



FIRST TRACTOR COMPANY LIMITED

第一拖拉機股份有限公司

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

(Stock Code: 0038)

RESULTS OF THE EXTRAORDINARY GENERAL MEETING HELD ON 28 OCTOBER 2004

The Board is pleased to announce that four ordinary resolutions regarding the Continuing Connected Transactions and the New Caps, the resignation and appointment of Directors and a special resolution regarding the proposed amendments to the Articles of Association were duly passed by way of poll at the EGM held on 28 October 2004.

Reference is made to the circular of First Tractor Company Limited (the "Company") dated 9 September 2004 (the "Circular") in relation to the Continuing Connected Transactions, non-compliance with the Listing Rules, proposed amendments to the Articles of Association and resignation and appointment of Directors. Unless the context otherwise requires, terms used herein shall have the same meanings as defined in the Circular.

The Board is pleased to announce that at the EGM held on 28 October 2004, poll voting was demanded by the Chairman of the EGM in relation to the proposed resolutions as set out in the notice of EGM dated 9 September 2004.

Luoyang Zhong Hua Certified Public Accountants, certified public accountants in the PRC, was appointed as the scrutineer for the vote-taking of the poll of the EGM. All of the resolutions were duly passed and the poll results were as follows:

Ordinary Resolutions	Number of Votes (%)	
	For	Against
(A) "THAT the terms and conditions of the Yituo Supply Agreements, the Import and Export Agency Agreement and the First Tractor Supply Agreement, a copy of which the above has been produced to the EGM marked "A" and signed by the chairman of the meeting for the purpose of identification and the New Caps in relation to the Continuing Connected Transactions, be and are hereby approved, ratified and confirmed."	54,982,200* (100%)	Nil* (0%)
(B) "That the Directors authorised for and on behalf of the Company, among other matters, to sign, execute, perfect, deliver or to authorise signing, executing, perfecting and delivering all such documents and deeds be hereby approved, ratified and confirmed, and the Directors be and are hereby authorised to do or authorise doing all such acts, matters and things as they may in their discretion consider necessary, expedient or desirable to give effect to and implement the Continuing Connected Transactions and the New Caps pursuant to the Yituo Supply Agreements, the Import and Export Agency Agreement and the First Tractor Supply Agreement and to waive compliance from or make and agree such variations of a non-material nature to any of the terms of any of the Yituo Supply Agreements, the Import and Export Agency Agreement and the First Tractor Supply Agreement as they may in their discretion consider to be desirable and in the interest of the Company."	54,982,200* (100%)	Nil* (0%)
(C) "That the resignation of Mr. Dong Yong An (董永安) and Mr. Huang Yan Zhao (黃延召) as executive directors of the Company be hereby approved."	504,982,200 (100%)	Nil (0%)
(D) "That the appointment of Mr. Li You Ji (李有吉) and Mr. Zhao Fei (趙飛) as executive directors of the Company with a term of office ended on 30 June 2006 which is the same as that of the 3rd Board of Directors of the Company be hereby approved."	504,982,200 (100%)	Nil (0%)
Special Resolution	Number of Votes (%)	
(E) "That the proposed amendments to the Articles of Association be hereby approved."	504,982,200 (100%)	Nil (0%)

* Based on the total number of Shares held by the Independent Shareholders who voted at the EGM in person or by proxy.

As at the date of the EGM, there was a total number of 785,000,000 Shares in issue and the total number of Shares held by the Independent Shareholders who were entitled to attend and vote for or against the resolutions (A) and (B) at the EGM was 335,000,000 Shares. There is no restriction on the Independent Shareholders to cast vote on the resolutions (A) and (B) at the EGM.

In view of China Yituo's interest in the Continuing Connected Transactions, China Yituo together with its associates (as defined in the Listing Rules) in relation to the Continuing Connected Transactions, holding 450,000,000 Shares abstained from voting at the aforesaid resolutions (A) and (B) at the EGM. No shareholder is required to abstain from voting to approve the aforesaid resolutions (C), (D) and (E) at the EGM.

RESIGNATION AND APPOINTMENT OF DIRECTORS

With regards to resolution (C) duly passed at the EGM, the Board hereby announces that the executive Directors, Mr. Dong Yong An (董永安) and Mr. Huang Yan Zhao (黃延召), tendered their resignation from their office of executive Directors because of personal reasons with the resignation taking effect from 28 October 2004. Both Mr. Dong Yong An (董永安) and Mr. Huang Yan Zhao (黃延召) confirmed that they had no disagreement with the Board and they were not aware of any matters which needed to be drawn to the attention of the Shareholders.

With regards to resolution (D) duly passed at the EGM, the Board hereby announces that Mr. Zhao Fei (趙飛) and Mr. Li You Ji (李有吉) have been appointed as the executive Directors taking effect from 28 October 2004. Details of the new Directors are set out as follows:

(A) Zhao Fei (趙飛)

Mr. Zhao Fei (趙飛), aged 41, is currently the factory manager of the forging plant of the Company. He joined China Yituo in 1982 and had served the posts of division head, assistant factory manager and factory manager. He has experience in enterprise management and production operation. He obtained his certificate in engineering management and also obtained his bachelor degree in engineering and master's degree in engineering management at Jiang Su University. He holds the title of Senior Engineer.

