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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)

## **(1) APPOINTMENT OF NON-EXECUTIVE DIRECTOR**

**AND**

## **(2) AMENDMENTS TO THE RULES OF PROCEDURES OF BOARD MEETINGS**

### **APPOINTMENT OF NON-EXECUTIVE DIRECTOR**

Reference is made to the announcement of the Company dated 5 November 2013 in relation to the resignation of Ms. Dong Jianhong as a non-executive Director with effect from 5 November 2013.

In order to fill the casual vacancy following the resignation of Ms. Dong Jianhong, the Company proposes to appoint Mr. Wang Erlong as a non-executive Director with a term of office from the date of approval of his appointment by the shareholders of the Company at the EGM to 19 December 2015.

### **AMENDMENTS TO THE RULES OF PROCEDURES OF BOARD MEETINGS**

In order to fulfill the Company Laws of the PRC and the requirements from the relevant regulatory authorities in the PRC, the Company intends to amend the “Rules of Procedures of Board Meetings” of the Company. The proposed amendments are subject to the approval by the shareholders of the Company at the EGM.

## EGM

The Company will convene the EGM for the purposes of, among other things, seeking shareholders' approval for the appointment of the non-executive Director and amendments to the "Rules of Procedures of Board Meetings". The votes to be taken at the EGM will be taken by poll.

### (1) APPOINTMENT OF NON-EXECUTIVE DIRECTOR

Reference is made to the announcement of First Tractor Company Limited (the "**Company**") dated 5 November 2013 in relation to the resignation of Ms. Dong Jianhong as a non-executive director of the Company with effect from 5 November 2013.

The board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to announce that in order to fill the casual vacancy following the resignation of Ms. Dong Jianhong, the Company proposes to appoint Mr. Wang Erlong as a non-executive Director, with a term of office from the date of approval of his appointment by the shareholders of the Company at the extraordinary general meeting (the "**EGM**") to be held on 30 December 2013 to 19 December 2015.

#### **Mr. Wang Erlong (王二龍)**

Mr. Wang Erlong, aged 49, is a senior accountant, a certified management accountant of U.S.A. and an auditor. Mr. Wang joined YTO Group Corporation ("**YTO**") in October 2012. He currently serves as the financial controller, deputy general manager, deputy party secretary and secretary of disciplinary committee of YTO and a director of Sinomach Finance Co., Ltd. (國機財務有限責任公司). Mr. Wang had worked in the Auditing Bureau of National Audit Office of the People's Republic of China (the "**PRC**") in the Ministry of Machine Building (審計署駐機械工業部審計局) for many years, and served as the financial controller of China Automotive Industry International Corporation (中汽對外經濟技術合作公司) from May 2005 to December 2005, the financial controller of China National Automotive Industry International Corporation (中國汽車工業國際合作總公司) from December 2005 to August 2006 and the financial controller and deputy general manager of China National Automotive Industry Import and Export Corporation (中國汽車工業進出口總公司) from August 2006 to October 2012. Mr. Wang studied at Luoyang Institute of Technology, Renmin University of China and Xiamen University, and obtained a degree of EMBA. He has extensive experience in areas including financial management, corporate internal audit and international trade.

Save as disclosed above, Mr. Wang does not hold any positions in the Company or any other members of the Company, nor did he hold any directorship in any other listed companies in the last three years.

### **Length of service and emolument**

If Mr. Wang is appointed as a non-executive Director, he will enter into a service contract with the Company for a term of office from the date of approval of his appointment by the shareholders of the Company at the EGM to 19 December 2015. Pursuant to the “Remuneration Proposals for the Directors of the Sixth Board and Supervisors of the Sixth Supervisory Committee” as approved at the fourth extraordinary general meeting of the Company held on 20 December 2012, the Company will not pay remuneration to Mr. Wang.

### **Relationships**

Save as disclosed above, Mr. Wang does not have relationship with any Directors, supervisors or senior management of the Company or with any substantial shareholders or controlling shareholders of the Company.

