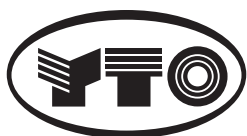

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in First Tractor Company Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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)

**(I) PROPOSED GRANT OF GENERAL MANDATE
TO REPURCHASE H SHARES;
(II) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
AND
(III) NOTICES OF EXTRAORDINARY GENERAL MEETING
AND CLASS MEETINGS**

The notices convening the extraordinary general meeting and the respective class meetings for holders of H shares (“**H Shares**”) and domestic shares (“**Domestic Shares**”) of First Tractor Company Limited (the “**Company**”) to be held on Tuesday, 9 September 2008 at No. 154 Jianshe Road, Luoyang, Henan Province, the People’s Republic of China (“**PRC**”), are set out on pages 11 to 20 of this circular.

Whether or not you are able to attend the meetings in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. In case of H Shares, the proxy form shall be lodged with the Company’s branch share registrar in Hong Kong, Hong Kong Registrars Limited, at 46/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong; and in case of Domestic Shares, the proxy form shall be lodged at the registered address and principal place of business of the Company in the PRC at No. 154 Jianshe Road, Luoyang, Henan Province, the PRC, as soon as possible and in any event not later than 24 hours before the time scheduled for holding such meetings (or any adjourned meetings thereof). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment if you so desire.

25 July 2008

* For identification purpose only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“acting in concert”	has the meaning as defined under the Takeovers Code
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associates”	has the meaning as defined under the Listing Rules
“Board”	the board of Directors
“Class Meetings”	the class meeting for holders of H Shares to be held immediately after the conclusion of the EGM and the class meeting for holders of Domestic Shares to be held immediately after the conclusion of the said class meeting for holders of H Shares, the respective notices of which are set out on pages 15 to 20 to this circular, or any adjournment thereof respectively
“Class Meetings Notices”	the notices for convening the Class Meetings set out on pages 15 to 20 in this circular
“Company”	第一拖拉機股份有限公司 (First Tractor Company Limited*), a joint stock limited company incorporated in the PRC, the H Shares of which are listed on the Stock Exchange
“Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as enacted by the Standing Committee of the Eighth National People’s Congress on 29 December 1993 and effective on 1 July 1994, as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the meaning as defined under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary shares of the Company of RMB1.00 each which are subscribed for in Renminbi by PRC nationals and/or PRC incorporated entities, all of which have been allotted and issued and are fully paid up

DEFINITIONS

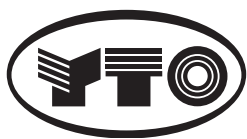
“EGM”	the extraordinary general meeting of the Company to be held at 9:00 a.m. on Tuesday, 9 September 2008 at No. 154 Jianshe Road, Luoyang, Henan Province, the PRC, to approve the grant to the Directors of the Repurchase Mandate and the proposed amendments to the Articles of Association, or any adjournment thereof
“EGM Notice”	the notice for convening the EGM set out on pages 11 to 14 in this circular
“H Share(s)”	the overseas listed foreign share(s) having a nominal value of RMB1.00 each in the capital of the Company, which are subscribed for and traded in Hong Kong dollars, all of which are listed on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	22 July 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mandatory Provisions”	the Mandatory Provisions for the Articles of Association of the Companies to be Listed Overseas (《到境外上市公司章程必備條款》) issued on 27 August 1994 by the State Council Securities Policy Committee and the State Commission for Restructuring the Economic System
“PRC”	the People’s Republic of China
“Repurchase Mandate”	subject to the conditions set out in the proposed resolution approving the repurchase mandate at the EGM and the Class Meetings, the general mandate to be granted to the Board to exercise the power of the Company to repurchase H Shares, the aggregate nominal amount of which shall not exceed 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of passing of the relevant resolution as set out in the EGM notice and the Class Meetings Notices

DEFINITIONS

“SAFE”	State Administration of Foreign Exchange of the PRC (《中華人民共和國國家外匯管理局》) or its successor authority
“Share(s)”	Domestic Shares and H Shares
“Shareholder(s)”	the holder(s) of Domestic Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning as defined under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

* *For identification purpose only*

LETTER FROM THE BOARD



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)

