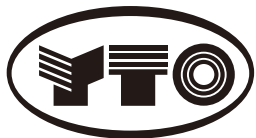


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第一拖拉机股份有限公司
FIRST TRACTOR COMPANY LIMITED*

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

(Stock Code: 0038)

2018 FIRST QUARTERLY REPORT

I. IMPORTANT NOTICE

- 1.1 The board of directors and board of supervisors of Company, and its 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 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 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 domestic investors and qualified foreign investors, traded on the 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)
“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 Currency: RMB</i>		
	As at the end of the reporting period (31 March 2018)	As at the end of the previous year (31 December 2017)	Increase/Decrease as at the end of the reporting period as compared to the end of the previous year (%)
Total assets	13,954,389,521.85	14,102,773,527.68	-1.05
Net assets attributable to shareholders of the Company	4,841,124,195.02	4,797,305,395.91	0.91
	From the beginning of the year to the end of the reporting period (1 January 2018 to 31 March 2018)	From the beginning of the previous year to the end of the reporting period of the previous year (1 January 2017 to 31 March 2017)	Year-on-year increase/decrease (%)
Net cash flow from operating activities	-626,669,095.78	-315,066,590.44	N/A

	From the beginning of the year to the end of the reporting period (1 January 2018 to 31 March 2018)	From the beginning of the previous year to the end of the reporting period of the previous year (1 January 2017 to 31 March 2017)	Year-on-year increase/decrease (%)
Total operating revenue	2,358,674,155.61	2,689,735,654.09	-12.31
Operating revenue	2,322,580,812.33	2,661,668,231.55	-12.74
Net profit attributable to shareholders of the Company	47,951,154.70	64,037,860.01	-25.12
Net profit attributable to shareholders of the Company after deduction of non-recurring profit and loss	46,922,905.76	52,318,365.25	-10.31
Weighted average return on net assets (%)	0.99	1.32	Decreased by 0.33 percentage point
Basic earnings per share (RMB/share)	0.0486	0.0647	-24.88
Diluted earnings per share (RMB/share)	0.0486	0.0647	-24.88

Non-recurring profit and loss items and amount

Unit: Yuan Currency: RMB

Item	Amount for period (1 January 2018 to 31 March 2018)
Profit or loss on disposal of non-current assets	444,091.04
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 national policies and continuously received in certain standard amounts and quantities	7,761,620.87
Gain or loss on debt restructuring	3,327,434.77
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	-10,854,610.28
Other non-operating income and expenses except for mentioned above	2,527,476.99
Effect of minority shareholders' interests (after tax)	-1,016,764.47
Effect of income tax	-1,160,999.98
Total	<u>1,028,248.94</u>

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 33,919
(Including 33,554 shareholders of A Shares and 365 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 2018)		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	41.66	0	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED	388,115,399	39.37	0	Unknown	/	Overseas legal person
China Huarong Asset Management Co., Ltd.	14,069,296	1.43	0	Unknown	/	State-owned legal person
China Construction Bank Corporation Henan Province Branch	9,444,950	0.96	0	Unknown	/	Other
Tibet Dongfang Kaishuo Investment Company Limited	4,023,135	0.41	0	Unknown	/	Domestic non- state-owned legal person
Hong Kong Securities Clearing Company Limited	2,969,118	0.3	0	Unknown	/	Overseas legal person
Xu Zuquan	2,000,000	0.2	0	Unknown	/	Domestic natural person
Jiao Yanfeng	930,000	0.09	0	Unknown	/	Domestic natural person
LIU HON NAM	726,000	0.07	0	Unknown	/	Overseas natural person
Shi Houwu	663,700	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	388,115,399	Overseas listed foreign shares	388,115,399
China Huarong Asset Management Co., Ltd.	14,069,296	Ordinary shares denominated in RMB	14,069,296
China Construction Bank Corporation Henan Province Branch	9,444,950	Ordinary shares denominated in RMB	9,444,950
Tibet Dongfang Kaishuo Investment Company Limited	4,023,135	Ordinary shares denominated in RMB	4,023,135
Hong Kong Securities Clearing Company Limited	2,969,118	Ordinary shares denominated in RMB	2,969,118
Xu Zuquan	2,000,000	Ordinary shares denominated in RMB	2,000,000
Jiao Yanfeng	930,000	Ordinary shares denominated in RMB	930,000
LIU HON NAM	726,000	Overseas listed foreign shares	726,000
Shi Houwu	663,700	Ordinary shares denominated in RMB	663,700

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.

