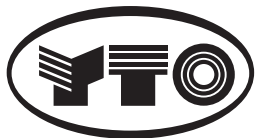


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第一拖拉机股份有限公司
FIRST TRACTOR COMPANY LIMITED*

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

(Stock Code: 0038)

- (1) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**
- (2) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR BOARD MEETINGS;**
- (3) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR SHAREHOLDERS' MEETINGS; AND**
- (4) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR SUPERVISORY COMMITTEE**

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In compliance with the latest amendments to the Company Law of People's Republic of China, the Code of Corporate Governance for Listed Companies, the Guidelines for the Articles of Association for Listed Companies and other normative documents, and in view of the actual situation of First Tractor Company Limited* (the "**Company**"), the Resolution in relation to Amendments to the Articles of Association, the Rules of Procedures for Shareholders' Meetings and the Rules of Procedures for Board Meetings was considered and approved at the tenth meeting of the eighth session of the Board of the Company.

The Company proposes to, subject to the approval by the Shareholders at the EGM, amend the Articles of Association.

PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR BOARD MEETINGS

The Company proposes to, subject to the approval by the Shareholders at the EGM, amend the Rules of Procedures for Board Meetings.

PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR SHAREHOLDERS' MEETINGS

The Company proposes to, subject to the approval by the Shareholders at the EGM, amend the Rules of Procedures for Shareholders' Meetings.

PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR SUPERVISORY COMMITTEE

The Resolution in relation to Amendment to the Rules of Procedures for Supervisory Committee of the Company was considered and approved at the fourth meeting of the eighth session of the Supervisory Committee of the Company.

The Company proposes to, subject to the approval by the Shareholders at the EGM, amend the Rules of Procedures for Supervisory Committee.

EGM

The EGM will be held for the purposes of, among other things, seeking the Shareholders' approval on (1) the proposed amendments to the Articles of Association, (2) the proposed amendments to the Rules of Procedures for Board Meetings, (3) the proposed amendments to the Rules of Procedures for Shareholders' Meetings; and (4) the proposed amendments to the Rules of Procedures for Supervisory Committee. At the EGM, voting on the proposed special resolutions and ordinary resolutions will be conducted by way of poll.

GENERAL

A circular containing, among other things, details of (1) the proposed amendments to the Articles of Association, (2) the proposed amendments to the Rules of Procedures for Board Meetings, (3) the proposed amendments to the Rules of Procedures for Shareholders' Meetings; and (4) the proposed amendments to the Rules of Procedures for Supervisory Committee 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) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In compliance with the latest amendments to the Company Law of People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Guidelines for the Articles of Association for Listed Companies and other normative documents, and in view of the actual situation of First Tractor Company Limited* (the “**Company**”), the Resolution in relation to Amendments to the Articles of Association, the Rules of Procedures for Shareholders’ Meetings and the Rules of Procedures for Board Meetings was considered and approved at the tenth meeting of the eighth session of the Board of the Company.

The proposed amendments to the Articles of Association are as follows:

Original articles	Amended articles
<p>Article 35. The Company may, in the following circumstances, repurchase its own issued and outstanding shares in accordance with the procedures provided for in its Articles of Association, subject to submission to and approval by the relevant State authorities:</p> <p>(1) Cancellation of shares for the purposes of reducing its capital;</p> <p>(2) Merging with another company that holds shares in the Company;</p> <p>(3) Granting shares as rewards to the employees of the Company;</p> <p>(4) Repurchasing of shares made upon the request of its shareholders who disagree with resolutions passed at a general meeting in connection with a merger or division of the Company;</p> <p>(5) Other circumstances where laws and administrative regulations so permit. Any acquisition of its own shares by the Company for the reasons under clauses (1) to (3) of this Article shall be resolved at general meeting.</p>	<p>Article 35. The Company may, in the following circumstances, <u>acquire its own shares</u> repurchase its own issued and outstanding shares in accordance with <u>laws, administrative regulations, departmental rules and the provisions of the</u> procedures provided for in its Articles of Association, subject to submission to and approval by the relevant State authorities:</p> <p>(1) Cancellation of shares for the purposes of rReducing its capital;</p> <p>(2) Merging with another company that holds shares in the Company;</p> <p>(3) Granting shares <u>for employee ownership plan or share option incentives</u> as rewards to the employees of the Company;</p> <p>(4) Repurchasing of shares made upon the request of its shareholders who disagree with resolutions passed at a general meeting in connection with a merger or division of the Company;</p> <p>(5) <u>To use the shares for conversion into convertible corporate bonds issued by the listed company;</u></p> <p>(6) <u>Being deemed necessary by the listed company for the protection of the Company’s value and shareholders’ interests.</u></p> <p>Other circumstances where laws and administrative regulations so permit.</p> <p>Any acquisition of its own shares by the Company for the reasons under clauses (1) and to (2) <u>(3), (5) and (6), the acquisition of shares shall be resolved at the meeting of the Board with more than two-thirds of the Directors attending.</u></p>

