



FIRST TRACTOR COMPANY LIMITED *

第一拖拉机股份有限公司

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

(Stock Code: 0038)

ANNOUNCEMENT OF THE APPOINTMENT OF THE DIRECTOR AND SUPERVISORS

The board (the “**Board**”) of directors (the “**Directors**”) of First Tractor Company Limited (the “**Company**”) is pleased to announce that the 2005 annual general meeting of the Company (the “**AGM**”) was held at 9:00 a.m. on Friday, 16 June 2006 at No. 154, Jianshe Road, Luoyang, Henan Province, the People's Republic of China (the “**PRC**”) whereby the ordinary resolutions for (i) the election and appointment of the Directors for the fourth board of directors of the Company, with a term of three years commencing from 1 July 2006 and expiring on 30 June 2009; (ii) the re-appointment of Mr. Lu Zhongmin and Mr. Chan Sau Shan, Gary as independent non-executive Directors; and (iii) the election and appointment of the supervisors (representative for shareholders (the “**Shareholders**”) of the Company) in the fourth supervisory committee of the Company, with a term of three years commencing from 1 July 2006 and expiring on 30 June 2009, were considered and approved at the AGM.

Upon the expiry of the contract term of the third board of directors of the Company and the third supervisory committee of the Company on 30 June 2006, the contract term of the fourth board of directors of the Company and the fourth supervisory committee of the Company will be commenced with effect from 1 July 2006.

The members of the Directors in the fourth board of directors of the Company comprise of ten executive Directors: Mr. Liu Dagong, 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 four independent non-executive Directors: Mr. Lu Zhongmin, Mr. Chen Zhi, Mr. Chan Sau Shan, Gary and Mr. Luo Xiwen (*newly appointed*).

The members of the supervisors (representative for Shareholders) in the fourth supervisory committee of the Company comprise of five supervisors: Mr. Liu A Nan, Mr. Kong Lingfu (*newly appointed*), Mr. Xu Weilin, Mr. Zhao Shengyao (*newly appointed*) and Mr. Shao Jianxin.

The Board would like to take this opportunity to express its warm welcome to Mr. Luo Xiwen to join the Board, and Mr. Kong Lingfu and Mr. Zhao Shengyao to join the supervisory committee of the Company.

The biographical details of the newly appointed candidate of the Director (i.e. Mr. Luo Xiwen) in the fourth board of directors of the Company and the newly appointed candidates of the supervisors (representative for Shareholders) (i.e. Mr. Kong Lingfu and Mr. Zhao Shengyao) in the fourth supervisory committee of the Company are as follows:

1. Mr. Luo Xiwen, aged 61, independent non-executive Director

Experience

Mr. Luo joined South China Agricultural College in 1979 and had served the positions of Associate Professor of Faculty of Agricultural Engineering of South China Agricultural University, Dean and professor of Faculty of Agricultural Engineering of South China Agricultural University. He is currently Vice-chancellor and mentor of doctorate students of South China Agricultural College and is the convenor of Agricultural Engineering Division of Bachelor Committee under the State Council. From 1987 to 1989, he visited the University of Virginia, USA and University of Kentucky, USA to study a 2-year course as a visiting scholar. Mr. Luo is also the Deputy member of general committee of China Agricultural Engineering Association, the Deputy member of general committee of China Agricultural Machinery Association, the Deputy member of general committee of Ground Equipment System Association of China Agricultural Machinery Association, Deputy committee chief of Electronics Technology and Computer Application Committee of China Agricultural Engineering Association, Deputy committee chief of Agricultural Mechanisation sub-division of China Agricultural Machinery Association, Deputy Chief Editor of Editing Committee of Agricultural Engineering Newspaper. He graduated from South China Agricultural College in 1982 and obtained a master degree and holds the title of professor. Save as disclosed above, Mr. Luo does not hold any other positions in the Company or any other member of the Company and its subsidiaries (the “**Group**”), nor held any directorship in any other listed company in the last three years.

Length of service and emolument

No service contract will be entered into between Mr. Luo and the Company. The term is for a term of three years. Mr. Luo will not receive any emolument from the Company.

