

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



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)

ANNOUNCEMENT ON APPROVAL OBTAINED FROM CBIRC TO DISSOLVE CHINA YTO GROUP FINANCE COMPANY LIMITED

The Board and all directors of the Company hereby warrant that there are no false information, misleading statements or material omissions in this announcement, and accept several and joint responsibilities for the truthfulness, accuracy and completeness of its contents.

To implement the financial regulatory requirements under the Implementation Measures of the China Banking Regulatory Commission for Administrative Licensing Matters relating to Non-banking Financial Institutions (Order of CBRC 2020 No.6) which requires only one finance company within the same corporate group, on 29 March 2022, First Tractor Company Limited* (hereafter, “First Tractor” or the “Company”), China YTO Group Finance Company Limited (a controlled subsidiary of the Company, hereinafter referred to as “YTO Finance”), SINOMACH Finance Co., Ltd. (a controlled company of China National Machinery Industry Corporation* (中國機械工業集團有限公司), the de facto controller of the Company, hereafter, “SINOMACH Finance”) and China National Machinery Industry Corporation* entered into the “Framework Agreement on Restructuring and Integration between China YTO Group Finance Company Limited and Sinomach Finance Co., Ltd.” and proposed to carry out assets, business and personnel restructuring of YTO Finance and SINOMACH Finance through a series of transaction arrangements, including the disposal of assets of YTO Finance to SINOMACH Finance, the capital increase by First Tractor in SINOMACH Finance in cash, the cessation of operations and implementation of liquidation and cancellation of YTO Finance, and the provision of financial services by SINOMACH Finance to First Tractor.

I. PROCEDURES PERFORMED FOR DISSOLUTION OF YTO FINANCE

The dissolution of YTO Finance was considered and approved at the Thirty-six Meeting of the Eighth Session of the Board and the 2022 Second Extraordinary General Meeting of the Company (For details, please refer to the announcements of the Company as disclosed on the website of the Hong Kong Stock Exchange on 29 March 2022 and 16 June 2022).

YTO Finance held a shareholder meeting on 23 June 2022 to consider and approve the dissolution and submitted a dissolution application to the Henan Office of China Banking and Insurance Regulatory Commission (hereafter, the “CBIRC”).

II. PROGRESS ON DISSOLUTION OF YTO FINANCE

Recently, YTO Finance has received the “CBIRC’s Reply on the Dissolution of China YTO Group Finance Company Limited” (Yin Bao Jian Fu [2022] No. 787), which agreed to the dissolution of YTO Finance, and requested that YTO Finance to cease all business activities, return the financial license to CBIRC Luoyang Branch, and complete dissolution procedures in accordance with relevant laws and regulations.

YTO Finance intends to convene a shareholders’ meeting in the near future to establish a dissolution team, and implement the dissolution in accordance with Yin Bao Jian Fu [2022] No. 787, the articles of association of the Company and relevant laws and regulations.

III. IMPACT OF DISSOLUTION OF YTO FINANCE ON THE LISTED COMPANY

The business integration of YTO Finance and SINOMACH Finance is progressing in an orderly manner, and the dissolution of YTO Finance will not affect the completion of the assets disposal transaction from YTO Finance to SINOMACH Finance under this business integration (for details of the assets disposal transaction, please refer to the announcements of the Company as disclosed on the website of the Hong Kong Stock Exchange on 29 March 2022 and 10 October 2022).

The dissolution of YTO Finance is for the implementation of financial regulatory policies, and it will not have a significant adverse impact on the Company's overall business development and financial condition and will not prejudice the interests of the Company and shareholders.

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

Luoyang, the PRC
10 November 2022

As at the date of this announcement, the board of directors comprises Mr. Liu Jiguo (Chairman) as executive Director; Mr. Zhang Zhiyu and Mr. Fang Xianfa as non-executive Directors; and Mr. Edmund Sit, Mr. Wang Shumao and Mr. Xu Liyou as independent non-executive Directors.

* *For identification purposes only*