Original articles	Amended articles
<p>Any shares of the Company so acquired by the Company in accordance with clause (1) shall be cancelled within 10 days from the date of acquisition. In the event of the circumstances set forth in clauses (2) and (4), the shares so acquired shall be transferred or cancelled within 6 months.</p> <p>If the Company repurchases its own shares in accordance with the provisions of item (3), the shares so repurchased shall not exceed five percent (5%) of the total outstanding shares; funds to be used to repurchase such shares shall be paid out of the after-tax profits of the Company; and the shares so repurchased shall be transferred to the employees of the Company within one year.</p> <p>The Company shall not accept the pledge of its own shares as security.</p>	<p>Any shares of the Company so acquired by the Company in accordance with clause (1) shall be cancelled within 10 days from the date of acquisition. In the event of the circumstances set forth in clauses (2) and (4), the shares so acquired shall be transferred or cancelled within 6 months. <u>In the event of the circumstances set forth in clauses (3), (5) and (6), the shares in the Company held in aggregate by the Company shall not exceed 10% of the total number of the Company's shares in issue and the shares so repurchased shall be transferred or cancelled within three years.</u></p> <p>If the Company repurchases its own shares in accordance with the provisions of item (3), the shares so repurchased shall not exceed five percent (5%) of the total outstanding shares; funds to be used to repurchase such shares shall be paid out of the after-tax profits of the Company; and the shares so repurchased shall be transferred to the employees of the Company within one year.</p> <p><u>The acquisition of its shares by the Company under clauses (3), (5) and (6) shall be conducted by way of open block trading.</u></p> <p>The Company shall not accept the pledge of its own shares as security.</p>

Original articles	Amended articles
<p>Article 36. After the Company is approved by the relevant State authorities to buy back its own shares, it may proceed in any of the following manners:</p> <ol style="list-style-type: none"> (1) Making an offer for the repurchase of shares to all shareholders on a pro rata basis; (2) Repurchasing shares through open transactions on a stock exchange; (3) Repurchasing by a contractual agreement off the stock exchange; (4) Other methods as stipulated by the laws, the administrative regulatory provisions and the securities regulatory authorities of the State Council. 	<p>Article 36. After the Company is approved by the relevant State authorities to buy back its own shares, it may proceed in any of the following manners: <u>The acquisition of its own shares by the Company may be conducted by way of open block trading or other methods as stipulated by laws and regulations and approved by the securities regulatory authorities of the State Council.</u></p> <ol style="list-style-type: none"> (1) Making an offer for the repurchase of shares to all shareholders on a pro rata basis; (2) Repurchasing shares through open transactions on a stock exchange; (3) Repurchasing by a contractual agreement off the stock exchange; (4) Other methods as stipulated by the laws, the administrative regulatory provisions and the securities regulatory authorities of the State Council.

Original articles	Amended articles
<p>Article 68. The controlling shareholders shall not impair the interests of the Company and public shareholders by abuse of their controlling status and by ways of connected transactions, assets restructuring, loan guarantees, etc. Misappropriation of the Company’s funds is strictly limited in the operating fund transactions of the Company with controlling shareholders and other related parties. Controlling shareholders and other related parties shall not require advancement of period expenses such as salary, welfare, insurance, advertisement, etc., to be paid by the Company; neither shall they undertake each other’s cost and other expenditures.</p> <p>Once the controlling shareholders and persons with de facto control misappropriate the Company’s assets and impair interests of the Company and public shareholders, the Board shall adopt effective measures to request the controlling shareholders to cease such impairment and undertake the responsibilities for compensation.</p>	<p>Article 68. The controlling shareholders shall not impair the interests of the Company and public shareholders by abuse of their controlling status and by ways of connected transactions, assets restructuring, loan guarantees, etc. Misappropriation of the Company’s funds is strictly limited in the operating fund transactions of the Company with controlling shareholders and other related parties. Controlling shareholders and other related parties shall not require advancement of period expenses such as salary, welfare, insurance, advertisement, etc., to be paid by the Company; neither shall they undertake each other’s cost and other expenditures.</p> <p><u>The Company shall not provide capital for use by the controlling shareholder and other affiliates directly or indirectly in the following ways:</u></p>

