

The Board of Directors (the "Board") of First Tractor Company Limited (the "Company") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2001, together with the comparative figures for the corresponding period in 2000. The condensed consolidated interim financial statements are unaudited, but have been reviewed by the Company's audit committee.

## **CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT**

(Prepared in accordance with Hong Kong accounting standards)

	<i>Notes</i>	<b>For the six months ended 30 June</b>	
		<b>2001</b>	<b>2000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<i>RMB'000</i>	<i>RMB'000</i>
TURNOVER	2	912,170	1,027,634
Cost of sales		(795,477)	(912,456)
Gross profit		116,693	115,178
Other revenue		39,581	34,043
Selling expenses		(38,739)	(58,379)
Administrative expenses		(103,922)	(110,358)
Other operating expenses		(43,008)	(69,466)
<b>LOSS FROM OPERATING ACTIVITIES</b>	<b>2, 3</b>	<b>(29,395)</b>	<b>(88,982)</b>
Finance costs		(11,851)	(9,809)
Share of profits/(losses) of associates		15	(967)
Share of profit of a jointly-controlled entity		1,424	780
<b>LOSS BEFORE TAX</b>		<b>(39,807)</b>	<b>(98,978)</b>
Tax	4	(4,912)	(3,781)
<b>LOSS BEFORE MINORITY INTERESTS</b>		<b>(44,719)</b>	<b>(102,759)</b>
Minority interests		6,770	5,659
<b>NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS</b>		<b>(37,949)</b>	<b>(97,100)</b>
Transfers to reserves	5	-	-
Interim dividend	6	-	-
<b>LOSS PER SHARE - BASIC</b>	<b>7</b>	<b>RMB(4.83) cents RMB(12.37) cents</b>	

Other than the net loss from ordinary activities attributable to shareholders for the period, the Group had no recognised gains or losses. Accordingly, a condensed consolidated statement of recognised gains and losses is not presented in the condensed consolidated interim financial statements.