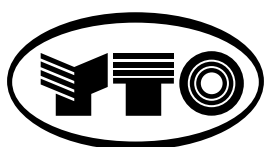

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

(Stock Code: 0038)

(1) GENERAL MANDATE TO REPURCHASE H SHARES;
(2) DIRECTORS LIABILITY INSURANCE;
(3) APPOINTMENT OF INTERNAL CONTROL AUDITORS;
AND
(4) PROVISION OF GUARANTEE

A letter from the Board is set out on pages 1 to 8 of this circular.

The notices for convening the extraordinary general meeting (the “EGM”) and the class meeting (the “**Class Meeting**”) for holders of H shares (“**H Shares**”) of First Tractor Company Limited (the “**Company**”) to be held at 9:00 a.m. and 9:40 a.m. (or immediately after the EGM) respectively on 15 October 2013 (Tuesday) at No. 154, Jianshe Road, Luoyang, Henan Province, the People's Republic of China (the “**PRC**”), are set out on pages 13 to 19 of this circular.

Forms of proxy for use at the EGM and Class Meeting are enclosed. Whether or not you are able to attend the meetings in person, you are requested to complete and return the accompanying forms of proxy in accordance with the instructions printed thereon. The proxy form(s) 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, or 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 meetings (or any adjourned meetings thereof). Completion and delivery of the forms of proxy will not preclude you from attending and voting in person at the meetings or any adjournment if you so desire.

27 August 2013

* For identification purposes only

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DEFINITIONS

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

“Articles of Association”	the articles of association of the Company, as amended from time to time
“A Share(s)”	the domestic ordinary share(s) of RMB1.00 each in the share capital of the Company, which are listed on the Shanghai Stock Exchange, and subscribed for and traded in RMB
“A Shareholder(s)”	holders of A Share(s)
“associate(s)”	has the same meaning as ascribed to this term under the Hong Kong Listing Rules
“Board”	the board of Directors of the Company
“Class Meetings”	the A shares class meeting and H shares class meeting
“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 and A Shares of which are listed on the main boards of the Stock Exchange and the Shanghai Stock Exchange respectively
“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
“connected person(s)”	has the same meaning as ascribed to this term under the Hong Kong Listing Rules
“Director(s)”	the directors of the Company, including the independent non-executive directors

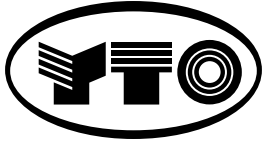
DEFINITIONS

“EGM”	an extraordinary general meeting of the Company to be held on 15 October 2013 for the purposes of, among other things, considering and approving (a) the Repurchase Mandate, (b) the purchase of directors liability insurance, (c) the appointment of internal control auditors, and (d) the provision of guarantee
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“H Shareholder(s)”	holders of H Share(s)
“Latest Practicable Date”	26 August 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Mandatory Provisions”	the Mandatory Provisions for the Articles of Association of the Companies to be Listed Overseas (到境外上市公司章程必備條款) issued on 27 August 1994 by the State Council Securities Policy Committee and the State Commission for Restructuring the Economic System
“PRC”	The People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

DEFINITIONS

“Repurchase Mandate”	subject to the conditions set out in the proposed resolution(s) approving the repurchase mandate at the EGM and Class Meetings, the general mandate to be granted to the Board to exercise the power of the Company to repurchase H Shares, the aggregate nominal amount of which shall not exceed 10% of the aggregate nominal value of H Shares in issue as at the date of passing of the relevant resolution(s) as set out in the notices of EGM and Class Meetings
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局) or its successor authority
“Shanghai Listing Rules”	Rules Governing the Listing of Stocks on Shanghai Stock Exchange
“Share(s)”	share(s) of RMB1.00 each of the Company
“Shareholder(s)”	registered holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisors of the Company
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%”	per cent

* For identification purposes only



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)

Directors:

Mr. Zhao Yanshui (*Chairman*)
Mr. Su Weike (*Vice Chairman*)
Mr. Yan Linjiao
Mr. Guo Zhiqiang
Ms. Dong Jianhong
Mr. Qu Dawei
Mr. Liu Jiguo
Mr. Wu Yong

