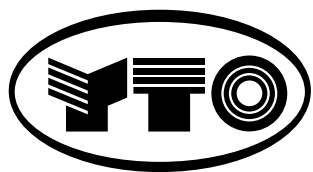


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第一拖拉机股份有限公司
FIRST TRACTOR COMPANY LIMITED*

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

(Stock Code: 0038)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the “**EGM**”) of First Tractor Company Limited (the “**Company**”) will be held at 9:00 a.m. on Monday, 16 August 2010 at No.154 Jianshe Road, Luoyang, Henan Province, the People's Republic of China (the “**PRC**”) for the purpose of passing the following resolutions:

Unless otherwise indicated, capitalized terms used herein shall have the same meanings as those defined in the announcements of the Company dated 28 June 2010.

AS ORDINARY RESOLUTIONS:

1. the Sale and Purchase Agreement (a copy of which has been produced to the EGM marked “1” and signed by the chairman of the EGM for the purpose of identification), and the terms and conditions thereof and the transactions contemplated thereunder and the implementation thereof be and are hereby approved and confirmed;
2. the Loan Agreement (a copy of which has been produced to the EGM marked “2” and signed by the chairman of the EGM for the purpose of identification), and the terms and conditions thereof and its proposed cap amounts and the transaction contemplated thereunder and the implementation thereof be and are hereby approved and confirmed;

3. the Bills Discounting Agreement (a copy of which has been produced to the EGM marked “3” and signed by the chairman of the EGM for the purpose of identification), and the terms and conditions thereof and its proposed cap amounts and the transaction contemplated thereunder and the implementation thereof be and are hereby approved and confirmed;
4. the Bills Acceptance Agreement (a copy of which has been produced to the EGM marked “4” and signed by the chairman of the EGM for the purpose of identification), and the terms and conditions thereof and its proposed cap amounts and the transaction contemplated thereunder and the implementation thereof be and are hereby approved and confirmed;
5. any one of the Directors be authorised for and on behalf of the Company, among other matters, to sign, execute, perfect, deliver or to authorise signing, executing, perfecting and delivering all such documents and deeds, to do or authorise doing all such acts, matters and things as they may in their discretion consider necessary, expedient or desirable to give effect to and implement the Sale and Purchase Agreement, Loan Agreement, Bills Discounting Agreement and Bills Acceptance Agreement and to waive compliance from or make and agree such variations of a non-material nature to any of the terms of the Sale and Purchase Agreement, Loan Agreement, Bills Discounting Agreement and Bills Acceptance Agreement they may in their discretion consider to be desirable and in the interests of the Company and all the Directors’ acts as aforesaid be hereby approved, ratified and confirmed;
6. the appointment of Mr. Zhang Qiusheng as the independent non-executive Director be and is hereby approved and confirmed;

AS SPECIAL RESOLUTIONS:

7. upon obtaining the approvals from the CSRC and the other relevant regulatory authorities in the PRC, the allotment and issue of A Shares by the Company and each of the following terms and conditions of the Issue of A Shares be approved and confirmed;

(i) Class of new Shares to be issued:

A Shares

(ii) Nominal value of new Shares to be issued:

RMB1.00 each

(iii) Stock exchange for listing:

Shanghai Stock Exchange

(iv) Number of A Shares to be issued:

A maximum of 150,000,000 A Shares

The final number of A Shares to be issued and the structure of the Issue of A Shares shall be subject to the approval by the CSRC and the other relevant regulatory authorities in the PRC, and subject to adjustment (if any) by the Board as authorised by the Shareholders at the EGM and Class Meetings, and within the range approved by the CSRC having regard to the relevant circumstances.

(v) Target subscribers:

Qualified public investors (except those prohibited by the PRC laws and regulations and other regulatory requirements to which the Company is subject).

(vi) Method of issue:

The issue will be conducted via offline offering to investors and placement through online subscription at the issue price, or such other method as approved by the CSRC.

