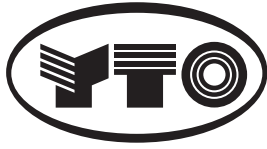


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第一拖拉机股份有限公司
FIRST TRACTOR COMPANY LIMITED*

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

(Stock Code: 0038)

2020 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 “Director(s)”), supervisors and senior management warrant that there are no false information, misleading statements or material omissions contained in this 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 Li Xiaoyu (person in charge of the Company), Zhao Junfen (person in charge of the accounting function) and Min Li (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:

Company	means	First Tractor Company Limited* (第一拖拉機股份有限公司)
Group	means	the Company and its controlled subsidiaries
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
A Share	means	ordinary shares as approved by the CSRC which are issued to domestic investors and qualified foreign investors, traded on domestic stock exchange, denominated, subscribed for and traded in RMB
H Share	means	ordinary shares as approved by the CSRC which are issued to foreign investors, and listed with the approval of the Stock Exchange, denominated in RMB, subscribed for and traded in Hong Kong dollars
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
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

III. BASIC INFORMATION OF THE COMPANY

3.1 Major financial data

Unit: Yuan Currency: RMB

	As at the end of the Reporting Period	As at the end of the previous year	Increase/Decrease as at the end of the Reporting Period as compared to the end of the previous year (%)
Total assets	11,675,503,446.65	11,629,022,385.51	0.40
Net assets attributable to shareholders of the Company	4,261,904,062.09	4,070,005,449.08	4.71
	From the beginning of the year to the end of the Reporting Period	From the beginning of the previous year to the end of the reporting period of the previous year	Year-on-year increase/decrease (%)
Net cash flows from operating activities	-76,312,396.98	197,909,701.91	N/A
	From the beginning of the year to the end of the Reporting Period	From the beginning of the previous year to the end of the reporting period of the previous year	Year-on-year increase/decrease (%)
Operating revenue	2,076,914,102.11	2,115,080,714.00	-1.80
Net profit attributable to shareholders of the Company	198,494,578.64	44,955,415.92	341.54
Net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss	189,963,019.81	7,896,075.22	2,305.79
Weighted average return on net assets (%)	4.76	1.12	Increased by 3.64 percentage points
Basic earnings per share (Yuan/share)	0.2013	0.0456	341.45
Diluted earnings per share (Yuan/share)	0.2013	0.0456	341.45

Non-recurring profit or loss items and amounts

Unit: Yuan Currency: RMB

Item	Amount for the period	Explanation
Profit or loss from disposal of non-current assets	-15,923.13	
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)	7,986,802.38	
Gain or loss on changes in fair value of held-for-trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities, and investment income from disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investments, other than effective hedging activities related to normal business operations of the Company	-2,068,791.27	
Non-operating income and expenses other than those stated above	940,177.13	
Gain or loss from other non-recurring items	1,764,215.51	Effect of the liquidation of a subsidiary
Effect of minority shareholders' interests (after tax)	-384,868.31	
Effect of income tax	309,946.52	
Total	8,531,558.83	

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 35,767
 Including 35,400 shareholders of A Shares
 and 367 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 Status of shares	Nature of shareholders Number
YTO Group Corporation	410,690,578	41.66	0	Nil	0 State-owned legal person
HKSCC NOMINEES LIMITED (Note 1)	387,747,319	39.33	0	Unknown	/ Overseas legal person
China Construction Bank Corporation Henan Province Branch	9,444,950	0.96	0	Unknown	/ Other
Hong Kong Securities Clearing Company Limited (Note 2)	6,427,953	0.65	0	Unknown	/ Overseas legal person
Luo Chunhua	1,500,100	0.15	0	Unknown	/ Domestic natural person
Tan Qiangjun	1,095,302	0.11	0	Unknown	/ Domestic natural person
Chen Haijun	1,079,000	0.11	0	Unknown	/ Domestic natural person
Beijing Tianyi Capital Management Company Limited-Tianyi Securities Investment Fund Tranche 3 (北京天乙合 資本管理 有限公司-天乙3期證券投資基金)	1,040,100	0.11	0	Unknown	/ Other
Lin Yue	1,018,900	0.10	0	Unknown	/ Domestic natural person
Cui Dong	852,782	0.09	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 (Note 1)	387,747,319	Overseas listed foreign shares	387,747,319
China Construction Bank Corporation Henan Province Branch	9,444,950	Ordinary shares denominated in RMB	9,444,950
Hong Kong Securities Clearing Company Limited (Note 2)	6,427,953	Ordinary shares denominated in RMB	6,427,953
Luo Chunhua	1,500,100	Ordinary shares denominated in RMB	1,500,100
Tan Qiangjun	1,095,302	Ordinary shares denominated in RMB	1,095,302
Chen Haijun	1,079,000	Ordinary shares denominated in RMB	1,079,000
Beijing Tianyi Capital Management Company Limited-Tianyi Securities Investment Fund Tranche 3 (北京天乙合資本管理有限公司-天乙3期證券投資基金)	1,040,100	Ordinary shares denominated in RMB	1,040,100
Lin Yue	1,018,900	Ordinary shares denominated in RMB	1,018,900
Cui Dong	852,782	Ordinary shares denominated in RMB	852,782
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.

