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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)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the extraordinary general meeting (the “**EGM**”) of First Tractor Company Limited (the “**Company**”) will be held at 2:15 p.m. on 24 July 2020 (Friday) at No. 154 Jianshe Road, Luoyang, Henan Province, the People’s Republic of China (the “**PRC**”) for the purpose of considering and, if thought fit, passing the following resolutions:

### ORDINARY RESOLUTIONS

1. 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**”).
2. 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.
3. 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.
4. To consider and approve the resolution in relation to the shareholders’ return plan for the next three years of the Company.
5. To consider and approve the resolution that the Company is not required to prepare the report on the use of the previous proceeds.

(For details of the above Ordinary Resolutions No. 1 to 5, please refer to the announcement of the Company dated 23 April 2020.)

6. To consider and approve the resolution in relation to the formulation of the Working Rules of Independent Directors.
7. To consider and approve the resolution in relation to the proposed amendments to the Decision Making Principles on Investments.

(For details of the above Ordinary Resolutions No. 6 to 7, please refer to the announcement of the Company dated 5 June 2020.)

### **SPECIAL RESOLUTIONS**

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

**“THAT**

each of the following items in relation to the 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. To consider and approve the resolution in relation to the proposal for the Proposed A Shares Issue.
3. To consider and approve the resolution in relation to the feasibility analysis report on the use of proceeds from the Proposed A Shares Issue.
4. 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.
5. 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:

**“THAT**

the A Shares Subscription Agreement entered into between the Company and YTO Group Corporation on 23 April 2020 (pursuant to which the Company has conditionally agreed to issue and YTO Group Corporation has agreed to subscribe for 137,795,275 A Shares under the Proposed A Shares Issue at a total subscription price of RMB700,000,000) and the transactions contemplated therein are hereby approved, confirmed and ratified.”

6. 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. If the Company obtains the CSRC's approval documents for the Proposed A Shares Issue within this period, the validity period of the above authorisation shall be automatically extended to the completion date of the Proposed A Shares Issue."

7. To consider and approve the resolution in relation to the application for the Whitewash Waiver:

**"THAT**

subject to the granting of a waiver by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate of such Executive Director pursuant to Note 1 on dispensations from Rule 26 of the Code on Takeovers and Mergers of Hong Kong of the obligation of YTO Group Corporation to make a general offer for all Shares and other equity share capital of the Company (other than those already owned or agreed to be acquired by YTO Group Corporation and its concert parties) as a result of the allotment and issue of A Shares under the A Shares Subscription Agreement (the "**Whitewash Waiver**"):

- (i) the Whitewash Waiver be and is hereby approved, confirmed and ratified; and
  - (ii) any one Director be and is hereby authorised to do all acts and matters and sign such documents (including the affixation of the common seal of the Company thereon) and take all such steps as the Director may in his or her opinion deem necessary, desirable or expedient to implement or give effect to the Whitewash Waiver."
8. 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.

(For details of the above Special Resolutions No. 1 to 8, please refer to the announcements of the Company dated 23 April 2020.)

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

Luoyang, the PRC  
5 June 2020

*As at the date of this notice, 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 notice and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this notice have been arrived at after due and careful consideration and there are no other facts not contained in this notice, the omission of which would make any statement in this notice misleading.*

*Notes:*

1. 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. 1, No. 2, No. 5 and No. 6 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.
2. The register of members of the Company will be temporarily closed from 24 June 2020 to 23 July 2020 (both days inclusive) during which no transfer of shares of the Company (the “Shares”) will be registered in order to determine the list of shareholders of the Company (the “Shareholders”) for attending the EGM. The last lodgment for the transfer of the H Shares of the Company should be made on 23 June 2020 at Hong Kong Registrars Limited by or before 4:30 p.m. The Shareholders or their proxies being registered before the close of business on 23 June 2020 are entitled to attend the EGM by presenting their identity documents. The address of Hong Kong Registrars Limited, the H Shares registrar of the Company, is Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
3. Each Shareholder having the rights to attend and vote at the EGM is entitled to appoint one or more proxies (whether a Shareholder or not) to attend and vote on his behalf. Should more than one proxy be appointed by one Shareholder, such proxy shall only exercise his voting rights on a poll.
4. Shareholders can appoint a proxy by an instrument in writing (i.e. by using the Proxy Form enclosed). The Proxy Form shall be signed by the person appointing the proxy or an attorney authorized by such person in writing. If the Proxy Form is signed by an attorney, the power of attorney or other documents of authorization shall be notarially certified. To be valid, the 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, or the Company’s H Shares registrar, 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 EGM or any adjournment thereof.

5. Shareholders who intend to attend the EGM are requested to deliver the duly completed and signed reply slip for attendance to the Company's registered and principal office in person, by post or by facsimile on or before 4:00 p.m., 3 July 2020.
6. Shareholders or their proxies shall present proofs of their identities upon attending the EGM.
7. The EGM is expected to last for less than one day. The Shareholders and proxies attending the EGM shall be responsible for their own travelling and accommodation expenses.
8. The Company's registered address:

No. 154 Jianshe Road, Luoyang, Henan Province, the PRC

Postal code: 471004

Telephone: (86379) 6496 7038

Facsimile: (86379) 6496 7438

Email: msc0038@ytogroup.com

\* *For identification purposes only*