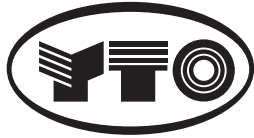


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**第一拖拉机股份有限公司**  
**FIRST TRACTOR COMPANY LIMITED**\*

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

(Stock Code: 0038)

**(1) RE-ELECTION OF DIRECTORS AND SUPERVISORS; AND  
(2) DIRECTORS' AND SUPERVISORS' REMUNERATIONS**

**RE-ELECTION OF DIRECTORS AND SUPERVISORS**

The terms of office of the current Seventh Board and Seventh Supervisory Committee will expire. The Company proposes to re-elect its Directors and Supervisors to the Eighth Board and Eighth Supervisory Committee respectively.

**DIRECTORS' AND SUPERVISORS' REMUNERATIONS**

The re-election of Directors and Supervisors is expected to be completed upon obtaining Shareholders' approval at the EGM. The remuneration committee under the Board has made recommendations in respect of the remunerations for the Directors of the Eighth Board and Supervisors of the Eighth Supervisory Committee.

**EGM**

The EGM will be held for the purposes of, among other things, seeking the Shareholders' approval on (1) the appointment of the proposed Directors and Supervisors, and (2) the Directors' and Supervisors' remunerations. At the EGM, voting on the proposed ordinary resolutions will be conducted by way of poll.

**GENERAL**

A circular containing, among other things, details of (1) the re-election of Directors to the Eighth Board and Supervisors to the Eighth Supervisory Committee, and (2) the Directors' and Supervisors' remunerations will be despatched to the Shareholders as soon as practicable. The notice of the EGM will also be despatched to the Shareholders as soon as practicable.

## **(1) RE-ELECTION OF DIRECTORS AND SUPERVISORS**

The terms of office of the current Seventh Board and Seventh Supervisory Committee will expire. The Company proposes to re-elect the Directors and Supervisors to the Eighth Board and Eighth Supervisory Committee respectively. According to the relevant requirements under the PRC Company Law, the current Directors and Supervisors should hold their respective office until the formation of the Eighth Board and Eighth Supervisory Committee.

The Company would like to propose the re-election of the Directors and Supervisors to the Eighth Board and Eighth Supervisory Committee respectively, with a term of office of three years from the date of the Shareholders' approval at the EGM.

## **NOMINATION OF DIRECTORS**

The Seventh Board of the Company, has nominated the following persons to be the Directors of the Eighth Board:

### **Directors:**

1. Mr. Zhao Yanshui;
2. Mr. Wu Yong;
3. Mr. Zhu Weijiang;
4. Mr. Li Hepeng;
5. Mr. Xie Donggang;
6. Mr. Li Kai; and
7. Mr. Zhou Honghai.

### ***Independent Non-executive Directors:***

1. Mr. Yu Zengbiao;
2. Ms. Yang Minli;
3. Ms. Wang Yuru; and
4. Mr. Edmund Sit.

Details of the above proposed Directors are set out below:

**Mr. Zhao Yanshui**, aged 55, professor level senior engineer, currently serves as Chairman, Chairman of the Strategy and Investment Committee under the Board, Member of the Nomination Committee of the Company, and Chairman, Party Secretary and General Manager of YTO. Mr. Zhao currently serves as the Vice President of China Association of Agricultural Machinery Manufacturing Industry and Chairman of Luoyang Intelligent Agricultural Equipment Research Institute Co., Ltd. Mr. Zhao joined YTO in 1983, and served as the Deputy General Manager, General Manager and Vice Chairman of the Company, and the Deputy Chief Engineer, Deputy General Manager and Deputy Party Secretary of YTO. Mr. Zhao studied in the Jiangsu Institute of Technology and Jiangsu University with a doctorate in engineering, and served as a visiting scholar to pursue advanced studies in Hokkaido University and Kyoto University in Japan for one year in 1994 and 2001, respectively. Mr. Zhao has extensive experience in corporate management, strategic planning, product development and design, and technology management.

**Mr. Wu Yong**, aged 53, senior economist and currently serves as Executive Director, member of the Strategy and Investment Committee under the Board, and Deputy Party Secretary of YTO. Mr. Wu joined YTO in 1987, and served as the Party Secretary, Secretary of the Discipline Inspection Commission and General Manager of the Company, and the member of the Standing Committee of the Communist Party, Deputy General Manager, and Secretary of the Discipline Inspection Commission of YTO. Mr. Wu studied in Henan University of Economics and Law and Hong Kong Polytechnic University with a master degree of science. Mr. Wu has extensive experience in business operation, human resource management and strategic planning.