Board of Directors:

LIU Dagong (*Chairman*)
ZHAO Yanshui
LIU Wenyong
YAN Linjiao
LI Tengjiao
SHAO Haichen
LI Youji
DONG Jianhong
LIU Shuangcheng
ZHAO Fei
LU Zhongmin*
CHAN Sau Shan, Gary*
CHEN Zhi*
LUO Xiwen*

Registered and principal office:

No. 154 Jianshe Road,
Luoyang,
Henan Province,
The PRC

* *Independent non-executive Director*

25 July 2008

To the Shareholders

Dear Sir/Madam,

**PROPOSED GRANT OF GENERAL MANDATE
TO REPURCHASE H SHARES
AND
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

INTRODUCTION

The Repurchase Mandate was proposed at the EGM and the Class Meetings for the Shareholders' consideration and approval. The Articles of Association was also proposed to be amended at the EGM in light of the need for certification of the quality, environmental and occupational health and safety management system of the Company and the amendments of the Company Law.

* *For identification purpose only*

LETTER FROM THE BOARD

The purposes of this circular are (i) to provide you with information regarding the special resolution to be proposed at the EGM and the Class Meetings to grant to the Directors the Repurchase Mandate; (ii) to provide you with details of the proposed amendments to the Articles of Association; and (iii) to give you the EGM Notice and the Class Meetings Notices.

REPURCHASE MANDATE

The Company Law, Mandatory Provisions and the Articles of Association provide for certain restrictions on share repurchase which are applicable to all classes of shares of the Company.

The Company Law (to which the Company is subject) provides that a joint stock limited company incorporated in the PRC may not repurchase its shares unless such repurchase is effected for the purpose of (a) reducing its registered capital; (b) in connection with a merger between itself and another entity that holds its shares; (c) granting shares as reward to the staff of the company; or (d) the repurchase is made at the request of its shareholders who disagrees with shareholders' resolutions in connection with a merger or division. The Mandatory Provisions, which the Company has incorporated in the Articles of Association, provide that subject to obtaining the approval of the relevant PRC regulatory authorities and in compliance with the Articles of Association, the Company may repurchase its issued Shares for the purpose of reducing its share capital or in connection with a merger between itself and another entity that holds its Shares or in circumstances permitted by laws or administrative regulations.

The Listing Rules permit the shareholders of a PRC joint stock limited company to grant a general mandate to its directors to repurchase shares of such company that is listed on the Stock Exchange. Such mandate is required to be given by way of a special resolution passed by its shareholders in general meeting and special resolutions passed by holders of domestic shares and holders of overseas listed foreign shares at separate meetings.

H Shares are traded on the Stock Exchange in Hong Kong dollars. Therefore, the repurchase of H Shares by the Company is subject to the approval of the SAFE (or its successor authority), and the price payable by the Company upon any repurchase of H Shares will be paid in Hong Kong dollars.

LETTER FROM THE BOARD

In accordance with the requirements of the Articles of Association applicable to capital reduction, the Company will have to notify its creditors of the passing of the resolution for the reduction of the registered capital of the Company. In addition, the Company Law provides that the shares repurchased by a company will have to be cancelled and the registered capital of that company will therefore be reduced by an amount equivalent to the aggregate nominal value of the shares so cancelled. In the event of a reduction of registered capital, the Company shall inform its creditors by way of written notice and announcement within a prescribed period after the passing of the relevant resolutions approving such reduction. The creditors shall be entitled to request the Company for repayment of loan and/or provision of guarantee. The statutory notification requirement allows the creditors an opportunity for the recovery and/or security of the debt (in particular for those unsecured debts) where the Company's registered capital is to be reduced.

Conditions to repurchase of H Shares

In order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to repurchase any H Shares (including where such repurchase may lead to an enhancement of the net asset value per Share and/or the earnings per Share), approval is proposed to be sought from the Shareholders for the grant of the Repurchase Mandate to the Directors. In accordance with the legal and regulatory requirements described above, the Directors give notices to convene the EGM and the Class Meetings. At each such meeting, a special resolution will be proposed to grant to the Directors the Repurchase Mandate, i.e. a conditional general mandate to repurchase H Shares in issue on the Stock Exchange with an aggregate nominal value not exceeding 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of passing of such special resolution.

