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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 THIRD 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 confirm that there are no false information, misleading statements or material omissions contained in this quarterly report, and severally and jointly accept 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 confirmed the truthfulness, accuracy and completeness of the financial statements in this quarterly report.
- 1.4. This third quarterly report of the Company is unaudited.

## II. DEFINITIONS

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

“A Share(s)”	means	ordinary share(s) 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)
“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
“Shanghai Stock Exchange”	means	The Shanghai Stock Exchange
“Stock Exchange”	means	The Stock Exchange of Hong Kong Limited
“YTO”	means	YTO Group Corporation (中國一拖集團有限公司), the controlling shareholder of the Company
“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

*Unit: Yuan Currency: RMB*

	<b>As at the end of the Reporting Period (30 September 2018)</b>	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	<b>14,152,202,706.94</b>	14,102,773,527.68	0.35
Net assets attributable to shareholders of the Company	<b>4,863,571,215.36</b>	4,797,305,395.91	1.38
	<b>From the beginning of the year to the end of the Reporting Period (January to September 2018)</b>	From the beginning of the previous year to the end of the reporting period of the previous year (January to September 2017)	Year-on-year increase/decrease (%)
Net cash flows from operating activities	<b>-388,513,300.13</b>	-642,333,823.12	N/A
	<b>From the beginning of the year to the end of the Reporting Period (January to September 2018)</b>	From the beginning of the previous year to the end of the reporting period of the previous year (January to September 2017)	Year-on-year increase/decrease (%)
Operating revenue	<b>4,833,691,480.45</b>	6,035,953,166.83	-19.92
Net profit attributable to shareholders of the Company	<b>-396,965,372.67</b>	73,406,184.76	-640.78
Net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss	<b>-517,992,816.20</b>	-71,349,089.96	N/A
Weighted average return on net assets (%)	<b>-7.85</b>	1.51	Decreased by 9.36 percentage points
Basic earnings per share (RMB/share)	<b>-0.4027</b>	0.0743	-641.99
Diluted earnings per share (RMB/share)	<b>-0.4027</b>	0.0743	-641.99

## Non-recurring profit or loss items and amounts

Unit: Yuan Currency: RMB

Item	Amount for the period (July to September 2018)	Amount from the beginning of the year to the end of the Reporting Period (January to September 2018)
Profit or loss from disposal of non-current assets	565,491.57	1,063,349.26
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)	4,300,840.66	18,646,154.73
Gain or loss from debt restructuring	195,647.18	3,481,578.34
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 ordinary business)	33,746,203.12	113,744,164.49
Non-operating income and expenses other than those stated above	1,269,928.76	4,298,675.60
Effect of minority shareholders' interests (after tax)	3,734,883.06	-6,402,226.09
Effect of income tax	-9,187,562.16	-13,804,252.80
<b>Total</b>	<b>34,625,432.19</b>	<b>121,027,443.53</b>

**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*

32,366

**Total number of shareholders** (Including 32,002 shareholders of A Shares and 364 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	Percentage (%)	Number of shares held with selling restriction	Subject to pledge or moratorium		Nature of shareholders
				Status of shares	Number	
YTO Group Corporation	410,690,578	41.66	0	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED <i>(Note 1)</i>	388,049,399	39.36	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
Hong Kong Securities Clearing Company Limited <i>(Note 2)</i>	3,122,749	0.32	0	Unknown	/	Overseas legal person
Xu Zuquan	2,300,000	0.23	0	Unknown	/	Domestic natural person
Li Haoxuan	1,648,865	0.17	0	Unknown	/	Domestic natural person
Yang Zhihong	885,001	0.09	0	Unknown	/	Domestic natural person
Li Tingxiang	861,000	0.09	0	Unknown	/	Domestic natural person
Yang Yihong	801,274	0.08	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 <i>(Note 1)</i>	388,049,399	Overseas listed foreign shares	388,049,399
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 <i>(Note 2)</i>	3,122,749	Ordinary shares denominated in RMB	3,122,749
Xu Zuquan	2,300,000	Ordinary shares denominated in RMB	2,300,000
Li Haoxuan	1,648,865	Ordinary shares denominated in RMB	1,648,865
Yang Zhihong	885,001	Ordinary shares denominated in RMB	885,001
Li Tingxiang	861,000	Ordinary shares denominated in RMB	861,000
Yang Yihong	801,274	Ordinary shares denominated in RMB	801,274

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, 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.

### 3.3 Table of total number of preferential shareholders, shareholdings of the top ten preferential shareholders and the top ten preferential shareholders without selling restriction as at the end of the Reporting Period

The Company had no preference shares during the period.

## 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	As at the end of the previous year	Percentage changes (%)	Reasons
Monetary funds	<b>203,572</b>	329,298	-38.18	Mainly affected by the repayment of the mature corporate bonds during the year
Loans to banks and other financial institutions	<b>20,000</b>	0	N/A	Lending to banks and other financial institutions made by YTO Finance during the period
Held-for-trading Financial assets	<b>91,311</b>	22,861	299.42	Adjustment to the classification of financial instruments made in accordance with the New Standards
Advances to suppliers	<b>14,696</b>	23,370	-37.12	Decrease in purchasing prepayment during the period
Financial assets purchased with agreement to re-sale	<b>0</b>	8,021	-100.00	Decrease in financial assets purchased with agreement to re-sale of YTO Finance
Inventories	<b>158,208</b>	116,768	35.49	Increase in inventories due to the effects of the increase in the price of raw materials, etc. during the period
Long-term receivables	<b>32,398</b>	0	N/A	Receivables arising from sale of goods with financing nature
Short-term loans	<b>299,308</b>	203,388	47.16	Increase in short-term loans during the period
Loans from other banks	<b>0</b>	30,000	-100.00	Repayment of loans from other banks by YTO Finance during the period
Derivative financial liabilities	<b>0</b>	1,280	-100.00	Maturity of foreign exchange swap settlement contract during the period
Notes payable and accounts payable	<b>297,353</b>	228,583	30.09	Procurement settlement not yet due during the period
Advance from customers	<b>16,161</b>	23,622	-31.58	Sales for advances from customers as at the end of last year materialized during the period

