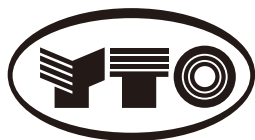


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第一拖拉机股份有限公司
FIRST TRACTOR COMPANY LIMITED*

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

(Stock Code: 0038)

**ANNOUNCEMENT IN RELATION TO
THE IMPLEMENTATION PROGRESS ON
THE REPURCHASE OF H SHARES**

This announcement is a voluntary announcement made by First Tractor Company Limited* (the “**Company**”).

Reference is made to the resolutions regarding the general mandate to repurchase part of the H shares (the “**Repurchase Mandate**”) approved by shareholders at the 2015 annual general meeting, the first class meeting for holders of A Shares in 2016 and the first class meeting for holders of H Shares in 2016 convened on 27 May 2016 (the “**Repurchase Mandate Date**”) and the announcements of the Company dated 19 July 2016 and 1 August 2016 in relation to the implementation of the repurchase of H Shares and the repurchase of H Shares respectively. According to the Repurchase Mandate, the Company commenced the repurchase of H shares on 19 July 2016.

The Company continued the implementation of repurchase of H Shares on 26 August 2016 in accordance with the Repurchase Mandate, details of which are as below:

Repurchase Date	Number of securities repurchased <i>(Shares)</i>	Highest repurchase price <i>(HK\$)</i>	Lowest repurchase price <i>(HK\$)</i>
26 August 2016	62,000	4.15	4.15
29 August 2016	500,000	4.20	4.15
30 August 2016	270,000	4.20	4.17
Total	832,000		

The Company repurchased a total of 832,000 H shares in August 2016, representing approximately 0.2070% and 0.0835% of the total number of H shares and the total number of issued shares of the Company as at the Repurchase Mandate Date, respectively. The total consideration for the share repurchase in August 2016 is HK\$3,483,840 (excluding commission and other expenses).

As of the date of this announcement, the total accumulated number of shares repurchased by the Company in 2016 is 2,062,000 H shares, representing approximately 0.5129% and 0.2070% of the total number of H shares and the total number of issued shares of the Company as at the Repurchase Mandate Date, respectively. The total accumulated consideration for the share repurchase in 2016 is HK\$8,461,900 (excluding commission and other expenses).

Subject to market conditions, there is no assurance whether the Company will make any further repurchase, and no assurance of the timing, quantity or price of any share repurchase. Shareholders and investors should therefore 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
1 September 2016

As at the date of this announcement, the Board comprises Mr. Zhao Yanshui (Chairman), Mr. Wang Erlong (vice Chairman) and Mr. Wu Yong as executive Directors; Mr. Li Hepeng, Mr. Xie Donggang, Mr. Li Kai and Mr. Yin Dongfang as non-executive Directors; and Ms. Yang Minli, Mr. Xing Min, Mr. Wu Tak Lung and Mr. Yu Zengbiao as independent non-executive Directors.