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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)

## 2020 THIRD QUARTERLY REPORT

### I. IMPORTANT NOTICE

- 1.1. The board of directors (the “**Board**”) and board of supervisors of First Tractor Company Limited\* (the “**Company**”), and its directors (the “**Directors**”), supervisors and senior management confirm that there are no false information, misleading statements or material omissions contained in this quarterly report, and severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the contents herein.
- 1.2. All Directors of the Company attended the Board meeting to consider this quarterly report.
- 1.3. Li Xiaoyu (person in charge of the Company), Su Ye (person in charge of the accounting function) and Yao Weidong (person in charge of the Accounting Department and the Accounting Manager) have confirmed the truthfulness, accuracy and completeness of the financial statements in this quarterly report.
- 1.4. This third quarterly report of the Company is unaudited.

## II. DEFINITIONS

Unless the context requires otherwise, the following terms should have the following meanings in this third quarterly report:

“A Share(s)”	ordinary share(s) as approved by the CSRC which are issued to the PRC domestic investors and qualified foreign investors, traded on the PRC domestic stock exchange, denominated, subscribed for and traded in RMB
“Changtuo Company”	Changtuo Agricultural Machinery Equipment Group Company Limited (長拖農業機械裝備集團有限公司), a controlled subsidiary of the Company
“Company”	First Tractor Company Limited* (第一拖拉機股份有限公司)
“controlled subsidiary”	a company held as to more than 50% shares or equity interests by the Company, and a company actually controlled by the Company through agreement and arrangement
“CSRC”	China Securities Regulatory Commission
“Group”	the Company and its controlled subsidiaries
“H Share(s)”	ordinary share(s) as approved by the CSRC which are issued to foreign investors, and listed with the approval of the Stock Exchange, denominated in RMB, subscribed for and traded in Hong Kong dollars
“SFC”	Securities and Futures Commission of Hong Kong
“Shanghai Stock Exchange”	Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“YTO”	YTO Group Corporation (中國一拖集團有限公司), the controlling shareholder of the Company
“YTO Finance”	China YTO Group Finance Company Limited (中國一拖集團財務有限責任公司), a controlled subsidiary of the Company

### III. BASIC INFORMATION OF THE COMPANY

#### 3.1 Major financial data

*Unit: Yuan Currency: RMB*

	As at the end of the Reporting Period	As at the end of the previous year	Increase/Decrease as at the end of the Reporting Period as compared to the end of the previous year (%)
Total assets	12,915,596,104.60	11,629,022,385.51	11.06
Net assets attributable to shareholders of the Company	4,538,155,180.66	4,070,005,449.08	11.50
	From the beginning of the year to the end of the Reporting Period (January to September)	From the beginning of the previous year to the end of the reporting period of the previous year (January to September)	Year-on-year increase/decrease (%)
Net cash flows from operating activities	770,015,117.53	122,116,209.43	530.56
	From the beginning of the year to the end of the Reporting Period (January to September)	From the beginning of the previous year to the end of the reporting period of the previous year (January to September)	Year-on-year increase/decrease (%)
Operating revenue	6,394,849,666.10	5,124,458,627.07	24.79
Net profit attributable to shareholders of the Company	477,698,750.10	70,176,827.65	580.71
Net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss	434,534,226.29	-33,894,625.44	N/A
Weighted average return on net assets (%)	11.10	1.74	Increased by 9.36 percentage points
Basic earnings per share (Yuan/share)	0.4846	0.0712	580.62
Diluted earnings per share (Yuan/share)	0.4846	0.0712	580.62

## Non-recurring profit or loss items and amounts

Unit: Yuan Currency: RMB

Items	Amount for the period (July to September)	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Explanation
Profit or loss from disposal of non-current assets	4,373,197.08	5,293,920.01	
Government grants credited to current profit or loss (except for those which are closely related to the Company's ordinary business, in accordance with the PRC national policies and continuously received in certain standard amounts and quantities)	8,083,987.53	24,871,424.09	
Gain or loss on changes in fair value of held-for-trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities, and investment income from disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investments, other than effective hedging activities related to normal business operations of the Company	57,491.73	21,515,635.57	
Non-operating income and expenses other than those stated above	-425,613.21	353,525.66	
Gain or loss from other non-recurring items	476,277.50	2,240,493.01	Mainly investment income from disposal of equity
Effect of minority shareholders' interests (after tax)	-1,966,519.37	-6,833,062.50	
Effect of income tax	-522,120.87	-4,277,412.03	
<b>Total</b>	<b>10,076,700.39</b>	<b>43,164,523.81</b>	

### 3.2 Table of total number of shareholders, shareholdings of the top ten shareholders and the top ten shareholders of circulating shares (or shareholders without selling restriction) as at the end of the Reporting Period

Unit: Share

Total number of shareholders 30,928  
Including: 30,572 shareholders of A Shares and  
356 shareholders of H Shares

#### Shareholdings of the top ten shareholders

Name of shareholders (full name)	Number of shares held as at the end of the period	Percentage (%)	Number of shares held with selling restriction	Subject to pledge or moratorium		Nature of shareholders
				Status of shares	Number	
YTO Group Corporation	410,690,578	41.66	0	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED (Note 1)	387,887,319	39.35	0	Unknown	/	Overseas legal person
China Construction Bank Corporation-Bank of Communications Schroder Economic New Power Hybrid Securities Investment Fund (中國建設銀行股份有限公司—交銀施羅德經濟新動力混合型證券投資基金)	18,588,051	1.89	0	Unknown	/	Other
China Merchants Bank Co., Ltd.- Bank of Communications Schroder Innovation Pilot Hybrid Securities Investment Fund (招商銀行股份有限公司—交銀施羅德創新領航混合型證券投資基金)	14,952,091	1.52	0	Unknown	/	Other
China Construction Bank Corporation Henan Province Branch	9,444,950	0.96	0	Unknown	/	Other
Industrial and Commercial Bank of China Limited-Bank of Communications Schroder Preferred Hybrid Securities Investment Fund (中國工商銀行股份有限公司—交銀施羅德趨勢優先混合型證券投資基金)	8,045,000	0.82	0	Unknown	/	Other
Industrial and Commercial Bank of China Limited-Hua'an Anxin Consumption Service Hybrid Securities Investment Fund (中國工商銀行股份有限公司—華安安信消費服務混合型證券投資基金)	6,324,067	0.64	0	Unknown	/	Other
China Construction Bank Corporation- Bank of Communications Schroder Growth 30 Hybrid Securities Investment Fund (中國建設銀行股份有限公司—交銀施羅德成長30混合型證券投資基金)	6,008,310	0.61	0	Unknown	/	Other
Hong Kong Securities Clearing Company Limited (Note 2)	3,395,567	0.34	0	Unknown	/	Overseas legal person
Bank of Communications Co., Ltd.-Hua'an Anshun Flexible Allocation of Hybrid Securities Investment Fund (交通銀行股份有限公司—華安安順靈活配置混合型證券投資基金)	2,458,718	0.25	0	Unknown	/	Other

