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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)

2021 THIRD QUARTERLY REPORT

IMPORTANT NOTICE:

The board of directors, board of supervisors of the Company and its directors, supervisors and senior management warrant that there are no false information, misleading statements or material omissions contained in the quarterly report, and severally and jointly accept legal responsibility for the truthfulness, accuracy and completeness of the contents herein.

Person in charge of the Company, person in charge of the accounting function and head of the Accounting Department (person in charge of the accounting) have warranted the truthfulness, accuracy and completeness of the information of the financial statements in this quarterly report.

The third quarterly financial statements have not been audited.

I. DEFINITIONS

A Share(s)	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	First Tractor Company Limited* (第一拖拉機股份有限公司)
CSRC	China Securities Regulatory Commission
H Share(s)	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
RMB	Renminbi, the lawful currency of the PRC
SFC	Securities and Futures Commission of Hong Kong
Shanghai Stock Exchange	Shanghai Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited
PRC	The People's Republic of China
YTO	YTO Group Corporation (中國一拖集團有限公司), the controlling shareholder of the Company
YTO Finance	China YTO Group Finance Company Limited (中國一拖集團財務有限責任公司), a controlled subsidiary of the Company
YTO France	YTO France SAS (一拖(法國)農業裝備有限公司), which has entered into judicial liquidation

II. MAJOR FINANCIAL DATA

(I) Major accounting data and financial indicator

Unit: Yuan Currency: RMB

Items	For the Reporting Period (July 2021-September 2021)	Increase/Decrease for the Reporting Period as compared to the corresponding period of the previous year (%)	From the beginning of the year to the end of the Reporting Period (January 2021-September 2021)	Increase/Decrease
				from the beginning of the year to the end of the Reporting Period as compared to the end of the previous year (%)
Operating revenue	2,566,000,003.31	10.59	8,141,101,593.06	27.31
Net profit attributable to shareholders of the listed company	157,796,448.02	2.24	669,177,736.32	40.08
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	134,271,684.72	-6.92	619,042,105.83	42.46
Net cash flows from operating activities	N/A	N/A	1,462,578,897.44	89.94
Basic earnings per share (Yuan/share)	0.1404	-10.34	0.6038	24.60
Diluted earnings per share (Yuan/share)	0.1404	-10.34	0.6038	24.60
Weighted average return on net assets (%)	2.84	Decreased by 0.62 percentage point	12.72	Increased by 1.62 percentage points
				Increase/Decrease as at the end of the Reporting Period as compared to the end of the previous year (%)
Total assets	13,426,603,833.73		12,342,608,882.99	8.78
Owners' equity attributable to shareholders of the listed company	5,635,164,510.00		4,338,179,097.26	29.90

Note: The registration of shares in respect of the Company's non-public issuance of A Shares was completed in February 2021, and the total shares in issue of the Company was increased from 985,850,000 shares to 1,123,645,275 shares. The earnings per share were calculated based on the change in issued share using the weighted average method, and were diluted.

(II) Non-recurring profit or loss items and amounts

Unit: Yuan Currency: RMB

Items	Amount for the Reporting Period (July 2021– September 2021)	Amount from the beginning of the year to the end of the Reporting Period (January 2021– September 2021)	Explanation
Profit or loss from disposal of non-current assets (including the written-off portion of provisions for asset impairment)	1,481,105.94	4,869,787.99	
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)	18,976,698.50	36,241,303.05	
Gain or loss on changes in fair value of held-for trading financial assets, trading financial liabilities and investment income from disposal of trading financial assets, trading financial liabilities and available-for- sale financial assets other than effective hedging activities related to normal business operations of the Company	577,922.51	12,051,968.22	
Non-operating income and expenses other than those stated above	7,466,946.16	12,912,816.82	
Other items of non-recurring profit or loss	-8,683.62	-6,665,214.30	Mainly profit or loss derived from the liquidation of YTO France
Less: Impact of income taxes	194,631.41	2,068,105.34	
Effect of minority shareholders' interests (after tax)	4,774,594.78	7,206,925.95	
Total	23,524,763.30	50,135,630.49	

There is no circumstance where the Company treated the non-recurring profit or loss items listed in the “Explanatory Announcement No. 1 on Information Disclosure by Public Issuers of Securities – Non-recurring Profit or Loss Items” as recurring profit or loss items.

