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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)

2023 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 financial information in this quarterly report.

The third quarterly financial statements have not been audited.

I. DEFINITION

Company	First Tractor Company Limited* (第一拖拉機股份有限公司)
Group	the Company and its Controlled Subsidiary
Controlled subsidiary(ies)	a company held as to more than 50% shares, or the election of more than half of its board members can be decided, or a company actually controlled through agreement or other arrangement by the listed company
A Share(s)	ordinary shares as approved by the CSRC which are issued to domestic investors and qualified foreign investors, traded on PRC stock exchanges, denominated, subscribed for and traded in RMB
H Share(s)	ordinary shares as approved by the CSRC which are issued to foreign investors, and listed with the approval of the Hong Kong Stock Exchange, denominated in RMB, subscribed for and traded in Hong Kong dollars
YTO Finance	China YTO Group Finance Company Limited (中國一拖集團財務有限責任公司), former controlled subsidiary of the Company, deregistered

II. MAJOR FINANCIAL DATA

1. Major accounting data and financial indicator

Unit: Yuan Currency: RMB

Item	For the Reporting Period (July to September 2023)		For the corresponding period of last year (July to September 2022)		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 Reporting Period (January to September 2023)		For the corresponding period of last year (January to September 2022)		Changes from the beginning of the year to the end of Reporting Period over the same period of the preceding year (%)
		<i>Before adjustments</i>	<i>After adjustments</i>	<i>Before adjustments</i>	<i>After adjustments</i>	<i>After adjustments</i>	<i>Before adjustments</i>	<i>After adjustments</i>	<i>After adjustments</i>	
Operating revenue	3,003,261,726.48	3,670,863,462.78	3,670,863,462.78		-18.19	10,246,180,269.09	10,221,589,977.57	10,221,589,977.57		0.24
Net profit attributable to shareholders of the listed company	331,049,971.24	214,336,546.47	214,336,546.47		54.45	1,085,194,909.92	795,803,452.32	795,803,452.32		36.36
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	319,876,246.06	319,318,626.81	319,318,626.81		0.17	1,045,929,002.91	925,995,707.02	925,995,707.02		12.95
Net cash flows from operating activities	N/A	N/A	N/A		N/A	1,500,649,110.70	3,730,549,350.17	3,730,549,350.17		-59.77
Basic earnings per share (<i>Yuan/share</i>)	0.2946	0.1908	0.1908		54.40	0.9658	0.7082	0.7082		36.37
Diluted earnings per share (<i>Yuan/share</i>)	0.2946	0.1908	0.1908		54.40	0.9658	0.7082	0.7082		36.37
Weighted average return on net assets (%)	5.00	3.60	3.60		increased by 1.40 percentage points	16.99	13.75	13.75		increased by 3.24 percentage points
		As at the end of the Reporting Period (30 September 2023)		As at the end of the previous year (31 December 2022)		As at the end of the Reporting Period as compared to the end of the previous year (%)				
				<i>Before adjustments</i>	<i>After adjustments</i>	<i>After adjustments</i>				
Total assets		14,742,704,971.68		12,986,142,323.23		12,991,565,481.68				13.48
Owners' equity attributable to shareholders of the listed company		6,791,448,837.59		5,958,084,951.83		5,958,084,951.83				13.99

Note: "Reporting Period" refers to the three-month period from the beginning of the quarter to the end of the quarter, same as below.

Explanation on the reasons for retrospective adjustments or restatement

On 30 November 2022, the Ministry of Finance issued Interpretation No. 16 of the Accounting Standards for Business Enterprises (hereinafter referred to as Interpretation No. 16), and the Company started to implement the same from 1 January 2023. According to the content regarding the "accounting treatment of exemption from initial recognition is not applicable to deferred income tax related to assets and liabilities arising from individual transactions" in Interpretation No. 16, the Company has made retrospective adjustments to relevant items on the balance sheet as at 31 December 2022. The implementation of the Interpretation No. 16 has no significant impact on the Company's profits.

