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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)

## OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The announcement of First Tractor Company Limited\* 第一拖拉机股份有限公司 (the “**Company**”) in relation to the amendments to the 2020 proposal for non-public issuance of A shares which is published by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)), is reproduced herein for your reference.

This announcement was originally prepared in Chinese and the English version is for reference only. If there is any discrepancy between the English and Chinese version, the Chinese version shall prevail.

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 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 of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable inquiries, 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

**FIRST TRACTOR COMPANY LIMITED\***  
**ANNOUNCEMENT ON AMENDMENTS TO 2020 PROPOSAL FOR**  
**NON-PUBLIC ISSUANCE OF A SHARES**

**The board of directors and all directors of the Company warrant that the contents of this announcement do not contain any misrepresentation, misleading statement or material omission, and accept several and joint responsibilities for the truthfulness, accuracy and completeness of the contents of this announcement.**

The relevant resolutions for the non-public issuance of A Shares of First Tractor Company Limited\* (the “**Company**” or “**First Tractor**”) have been considered and approved at the 17<sup>th</sup> meeting of the eighth session of the board of directors of the Company.

According to the Administration Measures on Securities Issuance of Listed Companies and Implementation Rules for Non-public Issuance of A Shares by Listed Companies issued by the CSRC and other relevant requirements, the 19<sup>th</sup> meeting of the eighth board of directors of the Company was held on 7 July 2020 to amend the proposal for the non-public issuance of A Shares (the “**Proposal**”). Details of amendments to the proposal for the non-public issuance of A shares are set out as follows:

<b>Section of Proposal</b>	<b>Content of Section</b>	<b>Amendments</b>
Company’s Statement	Company’s Statement	Updated: Matters to be approved for the non-public issuance of A Shares
Special Reminders	Special Reminders	Updated: Matters to be approved for the non-public issuance of A Shares, Pricing Benchmark Date
Definition	“proposal”, “this proposal”	Updated as “the revised proposal for non-public issuance of A shares in 2020 of First Tractor Company Limited”
	“Pricing Benchmark Date”	Updated as “one day after the date on which the Board approved this non-public offering at the 17 <sup>th</sup> meeting of the 8 <sup>th</sup> session of the Board, being 24 April 2020”

<b>Section of Proposal</b>	<b>Content of Section</b>	<b>Amendments</b>
Section I Summary of the Non-public Issuance of A Shares Plan	“(II) The purpose of the non-public issuance” under “II. Background and purpose of this non-public issuance”	Updated: Estimated changes in gearing ratio and current ratio of the Company as of 31 March 2020 upon completion of the non-public issuance of A Shares.
	“(X) Validity period of resolution regarding the non-public issuance of A shares” under “IV. Summary of the non-public issuance plan”	The validity period of resolution is changed as “the resolution regarding the non-public issuance of A share shall be valid for 12 months from the date on which the resolution is approved by the general meeting of shareholders and class meeting of shareholders.”
	“VIII. Approval obtained for this issuance plan from the relevant competent authorities and procedures to be submitted for approval”	Added: The revised proposal for non-public issuance of A Shares of the Company has been considered and approved at the 19 <sup>th</sup> meeting of the eighth session of the board of directors of the Company, and the approval in principle issued by SINOMACH, the actual controller of the Company, regarding the proposal for non-public issuance of A Shares has been obtained.
Section II Basic Information of the Target Subscriber and Summary of the Conditional Share Subscription Agreement	“(IV) Key financial data” under “I. Basic information of YTO Group Corporation”	Added: The key financial data of YTO Group Corporation on a consolidated basis for January to March 2020
Section III Feasibility Analysis of the Board of Directors on the Use of Proceeds	“(II) Optimize the capital structure and improve the risk-resistance ability” under “II. Necessity analysis on the use of the proceeds”	Updated: Gearing ratio, current ratio and quick ratio between the peer companies and the Company as of 31 March 2020

<b>Section of Proposal</b>	<b>Content of Section</b>	<b>Amendments</b>
	“(III) Reduce financial expenses and improve financial stability” under “II. Necessity analysis on the use of the proceeds”	Updated: Major liabilities of the Company as of 31 March 2020.
	“(II) Impacts of the issuance on the financial condition of the Company” under “IV. Impacts of the issuance on the business operations and financial condition of the Company”	Updated: Estimated changes in gearing ratio of the Company as of 31 March 2020 upon completion of the non-public issuance of A Shares.
Section IV Discussion and Analysis of the Board of Directors on the Impact of the Issuance on the Company	“(I) Impact on financial condition of the Company” under “II. Changes in financial position, profitability and cash flows of the Company”	Updated: Estimated changes in gearing ratio of the Company as of 31 March 2020 upon completion of the non-public issuance of A Shares.
	“V. Effect of the Issuance on the debt structure of the Company”	Updated: Estimated changes in gearing ratio of the Company as of 31 March 2020 upon completion of the non-public issuance of A Shares.
	“(IV) Financial Risk” under “VI. Risks concerning the issuance”	Updated: Gearing ratio, revenue, net profit attributable to owners of parent company and net profit margin on sales of the Company as of 31 March 2020.

<b>Section of Proposal</b>	<b>Content of Section</b>	<b>Amendments</b>
Section V Profit Distribution Policy of the Company and its Implementation	“II. Profit distribution in the recent three years”	Added: The 2019 profit distribution of the Company which was considered and approved at the 2019 annual general meeting of the Company

Apart from the above adjustments, there are no material changes in other aspects in the Proposal.

Announcement is hereby given.

THE BOARD OF DIRECTORS OF FIRST TRACTOR COMPANY LIMITED\*  
8 July 2020