Original articles	Amended articles
	<p>(1) <u>Lending the company capital for consideration or at nil consideration for use by the controlling shareholder and other affiliates (other than those businesses as approved);</u></p> <p>(2) <u>Providing commission loan to affiliates through a bank or a non-bank financial institution;</u></p> <p>(3) <u>Commissioning the controlling shareholder and other affiliates to conduct investment activities;</u></p> <p>(4) <u>Issuing trade acceptances that lack authentic basis to the controlling shareholder and other affiliates;</u></p> <p>(5) <u>Repayment of debts on behalf on the controlling shareholder and other affiliates (except for guaranteed debts as approved by the laws);</u></p> <p>(6) <u>Other ways specified by the China Securities Regulatory Commission.</u></p> <p>Once the controlling shareholders and persons with de facto control misappropriate the Company's assets and impair interests of the Company and public shareholders, <u>the Board of the Company is entitled to apply to the People's Courts in the name of the Company for the judicial freeze of the company assets appropriated and the company shares held by the controlling shareholder.</u> the Board shall adopt effective measures to request the controlling shareholders to cease such impairment and undertake the responsibilities for compensation.</p> <p><u>For the appropriated company assets which are not restored to the original state or repaid by cash by the controlling shareholder of the Company, the Company is entitled to realize the company shares held by the controlling shareholder to repay the company assets appropriated in accordance to the relevant laws, administrative regulations and the requirements and procedures of departmental rules.</u></p>

Original articles	Amended articles
<p>Article 75. The Company shall convene general meetings either at its domicile or at such other venue as specified by the Board. General meetings will set meeting venue and be convened by way of on-site meetings, and set a secure, economical and convenient web network or other ways to facilitate shareholders to participate in general meetings in accordance with the laws, administrative regulations and regulations by the China Securities Regulatory Commission and the Articles of Association. Shareholders who attend a meeting by the said means are deemed to be present at such meeting.</p>	<p>Article 75. The Company shall convene general meetings either at its domicile or at such other venue as specified by the Board. General meetings will set meeting venue and be convened by way of on-site meetings, and set a secure, economical and convenient <u>online voting method web network</u> or other ways to facilitate shareholders to participate in general meetings in accordance with the laws, administrative regulations and regulations by the China Securities Regulatory Commission and the Articles of Association. Shareholders who attend a meeting by the said means are deemed to be present at such meeting.</p>
<p>Article 85. The notice of a general meeting shall meet the following requirements: ... (11) Where a general meeting is held online or by other such means, the notice shall expressly state the time and the procedures of the voting online or by other such means.</p>	<p>Article 85. The notice of a general meeting shall meet the following requirements: ... (11) Where a general meeting <u>adopts</u> is held online <u>voting</u> or by other such means, the notice shall expressly state the time and the procedures of <u>the online</u> voting online or by other such means.</p>
<p>Article 88. Once the notice of a general meeting is issued, the meeting shall not be postponed or cancelled and resolutions contained in the notice shall not be withdrawn without proper reasons. In the event of postponement or cancellation, the convener shall make announcement to state the reasons at least 2 working days prior to the original date of the meeting.</p>	<p>Article 88. <u>The time and venue of on-site meetings shall be convenient for shareholders' participation.</u> Once the notice of a general meeting is issued, the meeting shall not be postponed or cancelled, and resolutions contained in the notice shall not be withdrawn <u>and the venue of an on-site general meeting shall not be altered</u> without proper reasons. In the event of postponement, or cancellation <u>or alteration</u>, the convener shall make announcement to state the reasons at least 2 working days prior to the original date of the meeting.</p>

