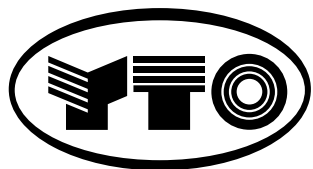


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第一拖拉机股份有限公司
FIRST TRACTOR COMPANY LIMITED*

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

(Stock Code: 0038)

(I) PROPOSED 2010 FINAL DIVIDEND

AND

(II) BOOK CLOSURE PERIOD

AND

**(III) WITHHOLDING AND PAYMENT OF ENTERPRISE INCOME TAX
FOR NON-RESIDENT ENTERPRISE SHAREHOLDERS**

Reference is made to the announcement of First Tractor Company Limited (the “**Company**”) dated 25 March 2011 in relation to its annual results for the year ended 31 December 2010 (the “**Results Announcement**”).

PROPOSED 2010 FINAL DIVIDEND

It was announced in the Results Announcement that the board (the “**Board**”) of directors (the “**Directors**”) of the Company has proposed a final dividend of RMB0.08 per share for the year ended 31 December 2010. The 2010 final cash dividend, if approved by the shareholders (the “**Shareholders**”) of the Company at the coming 2010 annual general meeting of the Company to be held on 17 June 2011, shall be distributed on or before 16 August 2011 to the Shareholders whose names appear on the register of members of the Company as at 18 May 2011.

BOOK CLOSURE PERIOD

In order to determine the holders of H shares (the “**H Shares**”) of the Company who are entitled to receive the 2010 final cash dividend, the Company’s H Shares register of members will be closed from 18 May 2011 to 16 June 2011 (both days inclusive), during which period no transfer of H Shares will be effected. Holders of H Shares who wish to receive the 2010 final cash dividend must deposit the transfer documents together with the relevant Share certificates at the H Shares registrar of the Company, Hong Kong Registrars Limited, at or before 4:00 p.m. on 17 May 2011 at Shops 1712–1716, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

WITHHOLDING AND PAYMENT OF ENTERPRISE INCOME TAX FOR NON-RESIDENT ENTERPRISE SHAREHOLDERS

Dividends payable to the holders of H Shares will be declared in Renminbi but paid in Hong Kong dollars. The exchange rate is determined by the average exchange rate announced by the People’s Bank of China of the five working days before the declaration of dividend, representing a dividend of HK\$0.0951 per H Share.

According to the Enterprise Income Tax Law of the People’s Republic of China and the Detailed Rules for the Implementation of the Enterprise Income Tax Law of the People’s Republic of China (collectively, the “**Tax Law**”) which came into effect in 2008, as from 1 January 2008, any Chinese domestic enterprise which pays dividend to a non-resident enterprise shareholder in respect of accounting period beginning from 1 January 2008 shall withhold and pay enterprise income tax. As such, the Company, as a Chinese domestic enterprise, is required to withhold for payment of the 10% enterprise income tax from the payment of the 2010 final dividend to holders of H Shares who are non-resident enterprises (including but not limited to HKSCC Nominees Limited) and whose names are registered on the Company’s H Shares register of members (the “**H Shares Register**”) on 18 May 2011. The Company will distribute the 2010 final dividend to such non-resident enterprises after deducting the relevant tax.

The term “non-resident enterprise(s)” shall have the same meaning as that defined under the Tax Law and its relevant rules and regulations when used in this announcement.

No withholding or payment of enterprise income tax will be made in respect of the 2010 final dividend payable to any natural person Shareholder listed on the H Shares Register on 18 May 2011. Any natural person investor whose H Shares are registered under the name of any non-resident enterprise and who does not wish to have the enterprise income tax to be withheld and paid by the Company may consider transferring the legal title of the relevant H Shares into his or her name and shall duly lodge all transfer documents together with the relevant H Share certificates with the H Shares registrar of the Company for registration, at or before 4:00 p.m. on 17 May 2011.

All Shareholders and investors should read this announcement carefully. The Company has no obligation and will not be responsible for confirming the identity of any Shareholder and the Company will withhold for payment of the enterprise income tax according to the Tax Law and its relevant rules and regulations.

The Company assumes no liability in respect of and will not deal with any claim arising from any inaccurate determination of the status of Shareholders or any dispute over the mechanism of enterprise income tax withholding.

By Order of the Board
FIRST TRACTOR COMPANY LIMITED
YU Lina / LIU Pui Yee
Joint Company Secretaries

Luoyang, the PRC
27 April 2011

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Zhao Yanshui, Ms. Dong Jianhong and Mr. Qu Dawei, and two non-executive Directors, namely Mr. Yan Linjiao and Mr. Liu Yongle, and four independent non-executive Directors, namely Mr. Chan Sau Shan, Gary, Mr. Luo Xiwen, Mr. Hong Xianguo and Mr. Zhang Qiusheng.

* *For identification purposes only*