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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 NON-PUBLIC ISSUANCE OF NEW A SHARES;**
- (2) CONNECTED TRANSACTION – PROPOSED SUBSCRIPTION OF A SHARES BY YTO GROUP CORPORATION;**
- (3) APPLICATION FOR WHITEWASH WAIVER; AND**
- (4) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION**

- (1) DELAY IN DESPATCH OF CIRCULAR;**
- (2) WITHDRAWAL OF CERTAIN PROPOSED RESOLUTIONS AT THE GENERAL MEETING;**
- (3) CANCELLATION OF CLASS MEETINGS; AND**
- (4) SUPPLEMENTAL INFORMATION**

References are made to (a) the announcement of First Tractor Company Limited* (the “**Company**”) dated 23 April 2020 (the “**First Announcement**”) in relation to, among other things, the proposed non-public issuance of A Shares by the Company, the A Shares subscription agreement entered into between the Company and YTO Group Corporation, the related proposed application for a Whitewash Waiver from the Executive of the SFC, and the proposed amendments to the Articles of Association, (b) a subsequent announcement issued by the Company on 8 May 2020 in relation to the above, and (c) the notices of the General Meeting and the Class Meeting for holders of H Shares issued by the Company on 28 April 2020.

Unless otherwise defined in this announcement, capitalized terms used in this announcement shall have the same meanings as those defined in the First Announcement.

DELAY IN DESPATCH OF CIRCULAR

In the First Announcement, it was mentioned that a circular containing, among other things, (i) further information of the Proposed A Shares Issue, the Specific Mandate, and the Whitewash Waiver; (ii) a letter from the Independent Board Committee and a letter of advice from the Independent Financial Adviser; and (iii) the notices of the General Meeting and the Class Meeting for holders of H Shares (the “**Circular**”) was expected to be despatched to the Shareholders on or before 14 May 2020 (that is, within 21 days of the date of the First Announcement, as is normally required under Rule 8.2 of the Takeovers Code).

As additional time is required to prepare and finalise certain information to be contained in the Circular, including but not limited to the letter from the Independent Board Committee, the letter of advice from the Independent Financial Adviser and the property valuation report, the Company has applied to the Executive for its consent to extend the time limit under Rule 8.2 of the Takeovers Code and to extend the latest time for the despatch of the Circular from 14 May 2020 to a date on or before 13 July 2020. The Executive has indicated that it is minded to grant such consent.

Further announcement will be made when the Circular is despatched.

WITHDRAWAL OF CERTAIN PROPOSED RESOLUTIONS AT THE GENERAL MEETING AND CANCELLATION OF CLASS MEETINGS

The following resolutions will not be put forward for consideration and approval by the Shareholders at the General Meeting to be held at 2:15 p.m. on 15 June 2020 (Monday):

No.	Resolutions
ORDINARY RESOLUTIONS	
6.	To consider and approve the resolution in relation to the Company’s compliance with the conditions of the proposed non-public issuance of a total of 137,795,275 new A Shares of the Company to YTO Group Corporation pursuant to a subscription agreement dated 23 April 2020 and entered into between the Company and YTO Group Corporation (the “ Proposed A Shares Issue ”).
7.	To consider and approve the resolution in relation to the dilution of current return as a result of the Proposed A Shares Issue and the adoption of remedial measures.
8.	To consider and approve the resolution in relation to undertakings by the controlling shareholder, actual controller, directors and senior management of the Company to the implementation of the remedial measures.
9.	To consider and approve the resolution in relation to the shareholders’ return plan for the next three years of the Company.

