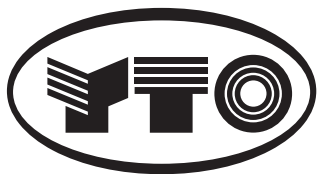


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第一拖拉机股份有限公司
FIRST TRACTOR COMPANY LIMITED*

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

(Stock Code: 0038)

DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF THE COMPANY'S SUBSIDIARIES

The Board is pleased to announce that on 26 March 2009, Brilliance China Machinery (as seller), a non wholly-owned subsidiary of the Company, entered into the Huatong Aran Equity Transfer Agreement with Singapore Commuter (as purchaser), an Independent Third Party, pursuant to which Brilliance China Machinery agreed to sell and Singapore Commuter agreed to purchase the Huatong Aran Interest at a consideration of RMB7,300,896 (approximately HK\$8,296,470).

On 26 March 2009, Brilliance China Machinery (as seller) also entered into the Huachen Huatong Equity Transfer Agreement with Singapore Commuter (as purchaser), pursuant to which Brilliance China Machinery agreed to sell and Singapore Commuter agreed to purchase the Huachen Huatong Interest to Singapore Commuter at a consideration of RMB77,843,833 (approximately HK\$88,458,900).

As the two transactions were entered into by Brilliance China Machinery with the same party, the consideration of the Disposals shall be aggregated and treated as one single transaction under Rule 14.22 of the Listing Rules.

As the relevant percentage ratio of the Disposals is more than 5% but less than 25%, the Disposals constitute a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules.

(A) THE HUATONG ARAN EQUITY TRANSFER AGREEMENT

Date

26 March 2009

Parties

Seller: Brilliance China Machinery, a non wholly-owned subsidiary of the Company. Brilliance China Machinery is principally engaged in investment.

Purchaser: Singapore Commuter. Singapore Commuter is a company incorporated in the Republic of Singapore and is a wholly-owned subsidiary of Singapore Technologies Kinetics Limited. Singapore Commuter is principally engaged in investment, repair and maintenance of motor vehicles.

Singapore Technologies Kinetics Limited is the land systems and specialty vehicles arm of Singapore Technologies Engineering Ltd. Singapore Technologies Engineering Ltd. is an integrated engineering group providing solutions and services in the aerospace, electronics, land systems and marine sectors. The shares of Singapore Technologies Engineering Ltd. are listed on the Singapore Stock Exchange.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Singapore Commuter and its ultimate beneficial owner are Independent Third Parties.

Asset to be disposed of

59% equity interest in Huatong Aran

Consideration

The Huatong Aran Consideration is RMB7,300,896 (approximately HK\$8,296,470). The Huatong Aran Consideration shall be subject to adjustment if there is any Material Adverse Change event before the Huatong Aran Completion Date.

The Huatong Aran Consideration shall be satisfied by Singapore Commuter in cash by way of telegraphic transfers to Brilliance China Machinery as follows:

- (1) 20% of the Huatong Aran Consideration will be paid within 3 Business Days after the receipt of copy of the approval issued by the approval government authorities by Singapore Commuter;
- (2) 30% of the Huatong Aran Consideration will be paid within 3 Business Days after completion of the registration of the transfer of the Huatong Aran Sale Interest with the Industrial and Commercial Bureau;
- (3) the remaining 50% of the Huatong Aran Consideration (the “**Escrow Amount**”) will be deposited to an escrow account to be jointly opened by Brilliance China Machinery and Singapore Commuter on the Huatong Aran Completion Date, of which, 5.5% of the Huatong Aran Consideration shall be retained as security money (the “**Huatong Aran Security Money**”); and
- (4) the Escrow Amount, after being adjusted according to the price adjustment mechanism under the Huatong Aran Equity Transfer Agreement and deduction of the Huatong Aran Security Money, shall be released from the escrow account to Brilliance China Machinery within 3 Business Days from the date of adjustment of the Huatong Aran Consideration.

The Huatong Aran Consideration was determined after arm’s length negotiations between both parties with reference to the valuation of the net assets of Huatong Aran of approximately RMB16,040,000 (approximately HK\$18,227,270) as at 30 June 2008. The Board (including independent non-executive Directors) considers that the Huatong Aran Consideration and the terms of the Huatong Aran Equity Transfer Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Huatong Aran Security Money shall be retained in the escrow account for one year and shall be released if Brilliance China Machinery is not in breach of any warranties.

Information on Huatong Aran

Huatong Aran is principally engaged in the manufacture of construction machineries, such as mixing machineries.

Financial Information

Set out below are the audited financial information of Huatong Aran for the two financial years ended 31 December 2006 and 2007 based on PRC GAAP.