The Repurchase Mandate will be conditional upon (a) the special resolution for approving the grant of the Repurchase Mandate being passed at each of the EGM and the Class Meetings; and (b) the approvals of SAFE (or its successor authority) and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate. If the above conditions are not fulfilled, the Repurchase Mandate will not be exercisable by the Directors.

The Repurchase Mandate would expire on the earlier of (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of a period of twelve months following the passing of the relevant resolution at the EGM and the Class Meetings; or (c) the date on which the authority conferred by the special resolution is revoked or varied by a special resolution of the Shareholders in a general meeting or by a special resolution of holders of H Shares or holders of Domestic Shares at their respective class meetings.

The H Shares which may be repurchased by the Company pursuant to the Repurchase Mandate shall not exceed 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of passing of the resolution approving the Repurchase Mandate at the EGM and the Class Meetings.

An explanatory statement giving certain information regarding the Repurchase Mandate is set out in the Appendix to this circular.

LETTER FROM THE BOARD

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company is now in the process of certification in respect of its quality, environmental and occupational health and safety management systems. To meet the need for certification, the business scope of the Company should cover the business scopes of the Company and its subsidiaries. Therefore, article 15 of the Articles of Association was proposed to be amended as follows:

Original article 15:

“The business scope of the Company shall be in accordance with the items approved by the registration authority with which the Company is registered.

The business scope of the Company shall include the manufacture, sale and provision of after-sale services for tractor series products, forging and casting goods, spare parts and fittings; and tractor-related technological development, transfer, sub-contracting and consultancy services, the operation of import and export businesses of the Company’s (including the member enterprises of the Company) self-manufacturing products and related technologies but commodities and technologies restricted by the State for trading or import and export are excluded.”

Proposed amendment to article 15:

“The business scope of the Company shall be in accordance with the items approved by the registration authority with which the Company is registered.

The business scope of the Company shall include the design, manufacture, sale and provision of services for agriculture machinery products such as tractors, harvesting machineries and agriculture machineries and tools, engineering machinery series products such as bulldozers, loaders, excavators, road rollers, grader and forklifts, and series products such as diesel engines, automatic power stations, power generating units, forging and casting goods, spare parts and fittings, and tractor-related technological development, transfer, sub-contracting and consultancy services, the operation of import and export businesses of the Company’s (including the member enterprises of the Company) self-manufacturing products and related technologies but commodities and technologies restricted by the State for trading or import and export are excluded.”

LETTER FROM THE BOARD

In light of the amendments of the Company Law, article 31 of the Articles of Association was proposed to be amended as follows:

Original article 31:

“When the registered capital of the Company is reduced, a balance sheet and a list of assets shall be prepared.

The Company shall notify its creditors within 10 days after the passing of the resolution for the reduction of the registered capital and shall announce at least 3 times in newspapers within 30 days. Within 30 days after receipt of the notices or for those not receiving the notices, within 90 days after the publication of the first announcement, the creditors are entitled to require the Company to repay the loan or to provide corresponding repayment guarantees.

The registered capital of the Company after reduction of the registered capital shall not be lower than the lowest statutory limit.”

Proposed amendment to article 31:

“When the registered capital of the Company is reduced, a balance sheet and a list of assets shall be prepared.

The Company shall notify its creditors within 10 days after the passing of the resolution for the reduction of the registered capital and shall announce in newspapers within 30 days. Within 30 days after receipt of the notices or for those not receiving the notices, within 45 days after the publication of the announcement, the creditors are entitled to require the Company to repay the loan or to provide corresponding guarantees.

The registered capital of the Company after reduction of the registered capital shall not be lower than the lowest statutory limit.”

Please note that the above English version of the Articles of Association is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

LETTER FROM THE BOARD

EGM AND CLASS MEETINGS

Set out on pages 11 to 20 in this circular is notices convening the EGM and the Class Meetings to be held on Tuesday, 9 September 2008 at No. 154 Jianshe Road, Luoyang, Henan Province, the PRC. Special resolutions are proposed to the Shareholders at the EGM to consider and, if thought fit, for granting to the Directors the Repurchase Mandate and for approving the abovementioned amendments to the Articles of Association. Special resolution in respect of the granting to the Directors of the Repurchase Mandate is proposed to the Shareholders at the Class Meetings for their consideration and approval.