**Mr. Zhu Weijiang**, aged 47, senior engineer and currently serves as the General Manager of the Company. Mr. Zhu joined YTO in 1992, and had served as the head of sales department of YTO Construction Machinery Company Limited, deputy factory manager and deputy head of marketing management department of third assembly factory, assistant to the general manager of agricultural equipment division, general manager of agricultural equipment sales center and assistant to the general manager and the deputy general manager of the Company. Mr. Zhu graduated from University of Chongqing and Henan University of Science and Technology, and was awarded a bachelor degree and a master degree in engineering respectively. Mr. Zhu has extensive experience in the fields of mechanic design and marketing research of agricultural machinery, marketing management and human resources management.

**Mr. Li Hepeng**, aged 64, senior engineer, Non-Executive Director, member of the Remuneration Committee of the Company, Director of the Sinomach Jinggong Company Limited, Bearing Science & Technology Co., Ltd. and YTO. Mr. Li served as the Deputy Director and Director of the Tianjin Institute of Mechanical Engineering, President and Party Secretary of Tianjin Research Institute of Mechanical Engineering, the General Manager and Party Secretary of China Mechanical Engineering Corporation, Party Secretary and Deputy Chairman of China Sinomach Heavy Industry Corporation Limited, and Director of Zhengzhou Institute of Abrasives Grinding. Mr. Li studied in Tianjin Open University and Tianjin University Postgraduate Course in Business Administration. Mr. Li has extensive experience in corporate management, scientific research management, hydraulic transmission, etc.

**Mr. Xie Donggang**, aged 61, researcher level senior engineer, currently serves as the Non-Executive Director, member of the Remuneration Committee of the Company, and Director of YTO. Mr. Xie currently also serves as Chairman of China National Erzhong Factory and Lanpec Technologies Limited and Tianjin Research Institute of Electric Science Co., Ltd and Executive Director of China-Belarus Industrial Park Development Co., Ltd. Mr. Xie served as Deputy Director, Director and Party Secretary of the Xi'an Institute of Heavy Machinery, the President and Party Secretary of China National Heavy Machinery Research Institute, and Chairman, Party Secretary and General Manager of China National Heavy Machinery Research Institute Company Limited, Mr. Xie studied in Northeast Heavy Machinery College and Chongqing University with a Master's degree in engineering. Mr. Xie has extensive experience in operation management, and metallurgical machinery design.

**Mr. Li Kai**, aged 63, professor level senior engineer, currently serves as the Non-Executive Director, member of the Strategy and Investment Committee of the Board of the Company, and Director of YTO. Mr. Li served as the Vice President and Executive Vice-President of the No. 6 Design Institute of Machinery Industry, Director and Standing Deputy General Manager of the SIPPR Engineering Group Company Limited. Mr. Li studied in the Northeast Heavy Machinery College. Mr. Li has extensive experience in engineering design, engineering project management and forging technology.

**Mr. Zhou Honghai**, aged 46, senior political worker, currently serves as the secretary of Party general branch, Chairman and General Manager of Luoyang State Owned Assets Management Co., Ltd (洛陽市國資國有資產經營有限公司), the director of YTO. Mr. Zhou served as the head of the president office of ChunDu Group (春都集團), the Deputy Party Secretary (in charge of the general affairs of the Party committee) of Xuangong Hotel (旋宮大廈) in Luoyang, the Deputy Party Secretary and Deputy General Manager of Luoyang Baiwei Group (洛陽百味集團), the deputy head (taking charge of work) of the administration department of Luoyang Mining Group (洛陽礦業集團), the head of corporate management department of Luoyang Guohong Investment Group (洛陽國宏投資集團). Mr. Zhou had studied in Henan University and holds a master's degree. Mr. Zhou has extensive experience in corporate restructuring and corporate management.

**Mr. Yu Zengbiao**, aged 62, a professor of Tsinghua University, doctoral tutor, is the Independent Non-Executive Director, Chairman of the Remuneration Committee under the Board, and member of the Audit Committee of the Company, and concurrently serves as Independent Director of Tsingtao Brewery Company Limited, and the External Supervisor of CITIC Group Company Limited. Mr. Yu studied in Hebei University, Xiamen University and University of Illinois with a PhD degree in economics (accounting) and Chinese CPA qualifications, and is familiar with finance, accounting and enterprise performance evaluation.

