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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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 of proxy to the purchaser or the transferee, or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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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) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;  
(2) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR  
BOARD MEETINGS;  
(3) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR  
SHAREHOLDERS' MEETINGS;  
(4) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR  
SUPERVISORY COMMITTEE;  
AND  
(5) ELECTION OF A SUPERVISOR**

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Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those set out in the section headed "Definitions" of this circular.

A letter from the Board is set out on pages 1 to 18 of this circular.

A notice for convening the extraordinary general meeting (the "EGM") of First Tractor Company Limited (the "**Company**") to be held at 2:30 p.m. on 29 November 2019 (Friday) at No. 154 Jianshe Road, Luoyang, Henan Province, the PRC is set out on pages 19 to 21 of this circular.

A form of proxy for use at the EGM was despatched and also published on the website of the Stock Exchange (<http://www.hkexnews.hk>) on 11 October 2019. Whether or not you are able to attend the meeting in person, you are requested to complete and return the proxy form in accordance with the instructions printed thereon. The proxy form shall be lodged with the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited, at 17M Floor., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or at the registered address 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 EGM or any adjourned meeting thereof (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment (as the case may be) should you so wish.

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## DEFINITIONS

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

“Articles of Association”	Articles of Association of the Company, as amended from time to time
“Board”	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
“Directors”	the directors of the Company, including the independent non-executive directors
“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 proposed amendments to the Articles of Association, (2) the proposed amendments to the Rules of Procedures for Board Meetings, (3) the proposed amendments to the Rules of Procedures for Shareholders’ Meetings, (4) the proposed amendments to the Rules of Procedures for Supervisory Committee, and (5) the proposed appointment of the proposed Supervisor
“H Share(s)”	ordinary Share(s) as approved by the CSRC which are issued to foreign investors, and listed with the approval of the Stock Exchange, denominated in RMB, subscribed for and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	7 November 2019, 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

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## DEFINITIONS

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“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 Province
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedures for Board Meetings”	the Rules of Procedures for Board Meetings of the Company, as amended from time to time
“Rules or Procedures for Shareholders’ Meetings”	the Rules of Procedures for Shareholders’ Meetings of the Company, as amended from time to time
“Rules or Procedures for Supervisory Committee”	the Rules of Procedures for Supervisory Committee of the Company, as amended from time to time
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the shareholder(s) of the Company
“Share(s)”	share(s) of RMB1.00 each of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisors”	the supervisors of the Company
“Supervisory Committee”	the supervisory committee of the Company
“YTO”	YTO Group Corporation* (中國一拖集團有限公司), a limited liability company incorporated in the PRC and the controlling shareholder of the Company, holding approximately 41.66% equity interest in the Company

\* For identification purposes only

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## LETTER FROM THE BOARD

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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)

*Board of Directors:*

Mr. Li Xiaoyu (*Chairman*)  
Mr. Cai Jibo (*Vice Chairman*)  
Mr. Liu Jiguo  
Mr. Li Hepeng  
Mr. Xie Donggang  
Mr. Zhou Honghai  
Mr. Mr. Yu Zengbiao\*\*  
Ms. Yang Minli\*\*  
Ms. Wang Yuru\*\*  
Mr. Edmund Sit\*\*

*Registered and principal office:*

No. 154 Jianshe Road Luoyang,  
Henan Province  
The PRC

\*\* *Independent non-executive Director*

13 November 2019

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**  
**(2) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR  
BOARD MEETINGS;**  
**(3) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR  
SHAREHOLDERS' MEETINGS;**  
**(4) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR  
SUPERVISORY COMMITTEE;**  
**AND**  
**(5) ELECTION OF A SUPERVISOR**

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## LETTER FROM THE BOARD

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### INTRODUCTION

Reference is made to the announcements of the Company dated 29 August 2019 in relation to (1) the proposed amendments to the Articles of Association, (2) the proposed amendments to the Rules of Procedures for Board Meetings, (3) the proposed amendments to the Rules of Procedures for Shareholders' Meetings, (4) the proposed amendments to the Rules of Procedures for Supervisory Committee, and (5) the proposed appointment of the proposed Supervisor. The purpose of this circular is to provide you with details of the above matters to enable you to make an informed decision on whether to vote for or against or abstain from voting on the proposed resolution(s) at the EGM.

### (1) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In compliance with the latest amendments to the Company Law of People's Republic of China, the Code of Corporate Governance for Listed Companies, the Guidelines for the Articles of Association for Listed Companies and other normative documents, and in view of the actual situation of First Tractor Company Limited\* (the "**Company**"), the Resolution in relation to Amendments to the Articles of Association, the Rules of Procedures for Shareholders' Meetings and the Rules of Procedures for Board Meetings was considered and approved at the tenth meeting of the eighth session of the Board of the Company.

## LETTER FROM THE BOARD

The proposed amendments to the Articles of Association are as follows:

Original articles	Amended articles
<p><b>Article 35.</b> The Company may, in the following circumstances, repurchase its own issued and outstanding shares in accordance with the procedures provided for in its Articles of Association, subject to submission to and approval by the relevant State authorities:</p> <p>(1) Cancellation of shares for the purposes of reducing its capital;</p> <p>(2) Merging with another company that holds shares in the Company;</p> <p>(3) Granting shares as rewards to the employees of the Company;</p> <p>(4) Repurchasing of shares made upon the request of its shareholders who disagree with resolutions passed at a general meeting in connection with a merger or division of the Company;</p> <p>(5) Other circumstances where laws and administrative regulations so permit. Any acquisition of its own shares by the Company for the reasons under clauses (1) to (3) of this Article shall be resolved at general meeting.</p>	<p><b>Article 35.</b> The Company may, in the following circumstances, <u>acquire its own shares</u> <del>repurchase its own issued and outstanding shares</del> in accordance with <u>laws, administrative regulations, departmental rules and the provisions of the procedures provided for in its Articles of Association</u>, <del>subject to submission to and approval by the relevant State authorities</del>:</p> <p>(1) Cancellation of shares for the purposes of <del>r</del>Reducing its capital;</p> <p>(2) Merging with another company that holds shares in the Company;</p> <p>(3) Granting shares <u>for employee ownership plan or share option incentives</u> <del>as rewards to the employees of the Company</del>;</p> <p>(4) Repurchasing of shares made upon the request of its shareholders who disagree with resolutions passed at a general meeting in connection with a merger or division of the Company;</p> <p>(5) <u>To use the shares for conversion into convertible corporate bonds issued by the listed company;</u></p> <p><u>(6) Being deemed necessary by the listed company for the protection of the Company's value and shareholders' interests.</u></p> <p>Other circumstances where laws and administrative regulations so permit.</p> <p>Any acquisition of its own shares by the Company for the reasons under clauses (1) <u>and to (23)</u> of this Article shall be resolved at general meeting. <u>In the event of the circumstances set forth in clauses (3), (5) and (6), the acquisition of shares shall be resolved at the meeting of the Board with more than two-thirds of the Directors attending.</u></p>

