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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 RESULTS FOR THE HALF YEAR OF 2021**

**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:**

1. The net profit attributable to the shareholders of the Company for the period from January to June 2021 is estimated to be RMB422 million to RMB549 million, representing an increase of RMB99 million to RMB226 million as compared with the corresponding period last year, or a year-on-year increase of 30.65% to 69.97%.
2. The net profit attributable to the shareholders of the Company after deducting non-recurring profit or loss for the period from January to June 2021 is estimated to be RMB395 million to RMB522 million, representing an increase of RMB105 million to RMB232 million as compared with the corresponding period last year, or a year-on-year increase of 36.21% to 80.00%.

## **I. ESTIMATED RESULTS FOR THE PERIOD**

### **(I) Period of estimated results**

1 January 2021 to 30 June 2021.

### **(II) Estimated results**

1. Based on the preliminary calculation of the Company, the net profit attributable to the shareholders of the Company for the period from January to June 2021 is estimated to be RMB422 million to RMB549 million, representing an increase of RMB99 million to RMB226 million as compared with the corresponding period last year, or a year-on-year increase of 30.65% to 69.97%.
2. The net profit attributable to the shareholders of the Company after deducting non-recurring profit or loss is estimated to be RMB395 million to RMB522 million, representing an increase of RMB105 million to RMB232 million as compared with the corresponding period last year, or a year-on-year increase of 36.21% to 80.00%.

(III) The estimated results were preliminary calculation of the Company in accordance with the operating conditions, and have not been audited by certified accountants.

## **II. RESULTS FOR THE CORRESPONDING PERIOD LAST YEAR**

(I) The net profit attributable to the shareholders of the Company for the period from January to June 2020: RMB323 million. The net profit attributable to the shareholders of the Company after deducting non-recurring profit or loss: RMB290 million.

(II) Earnings per share: RMB0.3280.

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

#### **(I) Impact of principal business**

During the reporting period, the Company seized market opportunities, further optimized its channel layout, followed closely the market demand, launched new products in a timely manner and broadened its product portfolio, while overlapping with the implementation of the national food security strategy and rural revitalization strategy, as well as favorable factors such as the rise in domestic staple crop prices, the sales volume of hi-powered and mid-powered tractors of the Company increased by approximately 40% year-on-year, the sales volume of diesel engine products increased by approximately 32% year-on-year, and the operating revenue of the Company achieved a significantly year-on-year increase. In addition, the Company effectively dealt with the cost pressure brought by the rise in raw material prices by means such as locking prices and establishing reserves, and continued to strengthen control of costs and expenditure, explored deeper into internal potential and took various measures to reduce costs and increase efficiency, the Company's operating performance continued to improve.

#### **(II) Impact of non-operating profit or loss**

During the reporting period, the Company recorded non-recurring profit and loss items of approximately RMB27 million, including government grants included in the current profit or loss and changes in fair value of financial assets held.

### **IV. RISK WARNING**

As at the date of the disclosure of this announcement, there are no other material uncertainties in the Company that will affect the accuracy of the estimated results contained in this announcement.

## V. OTHER INFORMATION

The figures above are preliminary estimates only. Investors should refer to the interim report for 2021 to be formally announced by the Company for specific and accurate financial figures of 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 July 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*