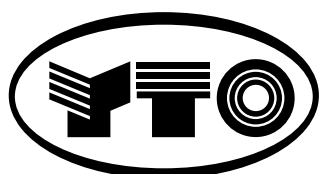


*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement does not constitute an offer or an invitation to induce an offer by any person to acquire, subscribe for or purchase any securities of the Company.*



**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)

**PRICE CONSULTATION FOR THE ISSUE OF A SHARES  
AND  
FINANCIAL INFORMATION OF THE GROUP  
PREPARED UNDER THE PRC GAAP**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

References are made to the announcements of the Company dated 28 June 2010, 16 August 2010, 27 June 2011, 15 August 2011, 6 January 2012, 11 January 2012 and 13 July 2012 and the circulars of the Company dated 19 July 2010 and 12 July 2011 (the “**Circulars**”). Unless otherwise indicated, capitalized terms used in this announcement shall have the same meanings as those defined in the Circulars.

## PRICE CONSULTATION FOR THE ISSUE OF A SHARES

On 12 July 2012, the Company received the formal written approval from the CSRC for the Issue of A Shares, which will comprise the allotment and issue of not more than 150,000,000 A Shares. Pursuant to the requirements of applicable PRC laws and regulations, the Company and CITIC Securities Co., Ltd. (中信證券股份有限公司) (“**CITIC Securities**”), the sponsor (lead underwriter), will conduct road show and preliminary price consultation for the Issue of A Shares among qualified institutions, which meet the requirements of the relevant PRC laws and regulations, from 17 July 2012 to 24 July 2012 (both days inclusive) in the PRC in order to determine the offer price. The Company and CITIC Securities will, after conducting the preliminary price consultation, determine the exact number of A Shares to be issued and the offer price in accordance with factors such as the indicative demand for the A Shares and the Company’s funding needs. The Company will issue an announcement once the offer size and the offer price of the Issue of A Shares have been determined.

## FINANCIAL INFORMATION OF THE GROUP PREPARED UNDER THE PRC ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES (THE “**PRC GAAP**”)

The latest version of the prospectus in respect of the Issue of A Shares (the “**Prospectus**”) and its summary were published on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)), the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company’s website (<http://www.ytogroup.com/gfgs/home/index.htm>) on 15 July 2012. The Prospectus and its summary were published in the PRC in Chinese only and contained business and financial information of the Group including but not limited to the consolidated balance sheets and income statements of the Group for the years ended 31 December 2009, 2010 and 2011 (the “**Relevant Periods**”) prepared in accordance with the PRC GAAP.

Reference is made the announcement of the Company dated 6 January 2012, which contains the business and financial information of the Group for the years ended 31 December 2008, 2009 and 2010 and for the six months ended 30 June 2011. The relevant financial information updated to the year ended 31 December 2011 in the latest version of the Prospectus is set out below.

Part (A) and (B) as set out below are the summary of the consolidated financial statements of the Group for the Relevant Periods prepared in accordance with the Group's accounting policies under the PRC GAAP audited by Baker Tilly China, the Company's PRC reporting accountants.

Part (C) as set out below shows the differences between consolidated financial statements of the Group prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") and the PRC GAAP. UHY Vocation HK CPA Limited has audited the Group's consolidated financial statement prepared under HKFRS for the year ended 31 December 2009 while Baker Tilly Hong Kong Limited has audited the Group's consolidated financial statements prepared under HKFRS for the years ended 31 December 2010 and 31 December 2011.