<b>Consolidated balance sheet items</b>	<b>As at the end of the period</b>	<b>As at the end of the previous year</b>	<b>Percentage changes (%)</b>	<b>Reasons</b>
Interest payable	<b>1,617</b>	6,186	-73.86	Payment of interests on the corporate bonds during the period
Non-current liabilities due within one year	<b>4,233</b>	152,204	-97.22	Repayment of corporate bonds during the period
Other current liabilities	<b>4,584</b>	9,784	-53.15	Decrease in accrued expenses during the period
Long-term loans	<b>89,671</b>	68,901	30.14	Additional long-term loans obtained during the period
Estimated liabilities	<b>332</b>	1,370	-75.77	Repayment of part of accounts payable upon signing of the debt restructuring agreement during the period
Deferred tax liabilities	<b>13,394</b>	2,874	366.04	Gain on changes in fair value of financial assets recognized as per New Standards and provision made for relevant deferred income tax liabilities
Other comprehensive income	<b>-855</b>	-1,627	N/A	Decrease in exchange differences from retranslation of foreign currency financial statements due to the changes in foreign exchange rate during the period

<b>Consolidated income statement items</b>	<b>Amount for the period (January to September)</b>	<b>For the corresponding period of the previous year (January to September)</b>	<b>Percentage changes (%)</b>	<b>Reasons</b>
Interest expenses	<b>1,846</b>	993	85.90	Increase in interest expenses paid by YTO Finance during the period
Fees and commission expense	<b>28</b>	17	64.71	Increase in fees and commission expense paid by YTO Finance during the period
Financial expenses	<b>7,659</b>	4,380	74.86	Year-on-year increase in interest expenses paid to external banks during the period
Loss on impairment of assets	<b>3,984</b>	-470	N/A	Increase in inventories and year-on-year increase in provision for depreciation during the period
Loss on credit impairment	<b>1,519</b>	3,260	-53.40	Decrease in accounts receivable and loss on bad debts during the period
Other gains	<b>1,784</b>	2,429	-26.55	Decrease in government grants during the period
Investment income	<b>1,640</b>	14,757	-88.89	Investment income from disposal of subsidiaries in the corresponding period of last year while no such income during the period
Gain arising from the changes in fair value	<b>10,214</b>	-1,328	N/A	Increase in the value of foreign exchange swap settlement contract and recognition of income from Bank of Luoyang and Luoyin Leasing held by the Company as financial assets in accordance with the New Standards during the period
Gain on disposal of assets	<b>106</b>	-48	N/A	Gain on disposal of fixed assets during the period
Non-operating income	<b>951</b>	4,626	-79.44	Write-off of accounts payable in the corresponding period of last year
Non-operating expenses	<b>93</b>	1,157	-91.96	Expenses arising from “water supply, power supply, heat supply and property management” paid in the corresponding period of last year while no such expenses during the period

<b>Consolidated cash flow statement items</b>	<b>Amount for the period (January to September)</b>	<b>For the corresponding period of the previous year (January to September)</b>	<b>Percentage changes (%)</b>	<b>Reasons</b>
Net cash flows from operating activities	<b>-38,851</b>	-64,233	N/A	Year-on-year decrease in cash outflow from operating activities due to receipt of return of value-added tax left for deduction during the period
Net cash flows from investing activities	<b>-33,013</b>	-35,781	N/A	Year-on-year decrease in the cash payments for the acquisition of fixed assets and intangible assets during the period
Net cash flows from financing activities	<b>-50,381</b>	72,934	-169.08	Repayment of corporate bonds and year-on-year increase in cash outflow from financing activities during the period

## **4.2 Analysis and explanation of progress and impact of significant events and solutions**

1. YTO Group Corporation, the controlling shareholder of the Company, has proposed to issue exchangeable corporate bonds by using part of the A shares of the Company held by it as the underlying subject for exchange and received the No-objection Letter Concerning the Listing and Transfer of the Exchangeable Corporate Bonds of YTO Group Corporation\* Issued by Way of Non-public Issuance (Shang Zheng Han [2018] No. 665) from the Shanghai Stock Exchange. For details, please refer to the Announcement on Receipt of No-objection Letter from the Shanghai Stock Exchange in Respect of the Non-public Issuance of Exchangeable Corporate Bonds by the Controlling Shareholder of the Company published by the Company on the website of the Shanghai Stock Exchange on 5 July 2018, and on the website of the Stock Exchange on 4 July 2018.
2. On 10 August 2018, as considered and approved at the 21st meeting of the seventh session of the Board of the Company, the Company listed the 93.39% equity interests and creditor's rights held by the Company in YTO (Luoyang) Handling Machinery Co., Ltd. on the China Beijing Equity Exchange for transfer. For details, please refer to the Announcement on Pre-listing for Disposal of Equity Interests and Creditor's Rights of a Controlled Subsidiary of the Company, the Announcement on Resolutions Passed at the 21st Meeting of the Seventh Session of the Board of the Company and the Announcement on Progress of Listing for Disposal of Equity Interests and Creditor's Rights of a Controlled Subsidiary of the Company published by the Company on the website of the Shanghai Stock Exchange on 7 August 2018, 11 August 2018 and 14 September 2018 respectively, and on the website of the Stock Exchange on 6 August 2018, 10 August 2018 and 13 September 2018 respectively.