IV. SIGNIFICANT EVENTS

4.1 Particulars of and reasons for material changes in major accounting statement items and financial indicators of the Company

Unit: Yuan Currency: RMB

Consolidated balance sheet items	Amount as at the end of the period	Amount as at the beginning of the period	Percentage changes (%)	Reasons
Notes receivable	518,593,957.45	352,201,737.77	47.24	Repayment of accepted bills received from sales of products are not yet due in the period
Accounts receivable	946,978,146.44	406,586,834.70	132.91	Increase in sales of products in the period
Advances to suppliers	83,779,474.60	175,282,225.34	-52.20	Settlement of part of the advances to suppliers due in the period
Accounts receivable	1,758,721,434.93	1,252,450,248.58	40.42	Payments of new procurement from the increase in sales volume and procurement amount of raw materials are not yet due in the period
Other current liabilities	333,099,995.42	225,466,269.20	47.74	Increase in sales discount recognized in the period
Other comprehensive income	-21,049,800.58	-14,198,180.13	N/A	Decrease in currency translation differences of the current period as compared to the beginning of the period
Retained earnings	727,946,257.55	529,451,678.91	37.49	Profit recognized in the period

Consolidated income statement items	Amount for the period	Amount for the corresponding period of the previous year	Percentage changes (%)	Reasons
Interest expenses	5,288,014.69	9,809,137.02	-46.09	Year-on-year decrease in deposits from customers of YTO Finance in the period
Administrative expenses	69,908,446.61	106,718,260.73	-34.49	The decrease of employee in the year and the year-on-year decrease of social insurance rates resulting the corresponding decrease in employees' remuneration in the period
Financial expenses	5,550,692.84	23,808,240.18	-76.69	The effect of the changes in the structure and scale of the Company's external long-and short-term borrowings
Other gains	7,914,802.38	12,034,903.87	-34.23	Year-on-year decrease of Government grants closely related with the normal operation of the Company in the period
Investment income	328,925,344.78	24,541,305.16	1,240.29	Investment income recognized as a result of the bankruptcy proceedings of YTO Shentong in the period
Gain arising from the changes in fair value	-2,068,791.27	-6,733,790.22	N/A	Loans in foreign currency were repaid in the previous year, and the related foreign currency forward exchange contracts were completed.
Loss on impairment of assets	-56,462,994.31	3,588,819.17	-1,673.30	Provision for the impairment of the long-term equity investments of the Company in YTO Shentong as a result of the bankruptcy proceedings of YTO Shentong in the period

Consolidated income statement items	Amount for the period	Amount for the corresponding period of the previous year	Percentage changes (%)	Reasons
Loss on credit impairment	-292,042,780.24	1,052,930.95	-27,836.18	Increase in the provision for the impairment loss of accounts receivable and designated loan of the Company from YTO Shentong as a result of the bankruptcy proceedings of YTO Shentong in the period
Non-operating income	1,014,089.48	12,410,866.87	-91.83	Year-on-year decrease of Government grants not closely related with the normal operation of the Company in the period
Income tax expenses	-19,466,126.47	4,394,700.81	-542.95	Deferred tax assets recognized as a result of Changxing Company provided for discount in the period