(III) Particulars of and reasons for major accounting data, financial indicators from the beginning of the year to the end of the Reporting Period

Items	Percentage changes (%)	Main reasons
Net profit attributable to shareholders of the listed company	40.08	Year-on-year increase in the sales volume of major products of the Company and the year-on-year increase in the net profit attributable to the parent company during the year
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	42.46	Year-on-year increase in the sales volume of major products of the Company and the year-on-year increase in the net profit net of non-recurring profit or loss attributable to the parent company during the year
Net cash flows from operating activities	89.94	Year-on-year increase in the cash inflows of YTO Finance generated from operating activities during the year

III. INFORMATION OF SHAREHOLDERS

(I) Total number of shareholders of ordinary shares and shareholders of preference shares with restored voting rights and shareholdings of the top ten shareholders

Unit: share

Total number of shareholders of ordinary shares as at the end of the Reporting Period	44,386	Total number of shareholders of preference shares with restored voting rights at the end of the Reporting Period (if any)	/
	including 44,059 holders of A Shares and 327 holders of H shares		

Shareholdings of the top ten shareholders

Name of shareholders	Nature of shareholders	Number of shares held	Percentage of shareholding (%)	Number of shares held with selling restriction	Shares pledged, marked or frozen Status of shares	Number
YTO Group Corporation	State-owned legal person	548,485,853	48.81	137,795,275	Nil	0
HKSCC NOMINEES LIMITED (Note 1)	Overseas legal person	388,193,319	34.55	0	Unknown	/
Li Jun (李軍)	Domestic natural person	5,475,000	0.49	0	Unknown	/
Hong Kong Securities Clearing Company Limited (Note 2)	Overseas legal person	5,144,842	0.46	0	Unknown	/
Shen Jia (沈嘉)	Domestic natural person	4,236,200	0.38	0	Unknown	/
He Xinjiang (何心江)	Domestic natural person	3,270,000	0.29	0	Unknown	/
Luo Ruzhong (羅如忠)	Domestic natural person	984,800	0.09	0	Unknown	/
Jiao Yanfeng (焦延峰)	Domestic natural person	944,000	0.08	0	Unknown	/

Shareholdings of the top ten shareholders

Name of shareholders	Nature of shareholders	Number of shares held	Percentage of shareholding (%)	Number of shares held with selling restriction	Shares pledged, marked or frozen	
					Status of shares	Number
Chen Bing (陳冰)	Domestic natural person	882,800	0.08	0	Unknown	/
Zhang Yulin (張玉霖)	Domestic natural person	821,900	0.07	0	Unknown	/

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)	388,193,319	Overseas listed foreign shares	388,193,319
Li Jun (李軍)	5,475,000	Ordinary shares denominated in RMB	5,475,000
Hong Kong Securities Clearing Company Limited (Note 2)	5,144,842	Ordinary shares denominated in RMB	5,144,842
Shen Jia (沈嘉)	4,236,200	Ordinary shares denominated in RMB	4,236,200
He Xinjiang (何心江)	3,270,000	Ordinary shares denominated in RMB	3,270,000
Luo Ruzhong (羅如忠)	984,800	Ordinary shares denominated in RMB	984,800
Jiao Yanfeng (焦延峰)	944,000	Ordinary shares denominated in RMB	944,000
Chen Bing (陳冰)	882,800	Ordinary shares denominated in RMB	882,800
Zhang Yulin (張玉霖)	821,900	Ordinary shares denominated in RMB	821,900

Shareholdings of the top ten shareholders without selling restriction

Name of shareholders	Number of circulating shares held without selling restriction	Class	Class and number of shares Number
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.		
Explanations on the participation of the top ten shareholders and the top ten shareholders without selling restrictions in financing securities and refinancing businesses (if any)	N/A		

Note 1: The overseas listed foreign shares held by HKSCC NOMINEES LIMITED are held on behalf of multiple 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. OTHER REMINDERS

Other material information in relation to the operation of the Company during the Reporting Period that the investors should pay attention to