### **Interest in the shares of the Company**

So far as the Directors are aware, as at the date hereof, Mr. Wang does not have any interest in the shares of the Company (within the meaning of Part XV of the Securities and Futures Ordinance).

### **Matters that need to be brought to the attention of the shareholders of the Company**

In relation to the appointment of Mr. Wang as a non-executive Director, there is no information which is discloseable nor is/was Mr. Wang involved in any of the matters required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and there is no other matter that needs to be brought to the attention of the shareholders of the Company.

The appointment of Mr. Wang is subject to the approval at the EGM.

## **(2) AMENDMENTS TO THE RULES OF PROCEDURES OF BOARD MEETINGS**

In order to fulfill the Company Laws of the PRC and the requirements from the relevant regulatory authorities in the PRC, the Company intends to amend the “Rules of Procedures of Board Meetings” of the Company as follows:

1. The existing Article 18 is as follows:

“A Board meeting shall be convened and presided over by the Chairman. In the event that the Chairman is unable to perform his duties, the Chairman may designate the vice-chairman to perform such functions and powers on the Chairman’s behalf. In the event that the Chairman fails to perform his duties, a vice-chairman elected by more than half of the Directors shall exercise such duties on the Chairman’s behalf. If a vice-chairman is unable or fails to perform his duties, a Director elected by more than half of the Directors shall perform such duties.”

Article 18 is amended to read as follows:

“A Board meeting shall be convened and presided over by the Chairman. In the event that the Chairman fails to perform his duties or is unable to perform his duties, the vice-chairman performs such functions and powers on the Chairman’s behalf. If a vice-chairman is unable to perform his duties or fails to perform his duties, a Director elected by more than half of the Directors shall perform such duties.”

2. The existing Article 21 is as follows:

“The notification method, notice period and convening of a Board meeting (including an extraordinary Board meeting) shall comply with the requirements as follows:

- (1) If the time and venue of a regular Board meeting have been specified by the Board in advance, it can be convened without notice. If the time and venue of a Board meeting have not been specified by the Board in advance, the Chairman shall instruct the secretary to the Board to notify all Directors and supervisors the time and venue of the meeting by way of telex, telegraph, facsimile, courier, registered mail or in person not less than 14 days but not more than 30 days prior to such meeting, unless otherwise provided in the Articles of Association of the Company.
- (2) When an extraordinary Board meeting is convened for discussing urgent matters, the Chairman shall authorize the Company Secretary to notify all Directors and supervisors the time, venue and means of the meeting by way of telex, telegraph or in person not less than 2 days but not more than 10 days prior to such meeting.
- (3) The notice of Board meeting shall be in Chinese and shall include the agenda and topics of the meeting. English translation thereof may be enclosed if necessary.
- (4) Should a Director attend the meeting and have no dispute on non-receipt of the notice of Board meeting prior to or at the meeting, such notice shall be deemed to have been sent to him.
- (5) A Director may attend the regular or extraordinary Board meeting by telephone or other telecommunication devices. As long as all the attendees are able to hear the speeches of other participants and can have conversations or communicate with each other by such devices, such Director shall be deemed to have attended the meeting in person.

- (6) The Board meetings may also be convened by way of written resolutions. A resolution may be delivered individually or circulated to the Directors, who shall indicate clearly their approval of, abstaining from or objection to the resolutions in writing. Such written resolution may consist of several counterparts. If the counterparts are signed by one or more Directors or other authorized Directors and reach the minimum number of Directors required for passing a resolution according to the Articles of Association of the Company, the written resolution shall be deemed as legal and effective. A resolution signed by a Director or an authorised Director and delivered by way of telex, telegraph or facsimile shall be deemed as signed by such Director.

In the event that the Board considers the issues specified in clauses (3), (4), (5) and (7) of Article 12 of this Rules concerning the powers of the Board, the Directors shall not attend the meeting by telephone or other communication devices.”

