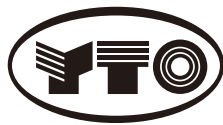

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in First Tractor Company Limited*, you should at once hand this circular with the accompanying form(s) of proxy to the purchaser(s) or the transferee(s), or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or the transferee(s).

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of First Tractor Company Limited*.



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)

GENERAL MANDATE TO REPURCHASE H SHARES AND MERGER AND ABSORPTION OF A WHOLLY-OWNED SUBSIDIARY

A letter from the Board is set out on pages 1 to 6 of this circular.

The notices for convening the 2016 annual general meeting (the “AGM”) and the class meeting for holders of H shares (“H Shares”) of First Tractor Company Limited* (the “Company”) to be held at 2:15 p.m. and 3:30 p.m. (or immediately after the class meeting for holders of A shares of the Company) respectively on 13 June 2017 (Tuesday) at No. 154 Jianshe Road, Luoyang, Henan Province, the People’s Republic of China (the “PRC”), are set out on pages 11 to 20 of this circular.

Forms of proxy for use at the AGM and the class meeting for holders of H Shares are enclosed. Whether or not you are able to attend the meetings in person, you are requested to complete and return the accompanying forms of proxy in accordance with the instructions printed thereon. The proxy form(s) shall be lodged with the Company’s branch share registrar in Hong Kong, Hong Kong Registrars Limited, at Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, or at the registered address and principal place of business of the Company at No. 154 Jianshe Road, Luoyang, Henan Province, the PRC, as soon as possible and in any event not less than 24 hours before the time scheduled for holding the meetings (or any adjourned meetings thereof). Completion and delivery of the forms of proxy will not preclude you from attending and voting in person at the meetings or any adjournment if you so desire.

* For identification purposes only

26 April 2017

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DEFINITIONS

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

“AGM”	the 2016 annual general meeting of the Company to be held at No. 154 Jianshe Road, Luoyang, Henan Province, the PRC on 13 June 2017 (Tuesday) at 2:15 p.m. for the purposes of, among other things, considering and approving the Repurchase Mandate and the merger and absorption of Drive Axle Company
“Articles of Association”	the articles of association of the Company, as amended from time to time
“A Share(s)”	the domestic ordinary share(s) having a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Shanghai Stock Exchange, and subscribed for and traded in RMB
“A Shareholder(s)”	holders of A Share(s)
“associate(s)”	has the same meaning as ascribed to this term under the Listing Rules
“Board”	the board of Directors of the Company
“Class Meetings”	the A Share class meeting and the H Share class meeting
“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
“Company Law”	the Company Law of the PRC, as enacted by the Standing Committee of the Eighth National People’s Congress on 29 December 1993 and effective on 1 July 1994, as amended, supplemented or otherwise modified from time to time
“core connected person(s)”	has the same meaning as ascribed to this term under the Listing Rules

DEFINITIONS

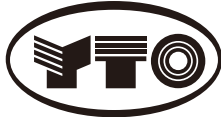
“Director(s)”	the directors of the Company, including the independent non-executive directors
“Drive Axle Company”	YTO (Luoyang) Drive Axle Company Limited* (一拖(洛陽)車橋有限公司), a limited liability company incorporated in the PRC and the wholly-owned subsidiary of the Company as at the Latest Practicable Date
“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
“H Share(s)”	the overseas listed foreign share(s) having a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Stock Exchange, and subscribed for and traded in Hong Kong dollars
“H Shareholder(s)”	holders of H Share(s)
“Latest Practicable Date”	19 April 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mandatory Provisions”	the “Mandatory Provisions for the Articles of Association of the Companies to be Listed Overseas (到境外上市公司章程必備條款)” issued on 27 August 1994 by the State Council Securities Policy Committee and the State Commission for Restructuring the Economic System
“PRC”	The People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

