

First Tractor Company Limited
Report on the Compilation of Unaudited Pro Forma
Financial Information

DHHZ [2022] No.003272



DaHua Certified Public Accountants (Special General Partnership)

First Tractor Company Limited
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Financial Information
(December 31 2021)

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Report on the Compilation of Unaudited Pro Forma Financial Information

DHHZ [2022] No. 003272

To the Board of Directors of First Tractor Company Limited:

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of First Tractor Company Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities as at 31 December 2021 and related notes as set out on pages VI-1 to VI -6 of the circular issued by the Company dated 31 May 2022 (the “Circular”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages VI -1 to VI -6 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the major transactions in relation to the Company made a cash capital increase in Sinomach Finance Co., Ltd. (the “Capital Increase”) on the Group’s financial position as at 31 December 2021 as if the Capital Increase transaction had taken place as at 31 December 2021. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s consolidated financial statements for the year ended 31 December 2021, on which a review report has been published.

Directors’ Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Professional Ethics for Chinese Certified Public Accountants (2020)" issued by the Chinese Institute of Certified Public Accountants (the "CICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies "Quality Management Standards for Accounting Firms No. 5101 - Business Quality Management" issued by the CICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Hong Kong Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with the The Hong Kong Standard on Assurance Engagement 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2021 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro

forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Hong Kong Listing Rules.



CICPA:



Partner

金达

CICPA



林海艳

31th May 2022

UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE GROUP

Item	The Group as at 31 December 2021	Pro forma Adjustments	Unaudited pro forma total for the Group
Current assets:			
Monetary Funds	3,243,399,611.65	-554,776, 100.00	2,688,623,511.65
Lendings to Banks and Other Financial Institutions	23,320,000.00		23,320,000.00
Trading financial assets	1,038,970,988.74		1,038,970,988.74
Derivative financial assets			
Notes receivable	62,757,621.58		62,757,621.58
Accounts receivable	301,661,736.48		301,661,736.48
Accounts receivable financing	216,495,094.89		216,495,094.89
Advances to suppliers	242,712,324.09		242,712,324.09
Other receivables	24,247,156.19		24,247,156.19
Buying back the sale of financial assets	360,643,454.77		360,643,454.77
Inventories	1,674,008,933.28		1,674,008,933.28
Contractual assets			
Assets classified as held for sale			
Non-current assets due within one year	188,189,353.75		188,189,353.75
Other current assets	319,494,747.99		319,494,747.99
Total current assets	7,695,901,023.41	-554,776, 100.00	7,141,124,923.41
Non-current assets			
Loans and advances to customers	891,754,953.83		891,754,953.83
Debt investment			
Other debt investment			
Long-term receivables	147,379,925.56		147,379,925.56
Long-term equity investments	126,970,546.37	554,776, 100.00	681,746,646.37
Other equity instrument investment	4,839,048.00		4,839,048.00

Other non-current financial assets			
Investment properties			
Fixed assets	2,465,981,510.01		2,465,981,510.01
Construction in progress	79,246,144.63		79,246,144.63
Productive biological assets			
Oil and gas assets			
Right-to-use assets	15,044,288.50		15,044,288.50
Intangible assets	750,855,986.17		750,855,986.17
Research and development expenses			
Goodwill			
Long-term deferred expenses	61,059,040.71		61,059,040.71
Deferred income tax assets	100,562,089.39		100,562,089.39
Other non-current assets			
Total non-current assets	4,643,693,533.17	554,776, 100.00	5,198,469,633.17
Total assets	12,339,594,556.58		12,339,594,556.58
Current liabilities:			
Short-term loans	270,183,333.34		270,183,333.34
Absorption of deposits and interbank deposits	741,565,080.73		741,565,080.73
Loans from banks and other financial institutes	200,050,000.00		200,050,000.00
Trading financial liabilities			
Derivative financial liabilities			
Notes payable	1,429,974,406.92		1,429,974,406.92
Accounts payable	2,005,338,697.27		2,005,338,697.27
Funds from sales of financial assets with repurchasement agreement	11,759,888.55		11,759,888.55
Advance from customers	198,307.51		198,307.51
Contract liabilities	580,385,482.01		580,385,482.01
Employee salary payable	94,183,174.20		94,183,174.20
Taxes payable	16,547,128.41		16,547,128.41
Other payables	264,862,718.59		264,862,718.59

Liabilities classified as held for sale		
Non-current liabilities due within one year	13,333,158.50	13,333,158.50
Other current liabilities	262,766,044.87	262,766,044.87
Total current liabilities	5,891,147,420.90	5,891,147,420.90
Non-current liabilities		
Long-term loans	110,000,000.00	110,000,000.00
Bonds payable		
Including: Preference shares		
Perpetual bond		
Lease liabilities	1,853,079.74	1,853,079.74
Long-term payables	8,251,321.72	8,251,321.72
Long-term employee salary payable	57,802,347.71	57,802,347.71
Special payables		
Estimated Liabilities	1,962,613.99	1,962,613.99
Deferred income	138,045,711.55	138,045,711.55
Deferred income tax liabilities	148,308,914.30	148,308,914.30
Other non-current liabilities		
Total non-current liabilities	466,223,989.01	466,223,989.01
Total liabilities	6,357,371,409.91	6,357,371,409.91
Shareholder's equity		
Share capital	1,123,645,275.00	1,123,645,275.00
Other equity instruments		
Including: Preferred shares		
Perpetual bond		
Capital reserves	2,655,849,996.00	2,655,849,996.00
Less: Treasury shares		
Other comprehensive income	-11,710,421.44	-11,710,421.44
Special reserves	3,465,767.12	3,465,767.12
Surplus reserves	501,495,783.59	442,101,172.16
General risk reserves	43,263,387.54	43,263,387.54
Retained earnings	1,086,069,085.52	1,145,463,696.95

