

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.



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)

**ANNOUNCEMENT RELATING TO
THE PROPOSED ACQUISITION OF 6% INTEREST IN
CHINA YTO GROUP FINANCE COMPANY LIMITED**

On 18 January 2016, the board of directors of First Tractor Company Limited (the “**Company**”) resolved that the Company proposed to acquire 6% of the equity interest in China YTO Group Finance Company Limited (“**YTO Finance**”) by way of tender application (摘牌申請) (the “**Proposed Acquisition**”). On 29 December 2015, SINOMACH-HI (Luoyang) Building Machinery Co., Ltd. (“**SINOMACH-HI Building Co.**”) listed its 6% equity interest in YTO Finance for public sale at the Beijing Equity Exchange with a quoted price of RMB42,738,012.

As of the date of this announcement, SINOMACH-HI Building Co. is the indirect subsidiary of China National Machinery Industry Corporation, the ultimate controlling shareholder of the Company. Pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), SINOMACH-HI Building Co. is a connected person of the Company. The Proposed Acquisition, if concluded, would constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios are more than 0.1% but less than 5%, the Proposed Acquisition, if concluded, would be subject to the reporting and announcement requirements only but would be exempt from the independent shareholders’ approval requirement pursuant to Chapter 14A of the Listing Rules.

Further announcements will be made by the Company in respect of the result of listing-for-sale as and when appropriate.

The Proposed Acquisition and the terms of the transaction are yet to be finalized between the parties and may or may not eventually materialize. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Luoyang, the PRC
18 January 2016

As at the date of this announcement, the Board comprises Mr. Zhao Yanshui (Chairman), Mr. Wang Erlong (vice Chairman) and Mr. Wu Yong as executive Directors; Mr. Li Hepeng, Mr. Xie Donggang, Mr. Li Kai and Mr. Yin Dongfang as non-executive Directors; and Ms. Yang Minli, Mr. Xing Min, Mr. Wu Tak Lung and Mr. Yu Zengbiao as independent non-executive Directors.

* *For identification purposes only*