**(A) Consolidated income statements of the Group for the years ended 31 December 2009, 2010 and 2011 prepared in accordance with the PRC GAAP:**

*Unit: RMB*

	2011	2010	2009
<b>1. Total operating revenue</b>	<b>11,328,544,998</b>	<b>10,265,832,386</b>	<b>9,349,371,228</b>
Including: Operating Revenue	11,262,656,572	10,220,804,965	9,318,617,376
Interest income	60,913,805	40,704,723	29,093,071
Handling fee and commission income	4,974,621	4,322,698	1,660,781
<b>2. Total operating expenses</b>	<b>10,860,165,798</b>	<b>9,801,794,941</b>	<b>9,038,090,264</b>
Including: Operating costs	9,755,599,524	8,726,675,048	7,985,359,625
Interest expenses	19,841,915	12,067,669	1,461,452
Handling fee and commission expenses	221,562	294,539	199,950
Business tax and Surcharges	22,816,838	11,797,941	8,690,617
Sale expenses	337,327,101	356,256,669	325,537,038
Administrative Expenses	677,203,771	645,973,687	654,236,158
Finance costs	49,548,713	27,177,609	10,452,681
Loss on assets Impairment	-2,393,626	21,551,779	52,152,743

	2011	2010	2009
Add: Gains on change in fair value	-11,768,646	1,947,305	4,707,939
Investment income	59,334,102	154,982,070	46,291,565
Including: Returns on investment in associated companies and joint ventures	323,878	1,247,116	261,900
<b>3. Profit from operation</b>	<b>515,944,656</b>	<b>620,966,820</b>	<b>362,280,468</b>
Add: Non-operating Income	23,003,070	36,782,310	25,124,856
Less: Non-operating Expenses	2,906,059	11,607,349	13,640,985
Including: Loss on disposal of non-current assets	689,299	4,098,478	1,314,250
<b>4. Total profit</b>	<b>536,041,667</b>	<b>646,141,781</b>	<b>373,764,339</b>
Less: Income tax expenses	78,536,952	84,092,609	87,156,133
<b>5. Net profit</b>	<b>457,504,715</b>	<b>562,049,172</b>	<b>286,608,206</b>
Net profit attributable to equity holders of the Company	410,819,157	542,669,716	252,422,877
Gains/losses attributable to minority shareholders	46,685,558	19,379,456	34,185,329
<b>6. Earnings per share:</b>			
Basic earnings per share	0.4857	0.6415	0.2984
Diluted earnings per share	0.4857	0.6415	0.2984
<b>7. Other comprehensive income</b>	<b>-82,767,182</b>	<b>569,104</b>	<b>46,943,192</b>
<b>8. Total comprehensive income</b>	<b>374,737,533</b>	<b>562,618,276</b>	<b>333,551,398</b>
Total comprehensive income attributable to equity holders of the Company	332,650,167	542,341,960	300,310,634
Total comprehensive income attributable to minority shareholders	42,087,366	20,276,316	33,240,764

**(B) Consolidated balance sheets of the Group as at 31 December 2009, 2010 and 2011 prepared in accordance with the PRC GAAP:**

*Unit: RMB*

	As at 31 December 2011	As at 31 December 2010	As at 31 December 2009
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	1,512,424,774	1,362,562,903	1,260,165,718
Loans due from other banks or financial institutions	—	350,000,000	—
Held-for-trading financial assets	77,397,475	251,993,572	28,941,581
Bills receivable	1,538,507,434	969,717,969	395,472,182
Accounts receivable	852,711,879	586,013,465	555,635,485
Prepayments	107,784,782	369,520,110	395,151,633
Dividends receivable	—	—	280,000
Other receivables	132,611,175	97,411,958	204,337,880
Inventories	1,110,557,406	1,376,834,673	1,060,046,603
Other current assets	—	—	—
<b>Total current assets</b>	<b>5,331,994,925</b>	<b>5,364,054,650</b>	<b>3,900,031,082</b>
<b>Non-current assets:</b>			
Loans and advances granted	610,665,059	447,326,609	508,317,812
Available-for-sale financial assets	99,305,985	186,481,167	108,679,157
Held-to-maturity investment	—	1,000,000	11,139,870
Long-term equity investment	116,717,622	118,104,764	74,077,539
Investment property	33,861,102	35,301,758	—
Fixed assets	1,367,283,951	1,177,216,283	1,102,677,528
Construction in progress	696,311,445	653,334,395	136,013,179
Intangible assets	766,887,698	215,198,306	99,892,292
Long-term deferred expenses	3,033,445	4,094,873	4,361,475
Deferred income tax assets	46,667,200	38,825,283	59,375,630
Other non-current assets	95,059,858	100,761,849	39,083,705
<b>Total non-current assets</b>	<b>3,835,793,365</b>	<b>2,977,645,287</b>	<b>2,143,618,187</b>
<b>Total assets</b>	<b>9,167,788,290</b>	<b>8,341,699,937</b>	<b>6,043,649,269</b>

