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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)

## **DISCLOSEABLE TRANSACTION**

### **SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS**

On 26 December 2018, the Company and Bank of Pingdingshan entered into the Wealth Management Product No. 24 Agreement, pursuant to which the Company shall subscribe for the Wealth Management Product No. 24 from Bank of Pingdingshan in cash at RMB100,000,000 (equivalent to approximately HK\$113,658,320). On the same day, the Company and Bank of Pingdingshan entered into the Wealth Management Product No. 25 Agreement, pursuant to which the Company shall subscribe for the Wealth Management Product No. 25 from Bank of Pingdingshan in cash at RMB150,000,000 (equivalent to approximately HK\$170,487,481).

The transactions contemplated under the Wealth Management Product No. 24 Agreement and the Wealth Management Product No. 25 Agreement require aggregation under Rule 14.22 of the Listing Rules. As the applicable percentage ratios are more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under the Listing Rules. Accordingly, the Subscription is subject to the reporting and announcement requirements only but exempt from the shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

The Board hereby announces that on 26 December 2018, the Company and Bank of Pingdingshan entered into the Wealth Management Product No. 24 Agreement, pursuant to which the Company shall subscribe for the Wealth Management Product No. 24 from Bank of Pingdingshan in cash at RMB100,000,000 (equivalent to approximately HK\$113,658,320). On the same day, the Company and Bank of Pingdingshan entered into the Wealth Management Product No. 25 Agreement, pursuant to which the Company shall subscribe for the Wealth Management Product No. 25 from Bank of Pingdingshan in cash at RMB150,000,000 (equivalent to approximately HK\$170,487,481).

## **THE WEALTH MANAGEMENT PRODUCT NO. 24 AGREEMENT**

Set out below is a brief summary of the principal terms of the Wealth Management Product No. 24 Agreement:

### **Date of the Wealth Management Product No. 24 Agreement**

26 December 2018

### **Subscription Date**

27 December 2018

### **Parties**

- (a) The Company; and
- (b) Bank of Pingdingshan.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, Bank of Pingdingshan and its ultimate beneficial owners are all third parties independent of the Company and its connected persons.

### **Name of the Wealth Management Product**

“Golden Phoenix Wealth Management of Bank of Pingdingshan – ‘Yingcheng Wealth’ Institution-exclusive 2018 24th RMB-denominated Wealth Management Product (平頂山銀行金鳳凰理財 – “鷹城財富”機構專屬2018年第24期人民幣理財產品)”

### **Type of Return**

Principal guaranteed with floating income

**Subscription Amount**

RMB100,000,000 (equivalent to approximately HK\$113,658,320)

**Term of Investment**

From 27 December 2018 to 10 January 2019

**Expected Maximum Rate of Investment Return per Annum**

3.85%

**THE WEALTH MANAGEMENT PRODUCT NO. 25 AGREEMENT**

Set out below is a brief summary of the principal terms of the Wealth Management Product No. 25 Agreement:

**Date of the Wealth Management Product No. 25 Agreement**

26 December 2018

**Subscription Date**

27 December 2018

**Parties**

- (a) The Company; and
- (b) Bank of Pingdingshan.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, Bank of Pingdingshan and its ultimate beneficial owners are all third parties independent of the Company and its connected persons.

**Name of the Wealth Management Product**

“Golden Phoenix Wealth Management of Bank of Pingdingshan – ‘Yingcheng Wealth’ Institution-exclusive 2018 25th RMB-denominated Wealth Management Product (平頂山銀行金鳳凰理財 – “鷹城財富”機構專屬2018年第25期人民幣理財產品)”

**Type of Return**

Principal guaranteed with floating income

## **Subscription Amount**

RMB150,000,000 (equivalent to approximately HK\$170,487,481)

## **Term of Investment**

From 27 December 2018 to 10 January 2019

## **Expected Maximum Rate of Investment Return per Annum**

3.85%

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

In order to enhance capital utilization efficiency and improve capital operating revenue, the Company reasonably uses its idle funds to purchase principal guaranteed short term wealth management products issued by financial institutions, without affecting its normal production and operation.

The Directors (including the independent non-executive Directors) consider that the terms of the Wealth Management Product Agreements are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **INFORMATION OF THE GROUP AND BANK OF PINGDINGSHAN**

The Group is principally engaged in the production and sales of agricultural machineries and power machineries. The principal products include tractors of hi-powered, mid-powered and low-powered, diesel engines and other tractor accessories.

Bank of Pingdingshan is a licensed bank incorporated under the laws of the PRC. Bank of Pingdingshan is principally engaged in the provision of banking and related financial services.

## **LISTING RULES IMPLICATIONS**

The transactions contemplated under the Wealth Management Product No. 24 Agreement and the Wealth Management Product No. 25 Agreement require aggregation under Rule 14.22 of the Listing Rules. As the applicable percentage ratios are more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under the Listing Rules. Accordingly, the Subscription is subject to the reporting and announcement requirements only but exempt from the shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Bank of Pingdingshan”	Bank of Pingdingshan Co., Ltd., a licensed bank incorporated under the laws of the PRC
“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 main board of the Stock Exchange (Stock Code: 0038) and the Shanghai Stock Exchange (Stock Code: 601038) respectively
“connected person(s)”	has the same meaning as ascribed to this term under the Listing Rules
“Directors”	the directors of the Company, including the independent non-executive directors
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio(s)”	has the same meaning as ascribed to this term under the Listing Rules, as applicable to a transaction
“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

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscriptions by the Company for the Wealth Management Product No. 24 and the Wealth Management Product No. 25 from Bank of Pingdingshan in accordance with the Wealth Management Product No. 24 Agreement and the Wealth Management Product No. 25 Agreement respectively
“Wealth Management Product Agreements”	the Wealth Management Product No. 24 Agreement and the Wealth Management Product No. 25 Agreement
“Wealth Management Product No. 24”	the “Golden Phoenix Wealth Management of Bank of Pingdingshan – ‘Yingcheng Wealth’ Institution-exclusive 2018 24th RMB-denominated Wealth Management Product (“平頂山銀行金鳳凰理財—“鷹城財富”機構專屬2018年第24期人民幣理財產品”)” issued by Bank of Pingdingshan and subscribed for by the Company in cash at RMB100,000,000 (equivalent to approximately HK\$113,658,320)
“Wealth Management Product No. 24 Agreement”	the wealth management product agreement entered into between the Company and Bank of Pingdingshan on 26 December 2018 in relation to the subscription of the Wealth Management Product No. 24
“Wealth Management Product No. 25”	the “Golden Phoenix Wealth Management of Bank of Pingdingshan – ‘Yingcheng Wealth’ Institution-exclusive 2018 25th RMB-denominated Wealth Management Product (“平頂山銀行金鳳凰理財—“鷹城財富”機構專屬2018年第25期人民幣理財產品”)” issued by Bank of Pingdingshan and subscribed for by the Company in cash at RMB150,000,000 (equivalent to approximately HK\$170,487,481)

“Wealth Management Product No. 25 Agreement” the wealth management product agreement entered into between the Company and Bank of Pingdingshan on 26 December 2018 in relation to the subscription of the Wealth Management Product No. 25

“%” per cent

*For the purpose of this announcement, the following exchange rate is used:  
RMB0.87983 = HK\$1.00*

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

Luoyang, the PRC  
26 December 2018

*As at the date of this announcement, the Board comprises Mr. Zhao Yanshui (Chairman), Mr. Wu Yong (vice Chairman) and Mr. Zhu Weijiang as executive Directors; Mr. Li Hepeng, Mr. Xie Donggang, Mr. Li Kai 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*