#### **4.3 Explanation on the warnings on and reason for any potential accumulated net loss for the period from the beginning of the year to the end of next reporting period or any material changes in accumulated net profit from the corresponding period of last year**

In 2018, the tractors market continued the down trend since last year. It is expected that both the tractor industry and the year-on-year sales volume of the Company's products will suffer a remarkable decline for the whole year. Meanwhile, the increase in the price of raw materials resulted in the increase in the costs of products of the Company. It is expected that the Company will record accumulated net loss for the period from the beginning of the year to the end of next reporting period as compared with the profit for the corresponding period of last year.

Further details will be disclosed in the annual results announcement for the year ended 31 December 2018 and the 2018 annual report of the Company. The Company will also comply with all other relevant disclosure and applicable requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By Order of the Board  
**First Tractor Company Limited\***  
**Zhao Yanshui**  
*Chairman*

Luoyang, the PRC  
26 October 2018

*As at the date of this announcement, the Board comprises Mr. Zhao Yanshui (Chairman) and Mr. Wu Yong (vice Chairman) 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

## APPENDIX

### Financial Statements

#### Consolidated Balance Sheet

30 September 2018

Prepared by: First Tractor Company Limited

*Unit: Yuan    Currency: RMB    Audit type: unaudited*

<b>Item</b>	<b>Ending balance</b>	<b>Beginning balance</b>
<b>Current assets</b>		
Monetary Funds	<b>2,035,716,037.63</b>	3,292,984,287.50
Settlement reserves for balance		
Loans to banks and other financial institutions	<b>200,000,000.00</b>	0.00
Held-for-trading financial assets	<b>913,108,305.61</b>	228,608,179.91
Derivative financial assets		
Notes and accounts receivable	<b>1,693,090,040.37</b>	1,769,815,757.98
Including: Notes receivable	<b>615,174,993.79</b>	531,530,154.03
Accounts receivable	<b>1,077,915,046.58</b>	1,238,285,603.95
Advances to suppliers	<b>146,956,737.22</b>	233,704,609.47
Premium receivables		
Reinsurance receivables		
Reinsurance contract reserves receivable		
Other receivables	<b>113,541,936.74</b>	137,573,564.98
Including: Interest receivable	<b>14,984,420.87</b>	14,148,062.85
Dividends receivable		
Financial assets purchased with agreement to re-sale	<b>0.00</b>	80,207,776.70
Inventories	<b>1,582,076,393.34</b>	1,167,681,087.61
Contractual assets		
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	<b>1,691,042,592.59</b>	1,694,694,921.00
<b>Total current assets</b>	<b><u>8,375,532,043.50</u></b>	<b><u>8,605,270,185.15</u></b>

Item	Ending balance	Beginning balance
<b>Non-current assets:</b>		
Loans and advances to customers	<b>984,858,164.01</b>	934,741,824.37
Debt investments	<b>57,982,875.67</b>	58,344,519.48
Other debt investments		
Long-term receivables	<b>323,983,403.02</b>	0.00
Long-term equity investments	<b>134,861,733.40</b>	141,468,273.42
Other investment in equity instruments		
Other non-current financial assets		
Investment properties		
Fixed assets	<b>2,874,223,383.41</b>	3,030,222,384.21
Construction in progress	<b>376,544,139.02</b>	290,749,376.91
Productive biological assets		
Oil and gas assets		
Intangible assets	<b>850,603,158.20</b>	859,721,089.66
Research and development expenses		
Goodwill		
Long-term deferred expenses	<b>40,602,670.65</b>	46,023,240.72
Deferred income tax assets	<b>133,011,136.06</b>	136,232,633.76
Other non-current assets		
	-----	-----
<b>Total non-current assets</b>	<b><u><u>5,776,670,663.44</u></u></b>	<b><u><u>5,497,503,342.53</u></u></b>
<b>Total assets</b>	<b><u><u>14,152,202,706.94</u></u></b>	<b><u><u>14,102,773,527.68</u></u></b>

Item	Ending balance	Beginning balance
<b>Current liabilities:</b>		
Short-term loans	<b>2,993,081,265.90</b>	2,033,879,689.22
Borrowings from central bank		
Receipts of deposits and deposits from other banks	<b>712,298,826.65</b>	780,195,528.74
Loans from other banks	<b>0.00</b>	300,000,000.00
Held-for-trading financial liabilities		
Derivative financial liabilities	<b>0.00</b>	12,800,000.00
Notes payable and accounts payable	<b>2,973,529,987.59</b>	2,285,832,053.25
Advance from customers	<b>161,613,089.11</b>	236,220,968.60
Contractual liabilities		
Funds from selling out and repurchasing financial assets		
Fee and commission payable		
Employee salary payable	<b>122,699,588.57</b>	123,521,513.29
Taxes payable	<b>21,540,256.15</b>	17,361,319.90
Other payables	<b>303,109,872.43</b>	337,984,403.58
Including: Interest payable	<b>16,167,560.15</b>	61,862,938.69
Dividends payable	<b>55.83</b>	55.83
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	<b>42,334,479.21</b>	1,522,040,174.73
Other current liabilities	<b>45,839,322.76</b>	97,842,469.33
<b>Total current liabilities</b>	<b><u>7,376,046,688.37</u></b>	<b><u>7,747,678,120.64</u></b>

