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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)

(1) RE-ELECTION AND ELECTION OF DIRECTORS AND SUPERVISORS;
(2) DIRECTORS' AND SUPERVISORS' REMUNERATIONS; AND
(3) AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES OF PROCEDURES OF BOARD OF DIRECTORS AND THE DECISION MAKING PRINCIPLES ON INVESTMENTS AND OPERATION

RE-ELECTION AND ELECTION OF DIRECTORS AND SUPERVISORS

The terms of the Eighth Session of the Board of Directors and the Supervisory Committee of the Company have expired. The Company has been informed that, among the members of the Eighth Session of Board of Directors, Mr. Li Xiaoyu (executive Director), Mr. Li Hepeng (non-executive Director), Mr. Xie Donggang (non-executive Director), Mr. Zhou Honghai (non-executive Director), Ms. Yang Minli (independent non-executive Director) and Ms. Wang Yuru (independent non-executive Director) will retire and will not stand for election as candidate Directors of the Ninth Session of the Board of Directors. Among the members of the Eighth Session of Supervisory Committee (save for the Staff Representative Supervisors), Mr. Tian Peng and Mr. Zhang Bin will retire and will not stand for election as candidate Supervisors of the Ninth Session of the Supervisory Committee. The other Directors and Supervisors of the Eighth Session of the Board of Directors and the Supervisory Committee (save for the Staff Representative Supervisors) have confirmed that they will offer themselves for re-election at the EGM of the Company.

In addition to the proposed re-election of Directors and Supervisors, the Board of Directors and the Supervisory Committee have respectively proposed the following new appointments to constitute the Ninth Session of the Board of Directors and the Supervisory Committee:

- (i) Mr. Zhang Zhiyu, Mr. Fang Xianfa and Mr. Ma Zhihui as the non-executive Directors;
- (ii) Mr. Wang Shumao and Mr. Xu Liyou as independent non-executive Directors;
and
- (iii) Ms. Gu Aiqin and Mr. Xiao Bin as the Supervisors.

DIRECTORS' AND SUPERVISORS' REMUNERATIONS

The re-election and election of Directors and Supervisors is expected to be completed upon obtaining the Shareholders' approval at the EGM. The remuneration committee under the Board has made recommendations in respect of the remunerations for the Directors of the Ninth Session of the Board of Directors and the Supervisors of the Ninth Session of the Supervisory Committee.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES OF PROCEDURE OF THE BOARD AND THE DECISION MAKING PRINCIPLES ON INVESTMENTS AND OPERATION

The amendments are principally subject to the Guidelines for Articles of Association of Listed Companies amended by the China Securities Regulatory Commission in 2022 and the relevant requirements for the reform of state-owned enterprises, aiming to further improve the standard operation level and decision-making efficiency of the Board of the Company.

EGM

The EGM will be held for the purposes of, among other things, seeking Shareholders' approval on (1) the appointment of the proposed Directors and Supervisors, (2) the Directors' and Supervisors' remunerations, and (3) the amendments to the Articles of Association, the Rules of Procedure of the Board of Directors and the Decision Making Principles on Investments and Operation.

GENERAL

A circular containing, among other things, details of (1) the re-election and election of Directors of the Ninth Session of the Board of Directors and the Supervisors of the Ninth Session of the Supervisory Committee; (2) the Directors' and Supervisors' remunerations; and (3) details of the amendments to the Articles of Association, the Rules of Procedure of the Board of Directors and the Decision Making Principles on Investments and Operation. The notice of the EGM will also be dispatched to the Shareholders as soon as practicable.

(1) RE-ELECTION AND ELECTION OF DIRECTORS AND SUPERVISORS

The terms of the Eighth Session of the Board of Directors and the Supervisory Committee of the Company have expired. The Company has been informed that, among the members of the Eighth Session of Board of Directors, Mr. Li Xiaoyu (executive Director), Mr. Li Hepeng (non-executive Director), Mr. Xie Donggang (non-executive Director), Mr. Zhou Honghai (non-executive Director), Ms. Yang Minli (independent non-executive Director) and Ms. Wang Yuru (independent non-executive Director) will retire and will not stand for election as candidate Directors of the Ninth Session of the Board of Directors. Among the members of the Eighth Session of Supervisory Committee (save for the Staff Representative Supervisors), Mr. Tian Peng and Mr. Zhang Bin will retire and will not stand for election as candidate Supervisors of the Ninth Session of the Supervisory Committee. The other Directors and Supervisors of the Eighth Session of the Board of Directors and the Supervisory Committee (save for the Staff Representative Supervisors) have confirmed that they will offer themselves for re-election at the EGM of the Company.

APPOINTMENT OF NEW DIRECTORS AND SUPERVISORS

In addition to the proposed re-election of Directors and Supervisors, the Board of Directors and the Supervisory Committee have respectively proposed the following new appointments to constitute the Ninth Session of the Board of Directors and the Supervisory Committee:

- (i) Mr. Zhang Zhiyu, Mr. Fang Xianfa and Mr. Ma Zhihui as the non-executive Directors;
- (ii) Mr. Wang Shumao and Mr. Xu Liyou as independent non-executive Director; and
- (iii) Ms. Gu Aiqin and Mr. Xiao Bin as the Supervisors.