Consolidated cash flow statement items	Amount for the period	Amount for the corresponding period of the previous year	Percentage changes (%)	Reasons
Net cash flows from operating activities	-76,312,396.98	197,909,701.91	N/A	Year-on-year decrease in receipts of deposits of YTO Finance in the period
Net cash flows from investing activities	82,065,572.74	-86,369,148.25	N/A	Structured deposits due at maturing received in the period
Net cash flows from financing activities	-241,890,853.56	153,775,250.11	N/A	Repayment of bank borrowings in the period

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

The fifteenth meeting of the eighth session of the Board of the Company on 13 March 2020 considered and approved the “Resolution in Relation to the Related Party Transaction of the Undertaking of the R&D Project Commissioned by Sinomach Academy of Science and Technology Co., Ltd* (《關於公司接受國機集團科學技術研究院有限公司委託研發的關聯交易議案》)”, whereby the Company undertook the R&D project commissioned by Sinomach Academy of Science and Technology Co., Ltd* to commence the R&D of the key technology of universal harvesters, high-end machinery, corn harvesters and silage maize harvesters. As Sinomach Academy is the wholly-owned subsidiary of Sinomach, therefore, Sinomach Academy is a connected person of the Company. Pursuant to the listing rules of the Shanghai Stock Exchange and the Listing Rules of the Stock Exchange, these transactions constitute connected transactions of the Company. For details, please refer to the “YTO Share: Announcement in Relation to the Related Party Transaction of the Undertaking of the R&D Project (一拖股份：關於接受委託研發的關聯交易公告)” published by the Company on the website of the Shanghai Stock Exchange on 14 March 2020 and the “Connected Transactions” announcement published on the website of the Stock Exchange on 13 March 2020.

By Order of the Board
FIRST TRACTOR COMPANY LIMITED
YU Lina
Company Secretary

Luoyang, the PRC
23 April 2020

As at the date of this announcement, the Board comprises Mr. Li Xiaoyu (Chairman), Mr. Cai Jibo (vice Chairman) and Mr. Liu Jiguo as executive Directors; Mr. Li Hepeng, Mr. Xie Donggang and Mr. Zhou Honghai as non-executive Directors; and Mr. Yu Zengbiao, Ms. Yang Minli, Ms. Wang Yuru and Mr. Edmund Sit as independent non-executive Directors.

* *For identification purposes only*

V. APPENDIX

5.1 Financial Statements

Consolidated Balance Sheet

31 March 2020

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: unaudited

Item	31 March 2020	31 December 2019
Current assets:		
Monetary Funds	1,142,032,702.71	1,401,027,992.74
Settlement reserves for balance		
Loans to banks and other financial institutions	70,000,000.00	70,000,000.00
Financial assets held for trading	1,078,426,531.79	980,392,948.10
Derivative financial assets		
Notes receivable	518,593,957.45	352,201,737.77
Accounts receivable	946,978,146.44	406,586,834.70
Receivables financing		
Advances to suppliers	83,779,474.60	175,282,225.34
Premium receivables		
Reinsurance receivables		
Reinsurance contract reserves receivable		
Other receivables	41,332,262.16	38,657,541.73
Including: Interest receivable		
Dividends receivable		
Financial assets purchased with agreement to resale	640,068,310.54	671,668,502.78
Inventories	958,882,942.49	1,001,785,770.20
Contract assets		
Assets classified as held for sale		
Non-current assets due within one year	277,293,278.85	250,465,409.57
Other current assets	826,239,525.49	1,067,152,153.18
Total current assets	6,583,627,132.52	6,415,221,116.11