Total equity attributable to shareholders of the parent company	5,402,078,873.33	5,402,078,873.33
Minority interests	580,144,273.34	580,144,273.34
Total shareholder's equity	5,982,223,146.67	5,982,223,146.67
Total liabilities and shareholder's equity	12,339,594,556.58	12,339,594,556.58

Note: The adjustment represents the Company has Completed capital increase in cash to Sinomach Finance of approximately RMB[554.7761] million at 31 December 2021.



统一社会信用代码
91110108590676050Q

营业执照

(副本) (7-1)



扫描二维码登录
“国家企业信用信息公示系统”
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名称 大华会计师事务所(特殊普通合伙)
类型 特殊普通合伙
负责人 梁春, 杨耀文
经营范围 审计、验资、清算、评估、税务咨询、代理记账、法律、法规、规章、规范性文件规定且经营范围许可的其他经营活动。

成立日期 2012年02月09日
合伙期限 2012年02月09日至 长期
主要经营场所 北京市海淀区西四环中路16号院7号楼1101

此件仅用于业务报告专用，复印无效。



登记机关

2021年12月01日

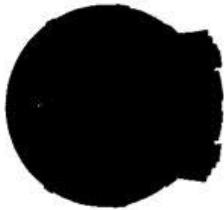
国家市场监督管理总局监制

市场主体应当于每年1月1日至6月30日通过
国家企业信用信息公示系统报送公示年度报告。

<http://www.gsxt.gov.cn>

国家企业信用信息公示系统网址:

证书序号: 0000093



会计师事务所 执业证书



名称: 大华会计师事务所(特殊普通合伙)

首席合伙人: 梁春

主任会计师:

经营场所: 北京市海淀区西四环中路16号院7号楼12层

组织形式: 特殊普通合伙

执业证书编号: 11010148

批准执业文号: 京财会许可[2011]0101号

批准执业日期: 2011年11月03日

说明

- 1、《会计师事务所执业证书》是证明持有人经财政部门依法审批, 准予执行注册会计师法定业务的凭证。
- 2、《会计师事务所执业证书》记载事项发生变动的, 应当向财政部门申请换发。
- 3、《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。
- 4、会计师事务所终止或执业许可注销的, 应当向财政部门交回《会计师事务所执业证书》。



发证机关:

二〇一七年十一月七日

中华人民共和国财政部制

此件仅用于业务报告专用, 复印无效。

姓名	金达
性别	男
出生日期	1972-2-24
工作单位	利安达信隆会计师事务所有限责任公司
身份证号	110105197202248915





姓名: 金达
证书编号: 110001540113

2015-04-01 2018-05-11

This certificate is valid for a period of 3 years after renewal.

北京注册会计师协会
2007年度任期届满审查合格

2008年3月20日



证书编号:
No. of Certificate 110001540113

批准注册协会:
Authorized Institute of CPAs 北京注册会计师协会

发证日期:
Date of Issuance 2006-1-5

注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA

同意调出
Agree the holder to be transferred from

大华会计师事务所(特殊普通合伙) 事务所
CPAs

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2012年12月25日

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大华会计师事务所(特殊普通合伙) 事务所
CPAs

转入协会盖章
Stamp of the transfer-in Institute of CPAs
2012年12月25日

姓名: 林海艳
 Full name: 林海艳
 性别: 女
 Sex: 女
 出生日期: 1972-10-29
 Date of birth: 1972-10-29
 工作单位: 利安达会计师事务所有限责任公司
 Working unit: 利安达会计师事务所有限责任公司
 身份证号码: 211322721029156
 Identity card No: 211322721029156



姓名: 林海艳
 证书编号: 210100910027
 注册日期: 2012年2月15日
 有效期至: 2013年4月16日
 This certificate is valid for another year after this renewal.





2012.2.15
 2013年 4月 16日



证书编号: 210100910027
 No. of Certificate: 210100910027
 批准注册协会: 北京注册会计师协会
 Authorized Institute of CPAs: 北京注册会计师协会
 发证日期: 2012年 6月 18日
 Date of Issuance: 2012-06-18

注册会计师工作单位变更事项登记
 Registration of the Change of Working Unit by a CPA

同意调出
 Agree the holder to be transferred from

转出协会盖章
 Stamp of the transfer-out Institute of CPAs
 2012年 12月 25日

同意调入
 Agree the holder to be transferred to

转入协会盖章
 Stamp of the transfer-in Institute of CPAs
 2012年 12月 25日