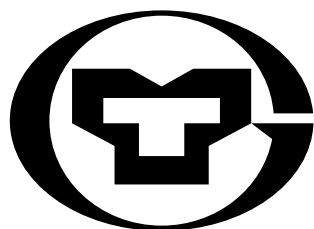


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FIRST TRACTOR COMPANY LIMITED

第一拖拉機股份有限公司

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

(Stock Code: 0038)

DELAY IN DESPATCH OF CIRCULAR

As additional time is required to compile financial information, in particular financial information on Yituo Diesel and Yituo Fuel Jet, to be disclosed in the Circular, the despatch of the Circular will be postponed to a date not later than 9 June 2006.

Reference is made to the announcement made by the Company dated 11 May 2006 (the "Announcement") in relation to the major and connected transactions. Unless otherwise specified, terms used herein shall have the same meanings as defined in the Announcement.

As the transactions contemplated under the Assets Swap Agreement, Diesel Repayment Agreement and Fuel Jet Repayment Agreement constitute connected transactions under the Listing Rules and the transaction contemplated under the Assets Swap Agreement also constitutes a major transaction under the Listing Rules, pursuant to Rules 14A.49 and 14.38 of the Listing Rules, a circular in relation to the Assets Swap Agreement, Diesel Repayment Agreement and Fuel Jet Repayment Agreement shall be despatched to the Shareholders within 21 days after publication of the Announcement, being not later than 2 June 2006.

As more time is required to compile financial information, in particular financial information on Yituo Diesel and Yituo Fuel Jet, to be disclosed in the Circular, an application has been made to the Stock Exchange for a waiver from strict compliance with Rules 14A.49 and 14.38 of the Listing Rules and for an extension of time for the despatch of the Circular. It is currently expected that the Circular will be despatched to the shareholders of the Company no later than 9 June 2006.

By order of the Board of
First Tractor Company Limited
Zhang Guo Long
Company Secretary

Luoyang, Henan Province, the PRC, 1 June 2006

As at the date of this announcement, the Board comprises ten executive Directors: Mr. Liu Dagong (Chairman), Mr. Liu Wenying, Mr. Zhao Yanshui, Mr. Yan Linjiao, Mr. Li Tengjiao, Mr. Shao Haichen, Mr. Zhang Jing, Mr. Li Youji, Mr. Liu Shuangcheng and Mr. Zhao Fei, and three independent non-executive Directors: Mr. Lu Zhongmin, Mr. Chen Zhi and Mr. Chan Sau Shan.