Registered and principal office:

No. 154 Jianshe Road
Luoyang, Henan Province
The PRC

Independent Non-Executive Directors:

Mr. Hong Xianguo
Mr. Zhang Qiusheng
Mr. Xing Min
Mr. Wu Tak Lung

27 August 2013

To the Shareholders

Dear Sir or Madam,

- (1) GENERAL MANDATE TO REPURCHASE H SHARES;**
(2) DIRECTORS LIABILITY INSURANCE;
(3) APPOINTMENT OF INTERNAL CONTROL AUDITORS; AND
(4) PROVISION OF GUARANTEE

INTRODUCTION

Reference is made to the announcement of the Company dated 20 August 2013 in relation to (i) the general mandate to repurchase H Shares; (ii) the directors liability insurance; (iii) the appointment of internal control auditors; and (iv) the provision of guarantee.

* For identification purposes only

LETTER FROM THE BOARD

The purpose of this circular is (i) to provide you with further information relating to the general mandate to repurchase H Shares, purchase of directors liability insurance, appointment of internal control auditors and provision of guarantee; (ii) to give you a notice of the EGM to be convened for the Shareholders to approve, among other things, the general mandate to repurchase H Shares, purchase of directors liability insurance, appointment of internal control auditors and provision of guarantee; and (iii) to give you a notice of the class meeting for H Shareholders to be convened for the H Shareholders to approve the general mandate to repurchase H Shares.

GENERAL MANDATE TO REPURCHASE H SHARES

The Company Law, the Mandatory Provisions and the Articles of Association provide for certain restrictions on share repurchase which are applicable to all classes of shares of the Company.

The Company Law (to which the Company is subject) provides that a joint stock limited company incorporated in the PRC may not repurchase its shares unless such repurchase is effected for the purposes of (a) reducing its registered capital; (b) in connection with a merger between itself and another entity that holds its shares; (c) granting shares as reward to the staffs of the company; or (d) the repurchase is made at the request of its shareholders who disagrees with shareholders' resolutions in connection with a merger or division. The Mandatory Provisions, which the Company has incorporated in the Articles of Association, provide that subject to obtaining the approval of the relevant PRC regulatory authorities and in compliance with the Articles of Association, the Company may repurchase its issued Shares for the purpose of reducing its share capital or in connection with a merger between itself and another entity that holds its Shares or in circumstances permitted by laws or administrative regulations.

The Hong Kong Listing Rules permit the shareholders of a PRC joint stock limited company to grant a general mandate to the Board to repurchase shares of such company that is listed on the Stock Exchange. Such mandate is required to be given by way of a special resolution passed by its shareholders at general meeting and special resolutions passed by holders of A shares and holders of overseas listed foreign shares at separate meetings.

H Shares of the Company are traded on the Stock Exchange in Hong Kong dollars. Therefore, the repurchase of H Shares by the Company is subject to the approval of the SAFE (or its successor authority), and the price payable by the Company upon any repurchase of H Shares will be paid in Hong Kong dollars.

LETTER FROM THE BOARD

In accordance with the requirements of the Articles of Association applicable to capital reduction, the Company will have to notify its creditors of the passing of the resolution for the reduction of the registered capital of the Company. In addition, the Company Law provides that the shares repurchased by a company for the purpose of reducing its share capital will have to be cancelled and the registered capital of that company will therefore be reduced by an amount equivalent to the aggregate nominal value of the shares so cancelled. In the event of a reduction of registered capital, the Company shall inform its creditors by way of written notice and announcement within a prescribed period after the passing of the relevant resolutions approving such reduction. The creditors shall be entitled to request the Company for repayment of loan and/or provision of guarantee. The statutory notification requirement allows the creditors an opportunity for the recovery and/or security of the debt (in particular for those unsecured debts) where the Company's registered capital is to be reduced.