	As at 31 December 2011	As at 31 December 2010	As at 31 December 2009
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities:</b>			
Short-term loans	965,467,831	425,726,315	156,000,000
Deposit taking and deposit in inter-bank market	1,089,384,387	540,420,226	260,223,420
Loans due to other banks or financial institutions	200,000,000	100,000,000	—
Bills payable	585,042,122	544,516,230	547,855,755
Accounts payable	1,608,178,690	1,482,348,102	1,182,570,142
Receipts in advance	242,982,036	562,785,185	288,423,005
Disposal of repurchased financial assets	—	99,500,000	—
Employee remuneration payable	108,444,217	197,424,179	200,546,192
Interests payable	4,096,866	4,296,514	341,256
Dividends payable	—	—	16,110,000
Tax payable	-251,827,020	-221,754,910	-73,338,858
Other payables	455,002,055	243,879,259	177,987,730
Non-current liabilities due within one year	5,018,000	1,018,000	1,018,000
Other current liabilities	64,784,798	80,935,363	66,427,191
<b>Total current liabilities</b>	<b>5,076,573,982</b>	<b>4,061,094,463</b>	<b>2,824,163,833</b>
<b>Non current liabilities:</b>			
Long-term loans	186,000,000	600,000,000	13,472,700
Deferred income tax liabilities	15,129,953	27,061,629	13,109,169
Other non-current liabilities	114,496,180	109,515,763	118,364,774
<b>Total non-current liabilities</b>	<b>315,626,133</b>	<b>736,577,392</b>	<b>144,946,643</b>
<b>Total liabilities</b>	<b>5,392,200,115</b>	<b>4,797,671,855</b>	<b>2,969,110,476</b>

	As at 31 December 2011	As at 31 December 2010	As at 31 December 2009
<b>Shareholder's equity:</b>			
Share capital	845,900,000	845,900,000	845,900,000
Capital reserve	1,444,940,423	1,601,270,372	1,626,359,922
Surplus reserves	251,726,492	224,254,050	202,283,224
General risk reserve	6,291,271	5,868,701	5,498,233
Retained profits	800,076,268	484,824,123	173,466,901
Translation difference on foreign currency statements	-25,434,514	-10,337,323	-8,900,722
Total equity attributable to shareholders of the Company	3,323,499,940	3,151,779,923	2,844,607,558
Minority interests	452,088,235	392,248,159	229,931,235
<b>Total shareholder's equity</b>	<b>3,775,588,175</b>	<b>3,544,028,082</b>	<b>3,074,538,793</b>
<b>Total liabilities and shareholder's equity</b>	<b>9,167,788,290</b>	<b>8,341,699,937</b>	<b>6,043,649,269</b>

**(C) Differences between consolidated financial statements of the Group prepared in accordance with HKFRS and the PRC GAAP**

The differences in the net assets and net profit as stated in the Company's regular reports for H shares in 2009, 2010 and 2011 as compared with those financial data (31 December 2011 as the reference date) in the Prospectus are as follows:

*Unit: RMB'000*

Items	Net profit attributable to equity holders of the Company			Net assets attributable to the Company		
	2011	2010	2009	31 December 2011	31 December 2010	31 December 2009
Amounts stated in regular reports and announcement for H shares	410,819	542,361	244,488	3,323,500	3,082,948	2,815,226
Difference 1: Goodwill arising from acquisition of subsidiaries under common control recognized by using the purchase method	—	—	—	—	—	-52,990
Difference 2: Retrospective adjustments for business combination under common control	—	309	7,935	—	68,833	82,372
Amounts stated in the Prospectus (31 December 2011 as the reference date )	410,819	542,670	252,423	3,323,500	3,151,780	2,844,608

*Note 1:* Regular reports and announcement for H shares refer to the Company's annual reports for the years 2009 and 2010 previously published and annual results announcement for the year 2011 published by the Board on 24 February 2012.

*Note 2:* There may be some minor differences arising from rounding off in the amounts of net profit and net assets attributable to the Company as disclosed in the domestic and overseas financial statements.



*(1) Difference 1: Goodwill arising from acquisition of subsidiaries under common control recognized by using the purchase method*

In 2006, the Company entered into an asset swap agreement with YTO Group Corporation (“YTO”), pursuant to which the Company acquired 58.8% equity interest in YTO (Luoyang) Diesel Engine Co., Ltd and 70% equity interest in YTO (Luoyang) Fuel Injection Pump Co., Ltd held by YTO. As HKFRS does not provide for the accounting treatment of business combination under common control, these transactions were accounted for by the overseas accounting firm using the purchase method, which led to RMB52.99 million of goodwill. The domestic accounting firm used the same accounting treatment given the convergence of the PRC GAAP and HKFRS.

In preparing its three-year financial statements with 31 December 2011 as the reference date, the Company has made retrospective adjustment for the above transactions according to Article 13 of the PRC GAAP No. 38 — First Implementation of the Accounting Standards for Business Enterprises, “in respect of the business combination under common control as defined in the PRC GAAP No. 20 — Business Combination, the amortized value which has been recognized previously as goodwill shall be written off in full and the retained earnings shall be adjusted accordingly”, i.e. writing down goodwill and capital reserve respectively by RMB52.99 million. As such, the net assets attributable to shareholders of the Company decreased by RMB52.99 million in the Prospectus which uses 31 December 2011 as the reference date as compared with that in the Company’s 2009 annual report. Such temporary difference is resulted from desynchronized adjustments in domestic and overseas accounting standards.

In preparing the Company’s annual report for the year 2010, the Company made the same retrospective adjustment for the above transaction given the convergence of the PRC GAAP and HKFRS. Therefore, since publication of the Company’s 2010 annual report, there has been no difference between the Company’s domestic and overseas financial statements due to goodwill arising from acquisition of subsidiaries under common control recognized by using the purchase method.

(2) *Difference 2: Amounts retrospectively adjusted for business combination under common control*

During the Relevant Periods, the Company's equity acquisition involving enterprises under common control include: acquisition of 51% equity interest in Luoyang Tractors Research Co., Ltd. ("**Tractors Research Company**"), (including the 100% equity interest respectively in Luoyang Siyuan Vehicles and Motor Examination Company Limited and Luoyang Sinyan Mechanical Material Engineering Company Limited under Tractors Research Company) in 2010, completion of acquisitions of 100% equity interest in YTO (Luoyang) Forklift Co., Ltd. ("**YTO Forklift**"), 100% equity interest in YTO International Economic and Trading Co., Ltd. ("**YTO International**"), and 93.58% equity interest in YITWO Agro-Industrial ("**YITWO Agro-Industrial**") in the first half of year 2011. In accordance with the provisions for combination under common control under the PRC GAAP, the Company shall make retrospective adjustments to the financial statements of previous years in the three-year statements which use 31 December 2011 as the reference date. Therefore, there are differences in the net assets and net profit of the Company for 2009 and 2010 as disclosed in the Prospectus as compared with the data disclosed in the Hong Kong annual reports for 2009 and 2010 due to retrospective adjustments for combination under common control.