### Shareholdings of the top ten shareholders without selling restriction

Name of shareholders	Number of circulating shares held without selling restriction	Class and number of shares	
		Class	Number
YTO Group Corporation	410,690,578	Ordinary shares denominated in RMB	410,690,578
HKSCC NOMINEES LIMITED <i>(Note 1)</i>	387,887,319	Overseas listed foreign shares	387,887,319
China Construction Bank Corporation-Bank of Communications Schroder Economic New Power Hybrid Securities Investment Fund (中國建設銀行股份有限公司—交銀施羅德經濟新 動力混合型證券投資基金)	18,588,051	Ordinary shares denominated in RMB	18,588,051
China Merchants Bank Co., Ltd.- Bank of Communications Schroder Innovation Pilot Hybrid Securities Investment Fund (招 商銀行股份有限公司—交銀施羅德創新領航混合型證 券投資基金)	14,952,091	Ordinary shares denominated in RMB	14,952,091
China Construction Bank Corporation Henan Province Branch	9,444,950	Ordinary shares denominated in RMB	9,444,950
Industrial and Commercial Bank of China Limited-Bank of Communications Schroder Preferred Hybrid Securities Investment Fund (中國工商銀行股份有限公司—交銀施羅德趨勢優 先混合型證券投資基金)	8,045,000	Ordinary shares denominated in RMB	8,045,000
Industrial and Commercial Bank of China Limited-Hua'an Anxin Consumption Service Hybrid Securities Investment Fund (中國 工商銀行股份有限公司—華安安信消費服務混合型證 券投資基金)	6,324,067	Ordinary shares denominated in RMB	6,324,067
China Construction Bank Corporation- Bank of Communications Schroder Growth 30 Hybrid Securities Investment Fund (中國建 設銀行股份有限公司—交銀施羅德成長30混合型證券 投資基金)	6,008,310	Overseas listed foreign shares	6,008,310
Hong Kong Securities Clearing Company Limited <i>(Note 2)</i>	3,395,567	Ordinary shares denominated in RMB	3,395,567
Bank of Communications Co., Ltd.-Hua' an Anshun Flexible Allocation of Hybrid Securities Investment Fund (交通銀行股 份有限公司—華安安順靈活配置混合型證券投資基金)	2,458,718	Ordinary shares denominated in RMB	2,458,718

**Shareholdings of the top ten shareholders without selling restriction**

<b>Name of shareholders</b>	<b>Number of circulating shares held without selling restriction</b>	<b>Class</b>	<b>Class and number of shares</b>	<b>Number</b>
<p>Explanation on connected relation or parties acting in concert of the aforesaid shareholders</p>	<p>Among the top ten shareholders and top ten shareholders without selling restrictions, YTO, the controlling shareholder of the Company, has no connected relationship with, nor is it a party acting in concert (as defined in the Administrative Measures on Acquisitions by Listed Companies) with, any other shareholders. The Company is not aware of any connected relationship among other shareholders, nor aware of any parties acting in concert among them as defined in the Administrative Measures on Acquisitions by Listed Companies.</p>			
<p>Description of preferential shareholders with restoration of voting rights and their shareholdings</p>	<p>N/A</p>			

*Note 1:* The overseas listed foreign shares held by HKSCC NOMINEES LIMITED are held on behalf of various customers;

*Note 2:* The ordinary shares dominated in RMB held by Hong Kong Securities Clearing Company Limited are held on behalf of overseas investors who held these shares via the Northbound Trading through the Shanghai-Hong Kong Stock Connect.

### 3.3 Table of total number of preference shares shareholders, shareholdings of the top ten preference shares shareholders and the top ten preference shares shareholders without selling restriction as at the end of the Reporting Period

The Company had no preference shares during the Reporting Period.

## IV. SIGNIFICANT EVENTS

### 4.1 Particulars of and reasons for material changes in major accounting statement items and financial indicators of the Company

Consolidated balance sheet items	Amount as at the end of the period	Amount as at the beginning of the year	Percentage changes (%)	Reasons
Loans to banks and other financial institutions	<b>40,000,000.00</b>	70,000,000.00	-42.86	Increase in the provision for impairment of lending to banks and other financial institutions made by YTO Finance, resulting in the decrease in the book value of lendings to banks and other financial institutions
Accounts receivable	<b>1,126,565,345.15</b>	406,586,834.70	177.08	Increase in credit sales of the Company and closing balance of accounts receivable for alleviating the capital pressure of distributors, as affected by the seasonality of agricultural machinery sales and since the third quarter was the peak season for sales
Financial assets purchased with agreement to resale	<b>1,711,443,660.90</b>	671,668,502.78	154.80	Increase in YTO Finance's financial assets purchased with agreement to resale
Right-to-use assets	<b>9,525,709.27</b>	18,945,867.20	-49.72	Decrease in the right-to-use assets recognized by the Company as the lessee
Notes payable	<b>1,425,724,389.49</b>	1,004,008,951.30	42.00	Increase in the Company's purchase amount and the payables not due at the end of the period resulting from the third quarter was the peak season for production and sales
Accounts payable	<b>2,092,053,424.70</b>	1,252,450,248.58	67.04	Increase in the Company's purchase amount and the payables not due at the end of the period resulting from the third quarter was the peak season for production and sales
Other payables	<b>202,046,730.52</b>	302,747,490.57	-33.26	Service fees of other payables were reclassified to the accounts payable during the Reporting Period



<b>Consolidated balance sheet items</b>	<b>Amount as at the end of the period</b>	<b>Amount as at the beginning of the year</b>	<b>Percentage changes (%)</b>	<b>Reasons</b>
Non-current liabilities due within one year	<b>52,596,186.63</b>	649,035,505.95	-91.90	Repayment of long-term borrowings due within one year by the Company during the Reporting Period
Other current liabilities	<b>432,815,123.54</b>	225,466,269.20	91.96	Increase in provision for discounts and allowance during the Reporting Period
Other comprehensive income	<b>-24,595,555.56</b>	-14,198,180.13	N/A	Increase in differences on translation of foreign currency financial statements as compared with the beginning of the period as a result of the exchange rate fluctuations during the Reporting Period
Special reserves	<b>3,078,357.22</b>	2,230,000.31	38.04	Increase in the Company's provision for safety production expenses during the Reporting Period
Retained earnings	<b>1,007,150,429.01</b>	529,451,678.91	90.23	Due to the profit during the Reporting Period

<b>Consolidated income statement items</b>	<b>Amount for the period</b>	<b>Amount for the corresponding period of the previous year</b>	<b>Percentage changes (%)</b>	<b>Reasons</b>
Financial expenses	<b>29,797,463.37</b>	47,497,952.51	-37.27	Due to the year-on-year decrease in interest expenses as a result of the decrease in the size of loans
Investment income (Losses listed as "-")	<b>350,128,758.13</b>	56,169,601.04	523.34	Mainly due to the investment income generated from the bankruptcy and liquidation of YTO Shentong during the Reporting Period
Gains arising from the changes in fair value (Losses listed as "-")	<b>20,878,640.84</b>	41,557,033.55	-49.76	Year-on-year decrease in gains from the changes in fair value of the Company's financial assets held for trading