Item	Ending balance	Beginning balance
<b>Non-current liabilities:</b>		
Long-term loans	<b>896,714,000.00</b>	689,011,500.00
Bonds payable		
Including: Preference shares		
Perpetual bond		
Long-term payables		
Long-term employee salary payable		
Estimated Liabilities	<b>3,321,156.24</b>	13,699,471.42
Deferred income	<b>181,020,781.78</b>	184,660,141.13
Deferred tax liabilities	<b>133,935,466.74</b>	28,741,816.43
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b><u>1,214,991,404.76</u></b>	<b><u>916,112,928.98</u></b>
<b>Total liabilities</b>	<b><u>8,591,038,093.13</u></b>	<b><u>8,663,791,049.62</u></b>
<b>Owner's equity (or shareholder's equity)</b>		
Paid-up capital (or share capital)	<b>985,850,000.00</b>	985,850,000.00
Other equity instruments		
Including: Preference shares		
Perpetual bond		
Capital reserves	<b>2,099,632,613.11</b>	2,099,632,613.11
Less: Treasury shares		
Other comprehensive income	<b>-8,549,949.39</b>	-16,268,084.50
Special reserves	<b>3,678,276.73</b>	3,674,350.81
Surplus reserves	<b>438,442,350.67</b>	438,442,350.67
General risk reserves	<b>12,754,318.98</b>	12,754,318.98
Retained earnings	<b>1,331,763,605.26</b>	1,273,219,846.84
Total equity attributable to shareholders of the parent company	<b>4,863,571,215.36</b>	4,797,305,395.91
Minority interests	<b>697,593,398.45</b>	641,677,082.15
<b>Total owner's equity (or shareholder's equity)</b>	<b><u>5,561,164,613.81</u></b>	<b><u>5,438,982,478.06</u></b>
<b>Total liabilities and owner's equity (or shareholder's equity)</b>	<b><u>14,152,202,706.94</u></b>	<b><u>14,102,773,527.68</u></b>

*Legal Representative:*  
**Zhao Yanshui**

*Chief Financial Officer:*  
**Yao Weidong**

*Accounting Manager:*  
**Zhou Juan**

## Balance Sheet of the Parent Company

30 September 2018

Prepared by: First Tractor Company Limited

Unit: Yuan    Currency: RMB    Audit type: unaudited

Item	Ending balance	Beginning balance
<b>Current assets:</b>		
Monetary Funds	<b>1,762,270,744.96</b>	2,674,257,804.79
Held-for-trading financial assets	<b>153,642,679.14</b>	110,000,000.00
Derivative financial assets		
Notes and accounts receivable	<b>1,675,285,188.23</b>	1,442,677,748.61
Including: Notes receivable	<b>272,399,179.67</b>	246,333,654.83
Accounts receivable	<b>1,402,886,008.56</b>	1,196,344,093.78
Advances to suppliers	<b>108,278,006.33</b>	339,783,445.58
Other receivables	<b>36,058,199.75</b>	163,423,305.75
Including: Interest receivable	<b>8,664,555.31</b>	19,894,867.06
Dividends receivable	<b>0.00</b>	96,722,501.47
Inventories	<b>869,085,490.79</b>	505,348,099.92
Contractual assets		
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	<b>2,055,634,260.96</b>	1,526,967,161.19
<b>Total current assets</b>	<b><u>6,660,254,570.16</u></b>	<b><u>6,762,457,565.84</u></b>

Item	Ending balance	Beginning balance
<b>Non-current assets:</b>		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	2,849,002,810.29	2,980,116,241.67
Other investment in equity instruments		
Other non-current financial assets		
Investment properties		
Fixed assets	1,563,786,964.54	1,656,170,735.96
Construction in progress	242,004,725.24	192,776,115.52
Productive biological assets		
Oil and gas assets		
Intangible assets	540,158,249.26	541,384,568.49
Research and development expenses		
Goodwill		
Long-term deferred expenses	34,409,517.42	40,574,570.02
Deferred income tax assets	25,941,384.42	22,469,834.47
Other non-current assets		
	-----	-----
<b>Total non-current assets</b>	<b><u>5,255,303,651.17</u></b>	<b><u>5,433,492,066.13</u></b>
<b>Total assets</b>	<b><u>11,915,558,221.33</u></b>	<b><u>12,195,949,631.97</u></b>

Item	Ending balance	Beginning balance
<b>Current liabilities:</b>		
Short-term loans	<b>3,499,283,000.00</b>	2,578,420,000.00
Held-for-trading financial liabilities		
Derivative financial liabilities	<b>0.00</b>	12,800,000.00
Notes payable and accounts payable	<b>2,063,295,191.67</b>	1,746,049,820.24
Advance from customers	<b>139,058,975.54</b>	175,265,170.24
Contractual liabilities		
Employee salary payable	<b>45,716,439.50</b>	48,217,318.16
Taxes payable	<b>4,304,533.37</b>	7,556,819.53
Other payables	<b>196,019,183.53</b>	246,551,923.54
Including: Interest payable	<b>0.00</b>	53,352,451.24
Dividends payable	<b>0.00</b>	0.00
Liabilities classified as held for sale		
Non-current liabilities due within one year	<b>36,592,363.64</b>	1,516,708,059.16
Other current liabilities	<b>9,616,503.53</b>	8,801,794.13
	<hr/>	<hr/>
<b>Total current liabilities</b>	<b><u>5,993,886,190.78</u></b>	<b><u>6,340,370,905.00</u></b>

Item	Ending balance	Beginning balance
<b>Non-current liabilities:</b>		
Long-term loans	820,000,000.00	650,000,000.00
Bonds payable		
Including: Preference shares		
Perpetual bond		
Long-term payables		
Long-term employee salary payable		
Estimated Liabilities	3,321,156.24	13,699,471.42
Deferred income	124,352,511.55	125,589,939.30
Deferred tax liabilities	6,546,401.87	0.00
Other non-current liabilities		
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b>954,220,069.66</b>	<b>789,289,410.72</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Total liabilities</b>	<b>6,948,106,260.44</b>	<b>7,129,660,315.72</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Owner's equity (or shareholder's equity)</b>		
Paid-up capital (or 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		
Other comprehensive income		
Special reserves		
Surplus reserves	363,949,066.84	363,949,066.84
Retained earnings	1,612,859,848.10	1,711,697,203.46
	<hr/>	<hr/>
<b>Total owner's equity (or shareholder's equity)</b>	<b>4,967,451,960.89</b>	<b>5,066,289,316.25</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Total liabilities and owner's equity (or shareholder's equity)</b>	<b>11,915,558,221.33</b>	<b>12,195,949,631.97</b>
	<hr/> <hr/>	<hr/> <hr/>