	For the years ended 31 December (approximately)			
	2006		2007	
	<i>RMB</i>	<i>HK\$ equivalent</i>	<i>RMB</i>	<i>HK\$ equivalent</i>
Turnover	71,270,000	80,990,000	85,580,000	97,250,000
Profit before taxation	716,000	814,000	558,000	634,000
Profit after taxation	5,600	6,400	(263,000)	(299,000)

(B) THE HUACHEN HUATONG EQUITY TRANSFER AGREEMENT

Date

26 March 2009

Parties

Seller: Brilliance China Machinery

Purchaser: Singapore Commuter

Asset to be disposed of

59% equity interest in Huachen Huatong

Consideration

The Huachen Huatong Consideration is RMB77,843,833 (approximately HK\$88,458,890). The Huachen Huatong Consideration shall be subject to adjustment if there is any Material Adverse Change event before the Huachen Huatong Completion Date.

The payment mechanism and time schedule of the Huachen Huatong Consideration, including the retention of 5.5% of the Huachen Huatong Consideration as security money, as stipulated under the Huachen Huatong Equity Transfer Agreement, is the same as the payment mechanism and time schedule of the Huatong Aran Consideration as stipulated under the Huatong Aran Equity Transfer Agreement.

The Huachen Huatong Consideration was determined after arm's length negotiations between both parties with reference to the valuation of the net assets of Huachen Huatong of approximately RMB131,938,600 (approximately HK\$149,930,230) as at 30 June 2008. The Board (including independent non-executive Directors) considers that the Huachen Huatong Consideration and the terms of the Huachen Huatong Equity Transfer Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Information on Huachen Huatong

Huachen Huatong was principally engaged in the manufacture of road paving machineries and maintenance machineries, etc.

Financial Information

Set out below are the audited financial information of Huachen Huatong for the two financial years ended 31 December 2006 and 2007 based on PRC GAAP.

	For the years ended 31 December (approximately)			
	2006		2007	
	<i>RMB</i>	<i>HK\$ equivalent</i>	<i>RMB</i>	<i>HK\$ equivalent</i>
Turnover	291,000,000	330,680,000	300,850,000	341,880,000
Profit before taxation	3,860,000	4,386,000	5,212,000	5,923,000
Profit after taxation	3,063,700	3,480,000	4,803,000	5,458,000

Completion of the Disposals will take place simultaneously with the following transactions:

- (1) the acquisition of 16.3% equity interest in Huatong Aran by Singapore Commuter from Jiangsu Huatong; and
- (2) the acquisition of 33.11% equity interest in Huachen Huatong by Singapore Commuter from Jiangsu Huatong.

Conditions Precedents to Completion

Completion of the disposal of the Huatong Aran Interest and the Huachen Huatong Interest is respectively conditional upon the fulfillment of certain conditions precedent, inter alia, the consent of the bank creditors of Huatong Aran and Huachen Huatong, the final settlement of a claim against Huachen Huatong as one of the defendants in connection with a dispute of a loan and guarantee and government approval.

Completion

Unless the parties to the Huatong Aran Equity Transfer Agreement or the Huachen Huatong Equity Transfer Agreement shall otherwise agree in writing, if the equity transfer contemplated hereunder fails to be complete on or before 30 June 2009, either party may notify the other in writing to terminate the Huatong Aran Equity Transfer Agreement or the Huachen Huatong Equity Transfer Agreement. Neither party shall have any claim against the other party, save for any claim arising from breach of Huatong Aran Equity Transfer Agreement or the Huachen Huatong Equity Transfer Agreement prior to such termination. Completion of the sale and purchase of the Huatong Aran Sale Interest and the Huachen Huatong Sale Interest shall take place simultaneously.

REASONS FOR THE DISPOSALS

The disposal of the Huatong Aran Interest and the Huachen Huatong Interest is a result of the rationalisation exercise to streamline the Company's portfolio of subsidiaries and focus its efforts on areas that will bring greater value to the Shareholders.

Upon completion of the Disposals, the Company will no longer hold any interest in Huachen Huatong and Huatong Aran and both of Huachen Huatong and Huatong Aran will cease to be subsidiaries of the Company.

APPLICATION OF PROCEEDS ARISING FROM THE DISPOSALS

Taking into account the aggregate considerations for the Huatong Aran Interest and the Huachen Huatong Interest of approximately RMB85,144,729 (approximately HK\$96,755,370) and the unaudited proportionate interests (adjusted according to HK GAAP) of Brilliance China Machinery in Huatong Aran and Huachen Huatong as at 31 December 2008, it is estimated that a gain of approximately RMB20,000,000 (approximately HK\$22,727,300) would arise from the Disposals.

The Company intends to record such gain from the Disposals in the accounts of the Group for the year 2009. The sale proceeds will be used for working capital purpose.

GENERAL

The principal activities of the Company comprise the production and sale of agricultural tractors.

