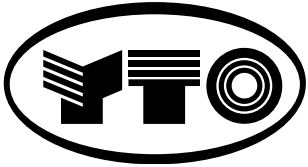


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第一拖拉机股份有限公司*

FIRST TRACTOR COMPANY LIMITED

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

(Stock Code: 0038)

VOLUNTARY ANNOUNCEMENT

ACQUISITION OF ASSETS

This is a voluntary announcement made by First Tractor Company Limited (the “**Company**”).

THE ACQUISITION

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 7 March 2011, the Commercial Court of Charmont in France declared that YTO France SAS (“**YTO France**”), a wholly-owned subsidiary of the Company, successfully won the bid for the acquisition (the “**Acquisition**”) of certain assets (the “**Target Assets**”) of Mc Cormick France SAS (“**McC France**”), a French company in receivership, at the bidding price of €8,000,000.

INFORMATION ON THE TARGET ASSETS AND THE BIDDING PRICE

The Target Assets include but not limited to the following:

- (i) all plots of the land and buildings located in Saint Dizier in France owned by McC France with a total surface area of approximately 20 hectares;

- (ii) tangible assets, including all industrial constructions, machineries, vehicles, offices, processing equipment, assembling equipment, IT equipment, laboratories, testing devices and mobile equipment, etc. owned by McC France;
- (iii) intangible assets, including the know-how and technologies in relation to transmission systems and the manufacturing secrets, in particular the manuals and handbooks describing the manufacturing technics and methods, all worksheets and any other technical materials, IT files, quality manuals, any technical documents, etc.; and
- (iv) all raw materials, inventory and finished products owned by McC France.

The bidding price for the Acquisition is €8,000,000 which was paid by YTO France on 7 March 2011 and the ownership of the Target Assets was vested in YTO France at 8 a.m., 8 March 2011 (local time in France). The procedures for handing over the Target Assets are now being processed.

REASONS FOR THE ACQUISITION

McC France is principally engaged in the manufacture of the powershift transmission systems specifically used in tractors of 90-230 horsepower. The Board believes that acquisition of the Target Assets of McC France will perfect the power range of the powershift transmission systems of the Company and its subsidiaries (the “**Group**”), thereby enabling the Group to have a full control of the powershift techniques for tractors as well as to accelerate the standardization and the pace of marketization of the powershift tractor products of the Group.

The Board considers that the Acquisition is in line with the Group’s international growth policy and believes that the Acquisition will open up a gate for the Group to enter into the French and European markets. The Board is of the view that the Acquisition is in the interests of the Group and the shareholders of the Company as a whole.

This announcement is made by the order of the Board, of which the Directors individually and jointly accept the responsibility for the accuracy of the information contained in this announcement.

By Order of the Board
FIRST TRACTOR COMPANY LIMITED
YU Lina / LIU Pui Yee
Joint Company Secretaries

Luoyang, the PRC
14 March 2011

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Zhao Yanshui, Ms. Dong Jianhong, Mr. Qu Dawei and Mr. Li Xibin, and three non-executive Directors, namely Mr. Yan Linjiao, Mr. Shao Haichen and Mr. Liu Yongle, and four independent non-executive Directors, namely Mr. Chan Sau Shan, Gary, Mr. Luo Xiwen, Mr. Hong Xianguo and Mr. Zhang Qiusheng.

* *For identification purposes only*