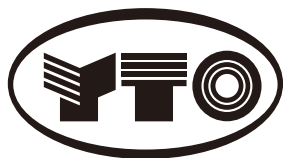


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第一拖拉机股份有限公司*
FIRST TRACTOR COMPANY LIMITED*

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

(Stock Code: 0038)

INDICATIVE ANNOUNCEMENT REGARDING THE RESULT OF OPEN TENDER AND CONNECTED TRANSACTION

In order to newly construct a digitalized smart driving cab factory, First Tractor Company Limited* (the “**Company**”) entrusted Henan Weixin Tender Management and Consultation Co., Ltd.* (河南省偉信招標管理諮詢有限公司) (“**Weixin Tender Company**”) to conduct an open tender in relation to the EPC general contracting of a construction project of modern agricultural equipment of digitalized smart driving cab (the “**Construction Project**”). After performance of the tender procedures and the relevant review procedures by Weixin Tender Company, the Company issued letters of acceptance to China Automotive Engineering Corporation* (中國汽車工業工程有限公司) and SCIVIC Engineering Corporation Co., Ltd.* (機械工業第四設計研究院有限公司) (collectively, the “**Successful Bidders**”) on 14 December 2016, confirming that the Successful Bidders would become the EPC general contractors of the Construction Project. The bidding price for the above open tender was RMB175,626,400. Detailed terms and conditions in relation to the general contracting of the Construction Project will be finalized in the future general contracting agreement (the “**General Contracting Agreement**”).

As at the date of this announcement, both of the Successful Bidders are subsidiaries of China National Machinery Industry Corporation* (中國機械工業集團有限公司) (“**Sinomach**”), which is the ultimate controlling shareholder of the Company, and are regarded as connected persons of the Company pursuant to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Therefore, pursuant to Chapter 14A of the Listing Rules, the transaction contemplated under the proposed General Contracting Agreement will constitute a connected transaction of the Company. Since the expected applicable percentage ratios will be more than 0.1% but less than 5%, the transaction contemplated under the General Contracting Agreement, should it materialize, will be subject to the reporting and announcement requirements only but will be exempt from the independent shareholders’ approval requirement pursuant to Chapter 14A of the Listing Rules.

When the General Contracting Agreement is officially signed between the Company and the Successful Bidders, the Company will make timely disclosure pursuant to the Listing Rules.

The transaction contemplated under the General Contracting Agreement and the terms of the transaction are yet to be finalized between the parties and may or may not eventually materialize. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the board of directors of
FIRST TRACTOR COMPANY LIMITED*
YU Lina
Company Secretary

Luoyang, the PRC
15 December 2016

As at the date of this announcement, the board of directors of the Company 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.

* *For identification purposes only*