Item	31 March 2020	31 December 2019
Non-current assets:		
Loans and advances to customers	909,991,783.58	959,950,968.59
Debt investments		
Other debt investments		
Long-term receivables	208,442,514.40	220,198,228.05
Long-term equity investments	120,128,998.13	119,753,172.07
Other investments in equity instruments	3,871,238.40	3,871,238.40
Other non-current financial assets		
Investment properties		
Fixed assets	2,756,287,995.67	2,814,817,617.87
Construction in progress	119,977,632.66	128,990,466.09
Productive biological assets		
Oil and gas assets		
Right-of-use assets	14,260,597.17	18,945,867.20
Intangible assets	784,551,357.67	791,670,317.62
Research and development expenses		
Goodwill		
Long-term unamortized expenses	44,261,005.07	44,118,542.74
Deferred tax assets	130,103,191.38	111,484,850.77
Other non-current assets		
	-----	-----
Total non-current assets	<u>5,091,876,314.13</u>	<u>5,213,801,269.40</u>
Total assets	<u>11,675,503,446.65</u>	<u>11,629,022,385.51</u>

Item	31 March 2020	31 December 2019
Current liabilities:		
Short-term loans	1,327,630,287.94	1,419,528,065.30
Borrowings from central bank		
Loans from banks and other financial institutes		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	688,725,980.30	1,004,008,951.30
Accounts payable	1,758,721,434.93	1,252,450,248.58
Advances from customers		
Contact liabilities	173,967,574.69	177,743,289.89
Funds from selling out and repurchasing financial assets		
Receipts of deposits and deposits from other banks	966,213,096.53	1,137,277,294.54
Brokerage for trading securities		
Brokerage for consigning securities		
Employee benefits payable	105,921,467.14	104,615,621.71
Taxes payables	25,372,634.56	34,716,241.84
Other payables	293,337,810.22	302,747,490.57
Including: Interest payable	5,659,437.74	3,927,593.99
Dividends payable	8,439,607.83	8,439,607.83
Fee and commission payable		
Reinsurance accounts payables		
Liabilities classified as held for sale		
Non-current liabilities due within one year	556,245,888.44	649,035,505.95
Other current liabilities	333,099,995.42	225,466,269.20
Total current liabilities	<u>6,229,236,170.17</u>	<u>6,307,588,978.88</u>

Item	31 March 2020	31 December 2019
Non-current liabilities:		
Reserves for insurance contract		
Long-term loans	99,900,000.00	139,077,500.00
Bonds payable		
Including: Preference shares		
Perpetual bond		
Lease liabilities	0.00	64,384.18
Long-term payables	8,926,429.86	8,933,931.06
Long-term employee salary payable	78,344,597.71	88,010,022.26
Estimated liabilities	2,652,542.65	2,652,542.65
Deferred income	150,759,662.85	155,715,222.06
Deferred tax liabilities	142,093,113.71	143,114,014.97
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	<u>482,676,346.78</u>	<u>537,567,617.18</u>
	<hr/>	<hr/>
Total liabilities	<u>6,711,912,516.95</u>	<u>6,845,156,596.06</u>
	<hr/>	<hr/>
Owner's equity (or shareholder's equity):		
Paid-up capital (or share capital)	985,850,000.00	985,850,000.00
Other equity instruments		
Including: Preference shares		
Perpetual bond		
Capital reserves	2,099,466,626.33	2,099,466,626.33
Less: Treasury shares		
Other comprehensive income	-21,049,800.58	-14,198,180.13
Special reserves	2,485,655.13	2,230,000.31
Surplus reserves	442,101,172.16	442,101,172.16
General risk reserves	25,104,151.50	25,104,151.50
Retained earnings	727,946,257.55	529,451,678.91
	<hr/>	<hr/>
Total equity attributable to owners of the parent company (or shareholders' equity)	<u>4,261,904,062.09</u>	<u>4,070,005,449.08</u>
	<hr/>	<hr/>
Minority interests	701,686,867.61	713,860,340.37
Total owners' equity (or shareholder's equity)	<u>4,963,590,929.70</u>	<u>4,783,865,789.45</u>
	<hr/>	<hr/>
Total liabilities and owners' equity (or shareholder's equity)	<u>11,675,503,446.65</u>	<u>11,629,022,385.51</u>