A form of proxy for use at each of the EGM and the Class Meetings is enclosed. Whether or not you are able to attend the meetings in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. In case of H Shares, the proxy form shall be lodged with the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited, at 46/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; and in case of Domestic Shares, the proxy form shall be lodged at the registered address and principal place of business of the Company in the PRC at No. 154 Jianshe Road, Luoyang, Henan Province, the PRC, as soon as possible and in any event not later than 24 hours before the time scheduled for holding such meetings (or any adjourned meetings thereof). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment if you so desire.

PROCEDURES TO DEMAND A POLL AT GENERAL MEETING

Pursuant to article 77 of the Articles of Association, at general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or after any vote by show of hands) demanded:

- (i) by the chairman of the meeting;
- (ii) by at least two Shareholders present in person or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any Shareholder or Shareholders (including proxy(ies)) holding individually or holding in aggregate of 10% or more of the Shares carrying the right to vote at the meeting.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors are of the opinion that the grant of the Repurchase Mandate and the amendments to the Articles of Association are in the interests of the Company and its Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM and the Class Meetings.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular.

Yours faithfully,
For and on behalf of the Board
First Tractor Company Limited
Liu Dagong
Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to enable you to make an informed decision on whether to vote for or against the special resolution to approve the grant of the Repurchase Mandate to the Directors.

LISTING RULES RELATING TO THE REPURCHASE OF SECURITIES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below. The Company is empowered by the Articles of Association to repurchase its own securities.

SHARE CAPITAL

As at the Latest Practicable Date, the registered share capital of the Company was RMB845,900,000 comprising 443,910,000 Domestic Shares and 401,990,000 H Shares. Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the EGM and the Class Meetings, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 40,199,000 H Shares, being the maximum of 10% of the total H Shares in issue as at the date of passing the relevant resolution.

REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the interests of the Company and the Shareholders. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and its Shareholders.

FUNDING OF REPURCHASES

In repurchasing its H Shares, the Company may only apply funds from the Company's internal resources legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws, rules and regulations of the PRC, including but not limited to surplus funds and undistributed profits of the Company or the proceeds of a fresh issue of Shares made for the purpose of the repurchase.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with its position as at 31 December 2007, being disclosed in the Company's latest published audited accounts contained in the annual report for the year ended 31 December 2007. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements

or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company. The number of H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then prevailing, in the best interests of the Company.

STATUS OF REPURCHASED H SHARES

The Listing Rules provide that the listing of all the H Shares repurchased by the Company shall automatically be cancelled and the relevant share certificates shall be cancelled and destroyed. Under the PRC laws, the H Shares repurchased by the Company will be cancelled and the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled.

H SHARE PRICES

The highest and lowest prices at which the H Shares have traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2007		
July	5.15	4.05
August	4.32	2.31
September	4.65	3.53
October	5.04	3.90
November	5.38	4.28
December	5.05	3.72
2008		
January	5.01	3.79
February	5.65	3.88
March	5.79	3.35
April	4.35	3.79
May	4.07	3.40
June	3.55	1.67
July (up to the Latest Practicable Date)	1.89	1.52

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

DISCLOSURE OF INTERESTS

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, their associates, have any present intention to sell to the Company any of the H Shares in the Company if the Repurchase Mandate is approved at the EGM and the Class Meetings.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

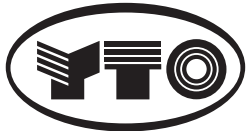
As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, YTO Group Corporation Limited ("YTO") was the substantial Shareholder, which held 443,910,000 Domestic Shares, representing approximately 52.48% of the registered capital of the Company. On the basis that 845,900,000 Shares in issue as at the Latest Practicable Date and assuming that no other Shares will be issued or repurchased by the Company on or prior to the date of the EGM and the Class Meetings, if the Repurchase Mandate were exercised in full, the percentage interests in the Company of YTO and its associates would increase to approximately 55.10% of the then registered share capital of the Company. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the Repurchase Mandate. Moreover, the Directors will not make share repurchase on the Stock Exchange if such repurchase would result in the requirements under Rule 8.08 of the Listing Rules not being complied with.