<b>Consolidated income statement items</b>	<b>Amount for the period</b>	<b>Amount for the corresponding period of the previous year</b>	<b>Percentage changes (%)</b>	<b>Reasons</b>
Loss on impairment on credit (Losses listed as “-”)	<b>-348,424,951.12</b>	-25,308,741.70	N/A	YTO Shentong was no longer included in the scope of the consolidation due to its bankruptcy and liquidation and the Company’s provision for loss of loans was reflected in the consolidated financial statements during the Reporting Period
Loss on impairment of assets (Losses listed as “-”)	<b>-81,963,390.95</b>	-31,084,126.25	N/A	YTO Shentong was no longer included in the scope of the consolidation due to its bankruptcy and liquidation and the Company’s provision for loss of long-term equity investment was reflected in the consolidated financial statements during the Reporting Period
Gain on disposal of assets (Losses listed as “-”)	<b>5,309,934.79</b>	556,602.71	853.99	Increase in gains on disposal of assets of the Company during the Reporting Period as compared with the corresponding period last year

<b>Consolidated income statement items</b>	<b>Amount for the period</b>	<b>Amount for the corresponding period of the previous year</b>	<b>Percentage changes (%)</b>	<b>Reasons</b>
Non-operating income	<b>2,760,473.69</b>	27,576,559.06	-89.99	Year-on-year decrease in government subsidies that were not related to the daily operations of the Company during the Reporting Period
Total profit	<b>494,610,761.78</b>	107,380,828.34	360.61	Increase in profit for the period
Income tax expenses	<b>14,328,502.51</b>	32,488,079.51	-55.90	Year-on-year decrease in deferred income tax expenses recognized during the Reporting Period

<b>Consolidated cash flow statement items</b>	<b>Amount for the period</b>	<b>Amount for the corresponding period of the previous year</b>	<b>Percentage changes (%)</b>	<b>Reasons</b>
Net cash flows from operating activities	<b>770,015,117.53</b>	122,116,209.43	530.56	Year-on-year increase in cash received from sales of goods due to the increase in the Company's sale volume, and year-on-year decrease in cash paid for purchase of goods due to the accounts and notes payable that have not been due during the Reporting Period
Net cash flows from investing activities	<b>-37,032,479.28</b>	977,110,810.80	-103.79	Due to the decrease in net amount paid by the Company in respect of investment and wealthy management and structured deposit during the Reporting Period as compared with the corresponding period last year
Net cash flows from financing activities	<b>-781,396,524.75</b>	-1,738,823,466.93	N/A	Due to the decrease in the Company's repayment of borrowings during the Reporting Period as compared with the corresponding period last year

## **4.2 Analysis and explanation of progress and impact of significant events and solutions**

1. Part of the entrusted loans provided by the Company to Changtuo Company were overdue. Changtuo Company has not repaid the loan according to terms stipulated in contract, among which, the borrowings of RMB5.4 million were due on 26 June 2020; the borrowings of RMB1.3 million were due on 30 June 2020; the borrowings of RMB1.3 million were due on 2 July 2020; and the borrowings of RMB1 million were due on 11 September 2020. Since Changtuo Company is a subsidiary within the scope of the Company's consolidated statements, it is expected that this matter will not have a material adverse impact on the profit and loss in the Company's consolidated statements, nor will it affect the normal production and operation of the Company. For details, please refer to the Announcement of First Tractor Company Limited regarding a Subsidiary's Non-repayment of Matured Entrusted Loan issued by the Company on the website of the Shanghai Stock Exchange on 3 July 2020, and the Announcement Regarding a Subsidiary's Non-repayment of Matured Entrusted Loan Provided By the Company published on the website of the Stock Exchange on 2 July 2020.
2. YTO, the controlling shareholder of the Company, has been conditionally approved by SFC for its application for whitewash waiver pursuant to Note 1 on dispensations from Rule 26 of the Code on Takeovers and Mergers of Hong Kong due to its subscription for the Company's non-publicly issued A Shares. The Executives of the SFC have conditionally granted a whitewash waiver on 20 July 2020, exempting YTO from the obligation to make a general offer for all shares of the Company as a result of the subscription for the Company's non-publicly issued A Shares. For details, please refer to the Indicative Announcement of First Tractor Company Limited regarding the Grant of Whitewash Waiver by the Securities and Futures Commission of Hong Kong issued by the Company on the website of the Shanghai Stock Exchange on 27 July 2020, and the Announcement in Relation to (1) Poll Results of the General Meeting, the A Shares Class Meeting and the H Shares Class Meeting Held on 24 July 2020; and (2) Grant of the Whitewash Waiver published on the website of the Stock Exchange on 26 July 2020.

The Company received the Acceptance Notice of the Application for Administrative Permission from the CSRC (《中國證監會行政許可申請受理單》) (Acceptance No.: 202291) issued by the CSRC on 27 August 2020. The CSRC has reviewed the application materials of non-public issuance of A Shares for the administrative license (the “Application”) submitted by the Company in accordance with the relevant laws. The CSRC considered that the aforesaid application materials were complete and in compliance with the legal form, and decided to accept the Application. On 9 September 2020, the Company received the “Notice of First Feedback on the Review of Administrative Permission Items from CSRC” issued by the CSRC, and the Company was required to make written statements and explanations on the relevant issues in the application materials. The Company and intermediary agencies have carefully studied the issues raised in the Feedback and submitted written responses and comments to the corresponding department for administrative permission of the CSRC. For details, please refer to the Announcement of First Tractor Company Limited on the Acceptance by the CSRC of Application for the Non-public Issuance of A Shares, the Announcement of First Tractor Company Limited in Relation to the Receipt of the “Notice of First Feedback on the Review of Administrative Permission Items from CSRC” and the Announcement of First Tractor Company Limited on its Response to the “Notice of First Feedback on the Review of Administrative Permission Items from CSRC” issued by the Company on the website of the Shanghai Stock Exchange on 28 August 2020, 11 September 2020 and 9 October 2020, respectively, as well as the Announcement on the Acceptance by the CSRC of Application for the Proposed A Shares Issue by the Company and the Announcement in Relation to the Receipt of the “Notice of First Feedback on the Review of Administrative Permission Items From CSRC” published on the website of the Stock Exchange on 27 August 2020 and 10 September 2020, respectively.

3. Ms. Zhao Junfen has resigned as the Financial Controller of the Company due to job adjustment. On 19 October 2020, the 21st meeting of the eighth session of the Board of the Company was convened, at which, Mr. Su Ye was appointed as the Financial Controller of the Company with a term of office from the date of appointment by the Board to the expiry date of the eighth session of the Board. For details, please refer to the Announcement of First Tractor Company Limited on the Resignation of Financial Controller and Appointment of Financial Controller issued by the Company on the website of the Shanghai Stock Exchange on 20 October 2020, and the Announcement on the Resignation of Financial Controller and Appointment of Financial Controller published on the website of the Stock Exchange on 19 October 2020.
  