DEFINITIONS

“Repurchase Mandate”	subject to the conditions set out in the proposed resolution(s) approving the repurchase mandate at the AGM and the Class Meetings, the general mandate to be granted to the Board to exercise the power of the Company to repurchase H Shares not exceeding 10% of the total number of H Shares in issue and having not been repurchased as at the date of passing of the relevant resolution(s) as set out in the notices of AGM and Class Meetings
“RMB”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC or its successor authority
“Share(s)”	share(s) of RMB1.00 each of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“ZF YTO Drive Axle Company”	ZF YTO (Luoyang) Drive Axle Company Limited* (采埃孚一拖(洛陽)車橋有限公司), a limited liability company in the PRC and a joint venture set up by the Company and ZF (China) Investment Company Limited* (采埃孚(中國)投資有限公司), a wholly-owned subsidiary of ZF Friedrichshafen AG
“%”	per cent

* *For identification purpose only*

LETTER FROM THE BOARD



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)

Board of Directors:

Mr. Zhao Yanshui (*Chairman*)

Mr. Wang Erlong (*Vice Chairman*)

Mr. Wu Yong

Mr. Li Hepeng

Mr. Xie Donggang

Mr. Li Kai

Mr. Yin Dongfang

Ms. Yang Minli**

Mr. Xing Min**

Mr. Wu Tak Lung**

Mr. Yu Zengbiao**

Registered and principal office:

No. 154 Jianshe Road

Luoyang, Henan Province

The PRC

** *Independent non-executive Director*

26 April 2017

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATE TO REPURCHASE H SHARES
AND
MERGER AND ABSORPTION OF A WHOLLY-OWNED SUBSIDIARY**

INTRODUCTION

The purpose of this circular is to provide you with (i) information relating to the Repurchase Mandate; (ii) information relating to the merger and absorption of Drive Axle Company; (iii) a notice of AGM to be convened for the Shareholders to approve, among other things, the Repurchase Mandate and the merger and absorption of Drive Axle Company; and (iv) a notice of class meeting for the H Shareholders to be convened for the H Shareholders to approve the Repurchase Mandate.

LETTER FROM THE BOARD

(1) GENERAL MANDATE TO REPURCHASE H SHARES

The restrictions on share repurchase in the Company Law, the Mandatory Provisions and the Articles of Association are applicable to all classes of Shares of the Company. The Company Law stipulates that a joint stock limited company incorporated in the PRC may not repurchase its shares unless such repurchase is effected: (a) for the purpose of reducing its share capital; (b) in connection with its merger with another entity holding its shares; (c) for the purpose of granting shares as a reward to its staff; or (d) when the repurchase is made at the request of its shareholders who disagree with the shareholders' resolutions in connection with a merger or division. The Mandatory Provisions, which the Company has incorporated in the Articles of Association, stipulate that subject to approval of the relevant PRC regulatory authorities and compliance with the Articles of Association, the Company may repurchase its issued Shares for the purpose of reducing its share capital, in connection with its merger with another entity holding its Shares or in circumstances permitted by laws or administrative regulations.

The Listing Rules permit the shareholders of a PRC joint stock limited company to grant a general mandate to the board of directors to repurchase shares of such company that is listed on the Stock Exchange. Such mandate is required to be given by way of a special resolution passed by its shareholders at general meeting and special resolutions passed by holders of domestic shares and foreign shares (and, if applicable, H shares) at separate meetings.

H Shares of the Company are traded on the Stock Exchange in Hong Kong dollars. Therefore, the repurchase of H Shares by the Company is subject to approval of the SAFE, and the price payable by the Company upon any repurchase of H Shares will be paid in Hong Kong dollars.

In accordance with the share capital reduction requirements in the Articles of Association, the Company will have to notify its creditors of passing of the resolution(s) for reduction of the registered capital of the Company. In addition, the Company Law stipulates that the shares repurchased by a company for the purpose of reducing its share capital will have to be cancelled and the registered capital of that company will therefore be reduced by an amount equivalent to the aggregate nominal value of the shares so cancelled. In the event of a reduction of registered capital, the Company shall inform its creditors by way of written notice and announcement within a prescribed period after passing of the relevant resolution(s) approving such reduction. The creditors shall be entitled to request the Company for repayment of loan and/or provision of guarantee.