(I) Operation during the Reporting Period

In 2021, the State attaches important attention to the “Agriculture-Related Development” (i.e., development of agriculture, rural areas and farmers), in the context of ensuring food security, rural revitalization and strategy, the agricultural machinery industry is climbing forward. However, affected by the decline of subsidy for high-powered tractors, the K value requirement for agricultural machinery subsidies, the approaching of implementation of upgrading of off-road diesel engine emission National IV standards and other factors, the third quarter saw a slowdown in the growth of the agricultural machinery industry. In the face of the complex and ever-changing market environment, the Company continued to improve its marketing management

capabilities, accelerated channel construction and improvement, and enriched its product mix and sales strategy. In the first three quarters, the Company achieved cumulative sales of 64,600 units of hi-powered and mid-powered tractor products, representing a year-on-year growth of 35.29%, higher than the industry growth rate, and led the market in terms of market share. The cumulative sales of diesel engine products reached 108,600 units, representing a year-on-year growth of 23.90%. At the same time, the Company insisted on strengthening internal management, strictly controlling costs and expenses, and actively promoting the disposal of inefficient and ineffective assets and divestiture of non-major businesses, achieving steady growth in quality and efficiency of operations. In the first three quarters, the Company's net profit attributable to the parent company increased by 40.08% year-on-year.

(II) Other Matters

1. Mr. Wang Dongxing tendered his resignation, resigning from the office of chairman of the board of supervisors and a supervisor of the Company. The seventeenth meeting of the eighth session of the board of supervisors of the Company was held on 15 October 2021, at which Mr. Yang Yu was nominated as the candidate for supervisor and the relevant resolution is subject to consideration and approval at the general meeting of the Company. For details, please refer to the Announcement on the Resignation of the Chairman of the Board of Supervisors and Election of a Supervisor published on the website of the Shanghai Stock Exchange by the Company on 16 October 2021 and the Announcement on the Resignation of the Chairman of the Board of Supervisors and Election of a Supervisor and the Inclusion of a Provisional Proposal at the 2021 Second Extraordinary General Meeting on 2 November 2021 published on the website of the Stock Exchange by the Company on 15 October 2021.
2. The term of the eighth session of the board of directors and the board of supervisors would expire on 28 October 2021. Given the nomination of candidates for the new session of the board of directors and board of supervisors of the Company and the relevant work has not been completed, in order to ensure the continuity and stability of the relevant work of the board of directors and board of supervisors of the Company, the election of members of the new session of board of directors and board of supervisors of the Company would be postponed. The term of office of the special committees under the board of directors and the senior management of the Company would also be extended correspondingly. For details, please refer to the Announcement on the Postponement of Election of New Session of Board and Board of Supervisors published on the website of the Shanghai Stock Exchange by the Company on 26 October 2021 and the Announcement on the Postponement of Election of New Session of Board and Board of Supervisors published on the website of the Stock Exchange by the Company on 25 October 2021.

3. On 24 December 2020, the Company applied to the court for bankruptcy liquidation of Chang Tuo Agricultural Machinery Equipment Group Co., Ltd, a controlled subsidiary. As of the end of this report, the local court has not accepted the application for bankruptcy liquidation. For details, please refer to the Announcement on the Application by First Tractor for Bankruptcy Liquidation of a Controlled Subsidiary published by the Company on the website of the Shanghai Stock Exchange on 23 December 2020 and the website of the Stock Exchange on 22 December 2020.

By Order of the Board
First Tractor Company Limited*
Yu Lina
Company Secretary

Luoyang, the PRC
27 October 2021

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

* *For identification purposes only*

APPENDIX

V . Quarterly Financial Statements

Consolidated Balance Sheet

30 September 2021

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: unaudited

Items	30 September 2021	31 December 2020
Current assets:		
Monetary Funds	3,222,376,335.69	1,702,625,475.53
Settlement reserves for balance		
Loans to banks and other financial institutions	29,410,000.00	40,000,000.00
Financial assets held for trading	1,686,252,990.37	1,306,381,357.98
Derivative financial assets		
Notes receivable	350,000.00	892,050.97
Accounts receivable	1,100,629,846.01	376,202,670.98
Receivables financing	341,787,759.48	374,916,413.50
Advances to suppliers	97,406,024.87	177,372,921.45
Premium receivables		
Reinsurance receivables		
Reinsurance contract reserves receivable		
Other receivables	32,389,927.85	26,301,581.33
Including: Interest receivable	1,516.17	1,571.53
Dividends receivable		
Financial assets purchased with agreement to re-sale	851,994,021.12	1,561,721,065.92
Inventories	992,846,136.46	1,356,265,811.19
Contract assets		
Assets classified as held for sale		
Non-current assets due within one year	232,603,293.05	238,726,244.12
Other current assets	189,128,872.27	281,587,195.02
Total current assets	<u>8,777,175,207.17</u>	<u>7,442,992,787.99</u>