As at the Latest Practicable Date, no connected person of the Company has notified the Company that he/she/it has a present intention to sell any H Shares nor has such connected person undertaken not to sell any of the securities held by him/her/it to the Company in the event that the Repurchase Mandate is granted.

SECURITIES REPURCHASE MADE BY THE COMPANY

The Company had not purchased any H Shares (whether on the Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of First Tractor Company Limited (the “**Company**”) will be held at 9:00 a.m. on Tuesday, 9 September 2008 at No. 154 Jianshe Road, Luoyang, Henan Province, the People’s Republic of China (the “**PRC**”) for the purposes of considering and, if thought fit, passing the following resolutions:

SPECIAL RESOLUTIONS

1. To authorize the board (the “**Board**”) of directors (the “**Directors**”) of the Company to repurchase H Shares of the Company (the “**H Shares**”) subject to the following conditions:
 - (a) subject to paragraphs (b) and (c) below, during the Relevant Period (as defined in paragraph (d) below), the Board may exercise all the powers of the Company to repurchase H Shares in issue of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body be and is approved;
 - (b) the aggregate nominal value of H Shares authorized to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent of the aggregate nominal value of H Shares in issue of the Company as at the date of the passing of this resolution;

* *For identification purpose only*

NOTICE OF EGM

- (c) the approval in paragraph (a) above shall be conditional upon:
 - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the class meeting for holders of H Shares of the Company to be held on 9 September 2008 (or on such adjourned date as may be applicable); and the class meeting for holders of domestic shares of the Company to be held on 9 September 2008 (or on such adjourned date as may be applicable); and
 - (ii) the approval of the State Administration of Foreign Exchange of the PRC and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate;
- (d) for the purpose of this special resolution, “**Relevant Period**” means the period from the passing of this special resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting following the passing of this special resolution;
 - (ii) the expiration of a period of twelve months following the passing of this special resolution; or
 - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting or by a special resolution of holders of H Shares or holders of domestic shares of the Company at their respective class meetings; and
- (e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorized to:
 - (i) make such amendments to the Articles of Association of the Company as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (a) above; and
 - (ii) file the amended Articles of Association of the Company with the relevant governmental authorities of the PRC.

NOTICE OF EGM

2. To consider and approve the amendment to article 15 of the Articles of Association of the Company to read as follows:

“The business scope of the Company shall be in accordance with the items approved by the registration authority with which the Company is registered.

The business scope of the Company shall include the design, manufacture, sale and provision of services for agriculture machinery products such as tractors, harvesting machineries and agriculture machineries and tools, engineering machinery series products such as bulldozers, loaders, excavators, road rollers, graders and forklifts, and series products such as diesel engines, automatic power stations, power generating units, forging and casting goods, spare parts and fittings, and tractor-related technological development, transfer, sub-contracting and consultancy services, the operation of import and export businesses of the Company’s (including the member enterprises of the Company) self-manufacturing products and related technologies but commodities and technologies restricted by the State for trading or import and export are excluded.”

3. To consider and approve the amendment to article 31 of the Articles of Association of the Company to read as follows:

“When the registered capital of the Company is reduced, a balance sheet and a list of assets shall be prepared.

The Company shall notify its creditors within 10 days after the passing of the resolution for the reduction of the registered capital and shall announce in newspapers within 30 days. Within 30 days after receipt of the notices or for those not receiving the notices, within 45 days after the publication of the announcement, the creditors are entitled to require the Company to repay the loan or to provide corresponding guarantees.

The registered capital of the Company after reduction of the registered capital shall not be lower than the lowest statutory limit.”

Yours faithfully,
By order of the Board
First Tractor Company Limited
Liu Dagong
Chairman

Luoyang, the PRC
25 July 2008

As at the date of this notice, the Board comprises of ten executive Directors, namely Messrs. LIU Dagong (Chairman), ZHAO Yanshui, LIU Wenying, YAN Linjiao, LI Tengjiao, SHAO Haichen and LI Youji, Ms. DONG Jianhong and Messrs. LIU Shuangcheng and ZHAO Fei; and four independent non-executive Directors, namely Messrs. LU Zhongmin, CHAN Sau Shan, Gary, CHEN Zhi and LUO Xiwen.