## LETTER FROM THE BOARD

Original articles	Amended articles
Any shares of the Company so acquired by the Company in accordance with clause (1) shall be cancelled within 10 days from the date of acquisition. In the event of the circumstances set forth in clauses (2) and (4), the shares so acquired shall be transferred or cancelled within 6 months.	Any shares of the Company so acquired by the Company in accordance with clause (1) shall be cancelled within 10 days from the date of acquisition. In the event of the circumstances set forth in clauses (2) and (4), the shares so acquired shall be transferred or cancelled within 6 months. <b><u>In the event of the circumstances set forth in clauses (3), (5) and (6), the shares in the Company held in aggregate by the Company shall not exceed 10% of the total number of the Company's shares in issue and the shares so repurchased shall be transferred or cancelled within three years.</u></b>
If the Company repurchases its own shares in accordance with the provisions of item (3), the shares so repurchased shall not exceed five percent (5%) of the total outstanding shares; funds to be used to repurchase such shares shall be paid out of the after-tax profits of the Company; and the shares so repurchased shall be transferred to the employees of the Company within one year.	<del>If the Company repurchases its own shares in accordance with the provisions of item (3), the shares so repurchased shall not exceed five percent (5%) of the total outstanding shares; funds to be used to repurchase such shares shall be paid out of the after-tax profits of the Company; and the shares so repurchased shall be transferred to the employees of the Company within one year.</del> <b><u>The acquisition of its shares by the Company under clauses (3), (5) and (6) shall be conducted by way of open block trading.</u></b>
The Company shall not accept the pledge of its own shares as security.	The Company shall not accept the pledge of its own shares as security.

## LETTER FROM THE BOARD

Original articles	Amended articles
<p><b>Article 36.</b> After the Company is approved by the relevant State authorities to buy back its own shares, it may proceed in any of the following manners:</p> <p>(1) Making an offer for the repurchase of shares to all shareholders on a pro rata basis;</p> <p>(2) Repurchasing shares through open transactions on a stock exchange;</p> <p>(3) Repurchasing by a contractual agreement off the stock exchange;</p> <p>(4) Other methods as stipulated by the laws, the administrative regulatory provisions and the securities regulatory authorities of the State Council.</p>	<p><b>Article 36.</b> After the Company is approved by the relevant State authorities to buy back its own shares, it may proceed in any of the following manners: <u>The acquisition of its own shares by the Company may be conducted by way of open block trading or other methods as stipulated by laws and regulations and approved by the securities regulatory authorities of the State Council.</u></p> <p>(1) <del>Making an offer for the repurchase of shares to all shareholders on a pro rata basis;</del></p> <p>(2) <del>Repurchasing shares through open transactions on a stock exchange;</del></p> <p>(3) <del>Repurchasing by a contractual agreement off the stock exchange;</del></p> <p>(4) <del>Other methods as stipulated by the laws, the administrative regulatory provisions and the securities regulatory authorities of the State Council.</del></p>
<p><b>Article 68.</b> The controlling shareholders shall not impair the interests of the Company and public shareholders by abuse of their controlling status and by ways of connected transactions, assets restructuring, loan guarantees, etc. Misappropriation of the Company's funds is strictly limited in the operating fund transactions of the Company with controlling shareholders and other related parties. Controlling shareholders and other related parties shall not require advancement of period expenses such as salary, welfare, insurance, advertisement, etc., to be paid by the Company; neither shall they undertake each other's cost and other expenditures.</p> <p>Once the controlling shareholders and persons with de facto control misappropriate the Company's assets and impair interests of the Company and public shareholders, the Board shall adopt effective measures to request the controlling shareholders to cease such impairment and undertake the responsibilities for compensation.</p>	<p><b>Article 68.</b> The controlling shareholders shall not impair the interests of the Company and public shareholders by abuse of their controlling status and by ways of connected transactions, assets restructuring, loan guarantees, etc. Misappropriation of the Company's funds is strictly limited in the operating fund transactions of the Company with controlling shareholders and other related parties. Controlling shareholders and other related parties shall not require advancement of period expenses such as salary, welfare, insurance, advertisement, etc., to be paid by the Company; neither shall they undertake each other's cost and other expenditures.</p> <p><u>The Company shall not provide capital for use by the controlling shareholder and other affiliates directly or indirectly in the following ways:</u></p>

