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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)

## **ANNOUNCEMENT IN RELATION TO THE APPROVAL OBTAINED FROM THE CSRC FOR THE PROPOSED A SHARE ISSUE**

References are made to (i) the announcements of First Tractor Company Limited\* (the “**Company**”) dated 24 April 2020, 8 May 2020, 14 May 2020, 28 May 2020, 12 June 2020, 7 July 2020, respectively; (ii) the circular of the Company dated 8 July 2020 (the “**Circular**”); (iii) the poll results announcement of the Company dated 26 July 2020; and (iv) the announcements of the Company dated 27 August 2020, 10 September 2020 and 23 November 2020, in relation to, among other things, the Proposed A Share Issue, the A Shares Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver. Unless otherwise specified, capitalized terms used herein have the same meanings as ascribed to them in the Circular.

On 16 December 2020, the Company received the “Approval in relation to the Non-public Issuance of Shares by First Tractor Company Limited” (Zheng Jian Xu Ke [2020] No. 3379(《關於核准第一拖拉機股份有限公司非公開發行股票的批覆》(證監許可) [2020] 3379號)) (the “**Approval**”) issued by the CSRC. Details of the Approval are as follows:

1. The Company’s non-public issuance of not more than 137,795,275 new A Shares has been approved. In the event where there are changes to the total share capital resulting from conversion of capital reserve, the number of Share to be issued under the Proposed A Share Issue may be adjusted accordingly.
2. The Proposed A Share Issue shall be implemented strictly in accordance with the application documents submitted to the CSRC by the Company.

3. The Approval shall be valid for 12 months from the date of approval.
4. In the event that any material event happens to the Company during the period from the date of the approval to completion of the Proposed A Share Issue, the Company shall promptly report to the CSRC and handle it in accordance with the relevant requirements.

The Board shall handle the matters relating to the Proposed A Share Issue within the prescribed time limit in accordance with the relevant laws and regulations, the requirements of the Approval and the authorization obtained at the General Meeting, and shall fulfil the information disclosure obligation in a timely manner.

**The Proposed A Share Issue has not been completed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional adviser if they are in any doubt about their position and as to actions they should take.**

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

Luoyang, the PRC  
17 December 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