Description of preferential shareholders with restoration of voting rights and their shareholdings

N/A

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 Northbound Trading through the Shanghai-Hong Kong Stock Connect.

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 2018)	As at the beginning of the period (1 January 2018)	Percentage changes (%)	Reasons
Loans to banks and other financial institutions	25,000	0	N/A	YTO Finance provided loans to banks and other financial institutions during the period
Financial assets measured at fair value through profit and loss	9,203	4,048	127.35	YTO Finance purchased short-term wealth management products during the period
Accounts receivable	208,311	123,829	68.22	Corresponding increase in accounts receivable in peak season during the period
Dividend receivable	1,100	0	N/A	Declaration of dividend by BOL Financial Leasing Co., Ltd. during the period
Other current assets	89,759	169,469	-47.04	Wealth management products and structured deposit received during the period
Derivative financial liabilities	3,900	1,280	204.69	Increase in loss arising from the agreements on swap and lock of exchange rate of foreign currency borrowings as a result of continuous appreciation of Renminbi against US dollars during the period
Accounts payable	216,814	146,533	47.96	Increase in production in peak season and procurement settlement thereof not yet due during the period
Advance from customers	16,166	23,622	-31.56	Sales for advances from customers as at the end of last year materialized during the period
Interests payable	2,875	6,186	-53.52	Payment of interests on the corporate bonds during the period

Consolidated balance sheet items	As at the end of the period (31 March 2018)	As at the beginning of the period (1 January 2018)	Percentage changes (%)	Reasons
Non-current liabilities due within one year	72,206	152,204	-52.56	Repayment of one tranche of corporate bonds during the period
Contingent liabilities	332	1,370	-75.77	Adjustment to contingent liabilities based on actual payment during the period
Consolidated income statement items	Amount for the period (1 January 2018 to 31 March 2018)	For the corresponding period of the previous year (1 January 2017 to 31 March 2017)	Percentage changes (%)	Reasons
Income of fees and commissions	40	16	150.00	Increase in fees and commissions received by YTO Finance during the period
Interest expenses	589	205	187.32	Increase in deposits received by YTO Finance during the period
Payment of fees and commissions	6	4	50.00	Increase in payment of fees and commissions by YTO Finance during the period
Financial expenses	909	2,320	-60.82	Year-on-year increase of exchange gain and interest income from wealth management products, and year-on-year increase in interest expenses paid to external banks during the period
Loss on impairment of assets	1,385	2,537	-45.41	Lower risk of impairment of new assets as compared with the corresponding period of last year due to year-on-year enhancement of assets quality during the period

Consolidated income statement items	Amount for the period (1 January 2018 to 31 March 2018)	For the corresponding period of the previous year (1 January 2017 to 31 March 2017)	Percentage changes (%)	Reasons
Gains from changes in fair value	-2,470	726	-440.22	Decrease in market value of foreign exchange swap settlement contract during the period as a result of continuous depreciation of US dollars
Gain from investment	1,530	960	59.38	Declaration of dividend by BOL Financial Leasing Co., Ltd. during the period
Gains on disposal of assets	44	-40	N/A	The addition of the item of gains on disposal of assets under the income statement for presentation in accordance with the Notice on Revision of the General Format of Financial Statements of Business Enterprises (Cai Kuai [2017] No. 30)
Other gains	750	0	N/A	In accordance with the Accounting Standards for Business Enterprises No. 16 – Government Grant, the government grant related to day-to-day corporate activities is presented under other gains during the period, and also presented under non-operating income in the same period
Income tax expenses	763	2,346	-67.48	Decrease in total profit during the period resulting in decrease in provision for income tax expenses
Net cash flow from operating activities	-62,667	-31,507	N/A	Decrease in receipt of due inter-bank bonds purchased by YTO Finance during the period as compared with corresponding period last year