Legal Representative:
Li Xiaoyu

Chief Financial Officer:
Zhao Junfen

Accounting Manager:
Min Li

Balance Sheet of the Parent Company

31 March 2020

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: unaudited

Item	31 March 2020	31 December 2019
Current assets:		
Monetary Funds	1,075,234,631.53	1,321,190,129.45
Financial assets held for trading	211,963,600.00	211,963,600.00
Derivative financial assets		
Notes receivable	397,988,585.06	218,795,628.22
Accounts receivable	1,036,459,468.52	428,483,102.61
Receivables financing		
Advances to suppliers	71,410,339.36	128,124,688.23
Other receivables	91,154,840.29	90,663,933.90
Including: Interest receivable		
Dividends receivable	76,808,376.96	76,808,376.96
Inventories	547,024,218.53	573,890,837.00
Contract assets		
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	986,354,646.73	1,229,070,606.89
Total current assets	<u>4,417,590,330.02</u>	<u>4,202,182,526.30</u>

Item	31 March 2020	31 December 2019
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	2,742,303,250.93	2,742,403,117.96
Other investments in equity instruments		
Other non-current financial assets		
Investment properties		
Fixed assets	1,599,924,688.05	1,634,385,337.52
Construction in progress	66,570,523.68	71,775,619.42
Productive biological assets		
Oil and gas assets		
Right-of-use assets	11,301,977.71	15,069,303.62
Intangible assets	522,954,822.35	527,070,096.40
Research and development expenses		
Goodwill		
Long-term unamortized expenses	30,815,720.23	33,354,477.35
Deferred tax assets	49,382,893.88	53,458,554.88
Other non-current assets		
	-----	-----
Total non-current assets	<u>5,023,253,876.83</u>	<u>5,077,516,507.15</u>
Total assets	<u>9,440,844,206.85</u>	<u>9,279,699,033.45</u>

Item	31 March 2020	31 December 2019
Current liabilities:		
Short-term loans	1,996,556,858.32	2,138,456,858.32
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	486,574,846.96	750,363,293.22
Accounts payable	1,381,721,917.88	866,248,907.42
Advances from customers		
Contract liabilities	194,552,657.77	150,185,828.53
Employee benefits payable	58,234,248.41	58,036,817.89
Taxes payables	5,048,803.56	4,736,582.82
Other payables	159,996,120.85	157,666,148.70
Including: Interest payable		
Dividends payable		
Liabilities classified as held for sale		
Non-current liabilities due within one year	475,068,210.85	606,289,789.74
Other current liabilities	31,355,304.11	29,412,611.49
Total current liabilities	4,789,108,968.71	4,761,396,838.13
Non-current liabilities:		
Long-term loans	339,900,000.00	340,000,000.00
Bonds payable		
Including: Preference shares		
Perpetual bond		
Lease liabilities		
Long-term payables		
Long-term employee salary payable	51,476,457.69	57,921,865.55
Estimated liabilities	2,652,542.65	2,652,542.65
Deferred income	103,397,974.18	107,161,788.92
Deferred tax liabilities	15,294,540.00	15,294,540.00
Other non-current liabilities		
Total non-current liabilities	512,721,514.52	523,030,737.12
Total liabilities	5,301,830,483.23	5,284,427,575.25

Item	31 March 2020	31 December 2019
Owner's equity (or shareholder's equity):		
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	367,607,888.33	367,607,888.33
Retained earnings	780,762,789.34	637,020,523.92
	<hr/>	<hr/>
Total owners' equity (or shareholders' equity)	4,139,013,723.62	3,995,271,458.20
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and owners' equity (or shareholder's equity)	9,440,844,206.85	9,279,699,033.45
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Legal Representative:
Li Xiaoyu

