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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)

**SUPPLEMENTAL ANNOUNCEMENT  
IN RELATION TO**

- (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**

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, (b) an overseas regulatory announcement dated 23 April 2020 in relation to the proposal for the Proposed A Shares Issue (the “**Proposal**”), (c) the announcement dated 14 May 2020 (the “**Delay Announcement**”) in relation to, among other things, the delay in dispatch of circular, (d) the notices of the General Meeting (the “**EGM Notice**”) and the Class Meeting for holders of H Shares (the “**Class Meeting Notice**”, and together with the EGM Notice, the “**Notices**”) issued by the Company on 5 June 2020; and (e) the supplemental notices of the General Meeting (the “**Supplemental EGM Notice**”) and the Class Meeting for holders of H Shares (the “**Supplemental Class Meeting Notice**”, and together with the Supplemental EGM Notice, the “**Supplemental Notices**”) issued by the Company on 8 July 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.

The Company wishes to inform its Shareholders that, in order to facilitate the smooth implementation of the Proposed A Shares Issue, on 7 July 2020, the Board has considered and approved the cancellation of resolutions in relation to the automatic extension to the validity period of the resolutions regarding the Proposed A Shares Issue. On 7 July 2020, the Board has also received from YTO Group Corporation, as a Shareholder holding more than 3% of the Company's Shares, a provisional proposal for introducing new resolutions reflecting the removal of the automatic extension to the validity period of the resolutions regarding the Proposed A Shares Issue. The revised Proposal has also updated the relevant financial information as of 31 March 2020. Details of the amendments are set out in the overseas regulatory announcement published by the Company on 7 July 2020. A full revised Proposal has also been published on 7 July 2020 by way of an overseas regulatory announcement.

The "revised plan" mentioned in the new resolutions as set out in paragraphs 1 and 2 below and the "revised proposal" mentioned in the new resolution as set out in paragraph 3 below refer to the revised plan for the Proposed A Shares Issue adopted by the Board on 7 July 2020 and the revised Proposal dated 7 July 2020, respectively.

As a result of the above-mentioned cancellation and introduction of resolutions, the Company intends to revise the Notices in the following manner:

1. By deleting special resolution No. 1 of the EGM Notice and adding the following as new special resolution No. 9:

'To consider and approve the resolution in relation to the revised plan for the Proposed A Shares Issue:

**"THAT** each of the following items in relation to the revised plan for the Proposed A Shares Issue be and is hereby approved, confirmed and ratified, and be implemented conditional upon approvals and/or authorisations having been obtained from the relevant authorities:

- (i) Class and par value of A Shares to be issued;
- (ii) Method and time of issue;
- (iii) Target subscriber and method of subscription;
- (iv) Pricing Benchmark Date, issue price and pricing principles;
- (v) Number of A Shares to be issued;
- (vi) Amount and use of proceeds;
- (vii) Lock-up period;

- (viii) Place of listing;
- (ix) Distribution of retained profit; and
- (x) Validity period of the resolution.” ’

2. By deleting special resolution No. 1 of the Class Meeting Notice and adding the following as new special resolution No. 6:

‘To consider and approve the resolution in relation to the revised plan for the proposed non-public issuance of a total of 137,795,275 A Shares of the Company to YTO Group Corporation (the “**Proposed A Shares Issue**”):

“**THAT** each of the following items in relation to the revised plan for the Proposed A Shares Issue be and is hereby approved, confirmed and ratified, and be implemented conditional upon approvals and/or authorisations having been obtained from the relevant authorities:

- (i) Class and par value of A Shares to be issued;
- (ii) Method and time of issue;
- (iii) Target subscriber and method of subscription;
- (iv) Pricing Benchmark Date, issue price and pricing principles;
- (v) Number of A Shares to be issued;
- (vi) Amount and use of proceeds;
- (vii) Lock-up period;
- (viii) Place of listing;
- (ix) Distribution of retained profit; and
- (x) Validity period of the resolution.” ’

3. By deleting special resolution No. 2 of each of the EGM Notice and the Class Meeting Notice and adding the following as new special resolution No. 10 of the EGM Notice and new special resolution No. 7 of the Class Meeting Notice respectively:

“To consider and approve the resolution in relation to the revised proposal dated 7 July 2020 for the Proposed A Shares Issue.”

4. By deleting special resolution No. 3 of the EGM Notice and adding the following as new special resolution No. 11:

“To consider and approve the resolution in relation to the revised feasibility analysis report on the use of proceeds from the Proposed A Shares Issue.”

5. By deleting special resolution No. 6 of the EGM Notice and special resolution No. 5 of the Class Meeting Notice and adding the following as new special resolution No. 12 of the EGM Notice and new special resolution No. 8 of the Class Meeting Notice respectively:

“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:

“**THAT** the Board be and is hereby granted a specific mandate to exercise powers of the Company to allot and issue 137,795,275 A Shares pursuant to the Proposed A Shares Issue to YTO Group Corporation at an issue price of RMB5.08 per A Share, and the Board be and is hereby authorised to do all acts and matters and sign, execute or deliver such documents (including the affixation of the common seal of the Company thereon) and take all such steps as the Board in its opinion deem necessary, desirable or expedient to implement or give effect to the Specific Mandate, where the scope of authorisation includes but is not limited to:

- (i) formulating and implementing the specific plan for the Proposed A Shares Issue according to the specific circumstances, and determining the target subscriber, issue price, number of A Shares to be issued, time of issue, starting and ending date of the issue, termination of the issue, method of subscription, subscription ratio and all other matters related to the Proposed A Shares Issue in accordance with the resolutions passed at the EGM;
- (ii) preparing and filing the application documents in relation to the Proposed A Shares Issue in accordance with the requirements of the China Securities Regulatory Commission (“**CSRC**”), and responding to the relevant questions, revising and supplementing the application documents based on the feedback from the CSRC’s audit department and the Issuance Examination Committee;