2. Non-recurring profit or loss items and amounts

Unit: Yuan Currency: RMB

Item	Amount for the Reporting Period (July to September 2023)	Amount from the beginning of the year to the end of Reporting Period (January to September 2023)	Explanation
Profit or loss from disposal of non-current assets	400,892.53	1,144,133.67	
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)	12,734,023.26	24,591,234.19	
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	0.00	22,340,900.00	
Other non-operating income or expenses other than the above	417,370.14	2,954,490.53	
Other profit and loss items falling within the meaning of non-recurring profit or losses	14,267.23	318,122.97	
Less: Effect of income taxes	1,713,118.09	10,804,609.33	
Effect of minority shareholders' interests (after tax)	679,709.89	1,278,365.02	
Total	<u>11,173,725.18</u>	<u>39,265,907.01</u>	

Information on the classification of non-recurring profit or loss items listed in “Explanatory Announcement No. 1 on Disclosure of Information by Companies with Publicly Issued Securities – Non-recurring Profit or Loss” as recurring profit or loss items

Item	Amount involved	Reason
Structured deposit income	15,838,380.69	Daily money management behaviors

3. Changes in major accounting data, financial indicators and the reasons thereof

Item	Percentage changes (%)	Main reasons
Net profit attributable to shareholders of listed companies – this Reporting Period	54.45	From January to September 2023, the Company's operating revenue was basically flat year-on-year, costs and expenses were effectively controlled, and the net profit attributable to the parent company in 2023 increased significantly year-on-year as the same period last year was greatly affected by non-recurring gains and losses.
Net profit attributable to shareholders of listed companies – from the beginning of the year to the end of the Reporting Period	36.36	
Net cash flow from operating activities – from the beginning of the year to the end of the Reporting Period	-59.77	Mainly due to the business reorganization of YTO Finance in the same period of last year, the financial business gradually came to a halt and large amount of funds were recovered, and there was no such item in the current period.
Basic earnings per share (yuan/share) – this Reporting Period	54.40	Mainly due to the increase in net profit.
Basic earnings per share (yuan/share) – from the beginning of the year to the end of the Reporting Period	36.37	
Diluted earnings per share (yuan/share) – this Reporting Period	54.40	
Diluted earnings per share (yuan/share) – from the beginning of the year to the end of the Reporting Period	36.37	

III. INFORMATION OF SHAREHOLDERS

1. 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	28,102 holders Including: 27,790 holders of A Shares; 312 holders of H Shares	Total number of shareholders of preference shares with restored voting rights at the end of the Reporting Period (if any)	/
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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	388,299,309	34.56	0	Unknown	/
Hong Kong Securities Clearing Company Limited (Note 2)	Overseas legal person	16,796,120	1.49	0	Unknown	/
China Construction Bank Corporation – Huatai Borui Fuli Flexible Allocation Hybrid Securities Investment Fund* (中國建設銀行股份有限公司—華泰柏瑞富利靈活配置混合型證券投資基金)	Other	9,235,287	0.82	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
China Construction Bank Corporation – Huatai Borui Multi-Strategy Flexible Allocation Hybrid Securities Investment Fund* (中國建設銀行股份有限公司—華泰柏瑞多策略靈活配置混合型證券投資基金)	Other	4,933,225	0.44	0	Unknown	/
Industrial Bank Co., Ltd. – Huatai Borui Dingli Flexible Allocation Hybrid Securities Investment Fund* (興業銀行股份有限公司—華泰柏瑞鼎利靈活配置混合型證券投資基金)	Other	3,411,900	0.30	0	Unknown	/
Bank of China Limited – China Merchants Quantitatively Selected Equity Initiated Securities Investment Fund* (中國銀行股份有限公司—招商量化精選股票型發起式證券投資基金)	Other	2,686,314	0.24	0	Unknown	/
Lu Yichun* (呂義春)	Domestic natural person	2,625,200	0.23	0	Unknown	/
Taikang Life Insurance Co., Ltd. – Investment-Linked Innovation Dynamic* (泰康人壽保險有限公司—投連—創新動力)	Other	1,964,800	0.17	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
Bank of China Limited – Huatai Borui Xinli Flexible Allocation Hybrid Securities Investment Fund* (中國銀行股份有限公司—華泰柏瑞新利靈活配置混合型證券投資基金)	Other	1,339,703	0.12	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 of shares	Number
YTO Group Corporation	410,690,578	Ordinary shares denominated in RMB	410,690,578
HKSCC NOMINEES LIMITED (Note 1)	388,299,309	Overseas listed foreign shares	388,299,309
Hong Kong Securities Clearing Company Limited (Note 2)	16,796,120	Ordinary shares denominated in RMB	16,796,120
China Construction Bank Corporation – Huatai Borui Fuli Flexible Allocation Hybrid Securities Investment Fund* (中國建設銀行股份有限公司—華泰柏瑞富利靈活配置混合型證券投資基金)	9,235,287	Ordinary shares denominated in RMB	9,235,287
China Construction Bank Corporation – Huatai Borui Multi-Strategy Flexible Allocation Hybrid Securities Investment Fund* (中國建設銀行股份有限公司—華泰柏瑞多策略靈活配置混合型證券投資基金)	4,933,225	Ordinary shares denominated in RMB	4,933,225
Industrial Bank Co., Ltd. – Huatai Borui Dingli Flexible Allocation Hybrid Securities Investment Fund* (興業銀行股份有限公司—華泰柏瑞鼎利靈活配置混合型證券投資基金)	3,411,900	Ordinary shares denominated in RMB	3,411,900