Items	30 September 2021	31 December 2020
Non-current assets:		
Loans and advances to customers	858,760,103.27	982,249,523.38
Debt investments		
Other debt investments		
Long-term receivables	185,098,475.60	132,870,486.03
Long-term equity investments	126,984,777.10	122,332,619.67
Other investments in equity instruments	4,839,048.00	4,839,048.00
Other non-current financial assets		
Investment properties		
Fixed assets	2,484,420,665.14	2,617,726,435.41
Construction in progress	89,729,201.93	96,000,297.40
Productive biological assets		
Oil and gas assets		
Right-of-use assets	22,337,942.70	28,901,686.93
Intangible assets	749,775,620.20	766,872,164.74
Development expenses		
Goodwill		
Long-term unamortized expenses	52,914,385.72	44,912,084.65
Deferred income tax assets	74,568,406.90	102,911,748.79
Other non-current assets		
Total non-current assets	<u>4,649,428,626.56</u>	<u>4,899,616,095.00</u>
Total assets	<u>13,426,603,833.73</u>	<u>12,342,608,882.99</u>

Items	30 September 2021	31 December 2020
Current liabilities:		
Short-term loans	450,157,645.84	834,263,379.71
Borrowings from central bank		
Loans from banks and other financial institutes		300,066,666.67
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	1,435,874,696.46	1,547,322,110.70
Accounts payable	2,344,913,007.77	1,788,192,802.43
Advances from customers		
Contract liabilities	147,478,591.58	398,850,436.72
Funds from selling (out) and repurchasing financial assets	4,773,429.46	
Receipts of deposits and deposits from other banks	1,439,239,632.15	1,412,624,683.26
Brokerage for trading securities		
Brokerage for consigning securities		
Employee benefits payable	73,390,528.78	91,878,235.64
Taxes payables	19,588,753.11	23,075,553.98
Other payables	224,741,445.13	209,162,369.54
Including: Interest payable	16,088,562.74	10,893,031.49
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	17,059,794.16	14,142,498.21
Other current liabilities	436,936,168.81	255,104,052.55
Total current liabilities	<u>6,594,153,693.25</u>	<u>6,874,682,789.41</u>

Items	30 September 2021	31 December 2020
Non-current liabilities:		
Reserves for insurance contract		
Long-term loans	199,500,000.00	99,800,000.00
Bonds payable		
Including: Preference shares		
Perpetual bond		
Lease liabilities	7,273,442.21	14,850,790.14
Long-term payables	8,701,393.81	9,151,465.90
Long-term employee salary payable	59,845,818.91	78,569,914.36
Estimated liabilities	2,602,772.65	2,652,542.65
Deferred income	140,362,350.55	142,638,278.14
Deferred income tax liabilities	145,301,915.19	144,741,265.28
Other non-current liabilities		
	_____	_____
Total non-current liabilities	<u><u>563,587,693.32</u></u>	<u><u>492,404,256.47</u></u>
Total liabilities	<u><u>7,157,741,386.57</u></u>	<u><u>7,367,087,045.88</u></u>

Items	30 September 2021	31 December 2020
Owner's equity (or shareholder's equity):		
Paid-up capital (or share capital)	1,123,645,275.00	985,850,000.00
Other equity instruments		
Including: Preference shares		
Perpetual bond		
Capital reserves	2,655,849,996.00	2,099,466,626.33
Less: Treasury shares		
Other comprehensive income	-10,221,682.61	-26,960,733.16
Special reserves	4,094,143.95	3,015,461.22
Surplus reserves	442,101,172.16	442,101,172.16
General risk reserves	39,642,392.38	39,642,392.38
Retained earnings	1,380,053,213.12	795,064,178.33
Total equity attributable to owners of the parent company (or shareholders' equity)	5,635,164,510.00	4,338,179,097.26
Minority interests	<u>633,697,937.16</u>	<u>637,342,739.85</u>
Total owners' equity (or shareholder's equity)	<u>6,268,862,447.16</u>	<u>4,975,521,837.11</u>
Total liabilities and owners' equity (or shareholder's equity)	<u>13,426,603,833.73</u>	<u>12,342,608,882.99</u>