4. The Resolution on the Connected Transaction in relation to the assignment of all the loan of SINOMACH-HI (Luoyang) Co., Ltd. by China YTO Group Finance Company Limited was considered and approved at the 22nd meeting of the eighth session of the Board held by the Company on 23 October 2020, pursuant to which, it was agreed that YTO Finance should assign all its loan (including the principal of RMB48,000,000 and the unpaid interests of RMB47,500) and relevant rights in SINOMACH-HI (Luoyang) Company to China SINOMACH Heavy Industry Corporation, with a consideration of RMB48,047,500. For details, please refer to the Announcement of First Tractor Company Limited on Assignment of Loan by a Controlled Subsidiary and Connected Transaction issued by the Company on the website of the Shanghai Stock Exchange on 27 October 2020 and the Connected Transaction – Assignment of Loan published on the website of the Stock Exchange on 26 October 2020.

By Order of the Board  
**First Tractor Company Limited\***  
**Yu Lina**  
*Company Secretary*

Luoyang, the PRC  
29 October 2020

*As at the date of this announcement, the Board comprises Mr. Li Xiaoyu (Chairman), Mr. Cai Jibo (vice 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*

## APPENDIX

### 1.1 Financial Statements

#### Consolidated Balance Sheet

30 September 2020

Prepared by: First Tractor Company Limited

*Unit: Yuan Currency: RMB Audit type: unaudited*

Items	30 September 2020	31 December 2019
<b>Current assets:</b>		
Monetary Funds	<b>1,339,837,419.93</b>	1,401,027,992.74
Settlement reserves for balance		
Loans to banks and other financial institutions	<b>40,000,000.00</b>	70,000,000.00
Financial assets held for trading	<b>1,001,139,257.41</b>	980,392,948.10
Derivative financial assets		
Notes receivable	<b>311,579,765.62</b>	352,201,737.77
Accounts receivable	<b>1,126,565,345.15</b>	406,586,834.70
Receivables financing		
Advances to suppliers	<b>123,093,766.14</b>	175,282,225.34
Premium receivables		
Reinsurance receivables		
Reinsurance contract reserves receivable		
Other receivables	<b>41,676,032.63</b>	38,657,541.73
Including: Interest receivable		
Dividends receivable		

<b>Items</b>	<b>30 September 2020</b>	31 December 2019
Financial assets purchased with agreement to re-sale	<b>1,711,443,660.90</b>	671,668,502.78
Inventories	<b>911,649,799.67</b>	1,001,785,770.20
Contract assets		
Assets classified as held for sale		
Non-current assets due within one year	<b>258,361,071.25</b>	250,465,409.57
Other current assets	<b>1,049,123,005.67</b>	1,067,152,153.18
<b>Total current assets</b>	<b><u>7,914,469,124.37</u></b>	<b><u>6,415,221,116.11</u></b>
<b>Non-current assets:</b>		
Loans and advances to customers	<b>931,737,758.60</b>	959,950,968.59
Debt investments		
Other debt investments		
Long-term receivables	<b>202,765,549.81</b>	220,198,228.05
Long-term equity investments	<b>122,336,667.46</b>	119,753,172.07
Other investments in equity instruments	<b>4,439,150.20</b>	3,871,238.40
Other non-current financial assets		
Investment properties		
Fixed assets	<b>2,646,405,005.69</b>	2,814,817,617.87
Construction in progress	<b>143,342,474.95</b>	128,990,466.09
Productive biological assets		
Oil and gas assets		
Right-of-use assets	<b>9,525,709.27</b>	18,945,867.20
Intangible assets	<b>770,008,315.15</b>	791,670,317.62
Development expenses		
Goodwill		
Long-term unamortized expenses	<b>45,874,776.41</b>	44,118,542.74
Deferred income tax assets	<b>124,691,572.69</b>	111,484,850.77
Other non-current assets		
<b>Total non-current assets</b>	<b><u>5,001,126,980.23</u></b>	<b><u>5,213,801,269.40</u></b>
<b>Total assets</b>	<b><u>12,915,596,104.60</u></b>	<b><u>11,629,022,385.51</u></b>



Items	30 September 2020	31 December 2019
<b>Current liabilities:</b>		
Short-term loans	<b>1,404,816,770.14</b>	1,419,528,065.30
Borrowings from central bank		
Loans from banks and other financial institutes		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	<b>1,425,724,389.49</b>	1,004,008,951.30
Accounts payable	<b>2,092,053,424.70</b>	1,252,450,248.58
Advances from customers		
Contract liabilities	<b>182,536,332.22</b>	177,743,289.89
Funds from selling out and repurchasing financial assets		
Receipts of deposits and deposits from other banks	<b>1,348,653,261.50</b>	1,137,277,294.54
Brokerage for trading securities		
Brokerage for consigning securities		
Employee benefits payable	<b>84,868,538.93</b>	104,615,621.71
Taxes payables	<b>42,295,346.20</b>	34,716,241.84
Other payables	<b>202,046,730.52</b>	302,747,490.57
Including: Interest payable	<b>9,142,156.49</b>	3,927,593.99
Dividends payable	<b>8,128,563.26</b>	8,439,607.83
Fee and commission payable		
Reinsurance accounts payables		
Liabilities classified as held for sale		
Non-current liabilities due within one year	<b>52,596,186.63</b>	649,035,505.95
Other current liabilities	<b>432,815,123.54</b>	225,466,269.20
<b>Total current liabilities</b>	<b><u>7,268,406,103.87</u></b>	<b><u>6,307,588,978.88</u></b>

Items	30 September 2020	31 December 2019
<b>Non-current liabilities:</b>		
Reserves for insurance contract		
Long-term loans	<b>99,800,000.00</b>	139,077,500.00
Bonds payable		
Including: Preference shares		
Perpetual bond		
Lease liabilities	<b>15,832.95</b>	64,384.18
Long-term payables	<b>9,076,453.89</b>	8,933,931.06
Long-term employee salary payable	<b>69,724,555.53</b>	88,010,022.26
Estimated liabilities	<b>2,684,542.65</b>	2,652,542.65
Deferred income	<b>143,673,755.16</b>	155,715,222.06
Deferred income tax liabilities	<b>144,609,050.39</b>	143,114,014.97
Other non-current liabilities		
	-----	-----
<b>Total non-current liabilities</b>	<b><u>469,584,190.57</u></b>	<b><u>537,567,617.18</u></b>
<b>Total liabilities</b>	<b><u>7,737,990,294.44</u></b>	<b><u>6,845,156,596.06</u></b>

