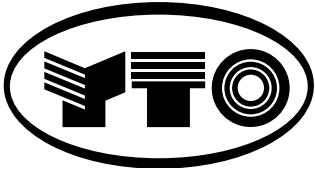


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第一拖拉机股份有限公司^{*}
FIRST TRACTOR COMPANY LIMITED

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

(Stock Code: 0038)

Announcement in respect of Dividend Distribution

The board (the “**Board**”) of directors (“**Directors**”) of First Tractor Company Limited (the “**Company**”) announces that in accordance with the dividend distribution policy of the Articles of Association of the Company, the Board recommended the following dividend distribution proposal for 2014: a cash dividend of RMB0.51 (tax inclusive) for every ten shares on the basis of the total share capital of the Company of 995,900,000 shares as at 31 December 2014. This proposal is subject to the approval at the 2014 annual general meeting of the Company to be held on 29 May 2015.

In respect of the dividend distribution for holders of H shares, the record date shall fall on 9 June 2015. In order to determine the list of holders of H shares who are entitled to receive the dividend, the H share register of members of the Company will be closed from 4 June 2015 to 9 June 2015, both days inclusive, during which period no transfer of the Company’s H shares will be effected. All transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company’s H shares registrar and transfer office, Hong Kong Registrars Limited, at Rooms 1712 -1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on 3 June 2015. Therefore, holders of H shares whose names appear on the H share register of members of the Company on 4 June 2015 will be entitled to receive the above dividend. Please note that the ex-entitlement date shall be 2 June 2015.

Pursuant to the Corporate Income Tax Law of the PRC and its implementing regulations, which came into force on 1 January 2008, and other relevant rules, the Company is required to withhold corporate income tax at the rate of 10% before distributing the dividend to non-resident enterprise (as defined in the Corporate Income Tax Law of the PRC) shareholders whose names appear on the H share register of members of the Company on 4 June 2015. Any H shares registered in the name of non-individual shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations, will be treated as being held by non-resident enterprise shareholders, thus, the Company will distribute the dividend to such non-individual shareholders after withholding the 10% corporate income tax. The individual income tax will not be withheld from the dividend payable to any natural person shareholders whose names appear on the H share register of members of the Company on 4 June 2015.

Any natural person investor whose H shares are registered under the name of any such non-individual shareholders and who does not wish to have any corporate income tax to be withheld by the Company may consider transferring the legal title of the relevant H shares into his or her name and duly lodge all transfer documents with the relevant H share certificates with the Company's H share registrar for registration. All investors should consider the above contents carefully. The Company will strictly comply with the relevant PRC tax laws and regulations to withhold for payment the 10% corporate income tax; and the dividend will only be payable to the shareholders whose names appear on the H share register of members of the Company on 4 June 2015. The Company assumes no responsibility or liability whatsoever for confirming the identity of the shareholders of the Company and for any claims arising from any delay in or inaccurate determination of the identity of shareholders of the Company or any disputes over the withholding mechanism.

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

Luoyang, the PRC
13 April 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*