## LETTER FROM THE BOARD

Original articles	Amended articles
	<p>(1) <u>Lending the company capital for consideration or at nil consideration for use by the controlling shareholder and other affiliates (other than those businesses as approved);</u></p> <p>(2) <u>Providing commission loan to affiliates through a bank or a non-bank financial institution;</u></p> <p>(3) <u>Commissioning the controlling shareholder and other affiliates to conduct investment activities;</u></p> <p>(4) <u>Issuing trade acceptances that lack authentic basis to the controlling shareholder and other affiliates;</u></p> <p>(5) <u>Repayment of debts on behalf on the controlling shareholder and other affiliates (except for guaranteed debts as approved by the laws);</u></p> <p>(6) <u>Other ways specified by the China Securities Regulatory Commission.</u></p> <p>Once the controlling shareholders and persons with de facto control misappropriate the Company's assets and impair interests of the Company and public shareholders, <u>the Board of the Company is entitled to apply to the People's Courts in the name of the Company for the judicial freeze of the company assets appropriated and the company shares held by the controlling shareholder.</u> <del>the Board shall</del> adopt effective measures to request the controlling shareholders to cease such impairment and undertake the responsibilities for compensation.</p> <p><u>For the appropriated company assets which are not restored to the original state or repaid by cash by the controlling shareholder of the Company, the Company is entitled to realize the company shares held by the controlling shareholder to repay the company assets appropriated in accordance to the relevant laws, administrative regulations and the requirements and procedures of departmental rules.</u></p>

## LETTER FROM THE BOARD

Original articles	Amended articles
<p><b>Article 75.</b> The Company shall convene general meetings either at its domicile or at such other venue as specified by the Board. General meetings will set meeting venue and be convened by way of on-site meetings, and set a secure, economical and convenient web network or other ways to facilitate shareholders to participate in general meetings in accordance with the laws, administrative regulations and regulations by the China Securities Regulatory Commission and the Articles of Association. Shareholders who attend a meeting by the said means are deemed to be present at such meeting.</p>	<p><b>Article 75.</b> The Company shall convene general meetings either at its domicile or at such other venue as specified by the Board. General meetings will set meeting venue and be convened by way of on-site meetings, and set a secure, economical and convenient <u>online voting method</u> <del>web network or other ways</del> to facilitate shareholders to participate in general meetings in accordance with the laws, administrative regulations and regulations by the China Securities Regulatory Commission and the Articles of Association. Shareholders who attend a meeting by the said means are deemed to be present at such meeting.</p>
<p><b>Article 85.</b> The notice of a general meeting shall meet the following requirements: ...</p> <p>(11) Where a general meeting is held online or by other such means, the notice shall expressly state the time and the procedures of the voting online or by other such means.</p>	<p><b>Article 85.</b> The notice of a general meeting shall meet the following requirements: ...</p> <p>(11) Where a general meeting <u>adopts</u> <del>is held</del> online <u>voting</u> <del>or by other such means</del>, the notice shall expressly state the time and the procedures of the <u>online</u> voting <del>online or by other such means</del>.</p>
<p><b>Article 88.</b> Once the notice of a general meeting is issued, the meeting shall not be postponed or cancelled and resolutions contained in the notice shall not be withdrawn without proper reasons. In the event of postponement or cancellation, the convener shall make announcement to state the reasons at least 2 working days prior to the original date of the meeting.</p>	<p><b>Article 88.</b> <u>The time and venue of on-site meetings shall be convenient for shareholders' participation.</u> Once the notice of a general meeting is issued, the meeting shall not be postponed or cancelled, <del>and</del> resolutions contained in the notice shall not be withdrawn <u>and the venue of an on-site general meeting shall not be altered</u> without proper reasons. In the event of postponement, <del>or</del> <u>alteration</u>, the convener shall make announcement to state the reasons at least 2 working days prior to the original date of the meeting.</p>
<p><b>Article 102.</b> Subject to ensuring the legitimacy and effectiveness of the general meeting, the Company shall provide convenience to the shareholders to attend the general meeting through various methods and ways, including modern information technologies such as providing network voting platform, etc.</p> <p>If web network or other ways were adopted for general meetings, the Company shall specify clearly in the notice of general meetings the timing and procedure of voting through web network or other ways.</p> <p>Voting in general meetings through web network or other ways shall not start earlier than 3:00 pm the day before the on-site meeting, nor shall it be later than 9:30 am on the day of on-site meeting and voting shall not conclude earlier than 3:00 pm on the day which the onsite meeting ends.</p>	<p><b>Article 102.</b> Subject to ensuring the legitimacy and effectiveness of the general meeting, the Company shall provide convenience to the shareholders to attend the general meeting through <del>various methods and ways, including</del> modern information technologies such as providing network voting platform, etc.</p> <p>If <u>online voting was</u> <del>web network or other ways were</del> adopted for general meetings, the Company shall specify clearly in the notice of general meetings the timing and procedure of voting through web network <del>or other ways</del>.</p> <p>Voting in general meetings through web network <del>or other ways</del> shall not start earlier than 3:00 pm the day before the on-site meeting, nor shall it be later than 9:30 am on the day of on-site meeting and voting shall not conclude earlier than 3:00 pm on the day which the onsite meeting ends.</p>