Items	30 September 2020	31 December 2019
<b>Owner's equity (or shareholder's equity)</b>		
Paid-up capital (or share capital)	985,850,000.00	985,850,000.00
Other equity instruments		
Including: Preference shares		
Perpetual bond		
Capital reserves	2,099,466,626.33	2,099,466,626.33
Less: Treasury shares		
Other comprehensive income	-24,595,555.56	-14,198,180.13
Special reserves	3,078,357.22	2,230,000.31
Surplus reserves	442,101,172.16	442,101,172.16
General risk reserves	25,104,151.50	25,104,151.50
Retained earnings	1,007,150,429.01	529,451,678.91
Total equity attributable to owners of the parent company (or shareholders' equity)	4,538,155,180.66	4,070,005,449.08
Minority interests	639,450,629.50	713,860,340.37
	<u>5,177,605,810.16</u>	<u>4,783,865,789.45</u>
<b>Total owners' equity (or shareholder's equity)</b>	<b>5,177,605,810.16</b>	<b>4,783,865,789.45</b>
<b>Total liabilities and owners' equity (or shareholder's equity)</b>	<b><u>12,915,596,104.60</u></b>	<b><u>11,629,022,385.51</u></b>

*Legal Representative:*  
**Li Xiaoyu**

*Chief Financial Officer:*  
**Su Ye**

*Accounting Manager:*  
**Yao Weidong**

## Balance Sheet of the Parent Company

30 September 2020

Prepared by: First Tractor Company Limited

*Unit: Yuan Currency: RMB Audit type: unaudited*

Items	30 September 2020	31 December 2019
<b>Current assets:</b>		
Monetary Funds	1,700,369,002.38	1,321,190,129.45
Financial assets held for trading	212,375,354.75	211,963,600.00
Derivative financial assets		
Notes receivable	221,233,946.48	218,795,628.22
Accounts receivable	745,044,400.08	428,483,102.61
Receivables financing		
Advances to suppliers	114,370,418.60	128,124,688.23
Other receivables	189,927,489.27	90,663,933.90
Including: Interest receivable		
Dividends receivable	76,808,376.96	76,808,376.96
Inventories	489,351,265.51	573,890,837.00
Contract assets		
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	1,396,954,564.28	1,229,070,606.89
<b>Total current assets</b>	<b>5,069,626,441.35</b>	<b>4,202,182,526.30</b>

Items	30 September 2020	31 December 2019
<b>Non-current assets:</b>		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	2,744,733,982.03	2,742,403,117.96
Other investments in equity instruments		
Other non-current financial assets		
Investment properties		
Fixed assets	1,528,707,125.84	1,634,385,337.52
Construction in progress	79,546,307.26	71,775,619.42
Productive biological assets		
Oil and gas assets		
Right-of-use assets	7,534,651.81	15,069,303.62
Intangible assets	514,155,848.29	527,070,096.40
Development expenses		
Goodwill		
Long-term unamortized expenses	33,463,765.57	33,354,477.35
Deferred income tax assets	44,814,351.48	53,458,554.88
Other non-current assets		
	-----	-----
<b>Total non-current assets</b>	<b><u><u>4,952,956,032.28</u></u></b>	<b><u><u>5,077,516,507.15</u></u></b>
<b>Total assets</b>	<b><u><u>10,022,582,473.63</u></u></b>	<b><u><u>9,279,699,033.45</u></u></b>

Items	30 September 2020	31 December 2019
<b>Current liabilities:</b>		
Short-term loans	2,072,163,641.39	2,138,456,858.32
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	1,040,870,680.65	750,363,293.22
Accounts payable	1,463,119,726.16	866,248,907.42
Advances from customers		
Contract liabilities	155,949,950.82	150,185,828.53
Employee benefits payable	37,501,307.20	58,036,817.89
Taxes payables	4,606,975.52	4,736,582.82
Other payables	153,260,833.02	157,666,148.70
Including: Interest payable		
Dividends payable		
Liabilities classified as held for sale		
Non-current liabilities due within one year	11,140,128.79	606,289,789.74
Other current liabilities	33,754,494.90	29,412,611.49
	<hr/>	<hr/>
<b>Total current liabilities</b>	<b>4,972,367,738.45</b>	<b>4,761,396,838.13</b>
	<hr/> <hr/>	<hr/> <hr/>

Items	30 September 2020	31 December 2019
<b>Non-current liabilities:</b>		
Long-term loans	<b>339,800,000.00</b>	340,000,000.00
Bonds payable		
Including: Preference shares		
Perpetual bond		
Lease liabilities		
Long-term payables		
Long-term employee salary payable	<b>45,627,182.16</b>	57,921,865.55
Estimated liabilities	<b>2,652,542.65</b>	2,652,542.65
Deferred income	<b>101,214,597.17</b>	107,161,788.92
Deferred income tax liabilities	<b>15,356,303.21</b>	15,294,540.00
Other non-current liabilities		
	_____	_____
<b>Total non-current liabilities</b>	<b><u>504,650,625.19</u></b>	<b><u>523,030,737.12</u></b>
<b>Total liabilities</b>	<b><u>5,477,018,363.64</u></b>	<b><u>5,284,427,575.25</u></b>

Items	30 September 2020	31 December 2019
<b>Owner's equity (or shareholder's equity):</b>		
Paid-up capital (or share capital)	985,850,000.00	985,850,000.00
Other equity instruments		
Including: Preference shares		
Perpetual bond		
Capital reserves	2,004,793,045.95	2,004,793,045.95
Less: Treasury shares		
Other comprehensive income		
Special reserves		
Surplus reserves	367,607,888.33	367,607,888.33
Retained earnings	<u>1,187,313,175.71</u>	<u>637,020,523.92</u>
<b>Total owners' equity (or shareholders' equity)</b>	<b><u>4,545,564,109.99</u></b>	<b><u>3,995,271,458.20</u></b>
<b>Total liabilities and owners' equity (or shareholder's equity)</b>	<b><u>10,022,582,473.63</u></b>	<b><u>9,279,699,033.45</u></b>

*Legal Representative:*  
**Li Xiaoyu**

*Chief Financial Officer:*  
**Su Ye**

*Accounting Manager:*  
**Yao Weidong**



## Consolidated Income Statement

January to September 2020

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: unaudited

Items	Third quarter of 2020 (July–September)	Third quarter of 2019 (July–September)	First three quarters of 2020 (January– September)	First three quarters of 2019 (January– September)
<b>I. Total operating revenue</b>	<b>2,346,171,630.96</b>	1,769,779,567.61	<b>6,462,897,139.96</b>	5,195,752,835.29
Including: Operating revenue	<b>2,320,359,564.59</b>	1,748,174,384.09	<b>6,394,849,666.10</b>	5,124,458,627.07
Interest income	<b>24,413,953.56</b>	20,550,189.58	<b>64,438,405.54</b>	68,435,911.70
Earned insurance premiums				
Fees and commission income	<b>1,398,112.81</b>	1,054,993.94	<b>3,609,068.32</b>	2,858,296.52
<b>II. Total cost of operation</b>	<b>2,173,227,558.31</b>	1,730,524,650.98	<b>5,939,424,304.84</b>	5,184,624,116.78
Including: Cost of operation	<b>1,850,277,190.61</b>	1,464,117,344.39	<b>5,107,955,314.31</b>	4,370,145,738.21
Interest expenses	<b>6,650,346.73</b>	8,041,577.24	<b>17,579,410.79</b>	25,041,873.27
Fees and commission expense	<b>139,584.19</b>	121,987.26	<b>368,040.99</b>	357,521.02
Refunded premiums				
Net amount of compensation payout				
Net amount of reserves for reinsurance contract				
Policy dividend payment				
Reinsurance expenses				
Taxes and surcharges	<b>12,311,285.16</b>	11,877,197.55	<b>33,786,717.56</b>	34,657,135.37
Selling expenses	<b>107,862,802.47</b>	71,085,082.13	<b>268,879,935.71</b>	212,429,491.26
Administrative expenses	<b>92,338,425.90</b>	82,768,257.33	<b>231,484,729.76</b>	251,555,739.71
Research and development expenses	<b>94,319,369.25</b>	86,408,629.64	<b>249,572,692.35</b>	242,938,665.43
Financial expenses	<b>9,328,554.00</b>	6,104,575.44	<b>29,797,463.37</b>	47,497,952.51
Including: Interest expenses	<b>12,004,768.38</b>	31,029,557.98	<b>58,595,199.50</b>	114,148,158.82
Interest income	<b>11,175,514.87</b>	14,494,915.92	<b>22,470,520.38</b>	53,277,184.39

