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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)

ANNOUNCEMENT ON ESTIMATED INCREASE IN ANNUAL RESULTS FOR THE YEAR 2023

The board (the “**Board**”) of directors (the “**Directors**”) of First Tractor Company Limited* (the “**Company**”) and all Directors warrant that there are no false representations or misleading statements contained in, or material omissions from, this announcement, and accept several and joint responsibility for the truthfulness, accuracy and completeness of the contents herein.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

IMPORTANT NOTICE:

- This results estimate is applicable to the situation where profits are realized, and the net profit has increased by more than 50% as compared with the corresponding period last year.
- First Tractor Company Limited* (hereinafter referred to as the “**Company**”) is expected to record a net profit of RMB920 million to RMB1,020 million attributable to owners of the parent company for the year 2023, representing an increase of RMB239 million to RMB339 million as compared with the corresponding period last year, or a year-on-year increase of 35.09% to 49.77%.
- It is expected that the net profit attributable to the owners of the parent company after deducting non-recurring profit or loss is to be RMB836 million to RMB936 million for the year 2023, representing an increase of RMB65 million to RMB165 million as compared with the corresponding period last year, or a year-on-year increase of 8.37% to 21.33%.

I. ESTIMATED RESULTS FOR THE PERIOD

(I) Period of estimated results

1 January 2023 to 31 December 2023

(II) Estimated results

Based on the preliminary calculation of the Company, it is estimated that the Company will record a net profit of RMB920 million to RMB1,020 million attributable to owners of the parent company for the year 2023, representing an increase of RMB239 million to RMB339 million as compared with the corresponding period last year, or a year-on-year increase of 35.09% to 49.77%.

It is expected that the net profit attributable to the owners of the parent company after deducting non-recurring profit or loss is to be RMB836 million to RMB936 million for the year 2023, representing an increase of RMB65 million to RMB165 million as compared with the corresponding period last year, or a year-on-year increase of 8.37% to 21.33%.

(III) The performance forecast data was the preliminary calculation of the Company in accordance with the operating conditions, and has not been audited by certified accountants.

II. OPERATING RESULTS AND FINANCIAL POSITION FOR THE CORRESPONDING PERIOD LAST YEAR

(I) The net profit of the Company attributable to the owners of the parent company in 2022: RMB681 million. The net profit attributable to the owners of the parent company after deducting non-recurring profit or loss: RMB771 million.

(II) Earnings per share: RMB0.6061.

III. MAIN REASONS FOR THE ESTIMATED INCREASE IN RESULTS DURING THE PERIOD

(I) Impact of principal business

Under the influence of National IV switch, the sales volume of domestic hi and mid powered tractor products declined significantly in 2023. The Company actively responded to the challenges and consolidated its advantages in the domestic market by strengthening its marketing capabilities and upgrading its products and services. At the same time, the Company made every effort to expand its overseas markets in order to compensate for the adverse impact brought by the downturn of the domestic market. In 2023, the Company sold 72,300 hi and mid powered tractor products, representing a year-on-year decline of 18%, of which the sales volume of exported products increased by 43% year-on-year, and the sales of diesel engine products increased by 7.69% year-on-year to 82,500 units.

Benefiting from the optimization of product sales structure, the effect of the Company's cost control along the entire value chain continues to be evident, and the profitability of its leading products is stably improving. In addition, the Company continues to strengthen its risk management and control, and the quality of its operations continues to be optimized, driving the Company to achieve high-quality development.

(II) Impact of non-operating profit or loss

During the reporting period, the Company recorded non-recurring profit and loss items of approximately RMB84 million, including government grants included in the current profit or loss and changes in fair value of financial assets held, representing an increase of RMB174 million as compared with the corresponding period last year.

IV. RISK WARNING

There are no material uncertainties in the Company that affect the accuracy of the estimated results. The estimated results have not been audited by certified accountants.

V. OTHER MATTERS

The above forecast information is preliminary accounting information only. Specific and accurate financial data is subject to the audited 2023 Annual Report which is officially disclosed by the Company. Investors are advised to exercise caution and be aware of the investment risks involved.

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

Luoyang, the PRC
29 January 2024

As at the date of this announcement, the Board comprises Mr. Liu Jiguo (Chairman) and Mr. Wei Tao as executive Directors; 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*