BIOGRAPHIES OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AND APPOINTED AT THE EGM

Directors

Executive Director

Mr. Liu Jiguo, aged 58, is a professor-level senior engineer and currently serves as the executive Director, member of the Strategy and Investment Committee, General Manager of the Company, and Party Secretary, Deputy Party Secretary of YTO. Mr. Liu joined YTO in 1987, and served as the assistant to general manager, deputy general manager and Safety Director of YTO, and General Manager and Director of the Company. Mr. Liu graduated from Northeast Heavy Machinery College and Jiangsu University with a bachelor's degree in engineering and a master's degree in engineering. Mr. Liu has extensive experience in corporate management, production operation and financial operation.

Non-executive Directors

Mr. Zhang Zhiyu, aged 66, is a professor-level senior engineer and senior international business engineer, currently serves as the director of YTO, China Machinery Engineering Corporation and China Foma (Group) Co., Ltd. Mr. Zhang served as a deputy chief economist of China Jiangsu Machinery Equipment Import & Export Group Corporation* (中設江蘇機械設備進出口集團公司), the manager of Import and Export Branch and the general manager of SUMEC Trading Company* (江蘇蘇美達貿易公司), a deputy general manager of China Jiangsu Machinery Equipment Import & Export Group Corporation* (中設江蘇機械設備進出口集團公司), the director of Sinomach Automobile Co., Ltd.* (國機汽車股份有限公司) and China Hi-Tech Group Corporation* (中國恒天集團有限公司). Mr. Zhang studied at Hebei Institute of Mechano-Electric Engineering with a bachelor's degree in engineering. Mr. Zhang has extensive experience in machinery manufacturing, international trade and corporate management.

Mr. Fang Xianfa, aged 59, is the chief expert of Chinese Academy of Agricultural Mechanization Sciences* (中國農業機械化科學研究院) and received a special government allowance from the State Council. He is currently the vice president, chief engineer, researcher and doctoral tutor of Chinese Academy of Agricultural Mechanization Sciences* (中國農業機械化科學研究院) and the director of YTO. Mr. Fang served as the deputy chief engineer of Chinese Academy of Agricultural Mechanization Sciences* (中國農業機械化科學研究院). Mr. Fang studied at Beijing Institute of Agricultural Machinery and China Agricultural University with a doctorate degree in engineering. Mr. Fang has extensive experience in agricultural machinery, agricultural engineering and corporate management.

Mr. Ma Zhihui, aged 37, is an economist. He is currently serves as the secretary of the Party general branch, Chairman and General Manager of Luoyang State-owned Assets Management Co., Ltd. (洛陽市國資國有資產經營有限公司), and is also the director of YTO, the director and member of the Strategy Committee of the Board of Directors of Sinosteel Luonai Technology Company Limited* (中鋼洛耐科技股份有限公司) (a company to be listed on the Shanghai Stock Exchange's STAR Market), and the director of China Luoyang Float Glass Group Company Limited. Mr. Ma was formerly the head of Henan Senyuan Heavy Industry Co., Ltd. (河南森源重工有限公司) and the head of Corporate Management Department of Luoyang Guohong Investment Group Co., Ltd. (洛陽國宏投資集團有限公司). Mr. Ma studied at Zhengzhou University with a bachelor's degree in engineering and management. Mr. Ma has extensive experience in corporate restructuring and reorganization and corporate management.

Independent Non-executive Directors

Mr. Edmund Sit, aged 59, is a fellow of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom. In addition, Mr. Sit is also a member of Association of International Certified Financial Consultants, an associate member of Society of Chinese Accountants & Auditors and a member of Hong Kong Business Accountants Association. He currently serves as the independent non-executive Director, Chairman of the Audit Committee and the Remuneration Committee under the Board of the Company, the independent non-executive director of Baic Motor Corporation Limited* (1958.HK), the director of Alpcorp Ltd and Alpcorp Trading Services Ltd, the general manager of Chuanghui Consulting Co., Ltd. (創慧顧問諮詢公司) and Chuanghui Traditional Chinese Medicine Clinic (創慧中醫診所), and Principal Lecturer of the Association of International Certified Financial Consultants (特許金融策略師協會). He has over 30 years' experience in auditing, finance, management accounting, personnel management, corporate finance, company secretary and listing. In addition, Mr. Sit is also a member of Association of International Certified Financial Consultants and an associate

member of Society of Chinese Accountants & Auditors. He has over 30 years' experience in auditing, finance, management accounting, personnel management, corporate finance, company secretary and listing. Mr. Sit graduated from Hong Kong Baptist University and holds a bachelor's degree (merit) and master's degree of business administration. He has worked as senior management for KPMG, Ernst & Young, System Pro Uarco Business Forms Ltd, Logo S. A., Xiang Lu Industries Ltd, Chubb Hong Kong Ltd, Johnson Controls Hong Kong Ltd, C & C Joint Printing Co., (HK) Ltd and Sino Fame International Group (譽中國際集團). Mr. Sit had also worked for the following listed companies: Tianneng Power International Limited (819.HK), Beijing Media Corporation Limited (1000.HK), SMI Holdings Group Limited (198.HK), Wong's International Holdings Limited (99.HK) and Beijing Gas Blue Sky Holdings Limited (6828.HK and SGX UQ7).