*Legal Representative:*  
**Zhao Yanshui**

*Chief Financial Officer:*  
**Yao Weidong**

*Accounting Manager:*  
**Zhou Juan**

## Consolidated Income Statement

January to September 2018

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: unaudited

Item	Amount for the period (July–September)	Amount for the corresponding period of the previous year (July–September)	Amount from the beginning of the year to the end of the Reporting Period (January–September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January–September)
<b>I. Total operating revenue</b>	<b>1,363,556,199.23</b>	1,867,531,371.37	4,944,946,166.10	6,132,273,022.71
Including: Operating revenue	<b>1,324,273,514.96</b>	1,832,632,941.77	4,833,691,480.45	6,035,953,166.83
Interest income	<b>38,155,485.88</b>	34,761,063.67	109,071,123.04	95,936,783.76
Earned insurance premiums				
Fees and commission	<b>1,127,198.39</b>	137,365.93	2,183,562.61	383,072.12
<b>II. Total cost of operation</b>	<b>1,649,072,682.08</b>	1,943,089,909.48	5,456,777,203.27	6,213,014,918.27
Including: Cost of operation	<b>1,275,252,666.23</b>	1,566,235,208.64	4,408,934,844.44	5,139,921,770.74
Interest expenses	<b>11,772,835.75</b>	3,898,722.16	18,456,425.22	9,932,789.42
Fees and commission expense	<b>111,657.42</b>	81,807.00	280,728.92	173,993.59
Refunded premiums				
Net amount of compensation payout				
Net amount of reserves for reinsurance contract				
Policy dividend payment				
Reinsurance expenses				
Taxes and surcharges	<b>10,643,244.51</b>	9,704,697.80	35,546,072.35	35,320,537.09
Selling expenses	<b>82,364,660.54</b>	110,492,970.60	257,646,376.72	317,080,560.63
Administrative expenses	<b>133,725,228.22</b>	127,388,015.40	353,856,664.49	356,170,394.58
Research and development expenses	<b>88,766,351.43</b>	91,626,470.42	250,437,576.55	282,713,277.12
Financial expenses	<b>29,131,763.66</b>	25,273,262.45	76,585,197.30	43,801,135.53

Item	Amount for the period (July–September)	Amount for the corresponding period of the previous year (July–September)	Amount from the	Amount from the
			beginning of the year to the end of the Reporting Period (January–September)	beginning of the previous year to the end of the reporting period of the previous year (January–September)
Including: Interest expenses	<b>37,205,766.02</b>	36,916,811.85	110,260,971.30	96,295,220.44
Interest income	<b>451,554.09</b>	-7,708,579.71	-18,793,703.79	-24,004,799.16
Loss on impairment of assets	<b>28,515,495.93</b>	-1,404,303.10	39,839,036.73	-4,700,833.18
Loss on credit impairment	<b>-11,211,221.61</b>	9,793,058.11	15,194,280.55	32,601,292.75
Add: Other gains	<b>3,643,493.52</b>	4,165,265.39	17,844,807.59	24,291,556.97
Investment income				
(Loss listed with “-”)	<b>-969,166.41</b>	117,045,699.39	16,395,110.96	147,568,432.26
Including: Income from investments in associates and joint ventures	<b>-5,871,738.06</b>	-1,484,783.83	-7,236,589.88	377,554.31
Net gain on hedging exposure (Loss listed with “-”)				
Gain arising from the changes in fair value (Loss listed with “-”)	<b>29,103,117.25</b>	-5,670,326.13	102,143,285.29	-13,284,186.92
Gain on disposal of assets (Loss listed with “-”)	<b>565,491.57</b>	-90,542.86	1,063,349.26	-482,502.34
Exchange gain (Loss listed with “-”)				
<b>III. Operating profit (Loss listed with “-”)</b>	<b>-253,173,546.92</b>	39,891,557.68	-374,384,484.07	77,351,404.41
Add: Non-operating income	<b>2,624,856.08</b>	17,765,253.50	9,510,473.79	46,259,682.84
Less: Non-operating expenses	<b>501,933.00</b>	10,657,961.80	928,872.71	11,568,971.37
<b>IV. Total profit (Total loss listed with “-”)</b>	<b>-251,050,623.84</b>	46,998,849.38	-365,802,882.99	112,042,115.88
Less: Income tax expenses	<b>10,390,386.85</b>	10,363,205.03	48,592,856.98	40,688,587.15

Item	Amount for the period (July- September)	Amount for the corresponding period of the previous year (July-September)	Amount from the beginning of the year to the end of the Reporting Period (January- September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January- September)
<b>V. Net profit (Net loss listed with “-”)</b>	<b>-261,441,010.69</b>	36,635,644.35	-414,395,739.97	71,353,528.73
(I) Classification according to the continuity of operation				
1. Continuous operating net profit (Net loss listed with “-”)	<b>-261,441,010.69</b>	36,635,644.35	-414,395,739.97	71,353,528.73
2. Termination of net profit (Net loss listed with “-”)				
(II) Classification according to ownership				
1. Net profit attributable to shareholders of the parent company	<b>-251,985,491.02</b>	41,140,539.90	-396,965,372.67	73,406,184.76
2. Non-controlling interests	<b>-9,455,519.67</b>	-4,504,895.55	-17,430,367.30	-2,052,656.03
<b>VI. Net other comprehensive income after tax</b>	<b>8,062,526.24</b>	-13,289,794.41	8,404,247.05	-8,933,037.35
Net other comprehensive income after tax attributable to owners of the parent company	<b>7,404,037.69</b>	-12,813,045.39	7,718,135.10	-8,956,406.60
(I) Other comprehensive income that cannot be reclassified to profit or loss	<b>0.00</b>	0.00	0.00	0.00
1. Changes of re-measurement of defined benefit plans				
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method				
3. Changes in fair value of other investment in equity instruments				
4. Changes in fair value of the enterprise’s own credit risks				