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 of shares	Number
Bank of China Limited – China Merchants Quantitatively Selected Equity Initiated Securities Investment Fund* (中國銀行股份有限公司—招商量化精選股票型發起式證券投資基金)	2,686,314	Ordinary shares denominated in RMB	2,686,314
Lu Yichun* (呂義春)	2,625,200	Ordinary shares denominated in RMB	2,625,200
Taikang Life Insurance Co., Ltd. – Investment-Linked Innovation Dynamic* (泰康人壽保險有限責任公司—投連—創新動力)	1,964,800	Ordinary shares denominated in RMB	1,964,800
Bank of China Limited – Huatai Borui Xinli Flexible Allocation Hybrid Securities Investment Fund* (中國銀行股份有限公司—華泰柏瑞新利靈活配置混合型證券投資基金)	1,339,703	Ordinary shares denominated in RMB	1,339,703

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

Under the influence of factors such as market demand shifting forward and sales of large and medium-sized tractor products in the agricultural machinery industry at a high level in the same period of last year, the sales decline of large and medium-sized tractor products in the industry expanded in the third quarter of 2023. The Company has actively responded to changes in the market environment in the PRC, given full play to the comprehensive advantages of the National IV Switch, and continuously strengthened pipeline management and improved service capabilities. At the same time, the Company has continued to increase the expansion of overseas markets, from January to September this year, large and medium-sized tractor domestic market share continued to maintain a leading position, with the international market sales recorded a period-on-period increase of 48.82%. The Company's Dongfanghong diesel engine that complied with the National IV emission standard supporting sales in the external market recorded a period-on-period increase of 14.66%.

V. QUARTERLY FINANCIAL STATEMENTS

Consolidated Balance Sheet

30 September 2023

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: unaudited

Item	30 September 2023	31 December 2022
Current assets:		
Monetary Funds	3,395,435,851.09	4,363,742,346.01
Settlement reserves for balance		
Loans to banks and other financial institutions		
Financial assets held for trading	1,405,402,457.53	1,249,646,900.00
Derivative financial assets		
Notes receivable	22,390,993.06	76,769,291.70
Accounts receivable	1,242,087,008.14	351,792,105.00
Receivables financing	281,502,364.03	246,084,731.86
Advances to suppliers	108,425,512.22	214,603,079.62
Premium receivables		
Reinsurance receivables		
Reinsurance contract reserves receivable		
Other receivables	43,787,465.01	26,664,987.91
Including: Interest receivable		
Dividends receivable		
Financial assets purchased with agreement to resale		
Inventories	1,099,287,840.96	1,191,302,696.00
Contract assets		
Assets classified as held for sale		
Non-current assets due within one year	26,829,964.80	26,138,882.38
Other current assets	31,690,360.65	135,457,079.03
Total current assets	<u>7,656,839,817.49</u>	<u>7,882,202,099.51</u>

Item	30 September 2023	31 December 2022
Non-current assets:		
Loans and advances to customers		
Debt investments	3,109,603,677.09	1,086,568,216.50
Other debt investments		
Long-term receivables		
Long-term equity investments	659,347,817.33	635,976,086.00
Other investments in equity instruments	3,513,464.70	3,513,464.70
Other non-current financial assets		
Investment properties		
Fixed assets	2,275,158,721.00	2,311,846,878.77
Construction in progress	119,881,821.69	126,466,820.01
Productive biological assets		
Oil and gas assets		
Right-of-use assets	24,039,290.81	34,164,906.27
Intangible assets	702,758,902.00	713,225,331.16
Research and development expenses		
Goodwill		
Long-term unamortized expenses	50,514,196.84	59,464,923.38
Deferred tax assets	141,047,262.73	138,136,755.38
Other non-current assets		
	-----	-----
Total non-current assets	7,085,865,154.19	5,109,363,382.17
	-----	-----
Total assets	14,742,704,971.68	12,991,565,481.68
	=====	=====