## LETTER FROM THE BOARD

Original articles	Amended articles
<p><b>Article 105.</b> The same voting right shall only be exercised by one of the voting means including on-site, via internet or by other means. In the event that the same voting right has been exercised repeatedly, the results of the first voting shall prevail.</p>	<p><b>Article 105.</b> The same voting right shall only be exercised by one of the voting means including on-site <u>or</u>; via internet <del>or by other means</del>. In the event that the same voting right has been exercised repeatedly, the results of the first voting shall prevail.</p>
<p><b>Article 107.</b> ...</p> <p>Shareholders of the Company or his proxy who vote via the internet or by other means are entitled to check and inspect their voting results through the relevant voting system.</p>	<p><b>Article 107.</b> ...</p> <p>Shareholders of the Company or his proxy who vote via the internet <del>or by other means</del> are entitled to check and inspect their voting results through the relevant voting system.</p>
<p><b>Article 108.</b> The on-site general meeting shall not end earlier than those held by online means or other means. The chairman of the meeting shall announce the votings and results of each of the proposals, and announce whether the proposals have been passed according to the voting results.</p> <p>Prior to the formal announcement of the voting results, the related parties involved in the on-site general meeting, online and other means of voting, such as the listed company, vote counters, scrutineers, major shareholders and network service provider, shall undertake the obligations of confidentiality for the voting results.</p>	<p><b>Article 108.</b> The on-site general meeting shall not end earlier than those held by online means <del>or other means</del>. The chairman of the meeting shall announce the votings and results of each of the proposals, and announce whether the proposals have been passed according to the voting results.</p> <p>Prior to the formal announcement of the voting results, the related parties involved in the on-site general meeting <u>and</u>; online <del>and other means</del> of voting, such as the listed company, vote counters, scrutineers, major shareholders and network service provider, shall undertake the obligations of confidentiality for the voting results.</p>
<p><b>Article 128.</b> The Company shall establish its Board and the Directors shall be natural persons. The Board shall comprise 11 Directors, with one chairman and 1 vice chairman. ...</p>	<p><b>Article 128.</b> The Company shall establish its Board and the Directors shall be natural persons. The Board shall comprise <u>9</u>-11 Directors, with one chairman and 1 vice chairman. ...</p>
<p><b>Article 130.</b> (1) The Directors shall be elected at general meetings, with a term of office of 3 years. At the expiry of a Director's term of office, the term is renewable upon re-election, but any Independent Director cannot serve as the Company's Independent Director for a consecutive period of over 6 years. Prior to the expiry of his term of office, a Director shall not be removed without reasons from his office by the general meeting.</p>	<p><b>Article 130.</b> (1) The Directors shall be elected at general meetings, <u>and may be removed from their office prior to the expiry of their term by the general meeting</u>, with a term of office of 3 years. At the expiry of a Director's term of office, the term is renewable upon re-election, but any Independent Director cannot serve as the Company's Independent Director for a consecutive period of over 6 years. <del>Prior to the expiry of his term of office, a Director shall not be removed without reasons from his office by the general meeting.</del></p>

## LETTER FROM THE BOARD

Original articles	Amended articles
<p><b>Article 135.</b> The Board of Directors shall be accountable to the general meeting and shall exercise the following functions and powers:</p> <p>...</p> <p>(18) To exercise any other powers conferred by the shareholders in general meetings.</p> <p>Except for the resolutions of the Board in respect of the matters specified in clauses (6), (7), (11), (12) and (14) of the preceding Article which shall be passed by two-thirds or more of the Directors, the resolutions of the Directors in respect of all other matters may be passed by more than one half of the Directors.</p> <p>...</p>	<p><b>Article 135.</b> The Board of Directors shall be accountable to the general meeting and shall exercise the following functions and powers:</p> <p>...</p> <p>(18) <u>To decide to acquire shares of the Company for employee stock ownership plan and share option incentives, to use the shares for conversion into convertible corporate bonds issued by the Company or to maintain corporate value and shareholders' interests as the Company deems necessary;</u></p> <p>(19) To exercise any other powers conferred by the shareholders in general meetings.</p> <p>Except for the resolutions of the Board in respect of the matters specified in clauses (6), (7), (11), (12), <u>and (14) and (18)</u> of the preceding Article which shall be passed by two-thirds or more of the Directors, the resolutions of the Directors in respect of all other matters may be passed by more than one half of the Directors.</p> <p>...</p>
	<p><u><b>New Article 136.</b> The Board of the Company shall establish four special committees, such as the strategic and investment committee, audit committee, nomination committee and remuneration committee. Each special committee shall be accountable to the Board and perform the duties prescribed by the Articles of Association and the Board. Any proposals of the audit committee shall be submitted to the Board for consideration and approval. All members of the special committees shall be directors, among which, the majority of the members of the audit committee, the nomination committee and the remuneration committee shall be independent directors who also convene the meeting of such committees. The convener of the audit committee shall be an accounting professional. The Board is responsible for formulating working rules, to standardize the operation of the special committees.</u></p>
<p><b>Article 164.</b> The supervisory committee shall be composed of 6 supervisors, one of whom shall be the chairman of the supervisory committee. The terms of office of a supervisor shall be 3 years. The election, appointment or removal of the chairman of the supervisory committee shall be determined by the affirmative votes of two thirds or more of the members of the supervisory committee.</p>	<p><b>Article 165<del>4</del>.</b> The supervisory committee shall be composed of <u>3-5</u><del>6</del> supervisors, one of whom shall be the chairman of the supervisory committee. The terms of office of a supervisor shall be 3 years. The election, appointment or removal of the chairman of the supervisory committee shall be determined by the affirmative votes of two thirds or more of the members of the supervisory committee.</p>