Item	Amount for the period (July- September)	Amount for the corresponding period of the previous year (July-September)	Amount from the beginning of the year to the end of the Reporting Period (January- September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January- September)
(II) Other comprehensive income that will be reclassified to profit or loss	<b>7,404,037.69</b>	-12,813,045.39	7,718,135.10	-8,956,406.60
1. Other comprehensive income that can be reclassified into profit or loss under the equity method				
2. Changes in fair value of other debt investments	<b>0.00</b>	-12,792,363.25	0.00	-10,974,650.60
3. Amount of financial assets reclassified into other comprehensive income				
4. Provision for the credit impairment of other debt investments				
5. Reserves for cash flows hedges				
6. Differences on translation of foreign currency financial statements	<b>7,404,037.69</b>	-20,682.14	7,718,135.10	2,018,244.00
Net other comprehensive income after tax attributable to minority interests	<b>658,488.55</b>	-476,749.02	686,111.95	23,369.25
<b>VII. Total comprehensive income</b>	<b>-253,378,484.45</b>	23,345,849.94	-405,991,492.92	62,420,491.38
Total comprehensive income attributable to shareholders of the parent company	<b>-244,581,453.33</b>	28,327,494.51	-389,247,237.57	64,449,778.16
Total comprehensive income attributable to minority interests	<b>-8,797,031.12</b>	-4,981,644.57	-16,744,255.35	-2,029,286.78
<b>VIII. Earnings per share:</b>				
(I) Basic earnings per share ( <i>Yuan/share</i> )	<b>-0.2556</b>	0.0417	-0.4027	0.0743
(II) Diluted earnings per share ( <i>Yuan/share</i> )	<b>-0.2556</b>	0.0417	-0.4027	0.0743

*Legal Representative:*  
**Zhao Yanshui**

*Chief Financial Officer:*  
**Yao Weidong**

*Accounting Manager:*  
**Zhou Juan**

## Income Statement of the Parent Company

January to September 2018

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: unaudited

Item	Amount for the period (July–September)	Amount for the corresponding period of the previous year (July–September)	Amount from the beginning of the year to the end of the Reporting Period (January–September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January–September)
I. Operating revenue	<b>1,074,669,447.26</b>	1,474,213,372.05	3,909,987,561.83	4,512,863,194.81
Less: Cost of operation	<b>994,933,165.59</b>	1,288,894,390.15	3,442,709,858.87	4,022,942,364.46
Taxes and surcharges	<b>4,246,172.44</b>	2,490,528.05	14,197,558.97	12,598,304.50
Selling expenses	<b>11,467,512.44</b>	23,159,890.02	21,546,252.71	48,119,216.22
Administrative expenses	<b>60,893,761.35</b>	68,322,050.72	175,586,639.25	172,978,403.10
Research and development expenses	<b>72,992,437.38</b>	77,619,410.56	198,352,100.03	226,643,776.82
Financial expenses	<b>38,029,586.26</b>	4,758,058.93	68,055,862.35	1,266,072.57
Including: Interest expenses	<b>38,531,762.05</b>	38,783,827.67	120,324,045.09	93,288,189.87
Interest income	<b>-13,086,913.03</b>	-24,022,205.19	-64,190,835.24	-57,923,441.72
Loss on impairment of assets	<b>23,307,834.49</b>	-549,479.62	160,105,280.23	2,780,920.08
Loss on credit impairment	<b>-6,433,941.33</b>	6,156,193.27	25,569,530.06	15,449,056.31
Add: Other gains	<b>1,412,948.02</b>	3,288,280.45	8,841,813.61	16,142,844.27
Investment income (Loss listed with “-”)	<b>23,804,499.94</b>	12,767,710.71	33,574,200.62	14,757,730.24
Including: Income from investments in associates and joint ventures	<b>-5,994,500.06</b>	-1,511,320.36	-7,224,799.38	356,823.91
Net gain on hedging exposure (Loss listed with “-”)				
Gain arising from the changes in fair value (Loss listed with “-”)	<b>11,023,903.26</b>	-4,951,285.18	24,734,384.10	-14,833,000.00
Gain on disposal of assets (Loss listed with “-”)	<b>409,064.68</b>	28,774.15	963,908.59	144,291.35

