



FIRST TRACTOR COMPANY LIMITED

第一拖拉機股份有限公司

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

(Stock Code: 0038)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "EGM") of the shareholders of First Tractor Company Limited (the "Company") will be held at No. 154 Jianshe Road, Luoyang, Henan Province, the People's Republic of China on Thursday, 28 October 2004 at 9:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions and special resolution respectively:

ORDINARY RESOLUTIONS

"THAT:

- (A) the terms and conditions of the Yituo Supply Agreements, the Import and Export Agency Agreement and the First Tractor Supply Agreement (as defined in the circular of the Company dated 9 September 2004 (the "Circular"), a copy of each of the above has been produced to the EGM marked "A" and signed by the chairman of the meeting for the purpose of identification) and the New Caps (as defined in the Circular) in relation to the Continuing Connected Transactions (as defined in the Circular), be and are hereby approved, ratified and confirmed;
- (B) the Directors 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 be hereby approved, ratified and confirmed, and the Directors be and are hereby authorised 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 Continuing Connected Transactions and the New Caps (both defined in the Circular) pursuant to the Yituo Supply Agreements, the Import and Export Agency Agreement and the First Tractor Supply Agreement (all defined in the Circular) and to waive compliance from or make and agree such variations of a non-material nature to any of the terms of any of the Yituo Supply Agreements, the Import and Export Agency Agreement and the First Tractor Supply Agreement as they may in their discretion consider to be desirable and in the interest of the Company;
- (C) to approve the resignation of Mr. Dong Yong An (董永安) and Mr. Huang Yan Zhao (黃延召) as executive directors of the Company; and
- (D) to appoint Mr. Li You Ji (李有吉) and Mr. Zhao Fei (趙飛) as executive directors of the Company with a term of office ended on 30 June 2006 which is the same as that of the 3rd Board of Directors of the Company."

SPECIAL RESOLUTION

"THAT the Articles of Association of the Company be altered in the following manner :

- (a) by deleting Article 21 to its entirety and substituting therefor the following:

"Domestic shares may, upon the passing of an appropriate resolution at a shareholders' meeting, the application for approval by the board of directors to the relevant governmental authorities and the approval by such authorities, be listed on stock exchanges in the PRC, overseas listed foreign shares may be listed on the Exchange or other stock exchanges outside the PRC upon the passing of an appropriate resolution at a shareholders' meeting and gaining the approval of the relevant governmental authorities."
- (b) by inserting the following paragraph at the end of Article 76:

"Where any member is, under the Rules Governing the Listing of Securities on the Stock Exchange, required to abstain from voting on any particular resolution or restricted to vote only for or against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted."
- (c) by deleting the first sub-section of Article 100 to its entirety and substituting therefor the following :

"The Directors shall be elected by members at the general meetings for a term of three years. Upon the expiry of the term, a Director shall be eligible for re-election.

The minimum notice period for the written notices as regards the intention to nominate a candidate as Director and the willingness of such candidate to accept the nomination shall not be less than 7 days. Such period shall commence not more than one day after the despatch of the notice to convene a general meeting until no later than seven days before the date of such meeting.

Election or removal of the chairman or the vice-chairman shall be effected by resolutions passed by more than half of the number of Directors. The chairman and vice-chairmen hold office for a period of three years and are eligible for re-election.

Where the number of vacancy of Directors is not more than the number fixed by the Company Law of the People's Republic of China or not less than two-third of the number of Directors prescribed by these Articles of Association, any person to be appointed as a Director to fill a casual vacancy of the Board shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election."

- (d) by inserting the following paragraph at the end of Article 139:

"A Director shall not attend the Board meeting and shall not be entitled to vote on any resolution in respect of any matters in which the Director and or any of his associates has any material interest. Such Director shall not be counted as part of the quorum when determining if the prescribed quorum necessary for the transaction of the business of the Directors has been formed."

- (e) by inserting the following paragraph at the end of Article 174:

"The right to sell the shares of members who are unable to contact shall not be exercised unless the following requirements are satisfied : (1) at least three dividends in respect of the shares in question have been distributed in the past 12 years and no dividend has been claimed during such period; and (2) the Company has published an advertisement on the newspapers upon expiry of the 12 years regarding its intention to sell the shares, and has notified the same to the Stock Exchange."

- (f) by deleting Article 204 to its entirety and substituting therefor the following:

"In relation to the amendments to the Articles of Association, for any amendments concerning the Mandatory Provisions that are required to be approved by the relevant governmental departments under the relevant rules and regulations, such amendments shall become effective after obtaining the approval. Any amendments concerning the matters of the Company that required registration, the Company should apply for registration according to the relevant laws."

- (g) by inserting the following new definition immediately after the definition of "Articles of Association" under Article 210:

"associates" shall have the same meaning as ascribed to it in the Rules Governing the Listing of Securities on the Stock Exchange."

As at the date of this notice, the Board comprises ten executive Directors, namely Mr. Liu Da Gong (Chairman), Mr. Dong Yong An, Mr. Liu Wen Ying, Mr. Shao Hai Chen, Mr. Li Teng Jiao, Mr. Zhao Yan Shui, Mr. Zhang Jing, Mr. Liu Shuang Cheng, Mr. Yan Lin Jiao and Mr. Huang Yan Zhao and four independent non-executive Directors, namely Mr. Lu Zhong Min, Mr. Tao Xiang, Mr. Chen Zhi and Mr. Chan Sau Shan, Gary.

By Order of the Board
Liu Da Gong
Chairman

Luoyang, the PRC, 9 September 2004

Notes:

1. The register of members of the Company will be temporarily closed from 28 September 2004 to 28 October 2004 (both days inclusive) during which no transfer of shares will be registered in order to determine the list of Shareholders for attending the EGM. Shareholders whose names appear on the register of members of the Company on Tuesday, 28 September 2004 will be entitled to attend and vote at the EGM. In order to be entitled to attend and vote at the EGM, all transfer of H Shares accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Hong Kong Registrars Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on 27 September 2004.
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. A proxy need not be a member of the Company.
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 authorisation 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 share registrar in Hong Kong, Hong Kong Registrars Limited, at 46th Floor, 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.
4. Shareholders or proxies who intend to attend the EGM are requested to deliver the reply slip for attendance duly completed and signed to the Company in person, by post or by facsimile on or before Thursday, 7 October 2004.
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 is as follows:-

No. 154 Jianshe Road
Luoyang, Henan Province
the People's Republic of China
Postal Code: 471004
Telephone: 86-379-4967038
Facsimile: 86-379-4967438
8. Completion and return of the Proxy Form will not preclude members of the Company from attending and voting in person at the EGM or any adjournment should he so desire.