LETTER FROM THE BOARD

Conditions to repurchase of H Shares

In order to provide flexibility to the Directors to repurchase H Shares in the event that it is desirable, the Company will convene the AGM and the Class Meetings to seek approval from the Shareholders to grant to the Board the Repurchase Mandate, in accordance with the requirements under the Company Law, the Mandatory Provisions and the Articles of Association. At each of the meetings, special resolution(s) will be proposed for the relevant Shareholders to consider and approve the Repurchase Mandate.

The Repurchase Mandate will be conditional upon: (a) the special resolution(s) for approving the grant of the Repurchase Mandate being passed at each of the AGM and the Class Meetings; and (b) obtaining the approvals of and/or filing with the SAFE and/or any other regulatory authorities as required by the laws, rules and regulations of the PRC, if appropriate.

The Repurchase Mandate, if approved, will expire on the earlier of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiry of a period of twelve months following passing of the relevant resolution(s) at the AGM and the Class Meetings; or (c) the date on which the authority conferred by the special resolution(s) is revoked or varied by a special resolution of the Shareholders in a general meeting or by special resolutions of the H Shareholders or the A Shareholders at their respective class meetings.

The H Shares which may be repurchased by the Company pursuant to the Repurchase Mandate shall not exceed 10% of the total number of H Shares in issue and having not been repurchased as at the date of passing of the special resolution(s) approving the Repurchase Mandate at the AGM and Class Meetings.

An explanatory statement containing information regarding the Repurchase Mandate is set out in Appendix I to this circular.

(2) MERGER AND ABSORPTION OF A WHOLLY-OWNED SUBSIDIARY

Since the Company carried out strategic cooperation with ZF Friedrichshafen AG in 2014, the business relating to manufacturing of driven steer axles for the agricultural machinery had been transferred to ZF YTO Drive Axle Company, and Drive Axle Company no longer had actual operation and business. In light of the actual conditions of Drive Axle Company and the disposal conditions of its assets and liabilities, the Company proposes to merge and absorb Drive Axle Company, and deregister Drive Axle Company upon completion of such merger and absorption.

LETTER FROM THE BOARD

(I) Background of Drive Axle Company

Established in September 2012, Drive Axle Company is a wholly-owned subsidiary of the Company. In December 2014, the Company decided to set up ZF YTO Drive Axle Company as a joint venture with ZF Friedrichshafen AG. ZF YTO Drive Axle Company engages in the business of steer axles for the agricultural machinery while the Group ceased to engage in the business of steer axles for the agricultural machinery under the agreement. Upon the establishment of ZF YTO Drive Axle Company, the Company did not deregister Drive Axle Company, so as to deal with its remaining business such as clearance of certain assets that were not transferred to ZF YTO Drive Axle Company.

(II) Assets and Liabilities of Drive Axle Company

Drive Axle Company currently has a registered capital of RMB30 million. As at 31 December 2016, the total assets of Drive Axle Company amounted to RMB37,672,200 (among which, cash and cash equivalents amounted to RMB32,559,300), its total liabilities and net assets amounted to RMB1,085,900 and RMB36,586,400 respectively, and Drive Axle Company did not have other contingent liabilities.

(III) Reasons for the Merger and Absorption

Currently, majority of the treatment on assets and liabilities of Drive Axle Company have been completed. Drive Axle Company does not have other actual operation and business, thus it is no longer necessary to have Drive Axle Company as an independent legal entity. Deregistration of Drive Axle Company will help compress the corporate hierarchy, streamline internal functions and reduce management costs. Therefore, the Company intends to deregister Drive Axle Company upon completion of the merger and absorption.

(IV) Impact of the Merger and Absorption

Upon completion of the merger and absorption, the Company will deregister Drive Axle Company, and using 31 December 2016 as the base date to consolidate all the assets of Drive Axle Company into the Company, and assume all the liabilities of Drive Axle Company.