Item	30 September 2023	31 December 2022
Current liabilities:		
Short-term loans	500,000,000.00	270,223,055.56
Borrowings from central bank		
Loans from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	2,235,442,791.81	1,829,411,578.37
Accounts payable	2,990,391,925.11	2,286,961,766.98
Advances from customers	1,656,883.07	190,366.98
Contract liabilities	178,588,357.01	846,464,703.95
Funds from selling (out) and repurchasing financial assets		
Absorption of deposits and interbank deposits		34,112,630.48
Funds received as agent of stock exchange		
Funds received as stock underwriter		
Employee benefits payable	110,458,865.17	108,545,159.39
Taxes payables	38,204,912.28	21,049,384.80
Other payables	430,128,130.33	338,162,726.80
Including: Interest payable	29,981,375.24	24,785,843.99
Dividends payable	8,439,607.84	8,439,607.83
Fee and commission payable		
Reinsurance accounts payables		
Liabilities classified as held for sale		
Non-current liabilities due within one year	13,844,819.45	17,750,080.09
Other current liabilities	616,592,201.98	374,987,097.17
Total current liabilities	<u>7,115,308,886.21</u>	<u>6,127,858,550.57</u>

Item	30 September 2023	31 December 2022
Non-current liabilities:		
Reserves for insurance contract		
Long-term loans		49,380,000.00
Bonds payable		
Including: Preference shares		
Perpetual bond		
Lease liabilities	9,684,059.31	16,459,875.98
Long-term payables	8,776,405.83	8,476,357.76
Long-term employee salary payable	26,386,752.88	48,210,828.04
Estimated liabilities	1,962,613.99	1,962,613.99
Deferred income	132,820,086.98	121,762,517.70
Deferred tax liabilities	116,693,487.87	120,283,861.71
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	296,323,406.86	366,536,055.18
	<hr/>	<hr/>
Total liabilities	<u>7,411,632,293.07</u>	<u>6,494,394,605.75</u>

Item	30 September 2023	31 December 2022
Owner's equity		
(or shareholder's equity):		
Paid-up capital (or share capital)	1,123,645,275.00	1,123,645,275.00
Other equity instruments		
Including: Preference shares		
Perpetual bond		
Capital reserves	2,655,849,996.00	2,655,849,996.00
Less: Treasury shares		
Other comprehensive income	-2,572,742.21	-5,853,544.29
Special reserves	7,729,268.01	5,497,405.05
Surplus reserves	595,433,495.89	595,433,495.89
General risk reserves		43,263,387.54
Retained earnings	2,411,363,544.90	1,540,248,936.64
Total equity attributable to owners of the parent company (or shareholders' equity)	6,791,448,837.59	5,958,084,951.83
Minority interests	539,623,841.02	539,085,924.10
	<hr/>	<hr/>
Total owners' equity (or shareholder's equity)	7,331,072,678.61	6,497,170,875.93
	<hr/>	<hr/>
Total liabilities and owners' equity (or shareholder's equity)	14,742,704,971.68	12,991,565,481.68
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Legal Representative:

Liu Jiguo

Chief Financial Officer:

Kang Zhifeng

Accounting Manager:

Jiang Jingyuan

Consolidated Income Statement

January to September 2023

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: unaudited

Item	First three quarters of 2023 (January – September)	First three quarters of 2022 (January – September)
I. Total operating revenue	10,251,806,292.67	10,320,425,131.42
Including: Operating revenue	10,246,180,269.09	10,221,589,977.57
Interest income	5,626,023.58	93,815,682.56
Earned insurance premiums		
Fees and commission		5,019,471.29
II. Total cost of operation	9,239,404,972.71	9,245,609,963.55
Including: Cost of operation	8,549,155,954.14	8,525,370,329.09
Interest expenses	99,838.97	11,711,821.43
Fees and commission expense	60,491.28	387,925.59
Refunded premiums		
Net amount of compensation payout		
Net amount of reserves for reinsurance contract		
Policy dividend payment		
Reinsurance expenses		
Taxes and surcharges	38,182,519.09	37,760,127.97
Selling expenses	151,176,584.89	119,391,600.83
Administrative expenses	252,612,129.00	238,283,910.90
Research and development expenses	290,167,982.58	340,517,897.96
Financial expenses	-42,050,527.24	-27,813,650.22
Including: Interest expenses	13,867,775.06	17,362,868.22
Interest income	45,931,429.25	10,644,826.47