Mr. Wang Shumao, aged 63, a professor and doctoral tutor of China Agricultural University. Mr. Wang is currently a director of Chinese Society for Agricultural Machinery, an expert of the Advisory Expert Group on Agricultural Mechanization Technology Innovation Strategy of the Ministry of Agriculture, an honorary director of Chinese Society for Agricultural Machinery Basic Technology Branch, a director of the Beijing Agricultural Engineering Association, a member of the Agricultural Machinery Appraisal and Testing Branch of Chinese Society for Agricultural Machinery, senior member of CMES and CIS, the member of American Society of Agricultural and Biological Engineers, Editorial Board Member of Foreign Electronic Measurement Technology (《國外電子測量技術》), etc. Mr. Wang studied in Beijing Agricultural Mechanization College and Beijing Agricultural Engineering University successively, and obtained a master's degree in engineering. He has been engaged in teaching and research in the field of intelligent agricultural equipment for over forty years. He has presided over a number of national scientific and technological support and key research and development projects, and won the title of "Top Ten Agricultural Machinery Teachers in China".

Mr. Xu Liyou, aged 48, is a professor and a doctoral tutor of Henan University of Science and Technology, and an excellent expert in Luoyang City. He is currently the dean of the School of Vehicle and Traffic Engineering of Henan University of Science and Technology and the director of the Research Center of Engineering Technology for Low-speed Electric Vehicles in Henan Province. Mr. Xu is also a director of Chinese Society for Automotive Engineering, vice director of Henan Society for Automotive Engineering, deputy chairman of Chinese Society for Agricultural Machinery Tractor Branch, deputy chairman of Chinese Society for Agricultural Machinery Ground Machine System Branch,

member of China Machinery Industry Education Association Vehicle Engineering Teaching Committee, Member of the Teaching Committee of Vehicle Engineering Discipline of Chinese Society for Agricultural Machinery, Chinese Society for Agricultural Machinery Material Processing Branch, and Youth Working Committee of Chinese Society for Agricultural Machinery. Mr. Xu graduated from Xi'an University of Technology with a doctorate degree in engineering. He is mainly engaged in the research and teaching of new vehicle transmission theory and control technology, vehicle performance analysis method and simulation technology, and low-speed electric vehicle transmission technology. He is an expert in the field of vehicle engineering, a high-level talent in Henan Province, and an academic and technical leader of the Education Department of Henan Province. He has won 1 first prize of Henan Province Science and Technology Progress Award, 4 second prizes of Henan Province Science and Technology Progress Award, 1 first prize of China Machinery Industry Science and Technology Award, and 1 second prize of China Machinery Industry Science and Technology Award.

Save as disclosed above, each of the above proposed Directors does not hold any position in the Company or any other members of the Company, nor did he hold any directorship in any other listed companies.

Length of service and emolument

If each of the above proposed Directors is appointed as a Director of the Company, he will enter into a service agreement with the Company for a term of office of three years from the date of the Shareholders' approval at the EGM and he will receive a remuneration in accordance with a remuneration proposal (please see below for details), which will be determined with reference to his duties and responsibilities with the Company and will be subject to the Shareholders' approval at the EGM.

Relationships

Save as disclosed above, each of the above proposed Directors has no relationship with any Directors, Supervisors or senior management of the Company or with any substantial Shareholders or controlling Shareholders of the Company.

Interests in Shares

Each of the above proposed Directors does not have any interest in the shares of the Company (within the meaning of Part XV of the SFO).

Matters that need to be brought to the attention of the Shareholders

In relation to the appointment of each of the above proposed Directors, there is no information which is disclosable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no matter which needs to be brought to the attention of the Shareholders.

BIOGRAPHIES OF THE SUPERVISORS PROPOSED TO BE REELECTED AND APPOINTED (SAVE FOR THE STAFF REPRESENTATIVE SUPERVISORS) AT THE EGM

Supervisors

Mr. Yang Yu, aged 46, is a senior engineer, currently serves as the chairman of the Supervisory Committee, a member of the Standing Committee of Party Committee of and the secretary of the Discipline Inspection Commission of YTO. Mr. Yang joined YTO in September 2021. He once served as the assistant to general manager and a member of the Discipline Inspection Commission of China National Electric Apparatus Research Institute Co., Ltd; and the secretary of the Discipline Inspection Commission and a member of the Party Committee of Guilin Electrical Equipment Scientific Research Institute Co., Ltd.. Mr. Yang once studied at Zhejiang University and holds a bachelor's degree in engineering. Mr. Yang has extensive experience in the fields such as corporate management, scientific research, discipline inspection and supervision, etc.

Ms. Gu Ai Qin, aged 43, is a senior political engineer, currently serves as the Director of the Work Department of the Party Committee and the vice chairman of the trade union of YTO. Ms. Gu joined YTO in 2003 and has served as the Secretary of the Youth League Committee of YTO, a member of the 17th Central Committee of the Communist Youth League, the secretary of the Party Committee, secretary of the Disciplinary Committee, chairman of the trade union and the deputy general manager of YTO (Luoyang) Flag Auto-Body Company Limited (一拖(洛陽)福萊格車身有限公司), and chief of the human resources department of YTO. Ms. Gu studied at Henan University and holds a bachelor's degree in literature. Ms. Gu has extensive experience in press and publicity, corporate management and human resources management.

Mr. Xiao Bin, aged 53, is a senior engineer, currently serves as the head of the production and operation department of the Company. Mr. Xiao joined YTO in 1989 and served as the deputy head and head of the production and operation department and the deputy head of the safety production and environmental protection department of the Company. Mr. Xiao studied at Henan University of Science and Technology. Mr. Xiao has extensive experience in production and procurement management.