Chief Financial Officer:
Zhao Junfen

Accounting Manager:
Min Li

Consolidated Income Statement

January to March 2020

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: unaudited

Item	First quarter of 2020	First quarter of 2019
I. Total operating revenue	2,097,315,992.71	2,141,158,384.59
Including: Operating revenue	2,076,914,102.11	2,115,080,714.00
Interest income	19,394,641.51	25,263,187.70
Earned insurance premiums		
Fees and commission	1,007,249.09	814,482.89
II. Total cost of operation	1,919,556,556.01	2,142,524,876.61
Including: Cost of operation	1,691,320,287.37	1,839,766,486.36
Interest expenses	5,288,014.69	9,809,137.02
Fees and commission expense	84,762.53	119,823.46
Refunded premiums		
Net amount of compensation payout		
Net amount of reserves for reinsurance contract		
Policy dividend payment		
Reinsurance expenses		
Taxes and surcharges	11,768,722.76	12,216,019.08
Selling expenses	67,681,775.94	78,287,325.44
Administrative expenses	69,908,446.61	106,718,260.73
Research and development expenses	67,953,853.27	71,799,584.34
Financial expenses	5,550,692.84	23,808,240.18
Including: Interest expenses	24,222,300.78	36,609,682.38
Interest income	5,127,217.66	19,587,892.96
Add: Other gains	7,914,802.38	12,034,903.87
Investment income (Loss listed with "-")	328,925,344.78	24,541,305.16
Including: Income from investments in associates and joint ventures	-128,963.18	-1,481,484.87
Gains on derecognition of financial assets measured at amortized cost		
Exchange gain (Loss listed with "-")		
Net gain on hedging exposure (Loss listed with "-")		
Gain arising from the changes in fair value (Loss listed with "-")	-2,068,791.27	-6,733,790.22
Loss on credit impairment (Loss listed with "-")	-292,042,780.24	1,052,930.95
Loss on impairment of assets (Loss listed with "-")	-56,462,994.31	3,588,819.17
Gain on disposal of assets (Loss listed with "-")	-15,923.13	-431,699.26

Item	First quarter of 2020	First quarter of 2019
III. Operating profit (Loss listed with “-”)	164,009,094.91	32,685,977.65
Add: Non-operating income	1,014,089.48	12,410,866.87
Less: Non-operating expenses	1,912.35	58,668.12
IV. Total profit (Total loss listed with “-”)	165,021,272.04	45,038,176.40
Less: Income tax expenses	-19,466,126.47	4,394,700.81
V. Net profit (Net loss listed with “-”)	184,487,398.51	40,643,475.59
(I) Classification according to the continuity of operation		
1. Continuous operating net profit (Net loss listed with “-”)	184,487,398.51	40,643,475.59
2. Termination of net profit (Net loss listed with “-”)		
(II) Classification according to ownership		
1. Net profit attributable to shareholders of the parent company (Net loss listed with “-”)	198,494,578.64	44,955,415.92
2. Non-controlling interests (Net loss listed with “-”)	-14,007,180.13	-4,311,940.33
VI. Net other comprehensive income after tax	-5,036,922.56	-5,387,769.09
(I) Net other comprehensive income after tax attributable to owners of the parent company	-6,851,620.45	-5,248,675.79
1. Other comprehensive income that cannot be reclassified to profit or loss		
(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		
2. Other comprehensive income that will be reclassified to profit or loss	-6,851,620.45	-5,248,675.79
(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		
(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	-6,851,620.45	-5,248,675.79
(7) Others		
(II) Net other comprehensive income after tax attributable to minority interests	1,814,697.89	-139,093.30

Item	First quarter of 2020	First quarter of 2019
VII. Total comprehensive income	179,450,475.95	35,255,706.50
(I) Total comprehensive income attributable to owners of the parent company	191,642,958.19	39,706,740.13
(II) Total comprehensive income attributable to minority interests	-12,192,482.24	-4,451,033.63
VIII. Earnings per share:		
(I) Basic earnings per share (Yuan/share)	0.2013	0.0456
(II) Diluted earnings per share (Yuan/share)	0.2013	0.0456

The net profit realized by the parties being absorbed prior to the business combinations under common control was nil during the period and nil for the previous period.