Conditions to Repurchase of H Shares

In order to provide flexibility to the Directors in the event that it becomes desirable to repurchase any H Shares, approval is proposed to be sought from the Shareholders for the grant of the Repurchase Mandate to the Board. In accordance with the requirements under the Company Law, the Mandatory Provisions and the Articles of Association, the Company is required to convene the EGM and Class Meetings to seek the aforesaid approval from the Shareholders. At each such meeting, a special resolution will be proposed for the Shareholders to consider and approve granting to the Board of the Repurchase Mandate (i.e. a conditional general mandate to repurchase H Shares in issue on the Stock Exchange with an aggregate nominal value of not exceeding 10% of the aggregate nominal value of H Shares in issue as at the date of passing of such special resolution).

The Repurchase Mandate will be conditional upon (a) the special resolution for approving the grant of the Repurchase Mandate being passed at each of the EGM and Class Meetings; and (b) the approvals of SAFE (or its successor authority) 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. If the above conditions are not fulfilled, the Repurchase Mandate will not be exercisable by the Directors.

The Repurchase Mandate will expire on the earlier of (a) the conclusion of the next annual general meeting of the Company; or (b) the expiry of a period of twelve months following the passing of the relevant resolution at the EGM and Class Meetings; or (c) the date on which the authority conferred by the special resolution is revoked or varied by a special resolution of the Shareholders in a general meeting or by a special resolution of holders of H Shares or holders of A Shares at their respective class meetings.

The H Shares which may be repurchased by the Company pursuant to the Repurchase Mandate shall not exceed 10% of the aggregate nominal value of H Shares in issue as at the date of passing of the special resolution approving the Repurchase Mandate at the EGM and Class Meetings.

An explanatory statement giving certain information regarding the Repurchase Mandate is set out in the Appendix I to this circular.

LETTER FROM THE BOARD

DIRECTORS LIABILITY INSURANCE

In order to fulfill the requirements of the Hong Kong Listing Rules, provide incentive for the Directors, Supervisors and senior management officers to work hard and fulfill their respective duties, avoid the litigation risk arising from the performance of the duties of Directors, Supervisors and senior management officers, and protect the Company against liability risk, the Company proposes to purchase directors liability insurance for its Directors, Supervisors and senior management officers.

The Company's current directors liability insurance will expire on 20 December 2013. The Company proposes to renew or purchase a directors liability insurance with an insurance coverage of RMB30,000,000 and a term of twelve months counting from the commencement date of the insurance, renewable upon maturity.

According to the requirements of the "Rules on Corporate Governance of Listed Companies" issued by China Securities Regulatory Commission, the proposed purchase of directors liability insurance is subject to the approval by the Shareholders at the EGM. The Company proposes the Shareholders to authorize the Board to decide the specific matters in relation to the purchase of the above directors liability insurance at the EGM.

APPOINTMENT OF INTERNAL CONTROL AUDITORS

Pursuant to the "Notice on Implementation of Enterprise Internal Control Regulated Systems by Main Board Listed Companies by Classes and by Batches in 2012 (關於2012年主板上市公司分類分批實施企業內部控制規範體系的通知)" issued by the Ministry of Finance of the PRC, listed companies with shareholding controlled by the State were required to implement enterprise internal control regulated system and disclose internal control audited report to be prepared and issued by their auditors in their annual reports.

In order to comply with the above requirements, the Board proposes to appoint Baker Tilly China Certified Public Accountants to conduct the required internal control review for the Group and prepare the required internal control audited report for the financial year 2013. The term shall be from the date of approval at the EGM to the date of the 2013 annual general meeting of the Company. The proposed appointment of Baker Tilly China Certified Public Accountants is subject to the approval by the Shareholders at the EGM.

LETTER FROM THE BOARD

PROVISION OF GUARANTEE

The agricultural machine products such as large or medium sized tractors manufactured and sold by the Company and its subsidiaries are the main products of the Company. They have high individual value and added value as well as large market share and good market development prospects. Over the past two years, with the gradual implementation of “agricultural machines purchase allowance full payment policy”, the fund shortage problems of the Company’s product users during the sales process of agricultural machines such as large or medium sized tractors were becoming increasingly obvious. In order to promote the sales of agricultural machines such as large or medium sized tractors and solve the fund shortage problems of the users, the Company and/or its subsidiaries are planning to cooperate with financial institutions to commence financial sale businesses such as financial lease and buyer credit businesses for the sales of agricultural machines such as large or medium sized tractors. The financial institutions shall provide fund to the purchasers of the Company’s products while the Company and/or its subsidiaries shall provide guarantee for such purchasers. Based on the Company’s financing demand for the sales of agricultural machines such as large or medium sized tractors, the Company and/or its subsidiaries are planning to provide guarantee with a total amount of not more than RMB150 million for the purchasers.

