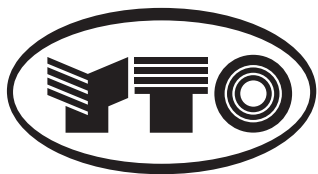


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第一拖拉机股份有限公司
FIRST TRACTOR COMPANY LIMITED*

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

(Stock Code: 0038)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Articles of Association was proposed to be amended in light of the need for system certification of the Company and the amendments of the Company Law.

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, the Company proposes to amend article 15 of the Articles of Association 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, 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, subcontracting 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.”

In light of the amendments of the Company Law, the Company proposes to amend article 31 of the Articles of Association 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.

GENERAL

A circular containing, among other matters, (i) further details of the amendments to the Articles of Association; and (ii) a notice of the EGM will be despatched to the shareholders of the Company in accordance with the Listing Rules as soon as possible.

DEFINITIONS

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

“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“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
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to approve, among other things, the proposed amendments to the Articles of Association or any adjournment thereof
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China

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

Luoyang, the PRC
23 July 2008

As at the date of this announcement, the Board comprises ten executive Directors, namely Mr. Liu Dagong, Mr. Zhao Yanshui, Mr. Liu Wenying, Mr. Yan Linjiao, Mr. Li Tengjiao, Mr. Shao Haichen, Mr. Li Youji, Ms. Dong Jianhong, Mr. Liu Shuangcheng and Mr. Zhao Fei and four independent non-executive Directors, namely Mr. Lu Zhongmin, Mr. Chan Sau Shan, Gary, Mr. Chen Zhi and Mr. Luo Xiwen.

* *For identification purpose only*