Item	Amount for the period (July–September)	Amount for the corresponding period of the previous year (July–September)	Amount from the	Amount from the
			beginning of the year to the end of the Reporting Period (January–September)	beginning of the previous year to the end of the reporting period of the previous year (January–September)
<b>II. Operating profit (Loss listed with “-”)</b>	<b>-88,116,665.46</b>	14,495,810.10	-128,021,213.72	26,296,946.61
Add: Non-operating income	<b>1,189,365.04</b>	6,025,003.50	7,560,770.82	9,048,996.11
Less: Non-operating expenses	<b>157,455.00</b>	9,359,673.45	349,226.76	9,613,151.68
<b>III. Total profit (Total loss listed with “-”)</b>	<b>-87,084,755.42</b>	11,161,140.15	-120,809,669.66	25,732,791.04
Less: Income tax expenses	<b>903,585.49</b>	111,606.58	4,979,736.49	-4,187,411.06
<b>IV. Net profit (Net loss listed with “-”)</b>	<b>-87,988,340.91</b>	11,049,533.57	-125,789,406.15	29,920,202.10
(I) Continuous operating net profit (Net loss listed with “-”)	<b>-87,988,340.91</b>	11,049,533.57	-125,789,406.15	29,920,202.10
(II) Termination of net profit (Net loss listed with “-”)				
<b>V. Net other comprehensive income after tax</b>	<b>0.00</b>	-8,663,818.18	0.00	-7,685,893.18
(I) Other comprehensive income that cannot be reclassified to profit or loss	<b>0.00</b>	0.00	0.00	0.00
1. Changes of re-measurement of defined benefit plans				
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method				
3. Changes in fair value of other investment in equity instruments				
4. Changes in fair value of the enterprise’s own credit risks				

Item	Amount for the period (July- September)	Amount for the corresponding period of the previous year (July-September)	Amount from the beginning of the year to the end of the Reporting Period (January- September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January- September)
(II) Other comprehensive income that will be reclassified to profit or loss	0.00	-8,663,818.18	0.00	-7,685,893.18
1. Other comprehensive income that can be reclassified into profit or loss under the equity method				
2. Changes in fair value of other debt investments	0.00	-8,663,818.18	0.00	-7,685,893.18
3. Amount of financial assets reclassified into other comprehensive income				
4. Provision for the credit impairment of other debt investments				
5. Reserves for cash flows hedges				
6. Differences on translation of foreign currency financial statements				
<b>VI. Total comprehensive income</b>	<b>-87,988,340.91</b>	<b>2,385,715.39</b>	<b>-125,789,406.15</b>	<b>22,234,308.92</b>

**VII. Earnings per share:**

- (I) Basic earnings per share (*Yuan/share*)  
(II) Diluted earnings per share (*Yuan/share*)

**Legal Representative:**  
**Zhao Yanshui**

**Chief Financial Officer:**  
**Yao Weidong**

**Accounting Manager:**  
**Zhou Juan**

## Consolidated Cash Flow Statement

January to September 2018

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: unaudited

Item	Amount from the beginning of the year to the end of the Reporting Period (January–September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January–September)
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods and rendering of services	4,818,516,954.40	5,679,739,479.50
Net increase in deposits from customers and deposits from other banks	-67,896,702.09	327,320,350.37
Net increase borrowings from central bank		
Net increase in loans from other financial institutions	-500,000,000.00	-350,000,000.00
Cash from original insurance contract premium		
Net cash from reinsurance business		
Net increase of insured deposit and investment		
Net increase in disposal of financial assets at fair value through profit or loss	26,700,000.00	0.00
Interest, handling charges and commissions received	115,910,253.64	108,451,850.76
Net increase in placement from banks and other financial institution		
Net increase in sales and repurchase operations	80,207,776.70	-39,316,584.98
Refund of tax and levies	353,746,369.96	23,459,112.93
Cash received relating to other operating activities	48,626,252.42	75,759,333.87
<b>Sub-total of cash inflows from operating activities</b>	<b>4,875,810,905.03</b>	<b>5,825,413,542.45</b>

<b>Item</b>	<b>Amount from the beginning of the year to the end of the Reporting Period (January–September)</b>	<b>Amount from the beginning of the previous year to the end of the reporting period of the previous year (January–September)</b>
Cash paid for goods and services	<b>3,820,357,345.60</b>	4,903,583,022.37
Net increase in loans and disbursement to customers	<b>63,597,682.09</b>	127,041,111.55
Net increase in deposits with central bank and inter-banks	<b>-13,669,423.50</b>	22,912,424.52
Payments of claims for original insurance contracts		
Interests, handling charges and commissions paid	<b>22,452,531.07</b>	11,644,578.41
Cash paid for dividends of insurance policies		
Cash paid to and on behalf of employees	<b>863,217,377.11</b>	906,631,637.43
Payments of taxes and surcharges	<b>76,291,740.35</b>	157,472,600.53
Cash paid relating to other operating activities	<b>432,076,952.44</b>	338,461,990.76
<b>Sub-total of cash outflows from operating activities</b>	<b><u>5,264,324,205.16</u></b>	<u>6,467,747,365.57</u>
<b>Net cash flows from operating activities</b>	<b><u><u>-388,513,300.13</u></u></b>	<b><u><u>-642,333,823.12</u></u></b>
<b>II. Cash flows from investment activities:</b>		
Cash received from return of investments	<b>765,000,000.00</b>	151,677,454.97
Cash received from investments income	<b>36,472,827.04</b>	66,924,628.57
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	<b>3,336,030.85</b>	2,724,443.84
Net cash received from disposals of subsidiaries and other business units	<b>0.00</b>	31,000,000.00
Cash received relating to other investing activities	<b>2,750,000.00</b>	18,900,000.00
<b>Sub-total of cash inflows from investing activities</b>	<b><u>807,558,857.89</u></b>	<u>271,226,527.38</u>