(vii) Basis for determining the issue price:

Upon obtaining approval of the CSRC for the Issue of A Shares, the Company and the lead underwriter shall conduct a preliminary price consultation with selected potential investors in the PRC in order to determine the range of the issue price of the proposed Issue of A Shares, and will thereafter within such price range conduct a further cumulative bidding price consultation in the PRC. The issue price of the proposed Issue of A Shares will be determined by the Board with reference to the results of the cumulative bidding price consultations and the market condition prevailing in the PRC securities market at the time of the Issue of A Shares. However, the issue price will not be lower than 90% of the average closing price of the Company's H Shares on the Stock Exchange for the 20 trading dates preceding to the date of the issue of A Shares prospectus.

(viii) Distribution plan of accumulated undistributed profits before the Issue of A Shares:

If the Issue of A Shares completes before the publication of the 2010 annual report of the Company, the Company shall declare dividends from the accumulated undistributed profits of the Company as at 30 June 2010 to all Shareholders in accordance with the authorization granted to the Board at the 2009 annual general meeting of the Company and with the decision of the Board in respect of the declaration of the 2010 interim dividends. The Company's accumulated undistributed profits after the distribution of the above dividends and up to the day prior to completion of the Issue of A Shares shall be shared by all new and existing Shareholders of the Company after the Issue of A Shares.

If the Issue of A Shares completes after the publication of the 2010 annual report of the Company, the Company shall declare dividends from the accumulated undistributed profits of the Company as at 31 December 2010 to all Shareholders in accordance with the resolution(s) in respect of declaration of dividends to be proposed and approved at the 2010 annual general meeting to be held in 2011. The Company's accumulated undistributed profits after the distribution of the above dividends and up to the day prior to completion of the Issue of A Shares shall be shared by all new and existing Shareholders of the Company after the Issue of A Shares.

(ix) Use of proceeds:

The amount of funds to be raised from the proposed Issue of A Shares cannot be confirmed at the date hereof. However, the Company intends to apply the raised fund in the following three projects with total estimated investment amount of approximately RMB1,900,000,000:

1. project in respect of upgrading and improvement of the diesel engines (green environmental protection series), which involves upgrading and improvement of equipments, production lines and technology, as well as enhancement of production capability, with an estimated investment amount of approximately RMB900,000,000;
2. project in respect of enhancement of core capability of new wheeled tractors, which involves research and development and production of large horsepower tractors with power shifting transmission, as well as establishment of assembly station in Xinjiang, the PRC, with an estimated investment amount of approximately RMB800,000,000; and

3. project in respect of production of large and high efficiency agricultural machineries and ancillary machineries and tools, which involves the development and production of agricultural machineries and tools for ancillary use with all types of large horsepower tractors, with an estimated investment amount of approximately RMB200,000,000.

The proceeds obtained from the Issue of A Shares (after deducting the administrative costs in relation to the Issue of A Shares) shall be used to finance the above projects first. In case that the net proceeds from the Issue of A Shares are higher than the above estimated investment amount, the remaining net proceeds shall be used as general working capital of the Company. If the net proceeds from the Issue of A Shares are not sufficient to finance the above projects, the Company shall source the outstanding balance from other means. Before receipt of the proceeds from the Issue of A Shares, the Company may commence the above three projects by using its internal resources or bank loans. Upon receipt of the proceeds, the Company may repay the said bank loans (if any) in accordance with the requirements of the regulatory authorities in the PRC and after complying with the relevant procedures.

The Board be and is hereby authorized to modify the investment amount of the abovementioned projects and to allocate among such projects the proceeds from the Issue of A Shares by taking into account of the timing, amount and other circumstances of receiving such proceeds and the progress of such projects; the Board be and is hereby further authorized to modify the investment plans for the abovementioned projects according to the instructions of the competent regulatory authorities.

