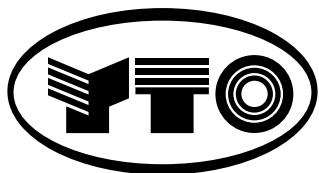


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第一拖拉机股份有限公司
FIRST TRACTOR COMPANY LIMITED*

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

(Stock Code: 0038)

RE-APPOINTMENT OF AUDITORS

First Tractor Company Limited (the “**Company**”) and all members of the board (the “**Board**”) of directors (the “**Directors**”) of the Company warrant the truthfulness, accuracy and completeness of the contents of this announcement, and accept several and joint responsibilities for any false information, misleading statements or material omissions in this announcement.

Baker Tilly Hong Kong Limited and Baker Tilly China have been the international and People's Republic of China (“**PRC**”) auditors of the Company for the year 2011 respectively. The Board resolved, as proposed by the audit committee of the Company, to re-appoint Baker Tilly Hong Kong Limited and Baker Tilly China as the international and PRC auditors of the Company for the year 2012 respectively. The re-appointment of the above auditors is subject to the approval of shareholders of the Company.

According to Article 65 of the articles of association of the Company, shareholder(s) individually or jointly holding 3% or more of the total number of the Company's voting shares shall have the right to propose an ex tempore motion 10 days prior to the general meeting by furnishing the same to the Board in writing. The Board shall issue a supplemental notice of general meeting to the shareholders within 2 days after receiving the proposed motion and pass the ex tempore motion to the general meeting for consideration.

On 14 May 2012, the controlling shareholder of the Company, YTO Group Corporation, sent a written request to the Company requesting for the inclusion of a new ordinary resolution to consider and approve the above re-appointment of auditors by the shareholder of the Company at the forthcoming 2011 annual general meeting of the Company to be held on 15 June 2012 (the “**AGM**”), a notice of which has already been sent to the shareholders on 27 April 2012. On 14 May 2012, the Board resolved to put forward the said new ordinary resolution at the AGM for the shareholders’ consideration and approval.

The supplemental notice of the AGM will be dispatched to the shareholders of the Company as soon as practicable.

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

Luoyang, the PRC
14 May 2012

As at the date of this announcement, Mr. Zhao Yanshui is the Chairman and executive Director of the Company and Mr. Su Weike is the vice Chairman and non-executive Director of the Company. Other members of the Board are, three executive Directors, namely, Ms. Dong Jianhong, Mr. Qu Dawei and Mr. Liu Jiguo; two non-executive Directors, namely, Mr. Yan Linjiao and Mr. Liu Yongle; and four independent non-executive Directors, namely, Mr. Luo Xiwen, Mr. Chan Sau Shan, Gary, Mr. Hong Xianguo and Mr. Zhang Qiusheng.

* *For identification purposes only*