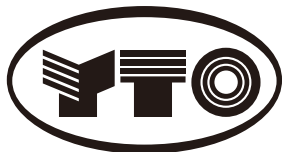


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第一拖拉机股份有限公司*
FIRST TRACTOR COMPANY LIMITED

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

(Stock Code: 0038)

PROPOSED CHANGE OF FINANCIAL REPORT AUDITOR AND INTERNAL CONTROL AUDITOR

This announcement is made pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong.

The board (the “**Board**”) of directors (the “**Director**”) of First Tractor Company Limited* (the “**Company**”) hereby announces that the Board proposed to (1) cease to appoint ShineWing Certified Public Accountants (“**ShineWing**”) as the auditor for the Company’s financial report (the “**Financial Report Auditor**”) and the internal control auditor of the Company (the “**Internal Control Auditor**”) for the year 2017, and (2) appoint Da Hua Certified Public Accountants (Special General Partnership) (“**Da Hua**”) as the Financial Report Auditor and the Internal Control Auditor for the year 2017.

Subject to the approval by the shareholders of the Company (the “**Shareholders**”) at the forthcoming extraordinary general meeting of the Company (the “**EGM**”), ShineWing will cease to be the Financial Report Auditor and the Internal Control Auditor for the year 2017 with effect from the conclusion of the EGM, and Da Hua will be appointed as the new Financial Report Auditor and the Internal Control Auditor for the year 2017 and will hold office until the conclusion of the next annual general meeting of the Company (the “**Proposed Change**”).

Pursuant to the relevant regulations on financial auditing work of state-owned enterprises published by the State-owned Assets Supervision and Administration Commission of the State Council of The People’s Republic of China, due to the prescribed time limit on the service term of auditors undertaking financial auditing work for state-owned enterprises, Da Hua has been appointed as the auditor of China National Machinery Industry Corporation* (中國機械工業集團有限公司) (“**Sinomach**”), the ultimate controlling shareholder of the Company. The Proposed

Change will align the audit arrangement between the Company and Sinomach with a view to enhancing efficiency of the auditing services which will be in the interests of the Company and the Shareholders as a whole.

The Board considers that changing the Financial Report Auditor and the Internal Control Auditor would not affect the objectivity and independence of the Financial Report Auditor and the Internal Control Auditor, and would enhance and maintain good corporate governance of the Company.

ShineWing has confirmed that there were no matters in relation to the Proposed Change that should be brought to the attention of the Shareholders. The Board confirmed that there was no disagreement between the Company and ShineWing regarding the Proposed Change.

The Board considers that the Proposed Change is in the interests of the Company and the Shareholders as a whole, and therefore recommends all the Shareholders to vote in favour of the relevant resolution(s) in respect of the Proposed Change at the EGM. At the EGM, votes will be taken by poll.

The EGM will be held for the purpose of seeking the Shareholders' approval for, among other things, the Proposed Change. A notice of the EGM will be despatched to the Shareholders as soon as possible.

The Board would like to take this opportunity to express its gratitude to ShineWing for its professional services rendered to the Company in the past years.

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

Luoyang, the PRC
29 September 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*