

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



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 2017 annual general meeting (the “**AGM**”) of First Tractor Company Limited (the “**Company**”) will be held at 2:15 p.m. on 29 May 2018 (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 2017.
2. To consider and approve the report of the supervisory committee of the Company for the year 2017.
3. To consider and approve the audited financial report of the Company for the year 2017.
4. To consider and approve the re-appointment of Da Hua Certified Public Accountants (Special General Partnership) as the auditor of the Company’s financial report and the internal control auditor for the year 2018, and to authorize the Board of the Company to decide its remuneration with reference to the 2017 remuneration standard.

5. To consider and approve the resolution in relation to provision of guarantees for the financial business for the Company's products.

(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 RMB1,100 million at any time during the validity period of the guarantees among which the amount of the guarantees actually provided to the dealers under the "Dong Fanghong" commercial loan business shall not exceed RMB800 million. 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 29 May 2018 to the date of convening the 2018 annual general meeting of the Company.)

6. To consider and approve the resolution in relation to provision of guarantees by the Company for its subsidiaries, Luoyang Changxing Agricultural Machinery Company Limited* and YTO International Trade and Economy 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, Luoyang Changxing Agricultural Machinery Company Limited* and YTO International Economy and Trade Company Limited* and the amount of guarantees actually provided by the Company shall not exceed RMB700 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 29 May 2018 to the date of convening the 2018 annual general meeting of the Company.)

7. 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 subsequent to the countersignature of the management. The validity period of the aforesaid caps of purchase of wealth management products is from 29 May 2018 to the date of convening the 2018 annual general meeting of the Company.)

SPECIAL RESOLUTIONS

1. To consider and approve the dividend distribution proposal (ie nil dividends) of the Company for the year ended 31 December 2017.

After taking into account the operating condition and capital requirements of the Company, the Board recommends not to declare or pay any dividends for the year ended 31 December 2017.

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;
 - (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 29 May 2018 (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 29 May 2018 (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.

(For details of the above resolutions, please refer to the announcements of the Company dated 29 March 2018 and 2 April 2018 and the circular of the Company dated 12 April 2018.)

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

Luoyang, the PRC
12 April 2018

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 29 April 2018 to 28 May 2018 (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 28 April 2018 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 28 April 2018 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., 8 May 2018.
 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.
 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*