

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

ANNOUNCEMENT ON THE
(1) RESIGNATION OF THE CHAIRMAN AND
AN EXECUTIVE DIRECTOR
(2) RESIGNATION OF THE GENERAL MANAGER AND
AN EXECUTIVE DIRECTOR
(3) RESIGNATION OF FINANCIAL CONTROLLER
AND
(4) APPOINTMENT OF THE GENERAL MANAGER
(5) PROPOSED APPOINTMENT OF EXECUTIVE DIRECTORS

The board of directors (the “**Board**”) of First Tractor Company Limited* (the “**Company**”) and all members of the Board warrant that there are no false representations, misleading statements and material omissions in this announcement, and are severally and jointly responsible for the truthfulness, accuracy and completeness of the content herein.

The Board of the Company recently received letters of resignation from Mr. Zhao Yanshui, the Chairman and an executive Director of the Company, Mr. Zhu Weijiang, the general manager and an executive Director of the Company, and Mr. Yao Weidong, the Financial Controller of the Company. Mr. Zhao Yanshui applied to resign as the Chairman, an executive Director and the chairman of the Strategy and Investment Committee and a member of the Nomination Committee due to job allocation. Upon his resignation, he will no longer hold any position in the Company. Mr. Zhu Weijiang applied to resign as an executive Director, a member of the Strategy and Investment Committee and the General Manager of the Company due to job allocation. Mr. Yao Weidong applied to resign as the Financial Controller of the Company due to job allocation.

On 5 March 2019, the Company held the fourth meeting of the eighth session of the Board, at which the Resolution in relation to Nomination of Candidates for Executive Directors of the Eighth Board of the Company and the Resolution in relation to Adjustments to Certain Management Personnel of the Company were considered and approved, pursuant to which:

- 1) the resignation of Mr. Zhu Weijiang as the General Manager of the Company was approved with effect from 5 March 2019;
- 2) the resignation of Mr. Yao Weidong as the Financial Controller of the Company was approved with effect from 5 March 2019;
- 3) the appointment of Mr. Liu Jiguo as the General Manager of the Company for a term commencing from the date of approval at the Board meeting (i.e. 5 March 2019) until the expiry of the term of office of the current Board (i.e. 28 October 2021) was approved;
- 4) the nomination of Mr. Li Xiaoyu as a candidate for an executive Director of the eighth Board of the Company for a term commencing from the date of approval of the Shareholders of the Company at the relevant extraordinary general meeting of the Company (i.e. 25 April 2019) until the expiry of the term of office of the current Board (i.e. 28 October 2021) was approved; and
- 5) the nomination of Mr. Liu Jiguo as a candidate for an executive Director of the eighth Board of the Company for a term commencing from the date of approval of the Shareholders of the Company at the relevant extraordinary general meeting of the Company (i.e. 25 April 2019) until the expiry of the term of office of the current Board (i.e. 28 October 2021) was approved.

The resignations of Mr. Zhao Yanshui as the Chairman, an executive Director and the chairman of the Strategy and Investment Committee and a member of the Nomination Committee, and Mr. Zhu Weijiang as an executive Director and a member of the Strategy and Investment Committee of the Company have taken effect on 3 March 2019. Each of Mr. Zhao Yanshui, Mr. Zhu Weijiang and Mr. Yao Weidong has confirmed that he has no disagreement with the Board of the Company, and there are no other matters in relation to his resignation that need to be brought to the attention of the Shareholders of the Company.

According to the related requirements of the Company Law of the People's Republic of China and the Articles of Association, the resignations of Mr. Zhao Yanshui and Mr. Zhu Weijiang, both being executive Directors, will not result in the number of members of the Board of the Company being less than the minimum legal requirement, and hence the operation of the Board will not be affected.

As elected by the majority of the Board in accordance with the Articles of Association, Mr. Wu Yong, vice Chairman of the Company, shall perform the duties of chairman from the date of resignation of Mr. Zhao Yanshui until a new chairman is elected by the Board of the Company.

The appointment of each of Mr. Li Xiaoyu and Mr. Liu Jiguo as an executive Director of the Company is subject to the approval of the Shareholders of the Company at an extraordinary general meeting of the Company (“EGM”).

The biographical details of Mr. Li Xiaoyu and Mr. Liu Jiguo are set out below:

Mr. Li Xiaoyu, aged 52, is a professor-level senior engineer and currently serves as Party Secretary and Chairman of YTO Group Corporation, Deputy Chairman of the Sinomach Capital Holdings Company Limited and a supervisor of Sinomach Science and Technology Research Institute Co., Ltd* (國機集團科學技術研究院有限公司). Mr. Li served as head of the Equipment Manufacturing Department, deputy dean of the Central Research Institute, head of the Capital Operation Department and head of the Strategic Investment Department (the Technology Development Department and the Military Engineering Management Office) of China National Machinery Industry Corporation, deputy general manager, temporary Party Secretary and temporary Secretary of the Discipline Inspection Commission of Sinomach Science and Technology Research Institute Co., Ltd* as well as chairman of the Board of Supervisors of China National Erzhong Group Company. Mr. Li studied in Huazhong Institute of Technology. Mr. Li has extensive experience in capital operation, strategic planning, machinery manufacturing and cadre management.

Save as disclosed above, Mr. Li Xiaoyu (i) does not hold any positions in any other members of the Group; (ii) does not have any relationship with any Directors, Supervisors, senior management, substantial Shareholders or controlling Shareholders of the Company; (iii) has not held any directorships in any other listed companies for the past three years; and (iv) does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, as at the date of this announcement, there is no other matter relating to the appointment of Mr. Li Xiaoyu that needs to be brought to the attention of the Shareholders nor is there any information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Mr. Liu Jiguo, aged 54, is a professor-level senior engineer and currently serves as the Deputy General Manager of the Company. Mr. Liu joined YTO in 1987, and served as the General Manager Assistant, Deputy General Manager and Safety Director of YTO, and General Manager and Director of the Company. Mr. Liu graduated from Northeast Heavy Machinery College and Jiangsu University with a Bachelor degree in Engineering and a Master degree in Engineering. Mr. Liu has extensive experience in corporate management, production and management and financial operation.

Save as disclosed above, Mr. Liu Jiguo (i) does not hold any positions in any other members of the Group; (ii) does not have any relationship with any Directors, Supervisors, senior management, substantial Shareholders or controlling Shareholders of the Company; (iii) has not held any directorships in any other listed companies for the past three years; and (iv) does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, as at the date of this announcement, there is no other matter relating to the appointment of Mr. Liu Jiguo that needs to be brought to the attention of the Shareholders nor is there any information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The respective remuneration for Mr. Li Xiaoyu as an executive Director, and for Mr. Liu Jiguo as the general manager and an executive Director will be paid according to the relevant performance and remuneration management system for senior management of the Company. Mr. Li Xiaoyu's and Mr. Liu Jiguo's 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.

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

The notice of the EGM will be despatched to the Shareholders on 8 March 2019. A circular containing, among other things, details of the appointment of the proposed Directors to the Eighth Board, will also be despatched to the Shareholders as soon as practicable.

By Order of the Board
First Tractor Company Limited*
YU Lina
Company Secretary

Luoyang, the PRC
5 March 2019

As at the date of this announcement, the Board comprises Mr. Wu Yong (vice Chairman) as executive Director; Mr. Li Hepeng, Mr. Xie Donggang, Mr. Li Kai and Mr. Zhou Honghai as non-executive Directors; and Mr. Yu Zengbiao, Ms. Yang Minli, Ms. Wang Yuru and Mr. Edmund Sit as independent non-executive Directors.

* For identification purposes only