LISTING RULES IMPLICATION

Since the Huatong Aran Equity Transfer Agreement and the Huachen Huatong Equity Transfer Agreement were entered into by Brilliance China Machinery with the same party, i.e. Singapore Commuter, the transactions shall be aggregated and treated as one single transaction under Rule 14.22 of the Listing Rules. There is no other similar transaction which should be aggregated with these two agreements pursuant to Rule 14.22 of the Listing Rules.

As the relevant aggregate percentage ratio of the Disposals is more than 5% but less than 25%, the Disposals constitute a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules.

DEFINITIONS

“Board”	the board of Directors of the Company;
“Brilliance China Machinery”	Brilliance China Machinery Holdings Limited, a company incorporated in Bermuda and a subsidiary of the Company of which the Company holds 90.1% interest and is a party to the Huatong Aran Equity Transfer Agreement and the Huachen Huatong Equity Transfer Agreement;
“Business Day”	from Monday to Friday, excluding the public holidays of the PRC;
“Company”	第一拖拉機股份有限公司 (First Tractor Company Limited*), a joint stock limited company incorporated in the PRC, the H Shares of which are listed on the Stock Exchange;
“Directors”	the directors of the Company, including the independent non-executive directors;

“Disposals”	the disposal of the Huatong Aran Sale Interest and Huachen Huatong Sale Interest;
“Group”	the Company and its subsidiaries;
“HK GAAP”	Hong Kong Generally Accepted Accounting Principles;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Huachen Huatong”	鎮江華晨華通路面機械有限公司 (Zhenjiang Huachen Huatong Road Machinery Co., Ltd.*), a company incorporated in the PRC;
“Huachen Huatong Completion Date”	the completion date for the sale and purchase of the Huachen Huatong Sale Interest, which shall be on or before 30 June 2009 or such other date as the parties agree otherwise;
“Huachen Huatong Consideration”	the consideration payable for the sale and purchase of Huachen Huatong Sale Interest;
“Huachen Huatong Equity Transfer Agreement”	the equity interest transfer agreement dated 26 March 2009 entered into between Singapore Commuter (as purchaser) and Brilliance China Machinery (as seller) in relation Huachen Huatong Sale Interest;
“Huachen Huatong Interest”	the 59% equity interest in Huachen Huatong which is to be sold by Brilliance China Machinery to Singapore Commuter;
“Huatong Aran”	鎮江華通阿倫機械有限公司 (Zhenjiang Huatong Aran Machinery Co., Ltd.*), a company incorporated in the PRC;
“Huatong Aran Completion Date”	the completion date for the sale and purchase of the Huatong Aran Sale Interest, which shall be on or before 30 June 2009 or such other date as the parties agree otherwise;

“Huatong Aran Consideration”	the consideration payable for the sale and purchase of Huatong Aran Sale Interest;
“Huatong Aran Equity Transfer Agreement”	the equity interest transfer agreement dated 26 March 2009 entered into between Singapore Commuter (as purchaser) and Brilliance China Machinery (as seller) in relation to sale and purchase of Huatong Aran Sale Interest;
“Huatong Aran Interest”	the 59% equity interest in Huatong Aran which is to be sold by Brilliance China Machinery to Singapore Commuter;
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are third parties independent of and not connected with the Company and its subsidiaries and its connected persons (as defined in the Listing Rules);
“Jiangsu Huatong”	江蘇華通機械有限公司 (Jiangsu Huatong Machinery Co., Ltd*), a company incorporated in the PRC and an Independent Third Party which originally holds 41% equity interest in Huatong Aran and Huachen Huatong;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Material Adverse Change”	any events that take place during the period before the Huatong Aran Completion Date and/or Huachen Huatong Completion Date (as the case may be) which will result in loss amount over RMB1,000,000 (approximately HK\$1,136,364);
“percentage ratios”	has the meaning ascribed to this term under the Listing Rules, as application to a transaction;

“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan;
“PRC GAAP”	PRC Generally Accepted Accounting Principles;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	registered holder(s) of the Shares;
“Singapore Commuter”	Singapore Commuter Private Limited, a company incorporated in the Republic of Singapore and is a party to the Huatong Aran Equity Transfer Agreement and the Huachen Huatong Equity Transfer Agreement; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

For the purpose of this announcement, the exchange of RMB0.88= HK\$1.00.

By Order of the Board
First Tractor Company Limited
Liu Dagong
Chairman

Luoyang, the PRC
26 March 2009

As at the date of this announcement, the Board comprises ten executive Directors, namely Mr. Liu Dagong, Mr. Zhao Yanshui, Mr. Liu Wenying, Mr. Yan Linjiao, Mr. Li Tengjiao, Mr. Shao Haichen, Mr. Li Youji, Ms. Dong Jianhong, Mr. Liu Shuangcheng and Mr. Zhao Fei and four independent non-executive Directors, namely Mr. Lu Zhongmin, Mr. Chan Sau Shan, Gary, Mr. Chen Zhi and Mr. Luo Xiwen.

* *For identification purposes only*