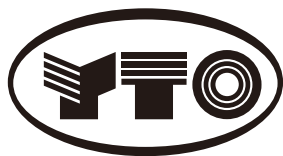


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**第一拖拉机股份有限公司\***  
**FIRST TRACTOR COMPANY LIMITED**

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

(Stock Code: 0038)

## **ANNOUNCEMENT IN RESPECT OF UNUSUAL MOVEMENT IN THE TRADING OF THE A SHARES OF THE COMPANY**

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

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## **IMPORTANT NOTICE:**

- The deviation value of the increase in the closing prices of the A Shares of the Company accumulated more than 20% in three consecutive trading days.

### **I. DETAILS OF UNUSUAL MOVEMENT IN THE TRADING OF THE A SHARES**

The deviation value of the increase in the closing prices of the A Shares of the Company accumulated more than 20% in three consecutive trading days namely, 25 December 2017, 26 December 2017 and 27 December 2017. According to the relevant requirements of Trading Rules of the Shanghai Stock Exchange, this situation constitutes unusual movement in the trading of the A Shares.

### **II. RELATED ISSUES CONCERNED AND CONFIRMED BY THE COMPANY**

1. There have been no material changes in the operation situation of the Company;
2. YTO Group Corporation\* (中國一拖集團有限公司), the controlling shareholder of the Company proposed to use part of the A Shares of the Company held by it as the underlying shares to issue exchangeable bonds. The matter is currently undergoing the relevant review and approval procedures;
3. Save for the above matter, the controlling shareholder(s) and ultimate controlling shareholder(s) of the Company do not have significant information about the Company which should be disclosed but have not yet been disclosed, including but not limited to mergers and reorganization, issuance of shares, debt restructuring, business restructuring, disposal of assets, injection of assets and other significant events;
4. The Company has not discovered reports by the media or market rumours that need to be clarified or responded; and
5. Upon verification, there were no dealings in the A Shares of the Company by the controlling shareholder(s) and ultimate controlling shareholder(s) of the Company, Directors, supervisors and senior management of the Company during the period of the unusual movement in the trading of the A Shares of the Company.

### III. DECLARATIONS AND UNDERTAKINGS OF THE BOARD

The Board confirms that the Company has no significant event or relevant planning and intention of such significant event which should be disclosed pursuant to the relevant rules including the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange but has not yet been disclosed. The Board is not aware of any information, which should be disclosed pursuant to the relevant rules including the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange but have not yet been disclosed and has relatively substantial impact on the trading price of the A Shares of the Company.

### IV. RISK WARNING

1. There are certain uncertainties for the proposed issuance of exchangeable corporate bonds by the controlling shareholder of the Company. Investors are advised to pay attention to the investment risks; and
2. All information of the Company published in China Securities Journal, Shanghai Securities and on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the website of The Stock Exchange of Hong Kong Limited ([www.hex.com.hk](http://www.hex.com.hk)) shall prevail. Investors are advised to pay attention to the investment risks.

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

Luoyang, the PRC  
27 December 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