Save as disclosed above, each of the above Supervisors does not hold any position in the Company or any other members of the Company, nor did he hold any directorship in any other listed companies in the last three years.

Length of service and emolument

If each of the above proposed Supervisors is appointed as a Supervisor of the Company, he will enter into a service agreement with the Company for a term of office of three years from the date of the Shareholders' approval at the EGM and he will receive a remuneration in accordance with a remuneration proposal (please see below for details), which will be determined with reference to his duties and responsibilities with the Company, and will be subject to the Shareholders' approval at the EGM.

Relationships

Save as disclosed above, each of the above proposed Supervisors has no relationship with any Directors, Supervisors or senior management of the Company or with any substantial Shareholders or controlling Shareholders of the Company.

Interests in Shares

So far as the Directors are aware as at the date hereof, each of the above proposed Supervisors does not have any interest in the shares of the Company (within the meaning of Part XV of the SFO). Matters that need to be brought to the attention of the Shareholders.

Matters that need to be brought to the attention of the Shareholders

In relation to the appointment of each of the above proposed Supervisors, there is no information which is disclosable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no matter which needs to be brought to the attention of the Shareholders.

The appointment of the above proposed Directors and Supervisors is subject to the approval by the Shareholders by adopting cumulative voting at the EGM. Ordinary resolutions in relation to the above proposed re-election of Mr. Liu Jiguo and Mr. Edmund Sit as executive Directors; the election and appointment of Mr. Zhang Zhiyu, Mr. Fang Xianfa and Mr. Ma Zhizheng as non-executive Directors; Mr. Wang Shumao and Mr. Xu Liyou as independent non-executive Directors; the re-election of Mr. Yang Yu as non staff representative Supervisors, and the election of Ms. Gu Aiqin and Mr. Xiao Bin as non staff representative Supervisors will be proposed to be approved by the Shareholders at the EGM.

Retirement of Directors and Supervisors

Upon approval of the above proposed appointment of Directors at the EGM, Mr. Li Xiaoyu (executive Director), Mr. Li Hepeng (non-executive Director), Mr. Xie Donggang (non-executive Director), Mr. Zhou Honghai (non-executive Director), Ms. Yang Minli (independent non-executive Director) and Ms. Wang Yuru (independent non-executive Director) will retire from the positions of Directors, effective from the date of the EGM.

Upon approval of the above proposed appointments of Supervisors at the EGM, Mr. Tian Peng and Mr. Zhang Bin will retire from the positions of Supervisors, effective from the date of the EGM.

To the best knowledge and belief of the Board and the Supervisory Committee, having made all reasonable inquiries regarding the retirement of Directors and Supervisors, the above retiring Directors and Supervisors have no disagreement with the Board and the Supervisory Committee and there is no matter that needs to be brought to the attention of the Shareholders.

(2) DIRECTORS' AND SUPERVISORS' REMUNERATIONS

The re-election and election of Directors and Supervisors is expected to be completed upon obtaining the Shareholders' approval at the EGM. The remuneration committee under the Board has made recommendations in respect of the remunerations for the Directors of the Ninth Session of the Board of Directors and the Supervisors of the Ninth Session of the Supervisory Committee.

Remunerations for the Directors of the Ninth Session of the Board of Directors and the Supervisors of the Ninth Session of the Supervisory Committee

Directors' Remunerations

Upon consideration by the Board, the proposed remunerations for the Directors of the Ninth Session of the Board of Directors are as follows:

- a. The remuneration for the executive Directors will be paid according to the relevant performance and remuneration management system for senior management of the Company. Their social insurances such as pension insurance, unemployment insurance and medical insurance as well as housing accumulation fund will be managed according to the relevant national regulations. In accordance with the rules of state-owned enterprises regarding the appointment and collection of remuneration of managements, Directors who hold positions in other units and receive remuneration will no longer receive remuneration from the Company:

- b. Non-executive Directors of the Company will not receive remuneration from the Company;
- c. The standard of remuneration for independent non-executive Directors is RMB80,000 per person for each year, which shall be paid on an average quarterly basis.
- d. Meeting allowances
 - i. non-executive Directors (including independent non-executive Directors) will be paid a meeting allowance of RMB2,000 for each time when they attend Board meetings in person;
 - ii. non-executive Directors (including independent non-executive Directors) will be paid a meeting allowance of RMB1,000 for each time when they attend Board special committee meetings and general meetings of the Company in person; and
 - iii. The above allowances are tax-deducted, among which, the involved personal income tax will be paid by the Company on its behalf in a uniform manner.

Supervisors' Remunerations

Upon consideration by the Board, the proposed remunerations for the Supervisors of the Ninth Session of the Supervisory Committee are as follows:

- a. The remuneration for the Supervisors working in the Company, will be paid according to their management position (whichever is higher) in the Company and will receive remuneration according to the relevant remuneration management system of the Company; and
- b. Supervisors employed by corporate shareholders will not receive remuneration from the Company.

(3) AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS AND DECISION MAKING PRINCIPLES ON INVESTMENTS AND OPERATION

The amendments are principally subject to the Guidelines for Articles of Association of Listed Companies amended by the China Securities Regulatory Commission in 2022 and the relevant requirements for the reform of state-owned enterprises, aiming to further improve the standard operation level and decision-making efficiency of the Board of the Company.

THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION ARE AS FOLLOWS:

Before the Amendment	After the Amendment
<p>Article 1 First Tractor Company Limited (hereafter as “this Company” or “the Company”) is a joint stock limited company incorporated in accordance with the Company Law of the People’s Republic of China(hereafter as the “Company Law”), the Special Provisions of the State Council concerning the Flotation and Listing Abroad of Shares by Joint Stock Company with Limited Liability(國務院關於股份有限公司境外募集股份及上市的特別規定) (hereafter the “Special Provisions”) and other relevant laws and administrative regulations of the People’s Republic of China (hereafter as the “PRC”). In order to comply with the Company Law, Special Provisions and Guidelines on Articles of Association of Listed Companies (as amended in 2019) (《上市公司章程指引》(2019年修訂)), the Company convened an extraordinary general meeting on 8 May 1997, an extraordinary general meeting on 18 November 2002, a general meeting on 28 October 2004, a Board meeting on 31 October 2007 (as authorized by the annual general</p>	<p>Article 1 First Tractor Company Limited (hereafter as “this Company” or “the Company”) is a joint stock limited company incorporated in accordance with the Company Law of the People’s Republic of China(hereafter as the “Company Law”), the Special Provisions of the State Council concerning the Flotation and Listing Abroad of Shares by Joint Stock Company with Limited Liability(國務院關於股份有限公司境外募集股份及上市的特別規定) (hereafter the “Special Provisions”) and other relevant laws and administrative regulations of the People’s Republic of China (hereafter as the “PRC”). In order to comply with the Company Law, Special Provisions and Guidelines on Articles of Association of Listed Companies (as amended in 2022) (《上市公司章程指引》(2022年修訂)), the Company convened an extraordinary general meeting on 8 May 1997, an extraordinary general meeting on 18 November 2002, a general meeting on 28 October 2004, a Board meeting on 31 October 2007 (as authorized by the annual general</p>

Before the Amendment	After the Amendment
<p>meeting on 15 June 2007), an extraordinary general meeting on 9 September 2008, the 2008 annual general meeting, an extraordinary general meeting on 16 August 2010, the extraordinary shareholders' general meeting held on 19 January 2012, the extraordinary shareholders' general meeting held on 6 March 2012, a Board meeting on 14 August 2012 (as authorized by the extraordinary general meeting on 15 August 2011), the 2013 annual general meeting, the extraordinary shareholders' general meeting held on 31 October 2014, the extraordinary shareholders' general meeting held on 29 October 2015, the extraordinary shareholders' general meeting held on 13 December 2016, a Board meeting on 26 May 2017 (as authorized by the annual general meeting of the Company on 27 May 2016), the extraordinary shareholders' general meeting on 28 August 2018, the extraordinary shareholders' general meeting on 29 November 2019 and the Board meeting on 1 March 2021(as authorized by the extraordinary shareholders' general meeting on 24 July 2020) and the annual general meeting on 8 June 2021, the extraordinary shareholders' general meeting on November 2, 2021 to amend its Articles of Association.</p>	<p>meeting on 15 June 2007), an extraordinary general meeting on 9 September 2008, the 2008 annual general meeting, an extraordinary general meeting on 16 August 2010, the extraordinary shareholders' general meeting held on 19 January 2012, the extraordinary shareholders' general meeting held on 6 March 2012, a Board meeting on 14 August 2012 (as authorized by the extraordinary general meeting on 15 August 2011), the 2013 annual general meeting, the extraordinary shareholders' general meeting held on 31 October 2014, the extraordinary shareholders' general meeting held on 29 October 2015, the extraordinary shareholders' general meeting held on 13 December 2016, a Board meeting on 26 May 2017 (as authorized by the annual general meeting of the Company on 27 May 2016), the extraordinary shareholders' general meeting on 28 August 2018, the extraordinary shareholders' general meeting on 29 November 2019 and the Board meeting on 1 March 2021(as authorized by the extraordinary shareholders' general meeting on 24 July 2020), the annual general meeting on 8 June 2021, the extraordinary shareholders' general meeting on November 2, 2021 and the extraordinary shareholders' general meeting on [•] [•] 2022 to amend its Articles of Association.</p>

Before the Amendment	After the Amendment
<p>Article 47 If the Directors, supervisors, general managers, other Senior Management of the Company and shareholders of more than 5% of the Company’s shares (except shareholders of H shares) sell their shares within six months from the date of acquisition, or make further acquisition within six months from the date of sale, the profits so generated shall belong to the Company and the Board of Directors of the Company will call back the gain so generated.</p>	<p>Article 47 If the Directors, supervisors, general managers, other Senior Management of the Company and shareholders of more than 5% of the Company’s shares (except shareholders of H shares) sell their shares <u>or other securities of equity nature</u> within six months from the date of acquisition, or make further acquisition within six months from the date of sale, the profits so generated shall belong to the Company and the Board of Directors of the Company will call back the gain so generated.</p>
<p>Article 73 The shareholders’ general meeting shall exercise the following functions and powers:</p> <p>.....</p> <p>(17) To consider and approve share option incentive scheme;</p> <p>.....</p>	<p>Article 73 The shareholders’ general meeting shall exercise the following functions and powers:</p> <p>.....</p> <p>(17) To consider and approve share option incentive scheme and <u>employee stock ownership plan</u>;</p> <p>.....</p>