## LETTER FROM THE BOARD

Original articles	Amended articles
<p><b>Article 165.</b> Members of the supervisory committee shall include 4 representatives of the shareholders and 2 representatives of the employees of the Company. The representatives of shareholders shall be elected and removed by the general meeting of shareholders. The representative of employees shall be elected and removed by the employees.</p>	<p><b>Article 1665.</b> Members of the supervisory committee shall include 4 representatives of the shareholders and 2 representatives of the employees of the Company, <u>provided that the proportion of the representatives of employees of the Company shall be not less than one third.</u> The representatives of shareholders shall be elected and removed by the general meeting of shareholders. The representative of employees shall be elected and removed by the employees.</p>
<p><b>Article 178.</b> ...</p> <p>A person holding other duties other than directorship in any entity of the Company's controlling shareholders and de facto controllers shall not hold the office of a Senior Management of the Company.</p>	<p><b>Article 1798.</b> ...</p> <p>A person holding an <b>administrative post</b> other duties other than directorship <b>and Supervisors</b> in any entity of the Company's controlling shareholders <del>and de facto controllers</del> shall not hold the office of a Senior Management of the Company.</p>
<p><b>Article 181.</b></p> <p>In addition to the obligations stipulated by the laws, administrative regulations or the Listing Rules, a person holding other duties other than directorship in any entity of the Company's controlling shareholders and de facto controllers shall not hold the office of a Senior Management of the Company. The Directors, supervisors, the general managers or other Senior Management of the Company shall, in the exercise of the functions and powers of the Company entrusted to them, be obligated to bear the following duties towards each shareholder:</p> <p>...</p>	<p><b>Article 1821.</b></p> <p>In addition to the obligations stipulated by the laws, administrative regulations or the Listing Rules, <del>a person holding other duties other than directorship in any entity of the Company's controlling shareholders and de facto controllers shall not hold the office of a Senior Management of the Company.</del> <u>The</u> Directors, supervisors, the general managers or other Senior Management of the Company shall, in the exercise of the functions and powers of the Company entrusted to them, be obligated to bear the following duties towards each shareholder:</p> <p>...</p>
<p><b>Article 189.</b> Any Directors, supervisors, general managers and other Senior Management of the Company who are in breach of laws, administrative regulations, departmental rules or the provisions of the Articles of Association in carrying the duties to the Company and thereby causing losses to the Company, shall bear the responsibility for compensation.</p> <p>Any Directors, supervisors, general managers and other Senior Management whose terms of office are not yet expired shall bear the responsibility for compensating the losses to the Company caused by their desertion of duties.</p>	<p><b>Article 19089.</b> Any Directors, supervisors, general managers and other Senior Management of the Company who <u>assist and connive at the appropriation of the company assets by the controlling shareholders and their related parties</u> or are in breach of laws, administrative regulations, departmental rules or the provisions of the Articles of Association in carrying the duties to the Company and thereby causing losses to the Company, shall bear the responsibility for compensation. <u>The Board or the Supervisory Committee may, according to the seriousness of the circumstance, impose punishments on the person with direct responsibilities, and propose to remove a Director or Supervisor with significant responsibilities at a general meeting.</u></p> <p>Any Directors, supervisors, general managers and other Senior Management whose terms of office are not yet expired shall bear the responsibility for compensating the losses to the Company caused by their desertion of duties.</p>

## LETTER FROM THE BOARD

Original articles	Amended articles
<p><b>Article 216.</b> The Company's profit distribution policy is as follows: ...</p> <p>(5) If the net profit of the Company for the year increases by 20% from last year, the Board of the Company may propose the profit distribution plan for distributing bonus shares.</p>	<p><b>Article 217.</b> The Company's profit distribution policy is as follows: ...</p> <p>(5) If the net profit of the Company for the year increases by 20% from last year, the Board of the Company may propose the profit distribution plan for distributing bonus shares.</p> <p><b>(6) <u>The Board of the Company shall, taking into consideration factors such as industry characteristics, the Company's development stage, business operation model, profitability level and whether there are significant capital expenditure arrangements, develop differentiated cash dividend policies to be applicable in the following different situations in accordance with the Articles of Association:</u></b></p> <p><b>(i) <u>Where the Company is at a sophisticated stage of development and has no significant capital expenditure arrangements, the cash dividend payout ratio in the profit distribution shall reach a minimum of 80%;</u></b></p> <p><b>(ii) <u>Where the Company is at a sophisticated stage of development and has any significant capital expenditure arrangement, the cash dividend payout ratio in the profit distribution shall reach a minimum of 40%;</u></b></p> <p><b>(iii) <u>Where the Company is at a growth stage of development and has any significant capital expenditure arrangement, the cash dividend payout ratio in the profit distribution shall reach a minimum of 20%;</u></b></p> <p><b><u>Where the Company's development stage is difficult to be defined but the Company has any significant capital expenditure arrangement, the preceding provisions may still be followed.</u></b></p>

Other than the adjustments to the numbering of certain articles based on the amendments, other contents in the Articles of Association remain unchanged.

The proposed amendments to the Articles of Association will not affect the Company's obligations to comply with the Listing Rules.

In addition, the provisions of the amended Articles of Association pertaining to the repurchase of H Shares of the Company will be in compliance with the Listing Rules, including Rule 10.06 of the Listing Rules, as amended by Rules 19A.24 and 19A.25 of the Listing Rules.

The English version of the above articles to the Articles of Association is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

## LETTER FROM THE BOARD

### (2) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR BOARD MEETINGS

The Company proposes to, subject to the approval by the Shareholders at the EGM, amend the Rules of Procedures for Board Meetings. The proposed amendments to the Rules of Procedures for Board Meetings are as follows:

Original articles	Amended articles
<p><b>Article 2.</b> The Company shall establish its Board. The Board shall comprise 11 Directors, with one chairman and 1 vice chairman.</p> <p>...</p>	<p><b>Article 2.</b> The Company shall establish its Board. The Board shall comprise <u>9 to 11</u> Directors, with one chairman and 1 vice chairman.</p> <p>...</p>
<p><b>Article 4.</b> The Directors shall be elected at general meetings, with a term of office of 3 years. At the expiry of a Director's term of office, the term is renewable upon re-election, but any Independent Director cannot serve as the Company's Independent Director for a consecutive period of over 6 years.</p>	<p><b>Article 4.</b> The Directors shall be elected at general meetings, <u>and a Director shall be removed from his office by the general meeting prior to the expiry of his term of office. The term of office of a Director shall be</u> 3 years. At the expiry of a Director's term of office, the term is renewable upon re-election, but any Independent Director cannot serve as the Company's Independent Director for a consecutive period of over 6 years.</p>
<p><b>Article 12.</b> The Board of Directors shall be accountable to the general meeting and shall exercise the following functions and powers:</p> <p>...</p> <p>(18) To exercise any other powers conferred by the shareholders in general meetings.</p> <p>Except for the resolutions of the Board in respect of the matters specified in clauses (6), (7), (11), (12) and (14) of the preceding Article which shall be passed by two-thirds or more of the Directors, the resolutions of the Directors in respect of all other matters may be passed by more than one half of the Directors.</p> <p>...</p>	<p><b>Article 12.</b> The Board of Directors shall be accountable to the general meeting and shall exercise the following functions and powers:</p> <p>...</p> <p><u>(18) To decide to acquire shares of the Company for employee stock ownership plan and share option incentives, to use the shares for conversion into convertible corporate bonds issued by the Company or to maintain corporate value and shareholders' interests as the Company deems necessary;</u></p> <p><u>(19)</u> To exercise any other powers conferred by the shareholders in general meetings.</p> <p>Except for the resolutions of the Board in respect of the matters specified in clauses (6), (7), (11), (12), (14) <u>and (18)</u> of the preceding Article which shall be passed by two-thirds or more of the Directors, the resolutions of the Directors in respect of all other matters may be passed by more than one half of the Directors.</p> <p>...</p>

Other contents in the Rules of Procedures for Board Meetings remain unchanged.