(V) Other Information

On 28 March 2017, the Board considered and approved the merger and absorption of Drive Axle Company. Pursuant to the Company Law and the Articles of Association, the proposed merger and absorption of Drive Axle Company by the Company shall be subject to the approval of the Shareholders by passing the special resolution(s) at the AGM. The merger and absorption of Drive Axle Company does not constitute a notifiable or connected transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

THE AGM AND THE CLASS MEETINGS

The AGM will be held at 2:15 p.m. on 13 June 2017 (Tuesday) at No. 154 Jianshe Road, Luoyang, Henan Province, the PRC at which resolution(s) will be proposed to seek the approval of the Shareholders for, among other things, the Repurchase Mandate and the merger and absorption of Drive Axle Company.

The respective Class Meetings for the A Shareholders and the H Shareholders will be held at 3:00 p.m. (or immediately after the AGM) and 3:30 p.m. (or immediately after the class meeting for the A Shareholders) respectively on 13 June 2017 (Tuesday) at No. 154 Jianshe Road, Luoyang, Henan Province, the PRC at which resolution(s) will be proposed to seek the approval of the A Shareholders and the H Shareholders for the Repurchase Mandate respectively.

The notices of the AGM and the class meeting for the H Shareholders are set out on pages 11 to 20 of this circular. The forms of proxy for use at the AGM and the class meeting for the H Shareholders are enclosed. Whether or not you are able to attend the meetings in person, you are requested to complete and return the accompanying forms of proxy in accordance with the instructions printed thereon. The proxy form(s) shall be lodged with the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited, at Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or at the registered address and principal place of business of the Company at No. 154 Jianshe Road, Luoyang, Henan Province, the PRC, as soon as possible and in any event not less than 24 hours before the time scheduled for holding the meetings (or any adjourned meetings thereof). Completion and delivery of the forms of proxy will not preclude you from attending and voting in person at the meetings or any adjournment if you so desire.

No Shareholders are required to abstain from voting in respect of all the proposed resolutions in relation to the Repurchase Mandate and the merger and absorption of Drive Axle Company. At the AGM and the Class Meetings, votes will be taken by poll.

RECOMMENDATION

The Directors consider that the Repurchase Mandate and the merger and absorption of Drive Axle Company are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions with respect to the Repurchase Mandate and the merger and absorption of Drive Axle Company to be proposed at the AGM and the Class Meetings.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omissions of which would make any statement herein or this circular misleading.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I to this circular and the notices of the AGM and the class meeting for the H Shareholders.

Yours faithfully,
On behalf of the Board
First Tractor Company Limited*
Zhao Yanshui
Chairman

* *For identification purposes only*

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide you with the requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution(s) to approve the grant of the Repurchase Mandate to the Directors.

LISTING RULES RELATING TO THE REPURCHASE OF SECURITIES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below. The Articles of Association also empowers the Company to repurchase its own securities.

SHARE CAPITAL

As at the Latest Practicable Date, the registered share capital of the Company was RMB995,900,000 comprising 593,910,000 A Shares and 401,990,000 H Shares. As at the date hereof, 6,042,000 H Shares were repurchased but have not yet been cancelled. After deduction of the repurchased shares, the registered share capital of the Company was RMB989,858,000 comprising 593,910,000 A Shares and 395,948,000 H Shares. Subject to the approval of the proposed resolution(s) for the grant of the Repurchase Mandate and on the basis after deduction of the repurchased shares and that no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the AGM and the Class Meetings, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 39,594,800 H Shares, being the maximum of 10% of the total number of H Shares in issue and having not been repurchased as at the date of passing the relevant resolution(s).

REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole. Exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements, enhance net asset value per Share and/or earnings per Share and will only occur if the Directors believe that the repurchase will benefit the Company and its Shareholders as a whole.