Original articles	Amended articles
<p>Article 102. Subject to ensuring the legitimacy and effectiveness of the general meeting, the Company shall provide convenience to the shareholders to attend the general meeting through various methods and ways, including modern information technologies such as providing network voting platform, etc.</p> <p>If web network or other ways were adopted for general meetings, the Company shall specify clearly in the notice of general meetings the timing and procedure of voting through web network or other ways.</p> <p>Voting in general meetings through web network or other ways shall not start earlier than 3:00 pm the day before the on-site meeting, nor shall it be later than 9:30 am on the day of on-site meeting and voting shall not conclude earlier than 3:00 pm on the day which the onsite meeting ends.</p>	<p>Article 102. Subject to ensuring the legitimacy and effectiveness of the general meeting, the Company shall provide convenience to the shareholders to attend the general meeting through various methods and ways, including modern information technologies such as providing network voting platform, etc.</p> <p>If online voting was web network or other ways were adopted for general meetings, the Company shall specify clearly in the notice of general meetings the timing and procedure of voting through web network or other ways.</p> <p>Voting in general meetings through web network or other ways shall not start earlier than 3:00 pm the day before the on-site meeting, nor shall it be later than 9:30 am on the day of on-site meeting and voting shall not conclude earlier than 3:00 pm on the day which the onsite meeting ends.</p>
<p>Article 105. The same voting right shall only be exercised by one of the voting means including on-site, via internet or by other means. In the event that the same voting right has been exercised repeatedly, the results of the first voting shall prevail.</p>	<p>Article 105. The same voting right shall only be exercised by one of the voting means including on-site or; via internet or by other means. In the event that the same voting right has been exercised repeatedly, the results of the first voting shall prevail.</p>

Original articles	Amended articles
<p>Article 107. ...</p> <p>Shareholders of the Company or his proxy who vote via the internet or by other means are entitled to check and inspect their voting results through the relevant voting system.</p>	<p>Article 107. ...</p> <p>Shareholders of the Company or his proxy who vote via the internet or by other means are entitled to check and inspect their voting results through the relevant voting system.</p>
<p>Article 108. The on-site general meeting shall not end earlier than those held by online means or other means. The chairman of the meeting shall announce the votings and results of each of the proposals, and announce whether the proposals have been passed according to the voting results.</p> <p>Prior to the formal announcement of the voting results, the related parties involved in the on-site general meeting, online and other means of voting, such as the listed company, vote counters, scrutineers, major shareholders and network service provider, shall undertake the obligations of confidentiality for the voting results.</p>	<p>Article 108. The on-site general meeting shall not end earlier than those held by online means or other means. The chairman of the meeting shall announce the votings and results of each of the proposals, and announce whether the proposals have been passed according to the voting results.</p> <p>Prior to the formal announcement of the voting results, the related parties involved in the on-site general meeting <u>and</u>; online and other means of voting, such as the listed company, vote counters, scrutineers, major shareholders and network service provider, shall undertake the obligations of confidentiality for the voting results.</p>

Original articles	Amended articles
<p>Article 128. The Company shall establish its Board and the Directors shall be natural persons. The Board shall comprise 11 Directors, with one chairman and 1 vice chairman. ...</p>	<p>Article 128. The Company shall establish its Board and the Directors shall be natural persons. The Board shall comprise <u>9-11</u> Directors, with one chairman and 1 vice chairman. ...</p>
<p>Article 130. (1) The Directors shall be elected at general meetings, with a term of office of 3 years. At the expiry of a Director’s term of office, the term is renewable upon re-election, but any Independent Director cannot serve as the Company’s Independent Director for a consecutive period of over 6 years. Prior to the expiry of his term of office, a Director shall not be removed without reasons from his office by the general meeting.</p>	<p>Article 130. (1) The Directors shall be elected at general meetings, <u>and may be removed from their office prior to the expiry of their term by the general meeting,</u> with a term of office of 3 years. At the expiry of a Director’s term of office, the term is renewable upon re-election, but any Independent Director cannot serve as the Company’s Independent Director for a consecutive period of over 6 years. Prior to the expiry of his term of office, a Director shall not be removed without reasons from his office by the general meeting.</p>

Original articles	Amended articles
<p>Article 135. The Board of Directors shall be accountable to the general meeting and shall exercise the following functions and powers: ... (18) To exercise any other powers conferred by the shareholders in general meetings.</p> <p>Except for the resolutions of the Board in respect of the matters specified in clauses (6), (7), (11), (12) and (14) of the preceding Article which shall be passed by two-thirds or more of the Directors, the resolutions of the Directors in respect of all other matters may be passed by more than one half of the Directors.</p> <p>...</p>	<p>Article 135. The Board of Directors shall be accountable to the general meeting and shall exercise the following functions and powers: ... (18) <u>To decide to acquire shares of the Company for employee stock ownership plan and share option incentives, to use the shares for conversion into convertible corporate bonds issued by the Company or to maintain corporate value and shareholders' interests as the Company deems necessary;</u></p> <p><u>(19)</u> To exercise any other powers conferred by the shareholders in general meetings.</p> <p>Except for the resolutions of the Board in respect of the matters specified in clauses (6), (7), (11), (12), and (14) <u>and (18)</u> of the preceding Article which shall be passed by two-thirds or more of the Directors, the resolutions of the Directors in respect of all other matters may be passed by more than one half of the Directors.</p> <p>...</p>

