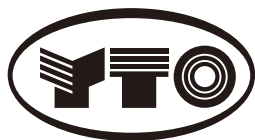


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第一拖拉机股份有限公司
FIRST TRACTOR COMPANY LIMITED*

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

(Stock Code: 0038)

ANNOUNCEMENT ON ESTIMATED DECREASE IN RESULTS FOR THE FIRST HALF YEAR OF 2017

First Tractor Company Limited* (the “**Company**”) and all members of the board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby warrant that there are no false information, misleading statements or material omissions in this announcement, and accept several and joint responsibilities for the truthfulness, accuracy and completeness of its contents.

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 2017 to 30 June 2017

(2) Estimated results

Based on the preliminary calculations, it was estimated that the net profit attributable to the shareholders of the Company for the six months ended 30 June 2017 would decrease by 70% to 90% as compared with that in the same period last year.

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

2. RESULTS FOR THE SAME PERIOD LAST YEAR

- (1) Net profit attributable to the shareholders of the Company: RMB158,350,000
- (2) Earnings per share: RMB0.1590

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

During the reporting period, given the decline in food prices and the increase in cost of National III standard products and other factors, there was an in-depth adjustment in the agricultural machinery industry, which resulted in an apparent decline in the first half year of 2017. The sales of wheeled tractors products have a relatively large decline as compared with the same period last year. At the same period, due to the significant increase in prices of steel, natural rubber and other raw materials as compared with the same period last year, the product cost of the Company has increased and the profitability has declined accordingly.

4. OTHER INFORMATION

The figures above are preliminary estimations only. Investors should refer to the interim financial report for the six months ended 30 June 2017 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
31 July 2017

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.

* *For identification purposes only*