



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 (the “**Board**”) of directors (the “**Directors**”) of First Tractor Company Limited (the “**Company**”) regrets to inform the shareholders of the Company that Mr. Tao Xiang (“**Mr. Tao**”), an independent non-executive Director, passed away on 4 July 2005.

The Directors would like to extend their deepest condolences to Mr. Tao’s family and express their sincere appreciation to Mr. Tao for his invaluable contribution to the Company.

Pursuant to article 98 of the articles of association of the Company (the “**Articles of Association**”), the Board shall comprise of 14 Directors. Following the death of Mr. Tao, the Company now only has 13 Directors. The Company will use its best effort to find a suitable candidate to fill such vacancy. Further announcement will be made upon the appointment of a new Director in accordance with the Rules Governing of the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association.

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

Luoyang, the People’s Republic of China, 12 July 2005

As at the date of this announcement, the executive Directors are Mr. Liu Dagong, Mr. Liu Wenyong, Mr. Zhao Yanshui, Mr. Yan Linjiao, Mr. Li Tengjiao, Mr. Shao Haichen, Mr. Zhang Jing, Mr. Li Youji, Mr. Liu Shuangcheng and Mr. Zhao Fei, and three independent non-executive Directors are Mr. Lu Zhongmin, Mr. Chen Zhi and Mr. Chan Sau Shan, Gary.