Original articles	Amended articles
	<p><u>New Article 136.</u> <u>The Board of the Company shall establish four special committees, such as the strategic and investment committee, audit committee, nomination committee and remuneration committee. Each special committee shall be accountable to the Board and perform the duties prescribed by the Articles of Association and the Board. Any proposals of the audit committee shall be submitted to the Board for consideration and approval. All members of the special committees shall be directors, among which, the majority of the members of the audit committee, the nomination committee and the remuneration committee shall be independent directors who also convene the meeting of such committees. The convener of the audit committee shall be an accounting professional. The Board is responsible for formulating working rules, to standardize the operation of the special committees.</u></p>
<p>Article 164. The supervisory committee shall be composed of 6 supervisors, one of whom shall be the chairman of the supervisory committee. The terms of office of a supervisor shall be 3 years. The election, appointment or removal of the chairman of the supervisory committee shall be determined by the affirmative votes of two thirds or more of the members of the supervisory committee.</p>	<p>Article 1654. The supervisory committee shall be composed of 3-56 supervisors, one of whom shall be the chairman of the supervisory committee. The terms of office of a supervisor shall be 3 years. The election, appointment or removal of the chairman of the supervisory committee shall be determined by the affirmative votes of two thirds or more of the members of the supervisory committee.</p>
<p>Article 165. Members of the supervisory committee shall include 4 representatives of the shareholders and 2 representatives of the employees of the Company. The representatives of shareholders shall be elected and removed by the general meeting of shareholders. The representative of employees shall be elected and removed by the employees.</p>	<p>Article 1665. Members of the supervisory committee shall include 4 representatives of the shareholders and 2 representatives of the employees of the Company, <u>provided that the proportion of the representatives of employees of the Company shall be not less than one third.</u> The representatives of shareholders shall be elected and removed by the general meeting of shareholders. The representative of employees shall be elected and removed by the employees.</p>

Original articles	Amended articles
<p>Article 178. ...</p> <p>A person holding other duties other than directorship in any entity of the Company's controlling shareholders and de facto controllers shall not hold the office of a Senior Management of the Company.</p>	<p>Article 1798. ...</p> <p>A person holding an <u>administrative post</u> other duties other than directorship <u>and Supervisors</u> in any entity of the Company's controlling shareholders and de facto controllers shall not hold the office of a Senior Management of the Company.</p>
<p>Article 181.</p> <p>In addition to the obligations stipulated by the laws, administrative regulations or the Listing Rules, a person holding other duties other than directorship in any entity of the Company's controlling shareholders and de facto controllers shall not hold the office of a Senior Management of the Company. The Directors, supervisors, the general managers or other Senior Management of the Company shall, in the exercise of the functions and powers of the Company entrusted to them, be obligated to bear the following duties towards each shareholder:</p> <p>...</p>	<p>Article 1821.</p> <p>In addition to the obligations stipulated by the laws, administrative regulations or the Listing Rules, a person holding other duties other than directorship in any entity of the Company's controlling shareholders and de facto controllers shall not hold the office of a Senior Management of the Company. <u>The</u> the Directors, supervisors, the general managers or other Senior Management of the Company shall, in the exercise of the functions and powers of the Company entrusted to them, be obligated to bear the following duties towards each shareholder:</p> <p>...</p>

Original articles	Amended articles
<p data-bbox="236 210 842 412">Article 189. Any Directors, supervisors, general managers and other Senior Management of the Company who are in breach of laws, administrative regulations, departmental rules or the provisions of the Articles of Association in carrying the duties to the Company and thereby causing losses to the Company, shall bear the responsibility for compensation.</p> <p data-bbox="236 452 842 582">Any Directors, supervisors, general managers and other Senior Management whose terms of office are not yet expired shall bear the responsibility for compensating the losses to the Company caused by their desertion of duties.</p>	<p data-bbox="858 210 1433 654">Article 19089. Any Directors, supervisors, general managers and other Senior Management of the Company who <u>assist and connive at the appropriation of the company assets by the controlling shareholders and their related parties or</u> are in breach of laws, administrative regulations, departmental rules or the provisions of the Articles of Association in carrying the duties to the Company and thereby causing losses to the Company, shall bear the responsibility for compensation. <u>The Board or the Supervisory Committee may, according to the seriousness of the circumstance, impose punishments on the person with direct responsibilities, and propose to remove a Director or Supervisor with significant responsibilities at a general meeting.</u></p> <p data-bbox="858 694 1433 824">Any Directors, supervisors, general managers and other Senior Management whose terms of office are not yet expired shall bear the responsibility for compensating the losses to the Company caused by their desertion of duties.</p>