Article 21 is amended to read as follows:

“The notification method, notice period and convening of a Board meeting (including the extraordinary Board meetings) shall comply with the requirements as follows:

- (1) If the time and venue of a regular Board meeting have been specified by the Board in advance, it can be convened without notice. If the time and venue of a Board meeting have not been specified by the Board in advance, the Chairman shall order the secretary to the Board to notify all Directors and supervisors the time and venue of the regular Board meeting by way of email, facsimile, courier, registered mail or in person not less than 14 days but not more than 30 days prior to such meeting, unless otherwise provided in the Articles of Association of the Company.
- (2) When an extraordinary Board meeting is convened for discussing urgent matters, the Chairman shall authorize the Company Secretary to notify all Directors and supervisors the time, venue and means of the meeting by way of email, facsimile or in person not less than 2 days but not more than 10 days prior to such meeting.

- (3) The notice of Board meeting shall be in Chinese and shall include the agenda and topics of the meeting. English translation thereof may be enclosed if necessary.
- (4) Should a Director attend the meeting and have no dispute on non-receipt of notice of the Board meeting prior to or at the meeting, such notice shall be deemed to have been sent to him.
- (5) Directors may attend the regular or extraordinary Board meeting by telephone or other telecommunication devices. As long as all the attendees are able to hear the speeches of other participants and can have conversations or communicate with each other by such devices, such Director shall be deemed to have attended the meeting in person.
- (6) A Board meeting may also be convened by way of written resolutions. A resolution may be delivered individually or circulated to the Directors, who shall indicate clearly their approval of, abstaining from or objection to the resolutions in writing. Such written resolution may consist of several counterparts. If the counterparts are signed by one or more Directors or other authorised Directors and reach the minimum number of Directors required for passing a resolution according to the Articles of Association of the Company, the written resolution shall be deemed as legal and effective. A resolution signed by a Director or his authorised Director and delivered by email or facsimile shall be deemed as signed by such Director.”

3. The existing Article 31 is as follows:

“Voting at a Board meeting shall be taken by show of hands. Each Director is entitled to one vote. Without prejudice to Clause 2 of Article 133 of the Articles of Association of the Company, a resolution shall be passed by more than half of all Directors. In case of equal votes, the Chairman shall have a casting vote.”

Article 31 is amended to read as follows:

“Voting at a Board meeting shall be taken by show of hands. Each Director is entitled to one vote. Without prejudice to Clause 2 of Article 133 of the Articles of Association of the Company, a resolution shall be passed by more than half of all Directors.”

The English version of the amendments to the “Rules of Procedures of Board Meetings” is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

The above amendments to the “Rules of Procedures of Board Meetings” are subject to the approval at the EGM.

## **OPINION OF THE BOARD**

Since the above appointment of non-executive Director and amendments to the “Rules of Procedures of Board Meetings” are fair and reasonable and in the interests of the Company and its shareholders as a whole, the Board recommends the shareholders of the Company to vote for the related ordinary resolutions to be proposed at the EGM.

## **EGM**

The Company will convene the EGM for the purpose of, among other things, seeking the Company’s shareholders’ approval for the appointment of Mr. Wang Erlong as a non-executive Director and the amendments to the “Rules of Procedures of Board Meetings” of the Company. At the EGM, voting for the proposed ordinary resolutions shall be conducted by way of poll. A notice of the EGM will be dispatched to the shareholders as soon as possible.

By Order of the Board  
**FIRST TRACTOR COMPANY LIMITED**  
**YU Lina**  
*Company Secretary*

Luoyang, the PRC  
14 November 2013

*As at the date of this announcement, Mr. Zhao Yanshui is the Chairman of the Company and Mr. Su Weike is the Vice Chairman of the Company. Other members of the Board are five Directors, namely, Mr. Yan Linjiao, Mr. Guo Zhiqiang, Mr. Qu Dawei, Mr. Liu Jiguo and Mr. Wu Yong; and four independent non-executive Directors, namely, Mr. Hong Xianguo, Mr. Zhang Qiusheng, Mr. Xing Min and Mr. Wu Tak Lung.*

\* *For identification purposes only*