**Ms. Yang Minli**, aged 52, currently serves as the Independent Non-Executive Director, member of the Strategy and Investment Committee under the Board and the Nomination Committee of the Company, professor and doctoral tutor of the College of Engineering of China Agricultural University. Ms. Yang currently also serves as an adjunct professor at Northwest Agriculture and Forestry University, Director of Centre for Sustainable Agricultural Mechanization of the United Nations, Standing Director of Chinese Society for Agricultural Machinery, Chairman and Secretary-General of Agricultural Mechanization Branch, Director of Chinese Society of Agricultural Engineering, Standing Director of Agricultural Equipment and Engineering Technology Branch of China Agro-technological Extension Association, member of American Association of Agricultural and Biological Engineering and the Foreign Agricultural and Engineering Association, expert of the Sugarcane Machinery Committee of National Agriculture Standardization Technical Committee of the Ministry of Agriculture and the committee of experts of Agricultural Machinery Promotion (Supervision) Master Station of the Ministry of Agriculture. Ms. Yang is experienced in the field of agricultural machinery planning.

**Ms. Wang Yuru**, aged 63, a professor, currently serves as a professor and PhD supervisor at the School of Economics of Nankai University. Ms. Wang currently is a director of the Tianjin Chapter of Western Returned Scholars Association, a consultant of the Corporate History Chapter of Chinese Business History Society(中國商業史學會), a director of Chinese Economic History Society and the deputy head of Professional Committee on Modern Economic History (近代經濟史專業委員會). Ms. Wang graduated from Nankai University and did research in Sophia University, Waseda University and Hitotsubashi University in Japan. Ms. Wang has been engaged in the studies on Chinese economic development, financial history and business history for years and is familiar with economics, finance and corporate management.

**Mr. Edmund Sit**, aged 54, is fellows of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom. In addition, Mr. Sit is also a member of Association of International Certified Financial Consultants and an associate member of Society of Chinese Accountants & Auditors. He has over 30 years' experience in auditing, finance, management accounting, personnel management, corporate finance, company secretary and listing. Mr. Sit graduated from Hong Kong Baptist University and holds a bachelor's degree (merit) and master's degree of business administration. He has worked for KPMG, Ernst & Young, System Pro Uarco Business Forms Ltd, Logo S.A., Xiang Lu Industries Ltd, Chubb Hong Kong Ltd, Johnson Controls Hong Kong Ltd, C & C Joint Printing Co., (HK) Ltd and Sino Fame International Group (譽中國際集團). Mr. Sit had also worked for the following listed companies: Tianneng Power International Limited (HKEX 0819), Beijing Media Corporation Limited (HKEX 1000), SMI Holdings Group Limited (HKEX 0198), Wong's International Holdings Limited (HKEX 0099) and Beijing Gas Blue Sky Holdings Limited (HKEX 6828).

Save as disclosed above, each of the above proposed Directors does not hold any position in the Company or any other members of the Company, nor did he hold any directorship in any other listed companies.

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

If each of the above proposed Directors is appointed as a Director of the Company, he will enter into a service agreement with the Company for a term of office of three years from the date of the Shareholders' approval at the EGM and he will receive a remuneration in accordance with a remuneration proposal (please see below for details), which will be determined with reference to his duties and responsibilities with the Company and will be subject to the Shareholders' approval at the EGM.



### ***Relationships***

Save as disclosed above, each of the above proposed Directors has no relationship with any Directors, Supervisors or senior management of the Company or with any substantial Shareholders or controlling Shareholders of the Company.

### ***Interests in Shares***

Each of the above proposed Directors does not have any interest in the shares of the Company (within the meaning of Part XV of the SFO).

### ***Matters that need to be brought to the attention of the Shareholders***

In relation to the appointment of each of the above proposed Directors, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no matter which needs to be brought to the attention of the Shareholders.

## **NOMINATION OF SUPERVISORS**

The Supervisory Committee of the Company has nominated the following persons to be the Supervisors (non staff representative Supervisors) of the Eighth Supervisory Committee:

1. Mr. Zhang Jiaxin;
2. Mr. Tian Peng;
3. Mr. Xu Weilin; and
4. Mr. Zhang Bin.

Details of the above proposed Supervisors are set out below:

**Mr. Zhang Jiaxin**, aged 56, a senior political worker, currently serves as a member of the Standing Committee of the Communist Party and Secretary of the Discipline Inspection Commission of YTO. Mr. Zhang joined YTO in 1986, successively served as the Secretary of Youth League Committee of YTO, the Party Secretary, Secretary of the Discipline Inspection Commission, chairman of the trade union of No. 2 Assembly Plant of YTO Company (一拖股份公司第二裝配廠), the manager of mid-powered and low-powered wheeled tractors branch of YTO Company (一拖股份公司中小輪拖分公司), deputy general manager of the Agricultural Equipment Division of YTO Company, the vice chairman of the trade union and the assistant to the general manager of YTO. Mr. Zhang studied in the Correspondence College of Party School of the Central Committee of the Communist Party of China, majoring in Business Administration, and has extensive experience in discipline inspection and corporate management.

