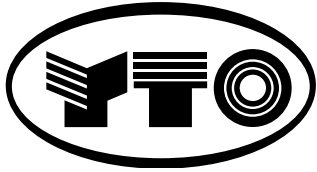


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第一拖拉机股份有限公司^{*}
FIRST TRACTOR COMPANY LIMITED

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

(Stock Code: 0038)

**CHANGE OF COMPANY SECRETARY
AND
PROPOSED AMENDMENTS TO
THE ARTICLES OF ASSOCIATION (DRAFT)**

CHANGE OF COMPANY SECRETARY

The board (the “**Board**”) of directors (the “**Directors**”) of First Tractor Company Limited* (the “**Company**”) announces that Ms. LIU Pui Yee (“**Ms. Liu**”), one of the joint company secretaries of the Company, has resigned as the joint company secretary of the Company with effect from 1 December 2011. Ms. Liu has confirmed that there is no disagreement between herself and the Board and that there are no matters with respect to her resignation that need to be brought to the attention of the shareholders of the Company.

The Board is pleased to announce that the joint company secretary of the Company, Ms. YU Lina (“**Ms. Yu**”), has been appointed as the sole company secretary of the Company with effect from 1 December 2011.

Ms. Yu, aged 41, joined China First Tractor Group in 1992 and served at the Company since 1997. She has been the legal adviser of the Secretarial Office to the Board, the head of the Secretarial Office and the assistant to the secretary to the Board. She is currently the secretary to the Board and the joint company secretary of the Company. Ms. Yu is experienced in corporate management and capital operation. She studied at the Law Department of Zhongnan College of Politics and Law and majored in law at China University of Political Science and Law, and was awarded a bachelor degree and a master degree in law. Ms. Yu holds the qualifications of PRC lawyer and corporate legal adviser and the title of economist.

The Board would like to take this opportunity to express its appreciation to Ms. Liu for her valuable contribution to the Company during her tenure of office as joint company secretary.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION (DRAFT)

The Company is in the course of applying to the China Securities Regulatory Commission (中國證券監督管理委員會) (the “**CSRC**”) and the other relevant regulatory authorities in the PRC for approval of allotment and issue of not more than 150,000,000 A shares of the Company to qualified public investors (except those prohibited by the PRC laws and regulations and other regulatory requirements to which the Company is subject) (the “**Issue of A Shares**”).

On 28 June 2010, the Board considered and passed the proposal of Issue of A Shares. At the same time, in order to reflect the changes of share capital of the Company after the Issue of A shares and to meet the regulatory requirements of the CSRC and the Shanghai Stock Exchange, the Board also considered and passed the articles of association (draft) of the Company (the “**Articles of Association (Draft)**”). The Issue of A Shares and the Articles of Association (Draft) were approved on 16 August 2010 at the Company’s extraordinary general meeting.

In order to improve a sustainable, stable, and scientific return mechanism for investors, by making institutionalized arrangements for the Company's dividend distribution policy to maintain the continuity and stability of the dividend distribution, and to further meet the requirements of the CSRC on the dividend distribution policy in respect of the Issue of A Shares, the Company intends to amend the Articles of Association (Draft). The amendments are as follows:

Article 211

Original Article 211: “After the resolution on profit distribution plan was passed at the Company's general meeting, the Board of the Company shall finish the distribution of dividends (or bonus shares) within two months after convening the general meeting.”

Amended Article 211: “The Company's profit distribution policy is as follows:

- (I) The Company adopts consistent and stable profit distribution policy, which should emphasize on investors' reasonable investment return while ensuring the Company's continuous development;
- (II) The Company may distribute dividends by way of cash, bonus shares or a combination of both;
- (III) When the condition allows, subject to the authorization at the general meeting, the Board may distribute interim dividends or bonus;
- (IV) The annual profits distributed by the Company by way of cash shall not be less than 25% of the profit available for distribution for the year (the lower of those in the financial statements under the PRC accounting standards and the international accounting standards), provided that the capital needs for the Company's normal production and operation are satisfied and there is no such events as material investment plan or material cash expense;

- (V) If the net profit of the Company for the year increases by 20% from last year, the Board of the Company may propose the profit distribution plan for distributing bonus shares.”

Article 212

Original Article 212: “Provided that Articles 206 and 207 are complied with, annual dividends shall be paid in proportion to the shareholding of each shareholder within 6 months after the end of each financial year. However, interim dividends declared by the Board are not subject to the above time limitation. Annual dividends are subject to approval at the general meetings.”

