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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)

## **ANNOUNCEMENT ON COMPLETION OF DISSOLUTION OF 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.” 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).

In November 2022, YTO Finance has received the “CBIRC’s Reply on the Dissolution of China YTO Group Finance Company Limited”, which CBIRC agreed to the dissolution of YTO Finance (For details, please refer to the announcement of the Company as disclosed on the website of the Hong Kong Stock Exchange on 10 November 2022).

## **II. PROGRESS ON DISSOLUTION OF YTO FINANCE**

As of the date of this announcement, YTO Finance has completed its dissolution and obtained the “Notice of Registration” issued by Luoyang Municipal Administration of Market Supervision, allowing the cancellation of registration. Upon completion of the business deregistration process, YTO Finance will no longer be included in the consolidated financial statements of the Company.

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

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. The Company has recovered all initial investment costs and there is no prejudice to the interests of the Company and shareholders.

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

Luoyang, the PRC  
5 June 2023

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

\* *For identification purposes only*