Consolidated income statement items	Amount for the period (1 January 2018 to 31 March 2018)	For the corresponding period of the previous year (1 January 2017 to 31 March 2017)	Percentage changes (%)	Reasons
Net cash flow from investing activities	67,266	-16,114	N/A	Receipt of due wealth management products and structured deposit in succession during the period
Net cash flow from financing activities	-71,327	-3,574	N/A	Repayment of one tranche of corporate bonds during the period

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

The Corporate Bond (Tranche I) Publicly Issued in 2012 (the “**Bond**”) which was issued by the Company on 4 March 2013 became due on 3 March 2018. The Company has paid the principal and interest of the Bond for the period from 4 March 2017 to 3 March 2018 in full to the investors on 5 March 2018.

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

Luoyang, the PRC
25 April 2018

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

5.1 Financial Statements

Consolidated Balance Sheet

31 March 2018

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: unaudited

Item	Ending balance	Beginning balance
Current assets:		
Cash and cash equivalents	2,603,880,290.20	3,292,984,287.50
Settlement reserves for balance		
Loans to banks and other financial institutions	250,000,000.00	0.00
Financial assets measured at fair value through profit and loss	92,026,057.09	40,478,838.50
Derivative financial assets	0.00	0.00
Notes receivable	453,931,480.13	531,530,154.03
Accounts receivable	2,083,106,242.60	1,238,285,603.95
Advances to suppliers	251,154,384.34	233,704,609.47
Premium receivables		
Reinsurance receivables		
Reinsurance contract reserves receivable		
Interest receivable	16,581,094.64	14,148,062.85
Dividends receivable	11,000,000.00	0.00
Other receivables	140,390,973.74	123,425,502.13
Financial assets purchased with agreement to re-sale	69,550,693.24	80,207,776.70
Inventories	1,380,241,946.67	1,167,681,087.61
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	897,594,368.35	1,694,694,921.00
Total current assets	8,249,457,531.00	8,417,140,843.74

Item	Ending balance	Beginning balance
Non-current assets:		
Loans and advances to customers	976,445,047.56	934,741,824.37
Available-for-sale financial assets	188,129,341.41	188,129,341.41
Held-to-maturity investments	58,714,382.49	58,344,519.48
Long-term receivables		
Long-term equity investments	142,093,179.97	141,468,273.42
Investment properties		
Fixed assets	2,968,924,960.71	3,030,222,384.21
Construction in progress	338,081,357.77	290,749,376.91
Construction materials		
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	852,702,210.97	859,721,089.66
Research and development expenses	0.00	0.00
Goodwill	0.00	0.00
Long-term unamortized expenses	43,818,412.70	46,023,240.72
Deferred tax assets	136,023,097.27	136,232,633.76
Other non-current assets		
	<hr/>	<hr/>
Total non-current assets	<u>5,704,931,990.85</u>	<u>5,685,632,683.94</u>
Total assets	<u>13,954,389,521.85</u>	<u>14,102,773,527.68</u>

Item	Ending balance	Beginning balance
Current liabilities:		
Short-term loans	2,159,287,283.31	2,033,879,689.22
Borrowings from central bank		
Receipts of deposits and deposits from other banks	586,211,038.21	780,195,528.74
Loans from banks and other financial institutes	350,000,000.00	300,000,000.00
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities	39,000,000.00	12,800,000.00
Notes payable	907,315,385.33	820,501,598.94
Accounts payable	2,168,135,831.63	1,465,330,454.31
Advances from customers	161,660,979.57	236,220,968.60
Funds from selling out and repurchasing financial assets		
Fee and commission payable		
Employee benefits payable	117,452,680.18	123,521,513.29
Taxes payables	15,461,248.48	17,361,319.90
Interests payable	28,753,492.68	61,862,938.69
Dividends payable	55.83	55.83
Other payables	261,459,129.48	276,121,409.06
Reinsurance accounts payables		
Reserves for insurance contracts		
Brokerage for trading securities		
Brokerage for consigning securities		
Liabilities classified as held for sale		
Non-current liabilities due within one year	722,063,364.41	1,522,040,174.73
Other current liabilities	69,022,750.66	97,842,469.33
Total current liabilities	<u>7,585,823,239.77</u>	<u>7,747,678,120.64</u>

