



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)

DELAY IN APPOINTMENT OF THE QUALIFIED ACCOUNTANT

The Board wishes to announce that as at the date of this announcement, the Company has not yet been able to find a suitable candidate to work as the Qualified Accountant. The Company will use its best effort to find a suitable candidate to assume such position as soon as possible. The Company will keep the Shareholders informed of the progress of the appointment.

Pursuant to Rule 3.24 of the Rules (the **"Listing Rules"**) Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited, the board (the **"Board"**) of directors of First Tractor Company Limited (the **"Company"**) must employ an individual with the specified qualifications set out in Rule 3.24 of the Listing Rules as a qualified accountant of the Company (the **"Qualified Accountant"**) by 30 September 2004.

Given the importance of the role and function of the Qualified Accountant to oversee the financial reporting and other accounting-related issues of the Company, the Company requires additional time to identify suitable candidate to assume the position. The Company has been actively seeking potential candidates to fill up the position and several candidates through referrals from investment banks and accounting firms in the People's Republic of China have been identified in the past few months and been interviewed by the Board. However, as at the date of this announcement, the Company has not yet finalised the appointment as the Company is still in the process of verifying the background information and qualifications of the candidates and considering each candidate's merits. The Company will use its best effort to find a suitable candidate to assume the position of Qualified Accountant as soon as possible. The Company will keep the shareholders of the Company (the **"Shareholders"**) informed of the progress of the appointment.

By order of the Board of
First Tractor Company Limited
Zhang Guo Long
Company Secretary

Luoyang, Henan Province, the PRC, 7 October 2004

As at the date of this announcement, the Board comprises ten executive directors, namely Mr. Liu Da Gong, Mr. Dong Yong An, Mr. Liu Wen Ying, Mr. Yan Lin Jiao, Mr. Shao Hai Chen, Mr. Li Teng Jiao, Mr. Zhao Yan Shui, Mr. Zhang Jing, Mr. Liu Shuang Cheng 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.