The Guarantee

On 20 August 2013, the Board considered and passed the “resolution in respect of the provision of guarantee by the Company and its subsidiaries for agricultural machines financial lease and buyer credit businesses”. The contents of the guarantee are set out below:

- | | |
|-------------------------------|---|
| 1. Targets being guaranteed: | The targets being guaranteed are the purchasers of agricultural machine products manufactured and sold by the Company and its subsidiaries, including but not limited to the lessees and purchasers under the financial lease and buyer credit businesses of the Company and its subsidiaries. They are not connected persons of the Company. |
| 2. Type of the guarantee: | Including but not limited to general guarantee liabilities, joint liabilities and repurchase guarantees, etc. |
| 3. Duration of the guarantee: | From 1 January 2014 to 30 June 2015 |
| 4. Guaranteed amount: | Not more than RMB150 million |

LETTER FROM THE BOARD

Risk Management Measures

1. Before commencement of business, the Company will decide whether to commence financial sale business by conducting examination on the credit record and repayment abilities of the purchasers through pre-lending investigation and credit assessment system;
2. The targets being guaranteed shall pay down payment and guarantee deposit with an amount of not less than a certain percentage of the total purchasing price of the agricultural machine products and borrowed amount;
3. The targets being guaranteed shall purchase relevant insurances such as “motor vehicle accident liability compulsory insurance”, “third party liability insurance” and “car damage insurance”; and
4. The targets being guaranteed and the distributors of the Company’s products participated in the financial sale businesses such as financial lease and buyer credit businesses shall provide counter guarantee.

Aggregated External Guarantee and Overdue Guarantee of the Company

As at the Latest Practicable Date, the Company has no overdue guarantees. The balance of the external guarantee provided by the Company and its subsidiaries was RMB584.43 million, representing 14.23% of the latest audited net assets of the Company. The balance of guarantee provided by the Company to its subsidiaries was RMB128 million, representing 3.12% of the latest audited net assets of the Company.

Hong Kong Listing Rules and Shanghai Listing Rules Implications

According to the Hong Kong Listing Rules, as all the applicable percentage ratios are not more than 5%, the above guarantee does not constitute a notifiable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules. However, according to the Shanghai Listing Rules and the Articles of Association, the above guarantee shall be subject to the Shareholders’ approval at the EGM.

LETTER FROM THE BOARD

Opinion of the Board

With the gradual implementation of “agricultural machines purchase allowance full payment policy”, the fund shortage problems of the purchasers of the large or medium sized agricultural machines were becoming increasingly obvious. Through providing guarantee by the Company and its subsidiaries for the purchasers of agricultural machine products of the Company by way of financial sale business such as financial lease and buyer credit businesses, it can help releasing the financial pressure of the purchasers and enhancing the Company’s sale. The targets being guaranteed are mainly agricultural machinery cooperation organizations and big grain production households who purchase or lease the Company’s products. The Company shall also take risk management measures such as beneficiary credit assessment, guarantee deposits payment and provision of counter guarantee by participants such as distributors. The risk of provision of the guarantee is controllable and the provision of the guarantee is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the EGM.

EGM AND CLASS MEETINGS

The EGM will be held at 9:00 a.m. on 15 October 2013 (Tuesday) at No.154 Jianshe Road, Luoyang, Henan Province, the PRC for the Shareholders to consider and, if thought fit, approve, among other things, (a) the Repurchase Mandate, (b) the directors liability insurance, (c) the appointment of internal control auditors, and (d) the provision of guarantee.