NOTICE OF EGM

Notes:

1. The register of members of the Company will be temporarily closed from 10 August 2008 to 9 September 2008 (both days inclusive) during which no transfer of shares of the Company (the “**Shares**”) will be registered in order to determine the list of shareholders of the Company (the “**Shareholders**”) for attending the EGM. The last lodgment for the transfer of the H Shares and the domestic Shares of the Company should be made on 8 August 2008 at Hong Kong Registrars Limited and the Company’s registered and principal office respectively by or before 4:00 p.m. The Shareholders or their proxies being registered before the close of business on 8 August 2008 are entitled to attend the EGM by presenting their identity documents. The address of Hong Kong Registrars Limited, the H Share registrar of the Company, is 46/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
2. Each Shareholder having the rights to attend and vote at the EGM is entitled to appoint one or more proxies (whether a Shareholder or not) to attend and vote on his behalf. Should more than one proxy be appointed by one Shareholder, such proxy shall only exercise his voting rights on a poll.
3. Shareholders can appoint a proxy by an instrument in writing (i.e. by using the proxy form enclosed). The proxy form shall be signed by the person appointing the proxy or an attorney authorised by such person in writing. If the proxy form is signed by an attorney, the power of attorney or other documents of authorization shall be notarially certified. To be valid, the proxy form and the notarially certified power of attorney or other documents of authorisation must be delivered to the registered address of the Company in not less than 24 hours before the time scheduled for the holding of the EGM or any adjournment thereof.
4. Shareholders who intend to attend the EGM are requested to deliver the duly completed and signed reply slip for attendance to the Company’s registered and principal office in person, by post or by facsimile on or before 4:00 p.m., 19 August 2008.
5. Shareholders or their proxies shall present proofs of their identities upon attending the EGM. Should a proxy be appointed, the proxy shall also present the proxy form.
6. The EGM is expected to last for less than one day. The Shareholders and proxies attending the EGM shall be responsible for their own travelling and accommodation expenses.
7. The Company’s registered address:

No. 154, Jianshe Road, Luoyang, Henan Province, the PRC

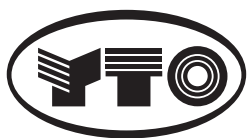
Postal code: 471004

Telephone: 86-379-64967038

Facsimile: 86-379-64967438

Email: msc0038@ytogroup.com

NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES



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)

NOTICE OF H SHARES CLASS MEETING

NOTICE IS HEREBY GIVEN that a class meeting for holders of H Shares (the “**Class Meeting**”) of First Tractor Company Limited (the “**Company**”) will be held at 9:20 a.m. (or immediately after the extraordinary general meeting of the Company to be convened and held on the same date and at the same place) on Tuesday, 9 September 2008 at No. 154 Jianshe Road, Luoyang, Henan Province, the People’s Republic of China (the “**PRC**”) for the purposes of considering and, if thought fit, passing the following resolution:

SPECIAL RESOLUTION

1. To authorize the board (the “**Board**”) of directors (the “**Directors**”) of the Company to repurchase H Shares of the Company (the “**H Shares**”) subject to the following conditions:
 - (a) subject to paragraphs (b) and (c) below, during the Relevant Period (as defined in paragraph (d) below), the Board may exercise all the powers of the Company to repurchase H Shares in issue of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body be and is approved;
 - (b) the aggregate nominal value of H Shares authorized to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent of the aggregate nominal value of H Shares in issue of the Company as at the date of the passing of this resolution;
 - (c) the approval in paragraph (a) above shall be conditional upon:
 - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the extraordinary general meeting for holders of shares of the Company to be held on 9 September 2008 (or on such adjourned date as may be applicable); and the class meeting for holders of domestic shares of the Company to be held on 9 September 2008 (or on such adjourned date as may be applicable); and

* For identification purpose only

NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

- (ii) the approval of the State Administration of Foreign Exchange of the PRC and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate;
- (d) for the purpose of this special resolution, “**Relevant Period**” means the period from the passing of this special resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting following the passing of this special resolution;
 - (ii) the expiration of a period of twelve months following the passing of this special resolution; or
 - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting or by a special resolution of holders of H Shares or holders of domestic shares of the Company at their respective class meetings; and
- (e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorized to:
 - (i) make such amendments to the Articles of Association of the Company as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (a) above; and
 - (ii) file the amended Articles of Association of the Company with the relevant governmental authorities of the PRC.