Items	Third quarter of 2020 (July–September)	Third quarter of 2019 (July–September)	First three quarters of 2020 (January– September)	First three quarters of 2019 (January– September)
Add: Other gains	8,011,987.53	10,160,168.37	24,655,424.09	28,743,101.77
Investment income				
(Loss listed with “-”)	2,422,119.87	17,509,653.14	350,128,758.13	56,169,601.04
Including: Income from investments in associates and joint ventures	1,945,787.99	-2,140,159.70	2,291,122.10	-7,357,373.06
Gains on derecognition of financial assets measured at amortized cost				
Exchange gain (Loss listed with “-”)				
Net gain on hedging exposure (Loss listed with “-”)				
Gain arising from the changes in fair value (Loss listed with “-”)	57,491.73	-927,030.02	20,878,640.84	41,557,033.55
Loss on credit impairment (Loss listed with “-”)	-20,146,474.67	-8,899,722.82	-348,424,951.12	-25,308,741.70
Loss on impairment of assets (Loss listed with “-”)	-6,948,699.08	2,744,038.17	-81,963,390.95	-31,084,126.25
Gain on disposal of assets (Loss listed with “-”)	4,389,211.86	607,040.01	5,309,934.79	556,602.71
<b>III. Operating profit (Loss listed with “-”)</b>	<b>160,729,709.89</b>	<b>60,449,063.48</b>	<b>494,057,250.90</b>	<b>81,762,189.63</b>
Add: Non-operating income	1,183,273.95	12,457,707.19	2,760,473.69	27,576,559.06
Less: Non-operating expenses	1,552,901.94	1,446,414.93	2,206,962.81	1,957,920.35
<b>IV. Total profit (Total loss listed with “-”)</b>	<b>160,360,081.90</b>	<b>71,460,355.74</b>	<b>494,610,761.78</b>	<b>107,380,828.34</b>
Less: Income tax expenses	1,726,789.21	6,384,177.07	14,328,502.51	32,488,079.51
<b>V. Net profit (Net loss listed with “-”)</b>	<b>158,633,292.69</b>	<b>65,076,178.67</b>	<b>480,282,259.27</b>	<b>74,892,748.83</b>
(I) Classification according to the continuity of operation				
1. Continuous operating net profit (Net loss listed with “-”)	158,633,292.69	65,076,178.67	480,282,259.27	74,892,748.83
2. Net profit from termination of operation (Net loss listed with “-”)				

Items	Third quarter of 2020 (July–September)	Third quarter of 2019 (July–September)	First three quarters of 2020 (January– September)	First three quarters of 2019 (January– September)
(II) Classification according to ownership				
1. Net profit attributable to shareholders of the parent company (Net loss listed with “-”)	<b>154,337,059.94</b>	50,564,301.95	<b>477,698,750.10</b>	70,176,827.65
2. Non-controlling interests (Net loss listed with “-”)	<b>4,296,232.75</b>	14,511,876.72	<b>2,583,509.17</b>	4,715,921.18
<b>VI. Net other comprehensive income after tax</b>	<b>-7,115,161.70</b>	-1,701,555.20	<b>-8,955,331.66</b>	1,197,213.01
(I) Net other comprehensive income after tax attributable to owners of the parent company	<b>-6,935,929.76</b>	-1,754,457.80	<b>-10,397,375.43</b>	1,218,616.24
1. Other comprehensive income that cannot be reclassified to profit or loss				
(1) Changes of re-measurement of defined benefit plans				
(2) Other comprehensive income that cannot be reclassified into profit or loss under the equity method				
(3) Changes in fair value of other investment in equity instruments				
(4) Changes in fair value of the enterprise’s own credit risks				
2. Other comprehensive income that will be reclassified to profit or loss	<b>-6,935,929.76</b>	-1,754,457.80	<b>-10,397,375.43</b>	1,218,616.24
(1) Other comprehensive income that can be reclassified into profit or loss under the equity method				
(2) Changes in fair value of other debt investments				
(3) Amount of financial assets reclassified into other comprehensive income				
(4) Provision for the credit impairment of other debt investments				

Items	Third quarter of 2020 (July–September)	Third quarter of 2019 (July–September)	First three quarters of 2020 (January– September)	First three quarters of 2019 (January– September)
(5) Reserves for cash flows hedges				
(6) Differences on translation of foreign currency financial statements	<b>-6,935,929.76</b>	-1,754,457.80	<b>-10,397,375.43</b>	1,218,616.24
(7) Others				
(II) Net other comprehensive income after tax attributable to minority interests	<b>-179,231.94</b>	52,902.60	<b>1,442,043.77</b>	-21,403.23
<b>VII. Total comprehensive income</b>	<b>151,518,130.99</b>	63,374,623.47	<b>471,326,927.61</b>	76,089,961.84
(I) Total comprehensive income attributable to owners of the parent company	<b>147,401,130.18</b>	48,809,844.15	<b>467,301,374.67</b>	71,395,443.89
(II) Total comprehensive income attributable to minority interests	<b>4,117,000.81</b>	14,564,779.32	<b>4,025,552.94</b>	4,694,517.95
<b>VIII. Earnings per share:</b>				
(I) Basic earnings per share ( <i>Yuan/share</i> )	<b>0.1566</b>	0.0513	<b>0.4846</b>	0.0712
(II) Diluted earnings per share ( <i>Yuan/share</i> )	<b>0.1566</b>	0.0513	<b>0.4846</b>	0.0712

The net profit realized by the parties being absorbed prior to the business combinations under common control was nil during the period and nil for the previous period.

