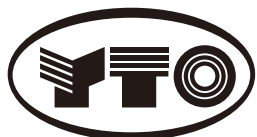


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第一拖拉机股份有限公司
FIRST TRACTOR COMPANY LIMITED*

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

(Stock Code: 0038)

ANNOUNCEMENT TO NOTIFY CREDITORS OF THE OBTAINING OF THE GENERAL MANDATE TO REPURCHASE H SHARES BY THE BOARD

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.

Note: Creditors notified under this announcement do not include bondholders of “12 First Tractor 01” and “12 First Tractor 02”. Matters in relation to the declaration of rights of debts of bondholders of “12 First Tractor 01” and “12 First Tractor 02” of the Company will be considered in the 2016 first bondholders meeting for 2012 corporate bonds. The Company will further announce the relevant date and details of the meeting.

The Company convened the 2015 Annual General Meeting, 2016 First A Shares Class Meeting and 2016 First H Shares Class Meeting on 27 May 2016, granting a general mandate to the Board to decide to repurchase, at the appropriate time, H shares in an amount of not exceeding 10% of the total number of H shares of the Company in issue as at the date of passing the relevant resolution, within the relevant authorization period, in accordance with the needs and market conditions and subject to the obtaining of approval(s) from the relevant regulatory authorities and compliance with the laws, administrative regulations and articles of association of the Company. If the above general mandate is exercised by the Board, according to the relevant provisions, the Company will cancel the H shares repurchased and the Company’s registered capital will be reduced accordingly. In accordance with the relevant provisions of the Company Law of the People’s Republic of China and the articles of association of the Company, the Company announces as follows:

Any creditors of the Company are entitled to declare their rights of debts to the Company since the date of this announcement. Within 30 days from the date of receiving the written notification of the Company, or in case of not receiving the notification, within 45 days from the date of this announcement, the creditors, with valid proofs of rights of debts, certificates and identity documents, are entitled to request the Company to repay the outstanding debts or provide appropriate guarantees. Rights of debts that are not declared to the Company within the specified period in accordance with the above ways will be deemed to have given up the right to declare without affecting the effectiveness of such rights of debts. The relevant debts will still be repaid by the Company in the originally agreed time and ways.

Ways to declare rights of debts: Creditors of the Company, who intend to claim the above rights, can bring along both original and copy of the contracts or agreements proving the existence of credit and debt relationship, and other proofs to the Company to declare their rights of debts. For a legal entity creditor, it has to bring along both the original and copy of the business license and the identity document of the legal representative; in case of authorizing other persons to make a declaration, in addition to the above documents, he/she has to bring along the original power of attorney by the legal representative and the original and copy of the valid identity document of the authorized person. For a natural person creditor, he/she has to bring along both the original and copy of the valid identity document; in case of authorizing other persons to make a declaration, in addition to the above documents, he/she has to bring along the original power of attorney and the original and copy of the valid identity document of the authorized person.

1. If by mail (postmark date shall be the declaring date), please send the information of rights of debts to the following address:

Address: First Tractor Company Limited
No. 154 Jianshe Road, Luoyang, Henan Province,
the People's Republic of China

Postal code: 471004

Attention: Zhang Shukai, Office of the Board

Note: Please mark "**Declaration of Rights of Debts**" on the envelope.

2. If by facsimile, please send the information of rights of debts to the following facsimile number:

Facsimile no: 0379-64967438

Note: Please mark “**Declaration of Rights of Debts**” on the cover page.

Telephone no: 0379-64967038

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

Luoyang, the PRC
27 May 2016

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*