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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)

## 2022 ANNUAL RESULTS SUMMARY ANNOUNCEMENT

**The Board and all directors of the Company hereby warrant that there are no false information, misleading statements or material omissions in this announcement, and accept several and joint responsibilities for the truthfulness, accuracy and completeness of its contents.**

The key financial data of First Tractor Company Limited\* (the “Company”) for 2022 contained in this announcement are preliminary accounting data, which have not been audited by an accounting firm. The specific data are subject to the data disclosed in the Company’s 2022 annual report. Investors are advised to exercise caution and be aware of the investment risks involved.

### I. KEY FINANCIAL DATA AND INDICATORS FOR 2022

*Unit: ten thousand yuan Currency: RMB*

Items	The reporting period	The corresponding period of last year	The Change range of increase or decrease (%)
Total operating revenue	1,256,378.03	933,380.89	34.61
Operating profit	58,801.89	42,689.80	37.74
Total profit	61,189.79	46,029.19	32.94
Net profit attributable to shareholders of the Company	68,105.10	43,820.92	55.42
Net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss	77,142.24	33,516.56	130.16
Basic earnings per share (RMB)	0.6061	0.3940	53.83
Weighted average return on net assets (%)	11.99	8.49	Increase by 3.50 percentage points

	<b>At the end of the reporting period</b>	<b>At the beginning of the reporting period</b>	<b>Change range of increase or decrease (%)</b>
Total assets	1,298,614.23	1,233,959.46	5.24
Shareholder's equity attributable to shareholders of the Company	595,808.50	540,207.89	10.29
Share capital	112,364.53	112,364.53	/
Net assets per share attributable to shareholders of the Company (RMB)	5.30	4.81	10.19

## **II. DESCRIPTION OF OPERATING PERFORMANCE AND FINANCIAL CONDITIONS**

### **(1) The Company's operating conditions during the reporting period**

During the reporting period, the Company closely focused on the main line of work of "stabilizing growth and promoting development", deeply cultivated the market, strengthened technological innovation, optimized product structure, and deepened internal management. The business development of the Company continued to maintain a good momentum. In 2022, the Company's total operating income was RMB12.564 billion, representing a year-on-year increase of 34.61%; the net profit attributable to shareholders of the Company was RMB681 million, representing a year-on-year increase of 55.42%.

As a leading enterprise in the industry, the Company actively grasped the changing trend of the market and user needs and improved the comprehensive competitiveness of the hi-powered and mid-powered tractor product market through a series of measures such as enriching product mix, innovating marketing models, and strengthening channel management. The annual sales of leading products, hi-powered and mid-powered tractors, reached 88,400 units, representing a year-on-year increase of 27.58% and hitting a record high. The Company focused on off-road diesel engine technology and emission upgrades. The operating performance of Dongfanghong diesel engine products has further won the recognition of external users such as harvesting machinery and construction machinery users. The sales of diesel engines have reached 151,300 units, of which the sales volume of supporting machineries in external markets has increased by 8.31% year-on-year.

At the same time, the Company adhered to the concept of target cost management, overcame unfavorable factors such as sharp rises in energy prices and price fluctuations of certain raw materials, and effectively controlled cost increases by deepening the cost control of the entire value chain, further promoting lean production management, and strengthening cost control, which laid a solid foundation for the continuous improvement of operating efficiency.

**(2) The main reasons for the increase or decrease of relevant items in the table by more than 30%**

In 2022, the Company's total operating revenue increased by 34.61% year-on-year, operating profit increased by 37.74% year-on-year, total profit increased by 32.94% year-on-year, net profit attributable to shareholders of the listed company increased by 55.42% year-on-year, basic earnings per share increased by 53.83% year-on-year, net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss increased by 130.16% year-on-year. The main reasons for the changes in the above items are:

1. Impact of principal business: During the reporting period, the sales volume of the Company's leading products increased year-on-year, and the total operating revenue increased significantly. The scale effect drove the Company's profit growth to outpace revenue growth. At the same time, the Company paid close attention to refined management, and carried out cost control of the whole process and all elements around R&D, procurement, production and sales, and the expense ratio during the period dropped significantly.
2. Impact of non-recurring profit or loss: During the reporting period, the Company recorded non-recurring profit and loss items of approximately RMB-90 million, representing a decrease of RMB193 million as compared with the corresponding period last year, resulting in a significant year-on-year increase in the Company's net profit attributable to shareholders of the Company after deduction of nonrecurring profit or loss.

### III. RISK WARNING

1. There is no significant difference between the operating performance disclosed in the Company's results summary and the previous results estimate. In the announcement on estimated increase in annual results for the year 2022 disclosed by the Company on 30 January 2023, it was expected to achieve net profit attributable to shareholders of the Company of RMB755 million to RMB830 million in 2022, and realized net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss of RMB672 million to RMB747 million. The net profit attributable to shareholders of the Company for 2022 disclosed in this Company's results summary is RMB681 million, which is 9.8% lower than the lower limit of the performance estimate range, while net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss is RMB771 million.
2. The key financial data of the Company for 2022 contained in this announcement are preliminary financial data. The main indicators have not been audited by an accounting firm. 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  
21 March 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*