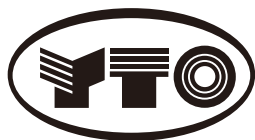


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第一拖拉机股份有限公司
FIRST TRACTOR COMPANY LIMITED*

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

(Stock Code: 0038)

**ANNOUNCEMENT RELATING TO RESULTS OF
TENDERING OF 6% INTEREST
IN CHINA YTO GROUP FINANCE COMPANY LIMITED**

Reference is made to the announcement of First Tractor Company Limited (the “**Company**”) dated 18 January 2016 in relation to the proposed acquisition of 6% of the equity interest in China YTO Group Finance Company Limited (“**YTO Finance**”) by way of tender application (the “**Announcement**”). Capitalized terms used in this announcement have the same meanings as defined in the Announcement, unless the context requires otherwise.

On 28 January 2016, the Company received the qualified transferee confirmation that the Company became the successful bidder for the 6% equity interest in YTO Finance, which was offered by way of listing-for-sale by SINOMACH-HI Building Co.. The consideration of the Proposed Acquisition would be RMB42,738,012. The Company is required to transfer the deposit in the sum of RMB12,821,400 to the settlement account designated by the Beijing Equity Exchange prior to 1 February 2016. Detailed terms and conditions in relation to the Proposed Acquisition will be finalized in the future equity transfer agreement.

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. Should the Proposed Acquisition materialize, it would constitute connected transaction of the Company under Chapter 14A of the Listing Rules. Since the expected applicable percentage ratios are more than 0.1% but less than 5%, the Proposed Acquisition, should it materialize, 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.

Upon signing of the relevant equity transfer agreement, the Company will make further announcement(s) according to the Listing Rules 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
28 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*