The English version of the proposed amendments to the Rules of Procedures for Board Meetings is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

## LETTER FROM THE BOARD

### (3) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR SHAREHOLDERS' MEETINGS

The Company proposes to, subject to the approval by the Shareholders at the EGM, amend the Rules of Procedures for Shareholders' Meetings. The proposed amendments to the Rules of Procedures for Shareholders' Meetings are as follows:

Original articles	Amended articles
<p><b>Article 10.</b> The Company shall convene general meetings either at its domicile or at such other venue as specified by the Board. General meetings will set meeting venue and be convened by way of on-site meetings. The Company shall also set a web network or other ways to facilitate shareholders to participate in general meetings when necessary. Shareholders who attend a meeting by the said means are deemed to be present at such meeting.</p>	<p><b>Article 10.</b> The Company shall convene general meetings either at its domicile or at such other venue as specified by the Board. General meetings will set meeting venue and be convened by way of on-site meetings. The Company shall also set an <u>online voting method</u> <del>web network or other ways</del> to facilitate shareholders to participate in general meetings <del>when necessary</del>. Shareholders who attend a meeting by the said means are deemed to be present at such meeting.</p>
<p><b>Article 19.</b> The notice of a general meeting shall meet the following requirements: ...</p> <p>(11) Where a general meeting is held online or by other such means, the notice shall expressly state the time and the procedures of the voting online or by other such means.</p>	<p><b>Article 19.</b> The notice of a general meeting shall meet the following requirements: ...</p> <p>(11) Where a general meeting <u>adopts online voting</u> <del>is held online or by other such means</del>, the notice shall expressly state the time and the procedures of the <u>online voting</u> <del>voting online or by other such means</del>.</p>
<p><b>Article 23.</b> Once the notice of a general meeting is issued, the meeting shall not be postponed or cancelled and resolutions contained in the notice shall not be withdrawn without proper reasons. In the event of postponement or cancellation, the convener shall make announcement to state the reasons at least 2 working days prior to the original date of the meeting.</p>	<p><b>Article 23.</b> <u>The time and venue of on-site meetings shall be convenient for shareholders' participation.</u> Once the notice of a general meeting is issued, the meeting shall not be postponed or cancelled, <del>and</del> resolutions contained in the notice shall not be withdrawn <u>and the venue of an on-site meeting shall not be altered</u> without proper reasons. In the event of postponement, <u>or cancellation or alteration</u>, the convener shall make announcement to state the reasons at least 2 working days prior to the original date of the meeting.</p>
<p><b>Article 47.</b> Subject to ensuring the legitimacy and effectiveness of the general meeting, the Company shall provide convenience to the shareholders to attend the general meeting through various methods and ways, including modern information technologies such as providing network voting platform, etc.</p> <p>Voting in general meetings through web network or other ways shall not start earlier than 3:00 pm the day before the on-site meeting, nor shall it be later than 9:30 am on the day of on-site meeting and voting shall not conclude earlier than 3:00 pm on the day which the onsite meeting ends.</p>	<p><b>Article 47.</b> Subject to ensuring the legitimacy and effectiveness of the general meeting, the Company shall provide convenience to the shareholders to attend the general meeting through <del>various methods and ways, including</del> modern information technologies such as providing network voting platform, etc.</p> <p>Voting in general meetings through web network <del>or other ways</del> shall not start earlier than 3:00 pm the day before the on-site meeting, nor shall it be later than 9:30 am on the day of on-site meeting and voting shall not conclude earlier than 3:00 pm on the day which the onsite meeting ends.</p>

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## LETTER FROM THE BOARD

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Original articles	Amended articles
<p><b>Article 50.</b> ...</p> <p>The same voting right shall only be exercised by one of the voting means including on-site, via internet or by other means. In the event that the same voting right has been exercised repeatedly, the results of the first voting shall prevail.</p>	<p><b>Article 50.</b> ...</p> <p>The same voting right shall only be exercised by one of the voting means including on-site <b>or via online voting</b>, <del>via internet or by other means</del>. In the event that the same voting right has been exercised repeatedly, the results of the first voting shall prevail.</p>
<p><b>Article 52.</b> ...</p> <p>Shareholders of the Company or his proxy who vote via the internet or by other means are entitled to check and inspect their voting results through the relevant voting system.</p> <p>The on-site general meeting shall not end earlier than those held by online means or other means. Prior to the formal announcement of the voting results, the related parties involved in the on-site general meeting, online and other means of voting, such as the listed company, vote counters, scrutineers, major shareholders and network service provider, shall undertake the obligations of confidentiality for the voting results.</p>	<p><b>Article 52.</b> ...</p> <p>Shareholders of the Company or his proxy who vote via the internet <del>or by other means</del> are entitled to check and inspect their voting results through the relevant voting system.</p> <p>The on-site general meeting shall not end earlier than those held <u>by online voting</u> <del>by online means or other means</del>. Prior to the formal announcement of the voting results, the related parties involved in the on-site general meeting, <del>online</del> <b>online voting and</b> other means of voting, such as the listed company, vote counters, scrutineers, major shareholders and network service provider, shall undertake the obligations of confidentiality for the voting results.</p>

Saved as disclosed above, other contents in the Rules of Procedures for Shareholders' Meetings of the Company remain unchanged.

