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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 2022**

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.
- The net profit attributable to the shareholders of the listed company for the year 2022 is estimated to be RMB755 million to RMB830 million, representing an increase of RMB317 million to RMB392 million as compared with the corresponding period last year, or a year-on-year increase of 72.37% to 89.50%.

- The net profit attributable to the shareholders of the listed company after deducting non-recurring profit or loss for the year 2022 is estimated to be RMB672 million to RMB747 million, representing an increase of RMB337 million to RMB412 million as compared with the corresponding period last year, or a year-on-year increase of 100.60% to 122.99%.

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

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

1 January 2022 to 31 December 2022.

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

1. Based on the preliminary calculation of the Company, it is estimated that the Company will record a net profit of RMB755 million to RMB830 million attributable to shareholders of the listed company for the year 2022, representing an increase of RMB317 million to RMB392 million as compared with the corresponding period last year, or a year-on-year increase of 72.37% to 89.50%.
2. It is expected that the net profit attributable to the shareholders of the listed company after deducting non-recurring profit or loss is to be RMB672 million to RMB747 million for the year 2022, representing an increase of RMB337 million to RMB412 million as compared with the corresponding period last year, or a year-on-year increase of 100.60% to 122.99%.

**(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 listed company in 2021: RMB438 million. The net profit attributable to the shareholders of the listed company after deducting non-recurring profit or loss: RMB335 million.

(II) Earnings per share: RMB0.394.

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

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

Affected by various factors such as China's persistent emphasis on work of Agriculture, Rural Areas and Rural Residents, the rise in food prices in China and the switching of "National IV" off-road diesel engine, the tractor industry in China has continued to grow in 2022.

In 2022, the Company adhered to the business idea of "seizing opportunities, improving capabilities, adapting to the situation, and maintaining steady growth". The competitiveness of the products of the Company continued to improve, and channel construction continued to upgrade. The sales volume of hi-powered and mid-powered tractor products of the Company increased by approximately 27.58% year-on-year, and the sales volume of diesel engine products increased by approximately 9.16% year-on-year.

Meanwhile, through measures such as deepened cost control of the whole value chain, further promoting lean production management, and strengthening cost control, the Company has effectively controlled costs and expenses, and achieved improvement of both quality and efficiency.

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

During the reporting period, the Company recorded non-recurring profit and loss items of approximately RMB83 million, including government grants included in the current profit or loss and changes in fair value of financial assets held. The non-operating profit or loss of the Company for the corresponding period last year was RMB103 million.

### **IV. RISK WARNING**

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

## V. OTHER MATTERS

The figures above are preliminary estimates only. Investors should refer to the annual report for 2022 to be formally announced by the Company for specific and accurate figures. 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  
30 January 2023

*As at the date of this announcement, the board of directors 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*