- (iii) handling matters relating to the establishment of special deposit account for raised funds;
- (iv) preparing, revising, supplementing, signing, submitting, reporting and executing all agreements and documents relating to the Proposed A Shares Issue in accordance with the relevant provisions of national laws, regulations and regulatory documents and resolutions of the EGM;
- (v) adjusting the specific arrangements for the use of proceeds within the scope of the resolutions of the EGM;
- (vi) adjusting the specific plan and matters relating to the Proposed A Shares Issue if laws, regulations, regulatory documents and CSRC's policy on non-public issuance of shares, or the market conditions have changed, except for matters that require new resolutions of the EGM under the relevant laws, regulations and Articles of the Company;
- (vii) after completion of the Proposed A Shares Issue, handling matters relating to registration, lock-up and listing of the A Shares issued under the Proposed A Shares Issue in the Shanghai Stock Exchange and China Securities Depository and Clearing Co., Ltd. Shanghai Branch;
- (viii) amending the relevant provisions in the Articles of the Company to reflect the Company's new total share capital and share capital structure after the completion of the Proposed A Shares Issue in accordance with the situation of the Proposed A Shares Issue, reporting to the relevant governmental departments and supervision institutions for approval, and completing the procedure relating to the change in industrial and commercial registration;
- (ix) delegating to the chairman of the Board or other persons authorised by him to decide, handle and process all of the abovementioned matters relating to the Proposed A Shares Issue; and
- (x) handling other specific matters relating to the Proposed A Shares Issue except for those matters that require new resolutions of the EGM under the relevant laws, regulations and Articles of the Company, including but not limited to amending, supplementing and signing all agreements and documents related to the Proposed A Shares Issue.

The above authorisation shall be effective for 12 months from the date of the passing of the resolution at the EGM.””

6. By deleting note 1 of the EGM Notice in its entirety and replacing it with the following:

“As set out in the announcement of the Company dated 23 April 2020: (a) it is one of the conditions precedent for the A Shares Subscription Agreement to take effect that Special Resolutions No. 5, No. 9, No. 10 and No. 12 above are passed by at least two-thirds of the votes cast on a poll by the Independent Shareholders (as defined in the said announcement) present either in person or by proxy at the EGM; (b) it is one of the conditions precedent for the A Shares Subscription Agreement to take effect that Special Resolution No. 7 above is passed by at least 75% of the votes cast on a poll by the Independent Shareholders present either in person or by proxy at the EGM; and (c) it is one of the conditions precedent for the A Shares Subscription Agreement to take effect that Special Resolution No. 8 above is passed by at least two-thirds of the votes cast on a poll by the Independent Shareholders present either in person or by proxy at the EGM.”

7. By deleting note 1 of the Class Meeting Notice in its entirety and replacing it with the following:

“As set out in the announcement of the Company dated 23 April 2020, it is one of the conditions precedent for the A Shares Subscription Agreement to take effect that Special Resolutions No. 4, No. 6, No. 7 and No. 8 above are passed by at least two-thirds of the votes cast on a poll by the Independent Shareholders (as defined in the said announcement) present either in person or by proxy at the EGM.”

8. By deleting note 4 of the EGM Notice in its entirety and replacing it with the following:

“Shareholders can appoint a proxy by an instrument in writing (i.e. by using the revised proxy form which is issued by the Company on 8 July 2020). The said proxy form shall be signed by the person appointing the proxy or an attorney authorized by such person in writing. If the said proxy form is signed by an attorney, the power of attorney or other documents of authorization shall be notarially certified. To be valid, the revised proxy form and the notarially certified power of attorney or other documents of authorization must be delivered to the Company’s registered address at No. 154 Jianshe Road, Luoyang, Henan Province, the PRC (for A Shareholders), or the Company’s H Shares registrar, Hong Kong Registrars Limited at 17M Floor Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for H Shareholders) in not less than 24 hours before the time scheduled for the holding of the EGM or any adjournment thereof.”

9. By deleting note 4 of the Class Meeting Notice in its entirety and replacing it with the following:

“Shareholders can appoint a proxy by an instrument in writing (i.e. by using the revised proxy form which is issued by the Company on 8 July 2020). The said proxy form shall be signed by the person appointing the proxy or an attorney authorized by such person in writing. If the said proxy form is signed by an attorney, the power of attorney or other documents of authorization shall be notarially certified. To be valid, the revised proxy form and the notarially certified power of attorney or other documents of authorization must be delivered to the H Shares registrar of the Company, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong in not less than 24 hours before the time scheduled for the holding of the Class Meeting or any adjournment thereof.”

The Company will issue Supplemental Notices to set out the above changes.

As confirmed by the PRC legal counsel, the issue of the Supplemental Notices will not result in the postponement of the General Meeting and the Class Meetings which are scheduled to be held on 24 July 2020.

Shareholders should note that the proxy forms issued together with the Notices on 5 June 2020 (the “**Original Proxy Forms**”) will be revoked and the purported proxy so appointed or to be appointed (if applicable) by the Original Proxy Forms will not be counted in any poll which will be taken on a proposed resolution. Accordingly, Shareholders are requested to complete the revised proxy forms which are issued by the Company on 8 July 2020 and lodge the same in accordance with the instructions printed thereon.

As mentioned in the Delay Announcement, 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 Supplemental Notices (the “**Circular**”) is expected to be despatched to the Shareholders on or around 8 July 2020.

**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  
7 July 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 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*