*Person in charge
of the Company:*
Li Xiaoyu

Chief Financial Officer:
Su Ye

Accounting Manager:
Yao Weidong

Consolidated Income Statement

January to September 2021

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: unaudited

Items	First three quarters of 2021 (January- September)	First three quarters of 2020 (January- September)
I. Total operating revenue	8,230,081,343.31	6,462,897,139.96
Including: Operating revenue	8,141,101,593.06	6,394,849,666.10
Interest income	84,017,593.60	64,438,405.54
Earned insurance premiums		
Fees and commission income	4,962,156.65	3,609,068.32
II. Total cost of operation	7,492,511,151.43	5,939,424,304.84
Including: Cost of operation	6,775,598,318.92	5,107,955,314.31
Interest expenses	17,621,368.01	17,579,410.79
Fees and commission expense	461,898.43	368,040.99
Refunded premiums		
Net amount of compensation payout		
Net amount of reserves for reinsurance contract		
Policy dividend payment		
Reinsurance expenses		
Taxes and surcharges	33,797,221.16	33,786,717.56
Selling expenses	118,774,015.20	268,879,935.71
Administrative expenses	233,162,141.38	231,484,729.76
Research and development expenses	281,602,816.31	249,572,692.35
Financial expenses	31,493,372.02	29,797,463.37
Including: Interest expenses	20,891,517.23	58,595,199.50
Interest income	1,888,505.08	22,470,520.38

Items	First three quarters of 2021 (January- September)	First three quarters of 2020 (January- September)
Add: Other gains	30,910,759.13	24,655,424.09
Investment income (Loss listed with “-”)	567,479,928.20	350,128,758.13
Including: Income from investments in associates and joint ventures	3,291,332.78	2,291,122.10
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 “-”)	13,212,407.55	20,878,640.84
Loss on credit impairment (Loss listed with “-”)	-80,908,777.95	-348,424,951.12
Loss on impairment of assets (Loss listed with “-”)	-575,595,390.25	-81,963,390.95
Gain on disposal of assets (Loss listed with “-”)	4,869,787.99	5,309,934.79
III. Operating profit (Loss listed with “-”)	697,538,906.55	494,057,250.90
Add: Non-operating income	19,266,812.92	2,760,473.69
Less: Non-operating expenses	889,318.94	2,206,962.81
IV. Total profit (Total loss listed with “-”)	715,916,400.53	494,610,761.78
Less: Income tax expenses	44,709,615.50	14,328,502.51
V. Net profit (Net loss listed with “-”)	671,206,785.03	480,282,259.27
(I) Classification according to the continuity of operation		
1. Continuous operating net profit (Net loss listed with “-”)	671,206,785.03	480,282,259.27
2. Net profit from termination of operation (Net loss listed with “-”)		
(II) Classification according to ownership		
1. Net profit attributable to shareholders of the parent company (Net loss listed with “-”)	669,177,736.32	477,698,750.10
2. Minority interest (Net loss listed with “-”)	2,029,048.71	2,583,509.17

Items	First three quarters of 2021 (January- September)	First three quarters of 2020 (January- September)
VI. Net other comprehensive income after tax	16,467,884.22	-8,955,331.66
(I) Net other comprehensive income after tax attributable to owners of the parent company	16,739,050.55	-10,397,375.43
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	16,739,050.55	-10,397,375.43
(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	16,739,050.55	-10,397,375.43
(7) Others		
(II) Net other comprehensive income after tax attributable to minority interests	-271,166.33	1,442,043.77

Items	First three quarters of 2021 (January- September)	First three quarters of 2020 (January- September)
VII. Total comprehensive income	687,674,669.25	471,326,927.61
(I) Total comprehensive income attributable to owners of the parent company	685,916,786.87	467,301,374.67
(II) Total comprehensive income attributable to minority interests	1,757,882.38	4,025,552.94
VIII. Earnings per share:		
(I) Basic earnings per share (<i>Yuan/share</i>)	0.6038	0.4846
(II) Diluted earnings per share (<i>Yuan/share</i>)	0.6038	0.4846

The net profit realized by the parties being absorbed prior to the business combinations under common control was RMB0 during the period and RMB0 for the previous period.