Item	First three quarters of 2023 (January – September)	First three quarters of 2022 (January – September)
Add: Other gains	24,819,378.11	19,462,995.02
Investment income		
(Loss listed with “-”)	98,510,105.73	44,693,590.42
Including: Income from investments in associates and joint ventures	38,958,396.87	9,529,584.15
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 “-”)	36,663,032.42	-239,522,894.29
Loss on credit impairment		
(Loss listed with “-”)	-14,423,992.05	-131,443,947.90
Loss on impairment of assets		
(Loss listed with “-”)	-2,095,929.16	-7,160,637.61
Gain on disposal of assets		
(Loss listed with “-”)	1,144,133.67	1,686,273.20
III. Operating profit (Loss listed with “-”)	1,157,018,048.68	762,530,546.71
Add: Non-operating income	4,246,639.71	4,109,785.54
Less: Non-operating expenses	1,076,149.18	1,548,968.94
IV. Total profit (Total loss listed with “-”)	1,160,188,539.21	765,091,363.31
Less: Income tax expenses	67,864,536.59	-13,413,996.73

Item	First three quarters of 2023 (January – September)	First three quarters of 2022 (January – September)
V. Net profit (Net loss listed with “-”)	1,092,324,002.62	778,505,360.04
(I) Classification according to the continuity of operation		
1. Continuous operating net profit (Net loss listed with “-”)	1,074,913,288.32	709,392,869.33
2. Termination of net profit (Net loss listed with “-”)	17,410,714.30	69,112,490.71
(II) Classification according to ownership		
1. Net profit attributable to shareholders of the parent company (Net loss listed with “-”)	1,085,194,909.92	795,803,452.32
2. Non-controlling interests (Net loss listed with “-”)	7,129,092.70	-17,298,092.28
VI. Net other comprehensive income after tax	4,213,443.99	5,054,323.16
(I) Net other comprehensive income after tax attributable to owners of the parent company	3,280,802.08	6,024,383.09
1. Other comprehensive income that cannot be reclassified to profit or loss	30,276.86	-633,015.12
(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	30,276.86	

Item	First three quarters of 2023 (January – September)	First three quarters of 2022 (January – September)
(3) Changes in fair value of other investment in equity instruments		-633,015.12
(4) Changes in fair value of the enterprise's own credit risks		
2. Other comprehensive income that will be reclassified to profit or loss	3,250,525.22	6,657,398.21
(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	3,250,525.22	6,657,398.21
(7) Others		
(II) Net other comprehensive income after tax attributable to minority interests	932,641.91	-970,059.93

Item	First three quarters of 2023 (January – September)	First three quarters of 2022 (January – September)
VII. Total comprehensive income	1,096,537,446.61	783,559,683.20
(I) Total comprehensive income attributable to owners of the parent company	1,088,475,712.00	801,827,835.41
(II) Total comprehensive income attributable to minority interests	8,061,734.61	-18,268,152.21
VIII. Earnings per share:		
(I) Basic earnings per share (Yuan/share)	0.9658	0.7082
(II) Diluted earnings per share (Yuan/share)	0.9658	0.7082

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.

Legal Representative:
Liu Jiguo

Chief Financial Officer:
Kang Zhifeng

Accounting Manager:
Jiang Jingyuan

Consolidated Cash Flow Statement

January to September 2023

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: unaudited

Item	First three quarters of 2023 (January – September)	First three quarters of 2022 (January – September)
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	8,143,169,766.62	8,481,561,987.90
Net increase in deposits from customers and deposits from other banks	-33,469,641.36	-521,163,977.52
Net increase borrowings from central bank		
Net increase in loans from other financial institutions		
Cash from original insurance contract premium		
Net cash from reinsurance business		
Net increase of insured deposit and investment		
Interest, handling charges and commissions received	6,394,495.07	113,162,287.94
Net increase in placement from banks and other financial institution		-199,984,382.28
Net increase in sales and repurchase operations		360,000,000.00
Net cash flows from brokerage trading		
Refund of tax and levies	230,651,928.16	252,747,603.83
Cash received relating to other operating activities	187,498,524.31	94,115,650.21
Sub-total of cash inflows from operating activities	8,534,245,072.80	8,580,439,170.08