Relationships

Mr. Luo has no relationship with any Director, supervisor or the senior management of the Company or with any management Shareholder, substantial Shareholder or controlling Shareholder.

Interests in Shares

So far as the Directors are aware as at the date of this announcement, Mr. Luo does not have any interest in the shares (the “**Shares**”) of the Company (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571, Laws of Hong Kong, (the “**SFO**”)).

Matters that need to be brought to the attention of the Shareholders

In relation to the appointment of Mr. Luo as an independent non-executive Director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and there is no matter which needs to be brought to the attention of the Shareholder.

2. Mr. Kong Lingfu, aged 55, Supervisor

Experience

Mr. Kong joined China Yituo Group Corporation Limited and its subsidiaries (the “**China First Tractor Group**”) in 1966 and had served as the positions of section chief of general office of China Yituo Group Corporation Limited, factory manager of Tongyong Cast Factory, officer chief of Party Committee. He is currently the vice chairman of labour union of China Yituo Group Corporation Limited. Mr. Kong graduated from Central Party College majoring in Economics and Management in 1996 and holds the title of senior political engineer. Mr. Kong has extensive experience in production, operation and management, as well as administration work for labour union. Save as disclosed above, Mr. Kong does not hold any other positions in the Company or any other member of the Group, nor held any directorship in any other listed company in the last three years.

Length of service and emolument

Mr. Kong will enter into a service agreement with the Company after the date of re-election for a term of three years. Mr. Kong will receive a fee to be determined by the Board subject to the authorization by the Shareholders with reference to his duties and responsibilities with the Company and the market rate for the position. Mr. Kong will also be entitled to an annual discretionary bonus with reference of the performance of the Company.

Relationships

Mr. Kong has no relationship with any Director, supervisor or the senior management of the Company or with any management Shareholder, substantial Shareholder or controlling Shareholder.

Interests in Shares

So far as the Directors are aware as at the date of this announcement, Mr. Kong does not have any interest in the Shares (within the meaning of Part XV of the SFO)).

Matters that need to be brought to the attention of the Shareholders

In relation to the appointment of Mr. Kong as a supervisor of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no matter which needs to be brought to the attention of the Shareholder.

3. Mr. Zhao Shengyao, aged 51, Supervisor

Experience

Mr. Zhao joined China First Tractor Group in 1975. He has been the deputy general manager of Yituo (Luoyang) Construction Machinery Co., Ltd., deputy general manager and public-relation secretary of Yituo (Luoyang) Fuel Jet Co., Ltd. He is currently the deputy secretary of Disciplinary Committee of China Yituo Group Corporation Limited. Mr. Zhao has extensive experience in production, operation, management, as well as administration and supervision. He joined the Company since 1997. Save as disclosed above, Mr. Zhao does not hold any other positions in the Company or any other member of the Group, nor held any directorship in any other listed company in the last three years.

Length of service and emolument

Mr. Zhao will enter into a service agreement with the Company after the date of re-election for a term of three years. Mr. Zhao will receive a fee to be determined by the Board subject to the authorization by the Shareholders with reference to his duties and responsibilities with the Company and the market rate for the position. Mr. Zhao will also be entitled to an annual discretionary bonus with reference of the performance of the Company.

Relationships

Mr. Zhao has no relationship with any Director, supervisor or the senior management of the Company or with any management Shareholder, substantial Shareholder or controlling Shareholder.

Interests in Shares

So far as the Directors are aware as at the date of this announcement, Mr. Zhao does not have any interest in the Shares (within the meaning of Part XV of the SFO)).

Matters that need to be brought to the attention of the Shareholders

In relation to the appointment of Mr. Zhao as a supervisor of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no matter which needs to be brought to the attention of the Shareholder.

For details of the rest of the candidates of the Directors in the fourth board of directors of the Company, and the candidates of the supervisors (representative for Shareholders) in the fourth supervisory committee of the Company, please refer to the notice of AGM as annexed in the 2005 annual report of the Company.

By order of the Board of
First Tractor Company Limited
LIU DAGONG
Chairman

Luoyang, the People's Republic of China, 16 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 are Mr. Lu Zhongmin, Mr. Chen Zhi and Mr. Chan Sau Shan, Gary.

* *For identification purpose only*