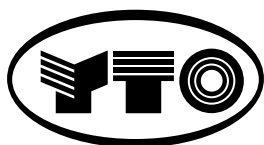

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 accountants 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 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)

**CHANGE OF INTERNATIONAL AUDITOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A letter from the Board is set out on pages 1 to 3 of this circular.

A notice for convening the extraordinary general meeting (the “**EGM**”) of First Tractor Company Limited (the “**Company**”) to be held at 9:00a.m. on 28 January 2011, Friday, at No. 154 Jianshe Road, Luoyang, Henan Province, the PRC is set out on pages 4 to 5 of this circular.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the meeting 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 Shops 1712-1716, 17/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 at No. 154 Jianshe Road, Luoyang, Henan Province, the PRC, as soon as possible and in any event not less than 24 hours before the time scheduled for holding the EGM (or any adjourned meeting thereof). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment if you so desire.

21 December 2010

* For identification purposes only

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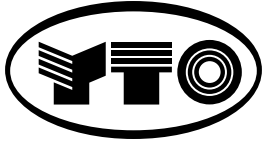
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DEFINITIONS

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

“Announcements”	the Company’s announcements dated 3 November 2010 and 10 December 2010 in relation to the merger of UHY Hong Kong’s H-share audit business with Baker Tilly Hong Kong and the change of the Company’s international auditor
“Baker Tilly Hong Kong”	Baker Tilly Hong Kong Limited, its Chinese name being 天職香港會計師事務所有限公司 and formerly known as 香港天華會計師事務所有限公司
“Board”	the board of Directors
“Company”	First Tractor Company Limited* (第一拖拉機股份有限公司), a joint stock company with limited liability incorporated in the PRC, the H Shares of which are listed on the Stock Exchange (Stock Code: 0038)
“Directors”	the directors of the Company, including the independent non-executive directors
“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
“EGM”	the extraordinary general meeting of the Company to be convened and held at 9:00a.m. on 28 January 2011, Friday, at No.154 Jianshe Road, Luoyang, Henan Province, the PRC, for the Shareholders to consider and, if thought fit, approve the change of the Company’s international auditor
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong and the Macau Special Administrative Region of the PRC and Taiwan
“Shareholder(s)”	registered holder(s) of the Shares
“Shares”	Domestic Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“UHY Hong Kong”	UHY Vocation HK CPA Limited
“VICPA”	Vocation International Certified Public Accountants Company Limited (天職國際會計師事務所有限公司)

* For identification purposes only



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:

Mr. Zhao Yanshui (*Chairman*)
Ms. Dong Jianhong
Mr. Qu Dawei
Mr. Li Xibin
Mr. Yan Linjiao
Mr. Shao Haichen
Mr. Liu Yongle
Mr. Chan Sau Shan, Gary**
Mr. Luo Xiwen**
Mr. Hong Xianguo**
Mr. Zhang Qiusheng**

Registered and principal office:

No. 154 Jianshe Road
Luoyang, Henan Province
The PRC

** *Independent non-executive Director*

21 December 2010

To the Shareholders

Dear Sir or Madam,

**CHANGE OF INTERNATIONAL AUDITOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

As announced by the Company in the Announcements, UHY Hong Kong resigned as the Company's international auditor with effect from 23 November 2010. In order to fill the casual vacancy following the resignation of UHY Hong Kong and to ensure continuity and consistency of the Company's audit work, the Board proposes to appoint Baker Tilly Hong Kong as the Company's international auditor for the financial year 2010, with a term of office until conclusion of the 2010 annual general meeting of the Company. The appointment of Baker Tilly Hong Kong as the Company's international auditor is subject to and will take effect upon the Shareholders' approval at the EGM.

* *For identification purposes only*

LETTER FROM THE BOARD

The purpose of this circular is (i) to provide you with information relating to the change of the Company's international auditor and (ii) to give you a notice of the EGM to be convened for the Shareholders to consider and, if thought fit, approve the change of the Company's international auditor.

CHANGE OF INTERNATIONAL AUDITOR

Reference is made to the Announcements.

