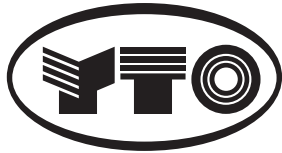


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第一拖拉机股份有限公司*
FIRST TRACTOR COMPANY LIMITED

(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.
- Upon self-inspection and verification with the controlling shareholder and the ultimate controlling shareholder made by the Company, there was no significant matter about the Company which should have been but had not been disclosed.
- The net profit attributable to the shareholders of the Company for 2018 was RMB-1,300,108,773.92. After deducting non-recurring items, the net profit attributable to the shareholders of the Company for 2018 was RMB-1,389,633,309.35. Investors are advised to exercise caution when making investments and pay attention to investment risks.
- Luoyang Tractors Research Institute Company Limited* (洛陽拖拉機研究所有限公司), a controlled subsidiary of the Company, holds 3% equity interests in Luoyang Intelligent Agricultural Equipment Research Institute Co., Ltd. *(洛陽智能農業裝備研究院有限公司) (the “**Research Institute**”). As of May 2019, the Research Institute had recorded net profits of RMB-1,729,100, which is not expected to cause any significant impact on the annual results of the Company. Further, the Research Institute is currently mainly engaged in forward-looking research and development of high-end agricultural machinery products and manufacturing technologies and industrial incubation, and is still at an early stage of product development and business cultivation, and thus it would take some time to achieve the commercialization of its technical research results. Investors are advised to pay attention to investment risks.
- Recently, the Company has noticed that there are discussions and posts on some media platforms and E-interaction platform which claim something to the effect that the Company’s scope of business covers waste sorting. As the date hereof, the Company’s principal business activities have not changed, and the main products of the Company include a full range of wheeled and crawler tractors for agricultural production, off-road diesel engines and their key components, all unrelated to waste sorting.

I. DETAILS OF THE UNUSUAL MOVEMENTS IN THE TRADING OF A SHARES OF THE COMPANY

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 of 19 June 2019, 20 June 2019 and 21 June 2019, which constitutes unusual movements in the trading of the A shares under the relevant requirements of Trading Rules of the Shanghai Stock Exchange.

II. RELATED ISSUES CONCERNED AND CONFIRMED BY THE COMPANY

- (I) At present, the production and operation of the Company is underway as usual, and there has been no material change in the daily operations of the Company;
- (II) After self-inspecting and checking with YTO Group Corporation* (中國一拖集團有限公司), the controlling shareholder of the Company, and China National Machinery Industry Corporation* (中國機械工業集團有限公司), the ultimate controlling shareholder of the Company, the Company confirmed that there was no significant matter about the Company which should be disclosed but have not yet been disclosed, including but not limited to significant asset restructuring, acquisition made by the listed company, debt restructuring, disposal of assets, injection of assets, etc.;
- (III) Upon self-review and verification, the Company did not identify any other major events that were likely to cause significant impact on the share price of the Company.

III. DECLARATIONS AND UNDERTAKINGS OF THE BOARD

The Board of the Company 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 shares of the Company.

IV. RISK WARNING

- (I) As confirmed by the Audit Report (Da Hua Shen Zi (2019) No. 000101) issued by Da Hua Certified Public Accountants (Special General Partnership), the net profit attributable to the shareholders of the Company on a consolidated basis for 2018 was RMB-1,300,108,773.92; and after deducting non-recurring items, the net profit attributable to the shareholders of the Company on a consolidated basis for 2018 was RMB-1,389,633,309.35. Investors are advised to exercise caution when making investments and pay attention to investment risks.

- (II) Luoyang Tractors Research Institute Company Limited* (洛陽拖拉機研
究所有限公司), a controlled subsidiary of the Company, holds 3% equity
interests in the Research Institute. As of May 2019, the Research Institute
had recorded net profits of RMB-1,729,100, which is not expected to cause
any significant impact on the annual results of the Company. Further,
the Research Institute is currently mainly engaged in forward-looking
research and development of high-end agricultural machinery products and
manufacturing technologies and industrial incubation, and is still at an early
stage of product development and business cultivation, and thus it would
take some time to achieve the commercialization of its technical research
results. Investors are advised to pay attention to investment risks.
- (III) Recently, the Company has noticed that there are discussions and posts on
some media platforms and E-interaction platform which claim something to
the effect that the Company's scope of business covers waste sorting. As the
date hereof, the Company's principal business activities have not changed,
and the main products of the Company include a full range of wheeled and
crawler tractors for agricultural production, off-road diesel engines and their
key components, all unrelated to waste sorting.

China Securities Journal, Shanghai Securities News, the website of Shanghai
Stock Exchange (www.sse.com.cn) and the website of the Stock Exchange of
Hong Kong Limited (www.hkexnews.hk) are the designated media for information
disclosure of the Company, and all information published by the Company on
such media shall prevail and be official. Investors are advised to make rational
investments and pay attention to investment risks.

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

Luoyang, the PRC
21 June 2019

*As at the date of this announcement, the Board comprises Mr. Li Xiaoyu (Chairman),
Mr. Cai Jibo (vice Chairman), Mr. Wu Yong and Mr. Liu Jiguo as executive Directors;
Mr. Li Hepeng, Mr. Xie Donggang and Mr. Zhou Honghai as non-executive Directors;
and Mr. Yu Zengbiao, Ms. Yang Minli, Ms. Wang Yuru and Mr. Edmund Sit as
independent non-executive Directors.*

* *For identification purposes only*