The Class Meetings for the H Shareholders and A Shareholders will be held at 9:40 a.m. and 10:00 a.m. respectively on 15 October 2013 (Tuesday) at No.154 Jianshe Road, Luoyang, Henan Province, the PRC for the respective H Shareholders and A Shareholders to consider and, if thought fit, approve the Repurchase Mandate.

Notices of the EGM and Class Meeting for H Shareholders are set out on pages 13 to 19 of this circular.

Forms of proxy for use at the EGM and Class Meeting for H Shareholders are enclosed. Whether or not you are able to attend the meetings in person, you are requested to complete and return the accompanying forms of proxy in accordance with the instructions printed thereon. The proxy form(s) 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, or 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 meetings (or any adjourned meetings thereof). Completion and delivery of the forms of proxy will not preclude you from attending and voting in person at the meetings or any adjournment if you so desire.

No Shareholders are required to abstain from voting in respect of all the proposed resolutions. The votes to be taken at the EGM and the respective Class Meetings will be taken by poll.

LETTER FROM THE BOARD

RECOMMENDATIONS

The Directors consider that the Repurchase Mandate, the purchase of the directors liability insurance, the appointment of internal control auditors and the provision of guarantee are fair and reasonable and in the interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM and Class Meetings as set out in the notices of the EGM and Class Meetings.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong 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 or this circular misleading.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information as set out in Appendix I to this circular.

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

This appendix serves as an explanatory statement, as required by the Hong Kong Listing Rules, to provide the requisite information to enable you to make an informed decision on whether to vote for or against the special resolution to approve the grant of the Repurchase Mandate to the Directors.

HONG KONG LISTING RULES RELATING TO THE REPURCHASE OF SECURITIES

The Hong Kong Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below. The Company is empowered by the Articles of Association to repurchase its own securities.

SHARE CAPITAL

As at the Latest Practicable Date, the registered share capital of the Company was RMB995,900,000 comprising 593,910,000 A Shares and 401,990,000 H Shares. Subject to the approval of the proposed resolution(s) for the grant of the Repurchase Mandate and on the basis that no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the EGM and the Class Meetings, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 40,199,000 H Shares, being the maximum of 10% of the total H Shares in issue as at the date of passing the relevant resolution.

REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the interests of the Company and the Shareholders. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and its Shareholders.

FUNDING OF REPURCHASES

When repurchasing its H Shares, the Company may only apply funds from the Company's internal resources legally available for such purpose in accordance with the Articles of Association, the Hong Kong Listing Rules and the applicable laws, rules and regulations of the PRC, including but not limited to surplus funds and undistributed profits of the Company or the proceeds from a fresh issue of Shares made for the purpose of the repurchase.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might not have a material adverse effect on the working capital and/or the gearing position of the Company as compared with its position as at 31 December 2012, being disclosed in the Company's latest published audited accounts contained in the annual report for the year ended 31 December 2012.

The Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company. The number of H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then prevailing, in the best interests of the Company.

STATUS OF REPURCHASED H SHARES

The Hong Kong Listing Rules provide that the listing of all the H Shares repurchased by the Company shall automatically be cancelled and the relevant share certificates shall be cancelled and destroyed. Under the PRC laws, the H Shares repurchased by the Company will be cancelled and the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled.

H SHARE PRICES

The highest and lowest prices at which the H Shares have traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Highest (HK\$)	Lowest (HK\$)
2012		
August	6.90	5.90
September	6.18	5.43
October	6.77	6.02
November	7.39	6.18
December	7.90	6.92
2013		
January	8.58	7.59
February	8.07	7.26
March	7.97	6.90
April	7.00	5.67
May	6.29	5.51
June	5.53	3.83
July	4.94	3.83
August (up to the Latest Practicable Date)	5.43	4.56

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Hong Kong Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

DISCLOSURE OF INTERESTS

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, their associates, have any present intention to sell to the Company any of the H Shares in the Company if the Repurchase Mandate is approved at the EGM and the Class Meetings.