Item	Ending balance	Beginning balance
Non-current liabilities:		
Long-term loans	688,689,000.00	689,011,500.00
Bonds payable	0.00	0.00
Including: Preference shares		
Perpetual bond		
Long-term payables		
Long-term employee salary payable		
Special payables		
Contingent liabilities	3,321,156.24	13,699,471.42
Deferred income	183,444,120.26	184,660,141.13
Deferred tax liabilities	28,254,391.91	28,741,816.43
Other non-current liabilities		
	<u>903,708,668.41</u>	<u>916,112,928.98</u>
Total non-current liabilities		
	<u>903,708,668.41</u>	<u>916,112,928.98</u>
Total liabilities	<u>8,489,531,908.18</u>	<u>8,663,791,049.62</u>
Owner's equity:		
Share capital	985,850,000.00	985,850,000.00
Other equity instruments		
Including: Preference shares		
Perpetual bond		
Capital reserves	2,099,632,613.11	2,099,632,613.11
Less: Treasury shares	0.00	0.00
Other comprehensive income	-20,455,493.01	-16,268,084.50
Special reserves	3,729,403.73	3,674,350.81
Surplus reserves	438,442,350.67	438,442,350.67
General risk reserves	12,754,318.98	12,754,318.98
Retained earnings	1,321,171,001.54	1,273,219,846.84
	<u>4,841,124,195.02</u>	<u>4,797,305,395.91</u>
Total equity attributable to shareholders of the Company		
	<u>4,841,124,195.02</u>	<u>4,797,305,395.91</u>
Minority interests	623,733,418.65	641,677,082.15
Total shareholders' equity	<u>5,464,857,613.67</u>	<u>5,438,982,478.06</u>
	<u>5,464,857,613.67</u>	<u>5,438,982,478.06</u>
Total liabilities and shareholders' equity	<u>13,954,389,521.85</u>	<u>14,102,773,527.68</u>
	<u>13,954,389,521.85</u>	<u>14,102,773,527.68</u>

Legal representative:
Zhao Yanshui

Chief financial officer:
Yao Weidong

Accounting manager:
Zhou Juan

Balance Sheet of the Parent Company
31 March 2018

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: unaudited

Item	Ending balance	Beginning balance
Current assets:		
Cash and cash equivalents	2,626,727,063.83	2,674,257,804.79
Financial assets measured at fair value through profit and loss		
Derivative financial assets	0.00	0.00
Notes receivable	196,644,027.84	246,333,654.83
Accounts receivable	1,982,250,433.55	1,196,344,093.78
Advances to suppliers	312,147,049.00	339,783,445.58
Interest receivable	14,366,456.39	19,894,867.06
Dividends receivable	94,722,501.47	96,722,501.47
Other receivables	54,333,451.29	46,805,937.22
Inventories	613,310,941.60	505,348,099.92
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	666,465,690.24	1,526,967,161.19
Total current assets	6,560,967,615.21	6,652,457,565.84

Item	Ending balance	Beginning balance
Non-current assets:		
Available-for-sale financial assets	110,000,000.00	110,000,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	2,980,783,435.24	2,980,116,241.67
Investment properties		
Fixed assets	1,619,914,572.43	1,656,170,735.96
Construction in progress	229,782,632.81	192,776,115.52
Construction materials		
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	537,348,064.92	541,384,568.49
Research and development expenses		
Goodwill		
Long-term unamortized expenses	38,230,077.73	40,574,570.02
Deferred tax assets	22,469,834.47	22,469,834.47
Other non-current assets		
	<hr/>	<hr/>
Total non-current assets	5,538,528,617.60	5,543,492,066.13
	<hr/> <hr/>	<hr/> <hr/>
Total assets	12,099,496,232.81	12,195,949,631.97
	<hr/> <hr/>	<hr/> <hr/>
Current liabilities:		
Short-term loans	2,653,810,000.00	2,578,420,000.00
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities	39,000,000.00	12,800,000.00
Notes payable	769,555,542.61	690,789,304.86
Accounts payable	1,593,560,700.49	1,055,260,515.38
Advances from customers	125,568,881.59	175,265,170.24
Employee benefits payable	46,754,841.06	48,217,318.16
Taxes payables	5,233,225.79	7,556,819.53
Interests payable	26,329,369.65	53,352,451.24
Dividends payable		
Other payables	208,075,492.42	193,199,472.30
Liabilities classified as held for sale		
Non-current liabilities due within one year	716,731,248.84	1,516,708,059.16
Other current liabilities	13,382,249.26	8,801,794.13
	<hr/>	<hr/>
Total current liabilities	6,198,001,551.71	6,340,370,905.00
	<hr/> <hr/>	<hr/> <hr/>