**Mr. Tian Peng**, aged 55, senior political engineer, currently serves as assistant to the Party secretary, chairman of the trade union and employee representative director of YTO. Mr. Tian joined YTO in 1986, and served as deputy director of the publicity department of YTO, director and secretary of the Party general branch of the CPC of Dongfanghong (Luoyang) Cultural Transmission Center as well as executive vice chairman of the Trade Union of YTO, etc. Mr. Tian studied as a major in Politics in the Politics Department of Zhengzhou University. Mr. Tian has extensive experience in corporate culture building, trade union affairs and business management.

**Mr. Xu Weilin**, aged 56, economist, currently serves as the Supervisor of the Company, Deputy Secretary of the Discipline Inspection Commission and the Director of the Supervision Division of YTO. Mr. Xu joined YTO in 1982, and served as the Party Secretary and Plant Manager of No. 1 Assembly Plant of the Company and staff representative Supervisor of YTO Group. Mr. Xu studied in Zhengzhou University, Jiangsu Institute of Technology and Henan University of Science and Technology. Mr. Xu has extensive experience in auditing supervision and enterprise management.

**Mr. Zhang Bin**, aged 36, postgraduate, currently serves as deputy general manager of Luoyang State-Owned Assets Operation Company Limited and Supervisor of YTO. Mr. Zhang had served as secretary to the general manager of Luoyang Kuangye Group Co., Ltd., vice chairman of the trade union, office director and secretary to party branch of Zhenping Mining Co., Ltd. under Henan Luoyang Mining Group, chairman of the trade union and assistant to the general manager of Songxian Mining Co., Ltd. under Luoyang Nonferrous Group as well as deputy director of business administration department of Luoyang Nonferrous Mining Group, successively. Mr. Zhang studied business administration at Zhengzhou University and a postgraduate program on social security (human resource management) at Sichuan University. Mr. Zhang has extensive experience in human resource management.

Save as disclosed above, each of the above Supervisors does not hold any position 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 each of the above proposed Supervisors is appointed as a Supervisor of the Company, he will enter into a service agreement with the Company for a term of office of three years from the date of the Shareholders' approval at the EGM and he will receive a remuneration in accordance with a remuneration proposal (please see below for details), which will be determined with reference to his duties and responsibilities with the Company, and will be subject to the Shareholders' approval at the EGM.



### ***Relationships***

Save as disclosed above, each of the above proposed Supervisors has no relationship with any Directors, Supervisors or senior management of the Company or with any substantial Shareholders or controlling Shareholders of the Company.

### ***Interests in Shares***

So far as the Directors are aware as at the date hereof, each of the above proposed Supervisors does not have any interest in the shares of the Company (within the meaning of Part XV of the SFO).

### ***Matters that need to be brought to the attention of the Shareholders***

In relation to the appointment of each of the above proposed Supervisors, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no matter which needs to be brought to the attention of the Shareholders.

The appointment of the above proposed Directors and Supervisors is subject to the approval by the Shareholders by adopting cumulative voting at the EGM. Ordinary resolutions in relation to the above proposed appointment of Mr. Zhao Yanshui, Mr. Wu Yong, Mr. Zhu Weijiang, Mr. Li Hepeng, Mr. Xie Donggang, Mr. Li Kai and Mr. Zhou Honghai as Directors; Mr. Yu Zengbiao, Ms. Yang Minli, Ms. Wang Yuru and Mr. Edmund Sit as independent non-executive Directors; and Mr. Zhang Jiixin, Mr. Tian Peng, Mr. Xu Weilin and Mr. Zhang Bin as non staff representative Supervisors will be proposed to be approved by the Shareholders at the EGM.

### ***Retirement of Directors***

Upon approval of the above proposed appointment of Directors at the EGM, Mr. Yin Dongfang, Mr. Xing Min and Mr. Wu Tak Lung will retire from the positions of Directors, effective from the date of the EGM. The above retiring Directors have confirmed that they have no disagreement with the Board and there is no matter with respect to their retirement that needs to be brought to the attention of the Shareholders.