*Legal representative:*  
**Li Xiaoyu**

*Chief financial officer:*  
**Su Ye**

*Accounting manager:*  
**Yao Weidong**

## Income Statement of the Parent Company

January to September 2020

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: unaudited

Items	Third quarter	Third quarter	First three	First three
	of 2020	of 2019	quarters	quarters
	(July-September)	(July-September)	of 2020	of 2019
			(January-September)	(January-September)
<b>I. Operating revenue</b>	<b>1,778,229,020.43</b>	1,262,998,430.82	<b>4,842,634,636.72</b>	3,668,704,026.16
Less: Cost of operation	<b>1,462,239,996.13</b>	1,122,464,688.10	<b>4,053,810,560.60</b>	3,285,458,739.61
Taxes and surcharges	<b>4,982,327.97</b>	4,642,193.23	<b>15,266,421.95</b>	13,976,814.05
Selling expenses	<b>18,237,234.31</b>	19,417,168.77	<b>27,002,678.09</b>	25,901,837.31
Administrative expenses	<b>30,192,259.65</b>	34,908,338.61	<b>99,552,286.58</b>	104,498,999.13
Research and development expenses	<b>87,819,076.47</b>	69,923,627.02	<b>182,669,080.34</b>	156,095,194.85
Financial expenses	<b>689,610.41</b>	16,384,711.90	<b>27,111,703.39</b>	54,217,501.97
Including: Interest expenses	<b>21,094,960.97</b>	39,910,718.09	<b>80,253,983.34</b>	133,369,469.26
Interest income	<b>15,407,415.46</b>	22,289,561.90	<b>43,929,005.70</b>	73,004,011.14
Add: Other gains	<b>4,613,448.62</b>	5,514,392.06	<b>14,137,991.75</b>	11,847,667.44
Investment income				
(Loss listed with "-")	<b>19,916,081.74</b>	-2,144,006.36	<b>119,529,426.57</b>	3,452,565.21
Including: Income from investments				
in associates and joint ventures	<b>1,917,519.24</b>	-2,144,006.36	<b>2,330,864.07</b>	-7,405,242.82
Gains on derecognition of financial assets measured at amortized cost				
Net gain on hedging exposure				
(Loss listed with "-")				
Gain arising from the changes in fair value (Loss listed with "-")		1,586,265.09	<b>411,754.75</b>	7,457,216.32
Loss on credit impairment				
(Loss listed with "-")	<b>-1,304,215.44</b>	-5,308,736.59	<b>-7,492,493.39</b>	-172,502.14
Loss on impairment of assets				
(Loss listed with "-")	<b>-5,434,589.12</b>	4,009,963.18	<b>-7,230,991.31</b>	2,255,940.54
Gain on disposal of assets				
(Loss listed with "-")	<b>2,496,362.54</b>	648,373.52	<b>3,025,649.59</b>	671,426.35

Items	Third quarter of 2020 (July–September)	Third quarter of 2019 (July–September)	First three quarters of 2020 (January– September)	First three quarters of 2019 (January– September)
<b>II. Operating profit (Loss listed with “-”)</b>	<b>194,355,603.83</b>	-436,045.91	<b>559,603,243.73</b>	54,067,252.96
Add: Non-operating income	<b>103,761.11</b>	1,966,631.44	<b>1,061,435.94</b>	3,535,952.61
Less: Non-operating expenses	<b>1,270,021.51</b>	1,190,400.00	<b>1,666,061.27</b>	1,194,400.13
<b>III. Total profit (Total loss listed with “-”)</b>	<b>193,189,343.43</b>	340,185.53	<b>558,998,618.40</b>	56,408,805.44
Less: Income tax expenses	<b>49,807.56</b>	-4,765.10	<b>8,705,966.61</b>	4,658,343.36
<b>IV. Net profit (Net loss listed with “-”)</b>	<b>193,139,535.87</b>	344,950.63	<b>550,292,651.79</b>	51,750,462.08
(I) Continuous operating net profit (Net loss listed with “-”)	<b>193,139,535.87</b>	344,950.63	<b>550,292,651.79</b>	51,750,462.08
(II) Net profit from termination of operation (Net loss listed with “-”)				
<b>V. Net other comprehensive income after tax</b>				
(I) Other comprehensive income that cannot be reclassified to profit or loss				
1. Changes of re-measurement of defined benefit plans				
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method				
3. Changes in fair value of other investment in equity instruments				
4. Changes in fair value of the enterprise’s own credit risks				

Items	Third quarter of 2020 (July–September)	Third quarter of 2019 (July-September)	First three quarters of 2020 (January– September)	First three quarters of 2019 (January– September)
(II) Other comprehensive income that will be reclassified to profit or loss				
1. Other comprehensive income that can be reclassified into profit or loss under the equity method				
2. Changes in fair value of other debt investments				
3. Amount of financial assets reclassified into other comprehensive income				
4. Provision for the credit impairment of other debt investments				
5. Reserves for cash flows hedges				
6. Differences on translation of foreign currency financial statements				
7. Others				
<b>VI. Total comprehensive income</b>	<b>193,139,535.87</b>	344,950.63	<b>550,292,651.79</b>	51,750,462.08

**VII. Earnings per share:**

(I) Basic earnings per share (*Yuan/share*)

(II) Diluted earnings per share (*Yuan/share*)

*Legal representative:*  
**Li Xiaoyu**

*Chief financial officer:*  
**Su Ye**

*Accounting manager:*  
**Yao Weidong**

## Consolidated Cash Flow Statement

January to September 2020

Prepared by: First Tractor Company Limited

Unit: Yuan Currency: RMB Audit type: unaudited

Items	First three quarters of 2020 (January– September)	First three quarters of 2019 (January –September)
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods and rendering of services	5,201,239,253.41	4,675,910,126.11
Net increase in deposits from customers and deposits from other banks	231,000,840.30	1,721,383.46
Net increase borrowings from central bank		
Net increase in loans from other financial institutions		100,000,000.00
Cash from original insurance contract premium		
Net cash from reinsurance business		
Net increase of insured deposit and investment		
Interest, handling charges and commissions received	73,256,604.48	90,655,555.27
Net increase in placement from banks and other financial institution		
Net increase in sales and repurchase operations	-1,040,000,000.00	-630,000,000.00
Net cash flows from brokerage trading		
Refund of tax and levies	37,326,819.81	34,022,304.45
Cash received relating to other operating activities	186,936,757.06	128,904,485.27
<b>Sub-total of cash inflows from operating activities</b>	<b>4,689,760,275.06</b>	<b>4,401,213,854.56</b>
Cash payments for goods purchased and services received	2,949,000,857.79	3,383,543,430.03
Net increase in loans and disbursement to customers	7,287,001.92	-321,977,063.87
Net increase in deposits with central bank and inter-banks	26,977,938.90	-20,404,926.64
Payments of claims for original insurance contracts		
Net increase in placements with banks and other financial institution		
Interest, handling charges and commissions paid	8,315,094.35	20,940,227.49