Amended Article 212: “The procedures for the Company’s profit distribution decisions and execution are as follows:

- (I) After thoroughly analyzing various factors such as the industry development trend, the Company’s production and operation, the future investment plan and external financing environment, and fully considering the requirements and intentions of shareholders as well as the opinions of independent directors and the supervisory committee, the Board shall formulate the Company’s annual profit distribution plan and propose the same to the general meeting for approval within three months from the close of each financial year in accordance with the profit distribution policy set out in the Article 211 of the Articles of Association.
- (II) The profit distribution plan can only be implemented upon being considered and approved at the general meeting.
- (III) After the resolution on profit distribution plan was passed at the general meeting, the Board shall finish the distribution of dividends (or bonus shares) within two months after convening the general meeting.”

Article 213

Original Article 213: “The Company may distribute dividends by way of cash or bonus shares (or a combination of both).

Dividends or other distributions for ordinary shares shall be distributed and denominated in Renminbi.

Dividends or other cash distributions for domestic shares shall be paid in Renminbi.

Dividends or other cash distributions for overseas-listed foreign shares listed in Hong Kong shall be paid in Hong Kong dollar in accordance with the requirements of foreign exchange administration measures of the PRC. The exchange rate to be used for the conversion shall be the average closing exchange rate of Hong Kong dollar against Renminbi for each of the business day during the week prior to the declaration date as quoted by the People’s Bank of China.”

Amended Article 213: “If the Company needs to adjust the profit distribution policy due to material changes in external operating environment or its own operating conditions, the adjusted profit distribution policy shall not breach any regulations of the CSRC and the stock exchanges. The independent non-executive directors and external supervisors of the Company shall independently issue written opinions and the relevant proposals on the adjustment of profit distribution policy, upon being considered by the Board, shall be proposed to the general meeting for consideration.

The reasons for adjustment of profit distribution policy and the opinions of independent non-executive directors and external supervisors shall be disclosed in the regular reports of the Company.”

Article 214

Original Article 214: “Subject to authorization by the general meeting, the Board may distribute interim dividends or bonus.”

Amended Article 214: “Dividends or other distributions for ordinary shares shall be distributed and denominated in Renminbi.

Dividends or other cash distributions for domestic shares shall be paid in Renminbi.

Dividends or other cash distributions for overseas-listed foreign shares listed in Hong Kong shall be paid in Hong Kong dollar in accordance with the requirements of foreign exchange administration measures of the PRC. The exchange rate to be used for the conversion shall be the average closing exchange rate of Hong Kong dollar against Renminbi for each of the business day during the week prior to the declaration date as quoted by the People’s Bank of China.”

The English version of the Articles of Association (Draft) is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

The proposed amendments to the Articles of Association (Draft) are subject to the approval by the shareholders of the Company at the extraordinary general meeting of the Company to be held on 19 January 2012 (the “**EGM**”) and any other approval or endorsement from or registration with the relevant regulatory authorities in the PRC. The amendments to the Articles of Association (Draft) shall come into effect upon approval from the CSRC and completion of the Issue of A Shares.

The Company will convene the EGM for the purposes of, among other things, seeking the shareholders’ approval for the proposed amendments to the Articles of Association (Draft). The votes to be taken at the EGM will be taken by poll.

A circular containing, among other things, details of the proposed amendments to the Articles of Association (Draft) will be dispatched to the shareholders of the Company on or before 22 December 2011. The notice of the EGM will be dispatched to the shareholders as soon as possible.

By Order of the Board
FIRST TRACTOR COMPANY LIMITED
Zhao Yanshui
Chairman

Luoyang, the PRC
1 December 2011

As at the date of this announcement, Mr. Zhao Yanshui is the Chairman and executive Director of the Company and Mr. Su Weike is the vice Chairman and non-executive Director of the Company. Other members of the Board are, three Executive Directors, namely, Ms. Dong Jianhong, Mr. Qu Dawei and Mr. Liu Jiguo; three non-executive Directors, namely, Mr. Yan Linjiao, Mr. Liu Yongle and Mr. Li Youji; and four independent non-executive Directors, namely, Mr. Luo Xiwen, Mr. Chan Sau Shan, Gary, Mr. Hong Xianguo and Mr. Zhang Qiusheng.

* *For identification purposes only*