

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 2002, together with the comparative figures for the corresponding period in 2001. 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)

		For the six months ended 30 June	
		2002	2001
	<i>Notes</i>	Unaudited RMB'000	Unaudited RMB'000
TURNOVER	2	1,040,237	912,170
Cost of sales		<u>(909,554)</u>	<u>(795,477)</u>
Gross profit		130,683	116,693
Other revenue and gains		28,038	39,581
Selling and distribution costs		(53,821)	(38,739)
Administrative expenses		(90,493)	(103,922)
Other operating expenses		<u>(25,953)</u>	<u>(43,008)</u>
LOSS FROM OPERATING ACTIVITIES	3	(11,546)	(29,395)
Finance costs		(10,617)	(11,851)
Share of profit of a jointly-controlled entity		2,109	1,424
Share of profits of associates		<u>2,016</u>	<u>15</u>
LOSS BEFORE TAX		(18,038)	(39,807)
Tax	4	<u>(5,083)</u>	<u>(4,912)</u>
LOSS BEFORE MINORITY INTERESTS		(23,121)	(44,719)
Minority interests		<u>(963)</u>	<u>6,770</u>
NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		<u>(24,084)</u>	<u>(37,949)</u>
LOSS PER SHARE - BASIC	7	<u>RMB(3.07) cents</u>	<u>RMB(4.83) cents</u>