The English version of the proposed amendments to the Rules of Procedures for Shareholders' Meetings of the Company is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

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## LETTER FROM THE BOARD

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(4) **PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR SUPERVISORY COMMITTEE**

The Resolution in relation to Amendment to the Rules of Procedures for Supervisory Committee of the Company was considered and approved at the fourth meeting of the eighth session of the Supervisory Committee of the Company.

The Company proposes to, subject to the approval by the Shareholders at the EGM, amend the Rules of Procedures for Supervisory Committee.

The proposed amendments to the Rules of Procedures for Supervisory Committee are as follows:

Original articles	Amended articles
<b>Article 4.</b> The Company shall have a supervisory committee. The supervisory committee shall be composed of 6 supervisors, one of whom shall be the chairman of the supervisory committee. The terms of office of a supervisor shall be 3 years, and the term is renewable upon re-election. The appointment or removal of the chairman of the supervisory committee shall be determined by the affirmative votes of two thirds or more of the members of the supervisory committee.	<b>Article 4.</b> The Company shall have a supervisory committee. The supervisory committee shall be composed of <del>6</del> <u>3 to 5</u> supervisors, one of whom shall be the chairman of the supervisory committee. The terms of office of a supervisor shall be 3 years, and the term is renewable upon re-election. The appointment or removal of the chairman of the supervisory committee shall be determined by the affirmative votes of two thirds or more of the members of the supervisory committee.
<b>Article 5.</b> Members of the supervisory committee shall include 4 representatives of the shareholders and 2 representatives of the employees of the Company. The representatives of shareholders shall be elected and removed by the general meeting of shareholders. The representative of employees shall be elected and removed by the employees.	<b>Article 5.</b> Members of the supervisory committee shall include <del>4</del> representatives of the shareholders and 2 representatives of the employees of the Company, <u>provided that the proportion of the representatives of employees of the Company shall be not less than one third.</u> The representatives of shareholders shall be elected and removed by the general meeting of shareholders. The representative of employees shall be elected and removed by the employees.

Saved as disclosed above, other contents in the Rules of Procedures for Supervisory Committee of the Company remain unchanged.

The English version of the proposed amendments to the Rules of Procedures for Supervisory Committee of the Company is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

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## LETTER FROM THE BOARD

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### (5) ELECTION OF A SUPERVISOR

In accordance with the nomination of the Supervisory Committee of the Company, the Company proposes to appoint Mr. Zhang Hongsheng (“**Mr. Zhang**”) as a Supervisor of the eighth Supervisory Committee of the Company (the “**Eighth Supervisory Committee**”), with a term of office from the date of approval of his appointment by the Shareholders at the EGM to 28 October 2021.

Mr. Zhang’s details are set out below:

Mr. Zhang Hongsheng, aged 47, a senior economist, joined YTO Group Corporation\* (中國一拖集團有限公司) (“**YTO**”) in July 2019, and currently serves as the Party Secretary and Secretary of Discipline Inspection Commission of YTO. Mr. Zhang had served as the Deputy Party Secretary, Secretary of Discipline Inspection Commission, chairman of the supervisory committee of China Construction First Group Corporation Limited, chief of the Inspection and Supervision Bureau, and the director of the Inspection Work Office of China State Construction Engineering Corporation, Party member and Secretary of Discipline Inspection Commission of China Hi-Tech Group Corporation. Mr. Zhang studied in Northeast Forestry University and Chinese Academy of Social Sciences with a doctorate in management. He has extensive experience in areas such as discipline inspection and supervision, and corporate management.

Save as disclosed above, Mr. Zhang 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.

#### **Term and emolument**

If Mr. Zhang is appointed as a Supervisor of the Company, his term of office shall be from the date of the EGM to 28 October 2021. The remuneration of Mr. Zhang as a supervisor will be paid according to the remuneration plan for the Supervisors of the Eighth Supervisory Committee.

#### **Relationships**

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

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## LETTER FROM THE BOARD

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### **Interest in shares**

So far as the Directors are aware, as at the date of this announcement, Mr. Zhang does not have any interest in the shares of the Company (as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)).

### **Matters requiring attention of the Shareholders of the Company**

In relation to the appointment of Mr. Zhang as a Supervisor of the Company, there is no information to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no matter that needs to be brought to the attention of the Shareholders.

### **EGM**

A notice convening the EGM to be held at 2:30 p.m. on 29 November 2019, Friday, at No. 154 Jianshe Road, Luoyang, Henan Province, the PRC was despatched on 11 October 2019. The EGM will be held to seek the Shareholders' approval for, among other things, (1) the proposed amendments to the Articles of Association, (2) the proposed amendments to the Rules of Procedures for Board Meetings, (3) the proposed amendments to the Rules of Procedures for Shareholders' Meetings, (4) the proposed amendments to the Rules of Procedures for Supervisory Committee, and (5) the proposed appointment of the proposed Supervisor. Voting on the aforesaid resolutions will be taken by poll in accordance with the requirements of the Listing Rules.

The notice of the EGM is set out on pages 19 to 21 of this circular.

A form of proxy for use at the EGM was despatched and also published on the website of the Stock Exchange (<http://www.hkexnews.hk>) on 11 October 2019. Whether or not you are able to attend the meeting in person, you are requested to complete and return the proxy form in accordance with the instructions printed thereon. The proxy form shall be lodged with the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited, at 17M Floor., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or at the registered address 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 EGM or any adjourned meeting thereof (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment (as the case may be) should you so wish.

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## LETTER FROM THE BOARD

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### RECOMMENDATIONS

The Directors (including the independent non-executive Directors) consider that (1) the proposed amendments to the Articles of Association, (2) the proposed amendments to the Rules of Procedures for Board Meetings, (3) the proposed amendments to the Rules of Procedures for Shareholders' Meetings, (4) the proposed amendments to the Rules of Procedures for Supervisory Committee, and (5) the proposed appointment of the proposed Supervisor, are in the interests of the Company and the Shareholders as a whole and therefore recommend all Shareholders to vote in favour of the relevant resolution(s) for approving (1) the proposed amendments to the Articles of Association, (2) the proposed amendments to the Rules of Procedures for Board Meetings, (3) the proposed amendments to the Rules of Procedures for Shareholders' Meetings, (4) the proposed amendments to the Rules of Procedures for Supervisory Committee, and (5) the proposed appointment of the proposed Supervisor.

