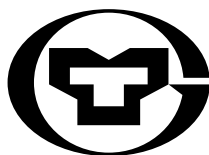


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# FIRST TRACTOR COMPANY LIMITED

## 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)

### Announcement

The Board has noted the increase in the trading volume of the shares of the Company today and wish to state that it is not aware of any reasons for such increases except (i) the Company has entered into ongoing connected transactions as dated in the Announcement; and (ii) the Company is considering to enter into the Proposed Ongoing Connected Transactions with its connected person (as defined in the Listing Rules) of the Company.

**As the Proposed Ongoing Connected Transactions may or may not proceed, the shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.**

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The board of directors (the "Board") of First Tractor Company Limited (the "Company") has noted the increase in the trading volume of the shares of the Company today and wish to state that the Board is not aware of any reasons for such increases except (i) the Company has entered into ongoing connected transactions, details are stated in the announcement of the Company dated 7 June 2004 (the "Announcement"); and (ii) the Company is considering to enter into other ongoing connected transactions (the "Proposed Ongoing Connected Transactions") with its connected persons (as defined in the Rules Governing the Listing of the Securities on the Stock Exchange (the "Listing Rules")) of the Company. However, as at the date of this announcement, no formal or informal, binding or non-binding, verbal or written agreement in relation to the Proposed Ongoing Connected Transactions has been entered into between the Company and the connected persons (as defined in the Listing Rules) of the Company. Further announcement will be made should the Proposed Ongoing Connected Transactions materialise.

Save and except the above, the Board also confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

**As the Proposed Ongoing Connected Transactions may or may not proceed, the shareholders and potential investors of the Company should exercise caution when dealing in shares of the Company.**

Made by the order of the Board, the directors of the Company of which individually and jointly accept responsibility for the accuracy of this announcement.

As at the date of this announcement, the Board comprises ten executive directors, namely Mr. Liu Dagong, Mr. Dong Yong An, Mr. Liu Wenying, Mr. Shao Haichen, Mr. Li Tengjiao, Mr. Zhao Yanshui, Mr. Zhang Jing, Mr. Liu Shuangcheng, Mr. Yan Lin Jiao and Mr. Huang Yanzhao and four independent non-executive directors, namely Mr. Lu Zhongmin, Mr. Tao Xiang, Mr. Chen Zhi and Mr. Chan Sau Shan, Gary.

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