*Person in charge
of the Company:*
Li Xiaoyu

Chief financial officer:
Su Ye

Accounting manager:
Yao Weidong

Consolidated Cash Flow Statement

January to September 2021

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: unaudited

Items	First three quarters of 2021 (January– September)	First three quarters of 2020 (January– September)
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	6,427,500,889.18	5,201,239,253.41
Net increase in deposits from customers and deposits from other banks	17,307,692.07	231,000,840.30
Net increase borrowings from central bank		
Net increase in loans from other financial institutions	-299,500,000.00	
Cash from original insurance contract premium		
Net cash from reinsurance business		
Net increase of insured deposit and investment Interest, handling charges and commissions received	84,981,476.18	73,256,604.48
Net increase in placement from banks and other financial institution		
Net increase in sales and repurchase operations	710,000,000.00	-1,040,000,000.00
Net cash flows from brokerage trading		
Refund of tax and levies	94,005,049.94	37,326,819.81
Cash received relating to other operating activities	145,474,000.17	186,936,757.06
Sub-total of cash inflows from operating activities	7,179,769,107.54	4,689,760,275.06

Items	First three quarters of 2021 (January– September)	First three quarters of 2020 (January– September)
Cash payments for goods purchased and services received	4,662,293,668.34	2,949,000,857.79
Net increase in loans and disbursement to customers	-14,193,370.37	7,287,001.92
Net increase in deposits with central bank and inter-banks	10,896,846.16	26,977,938.90
Payments of claims for original insurance contracts		
Net increase in placements with banks and other financial institution		
Interest, handling charges and commissions paid	9,128,208.43	8,315,094.35
Cash paid for dividends of insurance policies		
Cash paid to and on behalf of employees	712,176,191.60	577,977,963.45
Payments of taxes and surcharges	116,796,238.14	104,765,072.23
Cash paid relating to other operating activities	220,092,427.80	245,421,228.89
Sub-total of cash outflows from operating activities	5,717,190,210.10	3,919,745,157.53
Net cash flows from operating activities	1,462,578,897.44	770,015,117.53
II. Cash flows from investment activities:		
Cash received from return of investments	3,318,094.56	
Cash received from investments income	12,052,863.46	36,342,564.23
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	19,211,317.65	13,119,525.38
Net cash received from disposals of subsidiaries and other business units		
Cash received relating to other investing activities		
Sub-total of cash inflows from investing activities	34,582,275.67	49,462,089.61

Items	First three quarters of 2021 (January– September)	First three quarters of 2020 (January– September)
Cash paid to acquire fixed assets, intangible assets and other long-term assets	43,836,356.92	63,258,661.65
Cash paid for investments	371,805,000.00	23,000,000.00
Net increase in pledged deposits		
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities		235,907.24
Sub-total of cash outflows from investing activities	415,641,356.92	86,494,568.89
Net cash flows from investing activities	-381,059,081.25	-37,032,479.28
III. Cash flows from financing activities:		
Cash received from investment absorption Including: Cash received by subsidiaries from investment absorption of minority interest	697,999,997.00	
Cash received from borrowings	480,000,000.00	1,331,481,348.34
Cash received relating to other financing activities		11,919.11
Sub-total of cash inflows from financing activities	1,177,999,997.00	1,331,493,267.45

Items	First three quarters of 2021 (January– September)	First three quarters of 2020 (January– September)
Cash paid for settlement of borrowings	760,200,000.00	1,971,024,500.00
Cash paid for dividends, profits appropriation or payments of interest	103,438,414.19	135,657,273.94
Including: Dividends and profits paid to minority interests	5,458,600.00	78,511,135.00
Cash paid relating to other financing activities	7,835,368.87	6,208,018.26
Sub-total of cash outflows from financing activities	871,473,783.06	2,112,889,792.20
Net cash flows from financing activities	306,526,213.94	-781,396,524.75
IV. Effect of changes in foreign exchange rate on cash and cash equivalents	-2,032,971.98	-10,108,681.71
V. Net increase in cash and cash equivalents	1,386,013,058.15	-58,522,568.21
Add: Cash and cash equivalents at the beginning of the reporting period	1,416,825,910.58	1,120,120,449.63
VI. Cash and cash equivalents at the end of the reporting period	2,802,838,968.73	1,061,597,881.42
<i>Person in charge of the Company:</i> Li Xiaoyu	<i>Chief financial officer:</i> Su Ye	<i>Accounting manager:</i> Yao Weidong