Legal Representative:
Li Xiaoyu

Chief Financial Officer:
Zhao Junfen

Accounting Manager:
Min Li

Income Statement of the Parent Company

January to March 2020

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: unaudited

Item	First quarter of 2020	First quarter of 2019
I. Operating revenue	1,620,343,622.00	1,483,470,919.51
Less: Cost of operation	1,381,709,347.41	1,329,731,094.85
Taxes and surcharges	5,227,205.36	5,689,765.14
Selling expenses	1,513,251.51	10,080,423.62
Administrative expenses	32,897,412.60	47,622,315.27
Research and development expenses	33,851,025.23	40,079,111.05
Financial expenses	14,431,552.27	13,642,886.32
Including: Interest expenses	31,845,528.06	44,812,475.22
Interest income	14,168,794.02	24,139,983.64
Add: Other gains	5,234,614.74	2,015,709.59
Investment income (Loss listed with “-”)	-99,867.03	-3,858,105.43
Including: Income from investments in associates and joint ventures	-99,867.03	-1,515,913.46
Gains on derecognition of financial assets measured at amortized cost		
Net gain on hedging exposure (Loss listed with “-”)		
Gain arising from the changes in fair value (Loss listed with “-”)		-4,101,988.71
Loss on credit impairment (Loss listed with “-”)	-9,643,866.17	1,145,182.48
Loss on impairment of assets (Loss listed with “-”)	956,822.24	-4,364,187.14
Gain on disposal of assets (Loss listed with “-”)	-20,826.04	-462,253.07
II. Operating profit (Loss listed with “-”)	147,140,705.36	26,999,680.98
Add: Non-operating income	678,769.77	574,085.46
Less: Non-operating expenses	1,548.71	0.13
III. Total profit (Total loss listed with “-”)	147,817,926.42	27,573,766.31
Less: Income tax expenses	4,075,661.00	
IV. Net profit (Net loss listed with “-”)	143,742,265.42	27,573,766.31
(I) Continuous operating net profit (Net loss listed with “-”)	143,742,265.42	27,573,766.31
(II) Termination of net profit (Net loss listed with “-”)		

V. Net other comprehensive income after tax

- (I) Other comprehensive income that cannot be reclassified to profit or loss
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
- (II) Other comprehensive income that will be reclassified to profit or loss
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
 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
 7. Others

VI. Total comprehensive income**143,742,265.42****27,573,766.31****VII. Earnings per share:**

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

*Legal Representative:***Li Xiaoyu***Chief Financial Officer:***Zhao Junfen***Accounting Manager:***Min Li**

Consolidated Cash Flow Statement

January to March 2020

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: unaudited

Item	First quarter of 2020	First quarter of 2019
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	1,581,980,675.38	1,420,917,146.97
Net increase in deposits from customers and deposits from other banks	-174,591,966.05	177,541,355.47
Net increase borrowings from central bank		
Net increase in loans from other financial institutions		-100,000,000.00
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		300,000.00
Interest, handling charges and commissions received	23,884,807.39	28,170,625.67
Net increase in placement from banks and other financial institution		
Net increase in sales and repurchase operations	30,000,000.00	-40,071,057.55
Net cash flows from brokerage trading		
Refund of tax and levies	19,986,971.09	25,650,203.66
Cash received relating to other operating activities	7,145,133.26	29,447,063.87
Sub-total of cash inflows from operating activities	1,488,405,621.07	1,541,955,338.09
Cash payments for goods purchased and services received	1,306,834,037.25	1,080,839,303.70
Net increase in loans and disbursement to customers	-39,993,062.37	-119,786,231.48
Net increase in deposits with central bank and inter-banks	-13,881,462.52	-28,214,047.14
Payments of claims for original insurance contracts		
Net increase in placements with banks and other financial institution		
Interest, handling charges and commissions paid	1,845,009.18	13,820,551.57
Cash paid for dividends of insurance policies		
Cash paid to and on behalf of employees	193,860,092.32	266,177,574.71
Payments of taxes and surcharges	36,160,755.04	14,559,866.92
Cash paid relating to other operating activities	79,892,649.15	116,648,617.90
Sub-total of cash outflows from operating activities	1,564,718,018.05	1,344,045,636.18
Net cash flows from operating activities	-76,312,396.98	197,909,701.91

Item	First quarter of 2020	First quarter of 2019
II. Cash flows from investment activities:		
Cash received from return of investments	180,000,000.00	276,500,000.00
Cash received from investments income	5,028,348.86	14,677,468.95
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	529,600.00	943,922.43
Net cash received from disposals of subsidiaries and other business units		-8,281.27
Cash received relating to other investing activities		8,321,200.00
Sub-total of cash inflows from investing activities	185,557,948.86	300,434,310.11
Cash paid to acquire fixed assets, intangible assets and other long-term assets	3,256,468.88	33,746,310.89
Cash paid for investments	100,000,000.00	353,057,147.47
Net increase in pledged deposits		
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities	235,907.24	
Sub-total of cash outflows from investing activities	103,492,376.12	386,803,458.36
Net cash flows from investing activities	82,065,572.74	-86,369,148.25
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 borrowings	510,000,000.00	400,000,000.00
Cash received relating to other financing activities	11,919.11	
Sub-total of cash inflows from financing activities	510,011,919.11	400,000,000.00
Cash paid for settlement of borrowings	730,100,000.00	210,000,000.00
Cash paid for dividends, profits appropriation or payments of interest	19,740,506.09	36,224,749.89
Including: Dividends and profits paid to minority interests of subsidiaries		
Cash paid relating to other financing activities	2,062,266.58	
Sub-total of cash outflows from financing activities	751,902,772.67	246,224,749.89
Net cash flows from financing activities	-241,890,853.56	153,775,250.11