Before the Amendment	After the Amendment
<p data-bbox="240 226 825 427">Article 128 The Company shall establish its Board and the Directors shall be natural persons. The Board shall comprise 9–11 Directors, with one chairman and 1 vice chairman.</p> <p data-bbox="240 479 825 1487">No less than half of the members of the Board shall be the external Directors (refer to Directors who do not take any positions in the Company). The external Directors shall have sufficient time and necessary knowledge and ability to perform their duties. The external Directors shall be provided with necessary information by the Company in performing their duties. The external Directors shall include the Independent Directors of not less than one-third of the total number of the Directors, and at least one of the Independent Directors must possess appropriate professional qualifications or accounting or related financial management expertise (Independent Directors shall mean the Directors who are independent of the shareholders of the Company and do not hold any internal positions in the Company and the same shall apply to the Articles below).</p>	<p data-bbox="847 226 1431 472">Article 128 The Company shall establish its Board and the Directors shall be natural persons. The Board shall comprise <u>7-9</u> Directors, with one chairman and <u>there may be 1 vice chairman according to actual needs</u>.</p> <p data-bbox="847 524 1431 1532">No less than half of the members of the Board shall be the external Directors (refer to Directors who do not take any positions in the Company). The external Directors shall have sufficient time and necessary knowledge and ability to perform their duties. The external Directors shall be provided with necessary information by the Company in performing their duties. The external Directors shall include the Independent Directors of not less than one-third of the total number of the Directors, and at least one of the Independent Directors must possess appropriate professional qualifications or accounting or related financial management expertise (Independent Directors shall mean the Directors who are independent of the shareholders of the Company and do not hold any internal positions in the Company and the same shall apply to the Articles below).</p>

Before the Amendment	After the Amendment
<p data-bbox="240 226 825 300">Article 164 The Company shall have a supervisory committee.</p> <p data-bbox="240 349 825 853">The supervisory committee is responsible for supervising the Board of Directors and its members, as well as the general manager, the deputy general manager and other senior officers to prevent them from abusing their powers, or infringing the legal interests of shareholders, the Company, and employees of the Company. The supervisors shall ensure that the information disclosed by the Company is true, accurate and complete.</p>	<p data-bbox="847 226 1431 300">Article 164 The Company shall have a supervisory committee.</p> <p data-bbox="847 349 1431 936">The supervisory committee is responsible for supervising the Board of Directors and its members, as well as the general manager, the deputy general manager and other senior officers to prevent them from abusing their powers, or infringing the legal interests of shareholders, the Company, and employees of the Company. The supervisors shall ensure that the information disclosed by the Company is true, accurate and complete, <u>and sign written confirmation opinions for regular reports.</u></p>

Before the Amendment	After the Amendment
<p>Article 211 After completion of the Company’s interim financial report and annual financial report, the Company shall complete the formalities and announcements in accordance with the relevant Chinese securities laws, regulations and the provisions formulated by the Stock Exchange where the Company’s shares are listed.</p> <p>Within 4 months from the date of the expiration of each fiscal year, an annual financial and accounting report shall be submitted to China Securities Regulatory Commission and the stock exchange(s) respectively. Within 2 months after the first 6 months of each fiscal year, an interim financial and accounting report shall be submitted to the agency of China Securities Regulatory Commission and the stock exchange(s) respectively. Within 1 month after the first 3 and 9 months of each fiscal year, a quarterly financial and accounting report shall be submitted to the agency of China Securities Regulatory Commission and the stock exchange(s) respectively.</p>	<p>Article 211 The Company’s <u>annual reports and interim reports</u> shall be <u>prepared</u> and published in accordance with the relevant Chinese securities laws, regulations and the provisions formulated by <u>China Securities Regulatory Commission</u> and the stock exchange where the Company’s shares are listed.</p> <p>Within 4 months from the date of the expiration of each fiscal year, an annual report shall be submitted to China Securities Regulatory Commission and the stock exchange(s) respectively <u>and disclosed</u>. Within 2 months after <u>the first half</u> of each fiscal year, an <u>interim</u> report shall be submitted to the agency of China Securities Regulatory Commission and the stock exchange(s) respectively <u>and disclosed</u>.</p>
<p>Article 226 ……</p> <p>The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the State with “qualifications to practise in securities related business” to audit the Company’s annual reports and review the Company’s other accounting reports.</p> <p>……</p>	<p>Article 226 ……</p> <p>The Company shall appoint an independent accounting firm which <u>is qualified under the regulations of the Securities Law</u> to audit the Company’s annual reports and review the Company’s other accounting reports.</p> <p>……</p>

THE AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS OF THE COMPANY ARE AS FOLLOWS:

Before the Amendment	After the Amendment
<p>Article 2 The Company shall establish its Board. The Board shall comprise 9–11 Directors, with one chairman and 1 vice chairman. No less than half of the members of the Board shall be the external Directors (refer to Directors who do not take any positions in the Company). The external Directors shall have sufficient time and necessary knowledge and ability to perform their duties. The external Directors shall be provided with necessary information by the Company in performing their duties. The external Directors shall include the Independent Directors of not less than one-third of the total number of the Directors, and at least one of the Independent Directors must possess appropriate professional qualifications or accounting or related financial management expertise (Independent Directors shall mean the Directors who are independent of the shareholders of the Company and do not hold any internal positions in the Company and the same shall apply to the Articles below).</p>	<p>Article 2 The Company shall establish its Board. The Board shall comprise <u>7-9</u> Directors, with one chairman and <u>there may be 1 vice chairman according to actual needs.</u> No less than half of the members of the Board shall be the external Directors (refer to Directors who do not take any positions in the Company). The external Directors shall have sufficient time and necessary knowledge and ability to perform their duties. The external Directors shall be provided with necessary information by the Company in performing their duties. The external Directors shall include the Independent Directors of not less than one-third of the total number of the Directors, and at least one of the Independent Directors must possess appropriate professional qualifications or accounting or related financial management expertise (Independent Directors shall mean the Directors who are independent of the shareholders of the Company and do not hold any internal positions in the Company and the same shall apply to the Articles below).</p>