Original articles	Amended articles
<p>Article 216. The Company’s profit distribution policy is as follows: ...</p> <p>(5) 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.</p>	<p>Article 217. The Company’s profit distribution policy is as follows: ...</p> <p>(5) 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.</p> <p>(6) <u>The Board of the Company shall, taking into consideration factors such as industry characteristics, the Company’s development stage, business operation model, profitability level and whether there are significant capital expenditure arrangements, develop differentiated cash dividend policies to be applicable in the following different situations in accordance with the Articles of Association:</u></p>

Original articles	Amended articles
	<p data-bbox="906 210 1417 376"><u>(i) Where the Company is at a sophisticated stage of development and has no significant capital expenditure arrangements, the cash dividend payout ratio in the profit distribution shall reach a minimum of 80%;</u></p> <p data-bbox="906 416 1417 582"><u>(ii) Where the Company is at a sophisticated stage of development and has any significant capital expenditure arrangement, the cash dividend payout ratio in the profit distribution shall reach a minimum of 40%;</u></p> <p data-bbox="906 622 1417 788"><u>(iii) Where the Company is at a growth stage of development and has any significant capital expenditure arrangement, the cash dividend payout ratio in the profit distribution shall reach a minimum of 20%;</u></p> <p data-bbox="865 828 1433 963"><u>Where the Company's development stage is difficult to be defined but the Company has any significant capital expenditure arrangement, the preceding provisions may still be followed.</u></p>

Other than the adjustments to the numbering of certain articles based on the amendments, other contents in the Articles of Association remain unchanged.

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

(2) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR BOARD MEETINGS

The Company proposes to, subject to the approval by the Shareholders at the EGM, amend the Rules of Procedures for Board Meetings. The proposed amendments to the Rules of Procedures for Board Meetings are as follows:

Original articles	Amended articles
<p>Article 2. The Company shall establish its Board. The Board shall comprise 11 Directors, with one chairman and 1 vice chairman. ...</p>	<p>Article 2. The Company shall establish its Board. The Board shall comprise <u>9 to 11</u> Directors, with one chairman and 1 vice chairman. ...</p>
<p>Article 4. The Directors shall be elected at general meetings, with a term of office of 3 years. At the expiry of a Director's term of office, the term is renewable upon re-election, but any Independent Director cannot serve as the Company's Independent Director for a consecutive period of over 6 years.</p>	<p>Article 4. The Directors shall be elected at general meetings, <u>and a Director shall be removed from his office by the general meeting prior to the expiry of his term of office. The term of office of a Director shall be 3</u> years. At the expiry of a Director's term of office, the term is renewable upon re-election, but any Independent Director cannot serve as the Company's Independent Director for a consecutive period of over 6 years.</p>

Original articles	Amended articles
<p>Article 12. The Board of Directors shall be accountable to the general meeting and shall exercise the following functions and powers:</p> <p>...</p> <p>(18) To exercise any other powers conferred by the shareholders in general meetings.</p> <p>Except for the resolutions of the Board in respect of the matters specified in clauses (6), (7), (11), (12) and (14) of the preceding Article which shall be passed by two-thirds or more of the Directors, the resolutions of the Directors in respect of all other matters may be passed by more than one half of the Directors.</p> <p>...</p>	<p>Article 12. The Board of Directors shall be accountable to the general meeting and shall exercise the following functions and powers:</p> <p>...</p> <p><u>(18) To decide to acquire shares of the Company for employee stock ownership plan and share option incentives, to use the shares for conversion into convertible corporate bonds issued by the Company or to maintain corporate value and shareholders' interests as the Company deems necessary;</u></p> <p><u>(19)</u> To exercise any other powers conferred by the shareholders in general meetings.</p> <p>Except for the resolutions of the Board in respect of the matters specified in clauses (6), (7), (11), (12), (14) and (18) of the preceding Article which shall be passed by two-thirds or more of the Directors, the resolutions of the Directors in respect of all other matters may be passed by more than one half of the Directors.</p> <p>...</p>

Other contents in the Rules of Procedures for Board Meetings remain unchanged.