(x) Authorization to the Board to process the Issue of A Shares and related matters:

The Board be authorized with full power to take all necessary actions and/or sign any documents in connection with the Issue of A Shares and to do all related matters in accordance with the relevant requirements of the CSRC, Stock Exchange and Shanghai Stock Exchange, and the Board be authorized to sub-authorize such authorization. The authorization to the Board includes but not limited to:

- (a) to deal with the issue and listing with respect to the Issue of A Shares and other related application procedures and other formalities (including but not limited to the proposed listing of A Shares on the Shanghai Stock Exchange);

- (b) to confirm the appropriate time of issue, manner of issue, target subscribers, and to determine the issue price, par value of A Shares and issue quantity according to the market conditions and in compliance with the relevant regulations;
- (c) to approve the application of the use of the net proceeds from the Issue of A Shares subject to the approval of the CSRC;
- (d) to approve and sign each of the documents and contracts relating to the Issue of A Shares including but not limited to offering circular(s), prospectus, sponsorship agreement, underwriting agreement, listing agreement and various announcements;
- (e) to make appropriate and necessary amendments to the relevant provisions of the Articles of Association and the procedure rules of the Company in connection with the Issue of A Shares;
- (f) to deal with the registration procedures in respect of the change in registered capital and the amendments to the Articles of Association upon completion of the Issue of A Shares; and
- (g) to deal with all procedures relating to the Issue of A Shares according to laws and regulations including all procedures that are required to be followed under the laws, regulations and listing rules of the places of listing of the Domestic Shares and H Shares.

The authorization shall be effective for a period of 12 months commencing from the approval of this resolution at the EGM and Class Meetings.

(xi) Valid Period of this Resolution

This resolution shall be effective for a period of 12 months commencing from the approval of this resolution at the EGM and Class Meetings.

8. subject to the approval of the special resolution (7) above and conditional upon obtaining the approval from the CSRC and the completion of the Issue of A Shares, the proposed amendments to the Articles of Association (details of which are set out in the appendix to the circular to be despatched to the Shareholders of the Company on or before 20 July 2010) be approved and confirmed, and that any Director be and is hereby authorised to modify the wordings of such amendments as appropriate (such amendments will not be required to be approved by the Shareholders of the Company) and execute all such documents and/or do all such acts as the Directors may, in their absolute discretion, deem necessary or expedient and in the interest of the Company in order to effect the Issue of A Shares, comply with the changes in the PRC laws and regulations, and satisfy the requirements (if any) of the relevant PRC authorities, and to deal with other related issues arising from the amendments to the Articles of Association of the Company;
9. subject to the approval of the special resolutions (7) and (8) above and conditional upon the completion of the Issue of A Shares, the adoption of the rules of procedures for general meetings of the Company (details of which are set out in the appendix to the circular to be despatched to the Shareholders of the Company on or before 20 July 2010) be approved and confirmed, and that any Director be and is hereby authorised to modify the wordings of such rules as appropriate (such modifications will not be required to be approved by the Shareholders of the Company) and execute all such documents and/or do all such acts as the Directors may, in their absolute discretion, deem necessary or expedient and in the interest of the Company in order to effect the Issue of A Shares, comply with the changes in the PRC laws and regulations, and satisfy the requirements (if any) of the relevant PRC authorities, and to deal with other related issues arising from the adoption of the rules of procedures for general meetings of the Company;
10. subject to the approval of the special resolutions (7) and (8) above and conditional upon the completion of the Issue of A Shares, the adoption of the rules of procedures for the Board meetings of the Company (details of which are set out in the appendix to the circular to be despatched to the Shareholders of the Company on or before 20 July 2010) be approved and confirmed, and that any Director be and is hereby authorised to modify the wordings of such rules as appropriate (such modifications will not be required to be approved by the Shareholders of the Company) and execute all such documents and/or do all such acts as the Directors may, in their absolute discretion, deem necessary or expedient and in the interest of the Company in order to effect the Issue of A Shares, comply with the changes in the PRC laws and regulations, and satisfy the requirements (if any) of the relevant PRC authorities, and to deal with other related issues arising from the adoption of the rules of procedures for the Board meetings of the Company;