Before the Amendment	After the Amendment
<p>Article 26 A Director shall attend Board meetings in person, Where a Director is unable to be present, he may appoint in writing other Director to attend the meeting on his behalf. The power of attorney shall set out:</p> <p>The Director who appoints other Directors to sign the written confirmation opinions for regular reports on his behalf shall make a special authorisation in the power of attorney.</p> <p>.....</p>	<p>Article 26 A Director shall attend Board meetings in person, Where a Director is unable to be present, he may appoint in writing other Director to attend the meeting on his behalf. The power of attorney shall set out:</p> <p><u>The directors shall sign written confirmation opinions for regular reports in accordance with law, shall not either entrust others to sign, or refuse to do so on account of having objection to the contents of the regular reports or disagreement with audit institutions.</u></p> <p>.....</p>

The amendments to the Decision Making Principles on Investments and Operation of the Company are as follows:

Before the Amendment	After the Amendment
<p>Article 11 Long-term equity investments refer to the investments conducted by the Company or its subsidiaries through means including injection of cash, creditor’s rights, tangible assets, intangible assets (including land use rights, etc.) or through equity interests for the purpose of acquiring equity interests of target enterprises, including newly established subsidiaries and capital contribution, merger and acquisition and other investments in equity interests.</p> <p>Long-term equity disposal involves external transfer, decreasing capital of or liquidating all or part of the equity interests in the investee companies, and decreasing capital of or liquidating subsidiaries of the Company.</p>	<p>Article 11 Long-term equity investments refer to the investments conducted by the Company or its subsidiaries through means including injection of cash, creditor’s rights, tangible assets, intangible assets (including land use rights, etc.) or through equity interests for the purpose of acquiring equity interests of target enterprises, including newly established subsidiaries and capital contribution, merger and acquisition and other investments in equity interests.</p> <p>Long-term equity disposal <u>refers to the disposal of equity held by a company and its affiliated enterprises, including equity transfer (including capital reductions), dissolution and liquidation, internal reorganisation (which refers to the transfer of equity and merger between companies and their affiliated enterprises for the purpose of optimising resource allocation and organisational restructuring).</u></p>

Before the Amendment	After the Amendment
<p data-bbox="240 219 825 331">Article 13 Approval Powers and Procedures of Decision Making on Long-term Equity Disposal</p> <ol data-bbox="240 371 825 1563" style="list-style-type: none"> <li data-bbox="240 371 825 712">1. A single long-term equity disposal of amount less than RMB15 million (the book value or appraised value, whichever is higher; or the net assets value for liquidation of enterprises, similarly hereinafter) shall be subject to the approval of general manager office; <li data-bbox="240 757 825 1173">2. A single long-term equity disposal of amount more than RMB15 million, with the accumulated amount for twelve consecutive months of not more than 50% of the latest audited net assets of the Company shall be submitted to the board for approval after being discussed and passed by the general manager office; <li data-bbox="240 1218 825 1563">3. Long-term equity disposal with an accumulated amount for twelve consecutive months of more than 50% of the latest audited net assets of the Company shall be submitted to the general meeting for consideration and approval after being discussed and passed by the board; 	<p data-bbox="847 219 1433 331">Article 13 Approval Powers and Procedures of Decision Making on Long-term Equity Disposal</p> <ol data-bbox="847 371 1433 2002" style="list-style-type: none"> <li data-bbox="847 371 1433 2002">1. <u>Equity transfer (including capital reduction)</u> <ol data-bbox="927 495 1433 2002" style="list-style-type: none"> <li data-bbox="927 495 1433 949">(1) <u>A proposed single equity disposal with net asset value or expected disposal price of less than RMB50 million (if the equity transfer involves the transfer of debts together, the calculation shall be based on the sum of equity interests plus debts, the same below) shall be subject to the approval of general manager office;</u> <li data-bbox="927 994 1433 1496">(2) <u>A proposed single equity disposal with net asset value or expected disposal price of over RMB50 million, with the accumulated amount for 12 consecutive months being less than 50% of the latest audited net assets of the Company, shall be submitted to the board for approval after being discussed and passed by the general manager office;</u> <li data-bbox="927 1541 1433 2002">(3) <u>A proposed equity disposal with the accumulated amount of net asset value or expected disposal price accounting for over 50% of the latest audited net assets for 12 consecutive months shall be submitted to the general meeting for consideration and approval after being discussed and passed by the board;</u>