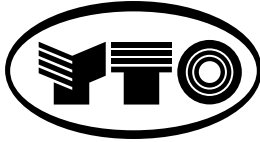
If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, YTO Group Corporation* ("YTO") was the substantial Shareholder, which held 443,910,000 A Shares, representing approximately 44.57% of the registered capital of the Company. On the basis of 995,900,000 Shares in issue as at the Latest Practicable Date and assuming that no other Shares will be issued or repurchased by the Company on or prior to the date of the EGM and the Class Meetings, if the Repurchase Mandate were exercised in full, the equity interest in the Company owned by YTO and its associates would increase to approximately 46.45% of the then registered share capital of the Company. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the Repurchase Mandate. Moreover, the Directors will not make share repurchase on the Stock Exchange if such repurchase would result in the requirements under Rule 8.08 of the Hong Kong Listing Rules not being complied with.

As at the Latest Practicable Date, no connected person of the Company has notified the Company that he/she/it has a present intention to sell any H Shares nor has such connected person undertaken not to sell any of the securities held by him/her/it to the Company in the event that the Repurchase Mandate is granted.

SECURITIES REPURCHASE MADE BY THE COMPANY

The Company had not purchased any H Shares (whether on the Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.



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 October 2013 (Tuesday) 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:

ORDINARY RESOLUTIONS

1. To consider and approve the authorization to the board of directors of the Company to, after the expiry of the directors liability insurance purchased by the Company in 2012, purchase the directors liability insurance for the directors, supervisors and senior management officers of the Company with insurance coverage of RMB30,000,000 and a term of twelve months counting from the commencement date of the insurance, renewable upon maturity.
2. To consider and approve the appointment of Baker Tilly China Certified Public Accountants as the internal control auditor of the Company for the financial year 2013, with a term from the date of approval at the EGM to the date of the 2013 annual general meeting of the Company.
3. To consider and approve the resolution of provision of guarantee by the Company and its subsidiaries.

(Provided that the relevant requirements of China Securities Regulatory Commission, relevant requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (including but not limited to Chapters 14 and 14A) and other relevant requirements are complied with, the Company and its subsidiaries be hereby approved to provide guarantee for the purchasers of agricultural machine products with an amount of not more than RMB150 million; the validity period of the aforesaid guarantee is from 1 January 2014 to 30 June 2015. The chairman of the board of directors of the Company be hereby authorized to approve the contents of the guarantee agreements and any other relevant matters such as their signing and execution during the validity period of the guarantee.)

NOTICE OF EGM

SPECIAL RESOLUTION

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), (c) and (d) below, during the Relevant Period (as defined in paragraph (e) below), the Board may exercise all the powers of the Company to repurchase H Shares in issue 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 authorization in respect of the repurchase of H Shares to the Board includes but not limited to:
 - (i) formulate and implement specific repurchase proposal, including but not limited to the repurchase price and repurchase amount, and decide the timing of repurchase and time limit;
 - (ii) notify the creditor(s) of the Company and publish announcement(s) in accordance with the Company Law of the PRC and the Articles of Association of the Company;
 - (iii) open offshore securities account and attend relevant registration procedures for foreign exchange;
 - (iv) implement the relevant approval procedures pursuant to the requirements of the regulatory authorities and the listing places, and report to the China Securities Regulatory Commission;
 - (v) attend the cancellation matters in respect of the repurchased shares, reduce the registered capital, amend the Articles of Association of the Company in relation to the total share capital amount and shareholding structure, and attend the relevant required domestic and overseas registration and reporting procedures; and
 - (vi) execute and handle all other relevant documents and matters in relation to the share repurchase;

NOTICE OF EGM

- (c) 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 as at the date of the passing of this resolution;
- (d) 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 (d)(i)) at the class meeting for holders of H Shares of the Company to be held on 15 October 2013 (or on such adjourned date as may be applicable) and at the class meeting for holders of A shares of the Company to be held on 15 October 2013 (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;
- (e) 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 expiry 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 A shares of the Company at their respective class meetings.