Item	Ending balance	Beginning balance
Non-current liabilities:		
Long-term loans	650,000,000.00	650,000,000.00
Bonds payable	0.00	0.00
Including: Preference shares		
Perpetual bond		
Long-term payables		
Long-term employee salary payable		
Special payables		
Contingent liabilities	3,321,156.24	13,699,471.42
Deferred income	126,476,683.17	125,589,939.30
Deferred tax liabilities	0.00	0.00
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	<u>779,797,839.41</u>	<u>789,289,410.72</u>
Total liabilities	<u>6,977,799,391.12</u>	<u>7,129,660,315.72</u>
Shareholders' equity:		
Share capital	985,850,000.00	985,850,000.00
Other equity instruments		
Including: Preference shares		
Perpetual bond		
Capital reserves	2,004,793,045.95	2,004,793,045.95
Less: Treasury shares	0.00	0.00
Other comprehensive income	0.00	0.00
Special reserves	0.00	0.00
Surplus reserves	363,949,066.84	363,949,066.84
Retained earnings	1,767,104,728.90	1,711,697,203.46
	<hr/>	<hr/>
Total shareholders' equity	<u>5,121,696,841.69</u>	<u>5,066,289,316.25</u>
Total liabilities and shareholders' equity	<u>12,099,496,232.81</u>	<u>12,195,949,631.97</u>

Legal representative:

Zhao Yanshui

Chief financial officer:

Yao Weidong

Accounting manager:

Zhou Juan

Consolidated Income Statement

January to March 2018

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	2,358,674,155.61	2,689,735,654.09
Including: Operating revenue	2,322,580,812.33	2,661,668,231.55
Interest income	35,698,170.91	27,904,284.95
Earned insurance premiums		
Fees and commission income	395,172.37	163,137.59
II. Total operating cost	2,325,424,209.88	2,623,387,562.52
Including: Operating cost	1,983,823,564.86	2,226,956,041.45
Interest expenses	5,888,089.17	2,047,654.88
Fees and commission expense	56,518.63	37,795.04
Refunded premiums		
Net amount of compensation payout		
Net amount of reserves for reinsurance contract		
Policy dividend payment		
Reinsurance expenses		
Taxes and surcharges	14,177,501.20	11,887,087.55
Selling expenses	106,612,554.99	131,150,379.88
Administrative expenses	191,924,372.65	202,731,730.56
Financial expenses	9,091,543.17	23,202,744.79
Loss on impairment of assets	13,850,065.21	25,374,128.37
Add: Gain arising from the changes in fair value (Loss listed with“-”)	-24,700,191.92	7,257,798.90
Investment income (Loss listed with“-”)	15,303,129.50	9,598,838.45
Including: Income from investments in associates and joint ventures	642,627.18	3,146,440.61
Gain on disposal of assets (Loss listed with“-”)	444,091.04	-400,771.70
Exchange gain (Loss listed with“-”)		
Other gains	7,499,620.87	0.00