Items	Net profit attributable to equity holders of the Company			Net assets attributable to the Company		
	2011	2010	2009	31 December	31 December	31 December
				2011	2010	2009
Differences arising from retrospective adjustments for business combination under common control	—	309	7,935	—	68,833	82,372
Including:						
1. Differences due to retrospective adjustment arising from acquisition of equity interest in Tractors Research Company in 2010	—	—	4,063	—	—	44,013
2. Differences due to retrospective adjustment arising from acquisition of equity interest in YTO International, YTO Forklift and YITWO Agro-Industrial in 2011	—	309	3,872	—	68,833	38,359

*Note:* There may be some minor differences arising from rounding off in the amounts of net profit and net assets attributable to the Company as disclosed in the domestic and overseas financial statements.

- (1) *The differences due to retrospective adjustment arising from acquisition of equity interest in Tractors Research Company in 2010 have been eliminated after the publication of the Company's annual report for 2010*

When preparing the Company's annual report for the year 2010, the Company has adjusted the data of the aforesaid years in connection with the acquisition of equity interest in Tractors Research Company, a company under common control. Therefore, the net assets and net profit as disclosed in the Company's 2010 annual report as compared with the financial data disclosed in the Prospectus, in which 31 December 2011 was used as the reference date, are different only due to retrospective adjustment for business combination under common control in the first half of 2011.

*Unit: RMB'000*

Items	Net profit attributable to equity holders of the Company		Net assets attributable to the Company	
	2009		2009	
	(retrospectively adjusted)		(retrospectively adjusted)	
	2010		2010	
Amount stated in the 2010 annual report	542,361	248,551	3,082,948	2,806,249
Retrospective adjustment for business combination under common control arising from acquisition of YTO International, YTO Forklift and YITWO Agro-Industrial in 2011	309	3,872	68,833	38,359
Amounts stated in the Prospectus (31 December 2011 as the reference date)	542,670	252,423	3,151,780	2,844,608

*Note :* There may be some minor differences arising from rounding off in the amounts of net profit and net assets attributable to the Company as disclosed in the domestic and overseas financial statements.

- (2) *The differences due to retrospective adjustment for combination under common control in the first half of 2011 have been eliminated upon the publication of the Company's 2011 annual results announcement*

In the first half of 2011, the Company acquired the equity interest in YTO Forklift, YTO International and YITWO Agro-Industrial, all being enterprises under common control. When preparing its 2011 financial statements for H shares, the Company has made retrospective adjustment for business combination under common control pursuant to the requirements of relevant accounting standards. Therefore, there have been no differences in the net profit and net assets as disclosed in the Company's 2011 annual results announcement and the Prospectus.

*Unit: RMB'000*

Items	Net profit attributable to equity holders of the Company		Net assets attributable to the Company	
	2011	2010 (retrospectively adjusted)	31 December 2011	31 December 2010 (retrospectively adjusted)
Amounts stated in the 2011 annual results announcement in Hong Kong	410,819	542,670	3,323,500	3,151,780
Amounts stated in the Prospectus (31 December 2011 as the reference date)	410,819	542,670	3,323,500	3,151,780

*Note:* There may be some minor differences arising from rounding off in the amounts of net profit and net assets attributable to the Company as disclosed in the domestic and overseas financial statements.

For more details of the Issue of A Shares, please refer to the latest version of the Prospectus which was published on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)), the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website (<http://www.ytogroup.com/gfgs/home/index.htm>) on 15 July 2012.

The Company will keep the Shareholders and investors posted of any further development in relation to the Issue of A Shares where appropriate.

By Order of the Board  
**FIRST TRACTOR COMPANY LIMITED**  
**Zhao Yanshui**  
*Chairman*

Luoyang, the PRC  
15 July 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*