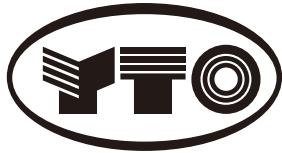


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第一拖拉机股份有限公司*
FIRST TRACTOR COMPANY LIMITED

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

(Stock Code: 0038)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

On 8 January 2018, the Company and Bank of Communications entered into the Wealth Management Product Agreement, pursuant to which the Company should subscribe for the Wealth Management Product from Bank of Communications in cash at RMB400,000,000 (equivalent to approximately HK\$480,000,000).

As one of the applicable percentage ratios is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under the Listing Rules. Accordingly, the Subscription is subject to the reporting and announcement requirements only but exempt from the shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

The Board hereby announces that on 8 January 2018, the Company and Bank of Communications entered into the Wealth Management Product Agreement, pursuant to which the Company should subscribe for the Wealth Management Product from Bank of Communications in cash at RMB400,000,000 (equivalent to approximately HK\$480,000,000).

THE WEALTH MANAGEMENT PRODUCT AGREEMENT

Set out below is a brief summary of the principal terms of the Wealth Management Product Agreement:

Date of the Wealth Management Product Agreement

8 January 2018

Date of the Subscription

9 January 2018

Parties

- (a) The Company; and
- (b) Bank of Communications.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, Bank of Communications and its ultimate beneficial owners are all third parties independent of the Company and its connected persons.

Name of the Wealth Management Product

Class S of "Win to Fortune, Daily Interest Increment (蘊通財富 • 日增利)"

Type of Return

Principal-guaranteed with floating income type

Subscription Amount

RMB400,000,000 (equivalent to approximately HK\$480,000,000)

Term of Investment

1 day since 9 January 2018

Expected Rate of Investment Return per annum

1.80%

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

In order to enhance capital utilization efficiency and improve capital operating revenue, the Company reasonably uses its idle funds to purchase capital protected short term wealth management products issued by financial institutions, without affecting its normal production and operation.

The Directors (including the independent non-executive Directors) consider that the terms of the Wealth Management Product Agreement are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

INFORMATION OF THE GROUP AND BANK OF COMMUNICATIONS

The Group is principally engaged in the production and sales of agricultural machineries and power machineries. The principal products include tractors of hi-powered, mid-powered and low-powered, diesel engines, tractor components, forklift and mining trucks, etc.

Bank of Communications is a licensed bank incorporated under the laws of the PRC. Bank of Communications is principally engaged in the provision of banking and related financial services.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under the Listing Rules. Accordingly, the Subscription is subject to the reporting and announcement requirements only but exempt from the shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Bank of Communications” Bank of Communications Company Limited, a licensed bank incorporated under the laws of the PRC

“Board” the board of Directors

“Company”	First Tractor Company Limited* (第一拖拉機股份有限公司), a joint stock company with limited liability incorporated in the PRC, the H shares and A shares of which are listed on the main board of the Stock Exchange (Stock Code: 0038) and the Shanghai Stock Exchange (Stock Code: 601038) respectively
“connected person(s)”	has the same meaning as ascribed to this term under the Listing Rules
“Directors”	the directors of the Company, including the independent non-executive directors
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio(s)”	has the same meaning as ascribed to this term under the Listing Rules, as applicable to a transaction
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by the Company for the Wealth Management Product from Bank of Communications in cash at RMB400,000,000 (equivalent to approximately HK\$480,000,000) in accordance with the Wealth Management Product Agreement

“Wealth Management Product”	the wealth management product subscribed by the Company offered by Bank of Communications
“Wealth Management Product Agreement”	the wealth management product agreement entered into between the Company and Bank of Communications on 8 January 2018 in relation to the Subscription
“%”	per cent

*For the purpose of this announcement, the following exchange rate is used:
RMB1.00 = HK\$1.20*

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

Luoyang, the PRC
9 January 2018

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*