Item	Amount for the Period	Amount for the corresponding period of the previous year
III. Operating profit (Loss listed with “-”)	31,796,595.22	82,803,957.22
Add: Non-operating income	6,147,915.42	8,367,278.63
Less: Non-operating expenses	31,003.66	458,602.82
IV. Total profit (Total loss listed with “-”)	37,913,506.98	90,712,633.03
Less: Income tax expenses	7,634,197.52	23,460,026.29
V. Net profit (Net loss listed with “-”)	30,279,309.46	67,252,606.74
(I) classification according to the continuity of operation		
1. Continuous operating net profit (Net loss listed with “-”)	30,279,309.46	67,252,606.74
2. Termination of net profit (Net loss listed with “-”)		
(II) Classification according to ownership		
1. Non-controlling interests	-17,671,845.24	3,214,746.73
2. Net profit attributable to shareholders of the parent company	47,951,154.70	64,037,860.01
VI. Net other comprehensive income after tax	-4,459,226.77	3,290,160.67
Net other comprehensive income after tax attributable to owners of the parent company	-4,187,408.51	3,225,343.09
(I) Other comprehensive income that can not be reclassified to profit or loss in subsequent periods		
1. Changes in net liabilities or net assets arising from the re- measurement of defined benefit plans		
2. Share of other comprehensive income of investee that will not be subsequently reclassified to profit or loss under equity method		

Item	Amount for the Period	Amount for the corresponding period of the previous year
(II) Other comprehensive income that will be subsequently reclassified to profit or loss	-4,187,408.51	3,225,343.09
1. Share of other comprehensive income of investee that will be subsequently reclassified to profit or loss under equity method		
2. Gains and losses from changes in fair value of available-for-sale financial assets	0.00	2,306,513.43
3. Gains and losses from held-to-maturity investment reclassified as available-for-sale financial assets		
4. Effective part of hedging gains and losses from cash flows		
5. Exchange differences from retranslation of financial statements	-4,187,408.51	918,829.66
6. Others		
Net other comprehensive income after tax attributable to minority interests	-271,818.26	64,817.58
VII. Total comprehensive income	25,820,082.69	70,542,767.41
Total comprehensive income attributable to shareholders of the parent company	43,763,746.19	67,263,203.10
Total comprehensive income attributable to minority interests	-17,943,663.50	3,279,564.31
VIII. Earnings per share:		
(I) Basic earnings per share (Yuan/share)	0.0486	0.0647
(II) Diluted earnings per share (Yuan/share)	0.0486	0.0647
<i>Legal representative:</i> Zhao Yanshui	<i>Chief financial officer:</i> Yao Weidong	<i>Accounting manager:</i> Zhou Juan

Income Statement of the Parent Company
January to March 2018

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	1,816,781,907.94	2,226,097,890.12
Less: Operating cost	1,637,378,670.81	2,023,610,086.81
Taxes and surcharges	5,298,847.93	4,263,058.80
Selling expenses	6,936,083.04	30,161,618.60
Administrative expenses	96,462,870.31	117,933,543.59
Financial expenses	-18,383,766.58	9,577,626.96
Loss on impairment of assets	28,178,946.15	9,878,485.93
Add: Gain arising from the changes in fair value (Loss listed with“-”)	-26,200,000.00	4,197,000.00
Investment income (Loss listed with“-”)	11,667,193.57	2,431,365.85
Including: Income from investments in associates and joint ventures	667,193.57	3,110,415.59
Gain on disposal of assets (Loss listed with“-”)	407,766.97	48,613.12
Other gains	2,934,256.13	0.00
II. Operating profit (Loss listed with“-”)	49,719,472.95	37,350,448.40
Add: Non-operating income	5,693,591.16	3,450,531.51
Less: Non-operating expenses	5,538.67	253,478.23
III. Total profit (Total loss listed with“-”)	55,407,525.44	40,547,501.68
Less: Income tax expenses	0.00	6,142,484.82
IV. Net profit (Net loss listed with“-”)	55,407,525.44	34,405,016.86
(I) Continuous operating net profit (Net loss listed with“-”)	55,407,525.44	34,405,016.86
(II) Termination of net profit (Net loss listed with“-”)		

Item	Amount for the Period	Amount for the corresponding period of the previous year
V. Net other comprehensive income after tax	0.00	1,153,450.00
(I) Other comprehensive income that can not be reclassified to profit or loss in subsequent periods		
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans		
2. Share of other comprehensive income of investee that will not be subsequently reclassified to profit or loss under equity method		
(II) Other comprehensive income that will be subsequently reclassified to profit or loss	0.00	1,153,450.00
1. Share of other comprehensive income of investee that will be subsequently reclassified to profit or loss under equity method		
2. Gains and losses from changes in fair value of available-for-sale financial assets	0.00	1,153,450.00
3. Gains and losses from held-to-maturity investment reclassified as available-for-sale financial assets		
4. Effective part of hedging gains and losses from cash flows		
5. Exchange differences from retranslation of financial statements		
6. Others		
VI. Total comprehensive income	55,407,525.44	35,558,466.86
VII. Earnings per share:		
(I) Basic earnings per share (<i>Yuan/share</i>)		
(II) Diluted earnings per share (<i>Yuan/share</i>)		

