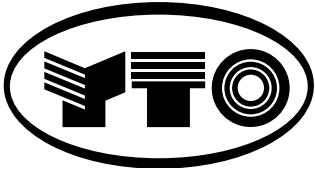


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**第一拖拉机股份有限公司**<sup>\*</sup>  
**FIRST TRACTOR COMPANY LIMITED**

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

(Stock Code: 0038)

## **ANNOUNCEMENT ON PASSING THE RECOGNITION AS HIGH AND NEW TECHNOLOGY ENTERPRISES**

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

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) disclosed under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Board is pleased to announce that the Company has received on 25 February 2015 a “Notice of Recognition of the First Batch of High and New Technology Enterprises in Henan Province for the year 2014” (Yuke [2015] No. 18) 《關於認定河南省2014年度第一批高新技術企業的通知》(豫科[2015]第18號), jointly issued by the Science and Technology Department of Henan Province, Finance Department of Henan Province, Henan Provincial Office of State Administration of Taxation and Henan Provincial Local Taxation Bureau. The Company and four of its subsidiaries have passed the recognition as High and New Technology Enterprises of which, the Company, YTO (Luoyang) Diesel Engine Co., Ltd.\* (一拖(洛陽)柴油機有限公司), Luoyang Tractors Research Institute Company

Limited\* (洛陽拖拉機研究所有限公司) and Luoyang Xiyuan Vehicles and Power Inspection Institute Co., Ltd.\* (洛陽西苑車輛與動力檢驗所有限公司) have passed the re-recognition, while YTO (Luoyang) Drive Axle Company Limited\* (一拖(洛陽)車橋有限公司) has passed the recognition for the first time, as High and New Technology Enterprises. (Please refer to the table below for the names of the enterprises and their respective certificate numbers)

Name of the Enterprises	Certificate Number
The Company	GR201441000104
YTO (Luoyang) Diesel Engine Co., Ltd.* (一拖(洛陽)柴油機有限公司)	GR201441000062
Luoyang Tractors Research Institute Company Limited* (洛陽拖拉機研究所有限公司)	GR201441000030
YTO (Luoyang) Drive Axle Company Limited* (一拖(洛陽)車橋有限公司)	GR201441000097
Luoyang Xiyuan Vehicles and Power Inspection Institute Co., Ltd.* (洛陽西苑車輛與動力檢驗所有限公司) <sup>Note</sup>	GR201441000107

*Note:* Luoyang Xiyuan Vehicles and Power Inspection Institute Co., Ltd\* (洛陽西苑車輛與動力檢驗所有限公司) is a wholly owned subsidiary of Luoyang Tractors Research Institute Company Limited\* (洛陽拖拉機研究所有限公司).

The date of issuance of the above certificates was 31 July 2014 and the qualification as High and New Technology Enterprises is valid for a term of three years.

Pursuant to the relevant regulations, the above enterprises, being recognized as High and New Technology Enterprises, will enjoy relevant preferential tax policy for the years from 2014 to 2016, and will pay the enterprise income tax at the preferential rate of 15%. The above preferential tax policy has no impact on the announcement of the Company dated 30 January 2015 on estimated decrease in annual results for the year of 2014.

By Order of the Board  
**FIRST TRACTOR COMPANY LIMITED\***  
**Yu Lina**  
*Company Secretary*

Luoyang, the PRC  
27 February 2015

*As at the date of this announcement, Mr. Zhao Yanshui is the Chairman of the Company and Mr. Wang Erlong is the vice Chairman of the Company. Other members of the Board are six Directors, namely, Mr. Yan Linjiao, Mr. Wu Zongyan, Mr. Wang Kejun, Mr. Guo Zhiqiang, Mr. Liu Jiguo and Mr. Wu Yong; and four independent non-executive Directors, namely, Mr. Hong Xianguo, Mr. Xing Min, Mr. Wu Tak Lung and Mr. Yu Zengbiao.*

*\* for identification purposes only*