By Order of the Board

FIRST TRACTOR COMPANY LIMITED

YU Lina

Company Secretary

Luoyang, the PRC

27 August 2013

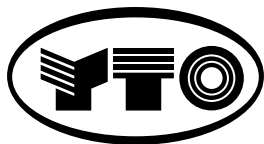
NOTICE OF EGM

As at the date of this notice, Mr. Zhao Yanshui is the Chairman of the Company and Mr. Su Weike is the vice Chairman of the Company. Other members of the Board are six Directors, namely, Mr. Yan Linjiao, Mr. Guo Zhiqiang, Ms. Dong Jianhong, Mr. Qu Dawei, Mr. Liu Jiguo and Mr. Wu Yong; and four independent non-executive Directors, namely, Mr. Hong Xianguo, Mr. Zhang Qiusheng, Mr. Xing Min and Mr. Wu Tak Lung.

Notes:

1. The register of members of the Company will be temporarily closed from 14 September 2013 to 14 October 2013 (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 13 September 2013 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 13 September 2013 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., 24 September 2013.
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*



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 CLASS MEETING FOR HOLDERS OF H SHARES

NOTICE IS HEREBY GIVEN THAT a class meeting (the **“Class Meeting”**) for holders of H shares of First Tractor Company Limited (the **“Company”**) will be held at 9:40 a.m. (or immediately after the extraordinary general meeting of the Company to be convened and held on the same date and at the same place) on 15 October 2013 (Tuesday) 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 resolution:

SPECIAL RESOLUTION

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), (c) and (d) below, during the Relevant Period (as defined in paragraph (e) below), the Board may exercise all the powers of the Company to repurchase H Shares in issue 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 authorization in respect of the repurchase of H Shares to the Board includes but not limited to:
 - (i) formulate and implement specific repurchase proposal, including but not limited to the repurchase price and repurchase amount, and decide the timing of repurchase and time limit;
 - (ii) notify the creditor(s) of the Company and publish announcement(s) in accordance with the Company Law of the PRC and the Articles of Association of the Company;
 - (iii) open offshore securities account and attend relevant registration procedures for foreign exchange;

NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

- (iv) implement the relevant approval procedures pursuant to the requirements of the regulatory authorities and the listing places, and report to the China Securities Regulatory Commission;
 - (v) attend the cancellation matters in respect of the repurchased shares, reduce the registered capital, amend the Articles of Association of the Company in relation to the total share capital amount and shareholding structure, and attend the relevant required domestic and overseas registration and reporting procedures; and
 - (vi) execute and handle all other relevant documents and matters in relation to the share repurchase;
- (c) 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 as at the date of the passing of this resolution;
- (d) 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 (d)(i)) at the extraordinary general meeting of the Company to be held on 15 October 2013 (or on such adjourned date as may be applicable) and at the class meeting for holders of A shares of the Company to be held on 15 October 2013 (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;
- (e) 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 expiry 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 A shares of the Company at their respective class meetings.

NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

By Order of the Board
FIRST TRACTOR COMPANY LIMITED
YU Lina
Company Secretary

Luoyang, the PRC
27 August 2013

As at the date of this notice, Mr. Zhao Yanshui is the Chairman of the Company and Mr. Su Weike is the vice Chairman of the Company. Other members of the Board are six Directors, namely, Mr. Yan Linjiao, Mr. Guo Zhiqiang, Ms. Dong Jianhong, Mr. Qu Dawei, Mr. Liu Jiguo and Mr. Wu Yong; and four independent non-executive Directors, namely, Mr. Hong Xianguo, Mr. Zhang Qiusheng, Mr. Xing Min and Mr. Wu Tak Lung.

Notes:

1. The register of members of the Company will be temporarily closed from 14 September 2013 to 14 October 2013 (both days inclusive) during which no transfer of H Shares of the Company will be registered in order to determine the list of holders of H Shares of the Company (the “**Shareholders**”) for attending the Class Meeting. The last lodgment for H Shares transfer should be made on 13 September 2013 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 13 September 2013 are entitled to attend the Class Meeting 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 Class Meeting 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 H Shares registrar of the Company, 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 Class Meeting or any adjournment thereof.
4. Shareholders who intend to attend the Class Meeting 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., 24 September 2013.
5. Shareholders or their proxies shall present proofs of their identities upon attending the Class Meeting. Should a proxy be appointed, the proxy shall also present the proxy form.
6. The Class Meeting is expected to last for less than one day. The Shareholders and proxies attending the Class Meeting 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*