Legal representative:
Zhao Yanshui

Chief financial officer:
Yao Weidong

Accounting manager:
Zhou Juan

Consolidated Cash Flow Statement

January to March 2018

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	1,558,243,409.59	2,068,824,107.97
Net increase in deposits from customers and deposits from other banks	-193,984,490.53	16,610,527.84
Net increase in loans from central bank		
Net increase in loans from other financial institutions	-200,000,000.00	-250,000,000.00
Cash receipts of premium of direct insurance contracts		
Net cash received from reinsurance contracts		
Net increase in deposits from insurance policy holders and investment		
Net increase in disposal of financial assets at fair value through profit or loss		
Cash receipts of interest, fees and commission	34,851,965.84	28,932,638.96
Net increase in placement from banks and other financial institution		
Net increase in sales and repurchase operations	10,715,810.72	248,593,093.37
Cash received from taxes refund	24,714,463.73	13,257,063.85
Cash received relating to other operating activities	17,380,738.69	46,267,425.51
Sub-total of cash inflows from operating activities	1,251,921,898.04	2,172,484,857.50

Item	Amount for the Period	Amount for the corresponding period of the previous year
Cash paid for goods and services	1,371,296,245.75	1,809,924,118.55
Net increase in loans and disbursement to customers	42,775,123.17	143,241,674.66
Net increase in deposit with central bank and inter-banks	-9,925,617.30	1,162,736.95
Cash paid for claims of direct insurance contracts		
Cash paid for interest, fee and commission	11,723,383.32	2,781,641.12
Cash paid for dividends of insurance policies		
Cash paid to and on behalf of employees	296,685,237.02	323,237,438.41
Payments of taxes and surcharges	22,837,496.88	53,497,415.36
Cash paid relating to other operating activities	143,199,124.98	153,706,422.89
Sub-total of cash outflows from operating activities	<u>1,878,590,993.82</u>	<u>2,487,551,447.94</u>
Net cash flows from operating activities	<u><u>-626,669,095.78</u></u>	<u><u>-315,066,590.44</u></u>

Item	Amount for the Period	Amount for the corresponding period of the previous year
II. Cash flows from investment activities:		
Cash received from return of investments	850,000,000.00	0.00
Cash received from investments income	18,364,303.41	251,250.00
Net cash received from disposal of fixed assets, intangible assets and other long- term assets	1,208,721.85	1,044,960.83
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	2,750,000.00	11,900,000.00
Sub-total of cash inflows from investing activities	872,323,025.26	13,196,210.83
Cash paid to acquire fixed assets, intangible assets and other long-term assets	84,043,722.16	56,333,414.79
Cash paid for investments	115,620,000.00	118,000,895.64
Net increase in pledged deposits		
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities		
Sub-total of cash outflow from investing activities	199,663,722.16	174,334,310.43
Net cash flows from investing activities	672,659,303.10	-161,138,099.60

