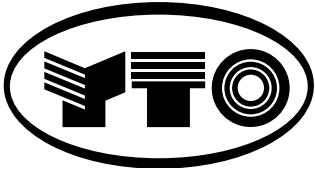


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第一拖拉机股份有限公司
FIRST TRACTOR COMPANY LIMITED*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 0038)

ANNOUNCEMENT ON ESTIMATED DECREASE IN ANNUAL RESULTS FOR THE YEAR OF 2014

First Tractor Company Limited (the “**Company**”) and all the members of the board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby warrant the truthfulness, accuracy and completeness of the contents of this announcement, and accept joint and several responsibilities for any false information, misleading statements or material omission in this announcement.

This announcement is made pursuant to the requirements relating to inside information under Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

1. ESTIMATED RESULTS DURING THE PERIOD

(1) Period of estimated results

1 January 2014 to 31 December 2014

(2) Estimated results

Based on the preliminary calculations, it was estimated that the net profit attributable to the shareholders of the Company for the year ended 31 December 2014 would be approximately RMB100,000,000 to RMB180,000,000, decreasing by 18% to 55% as compared with that (the statutory disclosed figures) in the same period last year.

Due to business combination under common control occurred in 2014, retrospective adjustments would be made to the financial figures at the beginning of the period. It was estimated that the net profit attributable to the shareholders of the Company for the year ended 31 December 2014 would decrease by 22% to 57%, as compared with the restated figures in the same period last year.

(3) The estimated results were preliminarily calculated based on the Company's business situation and have not been audited by certified accountants.

2. RESULTS FOR THE SAME PERIOD LAST YEAR (WHICH HAVE NOT BEEN RESTATED)

(1) Net profit attributable to the shareholders of the Company: RMB221,949,800

(2) Earnings per share: RMB0.2229

3. MAIN REASONS FOR THE ESTIMATED DECREASE IN RESULTS DURING THE PERIOD

In 2014, due to the comprehensive impact of low market demand, change of subsidy policy for agricultural machinery, and natural disaster in some main grain-producing areas, there was an overall significant decline in tractor industry. In the circumstances, during the reporting period, it was expected that the sales volume of hi-powered and mid-powered wheeled tractors products of the Company would decrease by approximately 10% and 18% respectively, while the sales volume of low-powered wheeled tractors products would decrease by nearly 60%, as compared with the same period last year. The gross profit of the Company was expected to have a relatively large decline.

4. OTHER INFORMATION

The figures above are preliminary estimations only. Investors should refer to the audited financial report for the year ended 31 December 2014 to be formally announced by the Company for specific and accurate financial figures of the Company. Investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
FIRST TRACTOR COMPANY LIMITED
Yu Lina
Company Secretary

Luoyang, the PRC

30 January 2015

As at the date of this announcement, Mr. Zhao Yanshui is the Chairman of the Company and Mr. Wang Erlong is the vice Chairman of the Company. Other members of the Board are six Directors, namely, Mr. Yan Linjiao, Mr. Wu Zongyan, Mr. Wang Kejun, Mr. Guo Zhiqiang, Mr. Liu Jiguo and Mr. Wu Yong; and four independent non-executive Directors, namely, Mr. Hong Xianguo, Mr. Xing Min, Mr. Wu Tak Lung and Mr. Yu Zengbiao.

* *For identification purposes only*