## **(2) DIRECTORS' AND SUPERVISORS' REMUNERATIONS**

The re-election of Directors and Supervisors is expected to be completed upon obtaining the Shareholders' approval at the EGM. The remuneration committee under the Board has made recommendations in respect of the remunerations for the Directors of the Eighth Board and Supervisors of the Eighth Supervisory Committee.

## **Remunerations for the Directors of the Eighth Board and Supervisors of the Eighth Supervisory Committee**

### ***Directors' Remunerations***

Upon consideration by the Board, the proposed remunerations for the Directors of the Eighth Board are as follows:

- (1) The remuneration for the executive Directors will be paid according to the relevant performance and remuneration management system for senior management of the Company. Their social insurances such as pension insurance, unemployment insurance and medical insurance as well as housing accumulation fund will be managed according to the relevant national regulations;
- (2) Non-executive Directors of the Company will not get remuneration from the Company; and
- (3) The remuneration for independent non-executive Directors will adopt allowance system:
  - i. The allowance for independent non-executive Directors is RMB80,000 per person per year while the allowance for Hong Kong-resident independent Directors is HK\$100,000 per person per year, and will be paid quarterly;
  - ii. non-executive Directors will be paid a meeting allowance of RMB2,000 for each time when they attend Board meetings in person; and
  - iii. non-executive Directors will be paid a meeting allowance of RMB1,000 for each time when they attend Board special committee meetings and general meetings of the Company in person.

### ***Supervisors' Remunerations***

Upon consideration by the Board, the proposed remunerations for the Supervisors of the Eighth Supervisory Committee are as follows:

- (1) The remuneration for the Supervisors working in the Company, will be paid according to their management position (whichever is higher) in the Company and the relevant remuneration management system of the Company; and
- (2) Supervisors employed by corporate shareholders will not get remuneration from the Company.

## **EGM**

The EGM will be held for the purposes of, among other things, seeking the Shareholders' approval on (1) the appointment of the proposed Directors and Supervisors, and (2) the Directors' and Supervisors' remunerations. At the EGM, voting on the proposed ordinary resolutions will be conducted by way of poll.

## **GENERAL**

A circular containing, among other things, details of (1) the re-election of Directors to the Eighth Board and Supervisors to the Eighth Supervisory Committee, and (2) the Directors' and Supervisors' remunerations will be despatched to the Shareholders as soon as practicable. The notice of the EGM will also be despatched to the Shareholders as soon as practicable.

## **DEFINITIONS**

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

|                 |   |
|-----------------|---|
| “Board”         | the board of Directors;   |
| “Company”       | First Tractor Company Limited* (第一拖拉機股份有限公司), a joint stock company with limited liability incorporated in the PRC, the H shares and A shares of which are listed on the Stock Exchange (Stock Code: 0038) and the Shanghai Stock Exchange (Stock Code: 601038) respectively; |
| “Directors”     | the directors of the Company, including the independent non-executive directors;  |
| “EGM”           | the extraordinary general meeting of the Company to be convened for the purposes of considering and if thought fit, approving, among other things, (1) the appointment of the proposed Directors and Supervisors, and (2) the Directors' and Supervisors' remunerations;      |
| “Hong Kong”     | the Hong Kong Special Administrative Region of the PRC;   |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange;  |

|                         |   |
|-------------------------|---|
| “PRC”                   | The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;  |
| “RMB”                   | Renminbi, the lawful currency of the PRC;   |
| “SFO”                   | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);  |
| “Shareholder(s)”        | the shareholder(s) of the Company;  |
| “Stock Exchange”        | The Stock Exchange of Hong Kong Limited;  |
| “Supervisors”           | the supervisors of the Company;   |
| “Supervisory Committee” | the supervisory committee of the Company; and   |
| “YTO”                   | YTO Group Corporation* (中國一拖集團有限公司), a limited liability company incorporated in the PRC and the controlling shareholder of the Company, holding approximately 41.66% equity interest in the Company. |

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

Luoyang, the PRC  
29 August 2018

*As at the date of this announcement, the Board comprises Mr. Zhao Yanshui (Chairman) and Mr. Wu Yong (vice Chairman) as executive Directors; Mr. Li Hepeng, Mr. Xie Donggang, Mr. Li Kai and Mr. Yin Dongfang as non-executive Directors; and Ms. Yang Minli, Mr. Xing Min, Mr. Wu Tak Lung and Mr. Yu Zengbiao as independent non-executive Directors.*

\* *For identification purposes only*