



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

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

(Stock Code: 0038)

Completion of the Transfer of Shares in the Controlling Shareholder of the Company

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.

Reference is made to the announcement of First Tractor Company Limited (the “**Company**”) dated 14 December 2007 (the “**First Announcement**”). Unless otherwise stated, capitalised terms used in this announcement shall have the meanings as those defined in the First Announcement.

The Company has been informed that all of the conditions to the Share Transfer Agreement have been satisfied, including but not limited to, (i) a conditional waiver dated 19 December 2007 granted by the Executive to China National Machinery waiving its obligation from strict compliance with the requirements under Rule 26.1 of the Takeovers Code to make a mandatory offer for the Shares; and (ii) a consent dated 20 February 2008 from the SASAC for the transfer of 67% equity interest in YTO Group from Luoyang SAOCL to China National Machinery at nil consideration.

The Company was given to understand that the control of YTO Group was effectively passed to China National Machinery on 20 February 2008 and the relevant share transfer shall be formally completed upon completion of certain registration formalities with the SASAC and Administration For Industry and Commerce (工商管理部門).

By order of the Board

LIU Dagong

Chairman

Luoyang, the PRC

2 April 2008

As at the date of this announcement, the board of directors of the Company comprises of ten Executive Directors, namely Messrs. LIU Dagong (Chairman), ZHAO Yanshui, LIU Wenying, YAN Linjiao, LI Tengjiao, SHAO Haichen, ZHANG Jing, LI Youji, LIU Shuangcheng and ZHAO Fei; and four Independent Non-executive Directors, namely Messrs. LU Zhongmin, CHEN Zhi, CHAN Sau Shan, Gary and LUO Xiwen.

* *For identification purposes only*