Item	Amount for the Period	Amount for the corresponding period of the previous year
III. Cash flows from financing activities:		
Cash received from investment absorption Including: Cash received by subsidiaries from investment absorption of minority interest		
Cash received from loans granted	150,000,000.00	36,722,250.00
Cash received from issue of bonds		
Cash received relating to other financing activities		
Sub-total of cash inflows from financing activities	<u>150,000,000.00</u>	<u>36,722,250.00</u>
Cash paid for settlement of borrowings	800,000,000.00	14,688,900.00
Cash paid for dividends, profits appropriation or payments of interest	63,272,439.99	54,199,997.25
Including: Dividends and profits paid to minority interests		
Cash paid relating to other financing activities	0.00	<u>3,578,184.74</u>
Sub-total of cash outflows from financing activities	<u>863,272,439.99</u>	<u>72,467,081.99</u>
Net cash flows from financing activities	<u><u>-713,272,439.99</u></u>	<u><u>-35,744,831.99</u></u>
IV. Effect of changes in foreign exchange rate on cash and cash equivalents		
	<u>-3,575,873.62</u>	<u>556,929.28</u>
V. Net increase in cash and cash equivalents		
Add: Cash and cash equivalents at the beginning of the reporting period	<u>2,946,734,827.85</u>	<u>2,894,305,807.48</u>
VI. Cash and cash equivalents at the end of the reporting period		
	<u><u>2,275,876,721.56</u></u>	<u><u>2,382,913,214.73</u></u>
<i>Legal representative:</i> Zhao Yanshui	<i>Chief financial officer:</i> Yao Weidong	<i>Accounting manager:</i> Zhou Juan

Cash Flow Statement of the Parent Company
January to March 2018

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	1,248,975,848.40	1,448,686,086.02
Cash received from taxes refund	3,055,710.07	1,981,812.58
Cash received relating to other operating activities	4,661,712.87	118,278,260.41
	<u>1,256,693,271.34</u>	<u>1,568,946,159.01</u>
Sub-total of cash inflows from operating activities	1,256,693,271.34	1,568,946,159.01
Cash paid for goods and services	1,169,971,608.30	1,517,083,657.18
Cash paid to and on behalf of employees	167,457,860.93	169,827,696.76
Payments of taxes and surcharges	4,318,444.80	19,843,372.77
Cash paid relating to other operating activities	41,102,054.19	62,557,309.95
	<u>1,382,849,968.22</u>	<u>1,769,312,036.66</u>
Sub-total of cash outflows from operating activities	1,382,849,968.22	1,769,312,036.66
Net cash flows from operating activities	<u><u>-126,156,696.88</u></u>	<u><u>-200,365,877.65</u></u>

Item	Amount for the Period	Amount for the corresponding period of the previous year
II. Cash flows from investment activities:		
Cash received from return of investments	891,000,000.00	10,000,000.00
Cash received from investments income	48,620,249.59	6,616,525.02
Net cash received from disposal of fixed assets, intangible assets and other long- term assets	3,590,072.56	1,072,212.24
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	2,750,000.00	11,900,000.00
Sub-total of cash inflows from investing activities	945,960,322.15	29,588,737.26
Cash paid to acquire fixed assets, intangible assets and other long-term assets	70,729,376.13	24,267,695.07
Cash paid for investments	39,500,000.00	193,976,000.00
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities		
Sub-total of cash outflow from investing activities	110,229,376.13	218,243,695.07
Net cash flows from investing activities	835,730,946.02	-188,654,957.81

Item	Amount for the Period	Amount for the corresponding period of the previous year
III. Cash flows from financing activities:		
Cash received from investment absorption		
Cash received from loans granted	300,000,000.00	0.00
Cash received relating to other financing activities		
	<hr/>	<hr/>
Sub-total of cash inflows from financing activities	300,000,000.00	0.00
	<hr/>	<hr/>
Cash paid for settlement of borrowings	1,000,000,000.00	0.00
Cash paid for dividends, profits appropriation or payments of interest	69,697,993.77	52,399,176.91
Cash paid relating to other financing activities	11,000.00	3,578,184.74
	<hr/>	<hr/>
Sub-total of cash outflows from financing activities	1,069,708,993.77	55,977,361.65
	<hr/>	<hr/>
Net cash flows from financing activities	<u>-769,708,993.77</u>	<u>-55,977,361.65</u>
IV. Effect of changes in foreign exchange rate on cash and cash equivalents		
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	5,261.81	0.00
V. Net increase in cash and cash equivalents		
Add: Cash and cash equivalents at the beginning of the reporting period	2,453,757,053.43	1,878,879,800.16
	<hr/>	<hr/>
VI. Cash and cash equivalents at the end of the reporting period	<u>2,393,627,570.61</u>	<u>1,433,881,603.05</u>
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<i>Legal representative:</i> Zhao Yanshui	<i>Chief financial officer:</i> Yao Weidong	<i>Accounting manager:</i> Zhou Juan