SOURCE OF FUNDS FOR THE REPURCHASE

When repurchasing H Shares, the Company may only apply funds from the Company's internal resources legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws, rules and regulations of the PRC.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might not have a material adverse effect on the working capital and/or the gearing position of the Company as compared with its position as at 31 December 2016, being disclosed in the Company's latest published audited accounts contained in the annual results announcement for the year ended 31 December 2016. The Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company. The number of H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then prevailing, in the interests of the Company and its Shareholders as a whole.

STATUS OF REPURCHASED SHARES

The Listing Rules provide that the listing of all the H Shares repurchased by the Company shall be cancelled and the relevant share certificates shall be cancelled and destroyed. Under the PRC laws, the H Shares repurchased by the Company will be cancelled and the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled.

H SHARES PRICES

The highest and lowest prices at which the H Shares have been traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2016		
April	4.60	4.04
May	4.36	3.90
June	4.11	3.81
July	4.15	3.91
August	4.33	3.98
September	4.66	4.11
October	4.64	4.21
November	4.58	4.19
December	4.59	4.26

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2017		
January	4.99	4.30
February	5.15	4.73
March	5.09	4.46
April (up to the Latest Practicable Date)	4.67	4.25

H SHARE REPURCHASED BY THE COMPANY

The Company had repurchased a total of 3,480,000 H Shares on the Hong Kong Stock Exchange during the six months preceding the Latest Practicable Date. Details of the repurchases are as follows:

Date of Repurchase	Number of H Shares Repurchased	Repurchase Price Per Shares	
		Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
10 November 2016	500,000	4.35	4.28
13 December 2016	260,000	4.40	4.33
15 December 2016	300,000	4.35	4.32
23 December 2016	1,000,000	4.30	4.40
28 December 2016	500,000	4.35	4.33
29 December 2016	920,000	4.35	4.28

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

DISCLOSURE OF INTERESTS

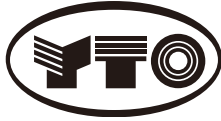
None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, their close associates (as defined in the Listing Rules), have any present intention to sell to the Company any of the H Shares in the Company if the Repurchase Mandate is approved at the AGM and the Class Meetings.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its power to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, YTO Group Corporation* ("YTO") was the substantial shareholder of the Company, which held 410,690,578 A Shares, representing approximately 41.49% of the registered capital of the Company (after deduction of 6,042,000 H Shares repurchased but not yet cancelled). On the basis of 989,858,000 Shares in issue and having not been repurchased as at the Latest Practicable Date and assuming that no other Shares will be issued or repurchased by the Company on or prior to the date of the AGM and the Class Meetings, if the Repurchase Mandate were exercised in full, the equity interest in the Company owned by YTO and its associates would increase to approximately 43.22% of the then registered share capital of the Company. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the Repurchase Mandate. Moreover, the Directors will not make share repurchase on the Stock Exchange if such repurchase would result in the requirements under Rule 8.08 of the Listing Rules not being complied with.

As at the Latest Practicable Date, no core connected person of the Company has notified the Company that he/she/it has a present intention to sell any H Shares nor has such core connected person undertaken not to sell any of the H Shares held by him/her/it to the Company in the event that the Repurchase Mandate is granted.

NOTICE OF AGM



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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2016 annual general meeting (the “**AGM**”) of First Tractor Company Limited (the “**Company**”) will be held at 2:15 p.m. on 13 June 2017 (Tuesday) 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 report of the board (the “**Board**”) of directors (the “**Directors**”) of the Company for the year 2016.
2. To consider and approve the report of the supervisory committee of the Company for the year 2016.
3. To consider and approve the audited financial report of the Company for the year 2016.
4. To consider and approve the dividend distribution proposal of the Company for the year ended 31 December 2016.

The Board recommends the following dividend distribution proposal for 2016: a cash dividend of RMB0.57 (tax inclusive) for every ten shares on the basis of the total share capital of the Company as at the record date for dividend distribution.