11. subject to the approval of the special resolutions (7) and (8) above and conditional upon the completion of the Issue of A Shares, the adoption of the rules of procedures for the supervisory committee of the Company (details of which are set out in the appendix to the circular to be despatched to the Shareholders of the Company on or before 20 July 2010) be approved and confirmed, and that any Director be and is hereby authorised to modify the wordings of such rules as appropriate (such modifications will not be required to be approved by the Shareholders of the Company) and execute all such documents and/or do all such acts as the Directors may, in their absolute discretion, deem necessary or expedient and in the interest of the Company in order to effect the Issue of A Shares, comply with the changes in the PRC laws and regulations, and satisfy the requirements (if any) of the relevant PRC authorities, and to deal with other related issues arising from the adoption of the rules of procedures for the supervisory committee of the Company;
12. subject to the approval of the special resolutions (7) and (8) above and conditional upon the completion of the Issue of A Shares, the adoption of the management principles on external guarantee of the Company (details of which are set out in the appendix to the circular to be despatched to the Shareholders of the Company on or before 20 July 2010) be approved and confirmed, and that any Director be and is hereby authorised to modify the wordings of such principles as appropriate (such modifications will not be required to be approved by the Shareholders of the Company) and execute all such documents and/or do all such acts as the Directors may, in their absolute discretion, deem necessary or expedient and in the interest of the Company in order to effect the Issue of A Shares, comply with the changes in the PRC laws and regulations, and satisfy the requirements (if any) of the relevant PRC authorities, and to deal with other related issues arising from the adoption of the management principles on external guarantee of the Company;

13. subject to the approval of the special resolutions (7) and (8) above and conditional upon the completion of the Issue of A Shares, the adoption of the management principles on use of proceeds of the Company (details of which are set out in the appendix to the circular to be despatched to the Shareholders of the Company on or before 20 July 2010) be approved and confirmed, and that any Director be and is hereby authorised to modify the wordings of such principles as appropriate (such modifications will not be required to be approved by the Shareholders of the Company) and execute all such documents and/or do all such acts as the Directors may, in their absolute discretion, deem necessary or expedient and in the interest of the Company in order to effect the Issue of A Shares, comply with the changes in the PRC laws and regulations, and satisfy the requirements (if any) of the relevant PRC authorities, and to deal with other related issues arising from the adoption of the management principles on use of proceeds of the Company;
14. subject to the approval of the CSRC on the Issue of A Shares and the relevant requirements of the CSRC, Stock Exchange, Shanghai Stock Exchange and other laws and regulations in the PRC, the listing of 443,910,000 Domestic Shares currently held by YTO on the Shanghai Stock Exchange (“**Listing of these Shares**”) be and is hereby approved; and the Board be and is hereby authorized with full power (including power to sub-authorize) to take all necessary actions and/or sign any documents in connection with the Listing of these Shares and to do all related matters in accordance with the relevant requirements of the CSRC, Stock Exchange and Shanghai Stock Exchange and other laws and regulations in the PRC.

By Order of the Board
FIRST TRACTOR COMPANY LIMITED
Liu Dagong
Chairman

Luoyang, the PRC
28 June 2010

As at the date of this notice, the Board comprises four executive Directors, namely Mr. Liu Dagong, Ms. Dong Jianhong, Mr. Qu Dawei and Mr. Li Xibin, and four non-executive Directors, namely Mr. Zhao Yanshui, Mr. Yan Linjiao, Mr. Shao Haichen and Mr. Liu Yongle, and three independent non-executive Directors, namely Mr. Chan Sau Shan, Gary, Mr. Luo Xiwen and Mr. Hong Xianguo.

Notes:

1. The register of members of the Company will be temporarily closed from 17 July 2010 to 15 August 2010 (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 of the Company should be made on 16 July 2010 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 16 July 2010 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 Shops 1712-1716, 17/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 Company’s registered address at No. 154 Jianshe Road, Luoyang, Henan Province, the PRC, or the Company’s H Share registrar, Hong Kong Registrars Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong 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., 26 July 2010.
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: (86379)6496 7038
Facsimile: (86379)6496 7438
Email: msc0038@ytogroup.com

* *For identification purposes only*