Item	First quarter of 2020	First quarter of 2019
IV. Effect of changes in foreign exchange rate on cash and cash equivalents	<u>-5,217,580.38</u>	<u>-4,540,249.43</u>
V. Net increase in cash and cash equivalents	-241,355,258.18	260,775,554.34
Add: Cash and cash equivalents at the beginning of the reporting period	<u>1,120,120,449.63</u>	<u>1,279,587,830.24</u>
VI. Cash and cash equivalents at the end of the reporting period	<u><u>878,765,191.45</u></u>	<u><u>1,540,363,384.58</u></u>

Legal Representative:
Li Xiaoyu

Chief Financial Officer:
Zhao Junfen

Accounting Manager:
Min Li

Cash Flow Statement of the Parent Company

January to March 2020

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: unaudited

Item	First quarter of 2020	First quarter of 2019
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	994,799,507.70	1,082,720,039.84
Refund of tax and levies	16,582,790.90	7,309,644.73
Cash received relating to other operating activities	75,854,009.04	35,054,454.64
Sub-total of cash inflows from operating activities	1,087,236,307.64	1,125,084,139.21
Cash payments for goods purchased and services received	1,013,709,320.27	893,994,073.91
Cash paid to and on behalf of employees	111,288,322.38	141,581,415.31
Payments of taxes and surcharges	5,327,441.70	4,362,083.06
Cash paid relating to other operating activities	11,851,752.46	47,275,990.63
Sub-total of cash outflows from operating activities	1,142,176,836.81	1,087,213,562.91
Net cash flows from operating activities	-54,940,529.17	37,870,576.30

Item	First quarter of 2020	First quarter of 2019
II. Cash flows from investment activities:		
Cash received from return of investments	280,000,000.00	419,000,000.00
Cash received from investments income	5,834,748.84	14,814,681.85
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	524,600.00	239,860.00
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
Sub-total of cash inflows from investing activities	286,359,348.84	434,054,541.85
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,003,034.29	17,548,902.93
Cash paid for investments	100,000,000.00	458,752,000.00
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities		
Sub-total of cash outflows from investing activities	101,003,034.29	476,300,902.93
Net cash flows from investing activities	185,356,314.55	-42,246,361.08
III. Cash flows from financing activities:		
Cash received from investment absorption		
Cash received from borrowings	510,000,000.00	400,000,000.00
Cash received relating to other financing activities	11,919.11	
Sub-total of cash inflows from financing activities	510,011,919.11	400,000,000.00
Cash paid for settlement of borrowings	780,100,000.00	410,000,000.00
Cash paid for dividends, profits appropriation or payments of interest	33,745,528.06	48,066,772.36
Cash paid relating to other financing activities	1,308,891.90	
Sub-total of cash outflows from financing activities	815,154,419.96	458,066,772.36
Net cash flows from financing activities	-305,142,500.85	-58,066,772.36

Item	First quarter of 2020	First quarter of 2019
IV. Effect of changes in foreign exchange rate on cash and cash equivalents	181.53	
V. Net increase in cash and cash equivalents	-174,726,533.94	-62,442,557.14
Add: Cash and cash equivalents at the beginning of the reporting period	1,094,673,290.86	1,280,174,973.16
VI. Cash and cash equivalents at the end of the reporting period	919,946,756.92	1,217,732,416.02

Legal Representative:
Li Xiaoyu

Chief Financial Officer:
Zhao Junfen

Accounting Manager:
Min Li