Mr. Zhao Fei (趙飛) has not held other directorships in any listed public companies in the last three years. Save that he is the executive Director, he is not otherwise related to any directors, senior management, substantial or controlling shareholders of the Company.

As at the date of this announcement, Mr. Zhao Fei (趙飛) is not interested in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

The Company has entered into a service contract with Mr. Zhao Fei (趙飛) for a period commencing from 28 October 2004 to 30 June 2006 ("Term of Service"). The aggregate emolument Mr. Zhao Fei (趙飛) entitled to for his Term of Service shall not exceed RMB117,082. The emolument is based on the position of an executive Director and is in line with that payable by the Company to other executive Directors.

Details of the aggregate emoluments are as follows:

Terms of Service	Amount of salary	Amount of bonus
28 October 2004 to 30 June 2005 ("First Year")	RMB29,655 (Note 1)	shall not exceed RMB14,827 (Note 2)
1 July 2005 to 30 June 2006	RMB48,400	shall not exceed RMB24,200
Total	RMB78,055	shall not exceed RMB39,027
Aggregate emolument	RMB117,082	

The amount of annual salary and bonus will be increased by 10% each year during his Term of Service.

Note 1: The amount of annual salary for the First Year shall be RMB44,000. As the service period of Mr. Zhao Fei (趙飛) in the First Year will be less than a year, his salary receivable for the First Year will be calculated according to the actual number of days served.

Note 2: Mr. Zhao Fei (趙飛) is entitled to a bonus payment each year upon completion of one year service. As the service period of Mr. Zhao Fei (趙飛) in the First Year will be less than a year, the bonus receivable for the First Year will be calculated according to the actual number of days served.

Save as disclosed herein, the Board is not aware of any other matters which need to be brought to the attention of the Shareholders.

(B) Li You Ji (李有吉)

Mr. Li You Ji (李有吉), aged 41, is currently the general manager of YIET. He joined China Yituo in 1983 and had served the post of deputy general manager. He has experience in international trade and international market development. He specialized at the design and production of tractors at Agricultural University in the PRC and agricultural machinery at Ji Lin University. He obtained his bachelor and master's degrees in engineering. In 2001, he spent a year conducting research at City University, London, United Kingdom as visiting fellow. He holds the title of Senior Engineer.

Mr. Li You Ji (李有吉) has not held other directorships in any listed public companies in the last three years. Save that he is the executive Director, he is not otherwise related to any directors, senior management, substantial or controlling shareholders of the Company.

As at the date of this announcement, Mr. Li You Ji (李有吉) is not interested in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

The Company has entered into a service contract with Mr. Li You Ji (李有吉) for a period commencing from 28 October 2004 to 30 June 2006 ("Term of Service"). The aggregate emolument Mr. Li You Ji (李有吉) entitled to for his Term of Service shall not exceed RMB117,082. The emolument is based on the position of an executive Director and is in line with that payable by the Company to other executive Directors.

Details of the aggregate emoluments are as follows:

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Total	RMB78,055	shall not exceed RMB39,027
Aggregate emolument	RMB117,082	

The amount of annual salary and bonus will be increased by 10% each year during his Term of Service.

Note 1: The amount of annual salary for the First Year shall be RMB44,000. As the service period of Mr. Li You Ji (李有吉) in the First Year will be less than a year, his salary receivable for the First Year will be calculated according to the actual number of days served.

Note 2: Mr. Li You Ji (李有吉) is entitled to a bonus payment each year upon completion of one year service. As the service period of Mr. Li You Ji (李有吉) in the First Year will be less than a year, the bonus receivable for the First Year will be calculated according to the actual number of days served.

Save as disclosed herein, the Board is not aware of any other matters which need to be brought to the attention of the Shareholders.

The Board takes this opportunity to express its warm welcome to Mr. Zhao Fei (趙飛) and Mr. Li You Ji (李有吉) and thank Mr. Dong Yong An (董永安) and Mr. Huang Yan Zhao (黃延召) for their contributions to the Company.

By Order of the Board
First Tractor Company Limited
Zhang Guo Long
Company Secretary

Luoyang, Henan Province, the PRC, 28 October 2004

As at the date of this announcement, the Board comprises ten executive Directors, namely Mr. Liu Da Gong (Chairman), Mr. Liu Wen Ying, Mr. Shao Hai Chen, Mr. Li Teng Jiao, Mr. Zhao Yan Shui, Mr. Zhang Jing, Mr. Liu Shuang Cheng, Mr. Yan Lin Jiao, Mr. Zhao Fei and Mr. Li You Ji and four independent non-executive Directors, namely Mr. Lu Zhong Min, Mr. Tao Xiang, Mr. Chen Zhi and Mr. Chan Sau Shan, Gary.