Items	First three quarters of 2020 (January– September)	First three quarters of 2019 (January –September)
Cash paid for dividends of insurance policies		
Cash paid to and on behalf of employees	577,977,963.45	732,844,570.37
Payments of taxes and surcharges	104,765,072.23	92,107,846.90
Cash paid relating to other operating activities	<u>245,421,228.89</u>	<u>392,043,560.85</u>
<b>Sub-total of cash outflows from operating activities</b>	<b><u>3,919,745,157.53</u></b>	<b><u>4,279,097,645.13</u></b>
<b>Net cash flows from operating activities</b>	<b><u>770,015,117.53</u></b>	<b><u>122,116,209.43</u></b>
<b>II. Cash flows from investment activities:</b>		
Cash received from return of investments		997,002,580.48
Cash received from investments income	36,342,564.23	80,426,189.43
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	13,119,525.38	2,304,622.05
Net cash received from disposals of subsidiaries and other business units		
Cash received relating to other investing activities		
<b>Sub-total of cash inflows from investing activities</b>	<b><u>49,462,089.61</u></b>	<b><u>1,079,733,391.96</u></b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	63,258,661.65	98,743,061.49
Cash paid for investments	23,000,000.00	3,871,238.40
Net increase in pledged deposits		
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities	<u>235,907.24</u>	<u>8,281.27</u>
<b>Sub-total of cash outflows from investing activities</b>	<b><u>86,494,568.89</u></b>	<b><u>102,622,581.16</u></b>
<b>Net cash flows from investing activities</b>	<b><u>-37,032,479.28</u></b>	<b><u>977,110,810.80</u></b>

Items	First three quarters of 2020 (January– September)	First three quarters of 2019 (January –September)
<b>III. Cash flows from financing activities:</b>		
Cash received from investment absorption Including: Cash received by subsidiaries from investment absorption of minority interest		
Cash received from borrowings	1,331,481,348.34	1,240,000,000.00
Cash received relating to other financing activities	11,919.11	
<b>Sub-total of cash inflows from financing activities</b>	<b><u>1,331,493,267.45</u></b>	<b><u>1,240,000,000.00</u></b>
Cash paid for settlement of borrowings	1,971,024,500.00	2,867,456,500.00
Cash paid for dividends, profits appropriation or payments of interest	135,657,273.94	111,366,966.93
Including: Dividends and profits paid to minority interests	78,511,135.00	
Cash paid relating to other financing activities	6,208,018.26	
<b>Sub-total of cash outflows from financing activities</b>	<b><u>2,112,889,792.20</u></b>	<b><u>2,978,823,466.93</u></b>
<b>Net cash flows from financing activities</b>	<b><u>-781,396,524.75</u></b>	<b><u>-1,738,823,466.93</u></b>
<b>IV. Effect of changes in foreign exchange rate on cash and cash equivalents</b>	<b>-10,108,681.71</b>	5,434,837.59
<b>V. Net increase in cash and cash equivalents</b>	<b>-58,522,568.21</b>	-634,161,609.11
Add: Cash and cash equivalents at the beginning of the reporting period	1,120,120,449.63	1,279,587,830.24
<b>VI. Cash and cash equivalents at the end of the reporting period</b>	<b>1,061,597,881.42</b>	645,426,221.13
<i>Legal representative:</i> <b>Li Xiaoyu</b>	<i>Chief financial officer:</i> <b>Su Ye</b>	<i>Accounting manager:</i> <b>Yao Weidong</b>

**Cash Flow Statement of the Parent Company**  
*January to September 2020*

Prepared by: First Tractor Company Limited

*Unit: Yuan Currency: RMB Audit type: unaudited*

<b>Items</b>	<b>First three quarters of 2020 (January– September)</b>	<b>First three quarters of 2019 (January– September)</b>
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods and rendering of services	<b>3,676,537,127.88</b>	3,674,423,295.76
Refund of tax and levies	<b>21,140,507.43</b>	8,300,836.59
Cash received relating to other operating activities	<b>130,283,783.67</b>	105,380,212.13
<b>Sub-total of cash inflows from operating activities</b>	<b>3,827,961,418.98</b>	3,788,104,344.48
Cash payments for goods purchased and services received	<b>2,219,142,853.14</b>	2,869,219,075.98
Cash paid to and on behalf of employees	<b>315,720,569.80</b>	378,065,453.56
Payments of taxes and surcharges	<b>18,605,279.89</b>	13,787,353.66
Cash paid relating to other operating activities	<b>274,645,630.94</b>	243,208,930.27
<b>Sub-total of cash outflows from operating activities</b>	<b>2,828,114,333.77</b>	3,504,280,813.47
<b>Net cash flows from operating activities</b>	<b>999,847,085.21</b>	283,823,531.01

Items	First three quarters of 2020 (January– September)	First three quarters of 2019 (January– September)
<b>II. Cash flows from investment activities:</b>		
Cash received from return of investments		939,600,000.00
Cash received from investments income	<b>146,911,425.75</b>	59,560,986.60
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<b>8,169,364.46</b>	1,614,015.55
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
<b>Sub-total of cash inflows from investing activities</b>	<b><u>155,080,790.21</u></b>	<u>1,000,775,002.15</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	<b>60,317,884.40</b>	62,260,819.95
Cash paid for investments	<b>203,000,000.00</b>	418,352,000.00
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities		
<b>Sub-total of cash outflows from investing activities</b>	<b><u>263,317,884.40</u></b>	<u>480,612,819.95</u>
<b>Net cash flows from investing activities</b>	<b><u><u>-108,237,094.19</u></u></b>	<u><u>520,162,182.20</u></u>

Items	First three quarters of 2020 (January– September)	First three quarters of 2019 (January– September)
<b>III. Cash flows from financing activities:</b>		
Cash received from investment absorption		
Cash received from borrowings	1,970,000,000.00	2,550,000,000.00
Cash received relating to other financing activities	11,919.11	
	<u>1,970,011,919.11</u>	<u>2,550,000,000.00</u>
<b>Sub-total of cash inflows from financing activities</b>	<u>1,970,011,919.11</u>	<u>2,550,000,000.00</u>
Cash paid for settlement of borrowings	2,720,200,000.00	3,411,815,000.00
Cash paid for dividends, profits appropriation or payments of interest	83,457,391.61	138,153,769.26
Cash paid relating to other financing activities	4,471,063.37	367,600.00
	<u>2,808,128,454.98</u>	<u>3,550,336,369.26</u>
<b>Sub-total of cash outflows from financing activities</b>	<u>2,808,128,454.98</u>	<u>3,550,336,369.26</u>
<b>Net cash flows from financing activities</b>	<u><u>-838,116,535.87</u></u>	<u><u>-1,000,336,369.26</u></u>
<b>IV. Effect of changes in foreign exchange rate on cash and cash equivalents</b>	181.53	-640.14
<b>V. Net increase in cash and cash equivalents</b>	53,493,636.68	-196,351,296.19
Add: Cash and cash equivalents at the beginning of the reporting period	1,094,673,290.86	1,280,174,973.16
<b>VI. Cash and cash equivalents at the end of the reporting period</b>	1,148,166,927.54	1,083,823,676.97
<i>Legal representative:</i> <b>Li Xiaoyu</b>	<i>Chief financial officer:</i> <b>Su Ye</b>	<i>Accounting manager:</i> <b>Yao Weidong</b>