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

(3) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR SHAREHOLDERS' MEETINGS

The Company proposes to, subject to the approval by the Shareholders at the EGM, amend the Rules of Procedures for Shareholders' Meetings. The proposed amendments to the Rules of Procedures for Shareholders' Meetings are as follows:

Original articles	Amended articles
<p>Article 10. The Company shall convene general meetings either at its domicile or at such other venue as specified by the Board. General meetings will set meeting venue and be convened by way of on-site meetings. The Company shall also set a web network or other ways to facilitate shareholders to participate in general meetings when necessary. Shareholders who attend a meeting by the said means are deemed to be present at such meeting.</p>	<p>Article 10. The Company shall convene general meetings either at its domicile or at such other venue as specified by the Board. General meetings will set meeting venue and be convened by way of on-site meetings. The Company shall also set an online voting method web network or other ways to facilitate shareholders to participate in general meetings when necessary. Shareholders who attend a meeting by the said means are deemed to be present at such meeting.</p>
<p>Article 19. The notice of a general meeting shall meet the following requirements: ... (11) Where a general meeting is held online or by other such means, the notice shall expressly state the time and the procedures of the voting online or by other such means.</p>	<p>Article 19. The notice of a general meeting shall meet the following requirements: ... (11) Where a general meeting adopts online voting is held online or by other such means, the notice shall expressly state the time and the procedures of the online voting voting online or by other such means.</p>

Original articles	Amended articles
<p>Article 23. Once the notice of a general meeting is issued, the meeting shall not be postponed or cancelled and resolutions contained in the notice shall not be withdrawn without proper reasons. In the event of postponement or cancellation, the convener shall make announcement to state the reasons at least 2 working days prior to the original date of the meeting.</p>	<p>Article 23. <u>The time and venue of on-site meetings shall be convenient for shareholders' participation.</u> Once the notice of a general meeting is issued, the meeting shall not be postponed or cancelled, and resolutions contained in the notice shall not be withdrawn <u>and the venue of an on-site meeting shall not be altered</u> without proper reasons. In the event of postponement, <u>or cancellation or alteration</u>, the convener shall make announcement to state the reasons at least 2 working days prior to the original date of the meeting.</p>
<p>Article 47. Subject to ensuring the legitimacy and effectiveness of the general meeting, the Company shall provide convenience to the shareholders to attend the general meeting through various methods and ways, including modern information technologies such as providing network voting platform, etc.</p> <p>Voting in general meetings through web network or other ways shall not start earlier than 3:00 pm the day before the on-site meeting, nor shall it be later than 9:30 am on the day of on-site meeting and voting shall not conclude earlier than 3:00 pm on the day which the onsite meeting ends.</p>	<p>Article 47. Subject to ensuring the legitimacy and effectiveness of the general meeting, the Company shall provide convenience to the shareholders to attend the general meeting through various methods and ways, including modern information technologies such as providing network voting platform, etc.</p> <p>Voting in general meetings through web network or other ways shall not start earlier than 3:00 pm the day before the on-site meeting, nor shall it be later than 9:30 am on the day of on-site meeting and voting shall not conclude earlier than 3:00 pm on the day which the onsite meeting ends.</p>
<p>Article 50. ...</p> <p>The same voting right shall only be exercised by one of the voting means including on-site, via internet or by other means. In the event that the same voting right has been exercised repeatedly, the results of the first voting shall prevail.</p>	<p>Article 50. ...</p> <p>The same voting right shall only be exercised by one of the voting means including on-site <u>or via online voting</u>, via internet or by other means. In the event that the same voting right has been exercised repeatedly, the results of the first voting shall prevail.</p>

Original articles	Amended articles
<p>Article 52. ... Shareholders of the Company or his proxy who vote via the internet or by other means are entitled to check and inspect their voting results through the relevant voting system.</p> <p>The on-site general meeting shall not end earlier than those held by online means or other means. Prior to the formal announcement of the voting results, the related parties involved in the on-site general meeting, online and other means of voting, such as the listed company, vote counters, scrutineers, major shareholders and network service provider, shall undertake the obligations of confidentiality for the voting results.</p>	<p>Article 52. ... Shareholders of the Company or his proxy who vote via the internet or by other means are entitled to check and inspect their voting results through the relevant voting system.</p> <p>The on-site general meeting shall not end earlier than those held by online means or other means. Prior to the formal announcement of the voting results, the related parties involved in the on-site general meeting, online <u>online voting</u> and other means of voting, such as the listed company, vote counters, scrutineers, major shareholders and network service provider, shall undertake the obligations of confidentiality for the voting results.</p>

Saved as disclosed above, other contents in the Rules of Procedures for Shareholders' Meetings of the Company remain unchanged.