5. To consider and approve the re-appointment of ShineWing Certified Public Accountants as the auditor of the Company’s financial report and the internal control auditor for the year 2017, and to authorize the Board of the Company to decide its remuneration with reference to the 2016 remuneration standard.
6. To consider and approve the resolution in relation to provision of guarantees for the financial business for the Company’s products.

NOTICE OF AGM

(Provided that the relevant requirements of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, relevant requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) (including but not limited to Chapters 14 and 14A) and other relevant requirements are complied with, the Company be hereby approved to provide guarantees for dealers and users which purchase agricultural machinery products from the Company under finance lease, buyer’s credit and “Dong Fanghong” commercial loan business and the amount of guarantees actually provided by the Company shall not exceed RMB480 million at any time during the validity period of the guarantees. The proposed guarantees will be available for use on a revolving basis, and the general manager of the Company be hereby authorised to determine the guarantee proposal(s) and to sign relevant documents. The validity period of the aforesaid guarantees is from 13 June 2017 to the date of convening the 2017 annual general meeting of the Company.)

7. To consider and approve the resolution in relation to provision of guarantees by the Company for its subsidiaries, YTO (France) Agricultural Equipment Company Limited* and Luoyang Changxing Agricultural Machinery Company Limited*.

(Provided that the relevant requirements of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, relevant requirements of the Listing Rules (including but not limited to Chapters 14 and 14A) and other relevant requirements are complied with, the Company be hereby approved to provide guarantees for its subsidiaries, YTO (France) Agricultural Equipment Company Limited* and Luoyang Changxing Agricultural Machinery Company Limited* and the amount of guarantees actually provided by the Company shall not exceed RMB612.50 million at any time during the validity period of the guarantees. The proposed guarantees will be available for use on a revolving basis. The validity period of the aforesaid guarantees is from 13 June 2017 to the date of convening the 2017 annual general meeting of the Company.)

8. To consider and approve the resolution of the Company in relation to purchase of wealth management products with internal idle funds.

(Provided that the relevant requirements of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, relevant requirements of the Listing Rules (including but not limited to Chapters 14 and 14A) and other relevant requirements are complied with, the Company be hereby approved that the total amount of wealth management products purchased by using internal idle funds and held by the Company at any time shall be no more than RMB1.8 billion and the total amount of wealth management products purchased from a financial institution and held by the Company at any time shall be no more than RMB800 million. Such caps will be revolving in nature, and the general manager of the Company be hereby authorised to determine the wealth management proposal(s) and to sign relevant documents. The validity period of the aforesaid caps of purchase of wealth management products is from 13 June 2017 to the date of convening the 2017 annual general meeting of the Company.)

NOTICE OF AGM

9. To consider and approve the increase in 2017 and 2018 annual cap amounts of the Material Procurement Agreement of the Company.
10. To consider and approve the increase in 2017 and 2018 annual cap amounts of the Sale of Goods Agreement of the Company.
11. To consider and approve the increase in 2017 and 2018 annual cap amounts of the Composite Services Agreement of the Company.

SPECIAL RESOLUTIONS

1. To consider and approve the merger and absorption by the Company of its wholly-owned subsidiary, YTO (Luoyang) Drive Axle Company Limited*.
2. To authorize the Board of the Company to repurchase H shares of the Company (the “**H Shares**”) subject to the following conditions:
 - (a) subject to paragraphs (b), (c) and (d) below, during the Relevant Period (as defined in paragraph (e) below), the Board may exercise all the powers of the Company to repurchase H Shares in issue on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body be and is approved;
 - (b) the authorization to the Board in respect of the repurchase of H Shares includes but not limited to:
 - (i) formulate and implement specific repurchase proposal, including but not limited to the repurchase price and repurchase amount, and decide the timing of repurchase and time limit;
 - (ii) notify the creditor(s) of the Company and publish announcement(s) in accordance with the Company Law of the PRC and the Articles of Association of the Company;
 - (iii) open offshore securities account and attend relevant registration procedures for foreign exchange;
 - (iv) implement the relevant approval procedures pursuant to the requirements of the regulatory authorities and the listing places, and report to the China Securities Regulatory Commission;