No.	Resolutions
10.	To consider and approve the resolution that the Company is not required to prepare the report on the use of the previous proceeds.
SPECIAL RESOLUTIONS	
2.	<p>To consider and approve the resolution in relation to the plan for the Proposed A Share Issue:</p> <p>(i) Class and par value of A Shares to be issued;</p> <p>(ii) Method and time of issue;</p> <p>(iii) Target subscriber and method of subscription;</p> <p>(iv) Pricing Benchmark Date, issue price and pricing principles;</p> <p>(v) Number of A Shares to be issued;</p> <p>(vi) Amount and use of proceeds;</p> <p>(vii) Lock-up period;</p> <p>(viii) Place of listing;</p> <p>(ix) Distribution of retained profit; and</p> <p>(x) Validity period of the resolution.</p>
3.	To consider and approve the resolution in relation to the proposal for the Proposed A Shares Issue.
4.	To consider and approve the resolution in relation to the feasibility analysis report on the use of proceeds from the Proposed A Shares Issue.
5.	To consider and approve the resolution in relation to the subscription of A Shares under the Proposed A Shares Issue which constitutes connected transaction of the Company.
6.	To consider and approve the resolution in relation to the conditional A Share Subscription Agreement entered into between the Company and YTO Group Corporation on 23 April 2020.
7.	To consider and approve the resolution in relation to the Specific Mandate to the Board to deal with matters related to Proposed A Shares Issue.
8.	To consider and approve the resolution in relation to the application for the Whitewash Waiver.
9.	To consider and approve the resolution in relation to the application of the waiver in respect of the general offer obligation over the A Shares by YTO Group Corporation to be triggered as a result of the Proposed A Shares Issue under the relevant laws and regulations in the PRC.

As additional time is required to prepare and finalise certain information to be contained in the Circular which is unlikely to be ready for despatch 15 days before the date of the General Meeting and the Class Meetings (as required under the laws of the PRC), the Company has resolved not to propose the resolutions in relation to the Proposed A Shares Issue for the Shareholders' consideration and approval at the General Meeting and to cancel the Class Meetings.

The relevant resolutions in respect of the Proposed A Shares Issue will be submitted separately for Shareholders' consideration and approval at the general meeting and the class meetings to be held by the Company on another occasion. The Company will make separate announcement for the date of such general meeting and class meetings and will dispatch relevant notices and circular containing updated information to the Shareholders in accordance with the Listing Rules and the Takeovers Code in due course.

Except for the abovementioned resolutions, all other resolutions and matters proposed at the General Meeting shall remain unchanged and will be proposed for consideration and approval by the Shareholders at the General Meeting as scheduled.

The abovementioned resolutions as set out in the proxy form for the General Meeting are no longer applicable and will not be put forward for consideration and approval by the Shareholders at the General Meeting. For those Shareholders who have lodged the proxy form for the General Meeting with the H Shares registrar of the Company, such proxy form is still valid except that no poll will be taken or vote counted for the abovementioned resolutions. The proxy form for the H Shares Class Meeting will be deemed invalid due to cancellation of the Class Meetings.

The Company's register of members for the H Shares will remain closed from 16 May 2020 to 14 June 2020 (both days inclusive) during which no transfer of Shares will be registered in order to determine the list of Shareholders for attending the General Meeting.

SUPPLEMENTAL INFORMATION ON EFFECT OF SHAREHOLDING STRUCTURE OF THE COMPANY

The Company would like to supplement and clarify the information relating to the effect of the Proposed A Shares Issue on the shareholding structure of the Company.

The following revised table sets out the shareholding structure of the Company (i) as at the date of the First Announcement and the date of this announcement; and (ii) immediately after the completion of the Proposed A Shares Issue (assuming there will be no other change in the number of issued shares in the Company or other change in holding of shares in the Company):

	As at the date of the First Announcement and the date of this announcement		Immediately after completion of the Proposed A Shares Issue	
	Number of Shares held	Approximate percentage of the total number of Shares in issue	Number of Shares held	Approximate percentage of the total number of Shares in issue
<i>A Shares:</i>				
YTO Group Corporation	410,690,578	41.66%	548,485,853	48.81%
Public Shareholders	183,219,422	18.58%	183,219,422	16.31%
Subtotal	593,910,000	60.24%	731,705,275	65.12%
<i>H Shares:</i>				
YTO Group Corporation	0	0	0	0
Public Shareholders	391,940,000	39.76%	391,940,000	34.88%
Subtotal	391,940,000	39.76%	391,940,000	34.88%
<i>Total Issued Shares:</i>				
YTO Group Corporation	410,690,578	41.66%	548,485,853	48.81%
Public Shareholders	575,159,422	58.34%	575,159,422	51.19%
	985,850,000	100%	1,123,645,275	100%

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Luoyang, the PRC
14 May 2020

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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

* *For identification purposes only*