



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;

- (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.

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.

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

* *For identification purpose only*