NOTICE OF AGM

- (v) attend the cancellation matters in respect of the repurchased shares, reduce the registered capital, amend the Articles of Association of the Company in relation to the total share capital amount and shareholding structure, and attend the relevant required domestic and overseas registration and reporting procedures; and
 - (vi) execute and handle all other relevant documents and matters in relation to the share repurchase;
- (c) the aggregate nominal value of H Shares authorized to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent of the aggregate nominal value of H Shares in issue and having not been repurchased as at the date of the passing of this resolution;
- (d) the approval in paragraph (a) above shall be conditional upon:
 - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (d)(i)) at the class meeting for holders of H Shares of the Company to be held on 13 June 2017 (or on such adjourned date as may be applicable) and at the class meeting for holders of A shares of the Company to be held on 13 June 2017 (or on such adjourned date as may be applicable); and
 - (ii) the approval of the State Administration of Foreign Exchange of the PRC and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company, if appropriate;
- (e) for the purpose of this special resolution, “Relevant Period” means the period from the passing of this special resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting following the passing of this special resolution;
 - (ii) the expiry of a period of twelve months following the passing of this special resolution; or
 - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the shareholders of the Company in any general meeting or by a special resolution of holders of H Shares or holders of A shares of the Company at their respective class meetings.

NOTICE OF AGM

(For details of the above resolutions, please refer to the announcements of the Company dated 28 February 2017 and 28 March 2017 and the circular of the Company dated 26 April 2017.)

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

Luoyang, the PRC
26 April 2017

As at the date of this notice, the Board comprises Mr. Zhao Yanshui (Chairman), Mr. Wang Erlong (vice Chairman) and Mr. Wu Yong as executive Directors; Mr. Li Hepeng, Mr. Xie Donggang, Mr. Li Kai and Mr. Yin Dongfang as non-executive Directors; and Ms. Yang Minli, Mr. Xing Min, Mr. Wu Tak Lung and Mr. Yu Zengbiao as independent non-executive Directors.

Notes:

1. The register of members of the Company will be temporarily closed from 13 May 2017 to 12 June 2017 (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 AGM. The last lodgment for the transfer of the H Shares of the Company should be made on 12 May 2017 at Hong Kong Registrars Limited by or before 4:00 p.m. The Shareholders or their proxies being registered before the close of business on 12 May 2017 are entitled to attend the AGM 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.
2. Each Shareholder having the rights to attend and vote at the AGM 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.
3. 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 Shops 1712-1716, 17/F., 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 AGM or any adjournment thereof.
4. Shareholders who intend to attend the AGM 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., 23 May 2017.
5. Shareholders or their proxies shall present proofs of their identities upon attending the AGM. Should a proxy be appointed, the proxy shall also present the proxy form.

NOTICE OF AGM

6. The AGM is expected to last for less than one day. The Shareholders and proxies attending the AGM shall be responsible for their own travelling and accommodation expenses.

7. The Company's registered address:

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

Postal code: 471004

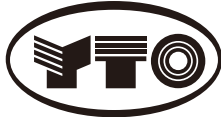
Telephone: (86379) 6496 7038

Facsimile: (86379) 6496 7438

Email: msc0038@ytogroup.com

* *For identification purposes only*

NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES



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 CLASS MEETING FOR HOLDERS OF H SHARES

NOTICE IS HEREBY GIVEN THAT a class meeting (the “**Class Meeting**”) for holders of H shares of First Tractor Company Limited (the “**Company**”) will be held at 3:30 p.m. (or immediately after the class meeting for holders of A shares of the Company to be convened and held on the same date and at the same place) on 13 June 2017 (Tuesday) 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 resolution:

SPECIAL RESOLUTION

1. To authorize the board (the “**Board**”) of directors (the “**Directors**”) of the Company to repurchase H shares of the Company (the “**H Shares**”) subject to the following conditions:
 - (a) subject to paragraphs (b), (c) and (d) below, during the Relevant Period (as defined in paragraph (e) below), the Board may exercise all the powers of the Company to repurchase H Shares in issue on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body be and is approved;
 - (b) the authorization to the Board in respect of the repurchase of H Shares includes but not limited to:
 - (i) formulate and implement specific repurchase proposal, including but not limited to the repurchase price and repurchase amount, and decide the timing of repurchase and time limit;
 - (ii) notify the creditor(s) of the Company and publish announcement(s) in accordance with the Company Law of the PRC and the Articles of Association of the Company;
 - (iii) open offshore securities account and attend relevant registration procedures for foreign exchange;

NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

- (iv) implement the relevant approval procedures pursuant to the requirements of the regulatory authorities and the listing places, and report to the China Securities Regulatory Commission;
 - (v) attend the cancellation matters in respect of the repurchased shares, reduce the registered capital, amend the Articles of Association of the Company in relation to the total share capital amount and shareholding structure, and attend the relevant required domestic and overseas registration and reporting procedures; and
 - (vi) execute and handle all other relevant documents and matters in relation to the share repurchase;
- (c) the aggregate nominal value of H Shares authorized to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent of the aggregate nominal value of H Shares in issue and having not been repurchased as at the date of the passing of this resolution;
- (d) the approval in paragraph (a) above shall be conditional upon:
- (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (d)(i)) at the 2016 annual general meeting of the Company to be held on 13 June 2017 (or on such adjourned date as may be applicable) and at the class meeting for holders of A shares of the Company to be held on 13 June 2017 (or on such adjourned date as may be applicable); and
 - (ii) the approval of the State Administration of Foreign Exchange of the PRC and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company, if appropriate;
- (e) for the purpose of this special resolution, “Relevant Period” means the period from the passing of this special resolution until whichever is the earlier of:
- (i) the conclusion of the next annual general meeting following the passing of this special resolution;
 - (ii) the expiry of a period of twelve months following the passing of this special resolution; or

NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

- (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the shareholders of the Company in any general meeting or by a special resolution of holders of H Shares or holders of A shares of the Company at their respective class meetings.

(For details of the above resolution, please refer to the circular of the Company dated 26 April 2017.)

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

Luoyang, the PRC
26 April 2017

As at the date of this notice, the Board comprises Mr. Zhao Yanshui (Chairman), Mr. Wang Erlong (vice Chairman) and Mr. Wu Yong as executive Directors; Mr. Li Hepeng, Mr. Xie Donggang, Mr. Li Kai and Mr. Yin Dongfang as non-executive Directors; and Ms. Yang Minli, Mr. Xing Min, Mr. Wu Tak Lung and Mr. Yu Zengbiao as independent non-executive Directors.

Notes:

1. The register of members of the Company will be temporarily closed from 13 May 2017 to 12 June 2017 (both days inclusive) during which no transfer of H Shares of the Company will be registered in order to determine the list of holders of H Shares of the Company (the “Shareholders”) for attending the Class Meeting. The last lodgment for H Shares transfer should be made on 12 May 2017 at Hong Kong Registrars Limited by or before 4:00 p.m. The Shareholders or their proxies being registered before the close of business on 12 May 2017 are entitled to attend the Class Meeting 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.
2. Each Shareholder having the rights to attend and vote at the Class Meeting 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.
3. 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 H Shares registrar of the Company, Hong Kong Registrars Limited at Shops 1712-1716, 17/F., 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 Class Meeting or any adjournment thereof.
4. Shareholders who intend to attend the Class Meeting 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., 23 May 2017.

NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

5. Shareholders or their proxies shall present proofs of their identities upon attending the Class Meeting. Should a proxy be appointed, the proxy shall also present the proxy form.
6. The Class Meeting is expected to last for less than one day. The Shareholders and proxies attending the Class Meeting shall be responsible for their own travelling and accommodation expenses.
7. 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*