### 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 omission of which would make any statement herein misleading.

Yours faithfully,  
On behalf of the Board  
**First Tractor Company Limited**  
**Yu Lina**  
*Company Secretary*

\* *For identification purposes only*

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## NOTICE OF EGM

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**第一拖拉机股份有限公司**  
**FIRST TRACTOR COMPANY LIMITED\***

*(a joint stock company incorporated in The People's Republic of China with limited liability)*

(Stock Code: 0038)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the extraordinary general meeting (the “EGM”) of First Tractor Company Limited\* (the “**Company**”) will be held at 2:30 p.m. on 29 November 2019, Friday, at No. 154 Jianshe Road, Luoyang, Henan Province, the People’s Republic of China (the “**PRC**”), for the purpose of considering and, if thought fit, passing the following resolutions.

Unless otherwise indicated, capitalized terms used herein shall have the same meanings as those defined in the announcements of the Company dated 29 August 2019 and 11 October 2019.

#### ORDINARY RESOLUTIONS

- “1. the proposed amendments to the Rules of Procedures for Shareholders’ Meetings be hereby approved and confirmed;
2. the proposed amendments to the Rules of Procedures for Board Meetings be hereby approved and confirmed;
3. the proposed amendments to the Rules of Procedures for Supervisory Committee be hereby approved and confirmed;
4. the appointment of Mr. Zhang Hongsheng to be a supervisor (non-staff representative supervisor) of the Eighth Supervisory Committee for a term from 29 November 2019 to 28 October 2021 be hereby approved;
5. the conditional agreement (a copy of which will be produced to the EGM marked “1” and signed by the chairman of the EGM for the purpose of identification) entered into by the Company with YTO Group Corporation for the disposal of 100% equity interest in 一拖(新疆)東方紅裝備機械有限公司 (YTO (Xinjiang) Dongfanghong equipment Machinery Co., Ltd.\*), the terms and conditions thereof and the transaction contemplated thereunder be and are hereby approved, ratified and confirmed; and

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## NOTICE OF EGM

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6. the conditional agreement (a copy of which will be produced to the EGM marked “2” and signed by the chairman of the EGM for the purpose of identification) entered into by 洛陽拖拉機研究所有限公司 (Luoyang Tractor Research Institute Co., Ltd.\*), a 51%-owned subsidiary of the Company, with YTO Group Corporation for the disposal of 100% equity interest in 洛陽西苑車輛與動力檢驗所有限公司 (Luoyang Xiyuan vehicle and Power Inspection Institute Co., Ltd.\*), the terms and conditions thereof and the transaction contemplated thereunder be and are hereby approved, ratified and confirmed.”

### SPECIAL RESOLUTION

- “1. the proposed amendments to the Articles of Association of the Company be hereby approved and confirmed, and the Board be hereby authorised to revise the wordings of such amendments as appropriate (no approval from the Shareholders is required for such revision), and execute relevant documents and/or take all relevant actions as it considers necessary or expedient and in the interest of the Company to effect the proposed amendments, to comply with the PRC laws and regulations and meet the requirements of the relevant regulatory authorities of the PRC (if any), and deal with other matters arising from the amendments to the Articles of Association of the Company.”

(For details of the above resolutions, please refer to the announcements of the Company dated 29 August 2019 and 11 October 2019.)

By Order of the Board  
**First Tractor Company Limited\***  
**YU Lina**  
*Company Secretary*

Luoyang, the PRC  
11 October 2019

*As at the date of this notice, the Board comprises Mr. Li Xiaoyu (Chairman), Mr. Cai Jibo (vice Chairman) and Mr. Liu Jiguo as executive Directors; Mr. Li Hepeng, Mr. Xie Donggang and Mr. Zhou Honghai as non-executive Directors; and Mr. Yu Zengbiao, Ms. Yang Minli, Ms. Wang Yuru and Mr. Edmund Sit as independent non- executive Directors.*

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## NOTICE OF EGM

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*Notes:*

1. The register of members of the Company will be temporarily closed from 30 October 2019 to 28 November 2019 (both days inclusive) during which no transfer of Shares will be registered in order to determine the list of Shareholders for attending the EGM. The last lodgment for the transfer of the H Shares of the Company should be made on 29 October 2019 at Hong Kong Registrars Limited by or before 4:30 p.m. The Shareholders or their proxies being registered before the close of business on 29 October 2019 are entitled to attend the EGM by presenting their identity documents. The address of Hong Kong Registrars Limited, the H Share 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 EGM is entitled to appoint one or more proxies (whether a Shareholder or not) to attend and vote on his behalf. Should more than one proxy be appointed by one Shareholder, such proxy shall only exercise his voting rights on a poll.
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 authorised 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 authorisation must be delivered to the Company's registered address at No. 154 Jianshe Road, Luoyang, Henan Province, the PRC, or the Company's H Share registrar, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in not less than 24 hours before the time scheduled for the holding of the EGM or any adjournment thereof.
4. Shareholders who intend to attend the EGM are requested to deliver the duly completed and signed reply slip for attendance to the Company's registered and principal office in person, by post or by facsimile on or before 4:00 p.m., 8 November 2019.
5. Shareholders or their proxies shall present proofs of their identities upon attending the EGM.
6. The EGM is expected to last for less than one day. The Shareholders and proxies attending the EGM shall be responsible for their own travelling and accommodation expenses.
7. The Company's registered address:  
No. 154 Jianshe Road, Luoyang, Henan Province, the PRC  
Postal code: 471004  
Telephone: (86-379) 6496 7038  
Facsimile: (86-379) 6496 7438  
Email: msc0038@ytogroup.com

\* *For identification purposes only*