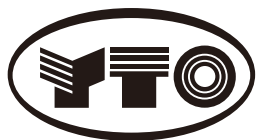


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**第一拖拉机股份有限公司**  
**FIRST TRACTOR COMPANY LIMITED**\*

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

(Stock Code: 0038)

## **ANNOUNCEMENT ON ESTIMATED DECREASE IN ANNUAL RESULTS FOR THE YEAR 2017**

The board (the “**Board**”) of directors (the “**Directors**”) of First Tractor Company Limited\* (the “**Company**”) and all 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:**

1. The net profit attributable to the shareholders of the Company for the year 2017 is expected to decrease by approximately RMB156–201 million, representing a decrease by approximately 70–90%, as compared with that for the corresponding period last year.
2. The net profit attributable to the shareholders of the Company after deducting non-recurring profit or loss for the year 2017 is expected to decrease by approximately RMB259–291 million, representing a decrease by approximately 160–180%, as compared with that for the corresponding period last year.

## **I. ESTIMATED RESULTS FOR THE CURRENT PERIOD**

### **(1) Period to which the estimated results apply**

1 January 2017 to 31 December 2017

### **(2) Estimated Results**

1. Based on the preliminary calculation by the finance department of the Company, the realized net profit attributable to the shareholders of the Company for the year 2017 is expected to decrease by approximately RMB156–201 million, representing a decrease by approximately 70–90%, as compared with that for the corresponding period last year (which was disclosed in accordance with the relevant laws).
2. The net profit attributable to the shareholders of the Company after deducting non-recurring profit or loss is expected to decrease by approximately RMB259–291 million, representing a decrease by approximately 160–180%, as compared with that for the corresponding period last year (which was disclosed in accordance with the relevant laws).

## **II. RESULTS FOR THE CORRESPONDING PERIOD LAST YEAR**

- (1) The net profit attributable to the shareholders of the Company: RMB223.3697 million. The net profit attributable to the shareholders of the Company after deducting non-recurring profit or loss: RMB161.8580 million.
- (2) Earning per share: RMB0.2245.

## **III. MAIN REASONS FOR THE ESTIMATED DECREASE IN RESULTS FOR THE CURRENT PERIOD**

During the reporting period, due to the combined impacts of multiple factors, including the drop in income from main grain crop planting and the increase in costs of National III products, the agricultural machinery industry of China underwent a profound adjustment and the sale of products of tractors declined substantially. In this connection, the sale of principal products of the Company decreased substantially. At the same time, the prices of raw materials such as steel and natural rubber increased significantly as compared with those for the corresponding period last year. The costs of the Company's products increased while the profitability declined.

#### **IV. RISK WARNING**

The estimated results of the Company were preliminarily calculated by the finance department of the Company based on its own professional judgment and have not been audited. There are no significant uncertainties of the Company which may affect the accuracy of the contents of this result forecast.

#### **V. OTHER INFORMATION**

The above estimated figures are preliminary accounting data only. Investors should refer to the audited annual report for the year 2017 to be formally announced by the Company for specific and accurate financial data 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  
30 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*