



The board of directors (the "Board") of First Tractor Company Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") prepared in accordance with the accounting principles generally accepted in Hong Kong for the six months ended 30 June 2003, together with the comparative figures for the corresponding period in 2002. The condensed consolidated interim financial statements are unaudited, but have been reviewed by the Company's audit committee.

For the six months ended 30 June 2003, the Group recorded a turnover of RMB1,793,588,000, representing an increase of 72% over the corresponding period last year. A profit of RMB23,931,000 was recorded. The Group was able to turn loss to profit. Earning per share was RMB3.05 cents. The surge in operating results was due to a sharp increase in the Group's principal business.

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2003.



CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months ended 30 June 2003

(Prepared in accordance with Hong Kong accounting standards)

		For the six months ended 30 June	
		2003	2002
	Notes	Unaudited RMB'000	Unaudited RMB'000
TURNOVER	2	1,793,588	1,040,237
Cost of sales		(1,563,866)	(909,554)
Gross profit		229,722	130,683
Other revenue and gains	3	29,041	28,038
Selling and distribution costs		(59,716)	(53,821)
Administrative expenses		(118,806)	(90,493)
Other operating expenses		(27,878)	(25,953)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	4	52,363	(11,546)
Finance costs		(6,067)	(10,617)
Share of profits and losses of:			
Jointly-controlled entity		990	2,109
Associates		5,770	2,016
Negative goodwill recognised as income on acquisition of an associate		303	—
PROFIT/(LOSS) BEFORE TAX		53,359	(18,038)
Tax	5	(15,288)	(5,083)
PROFIT/(LOSS) BEFORE MINORITY INTERESTS		38,071	(23,121)
Minority interests		(14,140)	(963)
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		23,931	(24,084)
Transfer to reserves	6	1,174	—
EARNINGS/(LOSS) PER SHARE - BASIC	8	RMB 3.05 cents	RMB (3.07) cents