The English version of the proposed amendments to the Rules of Procedures for Shareholders' Meetings of the Company is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

(4) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR SUPERVISORY COMMITTEE

The Resolution in relation to Amendment to the Rules of Procedures for Supervisory Committee of the Company was considered and approved at the fourth meeting of the eighth session of the Supervisory Committee of the Company.

The Company proposes to, subject to the approval by the Shareholders at the EGM, amend the Rules of Procedures for Supervisory Committee.

The proposed amendments to the Rules of Procedures for Supervisory Committee are as follows:

Original articles	Amended articles
<p>Article 4. The Company shall have a supervisory committee. The supervisory committee shall be composed of 6 supervisors, one of whom shall be the chairman of the supervisory committee. The terms of office of a supervisor shall be 3 years, and the term is renewable upon re-election. The appointment or removal of the chairman of the supervisory committee shall be determined by the affirmative votes of two thirds or more of the members of the supervisory committee.</p>	<p>Article 4. The Company shall have a supervisory committee. The supervisory committee shall be composed of 6 3 to 5 supervisors, one of whom shall be the chairman of the supervisory committee. The terms of office of a supervisor shall be 3 years, and the term is renewable upon re-election. The appointment or removal of the chairman of the supervisory committee shall be determined by the affirmative votes of two thirds or more of the members of the supervisory committee.</p>
<p>Article 5. Members of the supervisory committee shall include 4 representatives of the shareholders and 2 representatives of the employees of the Company. The representatives of shareholders shall be elected and removed by the general meeting of shareholders. The representative of employees shall be elected and removed by the employees.</p>	<p>Article 5. Members of the supervisory committee shall include 4 representatives of the shareholders and 2 representatives of the employees of the Company, <u>provided that the proportion of the representatives of employees of the Company shall be not less than one third.</u> The representatives of shareholders shall be elected and removed by the general meeting of shareholders. The representative of employees shall be elected and removed by the employees.</p>

Saved as disclosed above, other contents in the Rules of Procedures for Supervisory Committee of the Company remain unchanged.

The English version of the proposed amendments to the Rules of Procedures for Supervisory Committee of the Company is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

EGM

The EGM will be held for the purposes of, among other things, seeking the Shareholders' approval on (1) the proposed amendments to the Articles of Association, (2) the proposed amendments to the Rules of Procedures for Board Meetings, (3) the proposed amendments to the Rules of Procedures for Shareholders' Meetings; and (4) the proposed amendments to the Rules of Procedures for Supervisory Committee. At the EGM, voting on the proposed special resolutions and ordinary resolutions will be conducted by way of poll.

GENERAL

A circular containing, among other things, details of (1) the proposed amendments to the Articles of Association, (2) the proposed amendments to the Rules of Procedures for Board Meetings, (3) the proposed amendments to the Rules of Procedures for Shareholders' Meetings; and (4) the proposed amendments to the Rules of Procedures for Supervisory Committee 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:

“Articles of Association”	Articles of Association of the Company, as amended from time to time;
“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 proposed amendments to the Articles of Association, (2) the proposed amendments to the Rules of Procedures for Board Meetings, (3) the proposed amendments to the Rules of Procedures for Shareholders’ Meetings, and (4) the proposed amendments to the Rules of Procedures for Supervisory Committee;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“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;
“Rules of Procedures for Board Meetings”	the Rules of Procedures for Board Meetings of the Company, as amended from time to time;
“Rules or Procedures for Shareholders’ Meetings”	the Rules of Procedures for Shareholders’ Meetings of the Company, as amended from time to time;

“Rules or Procedures for Supervisory Committee”	the Rules of Procedures for Supervisory Committee of the Company, as amended from time to time;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; 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 2019

As at the date of this announcement, the Board comprises Mr. Li Xiaoyu (Chairman), Mr. Cai Jibo (vice Chairman) and Mr. Liu Jiguo as executive Directors; Mr. Li Hepeng, Mr. Xie Donggang 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*