Item	First three quarters of 2023 (January – September)	First three quarters of 2022 (January – September)
Cash payments for goods purchased and services received	5,659,505,167.91	5,108,372,506.83
Net increase in loans and disbursement to customers	-95,035.30	-744,879,711.10
Net increase in deposits with central bank and interbanks	-9,176,871.31	-855,161,043.48
Payments of claims for original insurance contracts		
Net increase in placements with banks and other financial institution		
Cash paid for interest, handling charges and commissions	844,433.24	11,234,561.18
Cash paid for dividends of insurance policies		
Cash paid to and on behalf of employees	800,200,119.24	764,981,477.48
Payments of taxes and surcharges	217,694,917.42	96,177,482.47
Cash paid relating to other operating activities	<u>364,623,230.90</u>	<u>469,164,546.53</u>
Sub-total of cash outflows from operating activities	<u>7,033,595,962.10</u>	<u>4,849,889,819.91</u>
Net cash flows from operating activities	<u><u>1,500,649,110.70</u></u>	<u><u>3,730,549,350.17</u></u>

Item	First three quarters of 2023 (January – September)	First three quarters of 2022 (January – September)
II. Cash flows from investment activities:		
Cash received from return of investments	4,266,450.00	1,201,000.00
Cash received from investments income	27,426,223.16	8,365,419.11
Net cash received from disposals of fixed assets, intangible assets and other long- term assets	3,772,156.53	2,719,206.55
Net cash received from disposals of subsidiaries and other business units		61,016,327.59
Cash received relating to other investing activities		
Sub-total of cash inflows from investing activities	35,464,829.69	73,301,953.25
Cash paid to acquire fixed assets, intangible assets and other long-term assets	64,793,874.85	76,252,982.43
Cash paid for investments	2,095,000,000.00	1,674,777,100.00
Net increase in pledged deposits		
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities	_____	_____
Sub-total of cash outflows from investing activities	<u>2,159,793,874.85</u>	<u>1,751,030,082.43</u>
Net cash flows from investing activities	<u>-2,124,329,045.16</u>	<u>-1,677,728,129.18</u>

Item	First three quarters of 2023 (January – September)	First three quarters of 2022 (January – September)
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	300,000,000.00	480,980,000.00
Cash received relating to other financing		
activities		138,052,188.68
Sub-total of cash inflows from financing		
activities	300,000,000.00	619,032,188.68
Cash paid for settlement of borrowings	49,580,000.00	470,300,000.00
Cash paid for dividends, profits appropriation		
or payments of interest	270,738,428.17	196,411,933.58
Including: Dividends and profits paid to		
minority interests of subsidiaries	4,662,532.29	52,762,144.65
Cash paid relating to other financing		
activities	18,286,220.59	9,033,146.14
Sub-total of cash outflows from financing		
activities	338,604,648.76	675,745,079.72
Net cash flows from financing activities	<u>-38,604,648.76</u>	<u>-56,712,891.04</u>

Item	First three quarters of 2023 (January – September)	First three quarters of 2022 (January – September)
IV. Effect of changes in foreign exchange rate on cash and cash equivalents	8,623,341.53	6,924,922.56
V. Net increase in cash and cash equivalents	-653,661,241.69	2,003,033,252.51
Add: Cash and cash equivalents at the beginning of the period	3,519,577,581.87	2,146,767,725.61
VI. Cash and cash equivalents at the end of the period	2,865,916,340.18	4,149,800,978.12

Legal Representative:

Liu Jiguo

Chief Financial Officer:

Kang Zhifeng

Accounting Manager:

Jiang Jingyuan

By Order of the Board

FIRST TRACTOR COMPANY LIMITED*

Yu Lina

Company Secretary

Luoyang, the PRC

27 October 2023

As at the date of this announcement, the Board comprises Mr. Liu Jiguo (Chairman) as executive Director; Mr. Zhang Zhiyu, Mr. Fang Xianfa and Mr. Zhang Bin as non-executive Directors; and Mr. Edmund Sit, Mr. Wang Shumao and Mr. Xu Liyou as independent non-executive Directors.

* *For identification purposes only*