Before the Amendment	After the Amendment
<p>4. Merger, separation and external investments in subsidiaries that would not result in changes of de facto control in the Company shall be subject to the approval of general manager office; external investments in subsidiaries that would result in changes of de facto control in the Company shall be submitted to the board for approval after being discussed and passed by the general manager office;</p> <p>5. Write-off of long-term equity interests shall be made in accordance with approval powers and procedures of decision making on assets write-off stated in these Principles.</p>	<p>(4) <u>If, as a result of an increase in the share capital of an investee, the Company or its subordinated enterprise does not participate in the increase in share capital, resulting in the loss of control, or if, although the equity transfer does not reach the above-mentioned amount, the Company still holds a shareholding in the investee after the transfer but loses control, the transfer shall be submitted to the board for approval after being discussed and passed by the general manager office, and submitted to the general meeting for approval in accordance with the relevant provisions of the Listing Rules if necessary.</u></p> <p>2. <u>Dissolution and liquidation</u></p> <p>(1) <u>If the net value of a single asset of an enterprise to be dissolved and liquidated held by the Company and its subsidiaries is less than RMB50 million, it shall be subject to the approval of general manager office;</u></p>

Before the Amendment	After the Amendment
	<p data-bbox="927 219 1433 790">(2) <u>If the net value of the assets of an enterprise to be dissolved and liquidated held by the Company and its subsidiaries is more than RMB50 million, and the accumulated asset value for 12 consecutive months is not more than 50% of the latest audited net assets, it shall be submitted to the board for approval after being discussed and passed by the general manager office;</u></p> <p data-bbox="927 835 1433 1368">(3) <u>If accumulated amount of asset value for 12 consecutive months of an enterprise to be dissolved and liquidated held by the Company and its subsidiaries is more than 50% of the latest audited net assets, it shall be submitted to the general meeting for consideration and approval after being discussed and passed by the board;</u></p>

Before the Amendment	After the Amendment
	<p data-bbox="847 219 1235 255">3. <u>Internal organisation</u></p> <p data-bbox="927 300 1434 1122">(1) <u>An organisation with net value (being the transaction value of the subject of the reorganisation to be adopted in the internal reorganisation process. Depending on the transaction method, the net value of the reorganisation may be the net book value of the owners' interest of the enterprise recognised in the latest year's audited financial report or the corresponding equity value as recognised after asset valuation, the same below) of less than RMB50 million shall be subject to the approval of general manager office;</u></p> <p data-bbox="927 1167 1434 1576">(2) <u>An organisation with net value of over RMB50 million, with the accumulated amount for 12 consecutive months being less than 50% of the latest audited net assets of the Company, shall be submitted to the board for approval after being discussed and passed by the general manager office;</u></p>

Before the Amendment	After the Amendment
	<p data-bbox="927 219 1433 622">(3) <u>An organisation with the accumulated amount of net value accounting for over 50% of the latest audited net assets for 12 consecutive months shall be submitted to the general meeting for consideration and approval after being discussed and passed by the board;</u></p> <p data-bbox="847 667 1433 907">4. <u>Write-off of long-term equity interests shall be made in accordance with approval powers and procedures of decision making on assets write-off stated in these Principles.</u></p>

Saved as the amendments mentioned above, other contents of the Articles of Association, the Rules of Procedure of the Board of Directors and the Decision Making Principles on Investments and Operation shall remain unchanged.

The amendments to the Articles of Association, the Rules of Procedure of the Board of Directors and the Decision Making Principles on Investments and Operation is subject to consideration and approval at the extraordinary general meeting.

(4) EGM

The EGM will be held for the purposes of, among other things, seeking Shareholders' approval on (1) the appointment of the proposed Directors and Supervisors, (2) the Directors' and Supervisors' remunerations, and (3) the amendments to the Articles of Association, the Rules of Procedure of the Board of Directors and the Decision Making Principles on Investments and Operation. At the EGM, voting on the proposed ordinary resolutions for the re-election and election of candidates for appointment as Directors and Supervisors, for the remuneration of Directors and Supervisors, amendments to the Rules of Procedure of the Board of Directors and the Decision Making Principles on Investments and Operation will be taken by poll. The special resolution will be proposed for the amendments to the Articles of Association.

(5) GENERAL

A circular containing, among other things, details of (1) the re-election and election of Directors of the Ninth Session of the Board of Directors and the Supervisors of the Ninth Session of the Supervisory Committee; (2) the Directors' and Supervisors' remunerations; and (3) details of the amendments to the Articles of Association, the Rules of Procedure of the Board of Directors and the Decision Making Principles on Investments and Operation. The notice of the EGM will also be dispatched to the Shareholders as soon as practicable.

(6) DEFINITIONS

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

“Articles” or “Articles of Association”	the Articles of Association of the Company;
“Board” or “Board of Directors”	the board of Directors of the Company;
“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 Stock Exchange (Stock Code: 0038) and the Shanghai Stock Exchange (Stock Code: 601038) respectively;
“Director(s)”	the director(s) of the Company, including the independent non-executive director(s);
“EGM”	the extraordinary general meeting of the Company to be convened for the purposes of considering and if thought fit, approving, among other things, (1) the appointment of the proposed Directors and Supervisors, and (2) the Directors' and Supervisors' remunerations and (3) the amendments to the Articles of Association, the Rules of Procedure of the Board of Directors and the Decision Making Principles on Investments and Operation;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“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;
“Rules of Procedures”	The Rules of Procedures for the Board of Directors of the Company
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supervisor(s)”	the supervisor(s) of the Company;
“Supervisory Committee”	the supervisory committee of the Company; and
“YTO”	YTO Group Corporation* (中國一拖集團有限公司), a limited liability company incorporated in the PRC, the controlling Shareholder of the Company, holding approximately 48.81% equity interest in the Company.

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

Luoyang, the PRC
3 March 2022

As at the date of this announcement, the Board comprises Mr. Li Xiaoyu (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.

* *For identification purposes only*