Yours faithfully,
By order of the Board
First Tractor Company Limited
Liu Dagong
Chairman

Luoyang, the PRC
25 July 2008

As at the date of this notice, the Board comprises of ten executive Directors, namely Messrs. LIU Dagong (Chairman), ZHAO Yanshui, LIU Wenying, YAN Linjiao, LI Tengjiao, SHAO Haichen and LI Youji, Ms. DONG Jianhong and Messrs. LIU Shuangcheng and ZHAO Fei; and four independent non-executive Directors, namely Messrs. LU Zhongmin, CHAN Sau Shan, Gary, CHEN Zhi and LUO Xiwen.

NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

Notes:

1. The register of members of the Company will be temporarily closed from 10 August 2008 to 9 September 2008 (both days inclusive) during which no transfer of H Shares of the Company will be registered in order to determine the list of holders of H Shares of the Company (the “**Shareholders**”) for attending the Class Meeting. The last lodgment for H Share transfer should be made on 8 August 2008 at Hong Kong Registrars Limited by or before 4:00 p.m. The Shareholders or their proxies being registered before the close of business on 8 August 2008 are entitled to attend the Class Meeting by presenting their identity documents. The address of Hong Kong Registrars Limited, the H Share registrar of the Company, is 46/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
2. Each Shareholder having the rights to attend and vote at the Class Meeting is entitled to appoint one or more proxies (whether a Shareholder or not) to attend and vote on his behalf. Should more than one proxy be appointed by one Shareholder, such proxy shall only exercise his voting rights on a poll.
3. Shareholders can appoint a proxy by an instrument in writing (i.e. by using the proxy form enclosed). The proxy form shall be signed by the person appointing the proxy or an attorney authorised by such person in writing. If the proxy form is signed by an attorney, the power of attorney or other documents of authorization shall be notarially certified. To be valid, the proxy form and the notarially certified power of attorney or other documents of authorisation must be delivered to the registered address of the Company in not less than 24 hours before the time scheduled for the holding of the Class Meeting or any adjournment thereof.
4. Shareholders who intend to attend the Class Meeting are requested to deliver the duly completed and signed reply slip for attendance to the Company’s registered and principal office in person, by post or by facsimile on or before 4:00 p.m., 19 August 2008.
5. Shareholders or their proxies shall present proofs of their identities upon attending the Class Meeting. Should a proxy be appointed, the proxy shall also present the Proxy Form.
6. The Class Meeting is expected to last for less than one day. The Shareholders and proxies attending the Class Meeting shall be responsible for their own travelling and accommodation expenses.
7. The Company’s registered address:

No. 154, Jianshe Road, Luoyang, Henan Province, the PRC

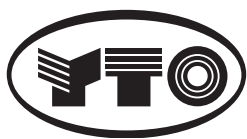
Postal code: 471004

Telephone: 86-379-64967038

Facsimile: 86-379-64967438

Email: msc0038@ytogroup.com

NOTICE OF CLASS MEETING FOR HOLDERS OF DOMESTIC SHARES



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)

NOTICE OF DOMESTIC SHARES CLASS MEETING

NOTICE IS HEREBY GIVEN that a class meeting for holders of Domestic Shares (the “**Class Meeting**”) of First Tractor Company Limited (the “**Company**”) will be held at 9:40 a.m. (or immediately after the class meeting for holders of H Shares in the Company to be convened and held on the same date and at the same place) on Tuesday, 9 September 2008 at No. 154 Jianshe Road, Luoyang, Henan Province, the People's Republic of China (the “**PRC**”) for the purpose of considering and, if thought fit, passing the following resolution:

SPECIAL RESOLUTION

1. To authorize the board (the “**Board**”) of directors (the “**Directors**”) of the Company to repurchase H Shares of the Company (the “**H Shares**”) subject to the following conditions:
 - (a) subject to paragraphs (b) and (c) below, during the Relevant Period (as defined in paragraph (d) below), the Board may exercise all the powers of the Company to repurchase H Shares in issue of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body be and is approved;
 - (b) the aggregate nominal value of H Shares authorized to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent of the aggregate nominal value of H Shares in issue of the Company as at the date of the passing of this resolution;
 - (c) the approval in paragraph (a) above shall be conditional upon:
 - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the extraordinary general meeting for holders of shares of the Company to be held on 9 September 2008 (or on such adjourned date as may be applicable); and the class meeting for holders of H Shares of the Company to be held on 9 September 2008 (or on such adjourned date as may be applicable); and

* For identification purpose only

NOTICE OF CLASS MEETING FOR HOLDERS OF DOMESTIC SHARES

- (ii) the approval of the State Administration of Foreign Exchange of the PRC and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate;
- (d) for the purpose of this special resolution, “**Relevant Period**” means the period from the passing of this special resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting following the passing of this special resolution;
 - (ii) the expiration of a period of twelve months following the passing of this special resolution; or
 - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting or by a special resolution of holders of H Shares or holders of domestic shares of the Company at their respective class meetings; and
- (e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorized to:
 - (i) make such amendments to the Articles of Association of the Company as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (a) above; and
 - (ii) file the amended Articles of Association of the Company with the relevant governmental authorities of the PRC.

Yours faithfully,
By order of the Board
First Tractor Company Limited
Liu Dagong
Chairman

Luoyang, the PRC
25 July 2008

As at the date of this notice, the Board comprises of ten executive Directors, namely Messrs. LIU Dagong (Chairman), ZHAO Yanshui, LIU Wenying, YAN Linjiao, LI Tengjiao, SHAO Haichen and LI Youji, Ms. DONG Jianhong and Messrs. LIU Shuangcheng and ZHAO Fei; and four independent non-executive Directors, namely Messrs. LU Zhongmin, CHAN Sau Shan, Gary, CHEN Zhi and LUO Xiwen.

NOTICE OF CLASS MEETING FOR HOLDERS OF DOMESTIC SHARES

Notes:

1. The register of members of the Company will be temporarily closed from 10 August 2008 to 9 September 2008 (both days inclusive) during which no transfer of domestic shares of the Company (“**Domestic Shares**”) will be registered in order to determine the list of holders of Domestic Shares of the Company (the “**Shareholders**”) for attending the Class Meeting. The last lodgment for Domestic Share transfer should be made on 8 August 2008 at the Company’s registered and principal office by or before 4:00 p.m. The Shareholders or their proxies being registered before the close of business on 8 August 2008 are entitled to attend the Class Meeting by presenting their identity documents.
2. Each Shareholder having the rights to attend and vote at the Class Meeting is entitled to appoint one or more proxies (whether a Shareholder or not) to attend and vote on his behalf. Should more than one proxy be appointed by one Shareholder, such proxy shall only exercise his voting rights on a poll.
3. Shareholders can appoint a proxy by an instrument in writing (i.e. by using the proxy form enclosed). The proxy form shall be signed by the person appointing the proxy or an attorney authorised by such person in writing. If the proxy form is signed by an attorney, the power of attorney or other documents of authorization shall be notarially certified. To be valid, the proxy form and the notarially certified power of attorney or other documents of authorisation must be delivered to the registered address of the Company in not less than 24 hours before the time scheduled for the holding of the Class Meeting or any adjournment thereof.
4. Shareholders who intend to attend the Class Meeting are requested to deliver the duly completed and signed reply slip for attendance to the Company’s registered and principal office in person, by post or by facsimile on or before 4:00 p.m., 19 August 2008.
5. Shareholders or their proxies shall present proofs of their identities upon attending the Class Meeting. Should a proxy be appointed, the proxy shall also present the Proxy Form.
6. The Class Meeting is expected to last for less than one day. The Shareholders and proxies attending the Class Meeting shall be responsible for their own travelling and accommodation expenses.
7. The Company’s registered address:

No. 154, Jianshe Road, Luoyang, Henan Province, the PRC

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