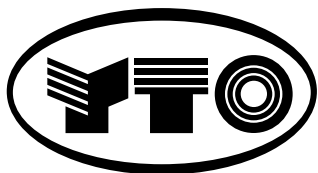


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



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

(a joint stock 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 15 August 2011 (Monday) 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 resolutions:

Unless otherwise indicated, capitalized terms used herein shall have the same meanings as those defined in the announcement of the Company dated 27 June 2011 in relation to, among other things, the refreshment of mandate for the Issue of A Shares.

AS SPECIAL RESOLUTIONS:

1. Refreshment of specific mandate for the Issue of A Shares

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 approvals by the CSRC and the other relevant regulatory authorities in the PRC, and subject to adjustment (if any) by the Board as authorized 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 from 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 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 days preceding to the date of the Issue of A Shares prospectus.

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

After distribution of the dividend for the year ended 31 December 2010 which was approved by the Shareholders at the Company's 2010 annual general meeting held on 17 June 2011, the Company's undistributed profits accumulated thereafter and up to the day prior to completion of the Issue of A Shares shall be shared by all new and old 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 as at the date hereof. However, the Company intends to invest the raised fund of approximately RMB1,148,930,000 in the following four projects with total estimated investment amount of approximately RMB1,773,470,000:

1. approximately RMB283,290,000 will be used for the project on upgrading and improvement of the hi-powered agricultural diesel engines in the green environmental protection series, with the total estimated investment amount of approximately RMB635,070,000;

2. approximately RMB111,840,000 will be used for the project on establishment of hi-powered tractors assembly station(s) in Xinjiang, with the total estimated investment amount of approximately RMB251,600,000;
3. approximately RMB562,100,000 will be used for the project on enhancement of the core capability of new wheeled tractors, with the total estimated investment amount of approximately RMB651,100,000; and
4. approximately RMB191,700,000 will be used for the project on upgrading, capacity-enhancement and improvement of the fuel injection system products, with the total estimated investment amount of approximately RMB235,700,000.

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 invest in 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 by other means. Before receipt of the proceeds from the Issue of A Shares, the Company may commence the above four 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 allocate among such projects the proceeds from the Issue of A Shares by taking into account 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(s), underwriting agreement(s), listing agreement(s) and various announcements;
- (e) to make appropriate and necessary amendments to the relevant provisions of the Articles of Association of the Company as well as the procedure and internal 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 of the Company upon completion of the Issue of A Shares; and
- (g) to deal with all procedures relating to the Issue of A Shares according to the 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.

2. Proposed amendment to the Articles of Association

To consider and approve the amendment to paragraph 2 of Article 15 of the Articles of Association to read as follows:

“The scope of business of the Company includes: design, manufacture, sales and services in relation to agricultural machinery products such as tractors, harvesters and farm equipment and implement, and series products such as diesel engines, mobile power stations, electric generating sets, forklift trucks, casting parts and spare parts, as well as research and development of technologies, transfer, contracting and consultation services in relation to tractors and construction machineries; engaging in the imports and exports of self-manufacturing products of the Company (including the corporate members of the Company) and related technologies, except the products or technologies which are restricted to be exclusively engaged by the Company or prohibited for imports and exports by the State. (For products which are subject to quota permit and specific regulations, relevant requirements of the State shall be followed.)”

By Order of the Board
FIRST TRACTOR COMPANY LIMITED
Zhao Yanshui
Chairman

Luoyang, the PRC
27 June 2011

As at the date of this notice, the Board comprises four executive Directors, namely Mr. Zhao Yanshui, Ms. Dong Jianhong, Mr. Qu Dawei and Mr. Liu Jiguo, and four non-executive Directors, namely Mr. Su Weike, Mr. Yan Linjiao, Mr. Liu Yongle and Mr. Li Youji, and four independent non-executive Directors, namely Mr. Luo Xiwen, Mr. Chan Sau Shan, Gary, Mr. Hong Xianguo and Mr. Zhang Qiusheng.

Notes:

1. The register of members of the Company will be temporarily closed from 16 July 2011 to 14 August 2011 (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 15 July 2011 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 15 July 2011 are entitled to attend the EGM by presenting their identity documents. The address of Hong Kong Registrars Limited, the H Shares 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 authorized 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 authorization must be delivered to the Company’s registered address at No.154 Jianshe Road, Luoyang, Henan Province, the PRC, or the Company’s H Shares 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., 25 July 2011.
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*