Item	Amount from the beginning of the year to the end of the Reporting Period (January– September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
Cash paid to acquire fixed assets, intangible assets and other long-term assets	188,445,991.94	277,037,389.31
Cash paid for investments	949,238,066.83	352,000,000.00
Net increase in pledged deposits		
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities		
<b>Sub-total of cash outflows from investing activities</b>	<b>1,137,684,058.77</b>	<b>629,037,389.31</b>
<b>Net cash flows from investing activities</b>	<b>-330,125,200.88</b>	<b>-357,810,861.93</b>
<b>III. Cash flows from financing activities:</b>		
Cash received from investment absorption Including: Cash received by subsidiaries from investment absorption of minority interest		
Cash received from borrowings	2,145,356,298.00	1,753,202,850.00
Cash received from issue of bonds		
Cash received relating to other financing activities		
<b>Sub-total of cash inflows from financing activities</b>	<b>2,145,356,298.00</b>	<b>1,753,202,850.00</b>
Cash paid for settlement of borrowings	2,487,392,918.56	834,039,641.52
Cash paid for dividends, profits appropriation or payments of interest	161,770,664.50	171,913,729.43
Including: Dividends and profits paid to minority interests		
Cash paid relating to other financing activities	0.00	17,910,139.34
<b>Sub-total of cash outflows from financing activities</b>	<b>2,649,163,583.06</b>	<b>1,023,863,510.29</b>
<b>Net cash flows from financing activities</b>	<b>-503,807,285.06</b>	<b>729,339,339.71</b>

<b>Item</b>	<b>Amount from the beginning of the year to the end of the Reporting Period (January–September)</b>	<b>Amount from the beginning of the previous year to the end of the reporting period of the previous year (January–September)</b>
<b>IV. Effect of changes in foreign exchange rate on cash and cash equivalents</b>	<b>-2,108,386.29</b>	627,669.64
<b>V. Net increase in cash and cash equivalents</b>	<b>-1,224,554,172.36</b>	-270,177,675.70
Add: Cash and cash equivalents at the beginning of the reporting period	<b>2,946,734,827.85</b>	2,894,305,807.48
<b>VI. Cash and cash equivalents at the end of the reporting period</b>	<b>1,722,180,655.49</b>	2,624,128,131.78

*Legal Representative:*  
**Zhao Yanshui**

*Chief Financial Officer:*  
**Yao Weidong**

*Accounting Manager:*  
**Zhou Juan**

## Cash Flow Statement of the Parent Company

January to September 2018

Prepared by: First Tractor Company Limited

Unit: Yuan    Currency: RMB    Audit type: unaudited

Item	Amount from the beginning of the year to the end of the Reporting Period (January–September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January–September)
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods and rendering of services	4,105,946,893.44	4,374,752,364.61
Refund of tax and levies	287,614,902.68	2,118,224.71
Other cash payments relating to operating activities	28,115,512.22	25,798,529.76
<b>Sub-total of cash inflows from operating activities</b>	<b>4,421,677,308.34</b>	<b>4,402,669,119.08</b>
Cash payments for goods purchased and services received	3,472,877,977.19	4,104,786,197.95
Cash paid to and on behalf of employees	460,967,144.45	462,968,478.55
Payments of taxes and surcharges	14,361,518.51	31,944,437.02
Other cash payments relating to operating activities	327,560,830.04	200,816,451.41
<b>Sub-total of cash outflows from operating activities</b>	<b>4,275,767,470.19</b>	<b>4,800,515,564.93</b>
<b>Net cash flows from operating activities</b>	<b>145,909,838.15</b>	<b>-397,846,445.85</b>

Item	Amount from the beginning of the year to the end of the Reporting Period (January– September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
<b>II. Cash flows from investment activities:</b>		
Cash received from return of investments	786,500,000.00	806,573,098.30
Cash received from investments income	199,836,290.95	57,359,708.98
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	5,047,585.32	2,174,552.56
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	<u>2,750,000.00</u>	<u>18,900,000.00</u>
<b>Sub-total of cash inflows from investing activities</b>	<u><b>994,133,876.27</b></u>	<u>885,007,359.84</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	122,952,945.88	173,850,040.75
Cash paid for investments	1,508,500,000.00	1,295,636,428.97
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities		
<b>Sub-total of cash outflows from investing activities</b>	<u><b>1,631,452,945.88</b></u>	<u>1,469,486,469.72</u>
<b>Net cash flows from investing activities</b>	<u><b>-637,319,069.61</b></u>	<u><b>-584,479,109.88</b></u>

Item	Amount from the beginning of the year to the end of the Reporting Period (January– September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January– September)
<b>III. Cash flows from financing activities:</b>		
Cash received from investment absorption		
Cash received from borrowings	<b>3,578,183,000.00</b>	3,516,480,600.00
Cash received from issue of bonds		
Cash received relating to other financing activities		
	<hr/>	<hr/>
<b>Sub-total of cash inflows from financing activities</b>	<b>3,578,183,000.00</b>	3,516,480,600.00
	<hr/>	<hr/>
Cash paid for settlement of borrowings	<b>3,991,292,918.56</b>	1,985,136,441.52
Cash paid for dividends, profits appropriation or payments of interest	<b>176,575,657.47</b>	171,909,941.96
Cash paid relating to other financing activities	<b>125,500.00</b>	18,317,682.81
	<hr/>	<hr/>
<b>Sub-total of cash outflows from financing activities</b>	<b>4,167,994,076.03</b>	2,175,364,066.29
	<hr/>	<hr/>
<b>Net cash flows from financing activities</b>	<b>-589,811,076.03</b>	1,341,116,533.71
	<hr/> <hr/>	<hr/> <hr/>
<b>IV. Effect of changes in foreign exchange rate on cash and cash equivalents</b>	<b>15,507.25</b>	868,201.27
<b>V. Net increase in cash and cash equivalents</b>	<b>-1,081,204,800.24</b>	359,659,179.25
Add: Cash and cash equivalents at the beginning of the reporting period	<b>2,453,757,053.43</b>	1,878,879,800.16
<b>VI. Cash and cash equivalents at the end of the reporting period</b>	<b>1,372,552,253.19</b>	2,238,538,979.41

*Legal Representative:*  
**Zhao Yanshui**

*Chief Financial Officer:*  
**Yao Weidong**

*Accounting Manager:*  
**Zhou Juan**