As announced by the Company on 3 November 2010, the Company was notified by VICPA that VICPA has joined Baker Tilly International as its sole representative member in the PRC and the H-share audit business of VICPA's former member firm in Hong Kong, UHY Hong Kong, has been merged with Baker Tilly Hong Kong. The Company was also notified that Baker Tilly Hong Kong has changed its Chinese name from 香港天華會計師事務所有限公司 to 天職香港會計師事務所有限公司.

UHY Hong Kong subsequently clarified to the Company that UHY Hong Kong did not merge with Baker Tilly Hong Kong as one legal entity and it remained as a separate legal entity. As the H-share audit business of UHY Hong Kong has been merged with Baker Tilly Hong Kong, UHY Hong Kong resigned as the Company's international auditor with effect from 23 November 2010. In order to fill the casual vacancy following the resignation of UHY Hong Kong and to ensure the continuity and consistency of the Company's audit work, the Board proposes to appoint Baker Tilly Hong Kong as the Company's international auditor for the financial year 2010, with a term of office until conclusion of the 2010 annual general meeting of the Company. The appointment of Baker Tilly Hong Kong as the Company's international auditor is subject to and will take effect upon the Shareholders' approval at the EGM.

The Company has received a confirmation letter from UHY Hong Kong confirming that there are no other matters with respect to its resignation which need to be brought to the attention of the Shareholders or the creditors of the Company. UHY Hong Kong, the Board and the Audit Committee of the Company have also confirmed that there is no disagreement between the Board and UHY Hong Kong.

It is expected that the change of the Company's international auditor will not affect the publication of the audited annual results of the Company for the financial year ending 31 December 2010.

EGM

An EGM will be held at 9:00 a.m. on 28 January 2011, Friday, at No. 154 Jianshe Road, Luoyang, Henan Province, the PRC, at which ordinary resolution will be proposed to seek the Shareholders' approval for the appointment of Baker Tilly Hong Kong as the Company's international auditor. At the EGM, votes will be taken by poll.

The notice of the EGM is set out on pages 4 to 5 of this circular.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the meeting 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 Shops 1712-1716, 17/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 at No. 154 Jianshe Road, Luoyang, Henan Province, the PRC, as soon as possible and in any event not less than 24 hours before the time scheduled for holding the EGM (or any adjourned meeting thereof). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment if you so desire.

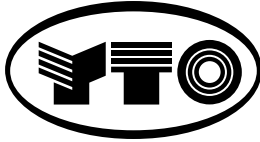
RECOMMENDATIONS

The Directors (including the independent non-executive Directors) consider that the change of the Company's international auditor is in the interests of the Company and the Shareholders as a whole and therefore recommend all Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

Yours faithfully,
For and on behalf of
First Tractor Company Limited
Zhao Yanshui
Chairman



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 28 January 2011 (Friday) at No.154 Jianshe Road, Luoyang, Henan Province, the People's Republic of China (the “PRC”) for the purpose of passing the following resolution:

AS ORDINARY RESOLUTION:

1. the change of the Company's international auditor from UHY Vocation HK CPA Limited to Baker Tilly Hong Kong Limited (天職香港會計師事務所有限公司, formerly known as 香港天華會計師事務所有限公司) and the authorization to the board of directors of the Company to determine the remuneration of the Company's international auditor be and are hereby approved and confirmed.

By Order of the Board
FIRST TRACTOR COMPANY LIMITED
YU Lina / LIU Pui Yee
Joint Company Secretaries

Luoyang, the PRC
10 December 2010

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. Li Xibin, and three non-executive Directors, namely Mr. Yan Linjiao, Mr. Shao Haichen and Mr. Liu Yongle, and four independent non-executive Directors, namely Mr. Chan Sau Shan, Gary, Mr. Luo Xiwen, Mr. Hong Xianguo and Mr. Zhang Qiusheng.

* For identification purposes only

NOTICE OF EGM

Notes:

1. The register of members of the Company will be temporarily closed from 29 December 2010 to 27 January 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 28 December 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 28 December 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., 7 January 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@yogroup.com