Add: Cash and cash equivalents at the beginning of the reporting period	1,878,879,800.16	2,246,586,151.42
VI. Cash and cash equivalents at the end of the reporting period	1,433,881,603.05	2,544,460,174.10

Legal Representative: **Zhao Yanshui**
 Chief Financial Officer: **Yao Weidong**
 Accounting Manager: **Zhou Juan**